

ALERT

Trump Signs Long-Awaited U.S.-Mexico-Canada Pact



President Donald J. Trump signed the U.S.-Mexico-Canada Agreement (USMCA)

this week, calling it “a tremendous breakthrough.”

The California Chamber of Commerce supports the USMCA based on an assessment that the agreement serves the employment, trading and environmental interests of California, the United States, Mexico and Canada, and is beneficial to the business community and the California and national economies.

Necessary Modernization

“Mexico and Canada are two of California’s strongest trading partners and trade with Mexico and Canada supports nearly 14 million U.S. jobs,” said Allan Zaremberg, CalChamber president and CEO. “The USMCA is a necessary modernization to NAFTA that recognizes the impacts of technology on the three countries’ economies.”

The objectives of the USMCA are to eliminate barriers to trade, promote conditions of fair competition, increase investment opportunities, provide adequate protection of intellectual property rights, establish effective procedures

See Trump Signs: Page 4

Mexico Chief Negotiator Provides Insight on USMCA at CalChamber Luncheon



Mexico’s chief negotiator for the U.S.-Mexico-Canada Agreement (USMCA), Dr. Jesús Seade Kuri, undersecretary of foreign affairs for North America, shares insights on the trade negotiations at a CalChamber-hosted luncheon on January 28, the day before President Trump signed the agreement. See story on Page 7.

Oh, What a Relief It Isn’t—AB 5 and the B2B Exemption



The new law governing independent contracting, AB 5, includes what can be described as

a business-to-business (B2B) exemption. But a close examination of the actual language shows that the B2B exemption is virtually inoperable.

The author of AB 5 consistently states that the B2B carve-out provides relief to freelancers and sole proprietors to continue operating in the state and not be subject to AB 5’s ABC test.

However, even if a service provider can establish that it meets all of the factors, misclassification liability on the hiring entity is so great that no one wants to take the risk (misclassification liability may include unpaid minimum wage, overtime, meal and rest breaks; unpaid federal, state and local income tax; Private Attorneys General Act penalties; unpaid sick time; unpaid work-related expenses; workers’ compensation premiums; and unemployment compensation, just to name a few).

Impediments to Exemption

To qualify for the B2B exemption, the contracting business must show that it meets all of the 12 requirements of this exemption. Thus, failing to meet just one of the 12 factors means the business entity does not qualify for the exemption.

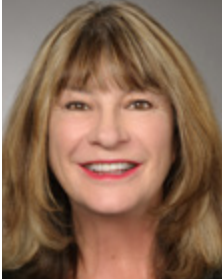
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Labor Law Corner

Accommodating Pregnant Employees in Potentially Risky Work Spaces



Dana Leisinger
HR Adviser

We have a pregnant employee working in the plant where there are a lot of chemical exposures. Her doctor has not restricted or limited her work duties, but we are concerned about her exposure to these chemicals. What are our options?

First, make sure her doctor is fully aware of the issues in the plant. For example, write up a detailed job descrip-

tion noting the possibility of exposure to chemicals, including which chemicals precisely and how often the exposure is likely to occur.

Notify the Doctor

Many chemicals in the workplace haven't been tested for their impact on reproductive problems and infants in the womb. A good idea would be to provide the doctor with Material Safety Data Sheets (MSDS) for all chemicals in the workplace.

All manufacturers must provide these when there are toxic chemicals, and the sheets include detailed information on the chemicals that could be reviewed by her doctor.

Keep in mind that the employee may be less than candid with her doctor if she needs the income—disability pay is significantly less than the regular wage rate.

Reassign Duties

Exposure to chemicals is only one possible risk for a pregnant employee working in a plant. As the woman becomes more advanced in her pregnancy, she may be more cumbersome and unable to get out the way of machinery and forklifts.

If only one part of the employee's job is risky/hazardous, reassign those duties to a nonpregnant worker. This isn't always possible, but remember the easy answers.

Another solution is to reassign the employee to a completely different job with minimal risks/hazards. Employers frequently state, "Oh, but we have nowhere to move her to." But a closer examination might reveal tasks the employee can perform out of harm's way.

