CalChamber

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ALERT

CalRecycle Delays Draft Plastic Recycling Rules

Responding to concerns about the cost and workability of draft plastic recycling regulations, Governor Gavin Newsom directed CalRecycle to redo the rules and the agency complied earlier this month.

The draft rules, originally issued by CalRecycle on December 2, 2024, implement SB 54, the 2022 legislation creating California's first extended producer responsibility program for single-use packaging.

The bill directed producers to achieve ambitious recyclability, recycling and source reduction targets by 2032. The law requires a 25% reduction in the use of single-use plastic packaging and food ware, with 65% of those plastics being recycled and 100% being recyclable or compostable.

Since SB 54 was signed, stakeholder groups, including the California Chamber of Commerce, have worked together to identify the best way to implement the law.

CalRecycle's decision to hold the regulations is "a prudent one that provides the necessary time and attention to ensure regulations related to SB 54 are implemented in a thoughtful and cost-effective manner," the CalChamber said in a statement released on March 7.

For more than three years, industry leaders have worked tirelessly to ensure that pocketbooks of consumers are protected and that businesses can rightly adapt to the new law.

Another looming requirement is for a producer responsibility organization (PRO) to begin paying an annual $500

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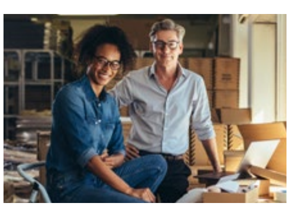
CalChamber Small Business Awards to Recognize Outstanding Companies



The California Chamber of Commerce is thrilled to announce the Small Business Awards, honoring four outstanding businesses with $5,000 grants.

Recipients will be recognized for their innovation, leadership and community impact at the California Business Outlook Dinner on June 4 in Sacramento.

This initiative is made possible through the support of Visit California, California New Car Dealers Association (CNCDA), the California Retailers Association, the California Restaurant Association, Western Growers, and the Sacramento Host Committee, which share the CalChamber commitment to championing California's small businesses.

Businesses can self-nominate or be nominated by a local chamber or community member.

Who Can Apply?

To qualify for the grant, businesses must meet the definition of "Small Business" per California Government Code Section 14837:

See CalChamber Small Business: Page 8

California-Sonora Sign Energy Memo of Understanding

CalChamber Hosts Lunch to Discuss Sonora's Potential as Clean Energy Hub

California Governor Gavin Newsom and Sonora, Mexico Governor Alfonso Durazo Montaño witnessed the signing of a memorandum of understanding (MOU) on March 17 at a ceremony held at the Stanford Mansion in Sacramento.

California Energy Commission Chair David Hochschild signed together with Dr. Francisco Acuña Méndez, chief of staff to Sonora Governor Alfonso Durazo and honorary president of Sonora's Council for Sustainable Development (CODESO).

Text of the MOU is available here.

The MOU is a flexible framework to permit collaboration on clean energy, sharing the following common objectives: increasing development of renewable electricity; maintaining electric system reliability and expanding regional access to renewables; increasing energy efficiency in buildings; increasing resiliency of supply chain for components essential to the clean energy transition; supporting research and development in clean energy and electric mobility.

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Inside

Labor Law Corner

Daily Overtime Premium Pay Depends on Workday Definition

David Leporiere
Employment Law Expert

Last week my company (which operates 24 hours a day) had several employees call out sick at the last minute. As a result, we had to require one of our employees to work two consecutive shifts, back-to-back. The employee worked from 4 p.m., Thursday afternoon until 8 a.m., Friday morning. I need to understand what our overtime requirements are in this situation. The employee is insisting that because he worked 16 hours in a row, he should receive overtime and double-time pay for the last 8 hours. Is he correct?

That depends on how your company defines a workday, as discussed below.

The basic rules in California for overtime are that an employee is entitled to overtime pay for all hours worked over 8 hours in a day, and 40 hours in a week. In addition, an employee is entitled to double-time pay for all hours worked in excess of 12 hours in a day.

