



May 18, 2017

The Honorable Lorena Gonzalez Fletcher
Chair, Assembly Appropriations Committee
California State Capitol, Room 2114
Sacramento, CA 95814

RE: AB 1660 (Kalra) Court Reporter Providers – Oppose Unless Amended

Dear Assemblymember Gonzalez Fletcher:

The Personal Insurance Federation of California (PIFC), the Association of California Insurance Companies (ACIC), and American Insurance Association (AIA) respectfully oppose unless amended, AB 1660, which provides the Court Reporters Board extensive powers over deposition service firms that provide or arrange for shorthand reporting and other ancillary services related to litigation. AB 1660 threatens free market efficiencies that keep litigation costs down for insurers and their consumers.

Insurers currently have the ability to arrange for a variety of cost efficient litigation services, including volume discounts, as well as obtaining ancillary services in connection with litigation. Such ancillary services can include a host of litigation support services, such as providing conference rooms and exhibit preparation services. Regulating the provision of such services by deposition service firms are outside of the Court Reporter Board's purview. Further, the Board currently regulates court reporters, not businesses that arrange for court reporters or ancillary services.

The arrangement for litigation support services by firms creates efficiencies in the marketplace that may no longer be available if AB 1660 becomes law. There is no public policy justification for curtailing such arrangements. Doing so will result in a restraint on trade and innovation, and will unnecessarily drive up litigation costs for insurers and their consumers.

For these reasons, we Oppose Unless Amended to add that:

(d) Nothing in this section shall be construed to prohibit corporations, persons or entities from entering into a contract with corporations, persons or entities described in subdivision (a) of this Section for purposes of providing court reporting and ancillary services, or from establishing and providing market rates for certified shorthand reporter services or ancillary services.

(1) "Ancillary services" means, any services related to providing court reporting services or services in connection with litigation.

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Please feel free to contact Kara Cross, PIFC General Counsel ([916-442-6646](tel:916-442-6646)/kcross@pifc.org), Mark Sektnan, ACIC President ([916-449-1370](tel:916-449-1370)/mark.sektnan@acicnet.org), or Katherine Pettibone, AIA Vice President Western Region/Counsel ([916-873-3677](tel:916-873-3677)/kpettibone@aiadc.org) should you have any questions.

cc: Members, Assembly Appropriations Committee
The Honorable Ash Kalra, Member, California State Assembly
Jennifer Swenson, Principal Consultant, Assembly Appropriations Committee
Bill Lewis, Policy Consultant, Assembly Republican Caucus