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CalChamber

ALERT

Garment Industry Job Killer Moves Forward in Assembly

A California Chamber of Commerce-**opposed** job killer bill that increases costs and liability for nonunionized employers in the California garment manufacturing industry passed the Assembly Judiciary Committee this week.

SB 62 (Durazo; D-Los Angeles) places enormous burdens on employers in the clothing industry, presumes that entities with no control over garment workers are liable for an employee's entire wage claim and includes punitive enforcement measures.

The bill fails to address the root cause of the problems that exist in the garment industry: the need for increased enforcement of existing laws and education of workers and employers about California labor laws.

SB 62 will put employers in the garment industry — already suffering from the financial crisis of the pandemic — out of business or force them to move operations outside of California.

Current Law

California law requires all businesses engaged in garment manufacturing to register with the California Labor Commissioner and pay a registration fee. Those fees go toward processing garment worker wage claims and to a restitution fund called the Garment Manufacturers Special Account to pay wage claims where the Labor Commissioner is unable to collect from a business.

Manufacturers are jointly liable for the wages of the employees of garment contractors with whom they directly enter into contracts, just like other companies that exercise control over an employee's working conditions.

See Garment Industry: Page 6

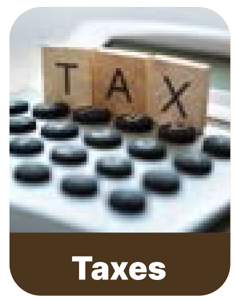
Snapshot: COVID-19 in California

Updated June 24, 2021 with data from June 23, 2021

CASES	DEATHS	TESTS	VACCINES ADMINISTERED
3,706,846 total	**62,822** total	**69,903,390** total	**40,873,812** total
1,419 today	**81** today	**103,581** today	
1.9 new cases per 100K	**0.03** new deaths per 100K	**1.1%** test positivity	

Source: COVID-19.ca.gov with data from the California Department of Public Health

Business Groups Urge: Restore Tax Credits, Net Operating Loss Deduction



The California Chamber of Commerce and a coalition of business groups are urging state legislators to restore the net operating loss deduction and business incentive tax credits that were suspended and capped by AB 85 last year.

The action was taken as part of last year's strategy to close an estimated $54.3 billion budget deficit — a deficit that never came to fruition.

In a letter submitted to members of the Legislature last week, the coalition pointed out that sunsetting the suspension and cap would assist employers in their economic recovery and incentivize them to remain in California.

Help Needed to Offset Pandemic Losses

In July 2020, the Legislature approved Governor Gavin Newsom's proposal to suspend the use of personal and business net operating loss deductions (NOLs), and limit the use of existing business incentive tax credits to offset their tax liability for years 2020–2022. This proposal was intended to raise approximately $9.2 billion in revenue to help

See Business Groups: Page 5

Inside

Cal/OSHA Corner

Quick Overview of Changes to COVID-19 Emergency Standard

Mel Davis
Cal/OSHA Adviser

I read that the Occupational Safety and Health Standards Board adopted a revised version of the Emergency Temporary Standard for employee safety regarding the hazards related to COVID-19. As an employer with a small but diverse operation and workforce, how are these new requirements going to affect my operations?

On June 17, 2021, after two previous attempts and hours of testimony, the Standards Board adopted revisions to the Emergency Temporary Standard. The proposed revisions were made to reflect the availability of vaccines to limit the workplace transmission of COVID-19; to revise requirements for face coverings in light of the U.S. Centers for Disease Control and Prevention (CDC) and California Department of Public Health (CDPH) recommendations; and to provide options for employers to transition from physical distancing and face masking to more normal operations.

Governor Gavin Newsom signed and issued Executive Order N-09-21 which makes the revised Emergency Temporary Standard effective on June 17, 2021.

Revisions

The following is a brief summary of some of the revisions:

- Fully vaccinated employees do not need to be tested or excluded from work after close contact with someone who has COVID-19 unless they have COVID-19 symptoms.
- Fully vaccinated employees do not need to wear face coverings except for certain situations, outbreaks, or where CDPH requires mask wearing.
- Masks are not required to be worn outside, including by those persons not vaccinated.
- Physical distancing has been eliminated except where the employer determines there is a hazard.
- Employees not vaccinated may request respirators for voluntary use at no cost to them.
- Employers must maintain a record of employees' vaccination status.

