

ALERT

Chamber-Backed Proposal Creating CARE Court Passes



A proposal to establish a support system for homeless individuals with mental

illnesses or substance abuse disorders passed the Senate this week with the support of the California Chamber of Commerce and a coalition made up of 21 chambers of commerce.

The proposal, **SB 1338 (Umberg; D-Santa Ana)**, enacts the Community Assistance, Recovery, and Empowerment (CARE) Act, which authorizes specified persons to petition a civil court to create a voluntary CARE agreement or a court-ordered CARE plan and implement services

to provide behavioral health care, including stabilization medication, housing, and other services to adults who are suffering from psychotic disorders and other conditions.

SB 1338 passed the Senate on a vote of 38-0 on May 25.

Employer Stake

“California employers have a clear stake in improving the treatment and outcomes for severely mentally ill individuals without a fixed residence,” said CalChamber President and CEO Jennifer Barrera. “Not only do we have an obligation of care as fellow Californians, but many employers share neighborhoods with mentally ill individuals or those

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CalChamber Efforts Stop 3 Job Killer Bills, 7 Oppose Bills



Three California Chamber of Commerce job killer bills and seven oppose bills have been stopped from advancing this year after being held in legislative fiscal

committees on May 19.

One job killer bill would have created a new private right of action for biometric information; another would have expanded the duty to accommodate employees for leave requests; and a third would have imposed onerous wage and hour data reporting requirements.

Job Killer Bills Stopped

The following job killer proposals will no longer advance this year:

- **AB 2095 (Kalra; D-San Jose)** would have placed 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 would have subjected employers to frivolous litigation and settlement demands.

- **AB 2182 (Wicks; D-Oakland)** would have imposed new burdens on employers to accommodate any employee with family

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Background Checks Bill Passes Senate



A California Chamber of Commerce-supported bill that will restore the accessibility of key court electronic indexes for conducting background

SUPPORT

checks passed the Senate this week.

SB 1262 (Bradford; D-Gardena) preserves access to work by removing roadblocks to timely completion of employment background checks.

It passed the Senate with unanimous support on May 24 and moves on for consideration in the Assembly.

Specifically, SB 1262 restores the long-standing accessibility of driver

license numbers and dates of birth in California court electronic indexes.

Due to the prevalence of common names, this critical information is necessary to establish whether a court record belongs to a specific job or rental housing applicant. Without a return to the status quo, an applicant’s name could produce hundreds or thousands of records unrelated to that individual.

Background Check Delays

A 2021 case out of Riverside County, California called *All of Us or None of Us v. Hamrick* halted thousands of background checks last summer when it incorrectly interpreted California Rule of Court 2.507 regarding court electronic indexes as prohibiting searches by date of

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Labor Law Corner

Moonlighting OK, But Not Job Performance/Attendance Issues



Dana Leisinger
HR Adviser

Can California employers require employees to submit written notification/disclosure that they have a second job?

California is very protective of employees who engage in “lawful conduct,” and it is illegal to discriminate against employees or applicants on the basis of such conduct that they engage in during nonworking hours away from your premises. (See California Labor Code sections 96(k), 98.6).

Lawful Conduct

Having a second job, or “moonlighting,” is one example of such lawful conduct. Requiring written notification as noted above could be violative of their privacy and have a chilling effect on the employee seeking a second job.

This right to have a second job does not, however, prevent an employer from having a rule that employees cannot engage in conduct that actually is in direct conflict with your essential interests if the conduct would disrupt your operation.

Right to Discipline

Additionally, an employer has the right to discipline an employee who has performance/attendance issues due to working a second job. For example, if an employee is consistently late due to work-

ing another job, that may be addressed.

Also, if an employee is exhausted from the long hours at the second job, or can’t work scheduled time, that too is subject to discipline. The discipline would not be for having a second job, but for the primary job performance/attendance.

If an employer decides to terminate an employee with a second job, it is wise to consult with an attorney to guide the employer through that decision to avoid an appearance that the employer is motivated by the employee’s lawful moonlighting.

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

CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor and Employment

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. June 9–10, August 25–26, September 29–30, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar. CalChamber. June 23–24, August 11–12, September 8–9, Online. (800) 331-8877.

Managing CFRA Leave Requests at Your Small Business: Intensive Webinar. CalChamber. June 16–17, Online. (800) 331-8877.

Virtual HR Symposium. CalChamber. November 3–4. (800) 331-8877.

