

# ALERT

## Bill Proposes New Tax Despite Huge State Surplus



Governor Gavin Newsom’s January budget proposal forecasted another historic surplus estimated to be approximately \$45 billion. As 2022 marches on, that surplus continues to grow.

Last week, the Department of Finance reported that California has collected approximately \$16 billion more in revenue than expected during the first seven months of the 2021–22 fiscal year.

According to the department’s report, \$6.206 billion of this total additional

revenue is due to higher-than-expected Pass-Through Entity (PTE) elective tax payments under the corporation tax. Personal income tax revenue for the first seven months of the fiscal year was \$9.17 billion above the forecast of \$76.71 billion. Corporation tax revenue for the first seven months of the fiscal year was \$7.99 billion above the forecast of \$10 billion.

### Tax Windfall

These numbers tell a clear story — California’s employers and entrepreneurs have succeeded economically in the face of the last year’s challenges, leading to another tax windfall for the state.

Despite the eye-popping revenue and  
*See Bill Proposes New Tax: Page 4*

## California Relaxes Mask Rules Again, Updates Workplace Safety Rules



California took another step forward this week in its efforts to move past the pandemic by

relaxing its [face covering rules](#) for unvaccinated individuals beginning March 1, and in schools starting March 12.

This week’s actions followed the [expiration of the universal indoor face covering requirement](#) and the state’s unveiling of its [SMARTER plan](#).

In addition to the California Department of Public Health (CDPH) updating its face covering guidance, Governor Gavin Newsom signed [Executive Order N-5-22](#), which updates the California Division of Occupational Safety and Health (Cal/OSHA) COVID-19 Emergency Temporary Standard (ETS) to align with the new CDPH guidance.

Aside from the two months of universal indoor masking over the winter, previous CDPH guidance and the ETS required unvaccinated individuals to continue wearing face coverings indoors but allowed vaccinated individuals to go without them in most indoor settings.

Under the updated CDPH guidance and the ETS as modified by the new Executive Order, effective March 1,

*See California Relaxes Mask Rules: Page 4*

## Local Chambers Help Businesses Thrive



Working together, the California Chamber of Commerce and local chambers of commerce

are a solid force as advocates supporting business-friendly policies and helping California businesses comply with complex laws and regulations.

While completely independent from the California Chamber, local chambers provide a real linkage to the thoughts and priorities of business — especially small business around the state. With 80%–90% of local chamber members having fewer than 20 employees, local chambers are a major grassroots voice for “Main Street” California.

Most chambers play leading roles as community problem solvers and serve as

the voice of business on public policy. Chambers are catalysts for business growth, helping businesses do their jobs by providing resources, training opportunities, and expert guidance on a broad range of issues.

Chambers are champions for a thriving community. They connect with elected officials, education institutions and other local leaders to find ways that businesses can solve local problems and help revitalize regional areas so that their communities are better places to live, work and raise families.

Lastly, chambers are conveners of leaders and influencers, not only connecting business leaders with each other, but also presenting business owners in a positive light to the community and ensuring that business concerns are heard by policymakers.

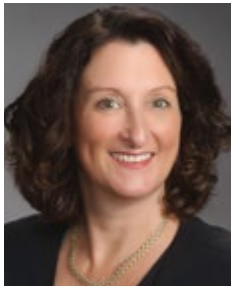
*See Local Chambers: Page 8*

### Inside

[Real-Time Data Key to Smoothing Supply Chains: Page 5](#)

## Labor Law Corner

# Lower Base Period Wages Can Affect Expected Disability Benefits



**Ellen S. Savage**  
HR Adviser

*A fairly new employee is out on a medical leave and receiving state disability insurance, but the weekly benefit she's getting is far less than the 60% I thought an employee was entitled to. Why is that?*

While the general rule is that state disability insurance (SDI) payments are usually about 60% of an employee's wages, there are a number of reasons that the payments may be less than that.

The most likely scenario in this case, since you mention that your employee hasn't worked for you very long, is

that the Employment Development Department (EDD) is basing her benefit on whatever her earnings were long before she started her job with you.

It's important to understand that SDI benefits are not based on what your employee is earning at the time she files her claim, but rather on wages earned in a one-year base period that is 5 to 18 months before the claim start date. The benefit amount is then calculated based on the quarter in that base period with the highest wages.

