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CalChamber

ALERT

Governor Gives Preview of Business Recovery Plan

$575 Million More for Small Business Grant Program

This week, Governor Gavin Newsom released a preview of his budget plan to help California businesses recover from the COVID-19 pandemic.

The Governor's Equitable Recovery for California Businesses and Jobs plan contains business and workforce recovery elements, including adding $575 million to the $500 million previously allocated for the California Small Business COVID-19 Relief Grant.

CalChamber President and CEO Allan Zaremberg welcomed the Governor's announcement on help for small businesses. "CalChamber looks forward to working with the Governor, the administration and the Legislature to get much-needed relief to California's beleaguered small businesses, as soon as possible," he said.

Legislative leaders were responsive as well. In a joint statement, Senate President Pro Tem Toni Atkins (D-San Diego) and Assembly Speaker Anthony Rendon (D-Lakewood) said: "Californians are hurting and need immediate assistance to weather the current crisis. A unified effort is critical to success and we look forward to working with the Governor on the specifics of his, and legislative, proposals to take early action in providing meaningful additional relief. As we work toward passing a final budget in June, we must continue on the responsible path of ensuring our actions

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Transitions for State Officials, Governor's Staff

Alex Padilla

Shirley Weber

Ann O'Leary

Since the last edition of *Alert*, announcements from the Governor's office have revealed changes to come in the lineup of statewide officials and the Governor's staff.

• The Governor nominated California Secretary of State Alex Padilla to fill the U.S. Senate seat to be vacated by Vice President-Elect Kamala Harris when she is sworn into office on January 20.

• The Governor named Dr. Shirley Weber, Assembly member from San Diego, to become California's next Secretary of State.

• The Governor's Chief of Staff, Ann O'Leary, submitted her resignation on December 21, 2020, but continues in her role until the middle of the month. Press

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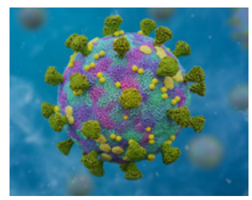
CalChamber Asks Cal/OSHA to Delay Enforcing Emergency COVID-19 Rules



The California Chamber of Commerce is urging the California Division of Occupational Safety and Health (Cal/OSHA) to delay enforcement of the emergency COVID-19 rules.

The emergency regulations went into effect on November 30, 2020, less than two weeks after the Cal/OSHA Standards Board voted to adopt them. They apply to all employers with employees working outside the home (except health care employers covered by the Aerosol Transmissible Diseases standard) and were enforceable immediately.

In a letter sent to Cal/OSHA officials on December 18, 2020 and at a virtual stakeholder meeting joined by more than 1,000 interested groups the same day, the CalChamber asked that enforcement be delayed until January 15, 2021 because employers were given no advance notice on what was required of them and many were struggling just to become familiar with compliance.

The regulations are separated into five compliance categories: COVID-19 Prevention Program; Outbreaks; Major Outbreaks; Employer-Provided Housing; and Employer-Provided Transportation.

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Inside

Labor Law Corner

New Federal COVID Law Includes Option to Offer Paid Sick Leave

David Leporiere
HR Adviser

I remember reading that the Families First Coronavirus Response Act (FFCRA) was scheduled to expire on December 31, 2020. Do I need to pay anything to my employees who get sick with COVID 19 after the first of the year?

The Emergency Paid Sick Leave (EPSL) and the Expanded Family Medical Leave (EFMLA) that were mandated in the FFCRA did expire on December 31, 2020.

Employer Choice

However, the new COVID-19 relief package that was recently passed by Congress and signed by the President provided employers with the option of voluntarily continuing those programs.

Under the new law, employers are not required to continuing providing paid leave, but may choose to continue providing the paid leave that would have been required by the FFCRA from January 1 through March 31, 2021.

Employers who were covered by the FFCRA in 2020 who choose to continue providing paid leave can continue to claim a tax credit to cover the cost of voluntarily providing the FFCRA leaves through March 31.

No Time Extension

Be aware that the new legislation does not increase the total amount of the tax credit available for any single employee. This means that the voluntary continuation of the paid leaves applies only to those employees who did not utilize or exhaust those leaves in 2020.

