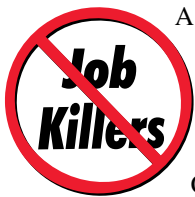


ALERT

Proposal Marks Huge Shift in Unemployment Insurance



A California Chamber of Commerce-**opposed** job killer bill that will profoundly change unemployment insurance (UI) in California and create long-term costs for the

state and businesses awaits action in the Senate.

AB 1066 (Gonzalez; D-San Diego) will provide unemployment benefits to striking workers even though they are not looking for work and have a job waiting for them once the labor dispute is resolved.

The bill is a sharp departure from more than 70 years of precedent in California, allowing employees on strike

to receive UI benefits if the strike lasts more than four weeks.

The CalChamber identified AB 1066 as a job killer because it will expose employers to a significant cost increase during a time in which they are already struggling with the financial impact of labor negotiations and a strike, thereby jeopardizing the employers' ability to maintain existing jobs and wages as well as the increased wages and benefits demanded by the union.

In opposing AB 1066, the CalChamber and a coalition of employer groups and local chambers of commerce point out that:

• **AB 1066 politicizes unemployment benefits.** Whereas the UI system had

See Proposal Marks Huge: Page 7

Labor Law Attorney Joins CalChamber Legal Affairs Team



James W. Ward

James W. Ward joined the California Chamber of Commerce in June 2019 as an employment law subject matter expert/legal writer and editor.

In that position, he will enhance the

ongoing efforts of the CalChamber legal affairs team to explain for nonlawyers how statutes, regulations and court cases affect California businesses and employers.

Ward came to the CalChamber following his time as an associate attorney at Kronick Moskowitz Tiedemann & Girard of Sacramento. At Kronick, he provided advice and counsel to public and private employers on labor and employment matters, including discrimination, harassment, retaliation, wage-and-hour issues, employee leave, reasonable accommoda-

See Labor Law Attorney: Page 7

Help Rename CalChamber Grassroots Program



What's in a name? For years, the California Chamber of Commerce

has identified its advocacy outlet devoted to encouraging involvement on legislative and regulatory issues as the Grassroots program.

The Grassroots website provides resources for CalChamber members, and even nonmembers, to send letters directly to elected representatives and regulators, register to vote, or discover new ways to engage in the legislative process.

Through the Grassroots program, California residents can be a voice for change on policy proposals that affect the daily lives of all Californians.

Although the idea of grassroots

involvement is simple, the name is one that doesn't resonate as effectively in 2019 as it did for many years. This is why CalChamber is rebranding the program and seeking your help in choosing the next name for it!

Please help us in deciding the new name for this program as it undergoes an exciting new rebranding by voting for your favorite option. Voting is taking place now on both the CalChamber Advocacy homepage and the Grassroots homepage. The choices are:

- Your Voice;
- California Voices;
- Impact California;
- Connect California.

To record your choice, visit www.calchamber.com/grassroots and complete the poll.

Staff Contact: Natalie Leighton

Budget Update Pending



As *Alert* went to print, the final shape of the budget was not set.

Watch calchamber.com for updates.

Inside

Reality Check: Workers Are Changing: Page 5

Labor Law Corner

Request for Employment Records: Steps to Consider Before Responding



David Leporiere
HR Adviser

I received a document in the mail the other day from a law firm requesting a wide variety of employment records related to one of my employees. It seems like some of the records may be of a personal nature; do I have to turn everything over to this law firm? Should I tell the employee that I received this document? The document says I have 15 days to produce the documents. What should I do?

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It sounds like what you received is a deposition subpoena for employment records. These forms are generated routinely during the process of a civil lawsuit to obtain information about the opposing party. It is likely that your employee is either suing or being sued by someone in a California superior court.

Although the document is issued by an attorney and not a court, the party receiving the subpoena must provide the records requested, provided the subpoena was properly issued and no objection was filed by the employee whose records are being sought.

