Governor Lays Out Plan for Solving Record State Budget Deficit

Governor Gavin Newsom has proposed solving a record budget deficit by tapping reserves, borrowing money from special funds, deferring spending and raising some targeted revenues.

But the major budget solution to an estimated $54.5 billion deficit depends on spending federal funds already allocated to California and receiving federal funds not yet approved by Congress. Without the new federal funding, the budget would automatically trigger $14 billion in new spending cuts, beginning July 1.

The updated budget proposal, called the May Revision, projects the worst of the economic impacts from the pandemic to be in the second quarter of 2020 and to persist for several years. A slow recovery is projected as restrictions on economic activity gradually begin to ease.

The Administration projects the unemployment rate to reach 24.5% in the second quarter of 2020, meaning that 1 in 4 California workers will be out of work, or around 4.8 million people. This is more than twice the 2.2 million Californians unemployed during the height of the Great Recession. Personal income is projected to decline by 9%.

State Issues Industry-Specific Guidance for Businesses to Reopen Gradually

19 Counties Say They Meet Readiness Criteria

California continued moving toward economic reopening this week, entering early Stage 2 of the COVID-19 Resilience Roadmap.

The state issued more detailed industry-specific guidance and nearly 20 counties attested they have met the state’s criteria for opening with modifications.

Industry-Specific Guidance

The industry-specific guidance is available at covid19.ca.gov/industry-guidance.

Businesses should review the guidance relevant to their workplace, prepare a plan based on that guidance, and put the plan into action.

Topics covered in the guidance include worksite-specific plans, topics for employee training, individual control measures and screening, cleaning and disinfecting protocols, and physical distancing guidelines.

Guidance covers industries ranging from retailers to construction, delivery services, office workspaces and manufacturing.

When businesses complete items

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CalChamber Releases 2020 Job Killer Bill List

The California Chamber of Commerce this week released its annual job killer list, which includes 10 bills that threaten California’s economic recovery and would hurt the ability of employers to rehire or maintain employment of California workers should they become law.

“It’s truly unfortunate—and, quite astonishing—that anyone in the legislature would unnecessarily increase costs on California’s distressed employers and reduce employment opportunities for California workers,” said CalChamber President and CEO Allan Zaremberg.

“Nearly four million Californians have filed for unemployment benefits and many more are without work-related income. Our legislature should focus solely on keeping California employers and workers in business,” said Zaremberg.

The CalChamber will periodically release job killer updates as legislation changes. Readers are encouraged to track the current status of the job killer bills on www.CalChamber.com/jobkillers or by following @CalChamber and @CAJobKillers on Twitter.

2020 Job Killers

The 2020 job killer list includes the following bills:

• AB 196 (Lorena Gonzalez; D-San Diego) Establishes Costly “Conclusive Presumption” of Injury. Significantly increases workers’ compensation costs for employers by “conclusively” presum-

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Remote Workers May Be Subject to Local Wage, Sick Leave Ordinances

By Bianca Saad

If our work site is located in an area where only the California minimum wage rate applies, but due to COVID-19, some of our employees are now working remotely from home in a city or county with a local minimum wage ordinance, do we have to pay the local minimum wage rate?

Local minimum wage requirements may apply depending on the ordinance issued by each city or county where the employee works—or in this case, from where the employee is working remotely. Each ordinance defines the coverage and eligibility, and the rules vary.

Minimum Work Time

In general, employees are eligible and covered by a local minimum wage ordinance if they work within the geographic boundaries of the city or county for a minimum amount of time per week, such as two hours per week; and employers are covered if they employ employees working in that particular city or county.

An eligible employee must be paid no less than the applicable local minimum wage rate for each hour of work within the geographic boundaries of the city or county.

So, in the case of an employee who is working remotely from home in a city or county with a local minimum wage rate, if the employee is eligible (for example, they have worked more than two hours in that city/county for the week), then the employee should be paid at the applicable local minimum wage rate for all hours worked within the geographic boundaries of that location.

The fact that the employer’s location/worksite, or the employee’s typical worksite (absent COVID-19 circumstances), is located where no local minimum wage rate applies makes no difference.

Keep in mind, the same analysis should be made for any other local ordinances (aside from minimum wage) where the employee is working remotely from home in a city or county with a local ordinance if they work within the geographic boundaries of that location.

Check with Local Entities

In response to COVID-19, some localities have made modifications or expansions to the instances in which employees may use their paid sick leave.

