

June 17, 2021

The Honorable Dave Cortese  
Chair, Senate Labor, Public Employment and Retirement Committee  
1020 N Street, Room 545  
Sacramento, CA 95814

**RE: AB 701 (Gonzalez) Warehouse distribution centers – OPPOSE**

Dear Chair Cortese,

Orange County Business Council (OCBC), the leading voice of business in Orange County, **respectfully opposes AB 701 (Gonzalez), a bill that incentivizes frivolous litigation against warehouse operators by creating a new private right of action.**

Worker safety is of utmost priority for the many different warehouse operators in Orange County, and existing California law is equipped to address any warehouse operators implementing quotas in violation of California health and safety laws. The bill considers productivity metrics as inherently unsafe for workers, however, and seeks to restrict the logistics industry from utilizing productivity metrics under vague, unworkable standards.

AB 701's numerous new requirements would unleash a wave of frivolous litigation by relying on the Labor Code Private Attorneys General Act (PAGA) and a new, independent private right of action to enforce its mandates. AB 701 sets a vague standard where a private right of action can be taken if a work speed "prevents compliance with...health and safety laws." This is an extremely broad standard that would undoubtedly result in costly litigation. Furthermore, AB 701 includes a presumption of retaliation if an employer takes any adverse action within 90 days of an employee requesting information about a quota. This opens the doors for employees to create a continuous presumption of retaliation regardless of whether any actual retaliation occurred if an employee makes this request every three months.

AB 701's intention is to create new protections for workers, but it falls short of actually helping workers. Instead, the bill punishes employers acting in good faith by exacerbating the already heavily litigious environment businesses must navigate. Its PAGA enforcement, a private right of action and a never-ending presumption of retaliation are excessive without offering appreciable benefits to workers. This bill would negatively impact the multiple companies operating warehouses in Orange County that are key contributors to the supply chain and would detract from the region's global economic competitiveness.

**For these reasons, OCBC asks the Committee to vote NO on AB 701.**

Sincerely,



Jennifer Ward  
Senior Vice President of Advocacy and Government Affairs

cc: Members, Senate Labor, Public Employment and Retirement Committee  
The Honorable Lorena Gonzalez, Author  
Martha Gutierrez, Senate Labor, Public Employment and Retirement Committee  
Republican Committee Consultant, Senate Republican Caucus