Pregnancy Disability Leave

Finally, it may prove impossible to accommodate any restrictions the doctor proposes, and if it's early in the pregnancy, she may need more than 4 months of pregnancy disability leave (PDL).

The PDL laws were amended a few years ago such that employers should provide more than the 4 months noted in the law as a reasonable accommodation. The decision to take an employee off work due to concerns about her safety, if unsupported by her doctor's note, could be viewed as discriminatory based on the employer's perception of her limitations.

Ultimately, keep in mind that showing your employees you care about their health and safety can improve morale and employee retention.

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.

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law

Starting Off on the Right Foot—Keys to Employee Recruitment. CalChamber. February 20, Webinar. (800) 331-8877.

Leaves of Absence: Making Sense of It All. CalChamber. February 21, Sacramento; April 24, Costa Mesa; June 26, San Diego; August 13, Oakland. (800) 331-8877.

HR Boot Camp. CalChamber. March 5, Modesto; March 27, San Diego; April 23, Costa Mesa; May 6, Sacramento; June 12, Walnut Creek; August 21, Pasadena; September 10, Sacramento. (800) 331-8877.

International Trade

Business Briefing: Turkey Hospital and Cancer Technology Visit. U.S. Trade and Development Agency. February 4, Silicon Valley. (202) 741-1279.

Navigating the Trade Environment with China for the Automotive Industry. U.S. Commercial Service. February 5, Webinar. (864) 561-6326.

CSU Alumni Reception. The California State University. February 10, Seoul, South Korea; February 13, Tokyo, Japan. (562) 951-4717.

StopFakes Roadshow. International Trade Administration. February 11, Sacramento; February 13, San Jose. (916)

See CalChamber-Sponsored: Page 6



The Workplace

New Law Expands Definition of Registered Domestic Partnership



In keeping with the new year theme, this week's podcast includes two new "sleeper laws" that took effect on January 1,

2020. These laws have not been highly publicized or spoken about frequently in the news, yet are still important for employers to know.

In Episode 46 of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank and employment law experts Matthew Roberts and Bianca Saad highlight laws on domestic partnerships and flexible spending accounts, sexual harassment prevention training deadlines, and new required updates for workplace posters and pamphlets.

SB 30: Domestic Partnership

Starting January 1, 2020, California expanded its definition of "domestic partner," a protected class under the Fair Employment and Housing Act. Previously, California law stated that registered domestic partners were limited to the same sex or opposite sex partners over the age of 62, Saad tells Frank.

SB 30 expands who can apply to be a registered partner. Now, under SB 30, any individual at least 18 years of age or older may register with another individual as a domestic partner, Saad says.

The law also will influence, for example, someone who would apply for California Family Rights Act (CFRA) leave. Registered domestic partners are covered under these protections as well, Saad adds.

A question that often arises is whether employers can ask for proof of a domestic partnership. While employers are certainly entitled to ask for proof, this comes with a sticky edge.

"If we haven't been asking for marriage certificates of our married individuals, we are not going to be now asking for the registration certificate, so to speak, of our domestic partners," Frank clarifies.

Registering for domestic partnership status is a *procedure* done through the Secretary of State, Saad explains.

Flexible Spending Accounts

It's the perfect time of the year to talk about flexible spending accounts (FSA) for employers who offer the benefit.

Some plans offer a little bit more leeway to use the funds in FSAs, but if you don't use it by the deadline, you lose it, Frank emphasizes. Prior to a new law that took effect on January 1, 2020, it was not mandatory for employers to notify employees about their approaching account deadline.

The new law requires employers to provide two forms of notices to employees before their funds are set to expire under the use it or lose it provision, Roberts explains. Notices can come in two different forms: one may be electronic (such as an email); and the other must be nonelectronic (snail mail or in-person communication). There is no specific date by when an employer should provide notice to the employee, just as long as it's done before the end of the plan year.

"The benefits plan administrator has usually been the party that has been notifying the employee, so this is why this is...a new burden on employers, because they've never really had to deal with FSAs," Roberts tells Frank.

Essentially, he clarifies, the law wants employers to ensure that employees are using the funds they've paid for under the plan.