Each employee is entitled to a total of 2 weeks of EPSL and 10 weeks of EFMLA from the time the FFCRA was initially enacted in April 2020 through the end of March 2021.

If you have questions about whether you should voluntarily continue to provide these benefits, and/or who is eligible for those benefits, you should consult with your legal counsel.

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 information at *www.calchamber.com/events*.

Labor and Employment

2021 Employment Law Updates Virtual Seminar. CalChamber. January 7, 8, 15, 21. Online. (800) 331-8877.

2021 Employment Law Updates Webinar. CalChamber. January 28, Online. (800) 331-8877.

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. February 18–19, March 18–19, April 22–23, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar. CalChamber. March 4–5, Online. (800) 331-8877.

International Trade

Introduction to Trade Finance. Export-Import Bank of the United States and CalChamber. January 12, Webinar. (800) 565-3946.

AmCham Ireland's Invest in California Guide Launch. American Chamber of Commerce Ireland. 353 1 661 6201

California Global Connect: Renewable Energy and Advanced Transportation Opportunities in Portugal and Spain. Governor's Office of Business and Economic Development. February 23–26, Online. (279) 666-9104.

Taiwan Trade Show 2021. Taiwan External Trade Development Council. March 1–October 30, Taiwan. 886-2-2725-5200.

Virtual 2021 SelectUSA Investment Summit. International Trade Administration. June 7–11, Online. (800) 424-5249.

Expo Dubai 2021. Expo 2020 Dubai UAE. October 1, 2021–March 31, 2022, Dubai, United Arab Emirates. (+971) 800 EXPO (3976).

Cyber Security Trade Mission to South America. U.S. Department of Commerce, International Trade Administration. October 18–22 and October 25, Peru, Chile, Uruguay,

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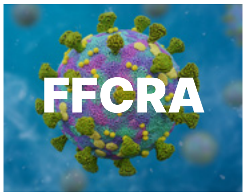
CalChamber Calendar

2021 California Budget Review by Finance Director Keely Martin Bosler: January 12, Online. Register by Friday, January 28

Congress Declines to Extend Families First Coronavirus Act Mandate



On December 27, 2020, President Donald Trump signed a second stimulus package addressing the economy and the COVID-19 pandemic. Among the many issues resolved in the new stimulus package, Congress didn't extend the Families First Coronavirus Response Act (FFCRA) leave mandate, so employers were no longer required to provide leave under the FFCRA starting January 1, 2021, but Congress did extend the tax credits available to employers who voluntarily provide FFCRA leave.

As previously reported, the FFCRA required employers with fewer than 500 employees to provide emergency paid sick leave (EPSL) and paid expanded FMLA (E-FMLA) to employees for certain COVID-19-related reasons, subject to monetary caps. Employers then could claim payroll tax credits in an amount equal to what they paid employees for leave under the FFCRA. When enacted, the FFCRA was set to expire on December 31, 2020.

Tax Credit

Even though the leave mandate ended on December 31, 2020, the tax credits are still available to employers who voluntarily provide leave under the FFCRA, if the employers follow the rules, such as providing leave only for an FFCRA-eligible reason and paying employees at the rates specified under the FFCRA. The tax credits are available until March 31, 2021.

Although the stimulus package provided a concrete answer about the future of the FFCRA, it did leave open some questions that may need to be answered with agency guidance.

For example, if an employer's 12-month period for FMLA calculations resets on January 1, 2021, can an employer claim tax credits for voluntarily

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Governor Gives Preview of Business Recovery Plan

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strengthen California and our communities, and not add to the economic challenges we are facing."

Small Business Grants

The small business COVID-19 program offers grants of $5,000–$25,000, depending on the annual revenue of the small business, to help micro and small businesses adapt operations for the coronavirus. The grants will be distributed statewide, with priority given to regions and industries affected by the pandemic, disadvantaged communities and underserved small business groups. Nonprofits are eligible for these grants.

Owners of multiple businesses, franchises, locations, etc. will be considered for only one grant and are required to apply for the business with the highest revenue.

The first round of applications for the grant program began on December 30, 2020 and closes January 13 (an extension from the original closing date).