Proof of Service

One of the key aspects of properly issuing such a subpoena is for the party seeking the records to provide the employee or his/her attorney with a copy of the subpoena at least five (5) days before it is served on the employer. The party serving the subpoena must provide the employer with a Proof of Service which states under penalty of perjury that the employee or his/her attorney was provided with the subpoena at least five (5) days before it was served on the employer.

If the attorney failed to take this step, the subpoena is invalid, and if you provide records in response to such a subpoena, you could be violating your employee's right to privacy. Due to the possible adverse consequences of improperly responding to this subpoena, it is highly advised that you consult with

your attorney whenever you receive this type of request.

Providing Records: Caution

If the attorney provided you with a proper proof of service showing that he/she gave the proper advance notice to your employee or his/her attorney, you must provide all the records you have that are responsive to the request, unless you receive a document from your employee or his/her attorney indicating that a Motion to Quash the subpoena has been filed.

If your employee's attorney believes that the other attorney is asking for documents that should not be produced, he/she will file the Motion to Quash with the court and provide you a copy. If you receive a Motion to Quash document, you should not produce any documents until you have received either an order from the court, or a document indicating that the parties have reached an agreement as to the scope of the production of the employment records.

In that this is a very complicated situation, it is always best to consult with your attorney before responding to this type of subpoena.

Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law

Leaves of Absence: Making Sense of It All. CalChamber. August 16, Oakland. (800) 331-8877.

HR Boot Camp. CalChamber. August 22, Pasadena - Sold Out; September 12, Sacramento. (800) 331-8877.

Add Local Ordinances to Your Compliance Radar. September 19, Webinar. (800) 331-8877.

Business Resources

Business H2O Water Innovation Summit. U.S. Chamber of Commerce and

Salt Lake Chamber of Commerce. September 12, Snowbird, Utah. (801) 364-3631.

14th Annual Prop. 65 Conference. Prop 65 Clearinghouse. September 23, San Francisco. (415) 391-9808.

International Trade

Think Asia, Think Hong Kong. Hong

See CalChamber-Sponsored: Page 4

Next Alert: July 19



The Workplace

Stalled, Moving Employment Law Proposals in Current Legislative Cycle



A number of bills that would have hindered employers in the state have been stopped for the year, but a few others remain. In this week's episode of *The Workplace*, CalChamber Executive Vice President and General Counsel Erika Frank, and CalChamber Executive Vice President Jennifer Barrera discuss employment law bills making their way through the Legislature and the effects the passage of these bills could have on employers in California.

Leave Expansion Bills Stalled

The first set of bills Frank discusses with Barrera, who spearheads the California Chamber of Commerce policy team, are bills that have stalled for the year, but may reappear in January 2020.

The first bill they discuss is **AB 555 (Gonzalez; D-San Diego)**, which was placed on the inactive file by the bill's author. The bill would have expanded the state's paid sick leave law from three days to five days. Although two days may not seem significant, Barrera says, the expansion can be a big burden on small employers.

"Documentation is always an issue and with this [bill] there is not an ability for the employer to verify a leave of absence for sick leave, so it creates a lot of challenges with absenteeism in the workplace," she says.

Another problematic bill that was stopped was **AB 628 (Bonta; D-Oakland)**. The bill was labeled a job killer by the CalChamber as it would have created unlimited time off for victims of sexual harassment in the workplace. The bill states that any individual who is a victim of sexual harassment can take a

protected leave of absence from work. A victim's family member could also take a protected leave of absence.

"It was basically an unlimited leave of absence with little to no notice to the employer of taking the time off," says Barrera.

AB 628 was taken up on the Assembly floor and failed passage to the Senate, but was granted reconsideration.

The last of the employment leave bills Barrera discusses with Frank is job killer bill **SB 135 (Jackson; D-Santa Barbara)**. The bill was moved to the Senate inactive file by its author. The bill sought to expand the California Family Rights Act, which provides up to 12 weeks of protected leave, to apply to employers with five employees or more.