Training Deadlines

Previously, California had imposed a January 1, 2020 deadline on employers with five or more employees to provide sexual harassment prevention training, meaning that employers would have to make sure their employees and supervisors were trained by the end of 2019, Frank says.

SB 778, which was passed last year, extended the sexual harassment prevention training deadline for all employers to **January 1, 2021**, Saad explains. A sister bill, SB 530, addresses the part of the law for temporary and seasonal employees. Beginning January 1, 2021, those employees will need to begin receiving training too.

Visit the CalChamber store to sign up for the CalChamber's [California-compliant](#)

[sexual harassment prevention online training course](#) for supervisors and employees.

Poster/Pamphlet Changes

Every year, California employers usually will need to make changes to their posters in the workplace and ensure they are distributing the most updated pamphlets, which both include a number of federal and state notices outlining rights for employees, Frank says.

The four required poster changes for this year are:

- The Department of Fair Employment and Housing discrimination and harassment poster;
- Family care and medical leave and pregnancy disability leave poster (formerly CFRA notice);
- Rights and obligations as a pregnant employee poster; and
- Transgender rights in the workplace poster.

The changes are minimal; however, they are required, Roberts explains.

The California Division of Occupational Safety and Health (Cal/OSHA) also issued a notice in August 2019, so as a reminder, employers need to update this poster as well.

Additionally, there are four pamphlet updates:

- State Disability Insurance pamphlet;
- Paid Family Leave pamphlet;
- Unemployment Insurance pamphlet; and
- Sexual Harassment pamphlet.

Visit the CalChamber store at calchamber.com/store to find a 2020 all-in-one poster, which includes mandatory updates effective January 1, 2020 and a California required pamphlets kit.

Listen to The Workplace

In Episode 45 of The Workplace podcast, Frank, Roberts and Saad recap the topics on which they received the most questions during the January Employment Law Updates seminars: the CROWN Act, expansion of lactation accommodation law, wildfire regulations, and meal and rest breaks.

To listen or subscribe, visit www.calchamber.com/theworkplace.

Subscribe to The Workplace on iTunes, Google Play, Stitcher, PodBean and Tune In.

Trump Signs Long-Awaited U.S.-Mexico-Canada Pact

From Page 1

for implementing and applying the agreements and resolving disputes, and to further trilateral, regional and multilateral cooperation.

Due to California's position as a global leader in international trade, the priorities of the USMCA are important to the CalChamber's members and the overall economic health of the state.

The trade pact still needs to be ratified by Canada. The deal will not take effect until 90 days after the last country ratifies the deal.

Trade Highlights

Approximately 11 million American jobs rely on trade with Canada and Mexico. In California alone, trade among the three countries supports 1,470,700 jobs.

Mexico and Canada are California's top export partners. Mexico is the state's No. 1 export market, with California exports to Mexico increasing to \$30.7 billion in 2018, up from \$26.7 billion in 2017. Mexico purchases 17% of all California exports.

California's exports to Mexico are driven by computers and electronic

products, which account for 25.8% of all California exports to Mexico. Other top categories include transportation equipment, nonelectrical machinery, and electrical equipment, appliances and components.

Canada is California's second largest export market, purchasing 9.9% of all California exports. In 2018, California exported more than \$17.75 billion to Canada.

Computers and electronic products remained California's largest exports, accounting for 32.5% of all California exports to Canada.

Staff Contact: Susanne T. Stirling

Oh, What a Relief It Isn't—AB 5 and the B2B Exemption

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Businesses must keep in mind that, even if the B2B exemption does apply, businesses still need to satisfy the *Borello* test, which is a demanding standard in and of itself.

While many of the factors are problematic, the following 4 factors make it nearly impossible for businesses to benefit from this ABC test exemption:

(B). The business service provider is **providing services directly to the contracting business rather than to customers** of the contracting business.

(G). The business service provider **actually contracts with other businesses to provide the same or similar services and maintains** a clientele without restrictions from the hiring entity.

(H). The business service provider **advertises and holds itself out to the public as available** to provide the same or similar services.

(K). Consistent with the nature of the work, the **business service provider can set its own hours and location of work**.