State Definitions

However, this begs the question as to what the state means by the words "day" and "week." A day is defined as "any consecutive 24-hour period starting at the same time each calendar day, and a week is defined as any seven consecutive 24-hour periods starting on the same calendar day each week. (California Wage Orders, Section 2(v) and the Division of Labor Standards Enforcement's *Enforcement Policies and Interpretation Manual*, Section 55.8)

Unless a company defines it otherwise, the state assumes that the workday begins at 12:01 a.m., and ends at 12:00 a.m., and that the workweek runs from Sunday through Saturday.

The daily overtime calculation begins at 12:01 a.m. each day, and resets again 24 hours later.

Company Example

In your example, the employee began working at 4 p.m. on Thursday and worked until midnight on Thursday. In that he did not exceed 8 hours of work on Thursday, there is no daily overtime owed for that day.

The employee then began working on Friday at 12:01 a.m. and completed his shift at 8 a.m. Unless the employee came back into work again at some point on Friday, the employee did not exceed 8 hours of work on that day, and no daily overtime pay would be owed.

In this situation, even though the employee worked 16 consecutive hours, because it was divided equally between two separate workdays, no daily overtime is owed by the employer.

Although there was no daily overtime owed in this example, you must also be cognizant of the total hours worked in the workweek. If the employee ended up working more than 40 total hours for the week, those hours in excess of 40 for the week would have to be paid at a premium rate.

From an employee morale standpoint, and an employee safety standpoint, it is a best practice to avoid this type of lengthy work period whenever possible.

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.

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More information at ***www.calchamber.com***.

Human Resources

What to Expect When Your Employee Is Expecting: PDL and Child-Bonding Leave. CalChamber. April 17, Online. (800) 331-8877.

HR Boot Camp. CalChamber. April 24–25, June 5–6, September 11–12, Online. (800) 331-8877.

Leaves of Absence. CalChamber. May 8–9, August 7–8, Online. (800) 331-8877.

Supervisor Essentials: Workplace Compliance. CalChamber. July 17, Online. (800) 331-8877.

International Trade

2025 Sports and Fitness Taiwan (TaiSPO) Exhibition. Taiwan External Trade Development Council. March 26–29, Taipei City, Taiwan.

Beyond Borders: Navigating the Indo-Pacific Export Landscape. National Association of District Export Councils. March 27, Online. Registration required.

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CalChamber Calendar

Women's Leadership Forum & Reception: March 25, Sacramento

California Business Outlook and Dinner: June 4, Sacramento

The Workplace

Executive Orders and Their Impact on DEI

In Episode 218 of The Workplace podcast, CalChamber General Counsel of Labor and Employment Bianca Saad and Associate General Counsel of Labor and Employment Matthew Roberts are joined by Jonathan Mayes, CEO of Jonathan Mayes Consulting, to discuss some of the changes happening in the diversity, equity and inclusion (DEI) space following recent executive action from the White House.

The early days of the second Trump administration were filled with a host of executive actions, including two (executive orders 14151 and 14173) that took aim at Biden-era DEI initiatives within the federal government and the private sector.

Legal challenges to these orders have been at least partly successful, Mayes notes, highlighting a preliminary injunction in late February against certain provisions of these executive actions relating to federal contractors and the private sector.

Even so, companies are responding to the federal government's new position in a couple of ways, with many taking a wait-and-see approach, while some are quietly shifting their focus away from DEI initiatives and others are holding fast to their commitments despite the promise of increased scrutiny.

Value Remains in DEI Initiatives

Regardless of the tone being set at the federal level, there is still value in building and maintaining DEI programs, Mayes says, pointing to boosted performance outcomes and the invaluable perspectives that a diverse workforce creates.

"People may not know what they don't know. And one of the ways to learn is to get different voices in the room; and one of the ways to have different voices in the room is to have a diversity of thought and background and experience in the room." Mayes says.

On average, he notes that companies with a focus on inclusion and diversity at the leadership level tend to outperform companies that are not making these goals a priority.

"What [surveys] found is that [in] companies that do the best in terms of diversity for women, people of color in leadership, there is a 39 percent likelihood that they will outperform companies at the other end of the spectrum," Mayes says.

Adapting DEI Initiatives to a Changing Environment

Despite reports of widespread reversals away from DEI initiatives on the part of the private sector, Mayes says he is seeing companies opting to continue their programs while putting less emphasis on numerical benchmarks, particularly in California.