Unvaccinated Employees

As noted, the employer is to maintain a supply of "respirators" (N95 face masks or equivalent) as necessary to provide masks to those unvaccinated employees who wish to wear a mask and request one.

Unvaccinated employees are still required to wear a mask in certain indoor locations or in vehicles where there are other employees. There are exceptions to this requirement, however. The most common are:

- When alone in a room or vehicle;
- When eating or drinking;
- When an accommodation is required;
- When the job duties make a face covering infeasible or create a hazard.

There also were revisions to the housing and transportation portions of the Emergency Temporary Standard.

More Information

For more information about the revisions to the Emergency Temporary Standard visit the FAQ web page at ***https://www.dir.ca.gov/dosh/coronavirus/Revisions-FAQ.html*** and see the news release at the California Department of Industrial Relations web page at ***https://dir.ca.gov/DIRNews/2021/2021-62.html***.

Experts on The Workplace June 23 podcast from the California Chamber of Commerce discuss the revisions as well.

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

Labor and Employment

HR Boot Camp Virtual Seminar. CalChamber. August 12–13, Online. (800) 331-8877.

International Trade

Build Back Better Together: Canada and the United States. Institute of the Americas. June 29, Online. (844) 880-6519.

Uniting U.S. and U.K. LGBTQ+ Communities: Making Pride Inclusive. British Consulate General San Francisco. June 29, Online. (415) 617-1300.

Making the Most of China International Import Expo. AmCham Shanghai. June 30, Online. +86 61693000.

Sourcing Taiwan Online-Smart Vehicle Supply Chain. Bureau of Foreign Trade and Taiwan External Trade Development Council. July 8, Online. (415) 362-7680.

See CalChamber-Sponsored: Page 8

The Workplace

New COVID-19 Workplace Rules Explained

In Episode 122 of The Workplace podcast, CalChamber Executive Vice President and General Counsel Erika Frank, and employment law experts Robert Moutrie and Matthew Roberts break down the new COVID-19 workplace directives issued by the California Division of Occupational Safety and Health (Cal/OSHA), which address face coverings, social distancing, COVID-19 vaccinations, and more.

Given the unpredictability of the COVID-19 pandemic, government guidance and mandates may be altered at any time. Information presented in this podcast is accurate as of June 23, 2021.

Below is a condensed summary of the podcast. To hear the full discussion of each topic, visit the time stamps noted in the article below.

Emergency Temporary Standard

Time Discussed: 01:11

The first round of the emergency temporary standards (ETS) issued by Cal/OSHA in response to the COVID-19 pandemic came down last November, and we are now seeing the first set of substantive changes to that original ETS, Moutrie tells podcast listeners.

On June 17, the Cal/OSHA Standards Board adopted a number of revisions to the ETS and Governor Gavin Newsom issued an executive order that made those revisions take effect immediately, Moutrie explains. Without the executive order, it would have taken an additional 10 days for the revisions to take effect.

Revisions to the ETS

Time Discussed: 04:40

The California Chamber of Commerce worked hard to advocate on behalf of businesses and identify problems as changes to the ETS were being proposed, Frank tells podcast listeners.

Some important changes that Moutrie, on behalf of CalChamber, helped get put into place are:

• Ending social distancing requirements immediately;

• Ending masking requirements for vaccinated employees, bringing the ETS into consistency with the Centers for Disease Control and Prevention (CDC) and California Department of Public Health (CDPH);

• Loosening disinfecting and cleaning requirements; and

• Lightening outbreak notification provisions. Under the new ETS, an "outbreak" is triggered only if three cases occur among employees, allowing businesses to exclude cases among customers.

Face Covering Rules

Time Discussed: 07:25

Roberts explains that under the new ETS directives, fully vaccinated employees who provide documentation do not have to wear a mask in most settings, except in:

• Public transit;
• K-12 educational facilities;
• Health care/long-term care settings;
• Shelters; and
• Law enforcement settings.