Providing Services to Customers

Factor (B) creates significant impediments for businesses in a B2B relationship. Many service providers are hired for the specific purpose of providing services directly to the hiring entity's clients, customers or patients. That is the entire purpose of being able to contract out work.

For example, a hospital may keep a Spanish translator on staff full-time, but not a Dutch translator because the need for such a service is rare. However, when needed, the Dutch translator is providing translation services to the patients of the hospital, not to the hospital itself.

Vague Language

Factor (G) is problematic because, while a service provider should be free to contract with other entities, the requirement is that it "actually contracts" with other entities.

What exactly does this mean? Does there need to be multiple contracts through the duration of the contractual relationship for the B2B exemption to apply? What happens if at the time of forming the contractual relationship, the service provider has 5 other contracts, but it eventually stops renewing the other contracts; does the B2B exemption still apply? Does the hiring entity have to sever the relationship when the service provider stops contracting with others? If so, what breach of contract concerns will arise?

(H) presents similar concerns. "Advertise" is not defined in AB 5, creating uncertainty. Does "advertise" mean that the service provider simply needs to tell people that it provides these services? What about social media postings; do those count? Or, does it need to place ads in the local paper? Also, what happens if

the service provider advertises only one time; does that count for the duration of the contractual relationship?

The burden should not fall on the hiring entity to keep checking in to see if the service provider is still advertising. Again, if it is not, is the hiring entity expected to sever the relationship and be liable for breach of contract?

Setting Own Hours/Location

Finally, (K) creates a number of concerns because the service provider will not always be able to set its own hours or location of work. Again, using the translator as an example, the translator will need to work while the patient is in the hospital and will need to provide services at the hospital itself, not at a location of the translator's choosing.

Clearly, the current B2B exemption language is not workable and needs significant cleanup to allow entrepreneurs in this state to continue providing services. Failing to further amend AB 5 to broaden the B2B exemption has the potential to eliminate the vast majority of independent contractors in California.

The Legislature should amend the law further to provide a holistic approach to the application of the ABC test that reflects today's modern workforce.

Story adapted from the Capitol Insider blog post.

Staff Contact: Laura Curtis

Initial Draft Regulations for Privacy Act Create Concerns for Business



The California Consumer Privacy Act (CCPA) took effect on January 1, 2020. California businesses appreciate the intent of the CCPA to help consumers protect their online privacy and the

effort by the Attorney General to draft regulations that facilitate and encourage compliance.

However, the Attorney General's draft regulations fail to address many of the ambiguities in the CCPA, impose mandates that may exceed the authority of the CCPA, and levy high costs on all California business sectors.

CalChamber Comments

The California Chamber of Commerce provided extensive comments on the regulations, expressing concern over the lack of clarity in a variety of areas, including: criteria on privacy controls, consumer notification requirements, the definition of personal information, opting out policies, household information, consumer verification and requests for personal information or deletion of information.

The CalChamber also registered concern that the regulations require actions that were not specified in the CCPA in such areas as the de-facto opt-out provisions, the requirement for a "Do Not Sell" button, consumer verification requirements and the calculation of the value of data.

Compliance Costs

Compliance costs associated with the CCPA and the regulations will impose a tremendous burden on the economy and have a significant impact on businesses that are required to comply.

