

Advisory Council Meeting Minutes

March 3, 2015

9:00 am

BEARHFTI Conference Room

Facilitator: Justin Paddock, Bureau Chief

Attendees:

Council Members: Sharron Bradley, Industry
Burt Grimes, Industry
Timothy Hawkins, Industry
David Spears, Industry
Joanne Mikami, Public

Stakeholders: Judy Levin, CEH
Alvaro Casarova, CEH
Robert Hupe, Virco Mfg./BIFMA
Bill Perdue, AHFA
Brian Adams, Ashley Furniture
Yeaphana LaMarr, DCA Legislative & Review
Mark Pedroia, California Professional Fire Fighters
John McCormack, former bureau Lab Manager

Bureau personnel: Dale Chessey, Bureau Operations
Carrie Cathalifaud, Lab Supervisor
Said Nurbakhsh, Flammability/Research Test Engineer
Sue Xu, Flammability/Research Test Engineer
Steve Fischer, Lab Chemist
Victoria Hernandez, Administrative Technician
Terri Rice, Policy Analyst

Teleconference: Several stakeholders intermittently listening in by phone

Agenda Item #1 – Welcome and Introductions:

Justin opened the meeting by introducing himself and thanking everyone for attending. He advised the Council that he intends to have 3 council meeting this year and 2 to 3 council meetings per year thereafter. July 20, 2015 is tentatively scheduled for the next council meeting.

Everyone at the meeting introduced themselves, as well as those listening in by phone.

Agenda Item #2 – Regulatory Update:

Justin discussed regulatory priorities for 2015 that included raising citations fees, raising license fees, and advertising regulations. It was brought to the bureau's attention that electronic and appliance repair companies were using similar URLs to that of other established businesses in the same industry, and also using other company DBAs in their advertisements, which causes confusion for the consumer.

Attendees discussed "percentage" of filling materials that must be listed on the law labels should be changed to "weight" of filling material. Manufacturer argued that percentages are confusing to consumers and listing filling items by order of predominance would be more helpful. Justin advised that an update would be provided at the next meeting.

Attendees discussed TB-133 and how it relates to office environments and hospitals. They would like to just use the TB 117-2013 standard for office furniture because these items have a lot of added fire-retardant chemicals (FRCs) for the purpose of meeting TB-133 and statistics show no real fire hazard in these environments. Several speakers expressed their concerns against TB-133 and asked the bureau to review it for an update or remove the standard.

Said Nurbakhsh advised TB -133 relates to the "occupancy" of the building and how more people requires a higher fire safety standard. Furthermore, manufacturers can meet TB-133 without added FRCs by using barriers in their products. Justin advised the bureau will review this topic and provide an update at the July meeting.

Electronic and appliance repair representatives advised of a parts availability issue in their industry. Justin advised they can discuss this issue offline.

Dale Chessey read a hand-out titled "Home Furnishing Sale Price Advertising and Going Out of Business Sale Regulations". Everyone agrees that California Code of Regulations section 1302 needs to be "cleaned up" because it is too confusing for even the bureau investigators to understand and therefore difficult for them to explain it to the businesses regulated under this section. Justin advised the bureau will move forward with amending the regulations on this issue and provide an update at the next meeting.

Steve Fischer discussed the background of thermal insulation and how thermal insulation standards are constantly in review. Justin advised the bureau is in a holding pattern on this issue and await results of Assembly Bill (AB) 127, and input by the Energy Commission and the Fire Marshall.

Agenda Item #3 – Legislative Update:

Justin: AB 1175 raises license fee caps. The bureau would then adopt regulations to raise our license fees. (Legislation proposes to raise fees 25%, but the bureau would raise fees no more than 15%.)

Dale discussed home furnishing license renewals be changed to renew yearly, instead of every two years. Businesses have stated that they forget to renew their licenses due to the long 2-year renewal system.

Sharron Bradley discussed the issue retailers have when bureau investigators take a regulated item from a matching set of furniture for testing and it is often difficult for the business to get a totally matching replacement for the set.