### Calculating Base Period

EDD uses the following dates to determine the one-year base period on which benefits are calculated:

- For claims filed in January, February or March, the base period is the 12 months ending the previous September 30.
- For claims filed in April, May or June, the base period is the 12 months ending the previous December 31.
- For claims filed in July, August or September, the base period is the 12 months ending the previous March 31.
- For claims filed in October, November or December, the base period is the 12 months ending the previous June 30.

So, for example, if your employee filed a claim beginning February 21, 2022, EDD would use a base period of October 1, 2020 through September 30, 2021 to calculate her weekly benefit.

If your new employee's base period ended before she started her job at your company, and her wages at her previous job were lower than what she earns now, the benefit will be based on those lower wages that fall within the base period rather than on her current earnings.

Although this is the most likely reason for the lower-than-expected weekly payment, it's also possible that your employee's benefits were reduced if EDD determined that she had a benefit overpayment for a previous unemployment insurance, paid family leave or SDI claim, or has late court-ordered child or spousal support payments due.

### Request to Recalculate

If your employee's current base period wages were negatively affected by military service, a workers' compensation injury, a trade dispute, or long-term unemployment, California law allows her to ask EDD to recalculate using a special base period that might provide higher benefits.

---

*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](http://www.hrcalifornia.com).*

### California Chamber Officers

**Kailesh Karavadra**  
Chair

**Gregory S. Bielli**  
First Vice Chair

**Janet A. Liang**  
Second Vice Chair

**Maryam S. Brown**  
Third Vice Chair

**Donna L. Lucas**  
Immediate Past Chair

**Jennifer Barrera**  
President and Chief Executive Officer

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

*Send email address changes to [alert@calchamber.com](mailto:alert@calchamber.com). Publisher: Jennifer Barrera. Executive Editor: Ann Amioka. Art Director: Neil Ishikawa. Capitol Correspondent: Sara Proffitt.*

*Permission granted to reprint articles if credit is given to the California Chamber of Commerce Alert, citing original publication date of article, and reprint is emailed to Alert at address above.*

*Email: [alert@calchamber.com](mailto:alert@calchamber.com). Home page: [www.calchamber.com](http://www.calchamber.com).*

## CalChamber-Sponsored Seminars/Trade Shows

More at [www.calchamber.com/events](http://www.calchamber.com/events).

### Business Resources

Managing Leave Requests from Pregnant Employees and New Parents.  
CalChamber. March 17, Online. (800) 331-8877.

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber.  
April 14–15, June 9–10, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar.  
CalChamber. May 5–6, May 26–27, June 23–24, Online. (800) 331-8877.

### International Trade

Maritime Transportation Data Initiative Hearings. Federal Maritime Commission. March 8, Maritime Labor; March 15, Available Technology Platforms;

March 22 International Standards/FMC Agreements; March 29, Marine Terminal Operators; April 5, Marine Terminal Operators; April 12, Carriers (1); April 19, Carriers (2); Online. (202) 523-5725.

Complying with U.S. Export Controls. Southern California District Export Council. March 15–18, Online (949) 660-0144.

How to Effectively Manage International Employees. National Association of District Export Councils. March 24, Online.

Trade Mission to Central America 2022. U.S. Commercial Service. March 27–28, Guatemala. (800) 872-8723.

*See CalChamber-Sponsored: Page 8*

# Russia's Invasion of Ukraine: Full Impact on Economy, Markets, State Uncertain



Russia's invasion of Ukraine will have an impact on the world economy

that is still not fully recovered from the pandemic. However, it is too early to tell the full impact just-imposed sanctions will have on the world market, the global supply chain or California specifically.

Oil prices went past \$100 a barrel for the first time since 2014. Further important to the worldwide supply chain, both Russia and Ukraine are rich in resources, minerals and metals — in addition to be being top exporters of grain/wheat and sunflower oil. Ukraine, the fourth largest exporter of agricultural products in the world, often is referred to as Europe's breadbasket.

Here in California, Russia is our 36th export destination and Ukraine is our 49th export destination out of 226 export markets. In 2021, California exported \$175.12 billion with \$472 million in goods to Russia and \$252 million in goods to Ukraine.

However, the tragic threat to democracy and violation of international law is felt worldwide and most certainly to the roughly 112,000 people of Ukrainian descent who call California home.

## Russia & Ukraine

Russia has a population of 146.15 million and a gross domestic product (GDP) of \$1.65 trillion. In 2021, Russia saw a 4.7% annual change in real GDP

growth. Russia also has an average annual inflation rate of 4.8%.

