

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

March 31, 1999 Hearing Room C

1:00 PM Tapes 73 - 74

MEMBERS PRESENT: Sen. David Nelson, Chair

Sen. Rick Metsger

Sen. Randy Miller

Sen. Charles Starr

MEMBER EXCUSED:

Sen. Lee Beyer, Vice-Chair

STAFF PRESENT: Y. Sherry Sheng, Administrator

Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD:

HB 2059 Work Session

SB 411 Public Hearing

HB 2027 Public Hearing and Work Session

SB 636 Public Hearing

SB 480 Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 73, A		
001	Chair Nelson	Opens meeting at 1:05 PM. Opens work session on HB 2059.

HB 2059 WORK SESSION

004	Sherry Sheng	Committee Administrator. Explains the conflict of HB 2059 and the amendment drafted by legislative counsel. Refers to statute, section 46, to explain the amendment. Presents (EXHIBIT A) .
055	Sen. Metsger	MOTION: Moves to ADOPT HB 2059-2 amendments dated 3/31/99.
		VOTE: 4-0 EXCUSED: 1 ñ Beyer
056	Chair Nelson	Hearing no objection, declares the motion CARRIED.
058	Sen. Miller	MOTION: Moves HB 2059 to the floor with a DO PASS AS AMENDED recommendation.
059		VOTE: 4-0 EXCUSED: 1 ñ Beyer
075	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. STARR will lead discussion on the floor.
078	Chair Nelson	Closes work session on HB 2059. Opens public hearing on SB 411.

SB 411 PUBLIC HEARING

080	Bev Holzman	Representing the Massage Board of Technicians. Supports SB 411. Gives background in support of SB 411. Explains why the change of designation from technician to therapist is needed. Presents (EXHIBIT B) .
112	Chair Nelson	Asks for questions.
122	Sen. Miller	Asks why the name was originally technician and not therapist.
126	Holzman	Says she will get the information.

134	Chair Nelson	Asks if a massage can be obtained through health insurance.
138	Holzman	Answer yes, a massage can be prescribed by a doctor and obtained with health insurance.
150	Diana Medreda	Oregon Physical Therapy Association (OPTA). Explains the definition of a therapist. Explains concerns of the association. States that the term therapist may be misinterpreted by the public to believe that they are being treated for an illness that is not in the scope of massage technicians. Believes the term technician is appropriate as it is now.
174	Sen. Miller	Asks if the "State Board of Massage Therapists" would be a compromise to the State Board of Massage.
178	Holzman	Says the association would consider that.
182	Medreda	Says their association does not want the scope of the technicians to be more than it is.
200	Chair Nelson	Closes public hearing on SB 411. Opens public hearing on HB 2027.
<u>HB 2027 PUBLIC HEARING.</u>		
202	Jack Roberts	Commissioner, Bureau of Labor and Industry (BOLI). Explains HB 2027 allows moneys in the Prevailing Wage Education and Enforcement Account to be used for education programs on public contracting and purchasing. Since BOLI is doing part of the technical assistance regarding wage rate, they will be the first contact. The prevailing wage fund can absorb the cost.
260	Chair Nelson	Asks to explain the prevailing wage rate education and enforcement fund.
278	Roberts	Explains surveys that determined prevailing wage rate. The purpose of the fund is to assist enforcement and education in small agencies. Says there are \$1.35 million in the fund. BOLI collects a fee to fund these activities. Taxpayers have saved and this bill would take the current system to help fund any questions in contracting law. This is particularly geared to smaller agencies.
320	Chair Nelson	Asks if the prevailing wage computations are working out.
330	Roberts	States BOLI feels that the rates are more accurate now than a few years ago. Feels those hurt are set by the union rates. Rural areas have had reductions in rates. Roberts believes the system has great integrity. Explains the federal government is surveying the prevailing wage issue.
352	Hasina Squires	Special Districts Association. Supports HB 2027. Says it is geared to help small

