

ALERT

Governor Newsom Releases Water Supply Strategy

Calls for Regulatory Modernization



Governor Gavin Newsom announced a four-point strategy on August 11 to

increase California’s water supplies and help the state adapt to the extreme weather patterns anticipated by climate experts.

California Chamber of Commerce President and CEO Jennifer Barrera praised the water strategy, saying it aligns closely with [recommendations](#) the CalChamber submitted to the Governor that identified ways the state could secure new water sources.

“Water is the lifeblood of the

California economy and the Governor’s plan addresses critical issues that will improve reliability, mitigate future droughts and accommodate California’s continued growth and economic success,” Barrera said.

“We look forward to further review of the plan and working alongside the administration to ensure that this important, ambitious but achievable water strategy is implemented in a way that benefits all sectors of California’s economy.”

Water Supply Strategy

It is estimated that hotter and drier weather conditions spurred by climate change could reduce California’s water

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Fiscal Committee Recap: 2 Job Killers Amended, Many Harmful Bills Move



Strong opposition from the California Chamber of Commerce helped to secure amend-

ments that removed some of the most onerous aspects of two job killer bills last week.

As a result of these changes, the CalChamber has removed the job killer tag from SB 1044 (Durazo; D-Los Angeles) and SB 1162 (Limón; D-Goleta).

While numerous harmful bills were stopped from continuing past the appropriations committees to reach the Senate or Assembly floors last week, the CalChamber continues to fight a number of proposals that if passed could hurt job creation.

Legislators have until Wednesday, August 31 to pass and send legislation to the Governor’s desk for consideration.

Job Killer Bills

Of the 18 job killer bills identified this year, just one, AB 2183 (Stone; D-Scotts Valley), is still moving:

- **AB 2183 (Stone; D-Scotts Valley):** Limits an employee’s ability to independently and privately vote for unionization in the workplace, by essentially eliminating a secret ballot election and replacing it with the submission of representation cards signed by over 50% of

See Fiscal Committee: Page 10

CalChamber Urges Careful Deliberation on Governor’s Contentious Climate Package



The time remaining in the legislative session is inadequate for the necessary full discussion

of the climate proposals the Governor issued last week, the California Chamber of Commerce and a coalition of business groups and local chambers of commerce said in a letter sent to Governor Gavin Newsom on August 16.

The letter expressed the group’s “urgent request that the Legislature give careful deliberation to the recently released climate proposals from the Administration, with which we have considerable concerns.”

Any one of the issues covered in the Administration’s proposals has been and would be a matter of extensive debate in the regular legislative process. Those contentious issues include:

- codifying a statewide carbon neutrality goal;
- increasing the greenhouse gas emissions reduction goal;
- establishing pathways to 100% clean electricity retail sales;
- setbacks for new oil and gas production wells; and
- carbon capture regulation.

“Like the rest of the nation, Californians are suffering the punishing effects of inflation, reflected in ever-higher prices of gasoline, food, and other

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Labor Law Corner

Applicant with Criminal History? Follow Process Before Revoking Offer



Matthew J. Roberts
Labor Law Helpline
Manager

We ran a criminal background check on a prospective new employee and the check revealed some criminal history. Can we choose to revoke the job offer now?

Over the past several years, both the California Legislature and the California Civil Rights Council (formerly known as the Fair Employment and Housing Council) have placed an increased focus on an employer's ability to revoke job offers due to a prospective employee's criminal history.

For an employer to even conduct the background check under California's "ban-the-box" law, the employer must first provide the applicant with a conditional job offer. This means the employer cannot ask about criminal history at the application or interview or reference check stage until an offer of employment has been made.

Once the offer has been made, the employer may inform the prospective employee that the offer is contingent upon a successful criminal background check. If the background check returns some criminal history, an employer must complete the "fair chance process" before revoking the offer.

Individualized Assessment

If an employer is considering revoking a job offer due to the criminal history revealed during the background check, the employer must assess how that specific criminal history affects the prospective employee's ability to perform their specific job functions. Employers must consider the following:

- The nature and gravity of the offense or conduct;
- The time that has passed since the offense or conduct and completion of any criminal sentence; and

• The nature of the job held or sought. This means that the employer must compare the specific offenses to the proposed job duties.

For example, if a criminal history report reveals that the prospective employee was convicted of a felony driving while under the influence, but they will not be doing any driving as part of the job, the criminal history has limited impact on the nature of the job sought.

Conversely, if the criminal history yields serious violent crimes and the position will work closely with the public, an employer may determine that the nature of the offense or conduct greatly affects the prospective employee's ability to perform the job duties.

Notice Requirements

Once the employer has performed an adequate individualized assessment and determines that the criminal history warrants revoking the job offer, the employer must follow a pair of notice procedures.

First, the employer must provide a preliminary notice to the prospective employee that includes all the following:

- The identity of the disqualifying conviction;

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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. August 25–26, September 29–30, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar.

CalChamber. September 8–9, December 8–9, Online. (800) 331-8877.

Best Practices for Compliant Paid Time Off Policies. CalChamber. September 15, 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.

Japan Infrastructure Investment Forum. Ministry of Land, Infrastructure,

Transport and Tourism, U.S. Department of Transportation, California State Transportation Agency. August

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CalChamber Calendar

Water Committee:

September 8, Laguna Niguel
ChamberPAC Advisory Committee:

September 8, Laguna Niguel

Board of Directors:

September 8–9, Laguna Niguel

International Trade Breakfast:

September 9, Laguna Niguel

ChamberPAC Legislative Roundtable:

September 9, Laguna Niguel

Public Affairs Conference:

November 29–30, Laguna Niguel

The Workplace Survey Shows Return to Office Trends and Employer Attitudes



In Episode 158 of The Workplace podcast, CalChamber employment law expert Matthew Roberts and Global Head of Occupier

Thought Leadership at CBRE Group, Inc. Julie Whelan discuss current employer attitudes toward in-person work and returning remote workers to the workplace.