Approval notifications for the first round of applications will start on January 15, according to the website. Applicants who submitted their application and submitted all documentation in the first round do not need to reapply; qualified applications will be rolled over automatically into the next funding round for consideration.

Deadlines for the second round of applications had not be determined as this article was being written.

More information about eligibility requirements and the grant process are available at ***https://careliefgrant.com/***

Jobs Initiative

The $777.5 million California Jobs Initiative proposal aims to preserve California competitiveness. Programs targeted for added funding focus on job creation and retention, regional development, small businesses and climate innovation.

• California Competes Tax Credit (CalCompetes). The new CalCompetes grant program incentivizes businesses to locate in California to stay, grow and create quality full-time jobs in the state. The program will support job creation and infrastructure investments ($430 million).

• Extended Main Street Small Business Tax Credit to encourage hiring new employees and rehiring former employees ($100 million). As of January 4, nearly 9,000 taxpayers had reserved more than $54 million of the existing credit, according to the Governor's office.

• Mitigating the state and local tax (SALT) deduction limitation for S-corporation shareholders.

• The California Dream Fund to seed entrepreneurship and small business creation in underserved communities ($35 million).

• Additional funds for the Small Business Finance Center of the California Infrastructure and Economic Development Bank (IBank) to provide small business and disaster loan guarantees ($50 million to be leveraged to provide $250 million in loans) and for the California Rebuilding Fund ($50 million).

• Expanded sales tax exclusions through the Treasurer's Office to reduce the cost of manufacturing equipment in order to promote innovation and meet the state's climate goals ($100 million).

The funding also includes $12.5 million allocated in late 2020, in partnership with the Legislature, to fully capitalize the California Rebuilding Fund to support $125 million low-interest loans to underserved businesses.

Workforce Development

The budget will propose $353 million in one-time and ongoing investments to help California workers adapt to changes in the economy due to COVID-19. Funds will go to apprenticeship and High Road Training Partnerships and toward encouraging greater collaboration and coordination among the state's institutions of higher learning and local workforce partners.

Fee Waivers

The budget will propose $70.6 million for fee waivers to individuals and businesses most affected by the pandemic, including barbers, cosmetologists, manicurists, bars and restaurants. The waivers aim to help those who have been unable to operate or are operating at reduced capacity during the pandemic.

CalChamber Seeks Delay in Enforcing Emergency COVID-19 Rules

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Issues for Employers

The CalChamber has identified a number of areas that need to be reviewed and offered suggestions for improving the new requirements. Specifically, CalChamber has asked that Cal/OSHA clarify and change language in the regulation to:

- Address feasibility concerns regarding testing obligations;
- Determine how vaccinated employees will be considered under the new regulation;
- Address employees who refuse testing;
- Clarify employees' and employers' rights regarding investigating COVID-19 status;
- Reduce disruption of essential workplaces by shortening exclusion;
- Clarify obligation to "maintain earnings";
- Clarify triggering of outbreaks by nonworkers;
- Address the application of the California Consumer Privacy Act to the emergency standard;
- Clarify requirement to provide testing during "working hours."

COVID-19 Prevention Program

The prevention effort's centerpiece is the COVID-19 Prevention Program (Prevention Program). Although employers already were required to include COVID-19 elements in their Injury and Illness Prevention Program pursuant to prior Cal/OSHA guidance documents, the regulation added some specifics and broadened those requirements. According to the regulation, the Prevention Program must be in writing and contain information on the following subjects:

- System of Communicating COVID-19-Related Information.
- Identification and Evaluation of Hazards.
- Investigating and Responding to COVID-19 Cases in the Workplace.
- Correcting Workplace COVID-19 Hazards.
- Effective Training and Instruction to Employees Regarding COVID-19.
- Procedures for Physical Distancing.
- Face Coverings.
- Other Infection Controls and Personal Protective Equipment.
- Reporting, Recordkeeping and Employee Access to Employer COVID-19 Records.
- Excluding Employees from the Worksite and Job Protection.
- Return to Work Criteria.

Within each subject matter are several specific protocols that must be addressed.

Under the regulations, when an employee tests positive—regardless of the source of the infection—the employer must conduct contact tracing to determine which areas of the workplace were exposed, as well as whether any close contact occurred between the infected employee and other employees.

