

# ALERT

*CalChamber Urges Air Board*

## Balance Cost Concerns with Achieving Climate Goals



Businesses and consumers could face higher fuel costs from proposed

changes to the longstanding state Low Carbon Fuel Standard (LCFS) program, the California Chamber of Commerce is warning air board regulators.

The CalChamber is urging the California Air Resources Board (CARB) to revise the proposed LCFS amendments to ensure they are cost-effective and feasible, as required by law.

The LCFS was originally designed

to encourage the production and use of low-carbon transportation fuels via market mechanisms that avoid picking technology winners and losers, the CalChamber reminded CARB members in a recent letter.

The CalChamber has long supported regulatory market mechanisms — such as a well-designed cap-and-trade program — that reduce greenhouse gas emissions at the lowest cost to businesses and consumers throughout California.

### Proposed LCFS Changes

The CARB staff has proposed accelerating the LCFS by increasing the regu-  
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## Flawed Premise Undermines Case for More Regulation of Markets



Is the California free market sufficiently competitive, or should the Legislature

and courts make new rules governing the state's \$4 trillion economy? This complex question is under investigation by a state commission and the possible subject of legislation in 2025.

In August 2022, the California Legislature enacted [ACR 95](#), a bill directing the [California Law Revision Commission](#) (CLRC) to study “new prescribed topics relating to antitrust law and its enforcement.”

### CalChamber Efforts

The California Chamber of Commerce has been closely monitoring and providing comments on this policy development effort and has urged the Commission to [refrain from recommending any new legislation](#) without first establishing a unique need for a separate legal framework and conducting a cost-benefit analysis of the economic effects of such far-reaching proposals.

The Commission already assembled and directed working groups to provide insight on various subjects related to antitrust, such as targeting single firms for new California regulation, and examining  
*See Flawed Premise: Page 6*

## Private Attorneys General Act (PAGA) Reform: State Industrial Relations Dept. Publishes FAQs



The California Department of Industrial Relations (DIR) recently

published [Frequently Asked Questions \(FAQs\)](#) about the Private Attorneys General Act (PAGA) and its recent reforms, providing an overview of how those reforms modify PAGA claims and procedures.

The PAGA FAQs include who can bring PAGA claims, what can be recovered in a lawsuit, claim procedures, the cure process and settlements.

Remember, for the last 20 years, PAGA allowed individuals to file lawsuits

on behalf of themselves and other aggrieved employees seeking penalties for Labor Code violations, resulting in significant litigation that costs businesses of all sizes billions of dollars while bringing little benefit to workers.

However, on July 1, 2024, [legislation was signed](#) bringing much-needed reforms for PAGA claims beginning on or after June 19, 2024, including, for example, a more robust right to cure (i.e., correct) Labor Code violations, reduced penalties for certain wage statement violations and penalty caps for employers that take all reasonable steps to comply with California's wage and hour laws, among many other reforms.  
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*Labor Law Corner***Inappropriate Remarks No Reason Not to Investigate Harassment Claim**

**Dana Leisinger**  
Employment Law  
Expert

*An employee has filed a sexual harassment complaint; however, her co-workers have noted that she herself makes a lot of lewd jokes and uses “colorful” language. We haven’t done anything about her behavior. What are our options?*

When an employee makes a complaint about sexual harassment, it is imperative

that the employer take action and conduct an investigation.

In this situation, even though the complainant herself has engaged in inappropriate conduct by making questionable comments, that doesn’t free the employer of the obligation to conduct an investigation. The employer can’t take the position that “well, you started it.”

This type of situation highlights the need to use progressive discipline in all circumstances involving inappropriate conduct. In this situation, the employer’s failure to address the complainant’s own behavior created an atmosphere of virtually condoning this type of behavior.

In certain cases, casual banter can go too far in the wrong direction, starting relatively innocently then graduating to unacceptable language and crude jokes.

Also, workplace romances can result in behavior and language that are inappropriate. When such romances end, the casual comments that an employee accepted can become unwanted.

All these scenarios are preventable by using progressive discipline. When an employee makes a suggestive remark or crude joke, the employer should issue warnings and escalate the discipline if the employee continues to engage in bad behavior.

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

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2025 Employment Law Updates.  
CalChamber. January 7, 2025, Online; January 9, 2025, Online; January 10, 2025, Online; January 14, 2025, Long Beach; January 16, 2025, Sacramento and Online; January 23, 2025, Online. (800) 331-8877.

**International Trade**

Cosmoprof Asia Hong Kong. Governor’s Office of Business and Economic Development (GO-Biz). [Registration of interest required](#). November 12–14, Hong Kong, China.

