

ALERT

CalChamber Announces Leave Mandate as Job Killer

Proposal Will Devastate Small Business in California



The California Chamber of Commerce this week announced that **SB 1383 (Jackson; D-Santa Barbara)** has been identified as a job killer bill. The bill proposes a mandatory 12-week leave of absence on any employer with one or more employees and would overwhelmingly hurt the state's smallest employers.

More than 85 associations that represent thousands of employers have joined CalChamber in opposing the measure.

"Now is not the time to place costly burdens on employers who are struggling to reopen and rebuild," said Jennifer

Barrera, CalChamber executive vice president. "To be clear, the bill is not limited in scope to only address COVID-19. It would disproportionately impact the smallest of employers in California at a time when they can least afford it. SB 1383 will put California's small businesses out of business."

Litigation Threat

The bill is further deemed a job killer due to the threat of litigation it poses. SB 1383 includes a private right of action that will result in increased litigation costs for employers who must defend themselves in court even for unintentional mistakes.

See CalChamber Announces: Page 5

The Workplace Tips for Creating a Return to Work Plan



In **Episode 75** of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank is joined

by employment law experts Bianca Saad and Matthew Roberts to discuss what employers should consider when drafting return to work guidelines.

A free CalChamber checklist designed to help employers develop a COVID-19 return-to-work plan is available at hrcalifornia.calchamber.com/forms-tools/forms/return-to-work-checklist.

Reliable Sources

Crafting a return to work checklist can be hard because there is a lot of information and guidance out there, Frank tells listeners.

That is why the first sources a business turns to for information should be government websites, such as the [U.S. Centers for Disease Control and Prevention \(CDC\)](https://www.cdc.gov), the California government [website on COVID-19](https://www.cdph.ca), [U.S. Department of Labor](https://www.dhs.gov) and the California Division of Occupational Safety and Health ([Cal/OSHA](https://www.cdosh.ca.gov)), Saad says.

Data and information surrounding the COVID-19 coronavirus is still very fluid, and government websites can be trusted

See Tips for Creating Page 7

Governors Go Online to Urge Californians: Wear a Mask to Help Limit COVID-19



Former Governors Arnold Schwarzenegger, Gray Davis, Jerry Brown and Pete Wilson join Governor Gavin Newsom in an online video appeal for Californians to look out for each other and pledge to wear masks to fight the spread of COVID-19. The video follows up on the June 18 guidance from the California Department of Public Health requiring Californians to wear cloth face coverings outside the home, with limited exceptions. To see the video, visit <https://twitter.com/cagovernor>.

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Labor Law Corner

Vacation Policy Factors to Consider During COVID-19 Pandemic



Matthew J. Roberts
Employment Law
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Matter Expert

A consequence of the prolonged shelter-in-place and stay-at-home orders issued as a result of the COVID-19 pandemic is dramatically reduced travel. As a result, during this time many employees are not taking earned vacation time and may not do so for months resulting in the following question from employers: Can we change our vacation policies as a result of the employees not using their time?

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Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$50 paid through membership dues.

Send email address changes to alert@calchamber.com. Publisher: Allan Zaremborg. Executive Editor: Ann Amiooka. Art Director: Neil Ishikawa. Capitol Correspondent: Sara Proffitt.

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This is a tricky question. Generally, however, employers do have control over their vacation policies subject to certain rules. Below are some common ways in which an employer may address its vacation policies while staying within compliance.

Accrual Caps

California law allows employers to set reasonable caps on vacation accruals. Accrual caps mean that the employee no longer accrues vacation time while they are at the cap.

Although there is no set standard on what a reasonable cap may be, commonly caps meet this requirement when they are no less than 1.5 to 2 times the annual rate for employees. This is because employees need to be provided a reasonable opportunity to take all the vacation that they earn within a year.

So, for example, an employee who accrues 40 hours of vacation a year should have a cap of no less than 60 hours before they stop accruing vacation.

Some employers who have already instituted caps want to temporarily increase the cap as a benefit to the employee since there is little incentive to use vacation during a shelter-in-place order.

Employers may increase or decrease their caps, however, California prohibits “use it or lose it” vacation policies. For example, if an employee has a 200-hour cap, and the employer decided to temporarily increase that cap to 240 for the rest of year, the employer cannot take away any vacation hours in excess of 200 once the employer decides to return the cap to that level.

Cash-Out Policies

California law considers vacation hours to be vested wages. This is why vacation hours must be paid out along with final wages. California law allows employers to cash-out vacation hours; however, the cash-out must be paid at the employee’s current rate of pay.

Unlimited Vacation

Some employers have moved to a new type of vacation benefit where the employee has unlimited hours and the employer no longer tracks accrued hours or pays out any vested vacation wages upon termination.