International Trade

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

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.

Technology Empowering Women in Trade. Women in International Trade Los Angeles. June 8, Los Angeles.

(213) 545-6479.

ANDICOM 2022. AmCham Colombia. August 31–September 2, Cartagena, Colombia. (601) 587-7828.

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

CalChamber Calendar

Capitol Summit:

June 1, Sacramento

International Forum:

June 1, Sacramento

Water Committee:

June 1, Sacramento

ChamberPAC:

June 1, Sacramento

Board of Directors:

June 1–2, Sacramento

Host Breakfast:

June 1–2, Sacramento

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Industry Opposition Causes Agency to Restart Prop. 65 Warning Proposal



A regulatory proposal to upend how businesses present Proposition 65 warnings has been dropped by the state agency in charge so it can come back with a new version reflecting comments on the previous proposed rule.

The California Chamber of Commerce and the Consumer Brands Association (CBA) led an industry coalition of 119 organizations that pushed back against the warning changes proposed by the state Office of Environmental Health Hazard Assessment (OEHHA).

The coalition argued that OEHHA's

proposal to change short-form Proposition 65 warnings a mere two years after the agency overhauled the warning regulations would generate increased cost and unnecessary liability for business and yet still fail to address the Proposition 65 over-warning problem — something the agency intended to fix with the rulemaking.

On May 20, OEHHA published a notice that it will not move forward with the proposed rule it had been working on. Instead, OEHHA said it intends to restart the rulemaking process in the next several weeks with a proposal “informed by” the comments it had received on its previous proposal.

Response to Comments

The previous proposal included notable modifications that appeared to have been

made in direct response to CalChamber and CBA industry coalition [comments](#). Among those modifications were:

- An increase in the maximum label size of the short-form warning and acknowledgment of label space limitations on some consumer products.
- Preserving the ability to use on websites or in catalogs the same short-form warnings found on the products.

The CalChamber and coalition will be ready to continue the effort to make sure new warning requirements provide greater certainty and confidence to businesses while helping consumers make informed choices when buying products.

Read more about the coalition's [successful opposition](#) to OEHHA's previous proposal.

Staff Contact: [Adam Regele](#)

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birth or driver license numbers, including the ability to use this information as search filters.

This decision drastically limits the results returned to users of electronic indexes, causing the background check process to slow to a crawl or grind to a halt.

CalChamber members reported delays of multiple weeks in hiring and sometimes were unable to accurately complete a background check.

Restoring Access to Work

In urging legislators to support SB 1262, the CalChamber — joined by nearly 50 employer associations and chambers of commerce — pointed out that if organizations, including those that

are legally mandated to perform background checks on applicants, can no longer use search filters such as date of birth and driver license number in conducting routine checks of court records, they will be left with nothing but names, and little or no way to associate a court record with a specific individual.

This is especially problematic, the CalChamber said, with the prevalence of common names. Hundreds — indeed, thousands — of potential false positives will result, rendering record search results meaningless.

Many businesses and nonprofits are required to perform background checks before they can put people to work. Even if not required, some organizations or apartment owners will conduct checks to

ensure that they are maintaining a safe environment.

When a person wants a job or apartment, they often need that opportunity right away. It is vital that the ability to timely review applicants' records is restored, because without SB 1262, those applicants are at risk of being denied access to work and housing, the CalChamber stated.

SB 1262 resolves this issue by explicitly allowing electronic indexes to be searched and filtered by a person's driver license number or date of birth, or both. The bill is essential to timely placing applicants in open job positions and ensuring Californians have access to work.

Staff Contact: [Ashley Hoffman](#)



CalChamber Member Feedback

“CalChamber moves at 5G speeds to support job creators like us across the state. CalChamber also shares our vision of a more inclusive and equitable atmosphere in the private sector statewide.”

Rudy Reyes
West Region Vice President and Associate General Counsel
Verizon

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responsibilities, which essentially would have included a new, uncapped protected leave for employees to request time off and exposed 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 1189 (Wieckowski; D-Fremont)** would have created 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. It also would have imposed 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.

Opposed Bills

Also stopped were the following CalChamber-opposed bills:

- **AB 1819 (Lee; D-San Jose)** was an unconstitutional proposal that would have banned corporations with 50% or more of foreign investment from contributing to campaigns or independent expenditures.

