

# AOI BUSINESS VIEWPOINT

Q1 2011 / Manufacturing

## MANUFACTURING IN OREGON TAKES TENACITY

Why are many manufacturers sticking it out and doing business in Oregon?  
Page 8

**ARE YOU IN COMPLIANCE?**  
Recent FLSA changes are highlighted  
Page 16

**AOI QUARTERLY REPORT**  
Oregon Legislature is Open  
... But for Business?  
Page 20

### Manufacturing creates jobs

Products made here are sold elsewhere, generating more wages, taxes and employment opportunities in other services and business segments.

Associated Oregon Industries  
1149 Court Street NE  
Salem, Oregon 97301-4030



[www.aoi.org](http://www.aoi.org)



# Providence Health Plans, **#1 most admired health care company.**

**To our members and  
our employers, we provide  
health insurance. Above all,  
we provide peace of mind.**

**Learn how Providence Health Plans can  
make a difference for your organization.**

**[www.providencehealthplans.com](http://www.providencehealthplans.com)**

Oregon businesses recognized Providence Health Plans as the #1 most admired health care company in Oregon. To rank first among health care companies demonstrates how we're a different kind of health plan.

As part of an integrated health system, Providence Health Plans provides our members with local customer service, a broad network of health care providers, an award-winning disease management program, a 24-hour nurse advice line and worksite wellness tools.



# AOI BUSINESS VIEWPOINT

Q1 2011 / Manufacturing

AOI: UNITING OREGON BUSINESS

## CHAIRMAN'S LETTER

# 7

Our Time of Promise

## MANUFACTURING

# 8

Manufacturing In Oregon Takes Tenacity

Meeting the challenge with hard work and higher ed

## BUSINESS PLAN

# 14

Oregon Business Plan

Something feels different this time.

## WORKFORCE

# 16

Are You In Compliance With New Employment Provisions?

Employers should immediately incorporate these new laws into their policies and practices



*Manufacturing has the highest forward multiplier effect of all sectors.*

*Courtesy of Union Pacific Corporation*

## EDUCATION

# 18

How To Lower The Risk of a Bad Hire

How the Oregon's National Career Readiness Certificate (NCRC) helps you.

## AOI QUARTERLY REPORT

# 20

The 76th Legislative Assembly is now in session. What's the early look?

## JOIN AOI

Experience the opportunity to unite with other business leaders to affect the business climate in Oregon. AOI is comprised of large and small members from all business classifications in Oregon that create a voice listened to by legislators and regulatory agencies. It has been that way for over 113 years.

**Contact:** [members@aoi.org](mailto:members@aoi.org), 503-588-0050 ext: 701

*AOI Business Viewpoint is written for high-expectation business leaders who believe the business environment of Oregon affects decision making for their organization's strategies and profitability.*

# AOI BUSINESS VIEWPOINT

THE OFFICIAL PUBLICATION of  
ASSOCIATED OREGON INDUSTRIES

**CHAIRMAN of the BOARD**  
Howard D. Werth

**PRESIDENT**  
Jay M. Clemens

**PUBLISHER**  
Community Newspapers, Inc.  
AOI member 9 years

**EDITOR-IN-CHIEF**  
Bob Richmond

**ASSOCIATE EDITOR**  
Katie Christensen

**PUBLICATION DESIGNER**  
Pete Vogel

**PRINTER**  
Journal Graphics  
AOI member 12 years

**PAPER**  
West Linn Paper Company  
AOI member 10 years

**SEND ADDRESS CHANGES TO:**  
AOI Business Viewpoint  
1149 Court St. NE  
Salem, OR 97301-4030  
P: 503.588.0050  
e-mail: [aoi@aoi.org](mailto:aoi@aoi.org)  
web: [www.aoi.org](http://www.aoi.org)

**ADVERTISING**  
Micaela Kinish  
Community Newspapers, Inc.  
503.546.9886

**PRODUCTION**  
Don Atwell  
Community Newspapers, Inc.  
503.492.5132



## IN THIS ISSUE

### Contributors

#### CONTRIBUTING WRITERS



##### **Greg Eiden**

Greg is a veteran of the Oregon writing scene. Primarily writing in marketing, business and advertising, he has written extensively

for companies such as Columbia Sportswear, WARN Industries and PGE. He is also the author of "Northwest Basic Training," a book with humorous look at life in the Northwest.



##### **Jean Back**

Jean Back is an attorney at Schwabe, Williamson & Wyatt and focuses her practice in the areas of labor and employment and general litigation.

Jean can be reached at [jback@schwabe.com](mailto:jback@schwabe.com).



##### **Dave Williams**

Dave Williams is Vice President of Utility Services for NW Natural and chairs The Oregon Workforce Investment Board and Oregon's National Career

Readiness Certificate Implementation Team. For more information, including success stories from Oregon employers utilizing Oregon's NCRC, and to find a local NCRC representative, please visit [www.OregonNCRC.org](http://www.OregonNCRC.org).

#### CONTRIBUTING PHOTOGRAPHER



##### **Jonathan House**

Jon is a freelance editorial photographer based in Portland, Oregon. He has spent ten years working as a newspaper photojournalist

including, The Daily Herald (Chicago), The Aurora Beacon News, The Bend Bulletin, The Portland Tribune and the Community Newspaper Group.

### Members in this issue

**Crimson Trace Corporation**  
Member Since 2010

**Leatherman Tool Group, Inc.**  
Member Since 2000

**Leupold & Stevens, Inc.**  
Member Since 1991

**NW Natural**  
Member Since 1961

**Oregon Freeze Dry, Inc.**  
Member Since 1972

**Schwabe, Williamson & Wyatt**  
Member Since 1969

© 2011, Associated Oregon Industries, Inc. All rights reserved. AOI BUSINESS VIEWPOINT and its logo are trademarks of Associated Oregon Industries, Inc. The views expressed in the articles are those of the authors. No part of this publication may be reproduced in any form without permission in writing from the publisher.



# AOI MISSION MEMBERS

AOI Mission Members actively support and embody the AOI Mission: To promote prosperity and the highest quality of life for all Oregonians by advancing Oregon business. By being an AOI Mission Member, these companies and their employees express a belief in the free enterprise system and encourage the economic vitality of Oregon.

The AOI Mission Member's generosity helps the entire Oregon business community. If you would like more information about becoming an AOI Mission Member, please contact AOI [www.aoi.org](http://www.aoi.org), [members@aoi.org](mailto:members@aoi.org) or 503-588-0050.