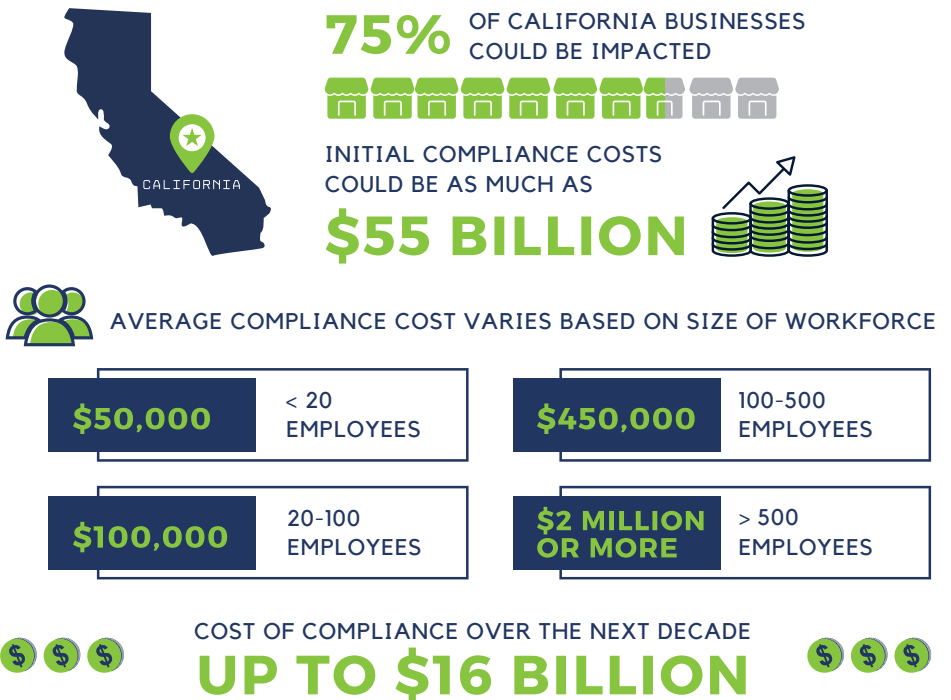
An independent report prepared for the Attorney General estimates compliance costs for the new law to be **\$55 billion, and up to \$16.4 billion** to comply with the implementing rules. For initial compliance costs alone, these costs were estimated to be:

- Small companies (with fewer than 20 employees): around \$50,000 per company;
- Companies with 20–100 employees: \$100,000;
- Companies with 100–500 employees: \$450,000;

- Companies with more than 500 employees: \$2 million or more.
- See below for an infographic outlining the costs and impacts.
Staff Contact: Shoeb Mohammed

CALIFORNIA CONSUMER PRIVACY ACT (CCPA) COMPLIANCE COSTS BY THE NUMBERS

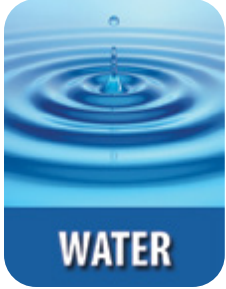
According to the independent assessment of the economic impact conducted for the Department of Justice, the Attorney General's proposed regulations governing CCPA implementation and compliance will have severe impacts on California businesses:



- ### KEY OBSERVATIONS FROM THE REPORT
- Small firms are likely to face a disproportionately higher share of compliance costs relative to larger enterprises.
 - Another significant risk to small businesses is uncertainty. Even after the roll out of regulations, interpretation and implementation present additional challenges to ensure full compliance for small enterprises.
 - For firms that operate within the state of California, the regulation will provide a competitive disadvantage relative to firms that operate only outside of the state.

Source: Standardized Regulatory Impact Assessment: California Consumer Privacy Act of 2018 Regulations. Prepared for the California State Attorney General's Office, California Department of Justice. August 2019.

Ready or Not, Here It Comes—State Groundwater Regulation



January 31, 2020 marks the first time in California's history that groundwater will be regulated.

Twenty-one critically over-drafted groundwater basins must submit detailed

plans showing how they will reach sustainability by 2040. The plans must include ways to monitor groundwater on a day-to-day basis, short-term, seasonal, and year long.

Sustainability generally means eliminating the overdraft in the basin and then not drawing out more water than is being taken in. Basins are replenished from winter flood water, water from recharge basins, rivers and streams, and rain.

While many groundwater planning agencies have submitted or are ready to submit their plans, several will have to scramble to make the deadline. The more complicated basins, those with many sub-basins, have multiple agencies that must plan together and submit a comprehensive plan. Closely watching the process are the high- and medium-priority basins that must submit plans in 2022.

Sustainability Plans

Unlike other states, California did not have a system for regulating groundwater

pumping until 2014 when the [Sustainable Groundwater Management Act \(SGMA\)](#) was signed into law.

Prior to SGMA, management generally had been in the form of plans developed by local agencies that focused primarily on information gathering. Overlying landowners, including agricultural users, domestic well owners, and other groundwater users, pumped without having to obtain government approvals.