Ukraine has a population of approximately 41.29 million and is the second largest country in Europe by land mass. In 2021, Ukraine's GDP was \$181.04 billion, with real GDP growth at 3.5% and an annual average inflation of 7.1%.

Both Russia (since 2012) and Ukraine (since 2008) are members of the Geneva-based World Trade Organization (WTO). Russia is the world's 16th largest exporter and Ukraine is the 48th largest exporter in the world, according to the WTO.

In Washington D.C., the [Biden administration](#) via the Departments of [Treasury](#) and [Commerce](#), announced on February 24, 2022 both financial sanctions and export controls to Russia on software and equipment considered critical to the defense, aerospace and maritime industries — geared to impose severe costs on Russia's economy.

## Russia Trade and Investment

### With U.S.

Russia was the United States' 39th largest export partner, with the U.S. exporting \$6.388 billion to Russia in 2021, \$1.84 billion being transportation equipment. This was followed by non-electrical machinery, computers and electronic products, and chemicals.

The United States imported \$29.69 billion from Russia in 2021, with \$12.79 billion being petroleum and coal products. Primary metal manufacturing contributed \$6.57 billion, oil and gas contributed \$4.7 billion, while chemicals made up \$2.3 billion.

### With California

Of the \$472 million in goods California exported to Russia in 2021, \$162 million was attributed to computer and electronic products, \$64 million was attributed to miscellaneous manufactured commodities, \$61 million in chemicals, and \$47 million in non-electrical machinery.

In the same year, California imported \$2.1 billion from Russia, up significantly from \$918 million in 2020. Oil and gas, and petroleum and coal products, each had the largest change from the previous year. Oil and gas imports totaled \$938 million in 2021, a 467% increase from \$167 million the year prior. Petroleum and coal products totaled \$746 million in 2021, a 102.7% increase from \$368 million the year prior.

### Foreign Direct Investment

In 2020, total foreign direct investment (FDI) by Russia into the U.S. reached \$3.52 billion, while total U.S. direct investment into Russia reached \$12.538 billion. According to the most recent figures, Russian FDI in the United States supported between 5,000 and 10,000 jobs in 2018.

The top industry sectors for Russian FDI are: software and IT services, financial services, metals, coal oil and natural gas, chemicals, and business services.

## Ukraine Trade and Investment

### With U.S.

Two-way trade in goods between the United States and Ukraine was approximately \$4.418 billion in 2021, up from

*See Russia's Invasion: Page 6*



## CalChamber Member Feedback

*"As a small business, I have confidence that CalChamber advocates our issues and that we have a seat at the table. They keep track of the 'big picture' and work tirelessly to make sure legislators and regulators understand what impact their requirements will have in a real-world setting."*

Sandra O. Floyd  
President and Chief Executive Officer  
OUTSOURCE Consulting Services, Inc.



## Bill Proposes New Tax Despite Huge State Surplus

*From Page 1*

California's historic financial projections, certain state legislators almost-predictably introduced an enormous tax increase bill.

On February 16, AB 2289 (Lee; D-San Jose), the Wealth Tax, was introduced. This is identical to last year's Wealth Tax — AB 310 (Lee; D-San Jose) a job killer that never was heard in a policy committee.

According to recent reports, an analysis conducted by University of California, Davis and UC Berkeley professors estimates that the measure would produce approximately \$22 billion in state revenue annually. However, that number is highly variable considering many of the individuals who would be subject to the tax would likely leave to avoid it.

### New Annual Tax

The Wealth Tax would impose a new 1.5% annual tax on a California resident's worldwide net worth in excess of \$1 billion, or in excess of \$500 million in the case of a married taxpayer filing separately. After 2025, the tax would be changed to 1% of a California resident's worldwide net worth in excess of \$50 million (or \$25 million for a married taxpayer filing separately), as well as an additional tax at a rate of 0.5% of a resident's worldwide net worth in excess of \$1 billion (or \$500 million for a married taxpayer filing separately).

AB 2289 contains provisions that claw back taxes from Californians who left the state while taxing certain individuals who spend minimal amounts of

time in California despite not living here. Additionally, the Franchise Tax Board would be expected to implement and enforce the new tax law.

As California's budget surplus continues to grow, General Fund dollars can be allocated in a multitude of directions. This includes funding true universal health care coverage, restoring economy-driving tax incentives for California's businesses, and historic Proposition 98 spending for schools.

