

California State Senate

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September 18, 2019

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

RE: Recommended Veto of AB 1677 (Weber)

Dear Governor Newsom:

I respectfully write to request your veto of AB 1677, which seeks to penalize California companies who move their call centers out of the country by, among other things, requiring call center employers that employ 50 or more employees to notify the Labor Commissioner 120 days before relocating to a foreign country, by establishing penalties for failure to notify of \$10,000 per day of violation, and by requiring the Labor Commissioner to semiannually publish a list of employers who provide the above notice.

Let me start by saying that I certainly want to see companies and call centers remain in California. Unfortunately, this bill is misdirected by focusing on a symptom rather than the cause. As such, it may, in fact, have the opposite effect. The outsourcing/relocation that is decried by this measure is a direct market response to the years of job killing mandates levied on California employers by its state government. When California's government places unnecessary, unreasonable, confusing, onerous and costly mandates on California employers, these employers have no choice but to figure out other ways to reduce these government imposed costs. One of the ways to reduce these costs is to contract out for services and/or relocate facilities. Accordingly, instead of further punishing employers and doing more harm to job creation, as this bill does, we should be looking for ways to free job creators from the plethora of unnecessarily constraining rules and regulations enacted over the last decade.

Additionally, as a protectionist measure, this measure places barriers to free trade which may undermine various treaties and the proper role of the federal government in negotiating these international trade agreements.

For these reasons, I respectfully request your veto.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Grove". The signature is fluid and cursive, with a large initial "S" and "G".

Shannon Grove
Senate Republican Leader