SGMA lays out how the state will achieve sustainable groundwater basins. It requires local public agencies with water supply, management, and land use obligations to form planning agencies and then develop sustainability plans for submission to the Department of Water Resources (DWR), which can accept them or ask for changes.

The plans also can be referred to the State Water Resources Control Board for intervention if the plans are unlikely to succeed and need major revisions. Worst case scenario, the state may have to step in to settle disputes over local rights.

In dry years, groundwater has been used to supplement diminishing surface water supplies to sustain farms and provide water for urban uses. However, over time, more water has been pumped out than can be replaced naturally. Severe overdrafting can cause underground aquifers to collapse, which cannot be reversed, foreclosing any groundwater storage opportunities in the future.

Cost of Regulation

SGMA comes with costs. While it does not mandate groundwater pumping restrictions or require the imposition of fees, it allows for both. It's hard to imagine the basins or sub-basins coming into sustainability without imposing some sort of pumping restrictions or limitations and the imposition of a fee structure to support the continuing management and long-range planning. SGMA does not change water rights, but curtailing pumping will affect those rights.

The Public Policy Institute of California (PPIC) predicts that 750,000 acres of agricultural lands will be fallowed in the San Joaquin Valley. As the price of water rises over the next 20 years, only the most profitable crops will be grown. PPIC estimates that 50,000 acres go solar, converting some of the world's most productive tomato farms, pistachio orchards and dairies into vast fields of tea-colored photovoltaic panels.

Other landowners are working with environmental groups to develop conservation easements to turn some of their land into wildlife habitat. Urban areas will also have to plan for a different future.

The State Water Resources Control Board says 30 million state residents rely on groundwater for at least some portion of their drinking water supply.

Story adapted from the Capitol Insider blog post.

Staff Contact: Valerie Nera

CalChamber-Sponsored Seminars/Trade Shows

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566-7170.

UAE Food Security Mission. United States-United Arab Emirates Business Council. February 16–20, Dubai, United Arab Emirates. +971-4-3321000.

Exporting Mechanics Webinar Series II: Drop Shipments and Routed Transactions. National Customs Brokers & Forwarders Association of America, Inc. and U.S. Department of Commerce. February 18, Webinar. (202) 466-0222.

U.S. Commercial Service Cybersecurity Global Chat. U.S. Commercial Service. February 25–27, San Francisco. (415) 517-0265.

Israel-USA Business Summit. Israel-America Chamber of Commerce, U.S. Chamber of Commerce, Federation of Israeli Chambers of Commerce, U.S. Commercial Service and SelectUSA. February 26, Tel Aviv, Israel. +972-544370124.

The 51st General Assembly of the World Trade Centers Association. World Trade Center Taipei. March 1–4, Taipei, Taiwan. (212) 432-2626.

International Trade Luncheon with Consul General of Mexico Remedios Gómez Arnau. Hayward Chamber of Commerce. March 5, Hayward. (510) 537-2424.

Exporting Mechanics Webinar Series II: Cultural Sensitivity Program. National

Customs Brokers & Forwarders Association of America, Inc. and U.S. Department of Commerce. March 10, Webinar. (202) 466-0222.

CosmoProf Bologna. CosmoProf Worldwide Bologna. March 12–15, Bologna, Italy. +39-02-454708236.

CalChamber Calendar

Board of Directors:
February 27–28, La Jolla.

Capitol Summit:
June 3, Sacramento

Host Breakfast:
June 4, Sacramento

Mexico Chief Negotiator Provides Insight on USMCA at CalChamber Luncheon



Dr. Jesús Seade Kuri

The U.S.-Mexico-Canada Agreement (USMCA) is a “wide, forward-looking agreement” that brought some of the best minds to the negotiating table, Dr. Jesús Seade Kuri, Mexico’s USMCA chief negotiator

and undersecretary of foreign affairs for North America, told an intimate gathering of business and government leaders this week.

The January 28 luncheon held by the California Chamber of Commerce featured remarks from Seade, who explained some of the important aspects of the USMCA.

President Donald J. Trump signed the USMCA on January 29, saying, “The USMCA is the largest, most significant, modern, and balanced trade agreement in history. All of our countries will benefit greatly.”