- **AB 2029 (Wicks; D-Oakland)** would have increased health insurance premiums paid by employers and enrollees by \$957,449,000 by mandating plans and insurers provide coverage for fertility services to diagnose and treat infertility, including in vitro fertilization.

- **SB 983 (Eggman; D-Stockton)** would have allowed proprietary equipment and trade secrets to be shared with the public.

- **SB 1059 (Becker; D-Menlo Park)** would have undermined the purpose and efficacy of the existing Data Broker Registry with an overly broad expansion of the definition of "data broker" that makes it harder for consumers to identify third-party entities selling their information. It would have required businesses registered on the Registry to disclose information about any data breach they have experienced without defining clearly what makes a breach worthy of disclosure. It would have created potential for consumer confusion and frustration by requiring covered entities to provide information already readily available to consumers in the entities' privacy policies.

- **SB 1361 (Kamlager; D-Los Angeles)** would have increased health care premiums over \$200 million by

requiring an enrollee's or insured's prescription drug cost sharing to be calculated at the point of sale (POS) based on a price that is reduced by an amount equal to 90% of all rebates received, or to be received, in connection with the dispensing or administration of the drug. This would have applied only to the small demographic of patients who received rebated drugs even though all patients would have paid more in premiums without receiving the benefit.

- **SB 1404 (Stern; D-Canoga Park)** would have arbitrarily and statutorily defined what is considered a significant environmental impact when removing an oak tree, substantially changing how the California Environmental Quality Act (CEQA) has operated since its inception. In doing so, SB 1404 would have made the construction of housing even harder and jeopardized the state's ability to mitigate wildfires.

- **SB 1458 (Limón; D-Goleta)** would have automatically increased benefits for all members of one gender based on a presumption that they are being discriminated against by the same amount based on misleading, or unrelated data, and it likely would have violated both the federal and state constitutions.

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dealing with substance abuse addictions and can attest to the failure so far to adequately serve these individuals who are in crisis. The issues surrounding the tragedy of homelessness in California are impacting the ability of businesses to operate in healthy, thriving communities."

Governor's Statement

Governor Gavin Newsom expressed appreciation for businesses' support at the start of the week when the Chamber coalition announced it is backing SB 1338 and again after the bill passed the Senate.

"I am grateful to have the California

Chamber of Commerce, and 21 local chambers across the state join our ever-expanding CARE Court coalition, which includes a broad range of support for tackling the challenge of severe mental illness that too often leaves individuals on our streets without hope," Governor Newsom said in his May 23 statement. "Like others in our coalition, small businesses throughout the state recognize that the status quo is not working, and that a paradigm shift is needed to address the mental health crisis seen throughout California."

In a support letter sent to state legislators, the CalChamber called SB 1338 a "thoughtful, measured response to

the tragedy of homeless mentally ill or substance abuse disordered individuals. It attempts to thread the needle of providing necessary care and treatment in an environment appropriate to deliver those services; that is, a supportive setting that is neither outdoors or incarcerated."

Importantly, the CalChamber points out, the individuals to be served by this approach lack the capacity to make medical decisions for themselves.

The Governor said the bipartisan Senate vote moves the CARE Court "one step closer to becoming a reality."

Staff Contact: Ben Golombek

Biden Administration Turns to Indo-Pacific with Launch of Economic Framework



President Joe Biden launched the Indo-Pacific Economic Framework (IPEF) negotiations with 12

other countries on Monday, May 23.

Those countries are Australia, Brunei Darussalam, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam.

The IPEF is not a traditional trade agreement in that it seeks to improve trade relations by reducing “behind-the-border” trade barriers; leaves enforceability intentionally vague; and does not guarantee that the agreement won’t be voided if a new administration takes over in 2024.

The official statement states this framework is intended to advance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness and aims to contribute to cooperation, stability, prosperity, development, and peace within the region.

Previous Agreements

Prior trade agreements in the Indo-Pacific were designed to ensure the United States’ involvement in the region. The California Chamber of Commerce-supported Trans-Pacific Partnership (TPP) was signed in 2016 after five years of negotiations by ministers representing Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam, who signed the TPP in Auckland, New Zealand.

The new IPEF excludes Canada, Mexico, Chile and Peru, and has brought India, Indonesia, and the Philippines to the negotiating table.

Observers are aware that the lame duck Congress in 2016 did not approve the TPP as hoped, allowing the next administration to pull out of the agreement.