We are now nearly 30 months removed from the start of the COVID-19 pandemic, and out of the whirlwind of workplace trends and changes, the most enduring change we will see moving forward is where employees are going to be performing their work, Roberts says in kicking off the podcast.

“Remote or hybrid work arrangements are now the norm instead of the exception,” he says. “As we enter a relative period of stability with COVID-19, employers are now at that stage of deciding whether to end remote hybrid arrangements and what to do with the commercial real estate and workspaces they had pre-pandemic.”

In April, CBRE released findings from its [latest annual survey](#) on office occupier sentiment, revealing trends in executive attitudes toward returning employees to the workplace in 2022. CBRE, a CalChamber member, has been conducting this wide-ranging survey on office occupier trends since 2016.

April 2022 Survey Results

CBRE’s April survey confirmed what everyone had been feeling in the market at that point, which was that office

returns were slowly happening, Whelan says. Efforts were slow because employers were allowing workers to return at their own discretion, and organizations were not influencing employees to come back. Returns also have been slow now because it’s summertime.

The survey also indicates that hybrid work is here to stay. Organizations are supporting the hybrid work evolution and, most importantly, executive leadership is acknowledging and supporting this evolution as well, Whelan says.

Another survey finding is that the office is not an afterthought. The office is still a very important piece of company culture for most companies. Organizations are starting to make moves in their real estate strategies to satisfy changes, such as new space design, enhancing technology, tracking utilization, looking for different spaces, lease catalysts, and activities.

Asking Workers to Return to the Office

The 2022 survey did not ask employers what type of reasons they used to justify asking their workers to return to the office. Based on past surveys, employers consistently said they wanted people to work in the office to build culture, and promote collaboration, knowledge sharing and innovation. The problem, Whelan points out, is that these are generic statements at this point in the journey.

“What we’re finding right now is that most companies are really trying to take time to understand what those words mean to them, and then spending time translating that to employees in a way that actually creates an appealing value proposition for employees to come back to the office,” she says.

Facilitating Office Returns

In the beginning, employers enticed workers to return to the office using things like events and welcome packages, but this changed when the Omicron variant emerged. Employers came to the realization that these events were time consuming, expensive and were not going to create anything sustainable, Whelan tells Roberts.

What organizations are doing now is communicating through memos, videos and other mediums why the company wants employees back in the office. Many organizations also are asking executive leadership and managers to lead by example, because if the executives and leaders are not coming in themselves, then certainly the lower ranks of the organization aren’t going to feel compelled to do so, Whelan points out.

Lastly, organizations are starting to create offices that people want to be in now. How happy employees are at the office is going to dictate how often they want to come back. The pre-pandemic office environment also is a factor.

“If it was a really bad office environment then, it’s going to be an even worse office environment now. And so, we really need to make changes to make sure that our employees are happy when they come in,” she says.

Hybrid Work Sweet Spot

Generally, employers want their employees to be in the office at least half the time, if not more. What the latest CBRE survey found, however, is that a lot of companies are realizing that there’s a gap between what they desire as an organization and what their employees desire as

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CalChamber Member Feedback

“Our company’s long-term investment in CalChamber has shown a direct ROI. The CalChamber team continues to successfully engage with our management team, which allows them to keep elected officials informed of our needs, and accountable for their actions.”

Mark S. Bertrand
Vice President, Space & Defense
Boeing Capital Corporation

Registration Opens for Post-Election Public Affairs Conference



Registration is open now for the CalChamber Public Affairs Conference,

set for November 29–30 at the Ritz-Carlton, Laguna Niguel.

As they gather just three weeks after the general election on November 8, attendees will have the opportunity to hear from the “new kids on the block,” as well as re-elected legislators, policy experts and opinion leaders offering their commentary on the election results.

The first session following registration on the afternoon of November 29 will cover the results of the annual CalChamber survey of California voter attitudes. Longtime pollsters Robert Green of Pierrepont Consulting and Analytics LLC and Adam Rosenblatt of Bold Decision will offer their analyses of what voters are thinking.

Also planned are a look at “Governor Gavin Newsom Act II,” moderated by CalChamber President and CEO Jennifer Barrera, and a session featuring new legislators in the California State Assembly.

The November 30 agenda includes panel discussions on privacy and the

California Consumer Protection Act; the 2022 campaign; and SB 54 — the circular economy compromise bill — and recycling.

Attendees also will have an opportunity to get acquainted with some of the newly elected members of the California State Senate.

CalChamber gives special thanks to the conference presenting sponsors, Southern California Gas Company and Lucas Public Affairs.

To register and for more information, [visit this link](#).

Staff Contact: Martin R. Wilson

CalChamber Urges Careful Deliberation on Governor’s Climate Package

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necessities,” the coalition wrote. “Our state’s residents and business owners deserve to know by how much and when the costs of these new climate initiatives will be felt in our economy — whether in higher fuel prices, utility bills, elimination of certain industries and their related jobs, limits on driving or of vehicle purchases, and the many other foreseeable economic and lifestyle impacts inherent in these proposals.”

Greenhouse Gas Emissions

As one example of the magnitude of changes being proposed, the coalition letter cited the Governor’s proposal to adopt a more aggressive 2030 greenhouse gas emissions (GHGs) reduction target — going from 40% to 55% below the 1990 level.

The proposal is just one of the five new climate initiatives outlined by the Governor.

That target would require the state to remove an additional 17 million gasoline vehicles off the road by 2030, according to data developed by the California Air Resources Board (CARB), the coalition pointed out.

Moreover, the letter continues, CARB’s initial modeling of scenarios in this range concluded them to be “economically and technically infeasible due to the current lack of low-carbon energy infrastructure, unavailability of technology, large job loss and high implementation costs.”