The trade agreement still needs to be ratified by Canada, and it will not take effect until 90 days after the last country ratifies the deal.

The CalChamber supports the USMCA based on an assessment that the agreement serves the employment, trading and environmental interests of California, the United States, Mexico and Canada, and is beneficial to the business community and the California and national economies.

“Mexico and Canada are two of California’s strongest trading partners and trade with Mexico and Canada supports nearly 14 million U.S. jobs,” said Allan Zaremberg, CalChamber president and CEO. “The USMCA is a necessary modernization to NAFTA that recognizes the impacts of technology on the three countries’ economies.”

Luncheon Remarks

At the January 28 luncheon, Mexico’s Consul General in Sacramento, Ambassador Liliana Ferrer, welcomed Seade to Sacramento. Also in attendance were

Assemblymember Jacqui Irwin (D-Thousand Oaks); George Tastard, director at the U.S. Commercial Service Sacramento; several members from Governor Gavin Newsom’s office; and representatives of various academic and state agencies.

Importance of Trade

Seade began his remarks by emphasizing the importance of bilateral trade between the United States and Mexico. Trade with Mexico, he said:

- Supports nearly 5 million U.S. jobs, or 1 out of 29 U.S. jobs;
- Totaled approximately \$671.1 billion (USD) in 2018;
- Brought in \$18.7 billion to the U.S. in investment from Mexican companies;
- Accounted for 15.9% of overall U.S. exports in 2018; and
- Supports 578,796 jobs in California alone.

Seade also pointed out that Mexico is not only California’s No. 1 export market—it’s also the first, second and third top destination for exports in 32 of 50 U.S. states.

NAFTA

The undersecretary acknowledged that the North American Free Trade Agreement (NAFTA), USMCA’s predecessor, needed to be revised because it had not properly addressed several problems.

In particular, the dispute settlement mechanism of the agreement was greatly flawed, which allowed each country’s dispute panels to block resolutions. Later, an investor-state dispute settlement (ISDS) provision was added to NAFTA, further exacerbating the dispute settlement flaw, he explained.

Some of the criticisms of NAFTA, he continued, were that it solely benefited large corporations, and harmed small producers.

Age of Competition

Seade pointed out that facilitated transportation, technology and advanced forms of communication have made competition more acute.

Chileans now can buy readily from Russia, and someone from Texas can buy something directly from China. Compa-

nies can now easily fall to a producer in Norway or Malaysia, he said.

“Because of increasing competition, the world has become more of a village,” he said.

Moreover, once Brexit (British exit) is complete, he cautioned, Europe will become a fierce competitor.

Trump wanted to do away with NAFTA, but the world is now in an age of competition where it is essential for North America to do everything it can to compete and “be winners together,” Seade emphasized.

The U.S. is a magnet power, with an economy that “you cannot turn your back on,” Seade said.

USMCA

Overall, the USMCA is good for Mexico, but Seade expressed hope that some of the more “protectionist” measures, such as the Rules of Origin, can be relaxed in the coming decade.

Some of the improvements of USMCA that Seade outlined were:

- An effective Dispute Settlement Mechanism, which will be applied to all sectors, including labor. Each country will choose two panelists from the list of the other country. The mechanism will create equal conditions, Seade said.
- A Rapid Response Labor Mechanism that maintains each country’s sovereignty, but establishes penalties for companies found to be at fault by the established panel.

- A Digital Trade Chapter that protects intellectual data and helps develop the IT industry in Mexico.

- Each country will set its own rules on generic drug manufacturing.

Seade acknowledged that the USMCA negotiations in the U.S. were “very difficult” due to the fact that they were “triangular negotiations” between the White House, and representatives from the Republican and Democratic parties.

The undersecretary commended the USMCA as a “wide, forward-looking agreement” that in the end has “massive bipartisan support,” both in the U.S. and Mexico.

“I think it’s very good for the three economies.”

Staff Contact: Susanne T. Stirling

All-New Mandatory California Harassment Prevention Training

CalChamber helps you recognize the fine lines of harassment in our brand-new supervisor and employee courses for 2020:

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- Real workplace situations include not-so-obvious behaviors
- Commentary from CalChamber employment law experts
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