After the United States left the

TPP, the remaining countries formed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2018. The CPTPP entered into force in December 2018, creating the third largest free trade area in the world by gross domestic product (GDP) and reducing tariffs in countries that amount to more than 13% of the global economy, spanning a market of 500 million people.

Indo-Pacific Framework

The IPEF was formulated to once again bring the Indo-Pacific to the forefront of the United States’ international trade agenda. Coupled with President Biden’s first visits to South Korea and Japan, it has done just that.

Trade ministers are scheduled to meet for the first time in the coming weeks with a goal of finishing negotiations in the next 18 to 24 months. This end date coincides with U.S. plans to host the annual leaders’ summit for the Asia-Pacific Economic Cooperation (APEC), of which India is not a member, at the end of 2023.

Many stakeholders, including the CalChamber, have recommended prioritizing the Indo-Pacific as China’s influence grows in the region.

The Biden administration’s Department of Commerce will base negotiations on three “pillars”:

- a “resilient economy” regarding supply chain and infrastructure;
- a “clean economy” with energy and decarbonization; and
- a “fair economy” with tax and anti-corruption elements.

The U.S. Trade Representative (USTR) will lead negotiations on a fourth “pillar” focused on a “connected economy” or fair and resilient trade, which includes digital trade, labor, environment, agriculture, and other areas.

It is also expected that the USTR will “pursue an accelerated implementation” of the World Trade Organization’s trade facilitation agreement.

The **Indo-Pacific** is the most populous, fastest-growing and most economically

dynamic part of the world. By 2030, it will represent 66% of the world’s middle class, and 59% of all goods and services sold to middle class consumers will be sold in the Indo-Pacific. Developing nations in the region will need about \$1.5 trillion in investment every year for the next decade to develop the infrastructure necessary to sustain their growth.

Despite the Indo-Pacific region’s growth, over the last decade, growth in U.S. exports to Asia has trailed overall U.S. export growth. The United States is gradually losing market share in trade with Asian countries.

Meanwhile, Indo-Pacific countries have signed more than 150 bilateral or regional trade agreements, while the United States has just four trade deals in the Indo-Pacific region — with Australia, Singapore, South Korea and Japan.

CalChamber Position

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

New multilateral, sectoral and regional trade agreements ensure that the United States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans.

The CalChamber supports free trade agreements with participants that comply with current international norms and obligations and commit to high standards negotiated for trade and investment, as well as intellectual property protection and enforcement. Such agreements ensure that the United States may continue to gain access to world markets, which will result in an improved economy and additional employment of Americans.

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

Specialists Gather to Exchange Insights on Global International Trade Concerns

Ports, South/North America, Ex-Im Bank, United Kingdom, Supply Chain & More



The California Chamber of Commerce recently joined nearly 150 trade specialists from across the nation for sessions focused on trade issues at the National Association of District Export Councils (NADEC) annual two-day event in Washington, D.C.

The NADEC is made up of the 60 regional district export councils. The more than 1,500 DEC members around the country all are appointed by the Secretary of the U.S. Department of Commerce. The mission of the DEC's is to work with the Commerce Department on export promotion and commercial diplomacy.

Susanne T. Stirling, CalChamber vice president of international affairs, and Nikki Ellis, CalChamber international affairs specialist, were among participants at the May 19–20 events. Stirling serves on the Northern California DEC and is an associate member of the NADEC.

Attending the conference from California were members of the NorCal DEC, the SoCAL DEC, the San Diego and Imperial DEC, and the Inland Empire DEC.

Port Crisis

An opening day session focused on the causes, effects and solutions to the port crisis in America.

This discussion was moderated by

John Saylor of the Virginia/DC District Export Council (DEC) and director of the international trade group at Commonwealth Trading Partners, Inc. Speakers included Christopher Connor, CEO of the American Association of Port Authorities; Jay Schuler, founder of Richland IFC and chair of the North Dakota DEC; Yevgeniy Epshteyn, president of Nova Shipping and member of the East Michigan DEC.

The group discussed the importance of the nation's ports as geopolitical strategic

lar-a-year industry. One speaker equated it to a small-town police force policing New York City.

Solutions discussed that could help ease the port congestion include:

- Data sharing throughout the supply chain. When cargo gets handed off from one stakeholder to the next, the data for that cargo often falls into a “black hole.”

- Expedite the hiring process; there are not multiple months available to re-hire employees when goods need to be moved immediately.

- Given that China builds and owns many of the world's containers, the U.S. needs to build its own containers as a matter of national security.