The 2030 and 2045 goals proposed by the climate package appear to be far-off

aspirational goals, but the California Environmental Quality Act (CEQA) makes them immediate mandates in 2023.

CEQA will be a super-charged anti-housing weapon in the hands of NIMBYs. These proposals would increase the price of a new home by a minimum of \$50,000 for additional energy equipment, making California’s affordable housing crisis worse than at any time in its history.

This means that the Legislature’s efforts over the past several years — enacting more than 80 bills to plan for, approve and produce the 2.5 million more homes that the Department of Housing and Community Development says are needed — will have been for nothing.

A second climate initiative in the Governor’s proposal is establishing a setback distance between a new oil well and homes, schools or parks.

The letter notes that legislative analysis of an earlier, failed attempt to enact setback restrictions on oil and gas production wells found the setback requirement threatens the loss of 8,000 jobs, including 3,000 high-paying direct jobs in the oil and gas industry, and another 5,000 jobs in supplying industries such as construction and trades, not to mention shutting down revenue streams to state and local governments.

Undermines Existing Process

The last-minute climate proposal undermines the existing public and transparent process at the Air Board, where hundreds of stakeholders have been

engaged on the Scoping Plan.

It is vital to reconcile the Administration’s recently released proposals with the proposals being vetted by the Board over an inclusive, months-long process.

The Legislature sets overall policy on these matters, but the Governor traditionally has given great deference to the formal processes undertaken by the Air Board, which would be upended by a rushed consideration of these proposals.

Global Solution

California should contribute to a global solution, but not attempt to resolve a global issue beyond the means of the state’s economy and that would stifle growth and opportunities for California residents, the coalition stated, continuing: “Indeed, the worst outcome for California’s leadership on this issue would be an overreach that discredits climate change reduction strategies because of severe damage to the state’s economy.”

In concluding, the coalition letter comments: “The Governor recently stated, in the context of our water crisis, that we should move ‘away from a scarcity mind-set to one more of abundance.’

“Our climate policy should likewise embrace growth, since over the long term, successful global reductions in GHGs will happen only through increased global wealth and massive technological innovation, much of which can take place in California — if we do not embrace scarcity.”

Staff Contact: Ben Golombek

Wage Theft Does Not Define California's Private Sector Employers



Jennifer Barrera

The issue of “wage theft” has recently gotten some renewed attention in the news. Unfortunately, reporting on this issue often results in creating an inaccurate

perception that a large number of California businesses are intentionally defrauding their workers.

This isn't true and the record needs to be set straight. The overwhelming majority of California employers pay their workers timely and fairly under a mountain of complex and ever-growing employment laws that are often unique to our state.

First, there is no defense for anyone who intentionally steals wages. However,

there is a big difference between a good faith error to comply with a labor law and intentionally paying less than minimum wage or forcing workers to work off the clock.

Commentary By Jennifer Barrera Julian Canete Pat Fong Kushida

Recent reports on the issue of wage theft lumped unintentional errors by employers together with intentional thefts under a blanket category of “wage theft.” Even so, the reality is that the amount of money reported to fall into the overbroad “stolen” categories accounts for only twenty-five thousandths of one percent of all wages in the state.

And, if the term “wage theft” was actually narrowed to when an employer

intentionally withholds wages, it would be even less.

Labor Laws Hard to Decipher

It is important to point out just how difficult it is for many employers — especially small businesses and start-ups — to decipher and untangle California's complex labor laws, which are the most onerous in the nation.

Enforcement agencies provide little outreach, interpretation, or education. One small business owner recently asked why businesses ever start here. Do they know what they are getting into? It is nearly impossible to figure out all the things you have to do as a business owner to comply with California's exhaustive employment laws.

Staying current and compliant becomes a real problem for many of California's amazing small business entrepreneurs whose primary language is not English. Imagine a business owner

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Survey Shows Return to Office Trends and Employer Attitudes

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people, Whelan says. In order to close that gap, many employers are realizing that it's going to have to be more of an equal mix.

Providing guidance to jump-start getting people to come into the office more regularly than they do now while still allowing employees to have the sense of autonomy that is important to them is a piece of the equation that employers still are struggling to figure out, she says.

Redesigning Office Space

Organizations have known that they needed to change their space design principles for a long time, but there wasn't a huge catalyst of activity to make them change it, Whelan says. Now, behaviors have changed rapidly because of the pandemic and they're not going back.

If companies continue to operate space like they used to, it's going to be grossly inefficient and the space is not going to be heavily utilized, she explains.

Employers are realizing that if people are going to come in only on a part-time basis, and if they assign people to desks and cubicles like they used to, it's not going to work anymore.

What Whelan is seeing first and foremost is space sharing, even within current footprint, layout, and design.

“We're going to have people share their space, because it is just more efficient to do it that way, which leads to a whole lot of policies around clean desk policies, and how do you know if they're in use or not,” she says.

Additionally, space design is changing toward spaces where people have more command over their space. Instead of being assigned a specific desk, employees can walk into a shared environment and go into any number of locations that may work for them on that particular day. This gives people optionality in how they work.

This setup also allows for more collaboration. Employees coming into

the office want to do less “me work” and more “we work.”

'Business Is Run by People'

Whelan says that the biggest takeaway from CBRE's survey is that companies are realizing that their business is run by people. Employers are focusing on how their workers are impacting their business, but they also are focusing on how their business, culture and policies are impacting those workers in turn.

It's a two-way street.

“If you look at the thread of every answer in the survey and every major response in the survey, it was always based on people and what they need to be happy in their space to be productive in their work life and to do ultimately the best for the organization that they work for,” she says.

To access the survey, [click here](#).

Governor Newsom Releases Water Supply Strategy

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supply by up to 10% by the year 2040. California and the American West's warming climate means that the greater share of the rain and snowfall received will be absorbed by dry soils, consumed by thirsty plants, and evaporated into the air.

