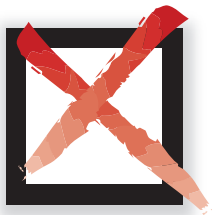


ALERT

CalChamber-Opposed Bills Miss Last Chance to Move



OPPOSE

The following California Chamber of Commerce-**opposed** bills missed that last chance.

Cost Drivers

Failing to pass the Senate was **SB 310 (Wiener; D-San Francisco) Expands Private Right of Action for Penalties**. This **Cost Driver** bill would have created a new private right of action for wage and hour penalties that would have been manipulated by trial attorneys, undermining the 2024 Private Attorneys General Act (PAGA) reform, which sought to reduce avenues for litigation abuse.

The Fix PAGA coalition that fought to craft the PAGA agreement raised objections to SB 310 as the author was attempting to revive his proposal and stopped the bill from advancing.

Held in the Assembly Appropriations Committee Suspense File on January 22 were the following **Cost Drivers**.

• **AB 298 (Bonta; D-Alameda) Prohibits Cost Sharing**. Would have increased 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 individual under 21 years of age enrolled in a large group plan.

Although AB 298 aimed to alleviate cost burdens for families with children,

Legislation that failed to pass the house in which it was introduced last year had one last chance this month to continue moving.

it overlooked the fundamental economic principle that eliminating cost-sharing mechanisms will be offset by increased monthly premiums.

The increase would have had a disproportionate impact on California's working families, who already face escalating healthcare costs that surpass the national average, as documented by the California Health Care Foundation.

• **AB 405 (Addis; D-Morro Bay)**

New Climate Disclosure. Would have imposed duplicative, costly and misaligned regulatory requirements on apparel companies that would have increased clothing prices and worsened affordability for Californians, all without delivering meaningful sustainability improvements to global supply chain.

Held earlier in the month in the Assembly Revenue and Taxation Committee was the following **Cost Driver**.

• **AB 796 (Lowenthal; D-Long Beach) Tax on Digital Advertising Revenue**. Would have implemented a new tax on digital ads. In addition to increasing costs for businesses and in turn consumers, the bill is likely unconstitutional.

CalChamber Opposed Bills

• **AB 1313 (Papan; D-San Mateo)**

Stormwater Permits. Would have required commercial, industrial, and institutional facilities to obtain a new, unworkable stormwater permit with crushing compliance costs and a private right of action. Businesses, schools, hospitals, community centers, places of worship and a host of other entities across the state could have faced huge new costs if AB 1313 had moved through the legislative process and become law. Failed to

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New CalCEO Council Focuses on Boosting California's Economy



The California Foundation for Commerce & Education (CFCE) announced

last week the creation of the CalCEO Council, a new advisory group comprised of experienced business leaders using data-driven insights and real-world experience to offer achievable public policy proposals that will strengthen the state's economy.

The Foundation, a nonprofit research organization affiliated with the California Chamber of Commerce, convened its first meeting of the Council in San Francisco on January 21. At its inception, the CalCEO Council represents a diverse cross-section of California's business community:

- Patti Poppe, CEO, PG&E Corporation;
- Richard Dickson, CEO, Gap, Inc.;
- Evan Spiegel, Co-Founder & CEO, Snap Inc.;
- Jed York, CEO, San Francisco 49ers;
- Jennifer Barrera, President & CEO, California Chamber of Commerce;
- Greg Adams, CEO, Kaiser Foundation Health Plan, Inc. and Hospitals;
- Maryam Brown, CEO, Southern California Gas Company (SoCalGas);
- Michelle Gass, President & CEO, Levi Strauss & Co.;

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Inside

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Labor Law Corner

Using REAL ID vs. NonREAL ID for Form I-9 Documentation



Ashley Huynh
Employment Law
Expert

A new hire provided their nonREAL ID driver license for their Form I-9 documentation. Can I use this to satisfy the I-9 documentation requirement?

Yes. See the discussion below.

