

CalChamber Releases 2021 Job Killer List



This week, the California Chamber of Commerce released its annual job killer list, which includes 18 bills that would place California employers and the state's

economy in harm's way should they become law.

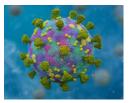
Of particular concern, according to CalChamber, are proposed labor and employment mandates that would hit small business employers especially hard as they attempt to recover from losses experienced due to pandemic-related shutdowns.

"Many of these bills — particularly the labor and employment ones — seem to be solutions in search of a problem," said CalChamber President and CEO Allan Zaremberg.

Zaremberg also questioned why the Legislature is not working on ways to reduce costs on businesses struggling due to the pandemic.

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Declining COVID Indicators Show Promise for Reopening of More Business Sectors



COVID-19 statistics continued to move in the right direction this week as the rate of new cases, deaths and

positive tests declined and the number of vaccines administered increased.

At mid-week, California had recorded more than 3.5 million COVID-19 cases, but the rate of new cases (5 per 100,000 people) was declining, as was the death rate (.03 new deaths per 100,000). Test positivity (2%) was relatively flat. Nearly 16 million vaccines have been administered.

The shots administered mean 15.4% of the population is partially vaccinated and 16.9% of Californians are fully vaccinated, according to the state's COVID-19 vaccine dashboard. "Partially vaccinated" means individuals who have received at least one dose of either the Pfizer or Moderna vaccines (both require

two doses for the highest protection).

"Fully vaccinated" means individuals who have received two doses of the Pfizer or Moderna vaccine or one dose of the Janssen (Johnson & Johnson) vaccine, which the U.S. Food and Drug Administration authorized for emergency use at the end of February.

Statewide, 39 of the 58 counties — representing 83.2% of the state's population — have dropped to the red tier (substantial virus presence). Still in the purple (widespread) tier are 8 counties, mainly in the Central Valley, accounting for 6.3% of the state's population.

Nine counties are in the orange (moderate) tier: (Lassen, Marin, Mariposa, San Francisco, San Mateo, Santa Clara, Plumas, Trinity and Yolo), while Alpine (population 1,117) and Sierra (population 3,115) counties are in the least restrictive yellow tier (minimal virus presence).

For details on the latest COVID-19 numbers, visit *covid19.ca.gov*.

Governor Signs New Paid Sick Leave Mandate into Law



Governor Gavin Newsom signed legislation on March 19 that mandates the addition of up to 80 hours of

employer-paid COVID-19 sick leave retroactive to January 1, 2021. The new law applies to employees who work for a public or private employer with more than 25 employees.

Upon signing the legislation into law, Governor Newsom said, "Even as case rates and hospitalizations decline and vaccinations ramp up, we can't let our guard down and must do all we can to stop this virus from spreading."

The California Chamber of Commerce and a coalition of more than 110 allied groups strongly opposed the proposal. The coalition expressed concerns about costs on employers, administrative burdens, potential liability for unanticipated errors and claims under the Private Attorneys General Act (PAGA).

The new law goes into effect on March 29, 2021.

The most important thing employers need to be aware of regarding the new mandate is that this new bucket of 80 hours of leave is in addition to any leave an employee took in 2020 under the federal Families First Coronavirus Response Act or AB 1867 and there are new qualifying reasons the leave may be taken, including getting the COVID-19

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Labor Law Corner

Steps to Take for Safely Returning Employees to the Workplace



Bianca Saad Employment Law Counsel/Subject Matter Expert

What COVID-19 safety measures do employers need to have in place before bringing employees back to the worksite from remote work?

Employers who are bringing their employees back to the workplace have several steps and considerations to make.

Written Prevention Program

One major safety component is developing a written COVID-19 Prevention Program, as required under the California

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Email: alert@calchamber.com. Home page: www.calchamber.com. Division of Occupational Safety and Health (Cal/OSHA) Emergency Temporary Standards (ETS) that took effect on November 30, 2020.

