

August 20, 2012

Assembly Speaker John Pérez  
State Capitol  
P.O. Box 942849  
Sacramento, CA 94249-0046

**Re: Senate Bill 1099 - SUPPORT**

Dear Assembly Speaker Pérez:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization dedicated to promoting job growth, economic expansion and preserving the overall global competitiveness of California and the Los Angeles region, we respectfully urge the Assembly to pass Senate Bill (SB) 1099 (Wright), as amended. SB 1099 provides two extremely important things for businesses, especially small ones, which must first learn about and then comply with the multitude of new regulations added to the 5,000-page California Code of Regulations constantly throughout the year – additional notice and more time.

At the LAEDC, we have long advocated for state agencies to review and streamline regulations as well as their regulatory notification and implementation processes as they relate to businesses – the creators of private sector jobs and the tax revenue generated by those jobs – by eliminating unnecessary or counterproductive regulations as well as by refining overly complex, complicated regulatory processes to be more consistent in interpretation, more predictable in application and more transparent in terms of advanced notice and fair warning. The purpose is not to weaken or undermine public health, environmental or worker safety protections, but rather to make it easier for businesses to wade through and comply with the morass of complicated, duplicative and sometimes unclear regulations that delay or hinder business growth and job creation. To be sure, our goal is to increase efficiency so businesses can focus on their core operations, increase revenue and hire workers – without compromising substantive environmental quality or other public interest standards.

Certainly, SB 1099 is a step in the right direction to achieving the above goal. First, SB 1099 affords businesses extra (and very valuable) time to prepare for impending regulations. Specifically, the bill provides that all regulations must go into effect on a quarterly basis – as opposed to the more hurried, prevailing standard of 30 days after being filed with the Secretary of State – while still allowing for the adoption of emergency regulations when necessary.

Second, SB 1099 provides additional notification procedures to educate and give fair warning about what is expected and required under a specific regulation. In particular, the bill requires the Office of Administrative Law (OAL) to make available on its website a list of regulations awaiting implementation. State agencies must post on their website each regulation filed with the Secretary of State and provide OAL with electronic links to those regulations. Few can argue against a provision that provides additional notice and transparency, for as Lewis Brandeis once famously said, “sunshine is the best disinfectant.”



Unquestionably, improving California's regulatory scheme both by requiring that the scores of new regulations passed throughout a legislative year can only take effect once per quarter and by allowing for business owners to have more notice and time to prepare and budget for new operating rules, rather than being caught off guard, will make the state a more attractive place for businesses to invest and create much-needed jobs. Moreover, there can be little doubt that having a more transparent and thoughtful regulatory structure that is more competitive for small businesses and start-ups and more conducive with innovation, entrepreneurship and the growth of entirely new industries, along with the new jobs spawned by those industries, should be a core strategy for long-term, sustainable economic and job growth. We believe that it is an elemental strategy that both political parties, Democratic and Republican, can – and should – get behind.

We look forward to continuing to work with your office, other members of the State Assembly and the entire Legislature to enact SB 1099 as well as to fully implement SB 617 (Calderon/Pavley), chaptered in 2011, to analyze, rationalize and more thoughtfully promulgate regulations and enhance regulatory processes moving forward in a way where jobs are created, the state's economy is strengthened, and our overall quality of life is preserved. In the meantime, we urge you and your Assembly colleagues to pass SB 1099.

Please do not hesitate to contact me or our Chief Operating Officer, David Flaks, with questions or comments regarding the above.

Sincerely,

A handwritten signature in black ink that reads "Bill Allen". The signature is written in a cursive, flowing style.

William C. Allen  
President & CEO  
LAEDC

Cc: California Governor Edmund G. Brown, Jr.  
Senate President pro Tem Darrell Steinberg  
Senator Rod Wright  
Members of the California State Assembly  
Michael Rossi, Senior Jobs Advisor