		agencies.
370	Linda Ludwig	League of Oregon Cities. Supports HB 2027. Feels small cities are helped by this bill.
375	Bill Penhollow	Association of Oregon Counties. Supports HB 2027. Explains this bill was a consensus of the interim committee that studied this issue.
400	Chair Nelson	Asks for questions. Explains possible potential revenue impact and says the committee may pass this to the Ways and Means Committee. Closes public hearing on HB 2027. Opens public hearing on SB 636.
<u>SB 636 PUBLIC HEARING</u>		
480	Shawn Miller	Electrical Contractors of Oregon. Supports SB 636. Says SB 791 is a companion bill on the apprentice issues. Says SB 636 allows local joint apprenticeship committees to select an apprenticeship applicant for employment with applicant's family business, under certain conditions. Presents (EXHIBIT C) .
TAPE 74, A		
045	Shawn Miller	Addresses the apprenticeship programs and family businesses. Explains how family members must get their training outside the family business in most cases under the present random selection methods for apprentices. SB 636 would allow family members to be trained in the family business. Refers to SB 791 which deals with current employees. Says the present language needs to be refined.
104	Emerson Smoker	Owner, Rightway Electric. Explains how his family business trained his son to run the business 17 years ago. Asks for opportunities to carry on family businesses through family apprenticeships. Presents (EXHIBIT D) .
145	Bob Bachofner	Bachofner Electric, Portland. Gives background on his experience in the field. Says his son was apprenticed under the existing method. Describes his business as medium-size. Says 90 percent of electrical contractors have 3 to 5 employees, or are small family businesses. Describes selection method for apprentices. Supports SB 636.
200	Chair Nelson	Asks questions. Asks if this is the equal employment opportunity act problem.
202	Shawn Miller	Answers that is correct. Asks for Commissioner Roberts to comment on that.
210	Jack Roberts	Commissioner, Oregon Bureau of Labor and Industries(BOLI). Addresses issues that they have dealt with for several years. The public and private sectors are involved. Fair opportunity is sought. Says the federal government sets guidelines for training. Oregon has fine apprenticeship programs. Access to the programs on a nondiscriminatory basis is the goal of BOLI. Selection methods for apprentices is are important.

278	Roberts	States the method which contractors used to bring in their children was not approved. Explains problems of the bill. Wants a system wherein family members can be brought into the business. Says SB 636, as written, could be interpreted as being consistent with the present practice. About 20 percent of programs have opted to make that choice.
327	Roberts	Said codifying SB 636 would allow the selection method. If the method is not chosen, and a relative goes to a competitor, that is the way it is. Says there needs to be oversight to ensure nondiscrimination. Believes EOC is continuing to monitor the apprenticeship program. Family members and existing employees are the two groups of concern. BOLI feels there are not that many kids waiting to go into the family business, although it is a sensitive issue.
420	Chair Nelson	Asks how many trades have apprentice programs.
430	Roberts	Responds there are about 46 different trades of which most are in the construction industry.
447	Rick Clone	Clone Sons Electric. Chairman of the Joint Apprenticeship Training Council. Introduces Randall Tile.
450	Randall Tile	Director of Mid-Oregon Independent Electrical Contractors (IEC).
465	Clone	Says changing the apprenticeship hiring methods is an issue he has been involved in for several years. Explains he owns a two-person shop which he wants to hand down through apprenticeship to his children. Says the small shops have been forced by the government to participate in programs.
TAPE 73, B		
047	Clone	Explains how little businesses have been told how to work. Gives details on an apprenticeship program. Says the program in his area hired two women out of four who applied. Two-hundred and fifty men applied and six were hired. Describes the lists of possible apprentices and how it is made up.
117	Clone	Explains the reasons for keeping apprenticeships available to family members. Says regulations are too numerous for small businesses.
123	Randall Tile	Says they use the rank pool selection method which ranks applicants by previous experience, letters of recommendation, and military experience.
143	Tile	Explains the "point procedure" which could keep someone at the end of the list.
151	Clone	Interprets the proposed amendment, on page 3, to say the council has the ability to revoke. Says he does not believe the council represents his interest. Giving the council the ability to revoke at will is a concern. Wants to see different wording.