## WELCOME: NEW MISSION MEMBERS

### **Bruce Packing Co. Inc.**

Mr. Jake de Soto, HR Generalist  
[www.brucepac.com](http://www.brucepac.com)

### **Leupold & Stevens, Inc.**

Mr. Howard Werth, CFO & Treasurer  
[www.leupold.com](http://www.leupold.com)

### **Medelez, Inc.**

Mr. Benito Medelez, President

### **Perkins Coie LLP**

Mr. Tom Lindley, Attorney at Law / Partner  
[www.perkinscoie.com](http://www.perkinscoie.com)

### **Regence BlueCross BlueShield of Oregon**

Mr. William Barr, Exec Vice President  
Health Care Operations  
[www.regence.com](http://www.regence.com)

### **The Standard**

Mr. Justin Delaney, Vice President,  
Corporate Legal & Public Affairs  
[www.standard.com](http://www.standard.com)

## THANK YOU: AOI MISSION MEMBERS

Academy of Hair Design  
A-dec, Inc.  
Adams, Hull + MacCluer, Inc.  
AM:PM PR, LLC  
American Chemistry Council  
Aon Risk Services, Inc. of Oregon  
Arjae Sheet Metal Co., Inc.  
Ash Grove Cement Company  
Barran Liebman LLP

Blue Heron Paper Company  
Bridgewater Group, Inc.  
Bruce Packing Co. Inc.  
Burns Bros., Inc.  
Care Medical Equipment, Inc.  
CareOregon, Inc.  
Carestream Health, Inc.  
Carlson Chevrolet Co  
Cascade Corporation  
Cascade Steel Rolling Mills, Inc.  
Chevron  
Christopher K. Robinson, P.C.  
Community Management, Inc.  
Conkling Fiskum & McCormick  
Daimler Trucks North America LLC  
Darigold, Inc.  
Datalogic Scanning, Inc.  
Duckwall Fruit  
Dyno Nobel  
ENTEK International LLC  
ESCO Corporation  
Evraz Inc. NA  
Freres Lumber Co., Inc.  
General Distributors, Inc.  
Hanard Machine, Inc.  
Harrang Long Gary Rudnick P.C.  
Harry Ritchie's Jewelers, Inc.  
Healthcare at Foster Creek  
Hoffman Corporation  
Independent Dispatch, Inc.  
J.R. Simplot Co.  
J. W. Kerns Irrigation  
JAE Oregon, Inc.  
K & H Enterprises Inc.  
Kahut Waste Services, LLC  
Key Technology, Inc  
Kuni West Slope Motors  
Leupold & Stevens, Inc.  
LG International  
LifeWise Health Plan of Oregon

Lochmead Dairy, Inc.  
Medelez, Inc.  
Moss Adams LLP - Portland  
National Frozen Foods Corporation  
NORPAC Foods, Inc.  
NW Natural  
Oregon Freeze Dry, Inc.  
OSU Bookstore, Inc.  
PacifiCorp  
Perkins Coie LLP  
Phillips & Company  
Providence Health & Services - Oregon  
Qwest Communications International, Inc.  
Regence BlueCross BlueShield of Oregon  
Reynolds American Inc.  
Saalfeld Griggs, PC  
Schwabe, Williamson & Wyatt, PC  
Siltronic Corporation  
Silver Eagle Manufacturing Company, Inc.  
State Farm Insurance  
The Papé Group, Inc.  
The Standard  
Tillamook County Creamery Ass'n  
Townsend Farms, Inc.  
Tyree Oil, Inc.  
Union Pacific Railroad  
USHIO America, Inc. Oregon Operations Div.  
Weinmann Painting, Inc.  
West Linn Paper Company  
Wildish Land Co.  
Windedahl, Rangitsch, Groeneveld & Norton, LLC



**Unpredictable:** Which company's workers will need workers' comp



**Predictable:** Where you can get it for the best value

For over 20 years, AOI has teamed with SAIF to make Oregon a safe place to work and offer qualified members workers' comp discounts ranging from 2% to 16% through the AOI CompSAFE program.

Then there's the added member benefit of the advocacy AOI does to improve the Oregon business climate. Great discounts. Advocacy for your business. Powerful reasons to be an AOI member.

Powerful reasons to contact your business insurance agent, SAIF Corporation (888-598-5880) or [servicecenter@saif.com](mailto:servicecenter@saif.com). Ask about AOI CompSAFE. Or, contact 503-588-0050 if you need information about AOI membership.



**Tipping the balance sheet in your favor**



1149 Court Street NE  
Salem OR 97301  
503.588.0050  
[www.aoi.org](http://www.aoi.org)

## Our Time of Promise



**HOWARD WERTH**  
 AOI Chairman of the Board  
 CFO and Treasurer,  
 Leupold & Stevens, Inc.

This is my first opportunity, since my election at the AOI Annual Meeting late last year, to write the Chairman's Message in the AOI Business Viewpoint magazine. Being elected Chair of Oregon's oldest, largest, statewide comprehensive business association is, I admit, a bit daunting. Looking back at my predecessors it struck me that each was an impressive, hardworking leader who seemed to be just the right person at just the right time. They have done a wonderful job. Although I can only hope to be as effective, I promise you I will be just as dedicated.

There will be future AOI Busi-

ness Viewpoint articles dealing with the many issues facing the business community, but I want to share a broader view in my first message. I believe Oregon's business community, and AOI members specifically, are entering into a time of great promise and opportunity. We have faced hard times, economically and politically, but we learned valuable lessons. As a result, the business community has begun the process of growing into the most powerful force in the state for prosperity and change. We cannot afford to lose this momentum. To keep it going, to build on it, will take three things: commitment, unification, and mobilization.

Perhaps it was Measure 66/67, or the difficulties of the 2009 Legislative Session, or the prolonged and deep recession, or maybe it's just the right time, but I sense that the people of Oregon's business community are committed to change. For certain, some of this is the "I'm as mad as Hell and I'm not going to take it anymore" kind of change. But I believe it is more than simply wanting things to stop getting worse. It is much more positive. There is a commitment to make things better—better for business, better for schools, better for our children. The time has come. No area of Oregon's economy better reflects

that the time has come than our manufacturing sector. As the article in this issue describes, manufacturing in Oregon takes tenacity. From that tenacity, comes the commitment to address the challenges to make Oregon better.

Unifying the business community has been a high priority of past Chairs and I intend to make it mine, also. AOI works in close cooperation with nearly every other significant business organization in the state. We now have representatives of local Chambers on our Board, and we have initiated business community-building programs such as the Prosperity Project. If you visit Salem during the legislative session, you will find that our AOI office is something pretty close to an unofficial Capitol annex for the business community. The meeting rooms are booked—with AOI often acting as a convener and coordinator. We go through an enormous amount of Boyd's Coffee.