Given the state's current ability to spend on nearly any desired cause, the Wealth Tax is unnecessary, and legislators should focus on ways to spend the cash California currently has on hand.

**Staff Contact:** [Preston Young](#)

## California Relaxes Mask Rules Again, Updates Workplace Safety Rules

*From Page 1*

2022, unvaccinated individuals, including employees in the workplace, are no longer required to wear face coverings indoors, although CDPH still strongly recommends that all persons, regardless of vaccination status, continue to mask while indoors.

### Masks in High-Risk Settings

Consistent with recommendations of the Centers for Disease Control and Prevention (CDC), CDPH will maintain universal masking requirements in specified high-risk settings, including:

- On public transit (such as airplanes, ships, ferries, trains, subways, buses, taxis and ride-shares) and in transportation hubs (such as airports, bus terminals, marinas, train stations, seaports or other ports, subway stations, or any other areas that provide transportation).

- Indoors in K–12 schools, child care settings (through March 11, 2022).
- Emergency shelters and cooling and heating centers.
- Health care settings.
- State and local correctional facilities and detention centers.
- Homeless shelters.
- Long-term care settings, and adult and senior care facilities.

### What's Not Changing

Although the Governor's executive order suspends the main ETS rule regarding unvaccinated workers wearing face coverings (specifically Section 3205(c)(6)(A)), it doesn't change any other rules in the ETS.

For example, employers still must provide face coverings to employees who request them. Employers also must ensure face coverings are worn when

there are COVID-19 outbreaks, when screening employees for symptoms indoors, and any other time the ETS requires them.

In addition, the executive order doesn't change employers' obligations with respect to county or local government obligations, which may go beyond state requirements. Employers also may voluntarily maintain more stringent face covering requirements in the workplace.

The ETS was scheduled to expire on April 14, 2022; however, the new executive order extends the ETS an additional 21 days, to May 5, 2022, to ensure the Occupational Safety and Health Standards Board has time to review the new guidance in anticipation of the next readoption of the ETS.

**Staff Contact:** [James Ward](#)

# Stakeholders Say Real-Time Data Needed to Solve Supply Chain Inefficiencies



The need for timely accurate data to increase efficiency within the supply chain was a recurring theme in stakeholder comments during the February

meetings of the Federal Maritime Commission's (FMC) Maritime Data Initiative.

Continuing through April, the weekly meetings have examined global supply chain issues from the perspectives of different groups of stakeholders.

The goal of the FMC initiative is to establish data standards and best practices for data access and transmission, which is essential not only for reliable and stable ocean transportation systems, but for the global supply chain.

Comments from the February data initiative meetings are summarized below.

## Rail Industry

Stakeholders from the railroad industry discussed on February 1 how they often don't receive much advance notice when freight is arriving and that they would benefit greatly from getting visibility on that data further in advance.

Accurate forecasting and visibility is crucial to providing the highest quality of service possible.

This data is especially important as the railroads try to understand and identify the changes in demand, so the railroads are able to get ahead of changes in traffic patterns.

There currently is a lot of focus in the rail industry on taking better advantage of the railroad intermodal on dock rail to help improve congestion. A network of both coastal and inland ports fed by the intermodal services is starting to evolve. As 24/7 operations, the railroads are the most logical resource to utilize in managing cargo to help alleviate congestion.

## Partnering with Government

The February 8 meeting featured "federal partners" with representatives from the U.S. departments of Transportation, Commerce and Agriculture, as well as Customs and Border Patrol.

It was first noted that exports of cargo

out of the United States are handled largely as a manual paper process and there is a pressing need to automate it to electronic manifests so it would align on the import side with the electronic import manifests.

Automation will quickly aid in the better visibility of cargo as it moves across the country and is essential for export strategy.

The need for establishing a common lexicon also was discussed as definitions have changed, especially in recent years. For example, a new term was created for vessels waiting offshore in Los Angeles. In this situation, the ships are not in berths or anchorages; now they are "in loiter," when in reality, the ships are just waiting to get to port.

Federal representatives noted that commodity classifications can vary widely depending on where the data is collected and whether the source is focused on trade or transportation.

The shipper-based survey currently used asks respondents to physically classify their goods for each shipment. Use of machine learning tools will standardize the classification process so a shipper then can describe their cargo and the tool will classify it based on the provided description.