He recommends that companies follow several steps to ensure their programs stay on solid legal footing, including coordination with legal counsel, internal and external programmatic audits, and evaluating internal and public-facing communications, among others.

Mayes also points to recent guidance issued by 16 state attorneys general regarding the creation and maintenance of legally compliant programs.

While some 60% of companies are taking a wait-and-see approach with their programs, Mayes says, others are taking a more stark and decisive approach, opting for complete reversals.

Limiting or Unwinding DEI Initiatives

For those set on doing away with their DEI programs, Mayes urges a measured approach that includes transparency and open lines of communication — especially among employee resource groups established through the program. Similarly, trying to identify new roles for staff that were dedicated to program oversight will help to ensure your company doesn't lose valuable talent and perspectives, he says.

Much like his advice for companies looking to continue their programs, Mayes says any rollback of DEI initiatives should be multifaceted and deliberate. He advises companies to consider carefully the potential ramifications of such a decision, seek guidance from legal counsel and clearly communicate their decision to employees and stakeholders, among other steps.

When it comes to seeking expert guidance on an approach plan, Mayes cautions that not everyone who calls themselves an expert actually is one. Like many other fields — doctors, lawyers, accountants, etc. — DEI experts span the professional gamut, so choosing a partner carefully is imperative, he explains.

"The idea is, if you want to move forward in this, just be mindful that there are people out there who can be helpful to you in ways that are constructive, to help you build upon an inclusive culture in your organization," he says.

Stronger Together: German-American Trade Relations in a Changing World

Oliver Schramm

When you think of German engineering in America, you might picture a sleek BMW (maybe even as an EV model) gliding down a California highway — but perhaps you should also imagine a Siemens-built light rail train cruising through Sacramento instead. After all, Siemens' rail manufacturing plant in California is one of the largest of its kind in the United States, producing trains that connect communities across the country.

It's a powerful symbol of German investment in America — innovative, forward-looking, and deeply integrated into local economies.

As John F. Kennedy once observed, "Geography has made us neighbors. History has made us friends. Economics has made us partners." That partnership is alive and well today — and nowhere more so than here in California. German companies have created thousands of jobs in the Golden State, strengthening industries from clean energy to biotech and beyond.

Of course, trade relationships are never without tension. Former German Chancellor Helmut Schmidt once quipped, "Americans will always do the right thing — after exhausting all other possibilities." And when it comes to tariffs and trade disputes, we've certainly tested that theory.

Yet despite political shifts and economic headwinds, the German-American economic bond remains vital — a relationship built not only on goods and services but on shared innovation, investment, and mutual trust. As we navigate new challenges, including evolving (and completely unnecessary) tariff debates, one truth endures: Our economies thrive best when we collaborate and avoid the mistake of falling into zero-sum thinking.

The United States and Germany have long shared a robust partnership, grounded in shared democratic values, economic collaboration, and mutual geopolitical interests. As we navigate the complexities of the 21st century, this alliance remains pivotal in addressing global challenges and fostering economic prosperity.

Guest Commentary
By Oliver Schramm

Political Relations

Navigating Recent Turbulence

Recent political developments have tested the resilience of American-German relations. At the 2025 Munich Security Conference, U.S. Vice President JD Vance's remarks critiquing European NATO allies and expressing support for populist movements sparked controversy among European leaders.

Further straining relations, a contentious meeting in the Oval Office saw President Trump and Vice President Vance openly and publicly argue with Ukrainian President Volodymyr Zelenskyy and calling their support to Ukraine into question — prompting European nations, including the German government, to reassess their security strategies and consider enhancing their defense capabilities independently.

Despite these challenges one has to remember that the enduring alliance between the United States and Germany has historically weathered not similar but other political disagreements. Both nations recognize the importance of collaboration in upholding global stability and democratic values.

Former German Chancellor Angela Merkel once remarked, "Partnership means that we don't always agree on everything, but that we trust each other to find common ground." That trust must be key once again in steering both nations through these tensions.

Trade Relations

The Backbone of Economic Prosperity

Economic ties between the U.S. and Germany are foundational to both nations' prosperity. Germany stands consistently as the U.S.'s largest European trading partner, with bilateral trade amounting to approximately $253 billion in 2024 and the United States pushing China into second place as Germany's main trading partner.

