

ALERT

CalChamber Releases 2022 Job Killer List



The California Chamber of Commerce this week released the first wave of bills to be included on its 2022 job killer list. The preliminary list includes nine new

bills and two carry-over proposals from 2021. The CalChamber expects several additions to the list in the coming weeks.

“California companies are the economic engine that drives innovation and job creation in our state and are responsible for the record revenues the state is currently experiencing,” said CalChamber President and CEO Jennifer Barrera. “Yet, the bills on this year’s job killer list reflect a lack of appreciation of the economic realities and regulatory challenges employers — and especially small business employers — face as they continue to emerge from the impacts of this pandemic.

“A shrinking workforce coupled with California’s oppressive legal climate, penchant for overregulation, and continued push for even higher taxes, will hamper the ability of California companies to remain competitive in the future. This year’s job killer list highlights poli-

cies that will hurt job creation and will shut down or reduce investment in our economy.”

The 2022 CalChamber Job Killer List includes the following bills:

Labor and Employment

- **AB 2095 (Kalra; D-San Jose)**

Unfair Denial of State Opportunities.

Places new onerous administrative burdens on employers by requiring annual reporting of wage and hour data and employee benefits on an employer’s entire United States workforce that will unfairly criticize employers for lawful conduct by publishing that data on the Labor and Workforce Development Agency’s website and using such data to rank employers and deny them state opportunities, and will subject employers to frivolous litigation and settlement demands.

- **AB 2182 (Wicks; D-Oakland)**

Expansion of Duty to Accommodate Employees and Litigation Under

FEHA. Imposes new burdens on employers to accommodate any employee with family responsibilities, which will essentially include a new, uncapped protected leave for employees to request time off

See New Job Killer: Page 4

Continued Drought Leads to Delivery Cuts, More Funds for Drought Response



As California enters another year of drought conditions, water shortages will again

take their toll on California residents and businesses.

Recent estimates put the direct and indirect costs of the drought at nearly \$2 billion in 2021 alone due to lost jobs and hundreds of thousands of fallowed acres of farmland.

Water Delivery Cuts

California will see no respite from drought impacts this year.

On March 18, the state Department of Water Resources reduced the State Water Project allocation to 5% of requested supplies, down from its earlier allocation of 15%.

The U.S. Bureau of Reclamation earlier announced a 0% allocation of Central Valley Project water for most irrigation water providers.

Drought Response Funding

In response to continuing historic drought conditions, Governor Gavin Newsom announced that he was increasing funding to respond to the emergency drought conditions by \$22.5 million.

This does not implicate any additional funding beyond what was already *See Continued Drought: Page 9*



JUNE 1-2, 2022

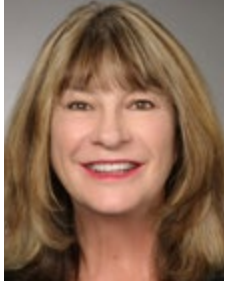
CAPITOL SUMMIT & SACRAMENTO HOST BREAKFAST

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Labor Law Corner

Mental Stress Leave: Time with Employer Among Eligibility Factors



Dana Leisinger
HR Adviser

During the past two years, we've had several employees claiming they are dealing with depression and anxiety/stress. Can they file for leave under the Family and Medical Leave Act (FMLA) for these claims?

Although it isn't automatic, employees can file for leave under the federal Family and Medical Leave Act (FMLA) and/or California Family Rights Act (CFRA) under certain circumstances.

Medical Certification

Not all claims of mental stress are eligible for these leaves, but if a doctor examines the individual and completes and signs a medical certification that the individual is incapacitated by mental stress, the employee may be eligible for the leave.

Indeed, FMLA (mirrored in this respect by CFRA) states that "a serious health condition entitling an employee to FMLA leave means an illness, injury, impairment or physical or mental condition that involves inpatient care... or continuing treatment by a health care provider..."

The COVID-19-related pandemic has exacerbated claims of people suffering feelings of uncertainty, anxiety, irritation, anger, and denial.

It is not uncommon to lack motivation, have trouble sleeping or concentrating and to feel tired, overwhelmed, burned out, sad, and even depressed. Consequently, these requests for time off are escalating.

Short-Term Employees

Calls to the CalChamber Labor Law Helpline in recent months more often than not involve situations with very short-term employees.

