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BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY . GOVERNOR EDMUND G, BROWN JR



July 20, 2017

Attendees:

Council Members:	Sharron Bradley, Industry Donald Erwin, Industry Burt Grimes, Industry Donald Lucas, Public
Public Attendees:	Lauren Scott, American Chemistry Council
Govt. Personnel:	Dale Chasse, Acting Bureau Chief Carrie Cathalifaud, Bureau Laboratory Supervisor Richard DiGirolamo, Bureau Investigations Manager Yeaphana LaMarr, DCA Legislative & Review Division Jill Laxo, Bureau Consumer Services Representative Margie McGavin, Bureau Lead Enforcement Analyst Said Nurbakhsh, PhD, Bureau Flammability/Research Test Engineer Rosemarie Pecota, Bureau Laboratory Chemist Rajinder Sandhu, Bureau Laboratory Chemist Donald Watts, Bureau Licensing Analyst Michael Weiss, Bureau Licensing Technician

# Agenda Item #1 - General Bureau Business Agenda Items

The meeting commenced shortly after 9:00 am.

Acting Bureau Chief Chasse opened the meeting and thanked everyone for their attendance. All Advisory Council in attendance at the Sacramento, CA meeting location and those attending via teleconference introduced themselves.

Mr. Chasse stated that all Advisory Council Member terms expire in October 2017. Terms run for two years and members who are interested in continuing to serve may re-apply. Applications are available online, and for further information, please feel free to contact Mr. Chasse directly at (916) 999-2062. The Bureau would also like to increase its number of public members to keep a balance of both industry and consumer perspective and insight.

The next Advisory Council meeting is scheduled for Thursday, November 9, 2017 in Sacramento. The date has been posted on the Bureau website. After a hiatus in Advisory Council meetings, the Council was re-established and has been scheduled to meet three times a year. However, given a number of circumstances, the Bureau has decided to meet twice a year for the time being - once in the spring (April) and once in the fall (October). Mr. Chasse asked that any known events in those months be communicated so that the Advisory Council meeting schedule could be adjusted to minimize scheduling conflicts.

Council Member Bradley noted that the Furniture Mart is in April.

### Agenda Item #2 - Licensing and Enforcement

Licensing Technician Michael Weiss presented the Licensing statistics showing a comparison of license category populations for the last 3 years and noted that the Bureau's population levels were for the most part steady with a few increases in the Manufacturers, Wholesalers and Service Contract Sellers categories. There continues to be a slight gradual decline in Electronic Service Dealers, however it fluctuates with changes in technology and industry. Mr. Weiss stated currently the Licensing Unit is running smoothly with no backlog.

Mr. Chasse noted that the furniture and bedding retailer populations have remained fairly stagnant, and asked Ms. Bradley for her observations. She stated that a number of furniture retailers were now selling bedding and appliances, and some were also servicing appliances.

A question was posed regarding sales of online mattresses and the requirements for licensure. Mr. Weiss responded that online furniture and bedding retailers were subject to the same licensing requirements as companies with storefronts and that the Bureau actively seeks compliance from these companies. When asked how that was accomplished, he stated the Bureau contacted the business in question. When asked if there was much resistance, he stated there was not much, but some companies did not always comply quickly.

Ms. Bradley asked what percentage of companies are online only. The Bureau does not have a way of keeping those statistics at this time, however staff are proactive in direct research, and in pursuing information that comes via staff observation, tips from the public, complaints and other information regarding online retailers.

Enforcement Analyst Margie McGavin then presented the Enforcement Unit statistics. She stated that we have been fairly consistent in the number of cases based on the number of personnel we have. We have had some vacancies of the last fiscal year which have affected the numbers of internal cases and citations issued. The Bureau has faced a challenge with telephone disconnects on certain types of businesses and the varied services.

Council Member Burt Grimes asked if the Bureau was still posting citations on the website. Ms. McGavin stated that they were updated quarterly and noted what information was disclosed.

Mr. Grimes asked how many vacancies the Bureau has at this time and Ms. McGavin deferred to Investigations Manager Rich DiGirolamo to address. Mr. DiGirolamo stated there are two vacancies on the Electronic and Appliance Repair (EAR) field representative team and two on the Home Furnishings and Thermal Insulation (HFTI) inspection team. One Inspector has taken an office position within the Bureau. Due to the challenges of recruiting, especially EAR field representatives, the Bureau is looking at a pilot program for a special investigator positions that would allow for a broader pool of candidates for both EAR and HFTI field staff. The Bureau is currently working with the Department's Human Resources staff to ensure the classifications are appropriate and that the duty statements provide the level of expertise and address the workload needs associated with those positions.

Ms. McGavin stated we are seeing a number of online furniture dealers and mobile cellular phone repair businesses that do not post addresses on their sites, so it is difficult to find a location to serve a citation at. Some of the cellular phone companies are using a model like UBER, and the "independent contractors" consumers select from do not have the required registration.