Employers who have an accrual method may switch to an unlimited one,
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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor Law

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. August 13–14, Virtual Seminar. (800) 331-8877.

HR Boot Camp Virtual Seminar. CalChamber. August 20–21, Virtual Seminar; September 10–11, Virtual Seminar. (800) 331-8877.

California Leaves for Expecting Employees. CalChamber. September 17, Webinar. (800) 331-8877.

Business Resources

Learn the Basics of Intellectual Property with a Focus on Patents. Silicon Valley U.S. Patent and Trademark Office. July 10, Webinar. (408) 918-9900.

International Trade

Back to Business Virtual Auto Expo. U.S. Commercial Service. June 29–July 17, Webinar. (800) 872-8723.
China’s Belt and Road Initiative: The

Digital Silk Road: Business, National Security and Geopolitical Impact. National Association of District Export Councils. June 30, Webinar.
Chile Infrastructure for Aviation/Airport Equipment Sectors. U.S. Commercial Service. June 30, Webinar. (800) 872-8723.

Market Opportunities in Morocco’s Water Sector. U.S. Commercial Service. June 30, Webinar. (800) 872-8723.

What Role for the United Kingdom in the Global Trading System? Peterson Institute for International Economics. July 1, Webinar. (202) 328-9000.

Upcoming Energy Projects in Remote
See CalChamber-Sponsored: Page 9

Next Alert: July 10

The Workplace

Caveats to Using Virus Monitoring Apps



In **Episode 74** of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank and employment

law expert Jennifer Shaw discuss the use of COVID-19 symptom monitoring apps, and whether they are effective tools for maintaining a healthy workplace.

Numerous phone apps have come on the market that help employers keep track of their employees' symptoms. Some ask only a few basic questions—such as “Are you experiencing a cough?”—while others keep track of employees' temperatures.

Given that some counties are asking employers to report the symptoms of their employees, such monitoring apps may provide a streamlined way to provide the data back to the county, Frank says. But what are the liabilities for employers?

Best Practices

Before the COVID-19 pandemic crisis, medical tests could be performed only after a worker was hired, and even then, the employee could be tested only under very limited circumstances, Shaw explains.

Now, because of the virus outbreak, employers have an obligation to maintain a healthy workplace, which means testing for symptoms, she says.

Nevertheless, there are still legal restrictions, and there is a difference between testing and spying on what someone is doing at home, Shaw tells Frank.

If an employer decides to use a monitoring app, Shaw recommends that the employer be transparent and clearly outline to employees what the company policy and practice is.

She also advises that employers designate someone to handle monitoring requests and any challenges that may arise, such as if an employee doesn't want to get tested, or requests their cell phone bill be paid for by the company since they have to keep the app on their cellphone.

Downsides

Even for the apps that don't store personal data and do not record an individual's name or specific temperature, numerous liabilities will be present. For example, employers will still need to abide by wage-and-hour laws if a nonexempt worker is asked to use the app, Shaw explains.

Another downside to using a monitoring app is that it may be bad for workplace culture.

“These kinds of things can really be bad for culture,” Shaw says. “...Folks feel like ‘OK, I’m already dealing with all this stuff that’s going on out there in the world, and now I have my employer who seems to be getting really nosy.’”

Shaw also points out that in many ways, these apps are a little late to the party. It was once thought that a fever was the clearest indicator of infection, but recent research shows that up to 40% of people with COVID-19 are asymptomatic. Therefore, a symptom checker may be of less use than originally thought, especially once one factors in the logistics of who will be taking the temperature

and having to provide personal protective equipment (PPE).

App Alternative

Still, Frank says, apps may offer administrative assistance for employers, such as providing employees basic training on COVID-19 symptoms or giving employees tips on maintaining a healthy workplace. But, she points out, there are other less invasive ways to do these things without having to utilize an app.

Shaw recommends that the first thing an employer should do is review the [Resilience Roadmap](#) on the California COVID-19 government website, which is put together by the California Governor's office and California Department of Public Health.

The Resilience Roadmap features specific guidance on how employers should be dealing with both employees who are currently working and employees who are returning to work, she says.

Shaw stresses that it's important for employers to look to local and state guidance and understand what their obligations are.

“Sometimes we get so overwhelmed with the national requirements that we forget about the local stuff,” Shaw says.

Frank agrees, adding that in some cases counties place requirements that go beyond state and federal orders.

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Vacation Policy Factors to Consider During COVID-19 Pandemic

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but again, any hours the employee accrued under the old policy cannot be forfeited.

Also, the law regarding this type of policy is unsettled. Any employer considering switching to an unlimited policy should consult with legal counsel to evaluate the risks.

Required Usage

Employers may require employees to

take vacation at certain times of the year. However, internal Labor Commissioner guidance requires that employers provide reasonable advance notice of the requirement. The Labor Commissioner determined that 90 days would constitute reasonable advance notice.

