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TO: MEMBERS OF THE ASSEMBLY FLOOR ALERT
FROM: DOUG NOLL, CDRC PRESIDENT
RE: AB 802 (WIECKOWSKI) – OPPOSE UNLESS AMENDED
DATE: MAY 14, 2013

On behalf of the CDRC, I must regretfully request your NO vote on AB 802 because of the May 13, 2013 amendments that include disproportionate penalties relating to the data requirements for arbitration providers that are set forth in CCP Section 1281.96. CDRC was organized in 1994 to advocate for fair, accessible, and effective alternative dispute resolution processes before the legislature, state administrative agencies, and the courts. The membership of the CDRC consists of several hundred individual ADR neutrals, together with community dispute resolution organizations and providers of ADR services which, taken together, represent more than 15,000 mediators and arbitrators in California. CDRC positions do not represent the views of any individual member.

For the past 10 years, California has required that arbitration providers publish technical information about consumer arbitrations. Please see the attached copy of the current statute. At an informational hearing on the topic, CDRC provided testimony indicating that the key information that parties and their counsel rely on is the information contained in the arbitrator's disclosure report not the information contained in CCP Section 1281.96. California has the most extensive arbitrator disclosure requirements in the nation and this ensures that the parties and their counsel are aware of any information that may cause the parties to question the impartiality of the arbitrator. Parties can reject an arbitrator for any reason.

CDRC notes that arbitration providers indicate that they rarely receive calls regarding the data on consumer arbitrations required by Section 1281.96 and we believe that it is rarely reviewed by academicians and others. Therefore, CDRC points out that the key policy question raised by the amendments is the establishment of a disproportionate enforcement mechanism for noncompliance of data reporting. Specifically allowing law suits by private parties or public prosecutors and the awarding of fees to attorneys for even a minor clerical violation of the reporting requirements may deter arbitration companies from administering consumer

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arbitrations. CDRC believes it is ironic that this statute's consequences will be to promote conflict and increase potential costs for consumers by denying them the choice to arbitrate in their efforts to resolve their disputes.

While CDRC is committed to working out some of the details of current or additional data requirements, the recent amendment regarding enforcement drives our opposition.

For the reasons stated above, CDRC must respectfully request your NO VOTE on AB 802. If you have any questions or concerns, please do not hesitate to contact our Sacramento lobbyist, Donne Brownsey at 916.448.1222. Thank you.