

# ALERT

## CalChamber Announces 2025 Affordability Agenda

*Rebrands Job Killer title to reflect CalChamber's commitment to 'good jobs, affordable living'*



This week, the California Chamber of Commerce announced its [Affordability Agenda](#),

a bold approach to highlight legislation that helps businesses and consumers by cutting costs, as well as those policies that drive costs up as Californians worry about day-to-day living expenses.

For more than two decades, CalChamber has issued the "Job Killer" list, a comprehensive package of legislation that would have historically eliminated jobs or opportunities for investment in job growth for California businesses. The list has been hugely successful for the business community, as more than 93% of bills that have wound up on the list over the years have been halted in the legislative process.

"California businesses and consumers alike are focused on the affordability of everyday life," said CalChamber President and CEO Jennifer Barrera. "While the Job Killer list has served us well for more than 25 years, it has become clear that CalChamber's focus must no longer be limited to legislation that just impacts jobs."

"Businesses and everyday Californians are struggling to keep up, and going forward, our policy positions will include a focus not only on jobs, but also legislation that is adding unnecessary costs and mandates on businesses that will ultimately lead to higher prices for consumers and further increase the cost of living in California."

As CalChamber looks to not only oppose legislation that will drive higher costs and limit job creation, this year's list also includes policies that promote good paying jobs and improve affordability for all Californians.

CalChamber's list will include two categories moving forward: **Cost Cutters** for legislation that reduces costs for Californians and **Cost Drivers** which will increase costs for small businesses and consumers.

"Unfortunately, we've seen far too many bills that are costly for Californians in 2025 than we have in previous years," added Barrera. "The 2024 election has taught us that affordability and daily living are top of mind for all Californians, and CalChamber will support those issues, ensuring policy makers hear that message loud and clear."

This week's announcement outlines the first batch of CalChamber Cost Cutter and Cost Driver bills and will be updated as legislation is continuously amended over the next several weeks and months:

### Cost Cutters

**Legislation that reduces costs for businesses and consumers**

- **SB 540 (Becker; D-Menlo Park) Independent Regional Energy Organization:** Authorizes the California Independent System Operator and California utilities to integrate into a broader regional energy market governed by an independent regional organization. Will reduce energy costs for Californians.

- **SB 607 (Wiener; D-San Francisco) CEQA Reform for Infill Projects:**

*See CalChamber Announces: Page 4*

## Tariffs Study Bill Moves with CalChamber Support



### SUPPORT

Chamber of Commerce-supported bill becomes law.

The bill, **SB 263 (Gonzalez; D-Long Beach)**, passed the Senate Transportation Committee last week with unanimous support.

The urgency bill authorizes funding for a study that will help determine the impact tariffs have had and will have on the state's seaports, cargo airports, and land ports of entry. The study is to be completed by January 1, 2026.

Recent trade tensions and tariff implementations have introduced uncertainty and disruption into California's economy.

### Understanding Tariff Implications

The study funded by SB 263 will enable lawmakers and businesses to understand tariff implications for the state's economic output, employment, affordability, tax revenues, and port revenues. SB 263 will also allow for study of the impacts of tariffs on specific sectors such as agriculture and manufacturing and on the availability of financing and funding for port infrastructure.

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### Inside

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## Labor Law Corner

# Best Ways to Handle Co-Worker Concerns about Transgender Employee



**Vanessa Greene**  
Employment Law  
Subject Matter Expert

*I recently hired a transgender employee. Some employees have told me that using pronouns which don't align with someone's biological sex goes against their religious beliefs, while others expressed discomfort with this employee using the restroom that matches their gender identity. I want to respect everyone's beliefs. How should I handle this?*

Both federal and California law require employers to ensure a workplace free from discrimination, including gender identity and expression. The California Fair Employment and Housing Act (FEHA) explicitly protects transgender employees, requiring employers to recognize the employees' preferred name and pronouns and allow them access to facilities that align with their gender identity.

Additionally, Title VII of the federal Civil Rights Act of 1964 bars sex and gender discrimination in employment but does not explicitly prohibit workplace discrimination based on gender identity.

In 2020, however, the [U.S. Supreme Court](#) ruled that any employment decision based, at least in part, on a person's sexual orientation or gender identity constitutes unlawful discrimination under Title VII.