In creating your written COVID-19 Prevention Program, you will need to address several topics, including but not limited to how you will: communicate your COVID-19 prevention procedures to your employees; identify, evaluate and correct COVID-19 hazards; implement physical distancing and face covering requirements; investigate and respond to COVID-19 cases in the workplace; provide testing to employees who may have been exposed to COVID-19 in the workplace; and exclude COVID-19 cases and exposed employees from the workplace.

Cal/OSHA has made a Model COVID-19 Prevention Program available for employers to use.

COVID-19 Testing

Aside from addressing the topic of testing in the written COVID-19 Prevention Program, employers are required to provide COVID-19 testing for employees who were exposed to COVID-19 at work (additional testing requirements are triggered by "major" or "multiple" outbreaks as defined by the ETS), exclude COVID-19 cases and exposed employees from the workplace (including maintaining pay and benefits), and ensuring specific criteria are met before COVID-19 cases and exposed employees may safely return to work.

Notifications/Reporting

Employers should also be familiar and ready to comply with your various notifi-

cation and reporting requirements related to COVID-19.

Under AB 685, and under the Cal/OSHA ETS, employers must notify all employees within one business day of learning of a positive case in the workplace. Additionally, employers have obligations to report all positive cases to their workers' compensation carrier under SB 1159.

Sick Leave

Lastly, part of maintaining a safe and healthy workplace includes allowing employees who are sick or experiencing any COVID-19 symptoms to stay home.

Available leave may include California mandated paid sick leave, leave under the federal Families First Coronavirus Response Act for those employers voluntarily providing it, local paid sick leave or supplemental paid sick leave ordinances, and most recently, California's newly enacted supplemental paid sick leave law.

Industry-Specific Standards

Keep in mind this is a general overview of some of the highlighted safety measures to have in place. Employers should also check for any industry-specific standards, along with any requirements of their particular local health department.

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

CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor and Employment

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. April 22–23 SOLD OUT. (800) 331-8877. HR Boot Camp Virtual Seminar. April 8–9 SOLD OUT; May 6–7, Online. (800) 331-8877.

International Trade

Impact of Artificial Intelligence on Global Trade and Policy. World Trade Center Northern California. March 31, Virtual. (916) 447-9827.

Charting a Course for Trade and Digital Ledger Technology. Foreign Trade Association. April 7, Virtual. (888) 223-6459.

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The Workplace

Should Employers Offer Unlimited Paid Time Off?



In Episode 111 of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank and employ-

ment law expert Jennifer Shaw discuss unlimited paid vacation policies and the types of workplace liabilities these policies may create.

A trend that has been picking up speed in the last couple of years among companies is to ditch the standard vacation accrual policy and opt for an unlimited paid time off (PTO) policy, Frank tells podcast listeners.

Over the course of the COVID-19 pandemic, employers saw vacation banks swell because employees simply were not taking vacations, she continues. Of course, this presents a liability issue because ultimately wages are owed for that stored vacation and it is a vested benefit that employees are entitled to if they were to separate from the company.

Some employers may be tempted to deal with this liability problem by adopting an unlimited vacation policy, but while the approach might appear to work, in practice it creates a lot of consternation and heartburn for many employers as they try to administer it, Frank cautions.

Work Flexibility

Shaw reminds employers that companies are not required to provide vacation time. Even if an employer says they are providing "unlimited vacation," what the employer is really talking about is "flexible scheduling."

Employers are saying: take the time you need—hours, days, weeks—so long as you're still meeting the duties of your position, Shaw says. This approach is taken frequently with executive-level employees, who often work on big projects and have metrics to meet.

Addressing the stored vacation liability by adopting an unlimited vacation policy "is really built on a faulty premise," Shaw says. "...The only reason people have vacation in the bank is because we're not telling them they need to use it."

While employers cannot adopt a "use it or lose it" policy in California, employ-

ers can cap the amount of unused vacation time that is accruing. Employers can tighten up vacation use in other ways too.