The ongoing drought conditions and warming climate is why the [CalChamber urged the Newsom administration](#) to look beyond water conservation and recycling, and develop new water storage and supply projects.

In announcing his water supply plan, Governor Newsom echoed these concerns, saying, "So much of the water conversation here in this state has been about conservation, has been about a scarcity mindset, but that's a relatively small component of the overall strategy we are introducing here today. What we are focusing on is creating more supply. We are focused on creating more water."

In "[California's Water Supply Strategy, Adapting to a Hotter, Drier Future](#)," the administration calls for investing in new sources of water supply, accelerating projects and modernizing how the state manages water through new technology. Some of these actions include:

- **Creating storage space** for up to 4 million acre-feet of water, allowing the state to capitalize on big storms when they do occur and store water for dry

periods. This includes working with local proponents to obtain permits and support completion of the seven Proposition 1-supported storage projects, such as the Sites Reservoir Project and the Pacheco Reservoir Expansion Project;

- **Making new water available** for use by desalinating ocean water and salty water in groundwater basins, diversifying supplies and making the most of high flows during storm events;

- **Rehabilitating dams to regain storage capacity.** As of May, 112 California dams are rated "less than satisfactory" by state dam inspectors, and the reservoirs behind 41 of those dams cannot be filled beyond a certain level in order to protect public safety, resulting in a loss of storage of about 350,000 acre-feet per year; and

- **Recycling and reusing** at least 800,000 acre-feet of wastewater per year by 2030, enabling better and safer use of wastewater currently discharged to the ocean.

Regulatory Structures Must Be Modernized

In the water supply strategy, the Newsom administration points out that in order to deliver the pace and scale of projects necessary to meet California's water crisis, the state's regulatory structures must be modernized so that "state agencies can assess, permit, fund and

implement projects at the pace this climate emergency warrants."

Specifically, the Governor will work with the Legislature to establish:

- A more expeditious process for completing, reviewing and finalizing California Environmental Quality Act (CEQA) reviews and Water Code proceedings for critical water infrastructure projects to build drought and flood resilience.

- A voluntary permitting process for water infrastructure projects administered by the Governor's Office of Planning and Research (OPR). State agencies would retain authority to review, identify, and address environmental impacts, but the OPR would expedite the collective permitting process. This proposed process would not be an option for water projects already under environmental review. The administration would work with the Legislature to determine eligibility criteria for this voluntary process.

- A streamlined regulatory process to allow for temporary permitting for groundwater recharge projects to take advantage of high winter flows. The state would also create a more consistent, economical, and clear approach for allocating the use of high flows for groundwater recharge.

To read the "California's Water Supply Strategy: Adapting to a Hotter, Drier Future," [click here](#).

Wage Theft Does Not Define California's Private Sector Employers

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who speaks Tagalog trying to follow AB 5, including the approximately 100 exemptions and different court decisions that change the interpretation of the law and apply it retroactively.

There is no labor commissioner guidance or FAQs in languages other than English. Not surprisingly, these first-time business owners are often in the industries that have the highest number of compliance difficulties.

There is no dispute about the need to weed out and penalize bad-actor employers. We need effective state enforcement.

But it is also critical to remember that the vast majority of California companies work very hard at staying compliant. These employers join chambers of

commerce, for example, to ensure that they understand the rules.

Value of Employers

On a broader scale, the value of California's employers cannot be overstated. Private sector businesses are responsible for creating the revenue and jobs that not only fund public sector activities like education and health care for the underserved, but they sustain the fabric of our communities and support our way of life.

A recent report claimed that \$300 million a year of wages is "stolen" from California's workers. To be clear, that is \$300 million too much.

But rather than adding more twists and turns to the already-confusing maze

of California employment laws and regulations in an attempt to address the problem, policy makers should focus on efforts to crack down on enforcement for intentional thefts.

Wage theft does not define California's private sector or its employers. Lawmakers should be looking for every opportunity to support law-abiding California businesses so the jobs they create and the opportunities they provide stay here.

Jennifer Barrera is president and CEO of the California Chamber of Commerce. Julian Canete is president and CEO of the California Hispanic Chambers of Commerce. Pat Fong Kushida is president and CEO of the California Asian Pacific Chamber of Commerce.

NSW Australia Group, CalChamber Mark 25th Anniversary of Sister State Signing



The many shared interests of New South Wales (NSW), Australia and sister state

California were discussed this week when a delegation from the NSW Parliament met with California Chamber of Commerce representatives.

CalChamber President and CEO Jennifer Barrera and Vice President of International Affairs Susanne T. Stirling met on August 15 with the delegation from the NSW Parliament, which was led by Matthew Mason-Cox, president of the NSW Legislative Council, together with Jonathan O’Dea, speaker of the NSW Legislative Assembly.

Sister States

The visit marked the 25th anniversary of the California and New South Wales Sister State relationship, a symbol of mutual goodwill, thereby encouraging bilateral cooperation.

California and New South Wales, Australia became sister states through a [resolution](#) in 1997 as the two states share many economic and cultural similarities.

California and New South Wales both have diverse landscapes, are key exporting states for their respective countries, and have agriculture and mining industries that are vital to both states’ economies. More recently, the two have shared a similarity in the wine industry and growing services sector, as well as the film, sports and leisure industries.

The group discussed the structure of the NSW Parliament and California

Legislature, governance issues, technology, climate change and international issues.

Recognizing the U.S.-Australia Free Trade Agreement, there was discussion of the Biden administration’s new Indo-Pacific Economic Framework, encompassing one dozen initial partners — including Australia, Brunei, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam — representing 40% of global gross domestic product (GDP).

and ideological similarities between the United States and Australia, and their military and security relationship, Australia is an ideal U.S. trading partner.

The United States and Australia have major interests in each other’s economies. The United States has long had a large trade surplus with Australia.

U.S.-Australia Trade

As the 16th largest export destination for the United States, Australia has always enjoyed a strong trade relationship and a diverse portfolio with the U.S.