Therefore, remember that to qualify for both of these leaves, employees have to have worked for the employer for a year or more, and to have worked at least 1,250 hours in the immediately preceding year.

Accordingly, these short-term employees will not be entitled to either leave. FMLA covers employers with 50 or more employees within 75 miles, but CFRA covers employers with five or more employees, so the employee count may be an easy requirement to satisfy.

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

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor and Employment

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

Covering the Bases: California Wage and Hour Compliance. CalChamber. April 21, Webinar. (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. April 5, Marine Terminal Operators; April 12, Carriers (1); April 19, Carriers (2); Online. (202) 523-5725.

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.

Opportunities for Textile and Apparel: Central American Free Trade Agree-

ment. U.S. Commercial Service. April 6, Online. (800) 872-8723.

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

2022 World Trade Week Southern California: Global Trade: Reconnecting the World. Los Angeles Area Chamber of Commerce. May 5, Los Angeles. (213) 580-7569.

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.

Enlit Africa 2022. U.S. Commercial Service, Governor's Office of Business and Economic Development (GO-Biz), Power Africa, U.S. Small Business Administration. June 7–9, Cape Town, South Africa. (279) 666-8635

The Workplace

Important Updates on Arbitration Law



In Episode 146 of The Workplace podcast, CalChamber Labor and Employment Vice President Bianca Saad, and CalChamber

employment law experts Matthew Roberts and James Ward discuss the recent federal law that amends the Federal Arbitration Act (FAA) to make pre-dispute arbitration agreements and class action waivers invalid and unenforceable for claims of sexual harassment or sexual assault.

Arbitration Agreements in California

Arbitration agreements, Roberts explains, generally mean that an employee waives their right to pursue any lawsuit in court, and instead would have claims against their employer (or former employer) heard by a single arbitrator. Oftentimes, employers require applicants and employees to enter into these agreements as a mandatory condition of employment.

The California Legislature passed **AB 51 (Lorena Gonzalez; D-San Diego)** in 2019 to ban this practice, but the law is currently being challenged in court, he says.

The law, which originally was to take effect on January 1, 2020, specifically prohibits employers from requiring an arbitration agreement as a condition of employment for applicants or for continued employment for the employees, Saad explains. The law also established penalties and the possibility of criminal punishment, which was a concern in the challenge.

AB 51 conflicts with federal law,

specifically the FAA, Saad points out. The FAA has been around for almost a century and established the federal framework for enforcement of arbitration agreements.

It was largely designed to prevent state courts from refusing to enforce arbitration agreements. Over the years, the U.S. Supreme Court has established that the FAA preempts any state law that prohibits or limits arbitration.

The California Chamber of Commerce and a coalition of business groups filed suit against the law and the trial court granted a preliminary injunction, putting the law on hold, she says.

The decision was appealed to the Ninth Circuit U.S. Court of Appeals, where the matter was reversed. In response, the CalChamber-led coalition sought an *en banc* review by all the judges of the Ninth Circuit, and the review is currently pending.

In February, the Ninth Circuit issued an order deferring consideration of the petition until the U.S. Supreme Court rules on another arbitration-related case, *Viking River Cruises, Inc. v. Moriana*.

In *Viking*, Saad says, the court will decide whether the FAA requires enforcement of arbitration agreements that contain waivers for representative actions, including waivers of claims brought under the Private Attorneys General Act (PAGA). Oral argument was scheduled for late March.

Meanwhile, the preliminary injunction putting a hold on enforcement on AB 51 is still in effect, which means the law is currently unenforceable and employers may still use mandatory arbitration agreements.

“But of course, they should do so in consultation with legal counsel,” she says.

FAA Changes

In March, the FAA was amended to end mandatory arbitration for claims of sexual harassment and assault, Ward explains.

Individuals alleging misconduct can elect for a pre-existing arbitration agreement to be unenforceable and invalid to the extent that the claims relate to sexual harassment, or assault.

So, for example, in the employment context, that means that an employee who is bringing a claim for sexual harassment cannot be forced to arbitrate those claims under a pre-existing agreement that might otherwise cover those claims. This essentially gives the individual the choice to proceed either in court or go to arbitration, which some individuals may do for privacy reasons.