Unvaccinated employees will have to continue to wear masks if they work indoors or share vehicles with others. Although employees regardless of vaccine status do not have to wear a mask outdoors, Roberts recommends that employers still encourage unvaccinated workers who are outdoors and cannot socially distance to wear a mask.

Under the new ETS, "fully vaccinated" means that it has been two weeks since the employee received the second dose of their vaccine, or two weeks since receiving a single-shot vaccine, Moutrie says. In order to meet the requirements, the vaccine taken must be approved by the U.S. Food and Drug Administration or the World Health Organization (WHO).

Vaccine Documentation

Time Discussed: 11:00

Moutrie stresses that vaccinated employees must inform employers of their status, and employers must maintain documentation if the employees do not want to wear a mask at work.

An FAQ recently released by Cal/OSHA gives three examples of what would satisfy the ETS documentation requirement. Moutrie points out that these examples are just suggestions, and employers may choose to create a hybrid of the Cal/OSHA examples.

Roberts says that the three examples for documentation of vaccination status that Cal/OSHA provides are:

• The vaccinated employee provides proof by showing their vaccination card or medical record, and the employer keeps a copy of the record.

• The vaccinated employee presents documented proof, but the employer does not make a copy of the document. Rather, the employer documents a note that the employee presented proof of vaccination to the employer. This creates an internal record.

• The employer allows the employee to make a self-attestation and keeps a record of the self-attestation.

Providing Respirators

Time Discussed: 13:53

The new ETS requires that employers keep a stock of N95 respirator masks for unvaccinated employees who work indoors or in vehicles with other people, in case the unvaccinated employees request a respirator, Roberts explains.

Moreover, employers must have several sizes of the respirators on hand, Moutrie adds. Although employees do not have to have a fit test, having multiple sizes in stock ensures that the employee will have a mask that fits. The ETS also permits employers to ask unvaccinated employees if they want to wear an N95. If the worker says no, the employer can reduce the number of masks that are being stockpiled.

For the first month of compliance with the new ETS, Governor Newsom is providing businesses with N95 respirators free of charge from the state's stockpile. For more information, visit ***https://saferatwork.covid19.ca.gov/n95-distribution/***.

Physical Barriers, Testing, Notice Obligations

Time Discussed: 17:37

Frank stresses that even though many workplace requirements are easing, employers still need to have a COVID-

See The Workplace: Page 6

The Workplace

Travel Locally to Help State Recovery

In Episode 121 of The Workplace podcast, California Chamber of Commerce President and CEO Allan Zaremberg, Assemblymember Sharon Quirk-Silva and Visit California President and CEO Caroline Beteta discuss the important role tourism has in California's economic recovery from the COVID-19 pandemic.

Tourism is a major component of California's economy, Beteta says in kicking off the podcast. Prior to the COVID-19 pandemic, the state experienced 10 consecutive years of record growth in tourism expenditures, totaling $145 billion, generating more than $12 billion in state and local tax revenue, and creating 1.2 million jobs.

When the pandemic first hit, no one knew what was to be ahead of us, Quirk-Silva adds. In her district in north Orange County, up to 15,000 people in the community were immediately at home.

The pandemic's impact on the tourism industry is beyond what can be stated, Quirk-Silva says, not only in terms of loss of jobs and dollars to the economy, but also in terms of loss of life.

Reopening California

The state officially opened up on June 15, but more Americans see Florida as a travel destination than California, so this perception is a headwind that we need to overcome, Beteta points out.

One of the state's strengths, however, is that the tourism industry is a "coalition of competitors," she says. Thanks to the work of legislators like Quirk-Silva and Senator Mike McGuire, and Governor Gavin Newsom, the industry may potentially receive $95 million in one-time funding from the state's budget. Some of this funding, Beteta says, would go to support a robust and comprehensive national brand campaign to restore the confidence of prospective travelers and attract visitors to California.

The campaign will use radio, TV and print media to invite people to visit and to tell Callifornians and others that they are wanted and needed. Even taking small local trips would make a big difference in the state's economic recovery, Quirk-Silva says.