For example, some remote workers may be taking off several hours in a day and not considering it "vacation" because they didn't go anywhere due to the pandemic, Shaw says.

Employers should also be clear about what they call their policy to avoid liability if a worker makes a complaint or goes to the Labor Commissioner, Shaw stresses.

Lawyers at Shaw's firm, for example, are told they may take time off when they need it, but the firm does not call the policy "unlimited vacation." Rather, the policy is called a "work flexibility."

Downsides of 'Unlimited' PTO

One of the problems that may arise out of an unlimited vacation policy is that the employer would be on the hook for paying an employee's medical leave of absence.

The employer also would not be able to require employees to integrate with the state disability insurance or paid family leave program because the employer is already paying the worker at 100%, she says.

Another problem is that oftentimes companies adopt this policy on the fly and don't write it down. And part of the issue is that it is difficult to explain the policy in a way that complies with the *McPherson v. EF Intercultural Foundation, Inc.* decision last year, Shaw tells Frank.

"So there are a lot of pitfalls and potholes... for employers in this area," Shaw says.

Other Considerations

What about separating unlimited vacation from unlimited sick time so that employers don't have to pay out medical leave? Can employers have separate policies, Frank asks?

Under an unlimited vacation policy, there is no easy way to prevent people from taking paid time off instead of a medical leave of absence, Shaw replies. So, having two separate policies is not going to affect anything.

Could a company offer unlimited PTO to executive staff and a more traditional vacation sick leave policy for all other staff, Frank asks?

Yes, Shaw answers. So long as an

employer makes decisions on categories of employees and not on individual workers, then it is allowed. Employers should go by categories of job classification, job title, job function, etc. However, if different policies are given to individuals with the same job title and rank, it can be deemed discrimination.

Is any payout owed if an employee leaves a company that has an unlimited PTO policy, Frank asks?

No payout is owed, and this is why some employers may be tempted to see unlimited PTO as a solution to their unused vacation liability, Shaw says. Employers should know, however, that if they want to implement an unlimited PTO program, they first need to pay out the accrued vacation their employees have in the bank.

Frank points out that many companies which have adopted unlimited PTO policies later stop those policies as the administration of the policy is very difficult.

For employers who are seriously considering this policy, she recommends that they stop and think about why they want to offer this time, who they want to offer it to, and consider how they are going to articulate this policy in writing.

These employers should also speak to professionals who can help craft that policy and who will ask the difficult questions that the employer may not be thinking about in evaluating whether an unlimited vacation policy is right for their organization.

Governor Signs New Paid Sick Leave Mandate into Law

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vaccine and recovering from symptoms related to the vaccine.

The CalChamber presented additional compliance information about the new paid sick leave law through an *HRWatchdog* blog post this week. More compliance information will be available in an upcoming podcast and materials available on the CalChamber website and the COVID-19 resource page.



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"Are policy makers unaware that unemployment filings increased last month? California employers cannot be the safety net for struggling workers. The billions of dollars coming to the state from the American Rescue Plan should be used to provide the safety net for struggling workers and help get businesses back up and running," Zaremberg concluded.

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.

The 2021 job killer list includes the following bills:

Labor and Employment Mandates

• AB 95 (Low; D-Campbell)

Burdensome New Bereavement Leave Mandate: Imposes a significant new burden on employers of every size by mandating that they provide employees 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 brand 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 616 (Stone; D-Scotts Valley) **Forced Unionization Process for Agricultural Employees:** Limits an employee's ability to independently and privately vote for unionization in the workplace, by essentially eliminating a secret ballot election and replacing it with the submission of representation cards signed by over 50% of the employees, which leaves employees susceptible to coercion and manipulation by labor organizations. Also, unfairly limits an employer's ability to challenge the cards submitted by forcing employers to post an unreasonable bond, and then limits an employee's ability to decertify a union, by forcing them to go through the ballot election process instead of submission of representation cards. Also includes an unnecessary presumption of retaliation that is effectively unlimited in scope

because it would apply for the duration of an election campaign, which could last for a year or more.