The law will not apply retroactively to existing disputes. It applies to any dispute or claim that arises or accrues on or after the date of enactment (March 3, 2022), which is the fancy formal statutory way of saying it applies to future disputes. So, any dispute that is already in arbitration can't be moved to the courts under this law, Ward says.

Ward suggests that employers work with their legal counsel on how these federal changes will affect their arbitration agreements and on how they want to craft their agreements going forward, because this federal bill will limit the scope of agreements and prevent employers from including sexual harassment and sexual assault claims under their arbitration agreements.

The law also broadly defines sexual harassment. For example, Ward says, the law states that a sexual harassment
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CalChamber Member Feedback

“The CalChamber promotes the interests of our business community with expert research and advocacy. Thank you CalChamber for ensuring that state government is accountable and responsive to our constituency.”

Jeff Dern
President and Chief Executive Officer
PRIDE Industries

CalChamber Releases 2022 Job Killer List

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and exposes employers to costly litigation under the Fair Employment and Housing Act by asserting that any adverse employment action was in relation to the employee's family responsibilities, rather than a violation of employment policies.

- **SB 1044 (Durazo; D-Los Angeles)**

State of Emergency. Allows employees to leave work or refuse to show up to work if employee subjectively feels unsafe regardless of existing health and safety standards or whether employer has provided health and safety protections and subjects employers to costly Private Attorneys General Act (PAGA) lawsuits if they dispute the employee's decision or need to have another employee take over any job duties.

- **SB 1162 (Limón; D-Goleta)**

Publication of Pay Data. Encourages litigation against employers based on the publication of broad, unreliable data collected by the state. Undermines employers' ability to hire, imposes administrative and record keeping requirements that are impossible to implement, and subjects employers to a private right of action and penalties under the Private Attorneys General Act (PAGA).

Taxation

- **AB 2289/ ACA 8 (Lee; D-San Jose)**

Wealth Tax. Seeks to impose a massive tax increase upon all forms of personal property or wealth despite California already having the highest income tax in the country. This tax increase will drive high-income earners and job creators out of the State as well as the revenue they contribute to the General Fund.

- **AB 1771 (Ward; D-San Diego)**

Targeted Tax on Certain Home Sellers. Seeks to impose a tax—in addition to the capital gains tax—of 25% on the profits from a home resold within three years after it is purchased. The tax rate is reduced on a sliding scale for seven years thereafter. This will worsen housing unaffordability and constrain the already-limited housing supply.

- **SB 1301 (Becker; D-Menlo Park)**

Fossil Fuel Investment Surcharge. Arbitrarily raises taxes on companies that invest in fossil fuel businesses based upon the financing amount. This adds another layer of expenses onto the fossil fuel industry that will significantly increase the costs of doing business, thereby

increasing prices paid by consumers for goods and services in California.

California Environmental Quality Act (CEQA)

- **AB 1001 (Cristina Garcia; D-Los Angeles) Expands CEQA and Hurts Housing.** Creates new highly subjective, non-quantifiable and litigation-bait standards in CEQA that will threaten California's economic recovery and ability to construct much-needed housing. It also removes local government discretion regarding how to analyze and mitigate proposed project impacts, thereby making projects more expensive, harder to build and more likely to be thrown into courts by NIMBY opposition. *2021 carry-over bill.*

Privacy and Cybersecurity

- **SB 1189 (Wieckowski; D-Fremont) New Private Right of Action for Biometric Information.** Creates legal liability for businesses large and small, potentially in the millions to tens of millions of dollars, while not providing any exceptions, such as for the use of biometric data for safety, security, or other reasonable purposes. Also imposes new, untenable restrictions on the use and disclosure of biometric information in a thinly veiled attempt to undermine the California Privacy Rights Act (CPRA) limited private right of action for data breaches.

Workers' Compensation

- **SB 213 (Cortese; D-San Jose) Workers' Compensation Presumption: Hospital Employees. 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. *2021 carry-over bill.*

Agriculture, Food and Natural Resources

- **AB 2764 (Nazarian; D-Van Nuys) Livestock Ban.** Bans new or expanded commercial animal feeding and processing operations for meat, poultry, eggs, and dairy. Will increase food prices for Californians and force food to be imported from out of state to meet consumer demand.