Rebuild Ukraine 2024: Business in Ukraine and Poland. GO-Biz. November 12–15, Warsaw, Poland. [patricia.utterback@gobiz.ca.gov](mailto:patricia.utterback@gobiz.ca.gov).

Exim 2025 Annual Conference. Export-Import Bank of the United States. April 29, 2025–April 30, 2025, Washington, D.C. In-person only.

Registration will open later in 2024. 14th World Chambers Congress. World Chambers Congress. September 2, 2025–September 4, 2025, Melbourne, Australia.

**CalChamber Calendar**

*Public Affairs Conference:*

November 12–13, Anaheim.

*Women’s Leadership Council:*

December 12, Monterey.

*ChamberPAC Advisory Committee:*

December 12, Monterey.

*Board of Directors:*

December 12–13, Monterey.

*International Trade Breakfast:*

December 13, Monterey.

*Annual Meeting:*

December 13, Monterey.

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## CalChamber Celebrates Contributions of Women-Owned Small Businesses



As National Women's Small Business Month came to a close on October 31,

the California Chamber of Commerce took a moment to reflect on the achievements and positive impacts women bring to communities when they own a small business.

"Small businesses are the backbone of California's economy and the significant contributions of women-owned small businesses are something that we should not only recognize, but celebrate," said Sandra Floyd, president and CEO of **OUTSOURCE** Consulting Services, Inc. and inaugural chair of the CalChamber Small Business Policy Council.

In 1972, there were a little over 400,000 women-owned businesses in the United States and until 1988, women needed a male relative to co-sign if they wanted to apply for a business loan. Today, women-owned businesses are essential to the country's economy, representing 39.1% of all business—more than 14 million—employing 12.2 million workers, and generating \$2.7 trillion in revenue.

According to a [study published this year by Wells Fargo](#) in partnership with Ventureneer, CoreWoman, and Women Impacting Public Policy (WIPP), the number of women-owned businesses between 2019 and 2023 increased at nearly double the rate of those owned by men; and from 2022 to 2023, the rate of growth increased to 4.5 times.



### CalChamber Women's Leadership Council

Earlier this year, the California Chamber of Commerce launched the Women's Leadership Council (WLC) to help enhance the profile and contributions of California women business leaders and

establish strong ties between them and elected officials, government appointees and other key decision makers in state government.

The WLC is chaired by Donna L. Lucas, CEO and founder of Lucas Public Affairs. The vice chair is Raji K. Brar, chief operating officer and co-owner of Countryside Corporation.

Serving as council advisor is Cassandra Pye, president, Lucas Public Affairs.

The council aims to create even more opportunities for CalChamber members to lead and support the state's women leaders, and to provide pathways for women leaders of the future.

### Drivers of Economic Growth

Whether it was during COVID-19 lockdowns in 2020 or supply chain disruptions throughout the pandemic, women business owners are [driving economic growth](#), the "2024 Impact of Women-Owned Businesses" study finds.

During the onset of the pandemic in 2020, despite business closures, women launched more businesses than they closed, while the number of men-owned businesses declined. Women-owned businesses also grew their workforces and increased their revenue.

From 2019 to 2023, women-owned businesses' growth rate outpaced the rate of men's 94.3% for number of firms, 252.8% for employment, and 82.0% for revenue.

During the pandemic, women-owned businesses added 1.4 million jobs and \$579.6 billion in revenue to the economy. Nearly half a million women-owned businesses with revenues between \$250,000 and \$999,999 grew their aggregate revenues by about 30%.

The study also found that during the COVID-19 pandemic and the transition to the post-pandemic period, Black/African American and Hispanic/Latino women-owned businesses increased at a much higher rate than all women-owned businesses. Between 2019 and 2023, Black/African American women-owned businesses saw average revenues increase 32.7% and Hispanic/Latino women-owned businesses 17.1% compared to all women-owned businesses' 12.1% rise.

Further, women-owned businesses with 50 or more employees account for nearly half of women-owned businesses' employment and revenues. Currently, women-owned businesses with 50 or more employees average \$31.8 million in revenue, generating \$1.3 trillion in aggregate revenue. If they achieved the average revenue of men-owned businesses with 50 or more employees, they would add \$1.2 trillion in revenue to the U.S. economy.

### Industry Trends

More than a decade ago, women-owned businesses were concentrated in just three industries. Now, half of all women-owned businesses (50%) are concentrated in these four industries:

- **Other services** (hair and nail salons, pet care, laundries, and dry cleaners): In 2023, women owned 2,267,000 other services companies, accounting for 16.2% of all women-owned businesses.