• AB 995 (Lorena Gonzalez; D-San Diego) Costly Sick Leave Expansion on All Employers: Imposes new costs and leave requirements on employers of all sizes, by expanding the number of paid sick days employers are required to provide, which is in addition to all of the recently enacted leave mandates (COVID-19 sick leave, Cal/OSHA emergency paid time off, California Family Rights Act (CFRA) leave, workers' compensation, etc.) that small employers throughout the state are already struggling with to implement and comply.

• AB 1003 (Lorena Gonzalez; D-San Diego) Criminal Liability for Good Faith Mistakes: Despite California's onerous, confusing, and always-changing wage and hour laws, proposes to criminalize small employers, managers, and supervisors who in good faith make a mistake in the application of the law, that even the Labor Commissioner and the courts disagree with on how to interpret.

• AB 1041 (Wicks; D-Oakland) **Significant Expansion of Family Leave** and Paid Sick Leave: Significantly expands multiple existing leave requirements in California that apply to employers of five or more, including small employers with limited employees who are struggling as a result of the pandemic, by allowing an employee to designate any person for whom they would like to take the leave, and subjecting the employer to costly litigation under the Fair Employment and Housing Act or the Labor Code Private Attorneys General Act (PAGA), for any alleged interference, interruption, discouragement, or denial.

• AB 1074 (Lorena Gonzalez; D-San Diego) Onerous Return to Work Mandate: Imposes an onerous and stringent process for specific employers to return employees to the workforce for specified industries, including hotels and restaurants that have been disproportionally impacted by this pandemic, which will delay rehiring and employers' ability to re-open after being forced to close or reduce operations due to COVID-19.

• AB 1119 (Wicks; D-Oakland)
Expansion of Duty to Accommodate
Employees and Litigation Under
FEHA: Imposes new burdens on employSee CalChamber Releases: Page 5

Cumulative Job Killer Vetoes

- 2020: 19 Job Killers identified, 2 sent to Governor Gavin Newsom, 1 signed, 1 vetoed;
- 2019: 31 Job Killers identified, 2 sent to Governor Gavin Newsom, 1 signed, 1 vetoed;
- 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, 5 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.



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ers to accommodate any employee with family responsibilities, which will essentially include a new, uncapped protected leave for employees to request time off for things such as school drop-off or pick-up, and exposes employers to costly litigation under the Fair Employment and Housing Act that any adverse employment action was in relation to the employee's family responsibilities, rather than a violation of employment policies.

• AB 1179 (Carrillo; D-Los Angeles) Costly New Mandate on Employers to Pay for Employee Childcare: Imposes a new, costly mandate on public and private employers to cover up to 60 hours of employees' childcare costs each year, with any alleged violation resulting in litigation under PAGA.

• SB 62 (Durazo; D-Los Angeles) **Increased Costs and Liability on Employers:** Significantly increases the burden on non-unionized employers in the garment manufacturing industry in California, by eliminating piece rate as a method of payment even though it can benefit the employee, creating joint and several liability for contractors for any wage violations or the employer, and shifting the evidentiary standards in a Labor Commissioner hearing to limit the ability for an employer to defend against an alleged wage violation. These additional requirements will encourage companies to contract with manufacturers outside of California, thereby limiting the demand and workforce of garment manufacturers in California.

• SB 213 (Cortese; D-San Jose) Expands Costly Presumption of Injury: Significantly increases workers' compensation costs for public and private hospitals by presuming certain diseases and injuries are caused by the workplace and establishes an extremely concerning precedent for expanding presumptions into the private sector.

Tax Increases

• AB 71 (Luz Rivas; D-Arleta)

Massive Corporate Tax Increase: Significantly increases the state's corporate tax rate and taxation on the gross income of international companies to create a homelessness fund, thereby shifting the responsibility of the crisis onto the private sector, despite the \$15 billion in unexpected revenue.