REAL ID Status

Congress passed the REAL ID Act in 2005 to improve security requirements for identification. As a result, states issued driver licenses and identification cards that complied with the REAL ID Act.

After multiple delays, the Transportation Security Administration (TSA) issued a final rule with enforcement beginning May 7, 2025. The rule said federal agencies may use a phased enforcement approach if they deem it appropriate.

Starting May 7, 2025, if a person is using a state-issued driver license or identification card to board a commercial domestic aircraft within the United States or for other federal purposes (for example, entering secure federal facilities, such as military bases or federal court-houses), then the license or ID card must be REAL ID-compliant.

In California, there are both REAL ID-compliant cards and noncompliant cards. Noncompliant cards state on the front “FEDERAL LIMITS APPLY” and on the back “This card is not acceptable for official federal purposes ... It does not establish eligibility for employment.”

I-9 Form Requirements

The I-9 Form states that employees may present a document from List A *or* a document from both List B and List C. Documents from List A establish **both** identity and employment authorization. Documents from List B establish only identity. Documents from List C establish only employment authorization.

A driver license or identification card from a state is considered a List B document that establishes only identity. The U.S. Citizenship and Immigration

Services (USCIS) explains, “Some states may place restrictive notations on their licenses. For Form I-9 purposes, you may accept these licenses.” (*See USCIS I-9 Central: Form I-9 Acceptable Documents, List B Documents – Identity*).

The California Department of Motor Vehicles states that a nonREAL ID “may be used as photo identification, but not as evidence of legal presence in U.S. Additional documentation may be required.” In your case, the ID is being used for photo identification or to establish identity.

Despite other federal prohibitions, nonREAL ID driver licenses and identification cards may be used for I-9 identification purposes. (*See U.S. Citizenship and Immigration Services, I-9 - AB 60 Driver's Licenses (FOIA document)*).

Conclusion

Employers can accept either the nonREAL ID or the REAL ID driver license or identification card for I-9 identification purposes. Employers must examine the document the employee presents to determine if it meets Form I-9 requirements.

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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CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com.

Human Resources

California Employers' Guide to AI Decision Making. CalChamber. February 19, [Webinar](#). (800) 331-8877.

HR Boot Camp. CalChamber. February 26–27, April 23–24, June 4–5, September 10–11, [Virtual Seminar](#). (800) 331-8877.

Common Wage Violations 2026.

CalChamber. March 5, Free Member Webinar. [Contact account manager](#).

Navigating Paid Sick Leave & Time Off Requests in California. March 19, [Webinar](#). (800) 331-8877.

Leaves of Absence. CalChamber. March

26–27, May 7–8, August 6–7, [Virtual Seminar](#). (800) 331-8877.

Workplace Violence Prevention Program Tips for 2026. CalChamber. April 16, [Webinar](#). (800) 331-8877.

Wage & Hour 101: Nonexempt/Hourly Employees. CalChamber. May 21, [Webinar](#). (800) 331-8877.

Wage & Hour 101: Exempt Employees. CalChamber. June 18, [Webinar](#). (800) 331-8877.

Supervisor Essentials. CalChamber. July 16, [Virtual Seminar](#). (800) 331-8877.

Conducting California Workplace Investigations. CalChamber. August 27,

See CalChamber-Sponsored: Page 3

Regional Economic Study on Water Offers Insights for Statewide Impacts



Reduced water availability ultimately affects jobs, economic activity and

food supplies outside the area short of water, according to a study completed last year for the nation's largest agricultural water district.

The [latest report](#) is one of a series prepared for the [Westlands Water District](#), which covers 1,000 square miles in western Fresno County.

The analysis found that reduced water availability resulted in a 24.7% decline in the district's economic activity and a nearly \$25 million decrease in local government revenues since 2019.

A large part of the decline in economic activity was due to an increase in the agricultural acreage left fallow.

More fallowed land in turn reduced the need for workers to help harvest the vegetables, fruits and nuts that would have been grown on the agricultural acreage.