South American Trade Opportunities

South American trade opportunities were featured at a session moderated by Alex Sanchez, president and CEO of the Florida Bankers Association. Featured speakers were Ambassador Alfonso Quiñónez, Ambassador of Guatemala to the U.S.; Max Trujillo, president of MJT Policy; and Mariano Parlato, country manager for DISS and member of the Puerto Rico DEC.

In the Latin American region, COVID caused a 7% average loss in GDP.

Ambassador Quiñónez pointed out, however, that Guatemala lost the least from the COVID pandemic and actually grew at a pace of 7.5% in 2021.

The U.S. is the largest trading partner for many countries in Latin America. About 30% of Guatemala's trade is with the U.S.

The Latin American region is a perfect fit for near shoring products. One speaker quipped that a better name for

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Photo by John Murphy, U.S. Chamber

The CalChamber's Susanne Stirling, vice president of international affairs, and Nikki Ellis, international affairs specialist, on their visit to D.C. for the National Association of District Export Councils annual export conference. Photo taken on the rooftop of the U.S. Chamber of Commerce headquarters following meetings with chamber colleagues.

assets, as the ports create \$5.4 trillion in revenue annually amounting to 26% of the nation's gross domestic product (GDP).

It was noted, however, that 50% of containers on ships are currently empty, which is contributing to the backlogs causing the supply chain crisis. The Federal Maritime Commission, tasked with setting regulations for the nation's ports, has only a \$30 million annual budget to police a multitrillion-dollar-

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it would be “friend or ally shoring,” as there is no better business partner than our allies within our hemisphere.

Keynote: Ex-Im Bank

The lunchtime keynote address on May 19 featured a conversation between the new chair of the Export-Import Bank, The Honorable Reta Jo Lewis, and NADEC Trade Policy Chair David Day on the bank’s new policies, broader mission and enhanced focus on small business.

Lewis outlined some of the Ex-Im Bank’s programs for exporters, including the China and Transformational Exports Program (CTEP), which gives the bank special authority to make financing available in sectors where America needs to use innovation and technological might to stay ahead of the game.

She specifically mentioning sectors such as renewables, energy storage, quantum computing, artificial intelligence (AI), and semiconductors.

Lewis noted that the most important part is making sure that when people want to work with a U.S. company that there will be flexibility in making that happen.

Lewis also spoke about the Build Back Better and Make More in America initiatives that encourage like-minded countries coming together to support large global infrastructure projects.

She talked about working with diaspora communities to develop more commercial ties for America in immigrants’ home countries, as they often have strong ties to their native lands and such connection could be highly beneficial for American small and medium enterprises (SMEs).

Lewis’ most important tip for those looking to work with the Ex-Im Bank: just put in an application and ask. She joked that the Ex-Im Bank can’t help you if you don’t ask. Lewis also noted that the Ex-Im Bank hosted more than 600 webinars during COVID and hopes that the

bank can modernize their producers to be a better resource for helping American businesses to grow.

United Kingdom

The subject of an afternoon breakout session on May 19 was “U.K. Open for Business: The Way Forward.” The moderator was Urszula Wojciechowska of the Massachusetts DEC, executive director of the Coalition of New England Companies for Trade. The speakers included Sarah Clegg, head of trade policy for the British Embassy in D.C.; Tim Crouch, director of investment in North America for the U.K. Department of International Trade; and Emanuel Adam, chief policy and trade officer for BritishAmerican Business.

The group discussed recent and upcoming negotiations between the U.S. and the U.K., including a refreshed Atlantic Charter last year and a planned June 22 meeting in Boston for the fifth U.S.-U.K. SME Dialogue.

The British representatives noted that the U.K. is ready whenever the current administration is to pick up on negotiations for a U.S.-U.K. Free Trade Agreement. The representatives also pointed out a unique feature of the U.K. government that allows any subsidiary located in the U.K. to take advantage of their country’s resources to help them export.

There also was a discussion of the U.K.’s future goals as the country continues after Brexit. The U.K. has pledged to reach net zero emissions by 2050 and hopes to “level up” their population by ensuring the spoils of growth are shared across England geographically and with nontraditional groups. The U.K. is positioned to emerge as a science and technology superpower in the world.