This is great progress, but we are only partway there. Thousands of businesses, large and small, need to be told how they can become the key to their own success—by their unifying with others in the business community—especially through AOI.

But most crucial, is mobilization. In short, action wins the day. We have made great strides, as

witnessed by members willing to participate in AOI policy committees, contact legislators, and contribute to the AOI PAC—now one of the largest business PACs in the state. But if there is one lesson we must always remember, it is this: if we don't put actions behind words, we court disaster.

One of my priorities will be to encourage every member to take some action to contribute to our efforts. Everyone can do something. The fact that you are a member helps immensely. Business people can also contribute to an AOI-endorsed candidate or the AOI PAC, respond to requests to contact legislators and we can all encourage our colleagues at the local barbecue or club to find out more about AOI. Believe me, there will be ample opportunities.

Last, and most important, I want to thank you for being an AOI member. Large or small, your business has joined with 1,600 others, comprising tens of thousands of Oregonians who believe we can unite to unleash the power of free enterprise. I believe you are the promise for Oregon, and the promise looks bright.

## Giving back

"It's important to me that Leatherman give back to the community by providing jobs and contributing to our local economy."

– Tim Leatherman, founder Leatherman Tool Group



Photo by L.E. Baskow

# MANUFACTURING IN OREGON TAKES TENACITY

## Meeting the challenge with hard work and higher ed

By Greg Eiden

Oregon stands at a crossroads. Crushing unemployment lingers. The state faces multiple financial crises. Funding higher education continues to be a major challenge. And it's all within a tax structure that many manufacturing concerns consider tough on business, if not flat-out anti-business.

Even in that milieu, Oregon's manufacturing industry is not only fighting for its life, it's digging in and working to expand sales and yes, jobs.

However, state trends show it will be 2018 before we're close to the 2008 levels for manufacturing jobs.

Manufacturing firms doing business in Oregon also face a problem companies are encountering nationwide: Labor cost disparities are so high they've driven many manufacturers to ramp up production outside the U.S.

### Global labor costs

U.S.	\$32.36
Singapore	\$18.77
Korea	\$16.27
Taiwan	\$8.68
Mexico	\$4.04
China	\$1.80-\$3.09
Philippines	\$1.68

Cheaper labor, however, comes with a price. Defects and delays, and even stolen trade secrets are big problems.

Why, then, are many manufacturers sticking it out, and doing business in Oregon?

### Oregon Employment Forecast

	2008	2018
Total payroll employment	1,765,900	1,926,200
Education & health services	219,500	269,300 (+23%)
Leisure & hospitality	173,100	194,600 (+12%)
Manufacturing	195,400	190,100 (-3%)

Source: Oregon Employment Department, Oregon Labor Trends, December 2009

### A Commitment To Oregon

Jake Nichol, President and CEO of Leatherman Tool Group, Inc., believes in the strong commitment to keep their manufacturing business in Oregon that he and founder Tim Leatherman have made. For them, producing in Oregon is a priority.

Of course some of the difficulties, such as labor costs, won't go away and must be addressed. As China becomes better able to produce costs with increased quality, the issue is exacerbated. The Leatherman management team has worked hard to deal with that labor cost gap, and has even created lower price point products to address it.

"Leatherman is always working on new ways to do what we do in Portland and keep a competitive price. We introduced the Wingman multi-tool to show we can create quality products priced to compete with those produced in China, while doing much of the engineering, assembly and manufacturing here in Oregon," Nichol said.

Such commitment to quality, hard work and innovation are attributes Oregon manufactur-

ers must continually demonstrate to compete in today's challenging environment.

### Oregon Pride, And Innovative Thinking, Yields Higher Quality

Howard Werth, CFO of Leupold & Stevens, Inc., points to the ongoing quality and workmanship of Oregon workers as a necessary component of the overall Leupold business model. The precision and ultra-high quality of Leupold products simply demands human interaction, and a high-degree of quality control. "Much of the machining of aluminum tubes is done in Oregon, as well as engineering and corporate functions," Werth said. Leupold manufactures rifle and spotting scopes, as well as binoculars.

Crimson Trace Corporation (CTC) President Lane Tobiassen notes similar needs in the production of his company's grip-activated laser sight products for the firearms market. "With our laser sight products, improved technology won't replace many of our production functions that require very hands-on manual skills. They require dexterity and judgment



*Leupold & Stevens believes the ongoing quality and workmanship of Oregon workers is a necessary component of the overall Leupold business model. Photo courtesy of Leupold & Stevens*

that's just not possible with mechanical assembly," Tobiassen said.

Advanced technologies applied where they make sense, however, are leading Crimson Trace and others down a more productive path.

### **Technology Breeds Efficiency, Which Ultimately Yields Jobs**

Smarter manufacturing strategies and advanced technologies used by many of Oregon's key manufacturing concerns lead to better efficiencies. It helps them expand their capabilities, sometimes through the use of lean processes and systems.

According to Nichol, several things are central to the Leatherman lean process.

Workflows are better organized. Waste is found and promptly eliminated. Lead-time reductions help get products to market faster. And, it is critical to effectively teach and train

people.

Tobiassen said that being more efficient in manufacturing, through common parts usage, better planning and precise supply timing, often leads to fewer hours needed to achieve the same output.

"Better productivity has enabled us to move assembly jobs from surrounding areas into Oregon. For example, we eliminated 200 sub-contractor jobs elsewhere and moved those functions here," Tobiassen said.

Along with advanced technology, such refinement in Oregon manufacturing efficiency may seem to require fewer jobs, but, it could be argued, may ultimately lead to more job creation. These other job creations come in the form of vendors and contractors needed to manufacture many of the parts Oregon manufacturers use in their more efficient, updated processes.

For example, Leupold's Werth observed that in order to accommodate a business spike from, say, a new military contract, it could lead to outsourcing products in the local area and using temporary workers to quickly fill inventory needs.

Such overflow "outsourcing," or trickle down manufacturing jobs, were also mentioned by Tobiassen. "Take the example of the mold companies we use," he said. "They are local. Crimson Trace relies on the assistance of these local companies for raw materials. As we grow, they grow."

### **Possible Training Program Inspired By Germany**

Jake Nichol also likes to talk about the *Oregon Manufacturing Workforce Strategy* to "create industry-specific and regional based centers" of manufacturing activity across the

***“Better productivity has enabled us to move assembly jobs from surrounding areas into Oregon. For example, we eliminated 200 subcontractor jobs elsewhere and moved those functions here.”***

— Lane Tobiassen, President, Crimson Trace Corporation (CTC)

state and leverage resources and share best practices. Its particular focus is on being proactive, promoting education and countering negative opinions and a perceived lack of a trained workforce.