The decrease in agricultural activity led to about 7,500 jobs lost in Fresno and Kings counties, both of which rely heavily on agriculture. The report noted that household poverty rates in both counties rose in years when the water allocations fell below contracted amounts.

The water available in the district comes from surface water and groundwater. Surface water allocations from the federal Central Valley Project depend on federal and state regulatory decisions. Since 2023 the California Sustainable Groundwater Management Act (SGMA) has governed use of groundwater.

U.S. Food Supplies

The report notes that decreased U.S. food production, especially of fresh fruit and vegetables, in response to disruptions in water availability has shifted the nation's reliance on agricultural imports. U.S. Department of Agriculture statistics show that imports of fruit and tree nuts rose from \$41.9 million in 2000 to \$213 million in 2024.

"If the acreage fallowed since 2019 had been put back into production proportionally, Westlands growers alone would have added ... \$202.2 million in fruit and tree nut production in 2024, almost completely offsetting the volume of imports," the report stated.

Similar patterns appear in other categories of produce, vegetables and agricultural products, according to the report.

Based on statistics from the California Department of Food and Agriculture, Westlands growers contribute significantly to the state's supply of nine of the top 15 California agricultural exports: almonds, wine (by supplying

wine grapes), pistachios, table grapes, processed tomatoes, raisins, cotton, lettuce, and seeds for sowing.

Hay, grain and feed produced by farms within Westlands contribute to dairy and beef products, two other top-ranked agricultural export categories.

Other Impacts

Valley Fever

The report highlighted the correlation between drought/lack of irrigation and Valley Fever cases. The Valley Fever fungus can survive in the soil during drought or when land isn't irrigated. When rain falls or irrigation resumes the fungus grows again. People who breathe in the fungus spores spread in dirt and outdoor dust can become ill.

Valley Fever cases have been lowest during drought years and highest in the years immediately after a drought.

Bird Strikes

When more land is fallowed due to lack of water, rodent populations increase, as do the number of birds that prey on the rodents. The Naval Air Station Lemoore, to which Westlands supplies water, is located in the region.

Data reported by Lemoore Air Station and Westlands shows that the frequency of birds striking operating aircraft increases when unfarmed acreage near the air station increases.

CalChamber-Sponsored Seminars/Trade Shows

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[Virtual Seminar](#). (800) 331-8877. Simplifying Local Ordinances: Helpful Resources for California Employers. CalChamber. [Webinar recording](#). (800) 331-8877.

International Trade

Expo Manufactura. Governor's Office of Business and Economic Development (GO-Biz). February 3–5, Monterrey, Mexico. [Apply today](#).

Japan Investment Promotion Seminar. Manufactured Imports and Investment Promotion Organization (MIPRO). February 4, Online. [Register](#).

Agriculture Tech in South Africa, Export Training. GO-Biz and Zurcom International. February 19–May 7, [Virtual](#).

5th Annual California International Arbitration Week. California Lawyers Association. March 9–12, San Francisco. [Event website](#).

EXIM Annual Conference. Export-Import Bank of the United States. April 29–30, 2026, Washington, D.C. [Registration open](#). [Conference website](#).

The World in Motion: Advancing Sports Tourism on a Global Stage. Inland Empire World Trade Conference Committee and San Bernardino Inter-

national Airport. May 1, Highland. [Get tickets](#).

SelectUSA Investment Summit. Select USA. May 3–6, National Harbor, Maryland. [Event website](#).

NADEC Annual Trade Conference: Global Trade in Transition. National Association of District Export Councils. May 12–13, Nashville, Tennessee. [Event website](#).

Farnborough Airshow. GO-Biz to lead delegation of economic developers. July 20–24, London, United Kingdom. [Event website](#).

US, Mexico Report Progress in Discussions Preceding Review of Free Trade Agreement



Following a meeting this week, representatives for the United States and Mexico

reported “substantial progress” in their talks about bilateral trade relations and the upcoming joint review of the U.S.-Mexico-Canada Free Trade Agreement (USMCA).