180	Chair Nelson	Asks for questions. Asks if prior to the pool selection if they were satisfied with the procedures.
193	Clone	Answers they were very happy with the process.
215	Trish Conrad	Western Advocates. On behalf of the Oregon Apprentice Coalition. Introduces Egge. Describes the coalition that represents 3,000 apprentices. States reasons for the coalition include fostering communication within and without the industry, and a common interest of apprenticeship. An additional benefit would be to create a more cooperative environment between the industry and BOLI.
250	John Egge	Owens a family plumbing company. Says the coalition supports SB 636. Says the language proposed satisfied SB 636 and SB 791. It does guarantee a committee will not need to seek approval of the council. Says the coalition has agreed upon the language.
285	Chair Nelson	Asks the parties to get together and work out language. Asks for questions.
291	Sen. Miller	Asks for the definition of a family business. It says one or more adult persons related by blood. Suggests saying "two" instead of "one."
310	Chair Nelson	Closes public hearing on SB 636. Opens work session on HB 2027.
<u>HB 2027 WORK SESSION</u>		
317	Chair Nelson	States it has been determined that the committee needs to refer this bill to Ways and Means.
321	Chair Nelson	MOTION: Moves HB 2027 to the floor with a DO PASS AS AMENDED recommendation.
322	Chair Nelson	Hearing no objection, declares the motion CARRIED.
		VOTE: 4-0 EXCUSED: 1 ñ Beyer SEN. NELSON will lead discussion on the floor
323	Chair Nelson	Closes work session on HB 2027. Opens public hearing on SB 480.
<u>SB 480 PUBLIC HEARING</u>		
330	Sharon Hill	Assistant to Sen. Avel Gordly. Explains how the Portland French Bakery, owned

		by Mike Garrett, was confronted upon moving the bakery, by the city of Portland. The bakery machinery which is foreign made was questioned and, as a result, the inspection cost Garrett \$6,000 in fees and stopped his business for a time. Says, by statute, the equipment is exempt, but the City of Portland has its own rules. Says some industries have similar situations in getting industrial equipment approved.
372	Hill	Explains foreign equipment. Asks, if similar equipment is operating, if this can be used to meet the standard. Wants to have quality inspections.
445	Chuck Mello	Manager, Conformity Assessment, Electrical Testing Incorporated. Opposes changes to SB 480. Explains conforming standards for similar equipment. Says the present statutes protect the public from safety hazards. Presents (EXHIBIT E) .
TAPE 74, B		
057	Mello	Continues explanation of inspecting equipment. Discusses what constitutes proof in certifying a product. Models must meet the product standards of inspection. Models of same number can be different according to assembler.
090	Roland LeVasseur	Underwriters Laboratories (UL). Opposes SB 480. Gives background on Underwriters Laboratories. Explains safety of equipment is based on specific standards, not comparisons. Certification of one product does not mean that a second piece of similar equipment is safe. Presents (EXHIBIT F) .
114	LeVasseur	Underwriter Laboratories believes current statutes provide safety standards.
127	Chair Nelson	Asks for questions.
133	John Gervais	National Electrical Contractors Association. Says the equipment in the Portland Bakery that caused a problem was made in Germany and is quite different from what the City of Portland knew. Introduces Nathan Phillips and Bob Gotham.
164	Nathan Phillips	Oregon Electrical Board and electrical contractor. Gives background on equipment from foreign countries whose standards may be unlike those in the United States. Says this bill would have a problem determining "sufficiently similar." Opposes SB 480.
184	Bob Gotham	Oregon Electrical Board. Opposes SB 480. Says the premise behind the codes is to protect life and property. Refers to the German equipment in question. Says the words "sufficiently similar" are too vague. Testing is the answer to inspection questions.
237	Dana Roberts	Manager, Statewide Services Section, Building Codes Division (BCD). Explains that the BCD believes that industrial electrical equipment needs to be field evaluated or tested through a testing laboratory. Recommends that interested members get together to overview the two bills and decide on statutory changes.

		Presents (EXHIBIT G) .
245	Gary Wilson	Explains Underwriters Laboratory (UL). Federal law states that all equipment in the working place must be approved by National Recognized Testing Laboratory (NRTL). In addition, Oregon has its own standards. The "exceptions" have no standards. Recommends that a procedural process be arrived at.
280	Staff	Presents (EXHIBIT H) .
283	Chair Nelson	Asks the parties to get together in the interim. Adjourns meeting at 2:50 PM.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

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EXHIBIT SUMMARY

A ñ HB 2059, -1 Amendments, Staff, 1 p

B ñ SB 411, written testimony, Bev Holzman, 2 pp

C ñ SB 636, written testimony, Shawn Miller, 2 pp

D ñ SB 636, written testimony, Emerson Smoker, 2 pp

E ñ SB 480, written testimony, Chuck Mello, 2 pp

F ñ SB 480, written testimony, Roland LeVasseur, 1 p

G ñ SB 480, written testimony, Dana Roberts, 1 p

H ñ HB 2027, written testimony, Association of General Contractors, 1 p