Recognizing that the Prevention Program requirements are extensive and detailed, Cal/OSHA released guidance for creating and implementing the Prevention Program. Within this guidance is a model Prevention Program that employers may use as a template to comply with the new mandate.

Outbreaks/Major Outbreaks

The emergency regulations provide separate rules for employers should they experience an outbreak or a major outbreak.

An "outbreak" is defined as three or more positive cases at an exposed workplace within a 14-day period. If an employer experiences an outbreak, they must, in addition to the Prevention Program, immediately provide no-cost testing to all employees in the exposed workplace, contact their local health department within 48 hours of discovering the outbreak and investigate workplace hazards that may have contributed to the outbreak.

Additional requirements are spelled out when there is a "major outbreak," defined as 20 or more positive cases in a 30-day period.

More details on the requirements for dealing with a major outbreak, employer-provided transportation and housing appears in the CalChamber update story.

What's Next

Cal/OSHA will be holding an advisory committee meeting this month to discuss changes to the regulation's text or the Frequently Asked Questions document.

The Cal/OSHA Standards Board is expected to hear testimony about the regulations during its March meeting.

At the December stakeholder meeting, Cal/OSHA specifically asked employers to provide feedback about difficulties they have had complying with the regulations' testing requirements. All employers struggling to locate sufficient testing supplies, or unable to find medical facilities where their employees can get prompt testing to comply with the regulation, should document their situations and forward that information to rs@dir.ca.gov.

The CalChamber will continue to provide updates on developments on COVID-19 regulation here.

Staff Contacts: Robert Moutrie and Matthew Roberts

California Water Outlook Trending Dry; Supply Depends on Rainy Season Outcome

It's trending toward a dry water year. Long-range weather forecasts aren't pointing to heavy precipitation in the coming months.

However, forecasting weather is iffy. It is possible that a series of atmospheric rivers form to bring a deluge like the Miracle March storms in 1991, but it's just as possible that scant rains fall the next couple of months, perhaps starting another drought cycle.

The rainy season is November through March with December, January and February as the wettest months. December proved to be relatively dry. However, January started with intermittent rain and snow.

Snowpack

According to the Department of Water Resources (DWR) index of rain and snow gauges in the northern Sierra, the snowpack is about 55% of average.

Yet, when measured manually at Phillips, snow depth is reported at 30.5 inches of snow and 10.5 inches of "snow water content," translating to mean water content is 93% of normal for this time of year. The measurement could be specific to the location of Phillips and not representative of overall conditions, according to DWR.

Drought Monitor

The U.S. Drought Monitor indicates 100% of California is experiencing some form of drought, ranging from abnormally dry to exceptional drought. Most of the state falls in the severe (40%) to extreme (32%) drought status, which indicates water supplies will be stressed if it continues to be dry.

Severe status indicates a longer fire season, stressed trees, inadequate grazing land, increase in wildlife disease, low river flows, and an increase in water temperature, leading to programs to divert water for fish.

Extreme drought indicates grazing is nonexistent and livestock much be fed expensive supplemental feed; fruit trees bud early; dairy operations close; river levels drop, impeding fish migration; water supply is inadequate for agriculture, wildlife and urban needs; hydropower declines; and water sanitation becomes a concern.

Water supplies in the state's two biggest reservoirs are declining—Shasta is at 45% of capacity, which is 72% of average for this time of year, and Oroville is at 35% of capacity and 57% of average.

Water Allocations

DWR estimates only 10% of requested allocations will be met for State Water Project supply in 2021. Most years, initial allocations range from 20% to 40%.

A 10% allocation roughly equates to 422,848 acre-feet of water to be shared by 29 state water contractors that service 27 million Californians and 750,000 acres of farmland in the San Joaquin Valley, San Francisco Bay Area and Southern California.

The federal Central Valley Project (CVP) does not release its allocation numbers until February. In a normal year, CVP delivers about 7 million acre-feet of water for agricultural, urban and wildlife uses—5 million acre-feet for farms and 600,000 acre-feet for municipal and industrial use, mostly in the Central Valley.

Critical Months

The next couple of months will be crucial to the water supply for 2021. The possibility of coping with a drought during a pandemic that requires much more sanitation using water is an overwhelming logistical problem. Restricting water use, either through curtailments of water rights or increases in price, adds to the burden businesses already shoulder.