If you have employees working in any locality with a local paid sick leave ordinance (Berkeley, Emeryville, City of Los Angeles, Oakland, San Diego, San Francisco, Santa Monica), be sure to check with that locality to see what changes, if any, have been made in light of the current COVID-19 pandemic.

Additionally, several localities have passed supplemental paid sick leave ordinances to provide additional paid sick leave than what is required under state, local and federal law.

Specifically, the ordinances are aimed at covering larger employers with 500 or more employees that are not covered under the Families First Coronavirus Response Act (FFCRA).

Localities with COVID-19 supplemental sick leave ordinances include Los Angeles City, Los Angeles County (unincorporated areas), San Francisco and San Jose, and we could see more in the future.

Remember, the applicability of local ordinances is largely based on where the employee is working, so be careful not to assume that a local ordinance doesn’t apply, just because you, the employer, are located somewhere else.

Also remember that employers subject to state and local laws must follow the stricter standard or the law that’s most beneficial to the employee when there are conflicting requirements.

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.
Governor Lays Out Plan for Solving Record State Budget Deficit

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and proprietorship business income by 26% in 2020, with further deterioration through 2023. The forecast projects that California permits for residential single-family and multi-family units will decrease by 21% or 24,000 units to around 90,000 in 2020. The economic paralysis from response to the pandemic evaporated state General Fund revenues by more than $41 billion, reflecting drops in wage and proprietors’ income, cratering capital gains, erosion of corporate profits, and significantly lower consumption by individuals and businesses. For example, while consumer spending declined by 9% during the Great Recession, it is expected to collapse by more than 15% just this year.

Limited New Revenues
The Administration has proposed a limited set of new revenues, which amount to about 8% of the total deficit solutions:
• Suspending the ability of medium and large business taxpayers to utilize net operating losses for 2020, 2021 and 2022.
• Limit the ability of business taxpayers to utilize business incentive tax credits that offset more than $5 million in tax liability for 2020, 2021 and 2022.
• Reducing judicial branch spending by 5%, which the Administration reports will be achieved with efficiencies.
• Eliminating proposed 5% budget augmentations to the University of California and California State University, and further reducing their budgets by 10% in the absence of new federal funds.
• Cutting support for the Strong Workforce Program in both high schools and community colleges. This program provided school-to-work linkages, especially for students not pursuing an immediate four-year degree.

Budget Reserves Help
The prudent budget reserves created since the passage of Proposition 2 in 2014 will provide state government with a sorely needed cushion, providing more than $16 billion to cover budget deficits over the next three years. But for the vision of Governors Arnold Schwarzenegger and Edmund G. Brown Jr., and the support of the California Chamber of Commerce and other business and taxpayer advocates, solutions for the historic budget deficit would have required more tax increases and spending cuts.

Contact: Loren Kaye

State Issues Industry-Specific Guidance for Businesses to Reopen Gradually

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within the guidance, they can post an industry-specific checklist in their workplace to show customers and employees that the business has reduced risk and is ready to open.

Industry-specific checklists are available for construction, delivery services, office workspaces and real estate transactions, to name a few.

Before Reopening
At each stage of the reopening, the businesses and industries involved are being asked to make sure they meet the safety and preparedness milestones outlined in Stage 1 by visiting https://covid19.ca.gov/roadmap/. Before reopening, all facilities must:
• Perform a detailed risk assessment and implement a site-specific protection plan;
• Train employees on how to limit the spread of COVID-19, including how to screen themselves for symptoms and stay home if they have them;
• Implement individual control measures and screenings;
• Implement disinfecting protocols; and
• Implement physical distancing guidelines.

Meeting Readiness Criteria
Counties that have attested they meet the readiness criteria for reopening with modifications as of May 14 are: Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Humboldt, Lassen, Mariposa, Nevada, Placer, Plumas, San Benito, Shasta, Sierra, Sutter, Tehama, Tuolumne and Yuba.

Counts that have met the criteria may open some business activities—such as shopping malls and dine-in restaurants—more quickly.

Web Resources
Guidance continues to evolve and businesses would do well to check the state’s one-stop website at covid19.ca.gov. It includes links to the latest data on total cases in California, total deaths and number of persons tested, as well as hospital data, county maps, cases by county, and a section allowing visitors to search for a testing site by zip code. The California Chamber of Commerce webpage at www.calchamber.com/coronavirus includes links to COVID-19-related federal, state and local resources, including California Counties Health and Stay-at-Home Order pages, plus CalChamber podcasts and other guidance.
CalChamber Releases 2020 Job Killer Bill List

From Page 1

ing (non-rebuttable) that contraction of COVID-19 by all “essential workers” is a workplace injury. Establishes an extremely concerning precedent for expanding presumptions into the private sector for COVID-19 issues, which the Workers’ Compensation Insurance Rating Bureau (WCIRB) recently estimated will add billions in costs to California’s workers’ compensation system.