Southbound Trade Initiative

Showcased at one of the final sessions on May 19 was the southbound trade initiative. Ernesto Pinal from the Idaho

DEC, managing director of Export Optimizers, was the moderator. Speakers included John Leighton, economic minister at the Canadian Embassy in the U.S., and Cesar Rames, head of the Office for the Administration of the USMCA (U.S.-Mexico-Canada Agreement) at the Mexican Embassy in the U.S.

The Americas are home to 13% of the world’s population, generate 34% of world GDP and have 40% of the world’s reserves of strategic minerals.

Minister Leighton noted that Canada is one of a few countries in the world that has all the minerals required to make batteries, but those minerals are in remote areas and require an investment in infrastructure to gain access. Canada has incentivized such investment by doubling its mineral extraction tax credit and investing in research and development to uncover better ways to extract these minerals.

Canada’s expertise in mining is important knowledge for the rest of Latin America, which has a robust mining sector. The development of such strategic partnerships is essential to counter China’s One Belt One Road initiative as China tries to invest in the hemisphere.

Mexico also provides a competitive environment for businesses as it offers a developed road and railway infrastructure system. Every minute, \$1.2 million in trade with Mexico takes place. Mexico also is currently building a rail and highway system across its southern region to act as an alternative to the Panama Canal.

One suggestion at the session was to leverage the existing free trade agreements in the region to use value added and content accumulation for products as they travel throughout the supply chain and become finished goods.

International Trade Administration

On May 20, the second day of the conference, the group heard from

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Helping Business In A Global Economy

www.calchamber.com/international

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Marie Saldano, undersecretary at the International Trade Administration (ITA). Saldano discussed how economic security depends on competitiveness, which requires ensuring fair and open markets, expanding export opportunities, and increasing investments.

The ITA's goal is to help ensure resilience, dependability and security in America's supply chains. Saldano discussed the equity lens the administration is using to form upcoming national export strategies and global diversity export initiatives. The ITA also is developing a clean tech export competitiveness strategy and has an advanced manufacturing trade mission to the Indo-Pacific this fall.

Saldano discussed the administration's Indo-Pacific Economic Framework (IPEF). The goals of the framework are to share relations, advance economic priorities and competitiveness, ensure trusted data flows, continue tech leadership, develop resilient and secure supply chains, create environmental sustainability, and encourage good governance and tax policy.

Saldano also discussed the U.S.-EU Trade and Technology Council (TTC), which is focused on mutual competitiveness and prosperity grounded in a shared market and democratic values. The second ministerial for the TTC was held at the beginning of May.

Saldano also discussed future meetings of the Quad Leaders (which were being held this week) where they hope to collaborate on climate, infrastructure, and critical and emerging technologies.

Saldano did not forget to mention the U.S.-Japan Commercial and Industrial Partnership, which is focused on creating new opportunities for U.S. businesses and their workers and holding accountable the countries that seek unfair advantages.

Supply Chain Opportunities

A supply chain session on May 20 was moderated by NADEC Chair Shawn Levsen and featured speakers Jess Dankert, vice president of supply chain with the Retail Industry Leaders Association; Kristopher Denzel, director of government affairs for DHL Express; and Gerd Uitdewilligen, director of international sales for Emerson Cargo Solutions.

The panel discussed the importance of having diversified, agile supply chains and back-up suppliers, along with the need to have a "buffer approach."

The panelists' consensus was that there is not a lot of optimism yet that the state of the supply chains will improve in the near future, especially with the start of port labor negotiations this month. It was noted, however, that shippers have been dealing with the backlogs for two-and-a-half years now, so they have

developed a sense of what they need to do to be able to plan for and mitigate any issues that might arise.

Mentioned specifically during the discussion was how California agricultural exporters are struggling to find empty containers for products that have a shelf life. Every step of the supply chain needs to come together to create a bigger voice to help solve the problems everyone is experiencing. One suggestion was to diversify U.S. warehouses to buffer supply chain disruptions, although doing so may not be easy for smaller exporters.

Important advice from Levsen was to involve your carrier in the design of your supply chain. Build a relationship with your carrier, work with them and have them make recommendations, as it is harder for the carrier to help a company solve problems when they are unfamiliar with the product and supply lines.

Other advice from the panel included looking closer at suppliers, keeping your eyes out, not putting all your eggs in one basket, and just keep adjusting when needed.

For more details on the NADEC Export Conference, visit [this link](#).

Information compiled by Nikki Ellis, CalChamber international affairs specialist.

Staff Contact: Susanne T. Stirling



SAVE THESE DATES: NOVEMBER 3 & 4

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