In 2021, total exports were \$23.382 billion, with top categories being non-electrical machinery, transportation equipment, chemicals, and computer and electronic products.

Imports to the United States from Australia totaled \$12.46 billion in 2021. Processed food and primary metals made up the bulk of imports, totaling \$3 billion and \$2.34 billion, respectively. This was followed by miscellaneous manufactures and chemicals.

Australia’s foreign direct investment (FDI) stock into the United States totaled \$102.24 billion in 2021, while U.S. FDI into Australia totaled \$167.19 billion.

In 2020, Australia was the ninth largest source of FDI in the United States. Australian FDI supported 88,400 jobs in the United States in 2019 with \$193 million being invested in research and development, and \$3.5 billion going to expanding U.S. exports. The top industry sectors that were recipients of Australian FDI were software and information tech-

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Seated from left: Ambassador Jane Duke, consul general of Australia in Los Angeles; Matthew Mason-Cox, president, New South Wales Legislative Council; Jennifer Barrera, CalChamber president and CEO; Jonathan O’Dea, speaker, New South Wales Legislative Assembly. Standing, from left: Joe Kaesshaefer, New South Wales trade commissioner for North America in San Francisco; David Blunt, clerk, Legislative Council of the New South Wales Parliament; Susanne T. Stirling, CalChamber vice president, international affairs.

Australia is one of the United States’ oldest and closest allies and shares our common values and history. Australia has been an active participant in international affairs since World War I and has fought beside the United States and other allies in every significant conflict to the present day, joining coalition forces in the Persian Gulf in 1991, Afghanistan in 2002, and Iraq in 2003.

The United States and Australia share impressive economic and productivity growth. Australia is the 13th largest economy in the world. With legal, regulatory

NSW Group, CalChamber Mark 25th Anniversary of Sister State Signing

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nology (IT) services, health care, business services, communications, financial services, and industrial equipment. (SelectUSA)

California-Australia Trade

In 2021, Australia was the 14th largest importer of California goods and services. California exported approximately \$3.53 billion to the country, making it the largest exporter to Australia.

The largest export category from California was computers and electronic products, making up 20% of the total, followed by transportation equipment with 16.5% of the total. Other top export categories include chemicals and miscellaneous manufactures, totaling 12% and 10.2%, respectively.

Imports to California from Australia totaled \$2.3 billion in 2021, making it also the largest importing state from Australia. Top imports were processed foods at \$880 million and 38%, followed by primary metal manufacturers at \$280 million and 12.1%.

In 2021, Australia was the 14th largest source of FDI through foreign-owned enterprises (FOEs) in California. Australian FOEs in California provided 11,632 jobs through 417 firms, amounting to \$1.28 billion in wages.

The top jobs by sector were financial activities, construction, wholesale trade, manufacturing, and professional/business services (World Trade Center Los Angeles FDI Report, July 2022).

U.S.-Australia Trade Agreement

The United States and Australia entered into a free trade agreement which came into effect on January 1, 2005. The agreement eliminated tariffs on 99% of U.S. manufactured goods exported to Australia, which accounted for 93% of all U.S. exports to the nation.

The comprehensive free trade agreement when it first took effect in 2005 combined more than 345 million consumers in a market topping \$19.3 trillion annually. Australian companies employed more than 84,000 American workers when the FTA first took effect, and as of 2019 employed 88,400 American workers.

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

Applicant with Criminal History? Follow Process Before Revoking Offer

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- A copy of the conviction history report, if any;
- Informing them of their right to respond to the notice within a deadline of at least five business days before a final decision is made; and
- An explanation that the response can include evidence challenging the accuracy of the report and/or evidence of rehabilitation or mitigating circumstances.

If the prospective employee notifies the employer within the deadline that they will dispute the report's accuracy and are obtaining evidence to that effect,

the employer must provide the prospective employee with at least another five business days to do so.

Once the prospective employee has submitted evidence, or declined to do so, and the employer still wishes to revoke the offer, the employer must provide a final notice that includes the following:

- The final denial or disqualification;
- Any existing procedure the employer has for the prospective employee to challenge the decision or request reconsideration; and
- The prospective employee's right to file a complaint with the California Civil Rights Department (formerly the

Department of Fair Employment and Housing).

If an employer has a question about any aspect of this process, they should consult with legal counsel to ensure compliance with these criminal history check rules.

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

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23, San Francisco. (415) 780-6064.
Exporting 101: Pathways to Developing International Markets. California Centers for International Trade Development. August 24, November 9, February 22, 2023, Online. (559) 243-7280.

From Local to Global: Celebrating Diversity: Showcasing the International Success of Rural Businesses. U.S. Commercial Service. August 31, Online. (213) 342-7855.

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.

British Politics After Boris Johnson. Institute of European Studies, University of California, Berkeley. September 19, UC Berkeley Campus and Online. (510) 643-4558.

Discover Global Markets: The Blue Economy: A New Age in Ocean Technology, Sustainability and Logistics. U.S. Commercial Service. September 20-22, Providence, Rhode Island.

Arabian Adventures with the Los Altos Chamber of Commerce. October 4-11, Dubai and Abu Dhabi. (866) 978-2997.

Beijing International Life and Health Industry Expo. Ministry of Commerce, World Federation of Chinese Medicine Societies, Chinese Research Hospital Association, China Chamber of International Commerce. November 25, Online. +86 15801079798.

U.S. EXIM Bank 2022 Annual Conference. Export-Import Bank of the United States. December 13, Washington, D.C. (800) 565-3946.

New Biden Administration Strategy Reframes Africa's Importance to U.S.



The Biden administration has released the new [U.S. Strategy Toward](#)

[Sub-Saharan Africa](#), which outlines the administration's vision for a "21st Century U.S.-African Partnership."