• AB 664 (Cooper; D-Elk Grove) Establishes Costly “Conclusive Presumption” of Injury. Significantly increases workers’ compensation costs for public employers and public and private hospitals by “conclusively” presuming (non-rebuttable) that exposure or contraction of communicable diseases, including COVID-19, are caused by the workplace and defines required compensation to include non-workers’ compensation items such as “temporary housing costs.” Establishes an extremely concerning precedent for expanding presumptions into the private sector for COVID-19 issues, which the Workers’ Compensation Insurance Rating Bureau recently estimated will add billions in costs to California’s workers’ compensation system.

• AB 1107 (Chu; D-San Jose) Massive Unemployment Insurance Compensation and Tax Increase. Would significantly raise employers’ payroll taxes to fund a 130% increase in unemployment payments just as California’s businesses are struggling to survive a pandemic-caused shutdown.

• AB 2992 (Weber; D-San Diego) Expanded Leaves of Absence. Expands three separate leaves of absence on small and large employers with multiple threats of litigation despite the enormous financial strain all size employers are dealing with as a result of the COVID-19 pandemic. This increased burden will limit employers’ ability to recover, including limiting their ability to rebuild their workforce.

• AB 2999 (Low; D-Campbell) New Protected Leave and Threat of Litigation. Imposes a significant new burden on employers of every size by mandating that they provide employees up to 10 days of bereavement leave upon the death of a spouse, child, parent, sibling, grandparent, grandchild, or domestic partner, regardless of how long the employee has worked for the employer. The bill further opens up new avenues for litigation against California employers by establishing a new private right of action (in addition to liability under the Private Attorneys General Act (PAGA) and administrative enforcement through the Division of Labor Standards Enforcement).

• AB 3075 (Gonzalez; D-San Diego) Public Shaming and Local Wage Standards. Provides for public shaming of corporations and interference with corporate formation based on arbitrary, unclear and unfair standards. The bill would also result in chaotic and inconsistent enforcement of wage and hour laws by local jurisdictions by authorizing them to impose their own wage payment requirements as long as they are “at least as stringent” as state law requirements.

• AB 3216 (Kalra; D-San Jose) New COVID-19 Employment Leave Mandate. Provides for unlimited job protected leave for all employees of employers of any size for family and medical leave due to COVID-19. This new mandate is in addition to numerous COVID-19 leave requirements recently enacted at the federal, state and local levels. The bill creates additional burdens on California employers at a time they can least afford it.

• SB 893 (Caballero; D-Salinas) Expands Costly Presumption of Injury. Significantly increases workers’ compensation costs for public and private hospitals by presuming that certain diseases (including COVID-19) and injuries are caused by the workplace and establishes an extremely concerning precedent for expanding presumptions into the private sector.

• SB 950 (Jackson; D-Santa Barbara) Expansion of CEQA. Would expand the California Environmental Quality Act’s existing requirements by adding costly new mandates that will burden local agencies, add substantial time and costs to the CEQA process and provide project opponents with new legal arguments to delay or block housing and other projects.