Cumulative Job Killer Vetoes

2021: 25 Job Killers identified, 2 sent to Governor Gavin Newsom, 1 signed, 1 vetoed;

2020: 19 Job Killers identified, 2 sent to Governor Newsom, 1 signed, 1 vetoed;

2019: 31 Job Killers identified, 2 sent to Governor 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, 1 vetoed;

2015: 19 Job Killer bills identified, 3 sent to Governor Brown, 1 signed, 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.

The Workplace

Secretary Weber: Fostering Women Leaders



In recognition of the conclusion of Women's History Month, the California Chamber of Commerce released a special edition of

The Workplace podcast on March 31.

In **Episode 147**, CalChamber President and CEO Jennifer Barrera speaks with California Secretary of State Shirley N. Weber, Ph.D., who reflects on the influences that shaped her career, explains why business leaders should invest their time in mentoring future women leaders, and shares advice for company leaders who are working within their organizations to encourage women leaders.

Shirley Weber

Shirley Nash Weber was nominated to serve as California Secretary of State by Governor Gavin Newsom and was sworn into office on January 29, 2021. She is California's first Black Secretary of State and only the fifth African American to serve as a state constitutional officer in California's 170-year history.

Weber was born to sharecroppers in Hope, Arkansas during the segregationist Jim Crow era. Her father, who left Arkansas after being threatened by a lynch mob, did not have the opportunity to vote until he was in his 30s.

Although her family moved to California when Weber was 3 years old, it was her family's experience in the Jim

Crow South that has driven her activism and legislative work.

Weber attended the University of California, Los Angeles, where she received her B.A., M.A. and Ph.D. by the age of 26.

Before her appointment, Secretary Weber served four terms as an Assembly member, representing California's 79th Assembly District, which includes parts of the city of San Diego as well as several cities and communities in the San Diego region.

Parents' Legacy

At the start of the podcast, Weber shares the legacy and example her parents set in her life. She speaks about the grit and determination of her father, who often took Weber and her siblings back to visit Arkansas, even though his safety was threatened, to teach his children not to be afraid and so that they could keep in touch with the extended family.

Weber's mother always gave whatever she could to the people around her.

"My dad used to talk about the fact that my mother would give away everything we had if she could," Weber says.

Weber's mother often gave meals to people in the community who knocked on her door, and prepared food for the homeless and snacks for children. Her mother believed in the Openhand Philosophy.

"She would always tell us that if you have an open hand, you might drop a penny or two along the way. But you always can give, the people can take from you and people can give to you. But if you have a closed hand, and you keep what you have,

it's guaranteed that you probably won't drop anything, but you also won't get anything else. And so we live with that idea, that we had to give back," Weber says.

Mentors

Weber also speaks about the importance of mentorship and how mentors should view it as a lifetime of interchange of information—it's not just a one-year experience.

When asked about advice for company leaders who want to encourage women to become leaders within their organizations, she replies that it's important that organizations allow people to "see what's inside." They should be brought to the inner circle so that they can see what takes place in those closed rooms and how decisions are made because it's oftentimes a mystery.

Lastly, business leaders should "release folks to be who they are," she says. If a woman is brought in, it's important to not want to see her as a man in a skirt—she's a woman and that's what you want. We often assume that everyone sees the same thing, but they don't.

"You know, I tell folks, oftentimes, if you want an African American, you have to release them to be African American. You have to understand that they see the world very differently, and give them the permission to see it, because in the process, they might help you see things differently," she tells Barrera. "But equally important, you can help them see things differently themselves, so that they understand the differences that are there."

Important Updates on Arbitration Law

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dispute means a dispute about conduct alleged to be sexual harassment under federal, state or tribal law, and it provides a similar definition for sexual assault.

This means that all the common harassment claims employers are used to seeing under Title VII of the federal Civil Rights Act or the California Fair Employment and Housing Act — things like quid pro quo, hostile work environment, etc. — will all be covered under this new law.

Preventing Claims

Some of the most important things employers can do to help prevent claims in the first place is by providing regular harassment prevention training to both employees and supervisors, Saad stresses.

It's also important "to provide high quality courses that are covering more than just the bare minimum...especially for our supervisors who are...the first line of defense against these types of claims."

In addition to training, employers

should also ensure that employees have access for actually making complaints internally, and should encourage an open door policy so that workers can have their claims addressed, Saad adds.