The strategy, released on August 8, [notes](#) the opportunities that the sub-Saharan region presents as it has one of the world's fastest growing populations, largest free trade areas, most diverse ecosystems, and is one of the largest regional voting groups in the United Nations.

The new strategy represents a reframing of Africa's importance to U.S. national security interests and will pursue four main objectives summarized below.

- **Foster openness and open societies:** The United States will promote government transparency and accountability within the region; increase focus on rule of law, justice and dignity; and assist African countries to transparently leverage their natural resources for sustainable development. Sub-Saharan Africa is home to 30% of the world's critical minerals.

Ensuring the region remains open and accessible to all will attract greater U.S. trade and investment and counter harmful activities by China, Russia, and other foreign interests.

- **Deliver democratic and security dividends:** The United States will assist in renewing and reaffirming democracies in the region to counter authoritarianism, military conflicts, and longstanding conflicts. The United States will help Africa to defend free and fair elections, empower marginalized groups, and advance regional stability and security. In addition, the United States will reduce the threat from terrorist groups to the U.S. homeland and Americans in the region.

- **Advance pandemic recovery and economic opportunity:** The United States will prioritize policies and

programs to help end the acute phase of the COVID-19 pandemic in the region and build preparedness for the next health threat by supporting the manufacturing of vaccines and other countermeasures.

The United States will promote a stronger growth trajectory and debt sustainability through programs such as the Partnership for Global Infrastructure and Investment, Prosper Africa, Power Africa, Feed the Future, and other initiatives. The United States also will partner with African countries to rebuild systems that have been weakened by the pandemic and the war in Ukraine.

- **Support conservation, climate adaptation, and a just energy transition:** The United States will partner with African stakeholders to conserve, manage, and restore the region's ecosystem by working to accelerate transitions to clean energy. The United States will support efforts to minimize and adapt to impacts of a changing climate by enhancing community, economic and supply chain resilience. The United States also will pursue public-private partnerships to sustainably develop and secure critical minerals.

Upcoming Summit

In December, President Joe Biden is expected to [host](#) the U.S.-Africa Leaders Summit in Washington, D.C., where he will underscore the importance of U.S.-Africa relations.

The summit's goals include continuing efforts to strengthen ties with African partners as well as collaborating with African counterparts in key areas outlined above in the new strategy.

U.S. Trade with Sub-Saharan Africa

In 2021, the United States exported \$16.54 billion to sub-Saharan Africa. The top export was transportation equipment, making up \$2.9 billion of the total, followed by chemicals, non-electrical machinery, used or secondhand merchandise, and processed foods.

Imports from sub-Saharan Africa to

the United States totaled \$28.26 billion in the same year, \$10.55 billion of which was made up of primary metal manufactures. Other top imports included oil and gas, miscellaneous manufactures, agricultural products and apparel and accessories.

California Trade with Sub-Saharan Africa

In 2021, California exported \$705 million to sub-Saharan Africa. The top export was computers and electronic products, making up \$165 million of the total, followed by chemicals, transportation equipment, and used or secondhand merchandise.

In the same year, California imported \$2.37 billion from sub-Saharan Africa. The top import was \$1.17 billion in oil and gas, followed by imports of transportation equipment, miscellaneous manufactures, agricultural products, and primary metal manufactures.

California is within the top five importing and exporting states to the region.

CalChamber Position

The California Chamber of Commerce believes that it is in the mutual economic interest of the United States and sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa and that this growth depends in large measure upon the development of a receptive environment for trade and investment.

The CalChamber is supportive of the United States seeking to facilitate market-led economic growth in, and thereby the social and economic development of, the countries of sub-Saharan Africa.

In particular, the CalChamber is supportive of the United States seeking to assist sub-Saharan African countries, and the private sector in those countries, to achieve economic self-reliance.

For more information on sub-Saharan trade relations, see the [CalChamber issues page](#).

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the employees, which leaves employees susceptible to coercion and manipulation by labor organizations. Also, unfairly limits an employer's ability to challenge the cards submitted by forcing employers to post an unreasonable bond, and then limits an employee's ability to decertify a union, by forcing them to go through the ballot election process instead of submission of representation cards. Also includes an unnecessary presumption of retaliation that is effectively unlimited in scope because it would apply for the duration of an election campaign, which could last for a year or more. *To Senate Floor.*

Amended Job Killer Bills

• **SB 1044 (Durazo; D-Los Angeles):** Allows employees to leave work or refuse to show up to work if employee feels unsafe 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. *To Assembly Floor.*

• **SB 1162 (Limón; D-Goleta):** Undermines employers' ability to hire, imposes burdensome administrative and record keeping requirements, and subjects employers to a private right of action and penalties under the Private Attorneys General Act (PAGA). *To Assembly Floor.*

Harmful Bills Stopped

The following CalChamber-opposed bills have been stopped and are dead for the year:

• **AB 2408 (Cunningham; R-San Luis Obispo):** Would have prohibited a social media platform, as defined, from using a design, feature, or affordance that the platform knew, or by the exercise of reasonable care should have known, causes a child user, as defined, to become addicted to the platform. Would have authorized the Attorney General or a district attorney, county counsel, or city attorney to bring an action to recover or obtain certain relief, including a civil

penalty of up to \$250,000 for a knowing and willful violation, and an award of litigation costs and attorneys' fees. Would have provided specified "safe harbors" wherein a social media platform would not be subject to a civil penalty.

• **AB 2026 (Friedman; D-Glendale):** Would have banned critically important ecommerce packaging without adequate substitutes that would have led to more broken products, more greenhouse gas emissions and worse supply chain constraints.

• **SB 250 (Pan; D-Sacramento):** Would have prevented health plans and insurers from requiring certain contracted health care providers from obtaining a prior authorization (PA) for any health care services if those providers met certain PA approval thresholds. Would have increased health care costs by eradicating an effective cost control measure, leading to increased premiums and higher health care costs for California's employers.