A [statement issued](#) January 28 reported that Ambassador Jamieson Greer, the U.S. Trade Representative, met that day with Mexican Secretary of Economy Marcelo Ebrard.

In addition to recognizing the substantial progress in recent months, both sides agreed to continue “intensive engagement to address non-tariff barriers,” according to the statement.

In addition, they agreed to begin formal discussions on “possible structural and strategic reforms” in the first USMCA joint review.

The reforms, the meeting readout said, are to include “stronger rules of origin for key industrial goods, enhanced collaboration on critical minerals, and increased external trade policy alignment to defend workers and producers in the United States and Mexico and to combat the relentless dumping of manufactured goods in our region.”

CalChamber Comments

The California Chamber of Commerce [submitted public comments](#) at the beginning of November 2025 as the Office of the U.S. Trade Representative (USTR) began its public consultation process in advance of the Joint Review of the Agreement between the United States of America, the United Mexican States, and Canada on July 1, 2026.

Since the early 1990’s, the CalChamber has supported the concept and establishment of a North American Free Trade Agreement (NAFTA) based upon an assessment that it serves the employment, trading and environmental interests of California and the United States, as well as Canada and Mexico, and is beneficial to the business community and society as a whole.

That support continued during the first President Trump administration when the United States, Mexico and Canada reached an agreement to modernize the 25-year-old NAFTA into a 21st century, high-standard agreement.

The CalChamber continues to believe the USMCA supports mutually beneficial trade leading to freer markets, fairer trade, and robust economic growth in North America.

Now as all three countries have begun to organize for the six-year USMCA review in July 2026, the CalChamber continues to support the objectives of the USMCA to eliminate barriers to trade, promote conditions of fair competition, increase investment opportunities, provide adequate protection of intellectual property rights, establish effective procedures for implementing and applying the agreements and resolving disputes, and to further trilateral, regional and multilateral cooperation.

The process, beginning in year six of the pact that entered into force on July 1, 2020, allows each country to either confirm its desire to extend the agreement or raise concerns that it wants to address.

In the latter scenario, the three countries will continue to review the agreement every year until either the concerns are resolved, or the pact is terminated in year 16. Considering California’s position as a global leader in international trade, the USMCA priorities are important to CalChamber members and the overall economic health of the state.

Coalition Letter

On December 1, 2025, the CalChamber joined the U.S. Chamber and more than 500 business and agricultural organizations and chambers of commerce from across the United States in a [coalition letter](#) conveying to USTR Ambassador Greer their continuing support of the U.S.-Mexico-Canada Agreement.

USMCA Statistics

The United States, Canada and Mexico comprise more than 520 million people (6.3% of the world’s population), more than \$33 trillion in gross domestic product (GDP) (nearly 30% of world

GDP), and \$1.8 trillion in goods and services trade (5.5% of \$33 trillion in total global trade).

More than 13 million American jobs depend on trade with Mexico and Canada. The USMCA provides duty-free access for nearly all goods traded among the three countries.

The importance of total U.S.-USMCA goods trade at \$1.601 trillion cannot be overstated. The \$683.94 billion in exports to Mexico and Canada include transportation equipment (\$116.69 billion), computer and electronic products (\$80.47 billion), chemicals (\$69.03 billion), non-electrical machinery (\$63.99 billion), and petroleum and coal products (\$49.06 billion).

Total U.S. imports from Mexico and Canada of \$917.41 billion include transportation equipment (\$238.95 billion), oil and gas (\$117.91 billion), computer and electronic products (\$104.75 billion), electrical equipment, appliances and components (\$54.13 billion), and non-electrical machinery (\$52.51 billion).