The bill would have placed a significant burden on small employers who don't have the workforce to cover the duties of employees out on leave, Barrera says.

"Family leave is a tough policy issue because obviously legislators are sympathetic to the needs of family and medical conditions, and taking time off to care for that, but there is a balance that needs to be appreciated with regards to smaller employers," she tells Frank.

Legislation That Is Advancing

This week's podcast also updates listeners on a bill that seeks to address some elements of the *Dynamex* decision; the ruling was discussed on [Episode 2 of The Workplace](#) podcast.

AB 5 (Gonzalez; D-San Diego), which passed out of the Assembly with significant support, codifies the *Dynamex* decision, putting it into the Labor Code, and specifies that the ABC test would be applicable to the unemployment insurance code, Barrera explains. The bill also offers exemptions that are important for businesses, such as exemptions for doctors, insurance agents, financial brokers, direct sellers, professionals who have a business license and have a degree in law, dentistry, accounting, engineering, architecture, human resources, or marketing.

As AB 5 continues in the legislative cycle, Barrera says she expects the bill will be further worked on and expanded.

"It is really encouraging for such a huge issue to move forward to the next house and for the author to show such commitment, as well as the different

members that spoke in support of finding some kind of resolution, in a general recognition that the *Dynamex* decision is just too broadly impacting the economy and other workers in California," Frank replies.

Wrapping up the podcast, Barrera highlights two bills that are particularly important for employers. The first bill Barrera brings up is **AB 51 (Gonzalez; D-San Diego)**, which deals with arbitration agreements in the workplace. The bill states that employers cannot have an arbitration agreement as a condition of employment to resolve employment disputes, Barrera tells Frank.

"Arbitration is basically an alternative forum than court to resolve your dispute," Barrera explains. "It is done in a more efficient and expedited manner than civil litigation. And it's usually resolved within six months to a year, as opposed to waiting in civil litigation for four to five years to have your dispute resolved."

AB 51 is nearly identical to a bill that made it out of the Legislature last year, but was vetoed by Governor Edmund G. Brown Jr. because it directly violated the Federal Arbitration Act. If AB 51 were to pass, it would likely be challenged in the courts, Barrera says.

The last bill Barrera addresses is **AB 1066 (Gonzalez; D-San Diego)**, which would allow employees who are on strike to receive unemployment benefits if the strike lasts for more than a specified amount of time.

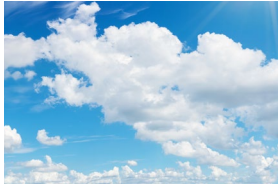
"It flips the idea of what unemployment benefits are supposed to be utilized for and puts the state in the middle of a labor dispute, essentially, by funding striking workers," says Barrera. "...When we have a recession on the horizon, and there is a concern about what the employment and unemployment rate will look like at that time, I think it is concerning to now add a huge portion of the population that has access to this fund that has never had it before."

More Information

As these bills progress further in the legislative cycle, employers can stay up-to-date by visiting [advocacy.calchamber.com](#). Easy-to-edit sample letters and other resources are available at [advocacy.calchamber.com/grassroots/](#).

CalChamber Objects to Massive Expansion of Air Emissions Reporting Mandate

No Public Hearing Set as Proposed Rule Now Encompasses Small Businesses



Small businesses, including many without in-house air specialists, may

soon be required to report air emissions, according to a draft regulation that is advancing without a public hearing.

The California Chamber of Commerce raised concerns this month about the [latest draft regulation](#) the California Air Resources Board (CARB) has proposed for reporting air emissions.

CARB is attempting to create a statewide approach to collecting and monitoring data to avoid piecemeal collection and ensure the use of best available technology to measure air emissions across the state.