### Federal Shift

Until recently, the Equal Employment

Opportunity Commission (EEOC) recognized that persistent misgendering or restricting restroom access could constitute unlawful harassment under Title VII.

Following recent executive orders from the Trump administration, however, the EEOC has shifted its stance, moving to dismiss existing gender identity discrimination cases and revising its enforcement policies accordingly.

Despite these federal policy changes, the legal protections under California's FEHA and Title VII remain unchanged, and employers still are required to comply with anti-discrimination laws at both the state and federal levels.

Although sincerely held religious beliefs also are protected under both Title VII and FEHA, those beliefs do not exempt employees from complying with anti-discrimination laws.

Employers must provide reasonable

*See Best Ways: Page 8*

### California Chamber Officers

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## CalChamber-Sponsored Seminars/Trade Shows

More information at [www.calchamber.com](http://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

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](mailto: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](mailto: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 Opportunity. 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/>.

## CalChamber Calendar

*California Business Outlook and Dinner:*  
June 4, Sacramento

**Next Alert: April 25**

## The Workplace

# What Supervisors Need to Know, Part II: The ‘Soft’ Skills



In **Episode 220** of The Workplace podcast, CalChamber Associate General Counsel Matthew Roberts, Senior Employment

Law Counsel Erika Barbara and Employment Law Subject Matter Expert Vanessa Greene cover the often-overlooked soft skills supervisors need to lead their teams successfully.

Part I of this series focused on “**hard**” **compliance** — adhering to company policy and enforcing the rules equitably — which is a critical aspect of a supervisor’s job. But it’s also important for supervisors to have the interpersonal — or “**soft**” — skills to interact effectively with their employees on a more personal level.

### The Importance of ‘Soft Skills’ When Managing Employees

“A supervisor might follow every rule in the book from a compliance perspective, but they could still drive away employees and make the workplace awful if they lack these soft skills,” Greene says.

For example, a supervisor who defaults to overly harsh or dismissive feedback will quickly lose the trust of their team. While they may follow the letter of the law, their lack of communication skills can create a chilling effect, discouraging employees from speaking up about serious issues that need to be handled quickly.

Supervisors also need the skills and training to receive and handle employee complaints of harassment and discrimination. Supervisors should never make judgments about the validity of an employee’s complaint based on their personal feelings about the employee or situation, and must treat every reported incident as though it’s credible and move quickly to address the situation appropriately.

Barbara reiterates the importance of supervisors making sure that employees

feel comfortable voicing complaints, that they know there will be a response to issues raised, that retaliation against them is strictly prohibited and that complaints will be kept as confidential as possible.

### Communicating Expectations Clearly

At some point in a supervisor’s career, they’ll likely need to tackle the unpleasantness of disciplining or terminating an employee. This process can be made more difficult when communication between the employee and their supervisor is poor or unclear.

For example, an employee might feel blindsided by a formal reprimand if problems with their performance were never raised before a disciplinary meeting with HR.

Greene notes that when communicating about performance issues, it is important for supervisors to be specific and clear, avoiding ambiguous phrases like “step it up.”

A more effective approach to an employee who is not completing assignments on time could include asking questions that help to identify an underlying cause for the delay and suggesting appropriate fixes, she says.

Supervisors should take a more active role in developing their employees to fit the business’ needs, focusing less on being taskmasters and more on being coaches who can guide employees toward a successful outcome, including recognizing their strengths.

### The Bad News Done Right

Delivering bad news is hard, but it doesn’t have to be done alone. Supervisors disciplining or terminating an employee should always partner with HR for support and guidance.

It’s also important for supervisors to acknowledge that these are difficult conversations — both for the supervisor and employee. Whether for discipline or termination, Barbara says clarity is critical to prevent confusion and the opportunity for the employee to create a false narrative about the action being taken against them.

“...If we’re beating around the bush, if we’re giving vague reasons for the action that we’re taking, then we’ve got a situation where an employee doesn’t know what’s going on,” Barbara says. “It opens the door for them to create their own story about why they’re being disciplined or terminated, and they could decide that it’s because of some protected class when in fact there was a legitimate reason....”

Regardless of the range of negative emotions you might encounter in one of these meetings, it’s important to stay calm and direct the meeting from a place of reason and fact — have a game plan and stay cool, Barbara says.