• **SB 1105 (Hueso; D-San Diego):** Would have established the San Diego Regional Equitable and Environmentally Friendly Housing Agency without meaningful engagement from stakeholders, including the affordable housing sector in San Diego County. The agency, governed by an unelected board, would have had the power to implement a broad range of taxes and fees to facilitate increased funding for major policies such as regional tenant protection and affordable housing development.

Opposed Bills Moving

The following is a list of CalChamber-opposed bills that passed last Friday's fiscal committee deadline:

• **AB 257 (Holden; D-Pasadena):** Undermines the existence of the franchise model by holding franchisors responsible for all conduct by individual franchisees. Establishes Fast Food Sector Council that would have unprecedented authority to write its own labor and employment laws for fast food restaurant employees, circumventing the California Legislature

and other regulatory agencies' position in establishing such laws. *To Senate Floor.*

• **AB 437 (Kalra; D-San Jose):** Substantially limits use of exclusivity clauses in acting contracts, which undermines collective bargaining in the film industry and will result in lower value contracts and job loss. *To Senate Floor.*

• **AB 587 (Gabriel; D-Woodland Hills):** Requires all social media companies to make detailed disclosures on a quarterly basis detailing content moderation practices and procedures, including details that could threaten the security and efficacy of content moderation practices currently in place. *To Senate Floor.*

• **AB 1262 (Cunningham; R-San Luis Obispo):** Creates an outright prohibition on the use of information from smart speakers for advertising. Creates an opt-in requirement for smart speakers and places limitations on how voice data can be used by smart speakers, all while requiring smart speakers to continue functioning. *To Senate Floor.*

• **AB 1601 (Weber; D-San Diego):** Improperly seeks to penalize California companies who move their call centers out of the country, discouraging businesses from opening call centers in California. *To Senate Floor.*

• **AB 1751 (Daly; D-Anaheim):** Extends costly workers' compensation COVID-19 presumption for two years despite data showing that COVID-19 is often contracted outside of the workplace. *To Senate Floor.*

• **AB 1880 (Arambula; D-Fresno):** Increases health care costs for employers by requiring prior authorization and step therapy denial appeals be reviewed by clinical peers in addition to expensive new reporting requirements for health plans and insurers. *To Senate Floor.*

• **AB 2106 (R. Rivas; D-Hollister):** Imposes new permitting requirements on stormwater discharges from commercial and institutional facilities that may expose permittees to citizen lawsuits. Constrains State Water Board discretion

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in addressing stormwater that may have unintended consequences on regulated entities. *To Senate Floor.*

• **AB 2108 (R. Rivas; D-Hollister):** Imposes unnecessary requirements on the composition of state and regional water boards. Injects burdensome analyses and mitigation requirements for state and regional water board decisions on water quality planning and permitting decisions. *To Senate Floor.*

• **AB 2146 (Bauer-Kahan; D-Orinda):** Imposes restrictions on use of pesticide important for combatting citrus disease. Circumvents science-focused regulatory processes. *To Senate Floor.*

• **AB 2188 (Quirk; D-Hayward):** Requires saliva (or other non-metabolite) testing be used when conducting marijuana testing in pre-employment or workplace settings, along with prohibiting discrimination based on marijuana usage. Job killer status removed due to June 30, 2022 amendments which, among other provisions, protected pre-employment testing and handled federal/state conformity issues surrounding marijuana's legality. *To Senate Floor.*

• **AB 2201 (Bennett; D-Ventura):** Adds new regulatory layer to groundwater well permitting processes, even in sustainable basins. Increases costs and liability risks associated with well permitting. *To Senate Floor.*

• **AB 2247 (Bloom; D-Santa Monica):** Creates a new third-party database that would require manufacturers to submit broad and onerous data relative to perfluoroalkyl and polyfluoroalkyl (PFAS) even if such substances are never in contact with consumers. *To Senate Floor.*

• **AB 2273 (Wicks; D-Oakland):** Creates overinclusive and difficult to interpret/implement standard for designing online services, products or features for young people by importing requirements used in United Kingdom without the guidance UK regulators make available to companies. Provides fewer opportunities to fix mistakes and a more aggressive approach to fines and penalties than the UK model. Uses subjective standard for the children to be protected rather than a well-established federal standard under the Children's Online Privacy Protection Act (COPPA). *To Senate Floor.*

• **AB 2784 (Ting; D-San Francisco):** Establishes certain post-consumer recycled

(PCR) content requirements for thermoform plastic containers. *To Senate Floor.*

• **SB 260 (Wiener; D-San Francisco):** Imposes a mandatory climate tracking, auditing, and cap on climate emissions that will fall heavily on all California businesses, impacting competitiveness and increasing costs. *To Assembly Floor.*

• **SB 346 (Wieckowski; D-Fremont):** Requires manufacturers of cars with in-vehicle cameras to make certain disclosures, prohibits the sale/lease of new cars without a specified and prominent disclosure. Prohibits any images or video recordings collected through the operation of an in-vehicle camera from being used for any advertising purpose or being sold to third parties and significantly limits the sharing of such recording with third parties. Raises concerns with the removal of consumer choice/control over the use of their data; creates overly restrictive prohibitions against sharing data; fails to differentiate between identifiable and non-identifiable images and recordings; and undermines and complicates compliance with the Consumer Privacy Rights Act by establishing industry- and technology-specific privacy standards. *To Assembly Floor.*

• **SB 679 (Kamlager; D-Los Angeles):** Establishes the Los Angeles County Affordable Housing Solutions Agency, which would have broad taxing and bonding authority to facilitate increased funding for renter protection programs and new construction of housing developments. *To Assembly Floor.*

• **SB 905 (Skinner; D-Berkeley):** Requires the California Air Resources Board (CARB) to create the Geologic Carbon Sequestration Demonstration Initiative. However, the bill would be limited to at most three demonstration projects and would limit the projects to a very narrow list of industries, therefore stifling the ability of carbon capture technology from becoming more prevalent and helping to reduce additional greenhouse gases (GHGs). *To Assembly Floor.*