- **Professional, scientific, and technical services** (legal, bookkeeping, and consulting businesses): In 2023, women owned 2,017,000 businesses in this category, accounting for 14.4% of all women-owned businesses.

- **Administrative, support and waste management, and remediation services** (office administration, staffing agencies, and security and surveillance services): In 2023, women owned 1,671,000 businesses of this type, accounting for 11.9% of all women-owned businesses.

- **Health care and social assistance** (child day care and homecare providers, mental health practitioners, and physicians): In 2023, women owned 1,588,000 health care and social assistance companies, accounting for 11.3% of all women-owned businesses.

While these industries have the most women-owned businesses, between 2019 and 2023, the sectors that saw the most significant growth (50%) were in finance, insurance firms, real estate, transportation, and the warehouse industry.

### Wells Fargo Study

To download the Wells Fargo "2024 Impact of Women-Owned Businesses" report, [click here](#).

*California Works*

# DisneylandForward Project Set to Invest \$1.9B in Community, Infrastructure, Jobs



This article is a part of a series of profiles of CalChamber member companies that are contributing to the state's economic strength and ability to stay competitive in a global economy. Visit [California Works](#) to learn more about this series and read past and future profiles.



The city of Anaheim and the area around it can look forward to new

revenue, jobs and community features, thanks to The Walt Disney Company and its DisneylandForward Project.

Disneyland fans around the globe also will enjoy benefits from the project.

The Disneyland Resort has grown to be an iconic attraction in Anaheim since first opening to visitors in 1955. DisneylandForward, which received final approval from the Anaheim City Council in May 2024, marks the first update to the resort's development plans since the 1990s.

DisneylandForward is projected to invest a minimum of \$1.9 billion over the first 10 years in new theme park attractions and lodging options. Other project investments include community infrastructure, housing, park improvements, and more. The project will be paid for without public funding.

## Anaheim Economy

Community benefits from DisneylandForward have been highlighted in an independent economic analysis by the Woods Center for Economic Analysis and Forecasting at California State University, Fullerton (CSUF) College of Business and Economics.

The analysis found that every \$1 billion Disney invests in new theme park experiences at the Disneyland Resort produces benefits for Anaheim as follows:

### Construction Period (4 years) (total)

- 4,480 jobs;
- \$11 million in tax revenues;
- \$1.1 billion in economic output.

### Operations (annual)

- 2,292 jobs;
- \$15 million in tax revenues;
- \$253 million in economic output.

Based on 2023 city of Anaheim costs, the tax revenue from each \$1 billion investment is the equivalent of:



DisneylandForward Westside Conceptual Rendering Illustrative. An illustrative rendering of a possible immersive theme park expansion on the existing surface parking area near the Disneyland Hotel, Downtown Disney District and Disney's Pixar Place Hotel (formerly Paradise Pier Hotel). Illustration courtesy Disneyland Resort.

- four new fire companies; or
- a four-acre park and one year of operation costs; or
- 44 new policy officers; or
- more than 102 miles of road improvements.

## Disney in Community

Contributing to the community in which the resort is located has been a longtime commitment for Disney. In 2023, cast members in Anaheim provided more than 5,000 hours of service through [DisneyVoluntEARS](#).

Cast members completed four park

beautification projects and conducted more than 80 mentoring and career development sessions. In addition, 25 high school students from Anaheim received one-on-one mentoring from Disney VoluntEARS.

The company awarded grants to 15 local nonprofits, supplied 400 students with school essentials, and donated 40,000 children's books to the Anaheim Public Library.

Disney's successful mentorship and career development program for Anaheim will be continued as part of the DisneylandForward project.

## California Economic Benefits

Tourism to Orange County, home to the Disneyland Resort, accounted for \$15.8 billion in tourism-related employment and spending in 2023, more than 10% of the \$150.4 billion total for California, according to [travelmattersca.com](#).

That translated to \$1.3 billion in tax revenue for Orange County and 132,700 jobs, versus \$12.7 billion in tax revenue for California, and 1.2 million jobs.

The CSUF economic analysis concluded that every \$1 billion invested in new theme park experiences at the Disneyland Resort produces for California over 4 years of the construction period: 7,836 jobs total, \$66 million in tax revenue and \$1.9 billion in economic output.

Annual operations of the expansion produce 3,634 jobs, \$21 million in tax revenues and \$508 million in economic output, according to the CSUF analysis.

More information about the project is available at [www.disneylandforward.com](#).