California plays a significant role in this relationship, exporting goods worth over $6 billion to Germany, including technology, machinery, and agricultural products.

However, the specter of increased tariffs poses a threat to this symbiotic relationship. Such measures will eventually lead to higher consumer prices, disrupted supply chains, and reduced competitiveness for businesses on both sides of the Atlantic. For instance, German automotive exports to the U.S., valued at $30 billion annually, could face significant declines, impacting jobs and economies in both countries.

Major German automotive companies, such as Volkswagen, Mercedes-Benz, BMW and Audi, have established manufacturing plants across various states in the United States. These factories not only employ tens of thousands of American workers but also foster a supply chain of American suppliers and partners. They are a driver of U.S. exports — enhancing the overall competitiveness of the U.S. automotive industry.

Here in California, especially in the Bay Area, German carmakers have established active tech offices to further innovation in that sector. Conversely, U.S. industries reliant on German machinery and components might experience production challenges, leading to potential job losses and decreased economic output. It is imperative that both nations work collaboratively to prevent protectionist policies that could hinder mutual growth.

Economic/Business Presence

A Testament to Mutual Investment

The economic interdependence between the United States and Germany is evident through substantial mutual investments. Over 6,000 German companies operate in the U.S., providing

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CalChamber Lunch Focuses on Sonora's Potential as Clean Energy Hub

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The objective of the MOU is to collaborate on clean energy through initiatives focused particularly on, but not limited to, the following areas of cooperation: renewables energy efficiency, electric system reliability and markets, electric mobility, clean and renewable hydrogen, supply chain development, supporting research and development.

CalChamber Luncheon

Before the MOU signing, the California Chamber of Commerce hosted a small luncheon for Governor Durazo, Mexico Consul General Christian Tonatiuh González Jiménez based in Sacramento, and Dr. Francisco Acuña Méndez.

Dr. Acuña spoke last August about the Sonora Plan at a CalChamber International Luncheon Forum attended by close to 90 business and government leaders, including 11 California legislators.

This year's luncheon included government and business leaders together with private sector representatives from Sempra and the Institute of the Americas, as well as CalChamber President and CEO Jennifer Barrera; and CalChamber Senior Vice President of International Affairs Susanne Stirling.

Government leaders attending were Yana Garcia, secretary of the California Environmental Protection Agency; Liane Randolph, chair of the California Air Resources Board; Wade Crowfoot, secretary of the California Natural Resources Agency; and Dee Dee Myers, director of the Governor's Office of Business and Economic Development.

Sonora's strategic advantages in the manufacturing of renewable energy and potential to become the "Silicon Valley of Mexico" was the focus of the luncheon.

Governor Durazo began his remarks by sharing that it was former Mexico President Andrés Manuel López Obrador's vision to turn Sonora into the Silicon Valley of Mexico and that this vision is continued by current President Claudia Sheinbaum. Both presidents identified the need to develop clean energy, concentrate talent in Sonora, and utilize the minerals produced in the state, which has the second largest mine in the world for copper plus large reserves of lithium and other minerals.

This vision is what developed the Sonora Plan, which will not only generate clean energy for Mexico, but has the potential to export to the United States, the Governor said.

Sonora is investing in new manufacturing facilities that will partner with companies in California, Arizona and Texas. These new facilities will create high-value manufacturing jobs on both sides of the border that will focus on semiconductors, automation and production of electric vehicles, the Governor said.

He pointed out that these three sectors make Sonora a better, closer alternative than Southeast Asia. Sonora not only borders Arizona and Texas, but also has the only port in Mexico that connects to the United States (both Los Angeles and Chicago) through a railroad system — the Port of Guaymas, one of two deep water ports in the state of Sonora — and with more coastline than any other Mexican state.

The Mexican government has invested significantly in the port, which is working with Europe's Port of Antwerp-Bruges to develop itself so it can become competitive around the world and in North America.

More than 250 multinational companies work in Sonora, spanning the automobile industry (such as Ford Motors), agribusiness, electric vehicles, electronics, semiconductors, aerospace, renewables and minerals.