Lastly, employers should make sure they are investigating complaints.

"It's not enough just to have the avenue of how the complaints are going to be communicated," Saad says. "We want to make sure that we are conducting prompt, thorough and impartial investigations."

U.S.-U.K. Trade Dialogue Resumes

Future Meetings Planned



The United States and the United Kingdom resumed trade talks at the end of March, two

years after they were frozen and eight months after the U.K.'s "fast track" status to a trade deal, under the [Trade Promotion Authority](#), expired.

U.S. Trade Representative (USTR) Katherine Tai and U.K. Secretary of State for International Trade Anne-Marie Trevelyan met in Baltimore for the two-day event. The pair toured the Port of Baltimore and met with U.S. and U.K. business and labor representatives.

In Baltimore, negotiators reached a deal to end the four-year-old dispute that began in March 2018 when President Donald Trump imposed tariffs on steel and aluminum from the U.K. The partial removal of the tariffs eliminates an irritant in the U.S.-U.K. trade relationship and comes at a time when the two allies are eager to further unify against Russian aggression in Ukraine.

Steel & Aluminum Tariffs

Under the new agreement, the U.S. will replace the 25% tariffs on steel and aluminum with a tariff-rate quota system that will allow a "historically based" volume of British steel and aluminum to enter the U.S. without duties, but shipments above that level will still be subject to the Trump-era duties.

In return, the U.K. will lift retaliatory duties on some \$500 million worth of American products that include whiskey, Harley Davidson motorcycles, and Levi's jeans.

Trade Deal Goals

During the meeting, USTR Tai and Secretary Trevelyan agreed on an agenda for trade negotiations that includes small and medium-sized enterprises; digital trade; supply chains; labor rights and the environment; forced labor; decarbonization incentives; gender and racial equity; and trade-distorting third country practices.

At a press conference, USTR Tai referred to trade agreements as a "very 20th century tool," hinting at perhaps a more modernized process of negotiations with goals that look to the future.

Before the Baltimore meeting, Secretary Trevelyan released a 10-point plan internal memo for the U.S. trade dialogue.

The memo outlines goals of: addressing the challenges and opportunities of the modern global economy and supporting inclusive growth; strengthening protections for labor rights and the environment; ensuring international trade policies support domestic investments; supporting efforts to decarbonize; fostering opportunities for micro, small and medium-sized enterprises; promoting gender equality and women's empowerment; supporting the benefits of the digital economy; addressing trade distortions and barriers; and promoting supply chain resilience.

At the conclusion of the meeting, dubbed the "U.S.-U.K. Dialogue on the Future of Atlantic Trade," it was determined that another meeting would take place in Scotland in late April.

Trade Overview

Despite the U.S. having no trade deal with the trans-Atlantic region, trade hit a record high in 2021, according to a new [report from the American Chamber of Commerce European Union](#).

Europe attracted 63% of total U.S. global investment in 2020–2021, and in 2021, trans-Atlantic trade in goods reach \$1.1 trillion.

U.S.-U.K. Trade

Two-way trade between the United States and the United Kingdom was \$117.8 billion in 2021 and the U.K. was the seventh largest importer of U.S. goods. The total value of those imports was \$61.4 billion.

Top exports to the United Kingdom were primary metal manufacturing, making up 16.3%, followed by chemicals, transportation equipment, and oil and gas.

The U.S. imported \$56.36 billion from the U.K. in 2021. Transportation equipment accounted for 21.2% of the total, followed by chemicals, non-electrical machinery, and reimports. (U.S. Department of Commerce)

California-U.K. Trade

The United Kingdom is California's 12th largest export destination, with more than \$4.35 billion in exports in 2021, a decrease from \$4.9 billion in 2020.

Computer and electronic products brought in \$1.09 billion, followed by

chemicals, transportation equipment, and second-hand merchandise, accounting for \$789 million, \$364 million, and \$346 million, respectively.

In 2021, imports into California from the United Kingdom were approximately \$3.9 billion, an increase from \$3.7 billion in 2020, but a decrease from pre-COVID levels. Top import categories were transportation equipment, which made up 30% of the total, followed by computer/electronic products, non-electrical machinery, and chemicals.