In contrast to the first draft of the regulation, which applied to three categories of stationary sources of emissions, the latest version proposes adding a fourth category of entities required to report emissions: any entity to which an air district has granted a permit to operate if that entity has emissions greater than a specified threshold.

CARB estimates that 1,300 facilities are included in the three categories of stationary sources, but 48,700 facilities would be covered under the fourth category, including about 17,200 small businesses.

The 2017 legislation establishing the monitoring program (AB 617; C. Garcia; D-Bell Gardens; Chapter 136) authorized monitoring requirements for defined stationary sources. Many of the emission sources in the proposed fourth category of entities required to report fall outside the definitions in the legislation.

No public hearing has been set to allow the business community to discuss the criteria for the fourth category of entities required to report emissions.

Magnitude of Costs

The CalChamber has significant

concerns about the cost of the reporting program, especially to the extent that it duplicates or complicates data submissions the air districts already are collecting.

Original estimates were that the data collection program would cost about \$20 million. With the expansion of the program, the estimated cost has more than quadrupled to exceed \$80 million.

The costs will be passed along to the regulated entities on top of the estimated costs to the regulated industries.

In addition, CARB still must incur additional costs to develop an electronic reporting system to fully integrate and streamline the process.

The CalChamber called for an analysis of alternatives to determine other options for data collection that do not require similarly substantial costs.

Other Concerns

- **Abbreviated reporting** is appropriate and needed to avoid a burden on sectors of the economy that should have little or easily quantifiable emissions. Some sections of the regulation dealing with abbreviated reports need clarification.

- **Emissions reporting requirements:** Using existing district reporting methods, forms and processes while CARB develops a more streamlined electronic submission program is crucial to prevent backlogs and mistakes. Reporting deadlines should be phased in to coincide with district deadlines until

the two can be reconciled to the same date.

- **Duplicative reporting:** The CalChamber remains concerned that much of the significant amount of data that the draft regulation requires for submission may already be submitted to the air district in other forms and expressed hope that CARB and the air districts will continue to work together to reduce possible duplicative reporting to the maximum extent possible.

- **Confidentiality:** The CalChamber emphasized that information submitted to CARB should be subject to the same confidentiality and trade secret protections that prevent unnecessary disclosure under the public records act.

- **Enforcement:** CalChamber recommended that only the defined stationary sources of emissions be subject to the proposed enforcement and civil penalties, and that the regulation's language be clarified to confirm that facilities are not subject to double penalties by CARB and the local air district for the same violation.

What's Next

It is unclear whether CARB will heed stakeholders' requests to hold a public hearing on the [new draft](#). The CARB staff will prepare a final version of the rule and report to CARB at a future meeting (not yet set) for a vote on adoption.

Staff Contact: Leah Silverthorn

CalChamber-Sponsored Seminars/Trade Shows

From Page 2

Kong Trade Development Council.
September 20, Los Angeles. (213) 622-3194.

Discover Global Markets: Powering and Building The Middle East and Africa.
U.S. Department of Commerce and the Houston District Export Council.
September 30–October 2, Houston, Texas. (281) 228-5652.

Annual Pan African Global Trade and

Investment Conference. Africa-USA Chamber of Commerce. October 16–17, Sacramento. (626) 243-3614.

Trade Expo Indonesia. Indonesian Ministry of Trade. October 16–20, Banten, Indonesia.

Hong Kong International Wine and Spirits Fair 2019. Hong Kong Trade Development Council. November 7–9, Hong Kong.

Reality Check: Workers Are Changing



Allan Zarembeg

Labor protections are meant to address certain situations where there is an imbalance in control between the employer and employee. But when the workers themselves control their working

conditions, are these labor protections still necessary?

The heart of the debate over independent contracting in the gig economy is how can we improve protections for gig workers, without losing the control and flexibility they value.

Today, you can't have it both ways. Having job security means the employer will schedule your hours. Without that control, you couldn't get coffee in the morning if one day all the baristas choose to sleep in.