California First

Traveling within the state is one way that we can help shorten the recovery curve, Beteta stresses. Californians should see locations in California as their next holiday or vacation option, and it's a way to support fellow Californians.

Not only will these trips bring dollars to local communities, but they will help businesses gear up their workforces to get back in the operational fold. The hospitality and services industries are very labor intensive, so it will be a process to get people back to work, especially given the current shortage in prospective workers, Beteta says.

Coalition of Competitors

The state also is looking to attract foreign travelers, Quirk-Silva says. For example, she points out that Chinese visitors not only love to do business in California, but they also love to come and visit for leisure.

Beteta anticipates that Visit California will focus on international markets in the second half of the year. She says that the strategy is to do what the tourism industry cannot do for itself, so businesses and tourism organizations work together to develop international markets.

A prospective British traveler, for example, spends an average of 10 days on vacation, and can choose to go to continental Europe or other states like Florida. So we need to work together to get that British traveler to choose California, because if they don't, they will never make it to Disneyland or Knott's Berry Farm or Los Angeles, she explains.

"The industry understands that premise, so we're truly a coalition of competitors," Beteta says.

The most lucrative markets are long-haul domestic and international travelers, so by working together the industry can make one plus one equal three. Businesses can competitively fight each other after we get that traveler into California, she says.

Impact on Local Economies

Tourism has a significant impact on all businesses in the community — not just the most well-known attractions. Zaremberg points out that you don't have to be Disneyland or the Monterey Bay Aquarium, but you can be the business to sell the hotel rooms nearby.

Quirk-Silva agrees, adding that a lot of people are unaware of the supply chain that is involved. When Disneyland closed its door during the pandemic, it not only affected park employees, but it also had an impact on the delivery and beverage companies that contracted with the park.

The entertainment industry, which also has taken a big hit, employs hair dressers and costume makers and many other production-related jobs, she says. This is all part of the state's creative economy and it's all intersectional.

So, spend your money close to home first, Zaremberg urges podcast listeners.

And help bring back that golden element to the Golden State, Quirk-Silva says.

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State Must Act Now to Pay Down Unemployment Insurance Debt

This pandemic created unprecedented unemployment, which was not only devastating to thousands of Californians and their families, but also drained the state's unemployment insurance (UI) fund.

As of May 2020, California's UI fund was depleted, which meant California had to begin borrowing money from the federal government to pay the ongoing unemployment benefits to over a million workers in California. The Employment Development Department recently stated that the current loan balance from the federal government is $21 billion and that this amount is expected to grow to $24 billion by the end of this year.

Unless the state intervenes and pays off this outstanding debt, California employers will be forced to pay this loan through ongoing and escalating tax increases for decades to come.

Proposals

In his May budget revision, the Governor proposed allocating approximately $1 billion toward paying down this deficit.

In response, the Legislature proposed a $2 billion small business tax credit, spread out over the next 10 years, to offset the tax increases that will start next year to pay down the deficit.

Reasons to Pay Down UI Debt

The Governor's proposal is the direction the state needs to go in to address the outstanding UI debt, and here is why:

• **Paying down the UI debt is the only way to eliminate tax increases on California employers.** Every year the UI debt is not paid off, the per employee tax will increase. In 2022, the tax increase will be $21 per employee, per year. Thereafter, the tax will continue to go up $21 each year the UI debt is not paid off until it reaches a maximum amount of $420 per employee. In order to avoid these higher annual taxes, the debt needs to be paid off. The Governor's proposal pays down the debt. The Legislature's proposal does not.

• **A small business tax credit will benefit only a limited number of employers and is unpredictable.** While we appreciate the Legislature's effort to protect small employers, the maximum tax credit proposed each year is $10 million and so not all small employers would receive this benefit. As the tax to pay down the UI debt increases each year, the universe of employers who receive this benefit will inevitably decline. And, as we have seen just last year with other business tax credits, if the state faces a deficit and needs additional revenue, this tax credit could be suspended or completely eliminated.

• **Paying down the UI debt eliminates an ongoing financial obligation on the General Fund.** The state is responsible for any interest on the outstanding UI debt. Accordingly, each year the UI debt is not paid off, the state must pay the interest through the General Fund. Paying down the debt benefits the state's General Fund.