In general, the Labor Commissioner will handle any vacation claims based on the principles of equity and fairness. So, where an employer wants to change its

vacation policy, it should keep those principles in mind along with the rules under California law.

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.

Assembly Rejects Job Killer Housing Bill



The Assembly has narrowly rejected a California Chamber of Commerce-opposed job killer bill that would have limited financial opportunities for Californians, further harming the housing market and creating job loss.

AB 2501 (Limón; D-Santa Barbara) would have jeopardized credit availability for consumer loans in future years by imposing onerous obligations on financial lenders to carry home, mobile home, and auto loans for extended periods of time without receiving payments from borrowers.

A CalChamber-led coalition worked hard to secure the bipartisan opposition that led to the bill's defeat in a June 15 vote.

The bill would have required financial institutions to carry homeowner loans for a year or more without payment and without assessing fines or penalties, prohibited repossession of mobile homes

or motor vehicles for nonpayment and without assessing fines and penalties, and placed onerous restrictions on deferred deposit loans.

Burden Shift

It is important to note that consumers are not the only casualties of the global pandemic—with very few exceptions, most industries, and businesses large and small and their employees, also have been affected. Nevertheless, AB 2501 would have shifted a significant portion of the costs of this pandemic to the private sector.

The Cal Chamber has repeatedly pointed out that the private sector cannot be the safety net for this crisis. That is the role of government. While it will contribute to the recovery, the private sector cannot absorb the burdens proposed in AB 2501 without causing further harm, including loss of jobs.

AB 2501 required financial institutions to carry the burden of unpaid mortgages for more than two years by imposing a forbearance of payment

covered period of 12 months, followed by a broad foreclosure moratorium for anyone for all of 2021.

Moreover, AB 2501 is largely unnecessary. California and the federal government already heavily regulate lenders in the sectors covered by the bill, and each must meet scrutiny regarding their lending practices and asset management.

At a time when consumers need more financial options, not fewer, the unprecedented provisions in AB 2501 would have limited Californians' ability to gain access to credit now and in the future, further harming the state's economic recovery.

Key Vote

AB 2501 failed to win enough votes to pass on June 15. Just 39 "yes" votes were showing each time the AB 2501 vote was displayed for an hour before the speaker closed the vote. The final tally was 28-25.

The Assembly adjourned for its summer recess on June 19 (the deadline

See Assembly Rejects: Page 6

CalChamber-Opposed Bills Held in Senate Fiscal Committee



OPPOSE

opposition by the California Chamber of Commerce.

All three bills missed the deadline for legislation with fiscal impacts to be passed along for consideration by the full Senate.

• **SB 939 (Wiener; D-San Francisco)** was a commercial tenant relief bill that sought to protect small businesses from eviction. Instead, the bill would have led to foreclosures and divestment in California by allowing commercial tenants to withhold rent without having to show direct financial hardship related to COVID-19 and to unilaterally break leasing contracts.

In opposing the bill unless it was amended, the CalChamber pointed out

Well-intentioned but flawed legislation dealing with commercial tenancies and telecommunications has failed to pass the Senate fiscal committee following

that the intent of SB 939 to protect small businesses was laudable, but the mechanics of the bill made it an unworkable solution to helping commercial tenants struggling to pay rent and placed the entire financial hardship from COVID-19 on one business sector without any relief from the state.

SB 939 was held in the Senate Appropriations Committee Suspense File.

• Also held in Senate Appropriations was **SB 1069 (Jackson; D-Santa Barbara)**, attempting to establish reporting and disclosure requirements for critical telecommunications infrastructure in emergencies and natural disasters.

The reporting requirements for telecommunications providers would have interfered with emergency response efforts and risked disclosure of sensitive information that would make critical infrastructure vulnerable to attack.

In opposing SB 1069, the CalChamber argued that the bill prioritized bureaucracy over public safety and security, and conflicted with existing law, which already requires providers to give updates

on communication network outages to the California Office of Emergency Services.

SB 1069's cumbersome and voluminous reporting requirements—including real-time information and annual reports—would have burdened businesses and increased government waste.

• **SB 1058 (Hueso; D-San Diego)**, also held in Senate Appropriations, tried to set mandatory financial disclosures and reporting requirements for internet service providers (ISPs).

The bill would have required ISPs to file annual emergency operations plans with the California Public Utilities Commission, providing a laundry list of information, including plans for broadband expansion.

The CalChamber pointed out that the disclosure requirement would have been extremely harmful to private entities that already compete in a very aggressive marketplace. Besides being unnecessary, the regulatory scheme proposed by SB 1058 is preempted by federal law.