Justin advised that the bureau reimburses retailers for items pulled for testing only if the item passes flammability tests, and the turn-around time for reimbursement is about 90 days.

Justin discussed "spot bills" which are non-substantive changes to bills that assembly members bring up on the session floor. The bureau is following AB 282 and Senate Bill (SB) 680. Other bills affecting the Department of Consumer Affairs (DCA) are AB 750 and AB 1060. AB 750 refers to retired licenses. SB 1060 mandates DCA boards/bureaus/commissions provide their notices of suspension or cancellation of a license to the business by postal mail, as well as by electronic mail.

Agenda Item #4 – Bureau Operations:

Justin advised that by July 1, the Bureau has to report whether or not we need a fee increase. Also under review is 1) the pro-rata fees the Bureau pays DCA for personnel and other services, 2) making renewals more standard across the board (annual renewal for all licenses), 3) areas for deregulation, and 4) license consolidation. Justin advised an outside consulting firm is evaluating the license deregulation issue.

Dale discussed the number of businesses currently licensed with the bureau and the changes (or not) since 2009 in each category. Most notable is the increase in service contract seller licenses which have increased by 700 per year. Also discussed was the closing of Radio Shack which will cause the bureau to lose approximately 100 licenses, however, with the up and coming T-Mobile retailers, the bureau forecasts licensing several more retailers.

The bureau currently has 44 personnel and one vacancy in the licensing unit for a program technician, which will be filled within 3 months.

Carrie Cathalifaud discussed the Frequently Asked Questions (FAQs) regarding TB 117-2013 that has been posted to the bureau website. Outdoor furniture used solely for outdoor use, as well as decorative pillows which are sold separately, are not amenable to TB 117-2013. Products manufactured prior to January 1, 2015 are not amenable to TB 117-2013 or SB 1019 (FRCs label addition). Padded headboards are considered "bedding" and therefore not amenable to TB 117-2013.

Justin discussed the bureau's barrier research study, currently in phase 2. Justin wants to run tests to find out what chemicals are in the barrier products and hire an economist to get a comprehensive report on barriers.

John McCormack advised the Consumer Product Safety Commission (CPSC) is reviewing TB 117-2013 and there could be federal changes affecting the standard in the future.

Dale gave an enforcement status update. He discussed enforcement procedures, our aim to educate the businesses, \$0 citations, unlicensed and delinquent license tips, as well as searches performed by field and office personnel, the success of telephone disconnects, and the bureau's intent to involve the Franchise Tax Board for collection of citation fines.

Agenda Item #5 – Bureau Outreach Efforts:

Justin advised the bureau has drafted an article on SB 1019 to be published in industry magazines and journals. The bureau is working on how to get the word out on SB 1019, and assisting non-English speaking businesses, specifically Spanish and Mandarin.

Bill Perdue stated that SB 1019 does not require an additional label and this issue has caused some confusion in the industry. The bureau needs to make clear that SB 1019 only requires added language to the existing label.

Mr. Perdue strongly requests a bureau representative attend the Furniture Summit, occurring later this year, to bring hand-outs and deal with miscommunications within the industry. Mr. McCormack agreed.

Agenda Item #6 – Public Comment for Items not on the Agenda:

On the electronic and appliance repair side, extended warranty/service contract sellers are denying coverage and consumers are getting burned. It is difficult to determine what is covered because contracts cover varied items. Software being used in appliances these days cannot be tested by service providers so they end up performing trial and error replacement on control boards, which is very expensive. Manufacturers of these electronics and appliances need to change the way they make the control boards and keep them in stock.

Justin advised the bureau will be updating the application for persons applying to become an advisory council member to make one application for all industries regulated by the bureau.

It was brought to the bureau's attention that it is difficult to find things on the bureau website. Justin advised he will be working on this issue.

Consumer-provided material for custom upholsterers and manufacturers is difficult to assess whether or not the material contains added FRCs and Mr. Perdue requests the bureau look at this issue and exempt consumer-provided material from SB 1019 and that SB 1019 should only apply to items sold at retail.

At 11:30 am, Justin adjourned the meeting and invited everyone to attend the Public Workshop at 1:00pm.