Cumulative Job Killer Vetoes

2019: 31 Job Killers identified, 2 sent to Governor Gavin Newsom, 1 vetoed, 1 signed;
2018: 29 Job Killers identified, 1 sent to Governor Edmund G. Brown Jr., 1 vetoed;
2017: 27 Job Killers identified, 3 sent to Governor Brown, 2 signed, 1 vetoed;
2016: 24 Job Killers identified, 5 sent to Governor Brown, 4 signed, and 1 vetoed;
2015: 19 Job Killer bills identified, 3 sent to Governor Brown, 1 signed, and 2 vetoed;
2014: 27 Job Killer bills identified, 2 sent to Governor Brown, 2 signed;
2013: 38 Job Killer bills identified, 1 sent to Governor Brown, 1 signed;
2012: 32 Job Killer bills identified, 6 sent to Governor Brown, 4 signed, 2 vetoed;
2011: 30 Job Killer bills identified, 6 sent to Governor Brown, 1 signed, 4 vetoed;
2010: 43 Job Killer bills identified, 12 sent to Governor Arnold Schwarzenegger, 2 signed, 10 vetoed;
2009: 33 Job Killer bills identified, 6 sent to Governor Schwarzenegger, 6 vetoed;
2008: 39 Job Killer bills identified, 10 sent to Governor Schwarzenegger, 1 signed, 9 vetoed;
2007: 30 Job Killer bills identified, 12 sent to Governor Schwarzenegger, 12 vetoed;
2006: 40 Job Killer bills identified, 11 sent to Governor Schwarzenegger, 2 signed, 9 vetoed;
2005: 45 Job Killer bills identified, 8 sent to Governor Schwarzenegger, 1 signed, 7 vetoed;
2004: 23 Job Killer bills identified, 10 sent to Governor Schwarzenegger, 10 vetoed;
2003: 53 Job Killer bills identified, 13 sent to Governor Gray Davis, 11 signed, 2 vetoed;
2002: 35 Job Killer bills identified, 17 sent to Governor Davis, 12 signed, 5 vetoed;
2001: 12 Job Killer bills identified, 5 sent to Governor Davis, 3 signed, 2 vetoed;
2000: No Job Killers identified. Of 4 bad bills identified at end of session, Governor Davis signs 2 and vetoes 2.
1999: 30 Job Killer bills identified, 9 sent to Governor Davis, 6 signed, 3 vetoed;
1998: 64 Job Killer bills identified, 11 sent to Governor Pete Wilson, 11 vetoed;
1997: 57 Job Killer bills identified, 9 sent to Governor Wilson, 9 vetoed.
More Important Than Ever: Maintaining and Improving Free Trade, Investment

The world has quickly changed over the last few months and during these strange and uncertain times, the importance of international trade has been on display across the world. Supply chains have been put to the test and global connectivity has proven vital in quickly securing much-needed supplies to fight the COVID-19 pandemic around the world.

The World Trade Organization (WTO) stated in an April 2020 report that it expects world trade to fall drastically by between 13% and 32% in 2020 as normal economic activity and everyday life has been disrupted by the pandemic. The WTO expects a recovery in 2021, but is unsure what that will look like as it depends on the duration of the outbreak and the policy responses around the world (WTO).

Beacon Economics founder Chris Thornberg, chair of the California Chamber of Commerce Economic Advisory Council, has a slightly more positive outlook for the post-COVID-19 recovery. Although the economy has taken an unprecedented hit as economic activity has declined drastically and unemployment has increased drastically, he says a “V” shaped recovery is possible.

Beacon Economics reported that the economy contracted by 5% to 10% from the first to second quarter, which is larger than anything experienced previously. Beacon anticipates that the U.S. economy will contract by 7.5% to 10% in the second quarter, at an annualized rate of 30% to 40%.

Thornberg points toward the positive amidst the gloom, commenting that the economy is much less fragile now than it has been in the past. (Beacon Economics).

Imports of goods and services were also down to $733.5 million for the first quarter, compared to $783.2 million for the same period in 2019 (Census.gov).

In California, trade took an anticipated tumble as well; March 2020 showed a 12.7% decline in exports from the year before and a 18.1% drop in re-exports. On a positive note, however, California’s leading agricultural export of almonds was up 3.5% from the previous year (Beacon Economics).

Susanne T. Stirling

Commentary
By Susanne T. Stirling

Maintaining and improving worldwide free trade is critical during this time as most companies that export have an easier time riding out fluctuations in the U.S. economy, and are more likely to stay in business.

Promoting Trade a Priority

With trade being a top-tier national issue, the CalChamber continues to communicate its international trade priorities to secure a national free trade agenda. Such an agenda is in keeping with the CalChamber’s long-standing support for eliminating disincentives that impede the international competitiveness of California business.

The economic advances that international commerce makes possible are clear, despite the regular attacks, and World Trade Month activities each May appropriately provide many opportunities to acknowledge the importance of global trade to the economies of California and the United States.

About a third of CalChamber members are engaged in international commerce, and more than two-thirds are small or medium-sized enterprises.

California Trade Connections

California’s diverse economy relies heavily on exports and imports of both goods and services by California-based companies. It is a complex, interconnected network that involves exports and imports through California’s transportation gateways, as well as inflows and outflows of human and capital resources.