• **Paying down the UI debt also protects employees if there is a recession in the next few years.** California needs a healthy and solvent UI fund in order to provide benefits for employees during an economic downturn. Paying down the UI debt so that the state's fund is solvent is the only way in which to prepare for a recession.

One-Time Cost

The state has a budget surplus and paying down the UI fund is a one-time cost that will benefit California employers, employees, and the state General Fund. The majority of other states have already paid off their UI debt. California needs to do the same and pay down the UI debt as soon as possible.

Staff Contact: Jennifer Barrera

Business Groups Urge: Restore Tax Credits, Net Operating Loss Deduction

From Page 1

address the anticipated budget shortfall expected as a result of the COVID-19 pandemic.

While the tax increases were painful for employers, they understood that the state's pandemic response required everyone to pitch in, and employers willingly played their part.

Budget Surplus

In 2021, however, California is not even close to experiencing a budget shortfall. In fact, according to Governor Newsom, California's budget contains a record $76 billion surplus. California's revenues have triggered the State Appropriations Limit (Proposition 4), which could require the state to return revenue in excess of the limit to taxpayers. Accordingly, the tax increases adopted last year as emergency measures are no longer needed, the coalition argues.

"Businesses should be allowed to immediately utilize NOLs and earned tax credits to offset any harm they have suffered as a result of this pandemic, and to encourage employers who are considering leaving to stay," the coalition states in the letter.

Moreover, the NOL suspension is causing even greater financial strain for employers who have suffered staggering losses over the past year and have no way to offset their revenue declines.

"Struggling businesses need help now—not in several years when the 2020 budget's carryback provisions take effect," the coalition said.

Staff Contact: Preston Young

Garment Industry Job Killer Moves Forward in Assembly

From Page 1

SB 62

SB 62 seeks to significantly broaden existing joint liability by instituting a presumption that any company involved in a laundry list of garment-related activity in California, including a licensor, is liable for all wages and associated penalties sought by a garment worker, even if that company has no control over those workers.

SB 62 imposes joint and several liability for wage violations on any company that contracts with another person for garment manufacturing. That liability applies to a new category of companies defined as "brand guarantors," which includes any person or entity in the clothing industry, such as dry cleaners, any company that licenses its brand to other entities, and small and large retailers that produce, dye, affix labels to or otherwise alter clothing in California.

Although SB 62 supporters claim the bill is needed because garment workers aren't paid minimum wage or overtime and aren't provided a safe working environment, California's Labor Code and related laws already outlaw all this conduct and include some rules specific to the garment industry.

Further, proponents of the bill claim joint liability is necessary to hold liable brands who intentionally pay low contracts that do not cover workers' wages. That conduct is already illegal under Labor Code Section 2810, which imposes liability on any entity that enters into a contract for the manufacturing of garments where it knows or should know that the price is insufficient to cover workers' wages.

Nothing in SB 62 will address the problem of underground bad actors in the garment industry evading the law. Instead, SB 62 eliminates piece rate work and allows those bad actors to continue operating as usual while passing the cost and liability to companies that have no control over the workers.

In addition, SB 62 changes the evidentiary standards in a Labor Commissioner hearing to limit an employer's ability to defend against an alleged wage violation. The bill creates a "presumption" that a brand guarantor is liable for an employee's entire wage claim if the employee provides the Labor Commissioner with a label "or equivalent thereto" of a brand. A worker could come forward with one clothing item and that company would be presumed liable for the full amount of the worker's claimed unpaid wages.

Targeted Enforcement Better

A CalChamber-led coalition pointed out to Assembly Judiciary that to eliminate the bad actors which operate outside the law in the garment industry, the Legislature should look to existing enforcement mechanisms and educating workers about their rights.

California should pursue targeted enforcement of existing laws, policing of registration requirements that the problematic companies avoid, restructuring the garment worker restitution fund, and eliminating entities that fail to pay their workers.