The state of Sonora also is investing in education. Acuña said that to educate its workforce on renewable manufacturing, Sonora will be sending 30 students to Taiwan universities to learn about the semiconductor industry. It also is creating industrial and science innovation centers to teach the next generation of manufacturing. In addition, the state is developing an agenda to teach English to all children in public schools.

Besides clean energy, Sonora also is focusing on transition energy, through liquified natural gas (LNG). It has become a hub that is competing with Qatar and other regions, he said.

In all, the Sonora Plan is looking at four areas to pave the way for the future: human talent working with more higher education institutions, energy, critical minerals and infrastructure in the state.

Staff Contact: Susanne T. Stirling

California Governor Gavin Newsom and Sonora Governor Alfonso Durazo Montaño applaud signing of Memorandum of Understanding by David Hochschild, California Energy Commission chair, and Dr. Francisco Acuña Méndez, executive president, Council for the Sustainable Development of Sonora.

(From left) Liane Randolph, California Air Resources Board; Dr. Francisco Acuña Méndez; Sonora Governor Alfonso Durazo Montaño; Mexico Consul General Christian Tonatiuh González Jiménez; and Yana Garcia, California Environmental Protection Agency.

CalChamber President and CEO Jennifer Barrera and Sonora Governor Alfonso Durazo Montaño.

East Coast/Gulf Ports Employers, Union Dockworkers Sign Contract

Leaders from the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX) management group signed a new six-year Master Contract on March 11.

The USMX represents shipping lines, terminal operators and port authorities. The Master Contract, signed at a ceremony in New Jersey, is effective from October 1, 2024, through September 30, 2030.

The two sides hailed the new agreement as a "win-win" for both the ILA and USMX as it "protects current ILA jobs and establishes a framework for implementing technologies that will create more jobs while modernizing East and Gulf Coast ports."

"I am proud to have produced this new agreement with the help of my ILA Wage Scale Committee for my ILA members," said ILA President Harold Daggett. "We achieved a record-setting 62% increase in wages; full protection against automation; accelerated wages raises for new workers; full container royalty funds returned to the ILA; the best medical plan in our MILA national health care program that fully protects our ILA members and their families; and raises in contributions to money purchase plans."

2024 Strike

On October 4, 2024, the union members went back to work after a short ILA strike affecting 45,000 dockworkers at 36 container ports from Texas to Maine — including New York/New Jersey, Houston, and Savannah, Georgia. The contract covers six of the 10 busiest U.S. ports, which collectively handle more than 13 million containers annually. In the interim, freight rates surged and shipping stocks sank.

The ILA issued a memo to its members outlining the tentative agreement reached with USMX on wages. Both sides eventually ratified an agreement.

Previously, on October 2, 2024, more than 175 organizations — including the California Chamber of Commerce — representing U.S. manufacturers, farmers and agribusinesses, wholesalers, retailers, restaurants, importers, exporters, distributors, transportation and logistics providers, and other supply chain stakeholders sent a letter to President Joe Biden calling on the administration to intervene.

As of Thursday, October 3, 2024, at least 54 container ships had lined up outside the ports as the strike prevented unloading, according to Everstream Analytics, threatening shortages of anything from bananas to auto parts. More than another 120 container ships were en route, so the impact was felt for weeks.

Shipping Data

Nearly 70% of U.S. exports and 56% of containerized U.S. imports come through East Coast and Gulf Coast ports, according to data cited by the National Association of Manufacturers. More specifically:

• More than 68% of all containerized exports and more than 56% of containerized imports flow through East and Gulf Coast ports, representing an average daily trade value of more than $2.1 billion.

• They handle more than 91% of containerized imports and 69% of containerized exports of pharmaceutical products.

• They also process more than 76% of containerized vehicle exports and more than 54% of containerized vehicle imports.

• For aircraft and spacecraft, more than 77% of containerized exports and more than 51% of containerized imports go through these ports.

Perishable food imports, wine, auto parts and pharmaceuticals from Europe could have been greatly affected. Ports on the East and Gulf coasts handle roughly 75% of the bananas that enter the United States. There is a no strike pledge for U.S. military goods and passenger cruise vessels would not have been affected. The ILA had not gone on strike since 1977.