If nothing else, water supply concerns should prompt the state to look seriously at means of increasing water supplies through reuse, recycling, desalination, purification and increased storage.

Staff Contact: Valerie Nera

Transitions for State Officials, Governor's Staff

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reports say O'Leary is on the short list for a position in the Biden administration.

In statements issued following the announcements, CalChamber President and CEO Allan Zaremberg praised the Padilla nomination as "a smart decision… Secretary of State Padilla has experience in all levels of government and a good track record of bringing people together to find common sense solutions. We look forward to working with Alex Padilla in his new role as United States Senator to make California's economy and job creation a priority."

Describing Dr. Weber as "an extraordinary individual," Zaremberg noted that she "has shown her ability to lead on difficult issues and we look forward to working with her to ensure that California has accessible and well-run elections as well as transparent, helpful business regulation."

Zaremberg thanked O'Leary "for her service and her dedication during this most difficult and troubling time in California. We look forward to working with the Governor and his entire team as we pull together to face the challenges ahead and restore the California economy."

Visit the newsroom on the Governor's website to see the press releases on the nomination of Dr. Weber for Secretary of State, the selection of Padilla to the U.S. Senate and the pending departure of O'Leary and naming of public affairs consultant Jim DeBoo to serve as Executive Secretary starting January 1 and leading the Office of the Governor alongside Cabinet Secretary Ana Matosantos.

African Continental Free Trade Agreement in Effect Now; Fully Operational in 2030

After five years of negotiations on cutting cross-border tariffs, trade and investment opportunities in Africa are in the spotlight as the African nations prepare the implementation of their free trade area.

The California Chamber of Commerce is a longtime supporter of stable and sustainable economic growth and development in sub-Saharan Africa.

African Continental Free Trade Area

The African Continental Free Trade Area (AfCFTA), which originally was to be implemented on July 1, 2020, took effect this month and could be the world's biggest free-trade zone by area when its treaty becomes fully operationally by 2030. The bloc has a potential market of 1.2 billion people and a combined gross domestic product of $2.5 trillion.

It is the culmination of many negotiations held since 2015 among the leaders of 54 African nations.

AfCFTA Secretary-General Wamkele Mene had postponed the final steps toward the bloc due to COVID-19, but the agreement taking effect this month means that intra-African trade will be key to the post-pandemic economic recovery.

The Secretary-General is hoping to create centers of manufacturing excellence across the continent as an opportunity for investors.

The trade area will begin by cutting tariffs for goods traded within the bloc and then eventually expand into other areas. Intra-African trade is currently only a small portion of all African trade.

Intra-African trade fell to 14.5% of total African trade in 2019, from 15% the year before. The free trade pact could bolster the proportion to 22%, and commerce within the continent could rise to more than $231 billion even if all other conditions remain unchanged, the African Export-Import Bank (Afreximbank)said in a report published on December 15, 2020. Internal shipments accounted for 52% of total trade in Asia and 72% in Europe, according to Afreximbank data.

The accord seeks to lower or eliminate cross-border tariffs on most goods, facilitate the movement of capital and people, promote investment and pave the way for a continent-wide customs union.

All but one of the 55 nations recognized by the African Union have signed to join the area and many have ratified the accord. Eritrea, which has a largely closed economy, is the sole holdout.

From January 1, 2021, Djibouti, Ethiopia, Kenya, Rwanda and Uganda all began reducing their tariffs—starting with a linear reduction on 90% of tariff lines—leading to the elimination of tariffs on intra-regional imports over five years (10 years for countries classified by the United Nations as "least developed countries").

The formation of the trading bloc could cushion the region against continuing coronavirus-related uncertainties and escalating trade tensions, as well as lessen its exposure to adverse terms of trade and price cycles for commodities, Afreximbank said.

AGOA

With the possible phasing out of the African Growth and Opportunity Act (AGOA) in 2025 when it is currently set to expire, Kenya had already entered into negotiations with the aim of establishing a free trade agreement with the United States under the Trump administration. Negotiations are expected to continue under the Biden administration.