• AB 1199 (Gipson; D-Carson)

Targeted Tax on Homeowners: Unfairly imposes an excise tax on certain individual and corporate homeowners to pay for housing-related services, which will ultimately increase rental rates and worsen housing unaffordability for vulnerable tenants.

• AB 1400 (Kalra; D-San Jose)
Government-Run Health Care:
Eliminates private insurance and choicebased health care by creating an exorbitantly expensive new state-run health care
system that will cost California more than
\$400 billion, which will ultimately be
funded by taxpayers, and will delay access
to providers, diminish quality of health
care, and eliminate jobs in California.

Housing

• AB 1295 (Muratsuchi; D-Torrance) Housing Development Ban: Removes local land use authority and exacerbates the housing crisis by prohibiting cities and counties from entering into a residential development agreement in Very High Fire Severity Zones, which strips local communities of their land use authority and applies a one-size-fits-all ban on development throughout large swaths of California.

• SB 55 (Stern; D-Canoga Park)
Housing Development Ban: Removes local land use authority by prohibiting any residential or commercial construction in either Very High Fire Severity Zones or State Responsibility Area, which effectively bans development activity in 1/3 of the state of California and will exacerbate the existing housing crisis.

• SB 499 (Leyva; D-Chino) Housing Development Ban: Prohibits cities and counties from designating any land uses that have potential to adversely impact disadvantaged communities, even if any potential impacts could be mitigated. In doing so, the bill removes local land use authority, creates new costly California Environmental Quality Act (CEQA) litigation and worsens the state's housing crisis.

Government Regulation and Enforcement

• SB 606 (Lena Gonzalez;
D-Long Beach) Expansion of Cal/
OSHA Authority and Enforcement:
Significantly expands Cal/OSHA authority by allowing it to multiply penalties potentially by 10x or 100x against employers, and shut down facilities that it has not even physically inspected. Finally, creates multiple new presumptions of retaliation that are duplicative of existing protections and will generate litigation.

• SB 467 (Wiener; D-San Francisco)
Oil and Gas Development Ban:
Eliminates thousands of high-paying
California jobs and requires California to
import even more foreign oil by shutting
down approximately 95% of oil and gas
production in California.





California Officials Announce Appointments to California Privacy Protection Agency Board



The inaugural board for the new California Privacy Protection Agency

(CPPA) was announced on March 17. The five-member board represents the first-ever dedicated privacy agency in the United States and is therefore poised to gain much influence in the national and global privacy debate.

The CPPA Board members were named by Governor Gavin Newsom, Attorney General Xavier Becerra, Senate President Pro Tempore Toni Atkins (D-San Diego) and Assembly Speaker Anthony Rendon (D-Lakewood).

These appointments have been eagerly awaited in previous months, with businesses hopeful that the board represents a balanced, diverse and inclusive group of individuals.

All stakeholder politics aside, it should be recognized that this is a significant occasion for California privacy law, and indeed for privacy law in the United States.

Only time will tell whether this board will serve as an example or a warning to other jurisdictions that look upon California as a testing ground for this new chapter in privacy law.

Inaugural CPPA Board

The California Chamber of Commerce welcomes and congratulates all inaugural members of the board:

- Chair: Jennifer M. Urban, clinical professor of law and director of policy initiatives for the Samuelson Law, Technology and Public Policy Clinic at the University of California, Berkeley School of Law, where she has served since 2009. Urban was appointed by Governor Newsom and will serve as chair of the board for CPPA. She graduated from the UC Berkeley School of Law and was admitted to the State Bar of California in 2000.
- John Christopher Thompson, senior vice president of government relations at LA 2028 Summer Olympics since 2020. Thompson has substantial experience in government relations, having held positions at Southern California Edison, the U.S. Senate, and the U.S. House of Representatives. Thompson was appointed by Governor Newsom.
- Angela Sierra has served for more than 33 years at the California Department of Justice. She recently served as chief assistant attorney general of the Public Rights Division at the Attorney General's Office. Sierra was appointed by Attorney General Becerra. Sierra graduated from UCLA School of Law and was admitted to the State Bar of California in 1986.
- Lydia de la Torre is a professor at Santa Clara University Law School, where she has taught privacy law and co-directed the Santa Clara Law Privacy Certificate Program since 2017. De la Torre also has served as of-counsel to Squire Patton Boggs. She was appointed

by President Pro Tem Atkins. De la Torre graduated from an international law school and was admitted to the California Bar in 1986.