Staff Contacts: Adam Regele, Shobeh Mohammed

Key to Reopening—Liability Protection

**Jennifer Barrera**

As businesses throughout the state start to reopen, there is a looming question as to whether it is safe. Consumers want to resume a back-to-normal lifestyle by visiting

their favorite restaurants and stores, but also want to limit their risk of contracting COVID-19. Businesses, eager to bounce back from this economic crisis, also want to welcome consumers into a safe environment, yet are hesitant about the liability that looms ahead if a consumer or contractor claims he or she contracted the virus while at the business's location.

Guidelines

Through the Governor's Office of Business and Economic Development (GO-Biz), the State has issued substantive guidelines for businesses in different industries to follow with respect to how a business can maintain a safe environment for employees and consumers: <https://covid19.ca.gov/roadmap/#guidance>. These guidelines include temperature checks, health screenings, social distancing, staggered employee schedules, increased cleaning, protective equipment, and more.

Local cities and counties are also adopting their own specific guidelines, some requiring masks even before the Governor announced the statewide mandate last week. Businesses have invested time and resources to restructure their stores, restaurants and workspaces to comply with these guidelines.

Commentary By Jennifer Barrera

But even taking these proactive measures does not necessarily protect a business from a civil lawsuit. A consumer or contractor who claims to have gotten sick while visiting a business's location will allege the business could have done more, could have acted more reasonably with regard to the safety precautions and measures taken.

And what is the business's defense?

Uncertainty

Compliance with state and local health guidelines is good, but it doesn't offer any legal protection. And, if we know one thing about this virus, it is that we don't know everything yet.

Approximately a month ago, the Centers for Disease Control said masks were not necessary and did not offer any protection. Today, masks in California are essentially mandatory.

Will there be a second wave of infection in the fall or is this going to fade out

like prior coronaviruses have seemed to do? Can you get the virus from touching surfaces or is it only passed through human to human transmission?

As the country and world continue to grapple with these questions and learn more about the virus, businesses are in a state of limbo with regard to how to protect their employees, consumers, and contractors, and not expose themselves to costly litigation that will shut them down.

Lawmakers Can Help

The Legislature and Governor can eliminate this uncertainty by protecting businesses that are in compliance with the state and local health guidelines. Those businesses who are not in compliance could still face liability for gross negligence.

Our economy is dependent upon the private sector reopening and remaining open. There is no question businesses want consumers and contractors to be safe and feel safe—their business literally depends on it.

But they cannot ensure complete safety for consumers and contractors from a virus that even health experts do not yet completely understand how to prevent/protect.

Jennifer Barrera is executive vice president of the California Chamber of Commerce. This article first appeared as a Capitol Insider blog post.

CalChamber Announces Leave Mandate as Job Killer

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As written, the bill currently allows any employee to sue their boss if they believe the employer did not correctly administer the leave, interfered with the leave, or denied the leave.

CalChamber's opposition also turns on the fact that SB 1383 will impose a significant administrative burden on employers and drive up their costs.

Even though the leave prescribed in SB 1383 is unpaid, employers must still pay to train and hire temporary help to cover the workload of the employee who is on leave or pay overtime if they shift work to other workers. Further, the employer also may be required to main-

tain the health benefits of any employee out on an unpaid leave.

Expands Leave Amount

Finally, CalChamber has also identified the fact that large employers will be seriously impacted by the proposal. For employers with 50 or more employees, SB 1383 will expand the amount of protected leave an employee may take to half a year.

The measure changes requirements for qualifying for the California Family Rights Act (CFRA) leave by amending the definition of family member for whom the employee can take leave.

This creates non-conformity between

the qualifying requirements for the federal Family and Medical Leave Act (FMLA) and CFRA. As such, an employee who already took 12 weeks of leave under CFRA may also be able to qualify for a subsequent 12 weeks of leave under FMLA should the measure become law.

A copy of CalChamber's letter in opposition can be found [online](#).

Action Needed

CalChamber members are urged to call or email their legislators immediately to ask that they vote no on SB 1383.

See the [action alert](#).

Staff Contact: Jennifer Barrera

21 Local Chambers Receive 2020 President's Circle Award



The California Chamber of Commerce has named 21 local chambers of commerce as recipients of the 2020 President's Circle Award.

The award, first presented in 2009, recognizes chambers for excellence in business advocacy and helping their members comply with California employment laws.

Normally, the chambers would have been honored and the awards presented during the CalChamber Capitol Summit in Sacramento. With the cancellation of the Summit due to the COVID-19 pandemic, the award recipients were announced during the weekly local chamber legislative conference call.

Six of the chambers have received the award all 12 years it has been presented.

"Now more than ever, communities need the leadership that chambers of commerce can provide," said CalChamber Vice President Russell Lahodny. "We want to take this opportunity to say thank you and recognize the hard work of our top local chamber partners. The

President's Circle chambers excel at helping their members comply with California's often confusing and onerous HR laws, and representing the interests of their members on state issues as exemplary grassroots legislative advocates."