The representative from the U.S. Department of Commerce discussed the differences in the data collected by different agencies. Maritime transport data is collected mainly from the U.S. Census Bureau and from the National Oceanic and Atmospheric Administration (NOAA). The Census Bureau publishes statistics monthly and conducts a mandatory survey of national freight flows, while NOAA collects data that supports maritime transportation by focusing on nautical charters, currents, tides, etc.

## Intermediaries Serving as Detectives

The February 15 meeting featured stakeholders from the ocean transportation intermediaries. Again, the consistency of terms and data was stressed as stakeholders discussed their struggle with getting a standard definition of "free days" between the carriers and the terminals.

One speaker called himself basically a "travel agent for cargo," as his job more

and more often consists of finding data for where a container is and what the best rates are for transporting it.

A comparison was made to the travel industry: when someone wants to travel, they can go to one contained website to search for all options and rates that are available. If such a localized place for information and rates existed for the maritime industry, it would be easier and faster to get information to clients and bid for projects to meet their needs.

When stakeholders have to spend time doing detective work instead of actually helping cargo move, it reduces productivity. Moreover, when stakeholders have to visit several sources to accumulate the information needed, the accuracy of the data can get questioned.

With a lack of accurate data, data often drops off as product is moved through the supply chain. At almost every step, there is a possibility of inaccuracy, which creates billing disputes and can take a huge toll on the accounting and operational teams of the exporting or importing company. Such disputes have likely added millions of dollars in extra costs to the export supply chain.

Many clients of the ocean transportation intermediaries see the real-time data they receive with their Amazon orders or their pizza deliveries, when the order was received, pizza is being made, and it's out for delivery, and don't see why the trade industry can't implement a similar technology so that trade can flow easily.

## FedEx/Amazon 'Supply Web'

At the February 22 meeting featuring representatives from FedEx and Amazon, the need for real-time data was discussed once again. The desire to replicate the air industry's sharing of data was brought up, as data is treated confidentially in the ocean environment, making that data less accessible.

Data needs to be available in a manner that allows it to be consumed by those who need it, and communicated in a common language within a common place.

One speaker quipped that the supply chain was more like a "supply web" when a participant in the supply chain

*See Stakeholders: Page 6*

## Russia's Invasion of Ukraine: Full Impact on Economy Uncertain

*From Page 3*

\$3.1 billion in 2020. Ukraine is the United States' 59th largest export destination with more than \$2.5 billion in exports.

Top exports from the United States to Ukraine include used merchandise (\$763 million), minerals and ores (\$480 million), transportation equipment (\$345 million), and non-electrical machinery (\$243 million).

Imports from the Ukraine to the United States totaled \$1.88 billion in 2021. The top imports were primary

metal manufacturing (\$1.11 billion), processed foods (\$139 million), and minerals and ores (\$78 million).

### **With California**

California is among the top 10 state exporters to Ukraine, with \$252 million in exports in 2021. Used or secondhand merchandise accounted for \$114 million of exports (Ukraine is a top importer of used clothing), followed by transportation equipment at \$45 million, agricultural products at \$44 million.

California imported \$81 million from Ukraine in 2021, which included

\$40 million in processed food, followed by agricultural products and electrical equipment.

### **Foreign Direct Investment**

FDI from the U.S. into the Ukraine totaled \$761 million in 2020. In the same year, FDI from the Ukraine into the U.S. totaled \$2 million.

For more information, see [www.CalChamber.com/Russia](http://www.CalChamber.com/Russia) and [www.CalChamber.com/Ukraine](http://www.CalChamber.com/Ukraine).  
**Staff Contact: Susanne T. Stirling**

## Stakeholders Say Real-Time Data Needed to Solve Supply Chain Woes

*From Page 5*

has to interact with each segment individually, to piece together their own data, creating too many connection points and many inefficiencies.

The company representatives also discussed how it would be useful to know to whom a container belongs as it is unloaded from a vessel. That knowledge would allow terminals to stack goods together from the same importer, making the process more efficient overall and lowering transportation costs.

### **Broken Supply Chain**

Noted over and over again during the meetings was that issues within the supply chain have existed for more than a decade and have been known problems.

One stakeholder likened the situation to fixing something with strings and gum, and as things keep breaking, eventually only strings and gum are keeping the whole thing from simply falling apart.

As more pressure has been added to the supply chain during the pandemic, everything started to break again at the same time, and bigger strings and more gum are no longer going to fix the issues.