### Finding and Developing Talent

A good supervisor will be able to spot promotion-worthy talent within their ranks, but a great supervisor will be able to spot skills gaps and train employees for the next step in their career.

However, it should be noted that not everyone who is great at their job will be great in a supervisory capacity, Greene says. Some skill sets need to be developed over time and honed to fit the role to which you would like to advance them. This sort of training can be incremental, long before the conversation about a promotion is ever broached.

“...What I see happen, unfortunately, so many times, is that when someone is really good at their individual job performance, they get promoted into a supervisor role, and the employer isn’t always considering whether that person has the skills to lead and manage employees effectively,” Greene says.

Evaluate potential candidates based on more than their performance and existing skill sets. Consider their emotional intelligence, ability to motivate a team and communication style, for starters. Look for a small leadership opportunity, like leading a project, to assess their skills and see if they are ready for future promotion.

“I don’t think I know anybody out there who’s mastered any of this stuff 100%, so offering that training is really important,” Greene says.

## CalChamber Small Business Awards: Nomination Deadline: April 11



The deadline is approaching rapidly to submit applications for the California

Chamber of Commerce Small Business Awards, honoring four outstanding businesses with \$5,000 grants. Applications close on April 11

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

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 Associa-

tion (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.

### Who Can Apply?

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

- 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.

### Apply by April 11

Help a business showcase itself and gain recognition for its hard work and innovation. For more details on selection criteria and to apply, visit the [CalChamber Small Business Awards page](#).

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Exempts certain housing rezoning projects from the California Environmental Quality Act (CEQA) and improves current CEQA exemptions to make them easier to use for housing projects. Increased housing stock will lead to a reduction in the cost to buy or rent a house.

- **AB 231 (Ta; R-Westminster) Work Opportunity Tax Credit:** Provides a tax credit to businesses who hire previously incarcerated individuals who are re-entering the workforce, reducing costs on businesses and improving opportunities for workers.

- **AB 265 (Caloza; D-Los Angeles) Small Business Recovery Act:** Allows the Office of the Small Business Advocate to provide grants to small businesses impacted by the Los Angeles fires to help them recover and rebuild.

- **AB 417 (Carrillo; D-Palmdale) Enhanced Infrastructure Financing Districts:** Improves the ability for local governments to build critical infrastructure and provide financing for economic development in targeted districts within their jurisdiction. It will allow economic development projects to receive additional financing, which incentivizes businesses to invest and create more jobs.

- **AB 609 (Wicks; D-Oakland) CEQA Reform for Infill Projects:** Will help to reduce the cost of housing by reforming the permitting process for infill housing,

which will allow for the state to build more housing and drive down prices.

- **AB 685 (Solache; D-Lakewood) Small Business Recovery Act:** Authorizes the Office of the Small Business Advocate to provide funding and technical assistance to small businesses impacted by the January 2025 fires in Los Angeles and Ventura counties.

- **AB 941 (Zbur; D-Hollywood) CEQA Reform for Electricity Infrastructure Projects:** Reduces the time for electricity infrastructure projects to go through permitting, which will allow for projects to be built faster. Regulatory certainty will allow for a reduction in energy costs.

- **AB 1308 (Hoover; R-Folsom) Expedites Entitlement Process for Housing Construction:** Requires the building department to provide an applicant of a residential building permit with an estimated timeframe in which the inspection of the permitted work will be completed, upon receiving a notice of the completion of the permitted work, to reduce costs and ultimately housing prices.

- **AB 1138 (Zbur; D-Hollywood) and SB 630 (Allen; D-Santa Monica) Film Tax Credit:** More than doubles the State's Film Tax Credit to \$750 million annually, helping to grow and retain jobs in one of California's signature industries, and ultimately strengthening the economy.

### Cost Drivers

*Legislation that increases costs for businesses and consumers*

- **SB 7 (McNerney; D-Pleasanton)**

**Restricts Use of Automated Decision Systems in Employment:** Imposes

impractical requirements on employers of every size related to automated decision systems, which will discourage the use of such tools and subject employers to costly litigation and onerous new compliance procedures, thereby driving up costs and ultimately impacting consumer prices.