On the other hand, embracing the freedom to control your own schedule releases an employer from paying overtime or scheduling mandatory breaks, since you control when, where and how long you want to work.

Explore New Models

But times are changing and so is technology. Arrangements for gig workers don't need to be an either/or proposition. The best approach is to explore new models that uplift work and extend labor protections where there are the most obvious needs.

The wrong approach is to shoehorn all freelance workers into an industrial model built for a different age and outdated technologies.

Technology hasn't just created more choices for consumers. It has provided a flexible way for workers to earn money and supplement income in California and around the world according to their own lifestyles and preferences.

Hundreds of thousands of workers in California are voting with their pocketbooks to forego or supplement traditional work arrangements with work in the gig economy to accommodate school, kin care, or avocations, or to bring in more income on the side.

But making way for change isn't easy, particularly when traditional work arrangements are defended by special interests that can exist only within those old models. While progressive in other realms, the California Legislature has never grappled with how freelance workers and independent contractors fit into our dynamic economy, especially the gig economy.

By default, workers have been governed by laws uninformed by the advances of mobile phones, information networks, or the innovation revolution of the past decade.

Commentary By Allan Zarembeg

Court Opinion

But don't take my word for it.

In a 2015 opinion on drivers in the gig economy, U.S. District Court Judge Vince Chhabria of San Francisco stated, "The test the California courts have developed over the 20th Century for classifying workers isn't very helpful in addressing this 21st Century problem. Some factors point in one direction, some point in the other, and some are ambiguous . . . perhaps drivers should be considered a new category of worker altogether."

The Legislature must get off the sidelines and set the ground rules for the networked, innovative, on-demand economy, not by rolling back the clock as if the gig economy doesn't exist, but by recognizing and supporting nontraditional workers.

Freelancer Satisfaction

Freelance workers are overwhelmingly satisfied with their arrangements. According to a survey by the federal Bureau of Labor Statistics, independent contractors overwhelmingly prefer their work arrangement (79%) to traditional jobs. Fewer than one in 10 independent contractors would prefer a traditional work arrangement, according to the bureau.

What drives these attitudes?

- **Flexibility.** Clearly the biggest benefit for the drivers on the network platforms. They can log on and off whenever they want. There is no minimum commitment for a number of rides or hours a

driver must be on a platform in a week, month, year.

- **Market data.** Drivers receive a valuable benefit from the gig economy platforms, which compile the market data on demand for transportation, evaluate the price the market will bear for the ride, time, and distance, and provide that information to drivers in real time.

- **Choice.** Drivers can turn down work when they have better alternatives, work with competing platforms simultaneously, or take months or years away and return on a moment's notice. These options would not be available to a driver employed by a company.

- **Location.** A driver or courier can head from anywhere. The platform is not dependent on where the individual resides. The individual can chase opportunities in one city or another or can earn extra income while out of town, all while residing elsewhere.

- **Low barrier to entry to work right now.** A worker can be on the platform the same day as signing up and use many modes of transportation to start earning, including by walking, biking, or driving. While minimum requirements such as age, driver's license, background check, driving record, vehicle insurance, proof of residency, apply for ride sharing, the flexibility of biking or walking expands the range of options to earn via other forms of on-demand work. That creates a path for work for residents without immigration documentation, a feature again unavailable to employees.

- **Competitors.** A driver or courier may work for any and all competing platforms. This creates a dynamic where the platform competes for the individual's time and labor, rather than the other way around.

California's diverse and energetic workforce is the beating heart of our dynamic economy. The Legislature can further boost worker satisfaction, economic growth by updating work arrangements that suit 21st century lifestyles instead of leaving judges and juries to, as Judge Chhabria indicated, force a "square peg" into "two round holes."

Allan Zarembeg is president and chief executive officer of the California Chamber of Commerce. This commentary first appeared on CALmatters.org.