Not afraid to tackle the need for more well-educated and well-trained workers head-on, Nichol is intrigued by the many high quality tool-and-die makers and engineers BMW consistently turns out in Germany. “They continually make progress in engineering and machinist training,” Nichol said. “I could see Leatherman starting such an apprenticeship program.”

While there has been a call for better state funding for education and workforce training, in some ways industry has taken the matter into their own hands.

#### **Top Minds Needed: Industry Invests In Our Future**

Oregon has an opportunity to take the lead, rather than lag behind, when it comes to developing a world-class workforce. If innovation and new product development at companies like Leatherman, Leupold and Crimson Trace are going to continue to drive success, they’ll need more access to a well trained, highly educated engineering force.

“A more vibrant state economy begins with a more robust,

trained, educated workforce,” Werth commented.

Tobiassen said that finding the right engineers to fuel growth is tough. “Every year, recruiting seems to take longer. It’s not as much of a challenge finding skilled workers as it is finding talent on the engineering side... the talent’s there, it’s just been more difficult.”

Toward that end, many of Oregon’s top manufacturing firms have co-funded a successful internship program to create internships and help develop top-flight engineers.

#### **Multiple Engineering Co-Op Program (MECOP)**

The hub of the education/training wheel serving Oregon manufacturers just may be the *Multiple Engineering Co-op Program* (MECOP). It embraces engineering and management students from Oregon State University, Oregon Institute of Technology and Portland State University.

Program director Gary Petersen said “We recently helped place more than 420 students in engineering internships with many of the state’s top manufacturing firms.”

“It’s an atypical internship. The biggest winners are the students. But the second winner is industry, with a pool of talent that can be



## **How many lawyers does it take to achieve your goals?**

**The answer is one. Or as many of us  
as you need to meet your objectives.**

At Hershner Hunter you will have direct, efficient access to an individual attorney in one of our many specialized practice areas. And when you need to, you can draw on the breadth and depth of one of the area’s largest and most respected business law firms. Whether you’re a small start-up or a growing area employer, an individual or a multi-national corporation, we practice law the way you do business: with the big picture in mind and an eye on the bottom line.

Keep going and keep growing. And leave your legal issues to us.

541-686-8511  
[www.hershnerhunter.com](http://www.hershnerhunter.com)

**HERSHNER HUNTER**  
LLP

*“A more vibrant state economy begins with a more robust, trained, educated workforce.”* — Howard Werth, CFO and Treasurer, Leupold & Stevens, Inc.



*Manufacturing pay premium in Oregon was 34% over annual compensation averages for the rest of the Oregon workforce, according to the National Association of Manufacturers' calculations. Photo courtesy of Leupold & Stevens*

depended on," Petersen continued.

The goal: turning out the highest quality engineers possible for the Northwest workforce.

With turnover being a huge expense for most companies, internship and training programs such as MECOP have proven invaluable, both to the students, and to the manufacturing sector.

**Education: The Foundation of Manufacturing Growth**

"The only way we'll compete in the U.S. is to outthink the rest of the world," said Fred Vetter, VP of Manufacturing at Oregon Freeze Dry.

To do that, Oregon must expand the ways it can accommodate and train the engineers and technicians of tomorrow. "MECOP has been wonderfully successful. It shows how business and industry have effectively taken the lead," Vetter pointed out.

And while degreed engineers are a huge need, it's outstripped by growing demand for technicians, machinists, tool-and-die operators and maintenance professionals. "To be successful, every engineer needs a dozen good technicians," Vetter believes. He has been instrumental in helping develop that technical savvy. With his help, Linn-Benton Community College developed an innovative program to help educate the kinds of technicians required to enable technology.

The Linn-Benton Community College program is called Mechatronics (the word is from a combination of "mechanics" and "electronics"). Still in its infancy, Mechatronics is the type of program that needs to be nurtured and encouraged with state support. It's symbolic of the type of positive thing Oregon needs to be known for, rather than the dearth of negative feelings surrounding the state business climate.

**Tax Structure: Barrier to Business, Ammo For Other States?**

Fueled by the fact that Oregon passed the toughest water purity laws in the nation and tax Measures 66 and 67, neighboring states have been particularly emboldened to try and poach manufacturing businesses from Oregon.

Howard Werth wonders what message we



*Jake Nichol, President and CEO of Leatherman Tool Group, Inc., believes "We need to let free enterprise work. Don't encumber business with excessive government regulation."*

send business with Oregon's tax structure, and its incumbent difficulties. "You have to wonder 'what are we telling people here?' At times it feels like a very mixed message," he said.

The actual tax implications unleashed by the passage of Measures 66 and 67 was perhaps overshadowed by the way it has emboldened neighboring states. Since their passage, aggressive administrations in other states frequently come knocking on the doors of Oregon business.

Werth said, "We want to retain Oregon jobs, versus folding to the pressure to move out of state." And that pressure has been relentless, particularly from Idaho, Washington, Tennessee and Kentucky.

His belief is that confusion associated with the passage of the tax measures could have been stemmed somewhat with better communications from government about what programs mean, and what the implications truly are, both for individuals and manufacturers.

"Really, we need better ongoing communication with the public at large from the state," Werth noted.

**Charting a Proactive Course for Growth**

At this point, what the new Kitzhaber administration will do to incent the growth of

manufacturing is unclear. Early indications are that he may continue pursuits of green energy initiatives. But some wonder if we're ready for that kind of investment.

"Green industry incentives are okay, but only if there are enough customers demanding their products. Front-end tax abatements are fine, but just be sure that on the back-end there are enough customers to justify it," Tobiassen said.

Regardless of which way Oregon's tax structure or state incentive programs are headed, manufacturers seem to be in agreement on what's needed now.

- Education funding for engineering programs
- Expanding technical training programs and education
- Ongoing efforts to make tax-structures more business friendly

Noting the way government tends to become over-involved in business, Jake Nichol had one final request that summed up how many manufacturers feel: "We need to let free enterprise work. Don't encumber business with excessive government regulation."



*Governor Kitzhaber redoubled his commitment to jobs in a February 16 meeting with manufacturers on Swan Island.*

# OREGON BUSINESS PLAN

## Something feels different this time

*By Jeremy Rogers*

When leaders gathered on December 13, 2010 for the 8th Oregon Leadership Summit, something was different than in years past. There was little sugar-coating, and private and public sector leaders sounded remarkably similar when discussing what is needed to address Oregon's economic and budgetary woes. This was a far cry from the previous year when the Summit didn't happen, in part because business and elected leaders were sparring over the tax increases on the January 2010 ballot.