AGOA gives 39 sub-Saharan African countries duty-free access to the U.S. market for thousands of goods. The AGOA embodies a trade and investment-centered approach to development. Enactment of the AGOA has stimulated the growth of the African private sector and provided incentives for further reform.

The AGOA is aimed at transforming the relationship between the United States and sub-Saharan Africa away from aid dependence to enhanced commerce by providing commercial incentives to encourage bilateral trade. Since its inception in 2000, AGOA has helped increase U.S. two-way trade with sub-Saharan Africa.

U.S.-Kenya Agreement

On March 17, 2020, in accordance with the procedures laid out in the Trade Promotion Authority (TPA), the Trump administration notified Congress of the intent to enter into negotiations for a trade agreement with the Republic of Kenya.

A trade agreement between the United States and Kenya would be the first between the U.S. and a sub-Saharan African country. A U.S.-Kenya trade agreement would also complement Africa's regional integration efforts, which include the landmark AfCFTA.

From its location on the eastern coast of Africa, Kenya serves as a gateway to the region and a major commercial hub that can provide opportunities for U.S. consumers, businesses, farmers, ranchers and workers.

Kenya currently receives benefits under the AGOA with the objective of expanding U.S. trade and investment with sub-Saharan Africa, to stimulate economic growth, to encourage economic integration, and to facilitate sub-Saharan Africa's integration into the global economy.

A trade deal with Kenya can serve as a template that could be replicated with other countries on the continent.

U.S.-Kenya Trade

Total U.S.-Kenya two-way trade currently reaches about $1 billion annually. In 2019, the United States exported $391 million worth of goods to Kenya. Chemicals made up the largest percentage of the total at 21.5%. This was followed by transportation equipment at 17%, agricultural products (9.8%) and computer and electronic products (9.7%).

Imports from Kenya into the United States totaled $667 million in 2019. Apparel manufacturing products made up the largest percentage at 68% of the total. The next largest imports were agricultural products (14.3%), minerals and ores (7.9%), and food manufactures (2.9%) (International Trade Administration).

U.S. foreign direct investment (stock) in Kenya stood at $405 million in 2017 (U.S. Trade Representative).

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African Continental Free Trade Agreement in Effect Now

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California-Kenya Trade

California is the second largest exporting state to Kenya. In 2019, California exported $38.3 million worth of goods to Kenya. Chemicals made up the largest portion at 21.2% of the total and $8.075 million. This was followed by computer and electronic products with 19.8% and transportation equipment at 17.8%. Special classification provisions also made up 14% of total goods exported.

In 2019, California imported $87.5 million worth of goods from Kenya, 63.4% of which was made up of apparel manufacturing products. This was followed by agricultural products at 27.9%, food manufactures at 4.9%, and reimports at 0.9%. In 2019, California also was the second largest state importing Kenyan goods (International Trade Administration).

U.S.-Africa Policy Tools

U.S. policy tools and initiatives related to Africa include the following:

• **Power Africa**, which has a goal to add more than 30,000 megawatts of cleaner, more efficient electricity generation capacity and 60 million new home and business connections through private-public partnerships.

• **Millennium Challenge Corporation** (MCC), which provides large grants (in the hundreds of millions of dollars) to promote economic growth, reduce poverty and strengthen institutions. MCC is embarking on regional projects involving two or more countries.

• The recently launched **U.S. International Development Finance Corporation** (DFC), which replaced the Overseas Private Investment Corp. and has an expanded mandate and greater resources.

• **Prosper Africa**, currently designed to be a one-stop shop to facilitate increased trade and investment between U.S. and African businesses.

Agenda 2063

All the initiatives above dovetail with Agenda 2063, Africa's blueprint and master plan for transforming itself into the global powerhouse of the future.

Agenda 2063 has been described as "a concrete manifestation of the pan-African drive for unity, self-determination, freedom, progress and collective prosperity pursued under Pan-Africanism and African Renaissance."

In affirming their commitment to Agenda 2063, African leaders called for refocusing and reprioritizing Africa's agenda from the struggle against apartheid and the attainment of political independence for the continent, to inclusive social and economic development, continental and regional integration, democratic governance, and peace and security, among other issues aimed at repositioning Africa to becoming a dominant player in the global arena.