Key Vote

Assembly Judiciary passed SB 62 on June 22 by a vote of 8-3:

Ayes: Chau (D-Monterey Park), Chiu (D-San Francisco), Lorena Gonzalez (D-San Diego), Holden (D-Pasadena), Kalra (D-San Jose), Maienschein (D-San Diego), Reyes (D-San Bernardino), Stone (D-Scotts Valley).

Noes: Davies (R-Laguna Niguel), Gallagher (R-Nicolaus), Kiley (R-Roseville).

SB 62 will be considered next by the Assembly Appropriations Committee.

Staff Contact: Ashley Hoffman

The Workplace: New COVID-19 Workplace Rules Explained

From Page 3

19 prevention plan in place, either as a standalone policy or incorporated in an injury and illness prevention program.

Roberts points out that even though the new ETS eliminates social distancing requirements, employers should still assess their workplace operations and consider whether to remove all physical barriers.

Moutrie reminds employers that outbreak notification requirements are still in place, so if a business has an outbreak, requirements on masks, social distancing and physical barriers (such as plastic dividers) will come back into effect. Thus, employers should think about outbreak readiness and whether leaving some barriers up is more cost effective than removing all dividers and then having to put them back up if there is an outbreak.

Regarding paying for COVID-19 testing, the ETS requires employers to provide testing at no cost for unvaccinated employees — even if there is no "outbreak," Roberts says. If a vaccinated employee has no symptoms, the employer is under no obligation to provide testing free of charge.

In wrapping up the podcast, Moutrie highlights a new addition to COVID-19 notice requirements. The ETS now requires that if an employer is aware that a worker did not receive a notice or has limited literacy in the language of the notice, then the employer must provide verbal notice as soon as practicable.

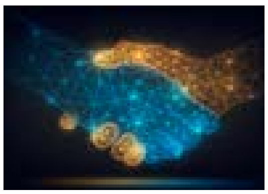
Links Mentioned in the Podcast

Cal/OSHA has combined its separate FAQs on the ETS, but is also making available an FAQ on the ETS revisions.

- The combined FAQ is available at ***https://www.dir.ca.gov/dosh/coronavirus/COVID19FAQs.html***.
- The FAQ that addresses the June 17, 2021 revisions is available at ***https://www.dir.ca.gov/dosh/coronavirus/Revisions-FAQ.html***.

For one month only, businesses can request N95 respirators free of charge. For more information, visit ***https://saferatwork.covid19.ca.gov/n95-distribution***/.

Newly Created U.S.-EU Council to Focus on Cooperation in Trade, Technology Issues



The United States and the European Union have created a council to provide a forum for coordinating approaches to key global trade, economic and technology issues.

U.S. President Joe Biden and European Commission President Ursula von der Leyen launched the EU-U.S. Trade and Technology Council (TTC) during the U.S.-EU Summit in Brussels on June 15.

The council will deepen transatlantic trade and economic relations based on shared democratic values.

White House Statement

A White House statement, "Towards a Renewed Transatlantic Partnership," noted that the United States and the European Union represent 780 million people who share democratic values and the largest economic relationship in the world.

The statement continued, "We have a chance and a responsibility to help people make a living and keep them safe and secure, fight climate change, and stand up for democracy and human rights.

"We laid the foundations of the world economy and the rules-based international order after World War II based on openness, fair competition, transparency, and accountability.

"Some of the rules need an update: to protect our health, our climate and planet, to ensure democracy delivers and technology improves our lives."

Council Goals

The major goals of the TTC will be:

- to grow the bilateral trade and investment relationship;
- to avoid new unnecessary technical barriers to trade;
- to coordinate, seek common ground and strengthen global cooperation on technology, digital issues and supply chains;
- to support collaborative research and exchanges;
- to cooperate on compatible and international standards development;
- to facilitate regulatory policy and enforcement cooperation and, where possible, convergence;
- to promote innovation and leadership by U.S. and EU firms; and
- to strengthen other areas of cooperation.

The cooperation and exchanges of the TTC will be without prejudice to the regulatory autonomy of the United States and the European Union and will respect the different legal systems in both jurisdictions. Cooperation within the TTC will also feed into coordination in multilateral bodies and wider efforts with like-minded partners, with the aim of promoting a democratic model of digital governance.