### **Future Meetings**

Federal Maritime Commissioner Carl Bentzel will continue to lead meetings with maritime and intermodal stakeholders through April. Initial findings from these meetings are expected to be presented at the FMC Maritime Transportation Summit, currently scheduled for June 1.

All meetings are open to the public and the FMC has made available a new email address where stakeholders can communicate any concerns related to the topic of maritime data at [maritimedata@fmc.gov](mailto:maritimedata@fmc.gov).

To see the dates and topics of the remaining initiative meetings, plus links for online viewing, visit the FMC Maritime Transportation Data Initiative website at [www.fmc.gov](http://www.fmc.gov).

CalChamber coverage of previous meetings is available [here](#).

*Information compiled by Nicole Ellis, CalChamber international affairs and media relations specialist.*

**Staff Contact: Susanne T. Stirling**

**CalChamber Members:**  
**Are you using your discounts from FedEx®, UPS®, Lenovo® and others?**

Members who enroll save an average of \$900 a year.  
See what's available at [calchamber.com/discounts](http://calchamber.com/discounts) or call (800) 649-4921.

Visit Perks & Discounts on HRCalifornia for details, and click your way to savings today.

**FedEx**®



**Lenovo**™

## Trade Representative Releases Report on China's WTO Compliance



Fifty years after President Richard Nixon made his historic visit to China, 20 years after China joined the World Trade Organization (WTO), and following the Olympics in Beijing, the Office of the U.S. Trade Representative (USTR) has released its [20th report](#) pursuant the U.S.-China Relations Act of 2000.

The Act requires the USTR to report annually to Congress on compliance by the People's Republic of China (China) with commitments made in connection with its accession to the WTO, including both multilateral commitments and any bilateral commitments made to the United States.

The WTO and its 164 member nations is the only global international organization dealing with the rules of trade between nations. 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 importers conduct their business.

### Agreed Commitments

On Saturday, November 10, 2001, concluding nearly 15 years of negotiations, members of the WTO — meeting in Doha, Qatar — unanimously approved China's application for membership. China's own Parliament immediately ratified the accession terms outlined in the nearly 1,000-page text. China waited 30 days and officially became a member of the WTO on Tuesday, December 11, 2001.

As a result of the negotiations, China agreed to undertake a series of important commitments to open and liberalize its regime in order to better integrate in the world economy and offer a more predictable environment for trade and foreign investment in accordance with WTO rules.

Among some of the commitments undertaken by China:

- China will provide nondiscriminatory treatment to all WTO members.

All foreign individuals and enterprises, including those not invested or registered in China, will be accorded treatment no less favorable than that accorded to enterprises in China with respect to the right to trade.

- China will eliminate dual pricing practices as well as differences in treatment accorded to goods produced for sale in China in comparison to those produced for export.

- Price controls will not be used for purposes of affording protection to domestic industries or services providers.

- The WTO agreement will be implemented by China in an effective and uniform manner by revising its existing domestic laws and enacting new legislation fully in compliance with the WTO agreement.

- Within three years of accession, all enterprises will have the right to import and export all goods and trade them throughout the customs territory with limited exceptions.

- China will not maintain or introduce, but limit any export subsidies on agricultural products.

### Taiwan

Taiwan also was approved for WTO accession in 2001. Admission of Taiwan was prearranged to follow China's admission, with terms being completed 18 months prior. China originally objected to Taiwan's independent admission, but it was agreed that the two are separate, functioning as different customs territories and imposing different regulations on the importation of goods. Taiwan is known as Chinese Taipei in the WTO.

### Report Recap

In Part One of the report covering 2021, the USTR provides an assessment of China's WTO membership, including the unique and very serious challenges that China's state-led, non-market approach to the economy and trade continue to pose for the multilateral trading system.

In Part Two, it reviews the effectiveness of the various strategies that have been pursued over the years to address

the unique problems posed by China.

In Part Three, USTR emphasizes the critical need for new and more effective strategies — including taking actions outside the WTO where necessary — to address those problems.

Finally, in Part Four, USTR catalogues the numerous problematic policies and practices that currently stem from China's state-led, non-market approach to the economy and trade.

See the [CalChamber Top Story](#) for [further details](#) on the report.

### CalChamber Position

The California Chamber of Commerce, 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.

