

The Wrong Approach to Worker Retention



Coming up at the Chamber

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FRI | Jan. 6
Health Care Committee Meeting
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FRI | Jan. 13
Accenture Pancakes and Politics
with Michael Peevey, CPUC, Terry Tamminen and Mary Nichols, LADWP
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WED | Jan. 18
Taste of the Chamber Mixer
[more info](#)

THU | Jan. 19
Export Seminar Series
Session #1: Fundamentals of Export
[more info](#)

SAT | Jan. 21
L.A. Cash for College Day
[more info](#)

WED | Jan. 25
Environmental Quality Committee Meeting
[more info](#)

WED | Jan. 25
Transportation and Goods Movement Committee Meeting
[more info](#)

THU | Jan. 26
117th Inaugural Dinner
[more info](#)

MON - WED | Jan. 30 - Feb. 1
Faster Freight, Cleaner Air 2006
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THU | Feb. 16
Accenture Pancakes and Politics
with L.A. City Council President Eric Garcetti
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The Los Angeles Area Chamber of Commerce is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit www.lachamber.org

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I had intended to write my usual Happy New Year greeting and lay out some challenges, but that will have to wait. I just could not resist writing about an important issue impacting business in the city of Los Angeles. Before I get into it, I hope that you have a Happy New Year and that it is one in which you achieve your personal and business goals.

Now to the point.

The L.A. City Council turned into Scrooge just before the holidays when on Dec. 22, by a 12-2 vote, councilmembers took one more giant step to discourage business in L.A. The council enacted an ordinance that requires supermarkets of more than 15,000 square feet, when sold, to retain their workforces for 90 days after the sale.

Personally, I respect the members of the council, but this time they have just gone too far. What could they be thinking? The federal government enacted the Worker Adjustment and Retraining Notification Act (WARN) that deals with notice to employees in plant closures and sales, and it has worked well. The state government further regulates employer-employee relations so that people are treated equally and fairly. L.A. City Council has no reason to attempt to expand its wings to become a regulator in this area.

The council decided to use its “police powers” to enact this legislation. Members reasoned that, in the interest of “public health” and “economic development,” this police action was necessary.

Let’s first define what police powers are, since most city councilmembers appear to be unfamiliar with that term. Police powers refer to government intervention in order to protect the health and safety of the citizenry. For example, the fire department can enter your house without a warrant in the event of a gas leak or another compelling emergency. The city adopts zoning ordinances to police land use. On a larger scale, although extremely rare, underperforming industries have been nationalized in times of war.

So what motivated the city council to abruptly use police powers to regulate supermarkets? The city councilmembers who voted for it will tell you that this ordinance is in the interest of public health, since grocery store workers are trained to handle food consumed in mass quantities.

What they will not tell you is that this is really about protecting union jobs at the 30 or so Albertsons stores in the city—where workers may be laid off due to a recent corporate sale. Written as it is, the mandate may come to affect other shops as well, as stores like Bristol Farms, Whole Foods, 99 Cent stores and Trader Joe’s are often above or nearly 15,000 square feet in size.

The concept of helping employees keep their jobs when the economy turns or during a corporate reorganization is noble. But this ordinance is not the way to do it.

Why should the business community care? Because your industry might be next. They justified this ordinance on the basis that grocery workers handle food. Are restaurant workers next? What about big box stores, caterers, hotels that serve to guests, trucking companies that transport food, warehouses that store it, hospitals that serve it to patients? Politicians can justify almost anything. Even the L.A. City Attorney says that the city council’s fight for police power regulations over supermarkets is, at best, “new and untested” in the courts.

This ordinance is about as good as an idea of requiring all city councilmembers to retain the staff of their predecessors. Would they even think of putting that into statute? Of course not.

Los Angeles already has among the highest taxes on business of any city in the country. The Rose/Kosmont Cost of Doing Business Survey annually places L.A. as one of the nation’s most costly places to do business. The L.A. City Council has just strengthened its anti-business reputation.

When will it end?

At any rate, we salute Councilmembers Bernard Parks and Greig Smith for casting dissenting votes based on their understanding of economics, the law, and the need to prevent further erosion of our business climate.

And that’s *The Business Perspective*.

The Business Perspective is an award-winning weekly opinion column by Rusty Hammer, President & CEO, L.A. Area Chamber

L.A. Business THIS WEEK

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