• Vinhcent Le currently serves as a technology equity attorney at the Greenlining Institute, focusing on consumer privacy, closing the digital divide, and preventing algorithmic bias. Le was appointed by Assembly Speaker Rendon. Le graduated from the UC Irvine School of Law and was admitted to the California Bar in 2017.

Privacy Laws

When voters approved Proposition 24 on the November 2020 ballot, they put in place both the CPPA and the California Privacy Rights Act (CPRA). Under the statute, this agency will have full administrative power, authority and jurisdiction to implement and enforce the California Consumer Privacy Act (CCPA)—enacted in 2018—and the CPRA.

The agency will also have the power to bring enforcement actions related to the CCPA or CPRA before an administrative law judge; but the Attorney General will retain civil enforcement authority over the CCPA and the CPRA.

In order to get started on its mission, the CPPA Board now needs to appoint the agency's executive director, officers, counsel and employees.

Like we've said before, there is never a dull moment in the world of privacy policy.

Staff Contact: Shoeb Mohammed

CalChamber-Sponsored Seminars/Trade Shows

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Ethiopian Trade and Tourism Promotion. Consulate General of Ethiopia, Los Angeles. April 8, Virtual. (213) 999-5186.

California Global Connect: Virtual Trade Mission to Singapore. Governor's Office of Business and Export Development (GO-Biz). April 13–15, Online. (279) 666-9104.

Cyber Security Business Development Mission to India. U.S. Department

of Commerce, International Trade Administration. April 19–23, New Delhi, Mumbai, optional stops in Bangalore or Hyderabad. (303) 844-5655; (202) 482-3773.

Virtual Trade Mission to Kenya. Mayor's Office of International Affairs, Consulate General of the Republic of Kenya in Los Angeles, World Trade Center, Los Angeles. April 20–21, Online. (213) 680-1888.

World Trade Week Southern California

Kickoff. Los Angeles Area Chamber of Commerce. May 6, Virtual. (213) 580-7500.

2021 Virtual Export Conference. National Association of District Export Councils (NADEC). May 26 and May 27.

International Trade Expo. AmCham Colombia. June 2–3, Virtual. +571 5877828.

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



World Trade Organization Slowly Begins to Move Forward on Path to Reform



On March 1, day one in her new position, World Trade Organization (WTO) Director General Ngozi Okon-

jo-Iweala warned members they must start producing new trade agreements to remain relevant to the global economy.

"Excellencies, coming from the outside I have noticed that the world is leaving the WTO behind," the Director General said. "Leaders and decision makers are impatient for change. Several trade ministers said to me that if things don't change, they will no longer attend the ministerial because it is a waste of their time."

The WTO, a multilateral treaty subscribed to by 164 governments that together account for the majority of world trade, have now set their 12th ministerial meeting in Geneva at WTO headquarters for the week of November 29, after the 2020 meeting planned for Kazakhstan was canceled due to the pandemic. Ministerial meetings usually are held every two years.

"If we all accept that we can no longer do business as usual, that will help us create the parameters for success," Okonjo-Iweala said.

U.S. Congressional Resolution

On March 9, U.S. Senators Ben Cardin (D-MD) and Rob Portman (R-OH) reintroduced a bipartisan resolution expressing support for U.S. leadership at the WTO. As noted in their news release, the resolution also calls for reforms at the WTO, including:

"(1) expanding the use of multi-national trade agreements between countries to ensure that only countries party to the trade agreement get the benefits of membership;

"(2) restoring the intended meaning to trade remedy provisions that, thanks to the WTO's judicial activism, have limited the ability of the United States to crack down on foreign trade cheats; "(3) beefing up rules against currency manipulation; and

"(4) creating new rules to discipline subsidies and state-owned enterprises."