The statistics underscore the importance of our international connections. In 2019, California exported $173.3 billion to 229 foreign economies, down slightly from $178.4 billion in 2018, according to the U.S. Department of Commerce. California’s top export markets are Mexico, Canada, China, Japan and South Korea. California maintained its perennial position as a top exporting state, accounting for 10.5% of total U.S. exports.

2020 Trade Priorities

Trade agreements (the United States has 20) ensure that the nation and its businesses may continue to gain access to world markets, resulting in an improved economy and additional jobs for Americans. CalChamber trade priorities for 2020 include the following:

• U.S.-Mexico-Canada Agreement: The new United States-Mexico-Canada Agreement (USMCA) was approved by the U.S. and Canada at the beginning of 2020. Mexico passed the updated agreement in 2019. It is expected that the USMCA will be implemented on July 1, after a short delay due to COVID-19.

• Indo-Pacific Initiative: The Indo-Pacific Initiative launched by President Donald Trump in July 2018 aims to accelerate U.S. private sector involvement in the region and support more U.S. export opportunities.

Since the beginning of the Trump administration, the U.S. has invested more than $2.9 billion to support the economic portion of the Indo-Pacific Initiative and nearly $600 million to support digital connectivity and cybersecurity, promote sustainable infrastructure development, and strengthen energy security and access.

• U.S.-Japan Free Trade Agreement: The United States-Japan Trade Agreement and U.S.-Japan Digital Trade Agreement went into force on January 1, 2020 with the goal of expanding bilateral trade in a mutually beneficial way.

It is hoped that the U.S. and Japan will continue to expand areas of cooperation and deepen their understanding of each other’s respective views and positions.

See Maintaining/Improving: Page 8
CalChamber to Present Webinar on Creating a Return to Work Plan

As California and its localities begin to modify their shelter-in-place orders, employers across the state are thinking about how to comply with evolving workplace guidelines so that employees and customers can return safely.

To help employers prepare their workplaces for the “next normal,” the California Chamber of Commerce is presenting a 90-minute webinar on May 21, “Creating a Return to Work Plan for Your California Employees,” 10 a.m. to 11:30 a.m. (PT).

During the webinar, CalChamber employment law experts will discuss factors to consider and tips to remember as employers prepare to reopen.

Topics
Topics include:
- Overview of Governor Newsom’s guidelines to reopen;
- Safety considerations for workers and customers;
- Providing personal protective equipment (PPE);
- Following guidance from the federal Centers for Disease Control and Prevention (CDC), California Division of Occupational Safety and Health (Cal/OSHA), California Department of Fair Employment and Housing (DFEH), Equal Employment Opportunity Commission (EEOC) and other agencies;
- Hiring and onboarding considerations;
- How to bring back temporarily laid off employees;
- Recruiting practices for new hires;
- Considerations about when and whether to bring teleworkers back to the office;
- Compliance requirements, including wage and hour, Americans with Disabilities Act (ADA), EEOC and DFEH;
- Staggered work schedules;
- Wage and hour rules to remember;
- Recommended changes and additions to handbook policies;
- Communicating your return to work plan and setting expectations.

Webinar Features
- Presented by top CalChamber employment law experts.
- Ideal for HR professionals, office managers, business owners or anyone responsible for hiring and staffing.
- Mobile-optimized for viewing on tablets and smartphones.
- Ability to submit questions during the webinar.
- Downloadable webinar slides and a recording of the live event.

This webinar offers guidance only and does not serve as or replace legal advice.

Presenters
- CalChamber Executive Vice President, Legal Affairs, and General Counsel Erika Frank was named to her current position in 2017 after serving as vice president since 2009. Before assuming general counsel responsibilities in late 2005, she lobbied the legislative and executive branches on taxation, civil litigation and lawsuit abuse issues. Frank leads CalChamber’s Legal Affairs Department, which participates in court cases having a broad impact on California’s economy and business climate. She oversees and contributes to CalChamber labor law and human resources compliance publications; co-produces and presents webinars and seminars; and heads the Labor Law Helpline. J.D. McGeorge School of Law, University of the Pacific.
- Employment Law Counsel/Subject Matter Expert Matthew Roberts joined CalChamber in July 2019. He explains California and federal labor and employment laws to CalChamber members and customers, including serving as an HR adviser on the Labor Law Helpline. Roberts brings a decade of experience as an attorney representing business owners on California wage and hour and anti-discrimination employment laws for law firms in Sacramento and Davis. In addition to representing employers in all phases of litigation before state and federal employment law enforcement agencies, he has provided training on topics such as sexual harassment prevention training, wage and hour and leave of absence issues, as well as conducted sensitive workplace investigations for public and private employers. J.D. McGeorge School of Law, University of the Pacific.