2020 President's Circle

The 2020 recipients of the President's Circle Award are as follows. An * marks the chambers that have received the award all 12 years:

- **Greater Bakersfield Chamber*:** Nicholas Ortiz, president/CEO;
- **Brawley Chamber:** Katie Luna, CEO;
- **Camarillo Chamber:** Gary Cushing, CEO/president;
- **Carlsbad Chamber:** Bret Schanzenbach, president/CEO;
- **Greater Coachella Valley Chamber:** Joshua Bonner, president/CEO;
- **Greater Conejo Valley Chamber*:** Danielle Borja, president/CEO;
- **El Centro Area Chamber and Visitors Bureau*:** Anthony Moreno, chief operating officer;
- **Fresno Chamber:** Nathan Ahle, president/CEO;
- **Lake Elsinore Chamber:** Kim Joseph Cousins, president/CEO;
- **Lodi District Chamber:** Pat

Patrick, president/CEO;

- **Long Beach Area Chamber*:** Randy Gordon, president/CEO;
- **Menifee Valley Chamber:** Tony LoPiccolo, president/CEO;
- **Oxnard Chamber:** Nancy Lindholm, president/CEO;
- **Palm Desert Area Chamber*:** Pam Scannell, president/CEO;
- **Greater Riverside Chambers*:** Cindy Roth, president/CEO;
- **Roseville Area Chamber:** Wendy Gerig, CEO;
- **Greater San Fernando Chamber:** Nancy Hoffman Vanyek, president/CEO;
- **Simi Valley Chamber:** Kathi Van Etten, president/CEO;
- **Temecula Valley Chamber:** Laura Turnbow, chief operating officer;
- **Tulare Chamber:** Donnette Silva Carter, president/CEO.
- **Victor Valley Chamber:** Mark Creffield, president/CEO.

President's Circle Award recipients published vote records of their state legislators on key business issues, generated letters to state elected officials on issues of interest to members and participated in the CalChamber compliance product resale program at an exemplary level.

Staff Contact: [Russell Lahodny](#)

Assembly Rejects Job Killer Housing Bill

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for bills to pass the house in which they were introduced) without considering AB 2501 again, although the author had asked for it to be reconsidered.

Ayes (28): Berman (D-Palo Alto), Bloom (D-Santa Monica), Bonta (D-Oakland), Carrillo (D-Los Angeles), Chau (D-Monterey Park), Chiu (D-San Francisco), Chu (D-San Jose), Friedman (D-Glendale), Gloria (D-San Diego), Lorena Gonzalez (D-San Diego), Holden (D-Pasadena), Kalra (D-San Jose), Levine (D-San Rafael), Limón (D-Santa Barbara), McCarty (D-Sacramento), Mullin (D-South San Francisco), Muratsuchi (D-Torrance), Nazarian (D-Van Nuys), Rendon (D-Lakewood), Reyes (D-San Bernardino), Luz Rivas (D-Arleta), Robert Rivas (D-Hollister), Santiago (D-Los Angeles), Mark

Stone (D-Scotts Valley), Ting (D-San Francisco), Weber (D-San Diego), Wicks (D-Oakland), Wood (D-Santa Rosa).

Noes (25): Bigelow (R-O'Neals), Brough (R-Dana Point), Burke (D-Inglewood), Chen (R-Yorba Linda), Choi (R-Irvine), Cooley (D-Rancho Cordova), Cunningham (R-San Luis Obispo), Megan Dahle (R-Bieber), Daly (D-Anaheim), Flora (R-Ripon), Fong (R-Bakersfield), Gallagher (R-Yuba City), Gray (D-Merced), Kiley (R-Roseville), Lackey (R-Palmdale), Mathis (R-Visalia), Mayes (NPP-Yucca Valley), Obernolte (R-Big Bear Lake), O'Donnell (D-Long Beach), Patterson (R-Fresno), Quirk-Silva (D-Fullerton), Ramos (D-Highland), Salas (D-Bakersfield), Voepel (R-Santee), Waldron (R-Escondido).

No vote recorded (26): Aguiar-

Curry (D-Winters), Arambula (D-Fresno), Bauer-Kahan (D-Orinda), Boerner Horvath (D-Encinitas), Calderon (D-Whittier), Cervantes (D-Corona), Cooper (D-Elk Grove), Diep (R-Westminster), Eggman (D-Stockton), Frazier (D-Discovery Bay), Gabriel (D-San Fernando Valley), Cristina Garcia (D-Bell Gardens), Eduardo Garcia (D-Coachella), Gipson (D-Carson), Grayson (D-Concord), Irwin (D-Thousand Oaks), Jones-Sawyer (D-South Los Angeles), Kamlager (D-Los Angeles), Low (D-Campbell), Maienschein (D-San Diego), Medina (D-Riverside), Petrie-Norris (D-Laguna Beach), Quirk (D-Hayward), Rodriguez (D-Pomona), Blanca Rubio (D-Baldwin Park), Smith (D-Santa Clarita).