## New Zealand Ambassador Visits CalChamber



Increasing foreign direct investment (FDI) into New Zealand was one of the points of discussion

recently when the New Zealand ambassador visited the California Chamber of Commerce.

The CalChamber was pleased to welcome Ambassador Rosemary Banks, New Zealand's ambassador to the United States, and the new Consul General of New Zealand in Los Angeles, Katja Ackerly, on October 15.

New Zealand is consistently ranked as the one of the easiest countries in which to do business. Other topics of discussion during the recent visit were climate issues, artificial intelligence (AI), trade and economic relations, and the current geopolitical climate.

New Zealand is a strong advocate for free trade with their No. 1 export as agriculture. New Zealand has a gross domestic product (GDP) of \$249 billion and GDP per capita of \$48,072 as of 2023.

In 2023, The United States exported nearly \$4.4 billion to New Zealand and in this same year, the U.S. imported nearly \$5.4 billion worth of goods.



(From left) Susanne T. Stirling, CalChamber senior vice president, international affairs; Ambassador Rosemary Banks, New Zealand Ambassador to the U.S.; CalChamber President and CEO Jennifer Barrera; and Katja Ackerly, Consul General of New Zealand-Los Angeles.

California exported approximately \$544 million to New Zealand in 2023, with it being the second largest exporting state to New Zealand. California imported \$1.3 billion from New Zealand in 2023.

U.S. FDI in New Zealand totaled \$8.5

billion in 2023, while New Zealand FDI in the United States totaled \$3 billion.

In 2021, New Zealand FDI supported 18,600 jobs in the United States and contributed \$1.4 billion to expanding U.S. exports.

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

## Governor Names Two Employer Reps to Workers' Comp Commission



Two employer representatives were named by the Governor last week to the commission charged with examining the health and safety and workers'

compensation systems in California.

Appointed to the Commission on Health and Safety and Workers' Compensation (CHSWC) were:

- Jen Hamelin, chief claims officer, workers' compensation, at Public Risk Innovation, Solutions, and Management; and
- Kristi Montoya, director of claim operations at United Parcel Service (UPS).

Both appointees have many years of

hands-on experience with the state workers' compensation system.

Hamelin has held her current post since 2023. From 2012 she filled company roles such as director of workers' compensation, workers' compensation claims manager, supervising senior workers' compensation claims specialist and senior workers' compensation claims specialist.

Montoya has held her current position since 2023 and has held multiple roles at UPS since 2003, including director of risk management, risk management district case adviser, finance manager and revenue recovery manager.

Both Hamelin and Montoya are members of the California Coalition on Workers' Compensation, which works alongside state lawmakers and regulators

to make positive change happen. The California Chamber of Commerce also is a member of the coalition board.

The eight-member CHSWC is a joint labor-management body created by the workers' compensation reform legislation of 1993. Its assignment is to conduct a continuing examination of the California workers' compensation system and the state's activities to prevent industrial injuries and occupational diseases, and to examine those programs in other states.

CHSWC activities are funded through penalties assessed by the Division of Workers' Compensation as a result of audits of workers' compensation insurers and claims administrators.

**Staff Contact:** [Ashley Hoffman](#)

## Flawed Premise Undermines Case for More Regulation of Markets

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the extent of industrial concentration in California.

The CalChamber strongly urged the Commission to reject separate regulation of single firms, since its proposal fails to distinguish between what is and what is not anticompetitive and rejects over a century of federal and state precedent designed to identify truly anticompetitive conduct.

### Flawed Talking Point

A just-released report by a national economic firm, NERA, undermines a key argument defining the “monopoly problem” in California. The report cites a “deeply flawed” principal talking point used by those who advocate for new, sweeping regulation of business organization.

According to experts with NERA, the mistaken premise of “industrial concentration” is a misleading and an unworkable benchmark of monopoly power. These experts assert that trends in indus-

trial concentration “should play no role in guiding antitrust policy in California, any other state, or the United States” because concentration is neither a growing phenomenon, nor has been demonstrated to itself reduce competition in markets or harm consumers.

### Audiovisual Sector

The Motion Picture Association recently released an economic report also repudiating the Concentration Working Group’s conclusion that the audiovisual sector is implicitly uncompetitive because it is “overly concentrated.”

In fact, the report found, “The audiovisual industry is a dynamic and highly competitive industry with numerous participants providing an increasingly diverse array of content across new and innovative delivery platforms, benefitting consumers.”