Investment Overview

According to the U.S. Department of Commerce, the U.S.-U.K. investment relationship is the largest in the world, valued at more than \$1 trillion in 2016 and creating over two million jobs, about one million in each country.

British investment is key in the U.S. More than a million Americans go to work every day for British companies. Similarly, one million Brits go to work for American companies every day. British investment is specifically vast in California, where it supports approximately 90,000 jobs.

U.K. foreign direct investment (FDI) into the U.S. in 2020 totaled \$480.78 billion, while FDI from the U.S. into the U.K. totaled \$890.08 billion. The U.K. was the fourth largest source of FDI in the U.S. in 2020.

The U.K. contributed \$7.1 billion to research and development in the U.S. in 2019 and an additional \$52.3 billion to expanding U.S. exports. The top industry sectors for British FDI in the United States are: business services, software and information technology (IT) services, financial services, communications, industrial equipment, and transportation. (Select USA)

In California, the United Kingdom is the second largest source of FDI through foreign-owned enterprises (FOEs). In 2020, British FOEs in California provided more than 100,231 jobs through 2,380 firms, amounting to \$8.88 billion in wages.

The top jobs by sector are: professional/business services, manufacturing, retail trade, transportation/warehousing/utilities, and leisure and hospitality (World Trade Center Los Angeles FDI Report, June 2021).

Staff Contact: Susanne T. Stirling

Reliable Data Crucial to Efficiency, Preventing Supply Chain Bottlenecks



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

maintained the focus of previous sessions on data reliability and the consequences of bad data as it is utilized by different stakeholders in the supply chain.

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.

The weekly meetings, continuing through April, are examining global supply chain issues from the perspectives of different groups of stakeholders.

Comments from the March data initiative meetings are summarized below.

Data Reliability

The March 1 meeting focused on large aggregators, such as Flexport, Expeditors, and C.H. Robinson, and the discussion largely centered on data reliability.

Data reliability is one of the biggest problems in the supply chain, and when bad data quality creates real-life issues, it is the customers that are held financially accountable for the problems even though they are not the ones creating them.

In the last year, estimated time of arrival data has been particularly difficult to trust as vessels are anchoring for

weeks outside of the port before getting a berth and being able to unload their cargo. As vessel schedules change, big issues are created down the supply chain, and having reliable data to be able to predict where a bottleneck will happen before it occurs is crucial.

Oftentimes, aggregators are "working in probabilities rather than in certainties." They must determine the probability freight has moved based on how credible the source has been historically.

One speaker noted that it seems like they're getting better at "war rooming" the data to be able to find the bottlenecks more precisely, but at the same time the challenges are becoming greater.

Labor and the Supply Chain

Speakers at the March 8 meeting, which centered on maritime labor, echoed the sentiments expressed the previous week, specifically noting that better vessel manifest data would improve efficiency and performance.

If a vessel type and voyage can be tracked for a long period, the stakeholder is able to look forward and know if there are going to be ebbs and flows in labor.

For example, with good data, a stakeholder will be able to tell whether an extra 100 workers will be needed on a Tuesday two weeks from now.

Validating the cargo with a ship's manifest and then connecting that vessel to a specific port would facilitate more accurate predictions of labor costs, time

forecasting, logistics and cost analysis.

One speaker stated that ports around the country are short on labor, and that to alleviate the labor shortage, one should be an advocate, not just for the supply chain, but for attracting more people to the workforce.

Multiple Data Sources

The March 15 meeting covered available technologies and platforms for accessing and transmitting data.

Data originates from many sources and formats, including physical documents, XML, PDF, application programming interface (API), web-scraping services, etc.

A representative from Lloyd's List, a provider of maritime intelligence with a 300-year track history, remarked that his company uses 150 different sources. With so many sources of data being used at any one time, the consistency and standardization of the data is important for being able to push the data out effectively to the company's clients.

The Lloyd's List representative mentioned a study his company did in collecting the data that is available as far in advance as possible on where a vessel is likely to arrive.

They found that in 2021, 57% of vessels were shipping with inaccurate or unclear destinations stated in their automatic identification system (AIS) transmission.

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CalChamber Seeks Outstanding Small Business Leaders



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

Business Advocate 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 pandemic, small business owners have been working hard to keep their communities going,” said Jennifer Johnson, CalChamber director of local chamber relations. “The award is a great way to acknowledge these advocates.”