Staff Contact: [Valerie Nera](#)

Tips for Creating a Return to Work Plan

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to provide the most up-to-date information available.

What is also tricky is that many counties and cities have implemented additional requirements that are specific to their areas. This is why employers should also check their county/city website for local requirements and ordinances, Saad explains.

The California government website on COVID-19 features a [Resilience Roadmap](#) that offers workplace preparation guidance for each industry that is very helpful, she says.

Frank also encourages employers to check their local health department website as the health agencies also offer workplace guidance and checklists for employers to post.

Saad suggests that employers bookmark relevant websites on their internet browsers for easy and fast information retrieval.

Mapping Your Workplace

When conducting a risk assessment of a workplace, employers should look in particular at how their workspace is designed. Oftentimes, workspaces are designed for collaboration and may not work with social distancing requirements, Roberts points out.

Employers should look for bottleneck points (such as narrow hallways), areas of high foot traffic (such as reception areas), or areas where cubicles are spaced closely together, he says. This is the first step to reduce workplace exposure.

Put Someone in Charge

Because there are multiple components of limiting virus spread in the workplace, businesses should identify

who to put in charge and clearly assign responsibility for COVID-19-related duties, Saad says.

For example, someone needs to be in charge of procuring cleaning and protective equipment supplies, including having backup vendors in case materials become scarce; someone should also focus on how to maintain cleaning protocols and determine what cleaning practices each area will require; and someone should focus on reminding and enforcing the company's COVID-19-related policies.

"It's almost like having a plan for the plan," she says.

Policy Training, Enforcement

Training employees on COVID-19 symptoms and prevention does not mean that employers need to sit everyone down in a room and conduct a class—in fact, this may not be possible due to physical distancing protocols. Training for COVID-19 policies is a matter of simply providing the information to employees, Roberts tells Frank.

Websites Mentioned

- CalChamber Return to Work Checklist: hrcalifornia.calchamber.com/forms-tools/forms/return-to-work-checklist
- U.S. Centers for Disease Control and Prevention: www.cdc.gov/coronavirus/2019-ncov/index.html
 - Mask infographic: www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-to-wear-cloth-face-coverings.html
 - Guidance for Businesses/Employers: www.cdc.gov/coronavirus/2019-ncov/community/guidance-business-response.html
- California government COVID-19 website: covid19.ca.gov
- Resilience Roadmap: covid19.ca.gov/roadmap/
- U.S. Department of Labor: www.dol.gov/coronavirus
- Cal/OSHA: www.dir.ca.gov/dosh/coronavirus/Health-Care-General-Industry.html

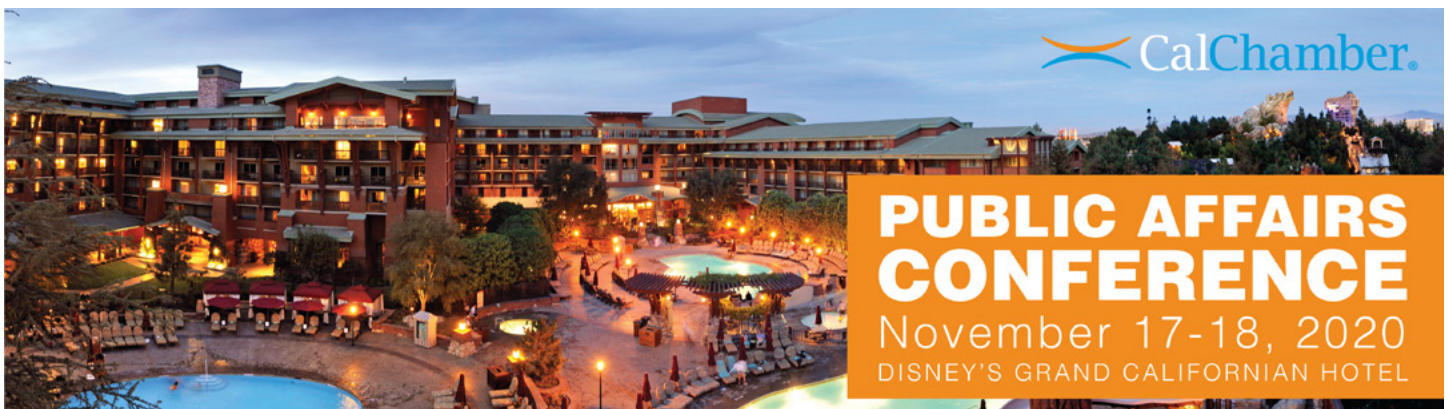
Government websites can be a great help as they provide a variety of checklists, signage and infographics, he says. For example, the CDC offers an [info-graphic](#) on how to properly wear a mask.