CalChamber, Japan Business Leaders Note Longstanding Trade/Investment Partnership

An annual meeting between the California Chamber of Commerce and Japan business leaders highlighted California's continuing interdependence with one of its largest trade and investment partners.

Leading the Japanese business delegation were Kiichi Nakajima, president of the Japan Business Association of Southern California (JBA) and vice president of the Southwest Region with Japan Airlines Co., Ltd., as well as Masayuki Matsumura, vice president of the Japanese Chamber of Commerce of Northern California (JCCNC) and director of Mizuho Bank.

Representing the CalChamber at the Thursday, June 20, luncheon were Allan Zaremborg, president and CEO, and Susanne T. Stirling, vice president, international affairs.

The JCCNC was established as a

nonprofit corporation in 1951 to promote business, mutual understanding and good will between Japan and the United States.

JBA, founded in 1961, is a nonprofit organization consisting of nearly 500 Japanese corporations doing business across Southern California.

Discussion Themes

The JBA and JCCNC meeting covered a variety of themes, including California's current tight labor market and ways Japanese companies could overcome this challenge. State and federal environmental and trade policies also were on the agenda.

The Japanese business delegation also discussed any incentives that may exist for companies that are considering moving their operations out of California.

The group also spoke about the

many important Japanese contributions to the California economy, as Japan is one of the top foreign direct investors in California. Lastly, the group asked the CalChamber to share its top priorities.

Statistics

Japan a Top Investor in U.S.

The United States is a large supplier of chemicals, transportation equipment, and computer and electronic products to Japan. Japan is also one of the largest U.S. foreign markets for agricultural products.

U.S. exports to Japan were \$74.96 billion in 2018, making it the fourth largest export destination for the United States. Imports from Japan to the United States were \$142.59 billion, with trans-

See CalChamber, Japan: Page 7



Photo by Sara Proffitt

(Seated, from left) Hiroki Suyama, legal counsel, Japan Business Association of Southern California (JBA)/partner, Squire Patton Boggs (US) LLP; Shinichi Yoshino, vice president, JBA/director, KPMG LLP; Kiichi Nakajima, president, JBA/vice president, Japan Airlines Co., Ltd.; Allan Zaremborg, president and CEO, CalChamber; Masayuki Matsumura, vice president, Japanese Chamber of Commerce of Northern California (JCCNC)/director, Mizuho Bank, Ltd.; Naoki Ando, chair, JCCNC Government Relations Committee/president and CEO, Ebara Technologies, Inc.; and Masahiro Maruyama, vice chair, JCCNC Government Relations Committee/president and COO, HULFT, Inc. (Standing, from left) Yoshinobu Fukushima, executive director, JBA; Susanne T. Stirling, vice president, international affairs, CalChamber; Noriyuki Sakai, vice chair, JBA Business and Commerce Committee/attest senior, PDM LLP; Tsunehisa Nakajima, JCCNC/COO, Fujisoft America, Inc.; Anna Silva, HR manager, Ebara Technologies, Inc.; Masayoshi Ozeki, JCCNC/president, Mitsubishi Chemical Carbon Fiber and Composites, Inc.; and Kenichi Tsuji, executive director, JCCNC.

Proposal Marks Huge Shift in Unemployment Insurance

From Page 1

previously been a neutral factor in labor disputes, AB 1066 will penalize employers for strikes, regardless of the facts of the labor dispute.

• **AB 1066 would create additional solvency issues for the California UI system.** After 2008, California's UI Trust Fund became insolvent and was forced to take out federal loans. Those loans

added hundreds of millions of dollars in costs to the state's general fund each year, and were finally repaid in 2018.

By potentially adding the members of entire unions to the unemployment rolls, AB 1066 will push California's UI fund toward insolvency once again.

• **AB 1066 will burden even nonstriking workplaces.** Because AB 1066 burdens the entire UI fund, even

employers whose workers do not strike will face increased costs from being forced to pay increased UI premiums.