One reason for the greater sense of unity was the work that went into putting this year's Business Plan and Summit together. Patrick Reiten, this year's OBP Chair, led nearly 20 meetings with business and community leaders up and down I-5, U.S. Highway 97, Eastern Oregon and the Coast. Duncan Wyse of the Oregon Business Council and Jay Clemens from AOI helped facilitate.

At the Summit, Governor-elect John Kitzhaber described Oregon's current path as "death spiral." He embraced the Oregon Busi-

ness Plan goals of 25,000 new jobs per year and per capita income above the national average by 2020, and offered ideas to redesign the way we deliver public education in order to meet the demands of the 21st century economy with the scarce dollars we have available. The Governor also announced his intent to meet with Business Plan leaders, labor leaders and key legislators in advance of the Legislative session to begin taking action on the Oregon Business Plan job creation initiatives.

Just over two months later, the level of focus and collaboration remains strong. This year, on January 11, Governor Kitzhaber met with the Business Plan Steering Committee, including AOI President Jay Clemens, and other public and private leaders to prioritize a first set of actions, including promoting biomass energy, supporting the Oregon Innovation Plan, launching an initiative to retrofit Oregon schools, making more industrial lands quickly available, and taking a fresh look at the water withdrawal policy on the Columbia River for Eastern Oregon agriculture. All of these were key recommendations of the Oregon Business Plan.

The Governor redoubled his commitment to jobs in a February 16 meeting with manufacturers on Swan Island. At that meeting the Governor announced details of his plans for a capital gains rollover for Oregonians who re-invest those gains in Oregon companies, and rolled out industrial lands legislation with Senate Transportation and Economic Development Committee Chair Lee Beyer.

The Legislature is also moving forward on the jobs front: legislation to fix the removal-fill permit process for linear transmission and transportation facilities is moving forward in the House.

The Senate has already passed legislation to reconnect to the federal tax code.

The focus on jobs and business climate issues is refreshing, but progress isn't limited to the jobs front: Governor Kitzhaber's budget is equally impressive. The Governor's budget is based on revenues available, and makes no mention of cuts to "current service levels." The Governor has proposed long overdue reforms to the state's education system, including the creation of an Education Investment Board that would help direct investment across the Pre-K-20 continuum, replacing the lobby-driven silo approach we have today. The Governor's budget would move the Superintendent of Public Instruction from an elected position overseeing the Department of Education to a "Chief Investment Officer" in the Governor's office overseeing the Pre-K-20 budget.

So far these education reform ideas have been received well, at least in the Senate. The

Senate Education and Workforce Development Committee, led by Chair Mark Hass and Vice-Chair Frank Morse, have passed a series of bills that support the Governor's vision. This includes the adoption of the Oregon Business Plan 40-40-20 education goals, and reforms that allow students to move more seamlessly at their own pace between high school and college courses. The Committee has also heard bills on making the Superintendent of Public Instruction a Chief Investment Officer in the Governor's office, and for providing the Oregon University System more flexibility to meet its goals.

Warning: Before anyone gets too optimistic, it's important to recognize that it is still very early in the session. The real debate over the budget has not begun, and we still have two more revenue forecasts before the Legislative session

ends. The March forecast shows revenues down \$100 million from the assumptions built into the Governor's budget. There are also a lot of bills out there that are bad for business.

Still, there is something clearly different this time. The Governor's budget was well received by Republicans in both houses, Democrats are helping to lead the charge on issues like industrial lands, and there is even traction on a proposal to build a more robust rainy day fund drawing from the best Republican and Democratic ideas.

How long will the honeymoon last? It's not clear, but maybe the "Great Recession" has done more than make us poorer—perhaps it has also made us wiser.

## GUIDING EMPLOYERS THROUGH LAWS AND REGULATIONS



Compliance and legal requirements can seem like a maze. Don't get backed into a corner. Consult with us.

*Good Advice for Good Employers*

**BARRAN LIEBMAN**<sup>LLP</sup>

A T T O R N E Y S

503.228.0500 • BARRAN.COM

# ARE YOU IN COMPLIANCE WITH NEW EMPLOYMENT PROVISIONS?

Employers should immediately incorporate these new laws into their policies and practices

*By Jean Back*

Changes to the Fair Labor Standards Act ("FLSA") that require employers to provide lactation breaks to nursing mothers and new regulations for the Genetic Information Non-discrimination Act ("GINA") could catch some employers by surprise. The FLSA's new lactation break requirements may surprise some employers because it applies to employers who do not fall under Oregon's lactation provision. The new GINA regulations may also surprise some employers because the regulations require employers requesting medical information for legal purposes to include a specific warning not to provide genetic information. This article will highlight these recent changes.

## 1. New FLSA Lactation Provision

The Patient Protection and Affordable Care Act ("PPACA"), which took effect on March 23, 2010, amended the FLSA to require that employers provide "reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk." This new break time is unpaid and applies only to nonexempt employees. Employers must provide a location other than a bathroom that is shielded from view for employees



*The FLSA's new lactation break requirements may surprise some Oregon employers.*

*Dreamstime photo*

to express breast milk. This location can be an empty office, or a corner of a room with screens or other devices that provide privacy. This new provision applies to all employers with up to 50 employees unless the employer can establish undue hardship in supplying the break. It applies to all employers who have more than 50 employees with no undue hardship defense.

Oregon also has a lactation break provision that applies only to employers with 25 or more employees. Oregon's provision applies to non-exempt employees, and to employees who are exempt under the administrative, professional, or executive exemptions. Oregon's provision requires that employers provide lactation breaks for 18 months from the child's birth, as opposed to the one-year federal rule. Oregon's law requires two 30-minute rest breaks in an 8-hour period, in addition to a 30-minute meal break, whereas the federal version requires breaks as needed. In Oregon, the 30-minute lactation break can be combined with the paid 10-minute rest break, leaving 20 minutes of unpaid break time. Employers must apply the provisions of each law that is most favorable to the employee. For most employers with 25 or more employees, this will mean applying the Oregon provision. But employers with less

than 25 employees must provide the federal break rules unless an undue hardship exists.

**2. The New GINA Provision**

Title II of GINA applies to all employers with 15 or more employees and prohibits the use of genetic information in employment decisions, restricts employers from requesting, requiring, or purchasing genetic information, and strictly limits the disclosure of genetic information.