• **SB 974 (Portantino; D-La Cañada Flintridge):** Increases premiums for employers and employees by mandating plans and insurers provide coverage without imposing cost sharing for follow-up screening mammography and medically necessary diagnostic breast imaging. *To Assembly Floor.*

• **SB 999 (Cortese; D-San Jose):** Increases health care costs for employers

by requiring plans and insurers to retain expensive health care providers to review step therapy and prior authorization appeals and denials. *To Assembly Floor.*

• **SB 1018 (Pan; D-Sacramento):** Requires social media platforms to disclose statistics regarding the extent to which, in the prior 12-month period, items of content that the platform determined violated its policies were recommended or amplified by its algorithms, not only after a violation of their terms of service was identified, but before. Specifies that this does not require companies to disclose granular details about content on their platform, as well as require the disclosure of sensitive company information and intellectual property. Subject to sole enforcement by the Attorney General, for civil penalties of up to \$100,000. *To Assembly Floor.*

• **SB 1097 (Pan; D-Sacramento):** Requires cannabis producers to create duplicative and unnecessary labels and inserts on products that will also lead to higher fees for both producers and consumers. *To Assembly Floor.*

• **SB 1127 (Atkins; D-San Diego):** Fundamentally alters longstanding rules and timeframes related to investigation of eligibility of workers' compensation claims such that it substantially reduces the time an employer has to investigate a claim. Significantly increases mandatory penalties that will be leveraged to increase litigation costs. *To Assembly Floor.*

• **SB 1314 (Limón; D-Goleta):** Prohibits enhanced oil recovery produced by a carbon dioxide capture project or a carbon dioxide capture and sequestration project into a Class II injection well, including the facilitation of enhanced oil recovery from another well. This prohibits an important tool to potentially reduce GHGs. *To Assembly Floor.*

• **SB 1323 (Archuleta; D-Pico Rivera):** Increases difficulty in recovering collateral property when a borrower is in default. Increases risks associated with lending and creates an unnecessary new procedure for selling property with equity after default. *To Assembly Floor.*

• **SB 1391 (Kamlager; D-Los Angeles):** Dramatically undercuts the rather successful cap-and-trade program by making it nearly impossible for the program to be linked with other states or nations in terms of expanding the program and make it even more inclusive

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of other entities. Particularly as CARB is in the middle of the Scoping Plan process, this proposal is premature. *To Assembly Floor.*

Support Bills Moving

The following is a list of CalChamber-supported bills that passed last Friday's fiscal committee deadline:

• **AB 1322 (R. Rivas; D-Hollister):**

Requires state agencies to develop a plan to incentivize the production of sustainable aviation fuel to no less than 1.5 billion gallons per year by 2030 and implement said plan by December 31, 2025. *To Senate Floor.*

• **AB 1951 (Grayson; D-Concord):**

Expands investment and production in California by expanding the sales and use tax exemption for the purchase of manufacturing and research and development (R&D) equipment. *To Senate Floor.*

• **AB 2019 (Petrie-Norris; D-Laguna Beach):**

Promotes equity and inclusion in the state's public contracting process by ensuring consideration for disadvantaged business enterprises. *To Senate Floor.*

• **AB 2164 (Lee; D-San Jose):**

Benefits small businesses and consumers by providing funding to small businesses to ensure their properties are accessible. *To Senate Floor.*

• **AB 2424 (B. Rubio; D-Baldwin Park):**

Prevents frivolous and false disputes made by credit repair services that delay credit availability. Updates the Credit Repair Services Act to provide transparency for costs of services rendered and expected results. *To Senate Floor.*

• **ACR 188 (Holden; D-Pasadena):**

Encourages the California Independent System Operator (CAISO) to report on the impacts of grid regionalization with other organizations in Colorado, Nevada and other regional states. Grid regionalization is an effective policy to help ensure that energy is delivered in an efficient and effective manner. *To Governor.*

• **SB 485 (Portantino; D-La Cañada Flintridge):**

Extends California's current tax credit for motion picture and television productions, continuing the success of this tax credit, which has brought more film and television production jobs to this state and has increased business to California companies that supply productions with goods and services. *To Assembly Floor.*

• **SB 717 (Dodd; D-Napa):**

Requires the State Department of Technology to create a report identifying obstacles to, opportunities for and investment in broadband access points. This will allow for a more rapid deployment of broad-

band infrastructure throughout the state.

To Assembly Floor.

• **SB 886 (Wiener; D-San Francisco):**

Helps universities build student and faculty housing faster and at a lower cost by streamlining the environmental review process for housing on university-owned land that is not environmentally sensitive. *To Assembly Floor.*

• **SB 1161 (Min; D-Irvine):** This bill will have the leading transportation agencies gather data on the prevalence of harassment of women on their vehicles and in their stations. It also compels them to create data-driven plans to help to limit this type of harassment that women endure each and every day in the future. *To Assembly Floor.*

To Assembly Floor.

• **SB 1262 (Bradford; D-Gardena):**

Preserves access to work by removing roadblocks to timely completion of employment background checks. *To Assembly Floor.*

• **SB 1338 (Umberg; D-Santa Ana):**

Changes the state's process for caring for those facing extreme mental illness or drug addiction. Creates a system with advocates for those who need care, but also provides wraparound services to ensure those most in need get the treatment that's needed. *To Assembly Floor.*

LIVE WEBINAR | SEPTEMBER 15, 2022 | 10 AM TO 11:30 AM PT

Best Practices for Compliant Paid Time Off Policies

While not required under California law, paid time off (PTO) is an added job benefit many employers use as a recruitment and retention incentive.

Due to California's complex compliance requirements, PTO is commonly misunderstood and inconsistently applied. Learn what you need to know if you choose to offer PTO to employees.

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