- **SB 222 (Wiener; D-San Francisco)**

**Climate-Related Disaster Liability:**

Sets a troubling precedent of singling out a small, targeted group of companies and makes them jointly, severally, and strictly liable for virtually all damages suffered as a result of climate-related disasters regardless of cause or fault.

- **SB 259 (Wahab; D-Hayward)**

**Online Pricing:** Prohibits businesses from using any input data to create prices or discounts. Forces companies to overhaul their pricing models and strategies at significant cost, to the detriment of both the businesses themselves and their consumers. This threatens not only the profitability of businesses, but also potentially reduces the availability of discounts and personalized deals for consumers.

- **SB 295 (Hurtado; D-Bakersfield)**

*See CalChamber Announces: Page 6*

# Coalition Urges U.S. Trade Rep to Refrain from Imposing Proposed Anti-China Action



The California Chamber of Commerce joined more than 300 other organi-

zations last week in urging the Office of the U.S. Trade Representative (USTR) to refrain from imposing proposed actions against China that will hurt U.S. businesses and consumers instead of deterring China's broader maritime ambitions.

The USTR proposal is in response to the Section 301 investigation of China's targeting the maritime, logistics and shipbuilding sectors for dominance.

The [March 24 letter to the USTR](#) was signed by organizations representing a wide breadth of the nation's economy, including importers, exporters, farmers and agribusinesses, retailers, manufacturers, energy providers, wholesalers, transportation and logistics providers, and other sectors.

The coalition supports scrutiny of China's efforts to dominate the maritime industry but argues that the USTR's proposed actions will not deter China's broader maritime ambitions and will instead directly hurt American businesses and consumers.

## Impact of Fees on Shipping Costs

The letter explains specifically how USTR's proposed fees will increase shipping costs, container and non-containerized, by at least 25% (\$600–\$800 or more), adding approximately \$30 billion in annual costs on U.S. businesses and farmers.

This will lead to higher prices for U.S. consumers and undermine the competitiveness of many U.S. exports — leading to a decline in export revenues and increasing the U.S. trade deficit, contrary to the Trump administration's America First trade goals.

## Investigation

The USTR opened the investigation in April 2024 at the request of the United Steelworkers and four other unions, under Section 301 of the Trade Act of 1974, as a way to rebuild the U.S. shipbuilding industry.

The USTR released the results on January 16, 2025 in a [182-page report](#) on the decline of U.S. shipbuilding and U.S. flag carriers, focusing on the dramatic expansion of China's shipbuilding and ship operating sectors.

The report concluded China increased its share of global shipbuilding tonnage from 5% in 1999 to more than 50% in 2023 because of massive subsidies from the Chinese government and preferential treatment for China government-owned enterprises that are squeezing out private sector international competitors.

However, a [March 2025 study](#) assessing the probable net economic effects of the proposed remedies found that overall, total exports and imports would decline, having a negative impact on the U.S. economy while the administration is striving to grow the overall economy and create jobs around the country.

The study prepared by Trade Partnership Worldwide, LLC, concluded that ocean carriers will respond to USTR's fees by reducing service to many U.S. ports (creating bottlenecks at larger ports like Los Angeles/Long Beach) and potentially diverting cargo to ports in Canada and Mexico based upon customer demand. The carriers' response will reduce ocean traffic at many smaller ports (such as Oakland), creating profound economic damage — including lost jobs — in communities where ports serve as vital economic hubs.

The proposed remedies include significant "port service fees" against Chinese-built ships every time they enter a U.S. port. The fee also will apply to operators who have Chinese-built vessels in their

fleet or have Chinese-built vessels on order. The remedy also includes a requirement for U.S. exporters to export a certain percentage of goods on U.S.-owned, operated and eventually built vessels.

The coalition acknowledged that USTR is proposing export requirements to support a domestic shipbuilding industry and emphasized that all 300-plus organizations signing the letter share the goal of finding real remedies to address China's dominance in the maritime industry, while also revitalizing the U.S. shipbuilding industry.

## Public Hearing

USTR held public hearings on March 24 and March 26 regarding proposed actions in the Section 301 investigation on China's targeting of the maritime, logistics, and shipbuilding sectors for dominance.

There was a mix of support and opposition to the proposed remedies, which will result in fees ranging from \$1 million to \$3 million — even as high as \$3.5 million per port call. Unions and steel makers were supportive of the remedies, while carriers, shippers and farm exporters were strongly opposed. There were 400 comments submitted and more than 30 witnesses.