As with most business organizations more than 20 years ago, the CalChamber supported China's entry into the WTO. More recently, one of CalChamber's five international priorities specifically asks that the revamp of the WTO address the functioning of the appellate body, and support efforts to ensure our trading partners adhere to fair and transparent trade practices while being held accountable when they violate international rules.

CalChamber international priorities:

- Trade be a priority.
- The revamp of the WTO address the functioning of the Appellate Body, and support efforts to ensure our trading partners adhere to fair and transparent trade practices while being held accountable when they violate international rules.

- The focus continue on lowering tariffs and nontariff barriers to support the expansion of American exports.

- Trade Promotion Authority is renewed to enable the United States to easily pursue new trade deals.

- Bilateral, regional, and multilateral trade agreements — which are critical to consumers, workers, businesses, farmers and ranchers — continue to be advanced.

**Staff Contact: [Susanne T. Stirling](#)**



## CalChamber-Sponsored Seminars/Trade Shows

*From Page 2*

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

2022 Taiwan Trade Shows. Taiwan External Trade Development Council. Through October 30, Online and In-Person. +886-2-2725-5200.

Cybersecurity Business Development Mission to South America. U.S. Department of Commerce, International Trade Administration. April 5–8, Uruguay, Chile, Peru. (800) 872-8723.

30th Annual Africa and Diaspora Interna-

tional Conference. Center for African Peace and Conflict Resolution, California State University, Sacramento. April 28–30, Sacramento. (916) 278-6282.

Trade Mission to South America. U.S. Department of Commerce, International Trade Administration. May 15–20. (800) 872-8723.

Annual Export Conference. National Association of District Export Councils. May 19–20, Washington D.C.

Maritime Transportation Data Summit. Federal Maritime Commission. June 1, Washington D.C. (202) 523-5725.

Concrete Show South East Asia 2022. MEREBO GmbH Messe International. September 14–17, Jakarta, Indonesia. 49-40-399 99 05-15.

## CalChamber Calendar

*ChamberPAC Advisory Committee:*

March 10, Half Moon Bay

*Board of Directors:*

March 10–11, Half Moon Bay

*International Trade Breakfast:*

March 11, Half Moon Bay

## Local Chambers Help Businesses Thrive

*From Page 1*

During the 2020–2022 pandemic, chambers of commerce solidified their position as a trusted resource, providing accurate and timely information on COVID-19 data, assistance, and government guidelines, protocols and labor laws. Thanks to the persistent advocacy

efforts of the CalChamber and local chambers, California elected representatives and government officials amended laws and regulations to ease burdens on businesses and expanded COVID-19 relief programs to help businesses weather the pandemic.

In California today there are more

chambers of commerce than there are cities. While each chamber is unique and may choose to emphasize some activities over others, all chambers work toward economic development, prosperity, and employer community.



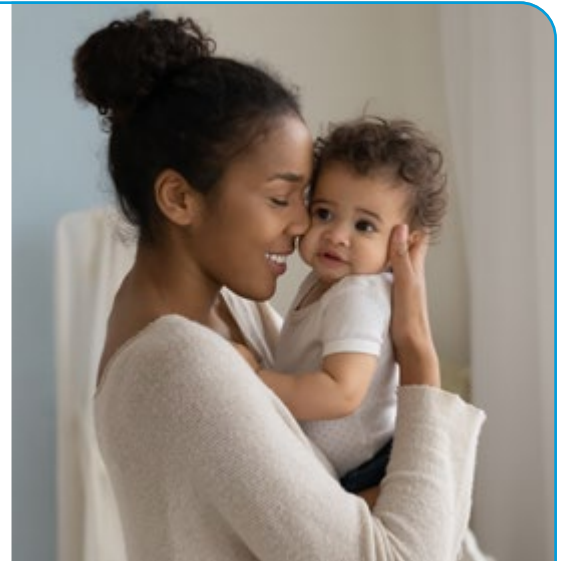
LIVE WEBINAR | MARCH 17, 2022 | 10 AM TO 11:30 AM PT

### Managing Leave Requests from Pregnant Employees and New Parents

**Do you have five or more employees?** California employees who are either pregnant or new parents are entitled to protected leaves of absence or accommodation under several laws, including pregnancy disability leave and baby bonding leave.

CalChamber's employment law experts will explain the various leaves, how they interact and when each law applies.

Preferred and Executive Members receive their 20 percent member discount.



Pregnancy disability leave, baby bonding leave and more

**LEARN MORE** at [calchamber.com/march17](https://calchamber.com/march17)