### NERA Report

The NERA report dug deeply into the trend by advocates to point to indus-

trial “concentration” as evidence that markets are not competitive. Far from it, concludes NERA. The experts found that:

- No evidence exists suggesting that concentration in the U.S. has risen to “excessive” or “harmful” levels.
- Industrial concentration is not a useful benchmark of monopoly power.
- No empirical evidence exists demonstrating industrial concentration trends in California.

The authors conclude that:

*Trends in industrial concentration should play no role in guiding antitrust policy in California, any other state, or the United States. We also caution that anecdotal or ad hoc claims regarding concentration are not a substitute for rigorous empirical analysis and should be rejected. Basing policy decisions on unfounded claims of increasing and excessive concentration has the potential to do serious harm to the California and U.S. economies.*

**Contact: Loren Kaye**

## CalChamber Urges: Balance Cost Concerns with Achieving Climate Goals

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lation’s existing stringency through 2030 and setting a new target to reduce carbon intensity 90% by 2045.

The staff asserts the proposal is intended to align the LCFS with the 2022 Scoping Plan and California’s carbon neutrality goals.

In its letter, the CalChamber told CARB members it is concerned the costs of the proposal may outweigh the benefits and impose higher fuel costs on businesses and consumers, continuing the increases over several decades.

### Potential Impact

The CARB regulatory impact assessment estimates the proposed regulatory change would translate to a \$0.47/gallon

increase in gasoline prices in 2025, rising to a \$1.80 increase starting in 2040.

The assessment also estimates the potential for modest-but-lower gross state output, employment and personal income compared to a staff-set baseline.

### Other Factors

Recently enacted ABX2-1 authorizes the California Energy Commission to impose minimum transportation fuel inventories on oil refiners in the state. The CalChamber opposed ABX2-1 because of the risk it could create fuel shortages and increase fuel prices for businesses and consumers.

Following adoption of ABX2-1, one company announced plans to close a Los Angeles oil refinery at the end of 2025.

The closure would reduce the state’s diminishing refinery capacity by 8%, increasing the risk of fuel price volatility and fuel unavailability.

### Balance Needed

In closing its letter, the CalChamber urged CARB members to seriously consider the broader concerns about businesses and consumers when taking up the proposed LCFS amendments.

“We can still achieve our climate goals, while striking a more reasonable balance that will help mitigate cost impacts on businesses and consumers who are disproportionately bearing the increased costs of our ambitious climate reduction goals,” the CalChamber said.

**Staff Contact: Ben Golombek**

## Private Attorneys General Act (PAGA) Reform FAQs Published

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### ‘All Reasonable Steps’

Taking “all reasonable steps” is perhaps the most significant and actionable step employers, who are not actively involved in a PAGA lawsuit, can take.

As noted in the DIR’s PAGA FAQ #5, for PAGA notices filed on or after June 19, 2024, “if an employer had taken all reasonable steps to comply with the law prior to receiving a PAGA notice, but a violation nonetheless occurred, the **maximum civil penalty is 15 percent of the penalty sought**. If the employer takes all reasonable steps to be prospectively in compliance with the law within 60 days of the PAGA notice, the maximum civil penalty is 30 percent of the penalty sought.”

Though the PAGA FAQs do not go into specifics, Labor Code Section 2699 provides that “all reasonable steps” may include, but are not limited to:

- Conducting periodic payroll audits and taking action in response to audit results;

- Disseminating lawful, written policies;
- Training supervisors on applicable Labor Code and wage order compliance; and
- Taking appropriate corrective action with regard to supervisors.

These steps have always been long-time “best practices” in an employer’s ongoing efforts to comply with the law. But now, under PAGA reform, it is critically important for employers to engage in these steps, prior to receiving a PAGA notice or an employee records request (e.g., personnel or payroll records request) — even if they think their policies and practices are already in compliance with the law. Doing so will help ensure legal compliance and potentially avoid substantial penalties in future PAGA claims.

### CalChamber Compliance Toolkit

To assist employers in meeting their wage and hour requirements as well as

taking “all reasonable steps” identified above, CalChamber created the *PAGA Wage and Hour Compliance Toolkit*, which contains access to:

- Three PAGA-related webinar recordings;
- 16 wage and hour policies (English and Spanish), which employers can customize and disseminate to their supervisors and employees, and their instructions; and
- More than 40 wage and hour forms, including a comprehensive payroll audit checklist.

Employers should review the DIR’s PAGA FAQs.

CalChamber members can use the *Wage and Hour Guide* that contains CalChamber resources related to the most common wage and hour topics with which employers must comply. Not a member? See how CalChamber can help you. **Staff Contact: James W. Ward**



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 CalChamber