CalChamber Position

The CalChamber believes that it is in the mutual economic interests of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa, and that this growth depends in large measure upon developing a receptive environment for trade and investment.

The CalChamber is supportive of the United States seeking to facilitate market-led economic growth in, and thereby the social and economic development of, the countries of sub-Saharan Africa.

In particular, the CalChamber is supportive of the United States seeking to assist sub-Saharan African countries and the private sector in those countries to achieve economic self-reliance.

Staff Contact: Susanne T. Stirling

Congress Declines to Extend Families First Coronavirus Act Mandate

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providing further E-FMLA leave to an employee who previously exhausted their 12-week entitlement?

Check for Updates

Employers should continue to frequently check the U.S. Department of Labor (DOL) and IRS guidance webpages related to the FFCRA for updated guidance following the enactment of the stimulus bill.

In California, the FFCRA's fate held more importance because California's COVID-19 supplemental paid sick leave program was tied to the FFCRA's expiration.

As previously reported, the California Legislature enacted AB 1867, which mandated employers with 500 or more employees to provide up to two weeks of supplemental paid sick leave for certain qualifying reasons. AB 1867 expressly provided that the supplemental paid sick leave program expires when the FFCRA does.

Because Congress didn't extend the FFCRA mandate, the California Labor Commissioner updated the AB 1867 guidance to reflect that California's COVID-19 supplemental paid sick leave program has now also expired. However, the state Legislature will soon reconvene and may enact new leave policies related to COVID-19, so employers should continue to monitor developments in California.

Local Ordinances

Finally, employers still need to be aware of the many local city and county ordinances enacted in 2020 that provided supplemental COVID-19 paid sick leave with their own rules and expiration dates unrelated to state or federal law.

CalChamber members can learn about local COVID-19-related ordinances that may apply to them using the Local Ordinances Wizard. Not a member? See how CalChamber can help you.

Staff Contact: Matthew J. Roberts

A View from India

Robust Relations, Cross-Border Startups Create Jobs, Trade Benefits Across Sectors

The following answers to questions posed by the California Chamber of Commerce are from Ambassador Dr. T.V. Nagendra Prasad, Consul General of India, Consulate General of India in San Francisco.

India-California Relations

Please describe your thoughts on the unique relationship between India and California.

The Consulate General of India in San Francisco deals with a very vast territory on the U.S. West Coast, covering 11 states, including Hawaii and the overseas territory of Guam. The Consulate also covers a very large Indian diaspora of about 1.5 million under its jurisdiction. Currently the merchandise trade between India and the states under our jurisdiction stands at US $15 billion with California claiming the lion's share (about US $10 billion).

A robust relationship existed between India and California. Indian immigrants in the early 1900s came to California's Central Valley for agriculture and to other areas for road and railway construction activities. California is the largest trading partner among the U.S. states under our jurisdiction.

California is also home to more than 600,000 Indians (largest statewide figure in the United States), who also dominate the tech-industrial cluster of Silicon Valley and also the agri-economy of the Central Valley. More than 50 venture capital funds in the state are backed by Indians. This unique position provides a good opportunity for us to increase our footprints and outreach.

Merchandise trade may have certain limitations owing to the distance factor, but California and also the rest of the West Coast continue to be a dependable source of investment and service-trade destination for India.

Besides tech/innovation, India and California have good relations and cooperation in art and culture, particularly Bollywood and Hollywood. The cross-border startups led by Indians create jobs in Silicon Valley and also in India.

A study indicated that every entrepreneurial visa creates eight jobs on an average in the United States. The visit of Lieutenant Governor Eleni Kounalakis to India early in 2020 indicates the strong relationship between India and California. The increasing number of direct flights between California and India is also an indication of growing connections.

Ambassador Dr. T.V. Nagendra Prasad, Consul General of India, Consulate General of India in San Francisco

COVID-19 Impact

As countries all over the world feel the pandemic, what is the economic impact of COVID-19 on India?

The COVID-19 pandemic is unprecedented in our history. It is indeed the biggest health-cum-socio economic crisis in our memory. While the full extent of the impact remains to be seen, this still-evolving threat has affected every aspect of the global economy barring a very few exceptions. In an interdependent world, it is hard to imagine that any country will remain unaffected by such an impact.