All agreed that China's dominance of the shipping industry should be addressed as the United States has lost more than 70,000 jobs in the last few decades and now ranks 19th globally in shipbuilding. Further, while China builds more than 1,000 ocean vessels for commercial use per year, the United States produces fewer than 10.

## Next Steps

The USTR now must make recommendations based on the proposal and testimony. It is expected this will be by mid-April — a year after the investigation began.

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



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**Pricing Algorithms:** Prohibits a person from using or distributing pricing algorithms that use, incorporate, or were trained on “nonpublic competitor data.” Exposes businesses to significant uncertainty and aggressive liability and creates a chilling effect on the use of this technology by imposing significant cost on all businesses using technological tools.

• **SB 310 (Wiener; D-San Francisco)**

**Expands Private Right of Action for Penalties:** Creates a new private right of action for wage and hour penalties that will be manipulated by trial attorneys, undermining the 2024 Private Attorneys General Act (PAGA) reform, which sought to reduce avenues for litigation abuse and overall costs on employers.

• **SB 384 (Wahab; D-Hayward)**

**Prohibition on Using Information to Set Competitive Pricing:** Effectively banning the use of technology to help set prices or help manage supply levels. Will make it harder for businesses to offer discounts and competitive pricing to their customers.

• **SB 464 (Smallwood-Cuevas; D-Los Angeles) Publication of Pay Data:**

Encourages litigation against employers based on the publication of broad, unreliable data collected by the state, which will unnecessarily drive up costs.

• **SB 573 (Smallwood-Cuevas;**

**D-Los Angeles) Corporate Tax Increase:** More than doubles California’s corporate tax rate (to as much as 22.5%) for targeted employers, decreasing California’s business competitiveness and increasing employer costs.

• **SB 601 (Allen; D-Santa Monica)**

**Punitive and Onerous Water Quality Permitting Requirements:** Creates duplicative permitting obligations and dramatic legal liability requirements for businesses, agriculture, and water and wastewater utilities by granting the water boards broad authority to impose permitting requirements without considering economic impacts or the critical need for housing and recycled water projects.

• **SB 632 (Arreguin; D-Berkeley)**

**Expands Costly Presumption of Injury:** Significantly increases workers’ compensation costs for public and private hospitals by presuming certain diseases and injuries are caused by the workplace and establishes an extremely concerning precedent for expanding presumptions into

the private sector. Has been tried nine times before and failed every time.

• **SB 682 (Allen; D-Santa Monica)**

**De Facto PFAS Ban:** Creates a de facto ban on the use of perfluoroalkyl and polyfluoroalkyl substances (PFAS) in all commercial and consumer products, unless the Department of Toxic Substances Control is petitioned and makes an affirmative determination that the PFAS in a particular product is an unavoidable use. Because of the breadth and scope of PFAS use, including in aerospace, lithium-ion batteries, medical devices, automotive and semiconductors, to name a few, the regulatory program established is unworkable and ultimately will lead to a ban on critically important products or otherwise make certain products less safe, and ultimately drive up prices for consumers.

• **SB 684 (Menjivar; D-San**

**Fernando Valley) Climate Superfund:** Imposes retroactive financial liability on companies for lawful greenhouse gas emissions dating back to 1990, sending the message that even strict adherence to the state’s compliance programs is not enough to avoid retroactive penalties down the road.

• **SB 763 (Hurtado; D-Bakersfield)**

**Vast Expansion of State Antitrust Penalties:** Raises penalties under California’s antitrust law, the Cartwright Act, from \$1 million to \$100 million, and individual penalties from \$250,000 to \$1 million, with no demonstrated need for reform or adjustment, thereby increasing liability and costs on businesses.

• **SB 766 (Allen; D-Santa Monica)**

**Legal Liability for Car Dealers:** Dramatically increases legal liability to car dealers, leading to a flood of new lawsuits and increased costs for buying or leasing cars for consumers.

• **AB 298 (Bonta; D-Alameda)**

**Prohibits Cost Sharing:** Increases premiums for California’s employers and employees by restricting insurers from imposing a deductible, coinsurance, or copayment for in-network health care services provided to an enrollee under 21 years of age.