The CDC also offers guidance and steps on more complex situations, such as [what to do if an employee tests positive for COVID-19](#), he says.

Once an employer establishes a policy, the company also should consider how it will enforce the rules. In particular, physical distancing rules can be hard to follow given that people are accustomed to being close to one another. Therefore, employers will need to take the time to remind folks to be mindful, Frank says.

Saad recommends that employers use signage to remind employees of rules and set policies that limit the number of people allowed in a particular area—such as staggering shifts, or establishing a maximum capacity per breakroom/lunchroom.

Above all, employers should remind employees that if they're not feeling well, they should stay home.



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Landmark U.S.-Mexico Canada-Agreement Brings Modernized Rules to Trade on July 1



Long-awaited recognition of the impact of technology on trade in North America will come

into force on July 1 when the United States-Mexico-Canada Agreement (USMCA) takes effect.

The California Chamber of Commerce supported the agreement based on an assessment that it will serve the employment, trading and environmental interests of California, the United States, Mexico and Canada, and is beneficial to the business community and society as a whole.

U.S. Trade Representative Robert Lighthizer announced the trade pact's effective date on April 24 when he notified Congress that Canada and Mexico have taken measures necessary to comply with their commitments under the USMCA.

The U.S. Department of Commerce provides key information at www.trade.gov/usmca.

CalChamber Support

The CalChamber actively supported the creation of the USMCA, the successor to the North American Free Trade Agreement (NAFTA).

The United States, Canada and Mexico comprise more than 490 million people (6.5% of the world's population), a \$26 trillion gross domestic product (GDP) (18.3% of world GDP), and \$6 trillion in trade (nearly 16% of global trade).

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

Due to California being a global trade leader, USMCA priorities are important to CalChamber members and the state's economic health.

The USMCA is a necessary modernization to NAFTA that recognizes the impacts of technology on the three countries' economies. There are new chap-

ters on good regulatory practices, digital trade, small and medium-sized enterprises (SMEs), the environment, and labor. The USMCA deal improves access to Canada's dairy market for U.S. farmers, giving U.S. exporters an estimated additional 3.59% market share. It also provides for stronger intellectual property provisions, and tighter rules of origin for auto production, according to the Trump administration.

Major Provisions

COVID-19

"The crisis and recovery from the COVID-19 pandemic demonstrates that now, more than ever, the United States should strive to increase manufacturing capacity and investment in North America. The USMCA's entry into force is a landmark achievement in that effort," Lighthizer said in April 2020.

Mexico's Economy Ministry said the USMCA's implementation will "drive [economic] recovery of our country, of the North American region, after the health crisis caused by COVID-19."

Certificate of Origin

One of the major changes is replacing the NAFTA Certificate of Origin with a certification, similar to other free trade agreements, such as those with Korea and Australia. The certification will not be required for noncommercial shipments and imports valued at less than \$2,500.

Customs De Minimis

The *de minimis* threshold sets the value of goods below which no duties or taxes are collected by customs. According to the U.S. Department of Commerce, shipments up to the following values generally will enter with minimal formal entry procedures.

- Canada will raise its *de minimis* level for North American express shipments from C\$20 to C\$40 for taxes. It will also provide for duty-free treatment for express shipments up to C\$150.

- Mexico will continue to provide US\$50 tax-free *de minimis* and also duty-free treatment for express shipments up to the equivalent of US\$117.

- The United States will maintain its *de minimis* level at US\$800.

Auto Regulations

The three North American trad-

ing partners have wrapped up talks on uniform regulations to implement the USMCA's rule of origin, one of the most challenging issues for USMCA implementation. Officials in the United States, Mexico and Canada have been working since March to craft the regulations, which include specific formulas and information on how automakers must comply with the new rules to qualify for reduced tariffs under USMCA.

Automakers indicate that complying with the rules will require time-consuming and costly changes, made more difficult by the economic fallout from the pandemic—but the regulations offer auto companies a transition period between July 1 and the end of the year.

Labor Issues

Appointments are being made to the newly created independent Mexico labor expert board, which will monitor and evaluate whether Mexico is implementing its promised labor reforms in a timely manner.

Mexico Statistics

Two-way trade in goods between Mexico and the United States increased dramatically from \$81.4 billion in 1993 to \$614.42 billion in 2019. Mexico has remained the United States' second largest export market since 1995 and is the first or second largest trading partner for 27 American states.

Mexico continues to be California's No. 1 export market, purchasing 16% of all California exports. Computers and electronic products account for 21.1% of all California exports to Mexico.