West Coast Impact

A prolonged shutdown would have affected West Coast ports, eventually leading to capacity and empty container shortages.

Imports to the U.S. West Coast ports increased during this period. Container carriers were rerouting Halloween costumes and Christmas items in preparation for the labor action. And manufacturers purchased solar panels and other goods targeted for potential tariff increases. Rerouting adds time and costs to businesses and the consumer.

The 2024 strike came at a challenging time for ocean supply chains, which already faced significant disruptions the previous year with the drought in the Panama Canal, the Baltimore Bridge collapse, and the Red Sea conflict. There was talk of West Coast workers being unwilling to unload cargo originally bound for the East Coast and a worst-case scenario if the West Coast dock workers walked out in solidarity.

The Federal Maritime Commission (FMC) had warned carriers and operators against imposing excessive detention and demurrage fees during the strike, to protect shippers from unfair charges such as occurred during the pandemic-related port congestions.

The Biden administration faced pressure to intervene but expressed reluctance to invoke the Taft-Hartley Act by imposing an 80-day cooling-off period. Ultimately, then-President-elect Donald Trump did support the ILA.

The Biden administration did step in to help the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) resolve their 29 West Coast port labor negotiations in 2023 after their contract expired July 1, 2022. The West Coast ports account for more than 44% of nationwide container port traffic.

CalChamber Position

The CalChamber believes an immediate resolution to the strike was needed for the East Coast, and the nation as a whole. The CalChamber knows from recent history that any blip in the supply chain disrupts commerce, delays critical goods from reaching the market, and drives up costs for businesses and consumers.

Staff Contact: Susanne T. Stirling

Stronger Together: German-American Trade Relations in a Changing World

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employment to more than 920,000 Americans. In California, German firms have established a strong presence, not only in automotive, but technology in general, and renewable energy, underscoring the state's appeal as a hub for innovation and business.

Germany is California's fourth largest investor and one of the state's largest trading partners. German companies like Siemens, Bayer, Infineon, Zeiss and SAP have established significant operations within the state providing employment opportunities and fostering economic growth. Bosch, a global supplier of technology and services, is currently building a semiconductor factory near Sacramento — a $1.9 billion investment, creating up to 1,700 jobs.

Similarly, American companies have invested heavily in Germany, with over 2,500 U.S. firms employing approximately 300,000 individuals. These investments facilitate the exchange of knowledge, technology and best practices, enriching both economies and fostering a spirit of cooperation.

A Tribute to California

Leading the Charge in Innovation and Sustainability

California's dynamic economy serves as a beacon of innovation, sustainability, and resilience. As the world's fifth largest economy, the state has championed initiatives in technology, green energy and agriculture, setting benchmarks for others to emulate.

German companies have found a natural partner in California, collaborating on projects ranging from electric vehicle development to sustainable farming practices. This synergy has led to job creation, technological advancements, and strengthened cultural ties.

The state's commitment to environmental sustainability aligns seamlessly with Germany's "Energiewende" (energy transition) initiative. Joint ventures in renewable energy projects, such as wind and solar power, not only contribute to environmental preservation but also drive economic growth and energy security.

The numerous partnerships (MOUs) and collaborations that California has established with Baden-Württemberg (e.g., co-founding the global "Under2Coalition," turning 10 this year), Bavaria (e.g., on agri-voltaic) and other German states are a testament of this active commitment and relationship.

Looking Ahead

Embracing Collaboration for a Prosperous Future

In the face of political and economic challenges, the U.S.-German partnership remains a cornerstone of global stability and prosperity. By focusing on shared interests and values, both nations can navigate uncertainties and emerge stronger. As Chancellor Olaf Scholz stated, "The transatlantic partnership is and remains a central pillar of our foreign and security policy. We are committed to this partnership because it is in our mutual interest."

In conclusion, as we reflect on the enduring (and real!) bonds between our nations, we extend our deepest gratitude to California for its pivotal role in this alliance. The state's vibrant economy, innovative spirit and commitment to sustainability serve as an inspiration, reminding us of the limitless possibilities that arise when we work together.