The award recipients will be recognized at the CalChamber Capitol Summit on June 1 in Sacramento.

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: April 29

Nominations are due by April 29. The nomination form is available at www.calchamber.com/smallbusiness or may be requested from the Local Chamber Department at (916) 444-6670.

Reliable Data Crucial to Efficiency, Preventing Supply Chain Bottlenecks

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To be able to use data effectively and combat these issues, it is necessary to invest heavily in machine learning and advanced analytics.

Setting Shipping Standards

The March 22 meeting revolved around international standards. A representative from the Digital Container Shipping Association (DCSA) said that the association has standards that are free to use online and accessible to anyone.

The DCSA makes standards through collaboration on both input and output sides by combining the many standards that already exist and discussing them with experts and customers to find what works best.

One speaker used the example of GPS trackers on shipping containers to illustrate how complicated standards can be in the shipping arena.

He noted that safety rules can be complex and elaborate, using the example of the batteries on the GPS trackers and how those batteries could easily be a source of ignition and cause fires. Such situations could create a collection of 40 regulations for each individual device. DCSA is trying to make it easier to implement such standards.

Another speaker advised the FMC not to make digital standards a goal in itself;

instead, the goal should be increasing efficiency. It is important to not reinvent the wheel, but to reuse what already works through collaboration with other federal and state agencies, internationally, and with the private sector.

Good Data Essential to Efficiency of Ports

Marine terminal operators and how they use data to organize their ports were featured at the March 29 meeting. Stakeholders discussed the importance of receiving accurate and timely data, as it is key to everyday operations and the functioning of their cargo operating systems.

Good data allows the ports to organize their yards to promote efficiency better. The system at one port allows a trucking company to pre-advise the port by creating a “record” explaining when they will be arriving and what their transaction will be when their trucks arrive at the facility. This pre-advise record allows the port to decide in advance how to manage that cargo when it comes into the gate.

A speaker commented that better utilizing beneficial cargo owner (BCO) data would allow the port to be able to improve its organization of stacks and create a “peel and go” situation for individual shippers and cargo owners.

If the cargo data is available in real time, ports would be better able to lever-

age the data to forecast what is heading their way. This data would lead to increased efficiency and productivity, allowing ports to control the flow of cargo and potential congestion, which also would help subsequently to reduce carbon emissions and idling in the terminal.

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.

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.

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](#)

Continued Drought Leads to Delivery Cuts, More Drought Funds

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approved by the Legislature in the 2021–2022 State Budget Act. Only \$2.5 million of the previously approved \$25 million in appropriations for drought response has been spent.

While it is good news that more of the previously approved drought funding will be spent, a significant chunk of the amount will go to education about water conservation rather than to fund physical improvements or new water projects.

As we can see from the significant impacts that just a single year of drought has on the state economy, this funding is but a fraction of what's needed to address the impact that another year of drought will have on the state.

Some of the additional drought funding will, however, go toward projects that have a more direct impact on infrastructure and water supply management.

For instance, \$5 million is allocated

for near-term improvements in spring runoff forecasting, which informs better reservoir management to address flood impacts and increase storage.

Another nearly \$7 million is set to fund the State Water Resources Control Board's response to drought emergencies, including delivering emergency drinking water.

Executive Order

In an [executive order this week](#), Governor Newsom called for local water suppliers and the State Water Board to move toward greater conservation.

He also urged all Californians to try to limit summertime water use and use water more efficiently indoors and out, voluntarily reducing water use by 15% from 2020 levels.

He asked the local water suppliers to move to Level 2 of their Water Shortage Contingency Plans, requiring actions to

conserve water across all sectors, and ordered the State Water Board to look at adopting regulations to ban watering of decorative grass next to industrial and commercial buildings.

The ban would not include residential lawns or grass used for recreation, such as school fields, sports fields and parks.

The executive order also streamlined the permitting process for groundwater recharge projects that help refill aquifers when the rains come; ordered local authorities to make sure new proposed wells don't compromise existing wells or infrastructure; aimed to make it easier for communities to gain emergency access to hauled or bottled water; speeded state agency approvals needed to protect fish and wildlife from drought threats; and ordered the State Water Board to expand efforts to determine whether water is being diverted illegally.

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