India was not an exception either. India, with 95% recovery and about 1.5% fatality rates, has been strengthening its health care infrastructure to fight COVID. Impacted by the coronavirus pandemic, the Indian economy dipped by a historic 23.9% in the first quarter of the current financial year [2020]. The contraction narrowed down to 7.5% in the second quarter.

According to the Reserve Bank of India (RBI), India's central bank, green shoots are already there in our recovery efforts. Real gross domestic product (GDP) growth is expected to break out into positive territory in Q3—albeit to a slender 0.1%. India is expected to close this year [2020] with an overall growth rate of 1.9% while returning to a high-growth rate of 7.5% in the next financial year.

India and the United States cooperated well in this period of crisis, particularly in the pharma sector. The [San Francisco] Bay Area biotech giant Gilead tied up with six companies in India to produce remdesivir to supply to the entire world at an affordable cost.

India is known as the "pharmacy of the world" and it has demonstrated its resolve to cooperate and collaborate with the world. India currently produces more than 70% of the world's vaccines and with its infrastructure is gearing up to assist in scaling up the production of COVID vaccines.

Challenges/Opportunities

What are the challenges and opportunities facing India?

India was quick to respond to the COVID pandemic's challenge. Our Prime Minister launched one of the largest stimulus packages of nearly $400 billion under the flagship initiative of "Atma Nirbhar Bharat" (the Self-Reliant India). This amount is 15% of India's GDP.

An extensive set of reforms also are being enforced as part of the stimulus package that will help boost our small-scale industries (MSME [micro, small and medium enterprises] sector), generate employment, reform our agriculture sector, rationalize the regulatory environment and improve infrastructure, especially in energy and power sectors, etc.

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Robust Relations, Cross-Border Startups Create Jobs, Trade Benefits

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Notice the innovative approach of Production-Linked Incentives (PLIs), as well as extension of the Emergency Credit Line Guarantee Scheme (ECLGS) in several sectors, such as electronics, textile, telecom, solar photovoltaic (PV) modules, specialty steel, food products, etc.

The recent reform-oriented acts under the Indian agriculture sector also are aimed at furthering this reform agenda. The goal was to convert a crisis into an opportunity and to build a future-ready India that will play a bigger and more important role in recovery of the global economy.

New generation reforms gained momentum in India much before the crisis began. In India today we have a single tax regime under lowest corporate tax rates; and an added incentive for new manufacturing, faceless regime for income tax assessment and appeal; a new labor laws regime balancing the welfare of workers and ease of doing business for the employers; an empowered institutional arrangement to hand-hold investors. All these reform measures, coupled with incentives under "Atma Nirbhar Bharat," make India one of the most attractive destinations for investments.

California is much ahead in recognizing these opportunities. Several companies from the state have acted quickly to benefit from this newfound opportunity. In the last few months, notwithstanding the adverse impact of the COVID-19 pandemic, companies in the Bay Area have committed more than $18 billion in investment in Indian digital markets. This includes Facebook's $5.7 billion, Google's $10 billion and Qualcomm, Silver Lake, Sequoia Capital adding the rest of the amount. There are several other companies who are showing keen interest in investing in India.

The recent National Education Policy of India opens up opportunities for collaboration in the education sector. Currently, we have over 20,000 students in California alone.

As we leave behind the memories of pandemic, painful past of 2020, India offers a new hope for global recovery in 2021. We offer Democracy, Demography and Demand. I am sure that India-California relations are poised to grow across sectors in the post-COVID period.

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CalChamber-Sponsored Seminars/Trade Shows

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Argentina (optional stop). (410) 962-4539; (202) 482-3773; (703) 235-0102. Apply by July 9.

Cyber Security Business Development Mission to India. U.S. Department of Commerce, International Trade Administration. November 8–12, New Delhi, Mumbai, optional stops in Bangalore or Hyderabad. (303) 844-5655; (202) 482-3773.

12th World Chambers Congress: Dubai 2021. International Chamber of Commerce World Chambers Federation and Dubai Chamber of Commerce & Industry. November 23–25, Dubai, United Arab Emirates. *worldchamberscongress@iccwbo.org*.