AB 1066 has been assigned to the Senate Labor, Public Employment and Retirement Committee. No hearing date has been set.

Staff Contact: Robert Moutrie

Labor Law Attorney Joins CalChamber Legal Affairs Team

From Page 1

tions, employee discipline, and employer policies and handbooks. Ward also represented public and private employers in litigation at the trial and appellate court levels.

During law school, Ward served as a judicial extern to Associate Justice Ronald B. Robie of the California 3rd District Court of Appeal. During his time

at the court, Ward analyzed trial court records, appellate briefs, recommended dispositions and drafted judicial opinions for Justice Robie.

Preceding his focus on the law, Ward was a professional musician and recording engineer, serving as music director at Warehouse Ministries, and a general partner at Spyhunter Records, both in Sacramento.

Ward holds a B.A. in humanities, *magna cum laude*, and an M.A. in history from California State University, Sacramento. He earned his J.D. with great distinction from the McGeorge School of Law, University of the Pacific, where he was staff editor of the *Pacific McGeorge Global Business and Development Law Journal*, and served on the Moot Court Honors Board.

CalChamber, Japan Business Leaders Note Trade/Investment Partnership

From Page 6

portation equipment accounting for 42.7%.

According to the most recent figures, U.S. direct investment to Japan totaled \$129 billion in 2017, largely in financial, software and internet services. Foreign direct investment (FDI) from Japan into the United States was \$469 billion in 2017, making it the third largest source of FDI in the United States.

In 2014, Japanese FDI in the United States supported 860,600 jobs and contributed \$8 billion to research and development, as well as another \$86.6 billion to expanding U.S. exports.

The top industry sectors for Japanese FDI are: auto components, industrial equipment, automotive OEM, plastics, metals and software and IT services (Select USA).

In 2017, by country of ultimate beneficial owner, the third largest investing country into the U.S. was Japan, investing more than \$34 billion (Bureau of Economic Analysis).

Strong California-Japan Ties

California continues to be the top

exporting state to Japan, accounting for more than 17% of total U.S. exports. Japan has remained California's fourth largest export market since 2010, after Mexico, Canada and China.

California exports to Japan, the world's third largest economy, totaled \$13 billion in 2018. Computers and electronic products accounted for 17.7% of total exports.

Imports into California from Japan were \$33.6 billion, with transportation equipment accounting for almost half of total imports.

California is currently the top importing state in the United States for products from Japan. In addition, California buys more products from Japan than any other country besides China and Mexico.

Japan is consistently one of the top three sources of FDI into California. Japanese-owned firms account for more than 120,000 jobs in California and for 18.1% of California's total foreign-owned employment in 2014 (Pacific Partners 2017).

The *Los Angeles Business Journal* reports that in Southern California, the

No. 1 country for FDI through foreign-owned enterprises (FOEs) is Japan. Japanese FOEs in Southern California provide more than 85,000 jobs through over 2,500 firms. This amounts to \$5.35 billion in wages (*Los Angeles Business Journal*, May 21, 2018). The top sectors of Japanese FOEs are information, financial activities, retail trade, wholesale trade, and manufacturing.

Other Notes

The annual report prepared by JCCNC and JBA includes the following: It is said that the first arrival of a Japanese person to California was in 1850. Following this, the first official Japanese delegation to the United States arrived in San Francisco on March 17, 1860.

Since then, California and Japan have built a strong relationship through various historical, cultural, and economic events. California and Japan have established 98 sister cities—25% of all sister cities in the United States.

Staff Contact: Susanne T. Stirling



#RespectWorks

Harassment Has **NO PLACE** In **OUR WORKPLACE**



Joined by a growing and impressive list of inspired California companies, CalChamber's #RespectWorks campaign pledges to promote inclusiveness and prevent harassment in the workplace. Download your free resources at respectworks.calchamber.com.

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CALIFORNIA CHAMBER OF COMMERCE

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