• **AB 405 (Addis; D-Morro Bay)**

**New Climate Disclosure Requirements:** Imposes costly, duplicative, and misaligned regulatory requirements on apparel companies that will increase clothing prices and worsen affordability

for Californians. Dramatically expands existing disclosure rules under SB 253 (2023), for which rulemaking hasn’t even begun yet.

• **AB 858 (Lee; D-San Jose) Onerous Return to Work Mandate:** Unnecessarily transforms prior COVID-19 specific law that created an onerous and stringent process for specific employers to return employees to the workforce for specified industries into a new mandate that applies to any natural disaster.

• **AB 1018 (Bauer-Kahan; D-Orinda) Impact Assessments of Automated Decision Systems:** Limits use of automated decision systems (ADS), including by small businesses, which will lead to significant liability and increased costs that will ultimately be borne by consumers. It would also hinder many beneficial uses of ADS, including but not limited to: enabling faster approvals and expanded access to credit and enhancing real-time fraud detection.

• **AB 1221 (Bryan; D-Los Angeles) Restricts Use of Data in Employment:**

Imposes impractical requirements on employers of every size relating to any worker data collected by a workplace surveillance tool, which is defined so broadly that it would impact everything from security footage to emails. These requirements will drive up costs and impact consumer prices.

• **AB 1234 (Ortega; D-San Leandro) Creates New Penalty and Revises Wage Claim Procedures:**

Imposes new, automatic 30% penalty on all orders issued by the Labor Commissioner, which penalizes employers that exercise their due process rights and also makes other burdensome changes to the existing claims process.

• **AB 1243 (Addis; D-Morro Bay)**

**Climate Superfund:** Imposes retroactive financial liability on companies for lawful greenhouse gas emissions dating back to 1990, sending the message that even strict adherence to the state’s compliance programs is not enough to avoid retroactive penalties down the road.

• **AB 1331 (Elhawary; D-Los Angeles) Restricts Workplace Safety and Security Tools:** Undermines workplace safety in every California workplace by effectively prohibiting the use of any surveillance technology in the workplace, including security cameras, cybersecurity systems, and anti-theft devices.

# Trump Orders New ‘Reciprocal Tariffs’



President Donald Trump’s trade policy announcements continued to create uncertainty this week, as well as affecting consumer prices, the stock market and consumer confidence.

On Wednesday, April 2 — which he called “Liberation Day” — President Trump announced new tariffs from the first Rose Garden ceremony, with a number of Cabinet officials and members of Congress in attendance.

According to the [White House fact sheet](#), President Trump imposed responsive tariffs to “strengthen the international economic position of the United States and protect American workers.”

The President invoked his authority under the International Emergency Economic Powers Act of 1977 (IEEPA) to “address the national emergency posed by the large and persistent trade deficit that is driven by the absence of reciprocity in our trade relationships and other harmful policies like currency manipulation and exorbitant value-added taxes (VAT) perpetuated by other countries.”

## New Tariffs Summary

- President Trump imposed a 10% tariff on all countries, effective April 5, 2025.

- President Trump imposed an individualized reciprocal higher tariff on the countries with which the United States has the largest trade deficits. All other countries will continue to be subject to the original 10% tariff baseline — effective April 9, 2025. [See list of countries.](#)

- These tariffs will remain in effect until President Trump determines that the threat posed by the trade deficit and underlying nonreciprocal treatment is satisfied, resolved, or mitigated.

- The executive order also contains “modification authority,” allowing the President to increase the tariff if trading partners retaliate or decrease the tariffs

if trading partners take significant steps to remedy nonreciprocal trade arrangements and align with the United States on economic and national security matters.

- Some goods are not subject to the reciprocal tariffs, including steel/aluminum articles and autos/auto parts already subject to Section 232 tariffs; copper, pharmaceuticals, semiconductors, and lumber articles; bullion; and energy and certain other minerals not available in the United States.

- For Canada and Mexico, the existing fentanyl/migration IEEPA orders remain in effect, and are unaffected by the April 2 executive order. This means that United States-Mexico-Canada Agreement (USMCA)-compliant goods will continue to see a 0% tariff and non-USMCA-compliant goods will see a 25% tariff.