Under the EEOC's proposed rules, the acquisition of genetic information resulting from an inquiry about an individual's current health status would be considered inadvertent if the request was lawful. But, the final rules, effective on January 11, 2011, provide that employers must warn the employee or health care provider not to supply genetic information in response to a medical inquiry, such as one under FMLA or the ADA. The method of providing the warning must be "reasonably necessary" to ensure that the warning is understood by employees or doctors submitting health-related information to the employer. The final rule provided the sample of a legally sufficient warning:

"The Genetic Information Non-discrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to this request for medi-

cal information. 'Genetic Information' as defined by GINA includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services."

Providing this general warning in an ADA or FMLA policy may suffice, but the EEOC guidance on the final rule suggests that the best way to provide this notice is to include it in every request that an employer makes for medical information for example, under FMLA or the ADA. As a result, savvy employers will provide this notice in cover letters to employees with every medical certification request under OFLA, FMLA, and the ADA. It also is advisable to include the warning in any policy that requires that the employee provide verification of the medical need for absence.

Don't be caught off-guard by these new important provisions. Employers should immediately incorporate these new laws into their policies and practices.

*Jean Back is an attorney at Schwabe, Williamson & Wyatt and focuses her practice in the areas of labor and employment and general litigation. Jean can be reached at [jback@schwabe.com](mailto:jback@schwabe.com).*

# Get Sharp Job Candidates...

Great service - no charge

- Powerful online recruiting
- List openings 24/7
- Find workers by skills

WorkSource Oregon is an equal opportunity program.



[www.iMatchSkills.org](http://www.iMatchSkills.org)

# HOW TO LOWER THE RISK OF A BAD HIRE

Oregon's National Career Readiness Certificate (NCRC) helps by verifying a job applicant has important foundational skills in place and is ready to work.

*By Dave Williams*

Oregon is at a critical stage in recovery. Hiring is beginning to pick up. In the next year alone, an anticipated 30,000 jobs will open across a wide range of industries. With six unemployed Oregonians for each job vacancy, matching the right applicant to each job is going to take time. Employers, small business owners in particular, will be challenged to deal with a larger than usual pool of applicants and a smaller than usual ability to absorb the cost of a bad hire. Oregon's National Career Readiness Certificate (NCRC) is one tool that helps by verifying a job applicant has important foundational skills in place and is ready to work.

At NW Natural, I've faced many of the same questions about the NCRC that other employers will have: Does it work? Will I be able to meet my hiring goals without limitations? Is it for my company? For us, the answer to all these questions has been "yes." As the Oregon Workforce Investment Board chair, and as chair of Oregon's NCRC Implementation Committee, I also see the value of the NCRC in its role as a workforce development tool for Oregon.

I know the NCRC works; the NCRC provides in-depth documentation of skills. NW Natural has utilized the certification assessments



to guide internal promotions for years, and we now prefer that all job applicants have an NCRC. The certificate validates applied foundational skills in reading, applied math and locating information. Certificates are awarded at the levels of Bronze, Silver, Gold and Platinum. Higher levels indicate readiness for a greater percentage of jobs.

The NCRC doesn't just help employers. It can also serve as an important tool for job applicants. If a job candidate has earned a Silver certificate and the job they are seeking needs Gold level skills, they know where they need to work to increase their skills. Many people

have said earning an NCRC gave them greater confidence in what they have to offer an employer. Anything that helps unemployed workers regain confidence in their skills is especially valuable during this time of high unemployment and intense competition.

In my experience, when used as a hiring preference, the certification only has upsides. We have improved our hiring and retention rates. If a new employee doesn't succeed, it's not because they don't have the foundational skills to learn the job. And, notably, the NCRC hasn't gotten in the way of meeting, and exceeding, our goals for a diverse workforce. There is no cost to prefer applicants with a certificate and it doesn't create any restrictions on hiring. It's important to recognize that the NCRC doesn't work in a vacuum. When it's preferred as one of many other factors, it becomes a valuable data point when reviewing applicants.

Is Oregon's NCRC going to work for every employer? One of the benefits of having local workforce experts involved in designing and delivering Oregon's NCRC is that they can speak to the unique needs of an area's employers and help determine if the NCRC is right for an organization. To provide consistent access

to NCRC services, the statewide network of WorkSource Oregon (WSO) centers serve as the front door to the NCRC. Any employer or individual calling or coming into any WSO center will receive assistance to access local NCRC services.

The NCRC is being used nationally by small, medium and large employers across a variety of industries. Both union and non-union companies have found the NCRC a valuable tool. At Northwest Natural, about 70 percent of our employees belong to the Office & Professional Employees International Union (OPEIU) Local 11. We have our labor partner's support in using the assessments and the NCRC because their main interest is the success of their members.

I'm optimistic about the potential the NCRC has in Oregon as a tool for workforce development. Oregon's NCRC is being guided by a strong partnership of public and private leaders. The state's leading business associations

and alliances endorse Oregon's NCRC in light of its value to Oregon's diverse business community. We're not early players in this game, so we can look at the experiences of over 30 other states and shape Oregon's program to best fit our goal for the NCRC—to increase the number of skilled and work-ready Oregonians and make it easier for employers to find them. I'm encouraged by the range of employers that are signing on to prefer job applicants with a certificate. Even if an employer is not ready to hire, getting set up to give preference to applicants with an NCRC can help the process move faster when the time comes.

In the short run, a growing pool of work-ready Oregonians with documented skills can positively influence Oregon's ability to recover and compete in the global market. In the longer term, I envision Oregon's NCRC will have a more direct tie to economic development as a tool we can use to promote the state as

work-ready. The number of certified work-ready residents becomes one of the selling points to attract businesses along with quality of life and our strong sense of community. It's a quantifiable metric that employers can use to gauge their opportunities to establish or expand a presence in Oregon.

Recovery is going to take time. Providing employers with as many tools as possible to hire the right person will help us establish and maintain growth and productivity. I am excited to offer Oregon's NCRC as one of these tools.

For more information, including success stories from Oregon employers utilizing Oregon's NCRC, and to find a local NCRC representative, visit [www.OregonNCRC.org](http://www.OregonNCRC.org)

*Dave Williams is Vice President of Utility Services for NW Natural.*



## Unpredictable: Health care rates

## Predictable: How you can continue to offer coverage

AOI HealthChoice helps businesses, with fewer than 100 employees, get the leverage of a large buying group for health, dental and vision health insurance programs. Available only to members of Associated Oregon Industries, AOI HealthChoice is offered through service-oriented AOI HealthChoice Appointed Agents. Contact your insurance agent. Or, for the names of appointed agents in your area, call the managing general agent, AKT Benefit Advisors, at 877.588.0002 or visit [www.aoihc.aoi.org](http://www.aoihc.aoi.org).