Canada Statistics

The United States and Canada enjoy the largest bilateral trade and investment relationship in the world. In 2019, two-way trade in goods between Canada and the United States topped \$612 billion. Canada is the largest U.S. export destination.

Canada is California's second largest export market, purchasing 9.6% of all California exports. Computers and electronic products account for 28.6% of all California exports to Canada.

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CalChamber-Sponsored Seminars/Trade Shows

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Indigenous Communities in Panama. U.S. Commercial Service. July 1, Webinar. (800) 872-8723.

Opportunities in the Cybersecurity Sector in Peru. U.S. Commercial Service. July 2, Webinar. (800) 872-8723.

Infrastructure Sector Business Opportunities in Central America. U.S. Commercial Service. July 7, Webinar. (800) 872-8723.

Defense and Security Opportunities in the Caribbean Region. U.S. Commercial Service. July 8, Webinar. (800) 872-8723.

ICT Opportunities in Chile: Digital Economy, Cybersecurity and More. U.S. Commercial Service. July 9, Webinar. (800) 872-8723.

EXIM Teleconference on Transformational Exports: Space Technology. Export-Import Bank of the United States. July 9, Webinar. (800) 565-3946.

POSTPONED: Hannover Messe Trade Shows. Deutsche Messe. July 13–17, Hannover, Germany. +49 511 89-3777.

Expanding Global Opportunities for Minority- and Women-Owned Businesses. Export-Import Bank of the United States. July 14, Webinar. (800)

565-3946.

EXIM Teleconference on Transformational Exports: Biomedical Sciences. Export-Import Bank of the United States. July 16, Webinar. (800) 565-3946.

EXIM Teleconference on Transformational Exports: Semiconductors. Export-Import Bank of the United States. July 23, Webinar. (800) 565-3946.

e-Business Roundtable: Mexican Food-venirs. Mexican Ministry of Economy, Inter-American Development Bank (IADB), ConnectAmericas, Mexican Ministry of Foreign Affairs. July 27–31, Online. (916) 441-3287.

Upcoming Energy Projects in Central America. U.S. Commercial Service. August 5, Webinar. (800) 872-8723.

Upcoming Energy Projects in Argentina. U.S. Commercial Service. August 12, Webinar. (800) 872-8723.

Upcoming Energy Projects in Canada. U.S. Commercial Service. August 26, Webinar. (800) 872-8723.

EXIM 2020 Annual Conference. Export-Import Bank of the United States. September 10–11, Washington, D.C. (800) 565-3946.

Asia EDGE (Enhancing Development and Growth through Energy) Trade

Mission. U.S. Commercial Service. September 13–22, Bangkok, Ho Chi Minh City, Hanoi, Jakarta. (202) 482-3492 or (914) 682-6712.

Construction Indonesia 2020. PT Pamerindo Indonesia and Informa Markets. September 16–18, Jakarta, Indonesia. +49-3999905-0.

Select LA Investment Summit. World Trade Center Los Angeles and the Los Angeles County Economic Development Corporation. September 17, Los Angeles. (213) 236-4853.

94th Annual World Trade Week. Los Angeles Area Chamber of Commerce. September 22, Los Angeles. (213) 580-7500.

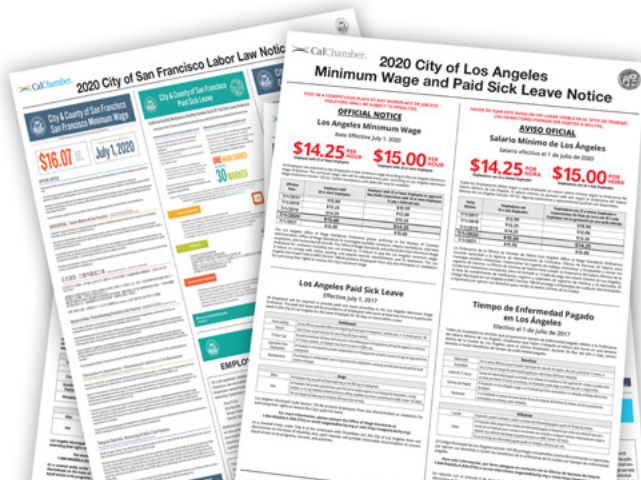
Security Mission for Economic Prosperity in El Salvador, Guatemala and Honduras. U.S. Department of Commerce, International Trade Administration. October 25–30. (703) 235-0103 or +503 2501-3060.

Hong Kong International Wine and Spirits Fair 2020. Hong Kong Trade Development Council. November 5–7, Hong Kong. (213) 622-3194.

Trade Mission: Business Opportunities in the Caribbean. U.S. Commercial Service. November 15–20, Caribbean. (800) 872-8723.

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