Ms. Bradley asked if the citations listed on the website were for online licensing issues. Ms. McGavin state they were issued either from the field or from Bureau headquarters depending on how they could be served. Ms. Bradley asked if they were for non-licensing issues. Ms. McGavin stated that field-issued citations were solely for unlicensed activity and that other violations that resulted in a citation were handled though the headquarters' staff, via mail. Mr. Chasse also noted that sometimes for staff safety reasons - especially for residence-based businesses - it was more prudent to issue a citation via mail than personal service.

## Agenda Item #3 - Operations Update

Mr. DiGirolamo discussed in more detail the challenges the Bureau has faced in recruiting EAR filed representatives. He stated that some of the better qualified candidates were not eligible based on the placement on the list. Besides working with the Department's Human Resources Department, the Bureau has been reaching out to organizations and institutions, such as Los Medanos College to find ways to broaden the scope of the duties to produce a larger, more varied candidate pool. The Bureau is proposing a pilot program under a new classification that would provide the opportunity to utilize the field staff for both programs instead of keeping them distinct. Mr. Chasse noted that Ms. Bradley's comments about businesses adding products and services under one roof lends itself to employing field staff that can address furniture and bedding retail sales, along with service contract sales on various products and repair services, that all occur from one company in a single visit. Also, because of commercial zoning, there may be various companies subject to the Bureau's jurisdiction, located in close proximity, and it is inefficient to send two separate staff out when one is already near the location.

Mr. Grimes asked if you needed to purchase separate licenses for different activities. Mr. Chasse explained that if you sold both furniture and bedding, you could obtain a combined license to cover both. However, Mr. Chasse clarified that if they are accepting repairs on electronic products or appliances, that required another type of registration by the Bureau.

Ms. Bradley asked if HFTI inspectors could also deal with service contracts before. Mr. Chasse stated that the Bureau had tasked inspectors that were in a furniture store to inquire and gather information regarding service contracts relating to fabric protection.

Mr. DiGirolamo expressed that the Bureau was trying to formulate a classification that provided both field and office time to best utilize the resources based on the needed workload and to be efficient and effective in enforcement and investigative activities.

Mr. Grimes asked about the differences between the field staff and in-house enforcement staff. Mr. DiGirolamo replied that the Bureau's field staff were primarily information "hunters and gatherers" who also performed spot inspections. Some of their directed workload is at the request of the in-house enforcement staff and their role is to collect evidence, be it photographs, document observations, etc. Currently there is a hand-off back and forth between staff members, however, under the pilot program, there is the opportunity to have one staff member follow a case from start to finish, and one manager reviewing, instead of moving through multiple staff and units. Mr. Grimes asked about the staff used. Mr. DiGirolamo stated he had nine field staff with four vacancies currently, and Ms. McGavin stated there were four in-house desk analysts. Mr. Chasse also stated that through a recent reorganization we had added two more positions to the desk units to maximize efforts.

Mr. Grimes commented that the addition was due to the success of the desk enforcement. Mr. Chasse stated that with the changing times, a new model was necessary as the type of work had changed so much over the last 25-30 years. Many times, the enforcement and evidence gathering can be done from a desk, however at times the field is a necessary component in the process.

Department Legislative Analyst Yeaphana LaMarr presented current legislative bills that affect the Bureau. First and foremost, Senate Bill 19 (Hill) would transfer the Household Goods Practice Act from the CPUC to the Bureau. This would involve the licensure and enforcement of residential moving companies. This bill also moves other sections of the CPUC's jurisdiction to other agencies.

Mr. Grimes asked if CPUC would transfer over a budget. Ms. LaMarr stated the balance of the fund for this program would be transferred over on July 1, 2018.

Ms. Bradley asked the reason for the legislation. Ms. LaMarr responded that the Legislature did not believe that the CPUC was effectively running the program and should be placed within the Department of Consumer Affairs (DCA). Mr. Chasse mentioned that other parts of CPUC were being transferred and Ms. LaMarr added that the Department of Motor Vehicles was taking on another portion.

Ms. Bradley asked about the chances of this bill passing. Ms. LaMarr stated the bill was at the Assembly Appropriations Committee, but had not been heard by the Policy Committee, so may go back there. Language was originally introduced in a budget trailer bill, however that bill was voted down by the Legislature. Senator Hill decided to pursue the bill. There are a number of implementation issues that the Bureau would be facing under the current language. These include requirements for fingerprinting, liability insurance, and workers' compensation insurance. The bill also requires an online application process, which the Bureau does not currently have the capability. DCA is meeting with the industry associations and the author's office to work through the issues. The Bureau is working with Ms. LaMarr to identify areas of concern if the bill is passed.

Mr. Grimes also asked about the chances of the bill passing. Ms. LaMarr stated we do not know at this point, as it hasn't been heard.