## Auto Tariffs: Effective April 3

On March 26, President Trump signed a proclamation, [Adjusting Imports of Automobiles and Automobile Parts Into the United States](#), invoking Section 232 of the Trade Expansion Act of 1962 to impose a 25% tariff on imports of automobiles and certain automobile parts.

- The 25% tariff will be applied to imported passenger vehicles (sedans, SUVs, crossovers, minivans, cargo vans) and light trucks, as well as key automobile parts (engines, transmissions, powertrain parts, and electrical components), with processes to expand tariffs on additional parts if necessary.

- Importers of automobiles under the USMCA will be given the opportunity to certify their U.S. content and systems will be implemented such that the 25% tariff will apply only to the value of their non-U.S. content.

- USMCA-compliant automobile parts will remain tariff-free until the Secretary of Commerce, in consultation with U.S. Customs and Border Protection (CBP), establishes a process to apply tariffs to their non-U.S. content.

According to the [fact sheet provided the White House](#), the goal of the procla-

mation is to counter trade practices that threaten to impair U.S. national security, maintain a resilient domestic industrial base, and strengthen America’s manufacturing industry.

In 2024, Americans bought approximately 16 million cars, SUVs, and light trucks, and 50% of these vehicles (8 million) were imports, with the largest percentage being from Mexico. European automakers exported 749,000 cars to the United States in 2024.

Of the other 8 million vehicles assembled in the United States and not imported, the average domestic content is conservatively estimated at only 50% and is likely closer to 40%. Therefore, of the 16 million cars bought by Americans, only 25% of the vehicle content can be categorized as made in America.

The U.S. trade deficit in automobile parts reached \$93.5 billion in 2024. If the tariffs are passed onto consumers, the average price for imported vehicles could increase by \$12,500.

## CalChamber Position

The California Chamber of Commerce is committed to supporting a national free trade agenda that fosters economic growth and job creation. The CalChamber will continue to focus on lowering tariff and non-tariff barriers to support the expansion of American exports.

While strategic use of tariffs or the threat of tariffs may be a meaningful negotiation tool, the CalChamber supports efforts to reduce the taxation and regulatory burden as a means to create jobs in economic growth.

Further, a focus on trade agreements instead will ultimately lower both tariff and non-tariff barriers and help create long-term, sustainable economic growth. The CalChamber opposes protectionist measures, which disrupt global supply chains, raise consumer prices, limit choices of products for consumers, hinder the competitiveness of California businesses, and invite retaliation.

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

## Best Ways to Handle Co-Worker Concerns about Transgender Employee

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accommodations for religious beliefs, but not if the accommodations impose undue hardship or create a hostile work environment for other employees.

In other words, the law is clear that employers cannot grant religious accommodations that violate state or federal law.

### Clear Policies

The best approach is to establish clear policies that reinforce workplace respect, provide training on inclusion and compliance with both state and federal law, and

ensure managers are prepared to address concerns appropriately

Employees do not have to agree personally with company policies, but must adhere to them. Employees having safety concerns related to restroom use should report them to management so those concerns can be addressed appropriately.

However, a transgender person using the restroom that aligns with their gender identity does not, in and of itself, pose a safety risk.

Policies should emphasize that all

employees are expected to treat one another with respect and that discrimination or harassment will not be tolerated.

*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).*

## Tariffs Study Bill Moves with CalChamber Support

From Page 1

International trade and investment are a major part of the economic engine for the state of California that broadly benefits businesses, communities, consumers and state government. California's economy is more diversified than ever before, and the state's prosperity is tied to exports and imports of both goods and services by California-based companies, to exports and imports through California's transportation gateways, and to inflows and outflows of human and capital resources.

By assessing vulnerabilities and opportunities in the California trade infrastructure and relationships, SB 263 can help ensure California businesses remain globally competitive, sustaining jobs and fostering continued growth.

At a time when Californians are facing significant affordability challenges, understanding how tariffs affect consumer prices can help identify pathways to mitigating cost-of-living pressures and supporting economic growth.

### CalChamber Position

The CalChamber is committed to supporting a free trade agenda that fosters economic growth and job creation. The CalChamber opposes protectionist measures, which disrupt global supply chains, raise consumer prices, and hinder the competitiveness of California businesses.

SB 263 will be considered next by the Senate Business, Professions and Economic Development Committee.

**Staff Contact: Jon Kendrick**

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