This new council will meet periodically to steer the cooperation. It will be co-chaired by U.S. Secretary of State Antony Blinken, U.S. Secretary of Commerce Gina Raimondo, U.S. Trade Representative Katherine Tai, European Commission Executive Vice President and EU Competition Commissioner Margrethe Vestager, and European Commission Executive Vice President and EU Trade Commissioner Valdis Dombrovskis.

Other members of the EU Commission and U.S. departments will be invited as appropriate, ensuring focused discussions on specific issues in a whole-of-government approach.

Working Groups

The TTC will initially include working groups looking at the following topics:

- technology standards cooperation, including artificial intelligence (AI) and Internet of Things, among other emerging technologies;
- climate and green technology;
- secure supply chains, including semiconductors;
- information and communications technology (ICT) security and competitiveness;
- data governance and technology platforms;
- the misuse of technology threatening security and human rights;
- export controls;
- investment screening;
- promoting small and medium enterprises' access to and use of digital technologies; and
- global trade challenges.

EU-U.S. Trade

The EU market represents 450 million people, and has a total gross domestic product (GDP) of $15.6 trillion, as of 2019. The United States has 330 million people and a GDP of $21.43 trillion according to the World Bank, as of 2019.

The EU consists of 27 countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

Total bilateral trade between the European Union and United States topped $1 trillion in 2020, with goods trade accounting for $755.76 billion. The United States exported $290.76 billion worth of goods to EU member nations, a decrease from $336 billion in 2019.

Top U.S. exports to the EU were chemicals, transportation equipment, computer/electronic products, and oil and gas. Imports into the United States from the EU decreased to $465.1 billion in 2020 from $514 billion the year before. Top imports from the EU to the U.S. were chemicals, transportation equipment, nonelectrical machinery, and computer and electronic products.

In 2020, Europe experienced its sharpest recession since World War II, with GDP falling by 6.6% compared to 4.5% in 2009 during the financial crisis. The U.S. economy contracted by 3.5% in 2020.

According to *The Transatlantic Economy 2021*, prepared for the AmCham EU (American Chamber of Commerce to the European Union):

- The U.S. and EU transatlantic economy supported 16 million jobs, accounting for close to one-third of world GDP, and 30% of world trade.
- In 2019, 48 of 50 U.S. states exported more goods to Europe than

See U.S.-EU Council: Page 8

U.S.-EU Council to Focus on Cooperation in Trade, Technology Issues

From Page 7

to China. California was one of the top three state exporters to Europe. In 2018, California had the highest number of jobs supported by European investment (490,700). European companies account for 58% of foreign affiliate jobs in the state.

• In 2019, the United States and Europe accounted for 27% of global exports, 32% of global imports, 64% of outward stock of global foreign direct investment and 61% of inward stock. During the last decade Europe attracted 57.3% of total U.S. global investment, more than in any previous decade. In 2019, the U.S. invested $2.4 trillion into the EU and the EU invested $2 trillion into the United States. European companies in the United States directly support 5 million U.S. jobs.

Staff Contact: Susanne T. Stirling

CalChamber-Sponsored Seminars/Trade Shows

From Page 2

USA Pavilion. Defense Exhibition Athens 2021. July 13–15, Athens, Greece. +30 210 699-3559.

Exporting: What's in It for You? World Trade Center Northern California. July 13 and July 15, Online. (916) 447-9827.

EXIM 2021 Virtual Annual Conference. Export-Import Bank of the United States. September 21–23, Online. (800) 565-EXIM (3946).

2021 Taiwan Trade Shows. Taiwan External Trade Development Council. October 6–9, Taipei. +886-2-2725-5200.

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

Build Expo Greece 2021. Build Expo. October 15–17, Athens, Greece. +30 211 180 1801.

2021 Select LA Investment Summit. World Trade Center Los Angeles and Los Angeles County Economic Development Corporation. October 20–21, Los Angeles. (213) 236-4853.

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*.

Athens International Tourism & Culture Expo 2021. Greek Ministry of Tourism and Greece 2021 Committee. November 25–27, Athens, Greece. +30 210-614 1164.

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