Together, we can overcome any obstacle and pave the way for a brighter, more prosperous future. As we look to the future of German-American trade relations, one thing is clear: our economic partnership is far too valuable to be derailed by short-term disputes or shifting political winds. After all, as Albert Einstein once reminded us, "In the middle of every difficulty lies opportunity."

I would like to sincerely thank the California Chamber of Commerce for giving me the opportunity to share the German perspective on the latest political developments and their potential impact on American-German-Californian economic and trade relations. It is important to highlight not only the challenges we face but also our shared interests and the immense potential that lies in continued and future cooperation.

To be clear: California is a close friend and preferred partner for Germany in all of this. Together — as the third and fifth largest economies in the world — we can and will achieve great things. Tariffs and trade wars, on the other hand, will help no one. Let us focus on building bridges, not barriers.

Oliver Schramm is Consul General of the Federal Republic of Germany in San Francisco.

CalChamber-Sponsored Seminars/Trade Shows

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WCF Africa Summit 2025: Africa's Global Future. ICC World Chambers Federation and Kenya National Chamber of Commerce and Industry. April 9–11, Nairobi, Kenya. *ana.bernal@iccwbo.org*.

Health Engineering and Minerals Show (HEMS) 2025 – Pakistan. Trade Development Authority of Pakistan (TDAP). April 17–19. 92-345-465-8469, *omer.bajwa@tdap.gov.pk*.

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

Access Africa Now: Empowering Africa's Financial Future-Exploring Fintech's Role in Growth and Opportunitity-Webinar Series. U.S. Commercial Service. April 29-June 24, Online. Webinar website.

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

14th World Chambers Congress. World Chambers Congress. September 2–September 4, Melbourne, Australia. ***https://wcc.iccwbo.org/***.

CalRecycle Delays Draft Plastic Recycling Rules

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million surcharge starting in 2027 to be deposited into a state account to be used for mitigating the environmental impacts of plastics.

Coalition Concerns

In a December 14, 2024 letter to Governor Newsom, a CalChamber-led coalition of more than 36 groups expressed concern that CalRecycle's draft rules would fail to position the state to achieve a successful circular economy.

The broad-based coalition included representatives of agriculture, builders, restaurants, retailers, manufacturers, food producers, packaging, personal care products, restaurants, grocers, chemical companies and more.

The goals of SB 54 "will be complex to achieve and will require new innovations in technology as well as creative and flexible solutions to create a successful system," the letter stated.

Among the significant policy and legal flaws the groups identified in the draft regulations were provisions providing "prescriptive requirements more akin to command-and-control regulations than EPR [extended producer responsibility] regulations."

The draft rules didn't provide the balance of guidance and flexibility to allow the producer responsibility organization to work with its members and producers to build and invest in a system that will be implementable nor would the requirements achieve the law's objective of creating a circular economy.

Examples of the concerns raised in the letter include:

- A true cost to consumers several multiples greater than the estimated amount in CalRecycle's economic impact analysis, which found $36.3 billion in direct costs.
- Significant barriers to the necessary technological innovation sought by SB 54.
- Conflict with federal and regulatory requirements governing food safety packaging for agricultural producers and the food industry.
- Possible conflicts with federal law and European Union requirements for drug manufacturing and medical device approvals.

CalChamber Position

CalChamber remains committed to working with stakeholders as SB 54 implementation continues to advance. We look forward to quickly resolving a number of outstanding issues through an expedited regulatory process as California moves towards the 2027 compliance deadline.

The next steps in this process must focus on lowering pricing and taxes for Californians at a time when the daily cost of living remains their top priority.

Staff Contact: Adam Regele

CalChamber Small Business Awards to Recognize Outstanding Companies

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- Be independently owned and operated.
- Have a principal office and officers in California.
- Have 100 or fewer employees.
- Have an average annual gross revenue of $15 million or less over the past three years.
- Be available to attend the California Business Outlook Dinner in Sacramento.
- Please review additional Terms & Conditions.

Award Categories

Winners will be selected in the following categories:

- One small business affected by the Eaton Fire (LA area).
- One small business affected by the Palisades Fire (LA area).
- Two small businesses representing the Greater California Area.

To Apply

For more details on eligibility and selection criteria and to apply, visit the Small Business Awards page.

Applications close on April 11.