European Comments

Last week, a senior European Union trade negotiator warned, "The rules-based international trading system could fall apart over the next few years unless WTO members make progress soon on a package of new agreements and reforms.

"If we do not succeed in reform of the WTO in the next three years, I think we risk having a very damaging fragmentation of the global trading system," Ignacio Garcia Bercero said during a March 19 discussion hosted by the Peterson Institute for International Economics.

Anticipated Action

The California Chamber of Commerce is hopeful that with a new Director General now selected by consensus, there can be a path forward for the WTO to tackle reforms within the organization. The revamp should address the functioning of the Appellate Body, encourage greater transparency and enhance discipline for members who fall behind on or do not adhere to obligations.

In addition to dispute settlement, the issues which face the WTO include success in reaching agreement at the next WTO ministerial conference on trade in medical goods, agricultural products, digital trade, fisheries subsidies, and investment facilitation.

Impact

The WTO is the only global international organization dealing with the rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations, and ratified or approved in their parliaments or legislatures. The goal is to help producers of goods and services, exporters and import-

ers conduct business. The WTO gives U.S. and California businesses improved access to foreign markets and better rules to ensure that competition with foreign businesses is conducted fairly.

On February 4, 2021, the United States gave its formal backing to Dr. Okonjo-Iweala to lead the WTO. The Biden administration declared its "strong support" of Dr. Okonjo-Iweala to serve as the WTO's next director general. The decision broke with the Trump administration's support for South Korean Trade Minister Yoo Myung-hee and brought the U.S. in line with much of the rest of the world.

Successful multilateral negotiating rounds have helped increase world trade; the WTO estimates the 1994 Uruguay Round trade deal added more than \$100 billion to world income. The World Bank estimates that new successful world trade talks could bring nearly \$325 billion in income to the developing world and lift 500 million people out of poverty. Other studies have shown that eliminating trade barriers would mean \$2,500 per year in increased income to the average U.S. family of four.

CalChamber Position

The CalChamber, in keeping with longstanding policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business.

California's \$3 trillion-plus economy is one of the 10 largest in the world. Although trade is a nationally determined policy issue, its impact on California is immense. California exports goods to more than 225 foreign markets around the world. Trade offers the opportunity to expand the role of California's exports. In its broadest terms, trade can literally feed the world and raise the living standards of those around us.

Staff Contact: Susanne T. Stirling



Looking for Outstanding Small Business Leaders



The California Chamber of Commerce is seeking nominations for its annual Small Business Advo-

cate of the Year Award.

The award recognizes small business owners who have done an exceptional job with their local, state and national advocacy efforts on behalf of small businesses.

"During the past year, many chambers stepped up their advocacy efforts at all levels of government to help their members get through the tough times caused by the pandemic," said Jennifer Johnson, CalChamber director of local chamber relations. "The Small Business

Advocate of the Year awards are one small way to acknowledge those exemplary efforts."

The award recipients will be recognized at the CalChamber Virtual Capitol Summit on May 12.

Application

The application should include information about how the nominee has contributed significantly as an outstanding advocate for small business in any of the following ways:

- Held leadership role or worked on statewide ballot measures;
 - Testified before state Legislature;
- Held leadership role or worked on local ballot measures;
- Represented chamber before local government;

• Active in federal legislation.

The application also should identify specific issues the nominee has worked on or advocated during the year.

Additional required materials:

- Describe in approximately 300 words why nominee should be selected.
- News articles or other supporting materials.
- Letter of recommendation from local chamber of commerce president or chairman of the board of directors.

Deadline: May 3

Nominations are due by May 3. The nomination form is available at *www. calchamber.com/smallbusiness* or may be requested from the Local Chamber Department at (916) 444-6670.

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