Let your company benefit from the affordability of an AOI HealthChoice program.



Tipping the balance sheet in your favor

AOI HealthChoice™ is a trademark of Associated Oregon Industries. AOI HealthChoice is available only to members of Associated Oregon Industries; AKT Benefit Advisors, LP is the managing general agent for the AOI HealthChoice program.



503.588.0050 [www.aoi.org](http://www.aoi.org)

# OREGON LEGISLATURE IS OPEN ... BUT FOR BUSINESS?

## There are practical signs of a new political environment, yet ...

The 76th Legislative Assembly convened February 1 and opened with a number of bills that cover labor, employment, taxes and health care issues of interest to the business community. AOI and the AOI Public Policy Councils are deeply engaged in these Legislative issues. Here's the Quarterly Report:

### EDUCATION AND WORKFORCE POLICY COUNCIL

**Chair:** *Margaret Kirkpatrick, NW Natural*  
**AOI Policy Manager:** *Betsy Earls, Vice President and Counsel*

The Education Committee is working on proposals that would remove the Oregon University System from its current state agency status. Because the OUS is governed by the Legislature as a state agency, universities have very little control over their own budgets and programs. Creating a separate entity would provide much needed autonomy, both in academics and budgets.

Several bills have been introduced on this subject. AOI is working with legislators and other business associations to pro-

vide the best possible support for passage of such a bill.

### EMPLOYMENT PRACTICES POLICY COUNCIL

**Chair:** *Eileen Kunze, A-dec, Inc.*  
**AOI Policy Manager:** *J.L. Wilson, Vice President, Government Affairs*

#### Employment Law Update

The most significant employment-related issue of the past week was a legislative vetting of HB 2038, which conforms Oregon's expression of milk in the workplace law to new federal mandates contained in the 2010 federal health care reform law.

The new federal law is considerably more stringent. Under the federal law, an employer must provide a reasonable rest period to express milk each time the employee has a need to express milk. The new federal regulations apply to even small companies with fewer than 25 employees, and no company with more than 50 employees may apply for an undue hardship exemption.

AOI understands that federal supersedes state law, and that generally, state conformity with federal law is advantageous for

employers because it allows for ease of administration. But AOI expressed disappointment that Oregon tends to gravitate to employment regulations that impose the greatest possible burden on employers.

However, since the new federal nursing mother regulations are contained in the federal health care reform law, which is currently undergoing several federal court challenges, AOI is pressing for an amendment which would repeal HB 2038 if the new federal health care law is struck down by the courts.

### ENERGY AND ENVIRONMENT POLICY COUNCIL

**Co-Chairs:** *Greg Miller, Weyerhaeuser Company; Sania Radcliffe, Portland General Electric*  
**Water and Cleanup Co-Chairs:** *Tom Lindley, Perkins Coie, LLP; Susan MacMillan, URS Corp.; Air & Energy Co-Chairs:* *Tom Wood, Stoel Rives, LLP; David Like, Hampton Affiliates*  
**AOI Policy Manager:** *John Ledger, Vice President*

#### Oregon's Gas Cap & Trade Program Coming to Your Fuel Tank

Although not too widely known, the 2009 Oregon Legislature told the DEQ to consider mandating ways to reduce greenhouse gases (GHG) from the transportation sector. The result is an Oregon Gas Cap & Trade system coming to fuel tanks throughout the state within the next few years.

Aside from your personal car, the biggest risk is to Oregon trucking operations. Oregon gas and diesel would have to be custom blended in Washington, increasing the price along with the use of corn ethanol. In the end, the big winner may be Iowa.

The proposal, advancing through the DEQ rulemaking process, creates a system of decreasingly available credits - each credit representing a unit of fuel-produced GHG. Over time, the allowable emissions (credits) would be forced down, but could be sold or traded between fuel suppliers as they move to lower the "carbon intensity" of their operations. Hydrogen, electricity, and natural gas are cited as examples of moving to low carbon fuels. But, in practice, corn ethanol is the predictable option.

The damage done by increased

fuel costs is supposed to be offset by the increase in yet more “green jobs,” this time related to ethanol production. Given that cellulosic ethanol is still in a developmental stage, and the refineries that produce and blend fuels are in Washington, it’s unclear why the new ethanol plants would be built in the Beaver state.

**Linear Permitting—  
Can You Dig it?**

In a sign of the new political environment in Salem, the House Business Committee passed a new linear pipeline project bill out of committee on a stunning 8-0 vote. The legislation addressing the issue of linear pipeline projects has been historically contentious. The fact HB 2700 passed unanimously out of a House committee signifies that legislators appear to have a sense of urgency about economic development, investment and job creation.

The existing definition of “applicant” for purposes of applying for a removal-fill permit currently holds up linear infrastructure projects our economy badly needs. HB 2700 fixes the statute to allow linear projects to move through a rational, defined process. It aligns the Division of State Land’s application process for a removal-fill permit with the application standard for other state permits. HB 2700 could put thousands of people back to work by allowing affected infrastructure projects to move forward.

These are projects our state needs to move out of this recession and includes:

- Roads and highways
- Underground utilities
- Renewable energy projects



*Unlike two years ago, the Oregon Legislature moved with decisive action to reconnect the Oregon income tax law to federal law to let businesses claim certain tax benefits for investing in new equipment.*

- Water and sewer projects
- Maintenance of existing roads and utilities

Without HB 2700, developers of these projects could be forced to condemn property simply to apply for a removal-fill permit. HB 2700 is a simple fix to remove this barrier and ensure the law works.

AOI testified in favor of the bill as amended.

**FISCAL POLICY  
COUNCIL**

**Chair:** Neil Nelson, *Siltronic Corporation*

**AOI Policy Manager:** J.L. Wilson, *Vice President, Government Affairs*

**Major Tax Issues Begin  
to Take Shape in 2011  
Oregon Legislature**

The House and Senate Revenue Committees are holding public hearings on key issues while the

framework of at least one major proposal is being vetted by several business groups, including AOI.

**Rainy Day Fund & Kicker.** A new tax deal being discussed might give Oregon businesses hope for a stable reserve fund, state spending limits, and a cut in the capital gains tax rate. Senators Frank Morse (R-Albany) and Ginny Burdick (D-Portland) have introduced SJR 26, which mandates that the Legislature fund a Rainy Day Fund from two different sources - up to 3 percent of General Fund revenues and half of the personal kicker.