CalChamber Position

The original key provisions of the USMCA — including focus on rules of origin, goods market access, intellectual property modernization, ease of customs and trade rules for small business, greater market access for American agriculture, strong disciplines on digital trade, and enforceable labor standards — are as important to the agreement today as they were when first implemented. *Through all these provisions should run the continued theme of compliance and enforcement.*

The CalChamber urges the Trump administration to continue to engage with Mexico and Canada and swiftly extend the USMCA. In fact, it is hoped that the continued success of the USMCA may serve as a foundation for future trade agreements around the world.

The USMCA creates a stable and certain commercial environment that reinforces strong economic ties and enhances North American competitiveness in the global market, thereby ensuring North American economic security, which leads to geopolitical security.

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

New CalCEO Council Focuses on Boosting California's Economy

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- Jason Grizadas, CEO, Deloitte US;
- Horacio Gutierrez, Senior Executive Vice President, The Walt Disney Company;
- Jennifer Haley, President & CEO, Kern Energy;
- Marty Kropelnicki, President & CEO, California Water Service Group;
- Francisco Leon, President & CEO, California Resources Corporation;
- Dan Letter, CEO, Prologis;
- Enrique Lores, President & CEO, HP, Inc.;
- Ashley Magargee, CEO, Genentech;
- Pedro Pizarro, President & CEO, Edison International;
- Linda Rendle, Chair & CEO, Clorox Company;
- Mike Stuart, President & CEO, Blue Shield of California;
- Caroline Winn, Chair, Executive Vice President, Semptra & CEO, San Diego Gas & Electric;
- Eric Yuan, Founder & CEO, Zoom Video Communications.

Bridge with Government

The Council will serve as a bridge between the private sector and govern-

ment in seeking ways to make California more affordable, to strengthen its infrastructure, and to help its communities thrive. It will meet four times a year and has commissioned a proprietary "dashboard" to track vital data that shows the overall strength of California's business climate and economy.

Four chief executives – Poppe, Dickson, Spiegel, and York – will serve as members of the CalCEO Council Executive Committee.

Executive Comments

"Businesses and CEOs are a force for good in California," said PG&E Corporation CEO **Patti Poppe**. "CalCEO is an opportunity to share best practices, stand together and power California's prosperity."

"California's unmatched creative and entrepreneurial spirit has long driven progress, strengthened communities, and economic growth," said Gap, Inc. CEO **Richard Dickson**. "I look forward to working alongside fellow leaders through CalCEO to support competitiveness, foster innovation, and broaden opportunity statewide."

"As a born-and-raised Californian, I

am grateful to work with leaders across the state to tackle our most pressing problems and help deliver the California dream we all aspire to," said Snap Inc. CEO **Evan Spiegel**.

"As business leaders, we are deeply committed to strengthening the state's communities and economy," said San Francisco 49ers CEO **Jed York**. "This is a constructive step toward supporting California's economic future."

As chief executives, Council members have a front seat to how public policy choices affect supply chains, competitiveness, and our employees. The success of their companies depends on the health of California's broader economy.

"Our shared success depends on leaders who are willing to step up," said **Luis Quiñonez**, president of the California Foundation for Commerce & Education. "The Council is focused on delivering practical solutions that improve affordability for all Californians."

Future Council meetings will be held in different regions of California, with presentations offered by a variety of national, state, and regional policy experts.

CalChamber-Opposed Bills Miss Last Chance to Move

From Page 1

move off Assembly Inactive File where the author had placed it last year.

• **AB 1157 (Kalra; D-San Jose)** **Statewide Rent Control.** Would have imposed permanent statewide rent control on rental housing, including single-family homes, accessory dwelling units (ADUs), and individually owned condominiums,

by capping annual rent increases at 2% plus the change in the cost of living, or 5%, whichever is lower.

AB 1157 failed to pass the 12-member Assembly Judiciary Committee on January 13 on a vote of 4-3 with five committee members not voting.

Concerns raised by opponents and some committee members included the

possibility that the legislation's restraints would worsen the state's housing crisis and make it difficult for rental property owners to improve the rentals or keep them on the market. Also noted was that voters have repeatedly rejected attempts to impose rent control statewide.

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