To Register
To register for Creating a Return to Work Plan for Your California Employees, visit the CalChamber store at store.calchamber.com, or call (800) 331-8877. CalChamber preferred and executive members receive a 20% discount.
HR Boot Camp Pivots to Virtual Format

With the enthusiastic help of seminar attendees, the California Chamber of Commerce converted its in-person HR Boot Camp to a virtual seminar last week.

Using virtual technology, CalChamber’s HR Boot Camp was offered live over two half days with seminar attendees asking and receiving answers to questions in real time.

The virtual format allowed attendees to maintain safe social distancing and not need to travel, all while gaining the key employment law information HR professionals need.

The CalChamber is weighing options about the future format for its often sold-out training sessions, such as the HR Boot Camp and Leaves of Absence: Making Sense of It All seminars.

In the meantime, as part of its ongoing effort to serve customers and members during the COVID-19 crisis, the CalChamber has put together a new COVID-19 webinar. Read more about the webinar on Page 6.

In Memoriam: Former CalChamber Board Member Michael Ziegler

Michael Ziegler, CEO of PRIDE Industries and former member of the California Chamber of Commerce Board of Directors, passed away this week. He was 75.

For 37 years, Ziegler headed PRIDE Industries, provider of business outsourcing solutions and employer of people with disabilities. Under his passionate leadership, the organization grew from 65 employees to more than 5,600 today, 3,350 of whom are persons with disabilities.

PRIDE has placed and supported employment for thousands of people with disabilities at small businesses, Fortune 500 companies and government partners across the nation, according to the company news release reporting his death.

He became president and CEO of PRIDE in 1983 and was a member of the CalChamber Board of Directors from September 2004 to October 2018. He also had served since 2004 as a member of the Sacramento Host Committee, which each year joins the CalChamber in sponsoring a Sacramento breakfast and reception highlighting the state’s role as a leader in agriculture, technology, international commerce and many other industries.

“Mike’s impact on the communities PRIDE serves and the PRIDE family is immeasurable,” said Jeff Dern, president of PRIDE Industries. “Everyone who met Mike was instantly drawn to his passion for PRIDE’s mission and his love of people. I’ve never known a more brilliant businessperson or someone with a bigger heart than Zig.”
California continues to be the top exporting state to Japan, and Japan has remained California’s fourth largest export market since 2010.

• U.S.-China Relations: After two years of escalating tariffs on both sides, the U.S. and China reached a “Phase 1” trade deal in October 2019 and agreed on a tariff rollback in November. The “mini trade deal” was sealed in December 2019. The Phase 1 deal requires China to increase purchases of U.S. farm goods within two years, as well as enact financial services and intellectual property commitments. At the beginning of 2020, China committed to buying $200 billion worth of U.S. products, but this has since been delayed due to the COVID-19 pandemic.

The CalChamber is hopeful the Trump administration and China will remain committed to following through with the Phase 1 trade deal, despite new tensions related to the pandemic.

• U.S.-United Kingdom Trade Agreement: The United States maintains a deep trade and investment relationship with the United Kingdom. The U.K. officially left the European Union as of January 31, 2020, and after a delay due to the COVID-19 pandemic, negotiations formally began in May via video conference. The United Kingdom is California’s 11th largest export destination.

The CalChamber is hopeful that the U.S. and U.K. will agree to a comprehensive free trade agreement quickly. The CalChamber supports the goal of strengthening the trading and investment relationship between the two countries, with a focus on securing open market access.

• U.S.-European Union Trade Agreement: The European Union is one of the three new markets for which President Trump announced in October 2018 his intent to enter into trade negotiations. California is a top exporting state to the EU, and the single market presents a stable one with huge opportunity for California companies.

Negotiations have informally been put on ice due to the COVID-19 pandemic; however, the CalChamber is optimistic that the U.S. and EU will continue free trade negotiations at some point in the near future. The CalChamber recognizes the timely importance of deepening the world’s largest trading and investment relationship, with a focus on trade and investment initiatives.

The CalChamber urges support of trade agreements that will continue to keep U.S. and California businesses competitive. Although the recent trend has been to regional trade agreements, the CalChamber also will be supportive of bilateral trade agreements.

Susanne T. Stirling is vice president of international affairs for the California Chamber of Commerce, www.calchamber.com/international.