The measure would also redirect the corporate kicker into a permanent savings account dedicated to Oregon’s higher education system. There is also consideration of including permanent capital gains tax relief as part of the package.

Most business groups, including AOI, are willing to discuss such a proposal, but not in isolation. AOI and other groups are interested in a comprehensive package that includes long term state budget reform, permanent capital gains tax relief, extension of key tax credits and other items critical to investment and job creation.

**Key Tax Credits.** The Legislature is setting the stage for review of several key business tax credits that must be affirmed by the Legislature in order to continue. Of particular concern to AOI is the Research & Development (R&D) Tax Credit. Governor Kitzhaber recommended extension of this tax credit in his formal budget, and AOI will work in the Legislature to make a case for its extension. Also of note, Governor Kitzhaber, displaying a little political

gamesmanship, is endorsing an expansion of the Film Production other significant tax changes.

**Oregon Businesses Now Reconnected to Federal Tax Code.** Thanks to some last minute maneuvering by AOI, other business groups, and a group of courageous legislators, Oregon companies can now enjoy the federal business tax incentives passed by Congress last December. Because of Senate Bill 301, Oregon's business community is now permanently connected to the federal tax code on key issues such as accelerated "bonus" depreciation and increased Section 179 expensing allowances. This is a tremendous victory for Oregon businesses – the first such pro-business victory of the 2011 legislative session.

But it didn't come easy.

The Legislature was well on its way to passing Senate Bill 301 when it was discovered that Oregon businesses were not automatically connected to the federal tax code as was widely assumed. The bill had already passed the Senate and was nearing a vote in the House when this mistake was discovered.

Instead of immediately fixing the mistake, many Democrats in the House wanted to keep the mistake in place. Why? Because not allowing Oregon companies to take advantage of bonus depreciation and increased expensing would garner the state \$93 million in "windfall" revenue. Democrats in the House Revenue Committee blocked initial attempts to fix the problem.

However, when SB 301 reached the House floor for a vote, Republicans offered an alternative ver-

sion of the bill which included reconnecting Oregon's businesses to the federal tax code. This alternative version, known as a "minority report," was the bill that passed the House. It passed 41-19. The Senate quickly followed suit and passed the bill 30-0.

SB 301 was a significant victory for business. AOI has long advocated the policy of keeping Oregon's tax code connected to the federal tax code, especially for key job-creating business tax provisions such as accelerated depreciation and increased Section 179 expensing.

After being disconnected from the federal code for two years due to the 2009 legislature, Oregon businesses were anticipating being reconnected again and had been planning on investments related to these federal tax incentives for purchasing capital equipment.

The Legislature chose wisely and ultimately restored the intent of reconnecting Oregon's business community to business tax incentives designed to help spur capital investment and job creation. Along the way, the Legislature also helped restore some credibility with the business community.

## HEALTH CARE POLICY COUNCIL

**Chair:** John Worcester, *Evraz Oregon Steel Mills*  
**AOI Policy Manager:** Betsy Earls,  
*Vice President and Counsel*

**New mandates.** AOI is concerned about any new mandates; several health insurance mandates made their first appearances this quarter. The new federal

health reform law requires states that mandate benefits beyond what the federal government deems "essential" will have to pay the cost of covering those benefits, if they are required for plans sold in the exchange.

To the extent that state requirements are more stringent than the federal mandated essential benefits, the state must decide whether to extend them to the exchange population. If so, *no federal subsidy dollars may go to pay for additional state-level mandated benefits.*

If Oregon elects not to apply any mandates to the exchange population, but still requires the traditional market to include them, adverse selection will occur between the markets. Premiums in the traditional market will be higher than exchange premiums, leading those who need specific benefits to buy traditional coverage instead of exchange-based products and causing premiums to spiral and destroy the traditional market.

Thus, instead of adding new mandated benefits to the books, Oregon should take a step back and carefully evaluate the current list of mandates.

## OREGON RETAIL POLICY COUNCIL

**Chair:** Leanne Musket, *J.C. Penney Company, Inc.*  
**AOI Policy Manager:** Betsy Earls,  
*Vice President and Counsel*

The Retail Council is facing a wide variety of issues this session, from typical business concerns to more retail specific proposals. The two specific proposals of concern are the plastic bag ban and the

product stewardship plan.

The plastic bag ban as written would prohibit the provision of a single use plastic check-out bag at check-out. Retailers would still be able to offer paper bags, but would be required to charge at least 5 cents per bag. Alternatively, reusable check-out bags could be provided for sale or offered free of charge. AOI generally opposes product bans of any type, on the basis that better approaches are available.

The product stewardship bills follow the model paint product stewardship legislation passed last session. Producers of the product to be regulated (includes manufacturers and owners of house brands) would be required to form a product stewardship organization to collect and properly dispose of the product. Producers would pay fees to DEQ, on top of fees needed to run the program, for DEQ to regulate them. AOI is categorically opposed to any additional product stewardship programs in Oregon, until those already in existence are fully functional and can be evaluated.

*AOI Public Policy Councils give member companies a voice in establishing the direction of AOI as your association pursues a broad-based, long-term public policy agenda for businesses in Oregon. A member Chair, steering committee and an AOI Policy Manager comprise each Policy Council. Keep current on Public Policy and AOI activities at [www.aoi.org/publicpolicy](http://www.aoi.org/publicpolicy).*

# PROVEN.



With so many fresh, indigenous ingredients, it's little wonder Oregon is a haven for culinary arts and world class restaurants. But every chef worth his or her salt has at least one story that includes a sharp knife, a slick floor, or a hot grill. As experts in safety, we've helped restaurant owners make simple changes to avoid injuries that lead to workers' comp claims. We're Oregonians, and this is our life's work.

[saif.com](http://saif.com)



Standing strong



# GROW YOUR BUSINESS WITH THE FLICK OF A SWITCH

## LOOKING FOR AN INSTANT-ON FOR ENERGY SAVINGS?

Lighting upgrades and lighting controls are the best first step to energy savings for your business. Your investment in high-efficiency lighting can generate big energy savings, put your business in a positive light and create a more productive environment for customers and employees. Cash incentives from Energy Trust of Oregon mean your investment in efficiency can pay dividends in as little as two years.



For information about cash incentives, talk with your lighting contractor. Energy Trust can also refer you to a qualified trade ally contractor. Call us at **1.866.368.7878** or visit **[www.energytrust.org](http://www.energytrust.org)**.

Serving customers of Portland General Electric,  
Pacific Power, NW Natural and Cascade Natural Gas.