A caller asked if the Governor's Office had taken a position. Ms. LaMarr said that this was being advocated by the professional association, and we did not have a position from the Governor's office now.

Mr. Grimes asked which profession was promoting this change. Ms. LaMarr stated it was the moving company associations.

Mr. Chasse brought up some of the challenges associated with the bill. The Bureau would gain 11 positions, including a field component. There would be new responsibilities with fingerprints and monitoring of subsequent convictions. The DCA Legal office is looking at what it would take in terms of revising regulations and other legal aspects of taking on this industry.

Mr. Grimes noted that there would be a budget. Ms. LaMarr commented that in the current version of the bill, the Bureau would determine rate setting - what the movers may charge the consumers.

Ms. Bradley asked about the online presence, and related that there was an UBER-like model which had been in existence for a while, where consumers provided the criteria for the move and then selected the moving company.

Ms. Grimes asked if this was only interstate or included intrastate. Ms. LaMarr related that this was only moves within California borders and that Federal law regulated moves between other states.

Mr. Chasse indicated that there were between 1,100 and 1,200 licensed moving companies under the CPUC program at this time. Ms. LaMarr confirmed that there were 1,115 at last count. Mr. Chasse said that there are probably a lot more working without a license and suspect the licensing numbers to rise once the program is in place.

Advisory Council Member Don Lucas asked if there would be a personnel transfer from CPUC to BEARHFTI. Ms. LaMarr stated that DCA and the Bureau were looking at what would be needed - that information technology would be a major part of the need up front, as CPUC uses a completely different database system, and there would be a strong need for legal and enforcement positions to get things done. CPUC used different classifications than DCA, work is being done to assess the types of comparable positions and the workload that needs to be addressed.

Ms. LaMarr noted that one of the aspects of the bill allowed for cost recovery for investigation of unlicensed activity.

Ms. LaMarr offered to send the bill language to anyone interested, and that if anyone had any input regarding the potential changes in impact of the bill, to please get in touch with Mr. Chasse. She also noted that the moving associations were pushing for a Bureau name change to reflect their industry.

Ms. LaMarr also noted that Assembly Bill 1190 (Obernolte) requires DCA to report the progress of the BrEZe project, which about 2/3 of the DCA Boards and Bureau have participated so far. BEARHFTI is slated to be in Release 3 of the project. Work is still being done on the bill to provide for the programs who have not migrated to the system.

Mr. Chasse introduced Bureau Laboratory Chemist Rajinder Sandhu to speak on regulation changes regarding HFTI product labeling. Ms. Sandhu stated the Bureau in the process of updating all the labeling definitions, labeling formats, and working with other states to regarding labeling requirements. The Bureau conducted a workshop in February 2017 and staff were working on the updates.

Mr. Chasse brought up that the Thermal Insulation regulations had not been updated since the 1980s, and Bureau Laboratory Supervisor Carrie Cathalifaud concurred and stated that updates are necessary as there are a number of new products that have been manufactured and introduced into the market that are not addressed in current regulations.

Mr. Grimes stated that it would be beneficial if all the information were in one place on the website. Mr. Chasse stated that Mr. Watts had worked with the DCA Office of Information Systems to streamline the website and make it more user friendly and organized and we would continue to make improvements.

Mr. Chasse announced that the Bureau was subject to Sunset Review, with a sunset date of January 1, 2019. The Bureau is working on responses to the Legislative Committee's questions to prepare for its hearing in the spring. The review is an opportunity to take a critical look at the Bureau's current situation from a fiscal and regulatory standpoint. The report will highlight Bureau successes, areas in which can improve, identify changes that should be considered/implemented, and will outline what the Bureau can do in the future. One area where the Bureau is focusing is outreach, recognizing the need to connect with businesses and consumers about the Bureau and its role in consumer protection. The Bureau constantly is met with a response that people are unaware of its existence.

Mr. Grimes offered that consumer education should be a focus. Of concern, a presence at local county fairs and the state fair. Mr. Chasse responded that there has not been much of a DCA presence in recent years, and that with limited resources we can only do so much, however, the Bureau did work in conjunction with other DCA entities (Contractor's State Licensing Board and Bureau of Automotive Repair) to have a presence at different consumer fairs and senior events. Mr. Chasse explained that DCA designed and printed brochures and other educational documents on behalf of the Bureau, and it was paid out of our pro rata. Mr. Grimes asked if outreach would be addressed in the Sunset Review report. Mr. Chasse stated it would be included.

Mr. Chasse said that the Sunset Review hearings would probably take place in February or March 2018. Ms. LaMarr provided a timeline for the report and its path before it would be presented to the Committee. DCA reviews the report first, then it its submitted to the California Business, Consumers Services and Housing Agency, then to the Governor's office for final approval. Once the report is submitted to the Legislative committee, additional questions are asked of the Bureau, often with a follow-up report. The Bureau Chief addresses any questions the committee may have at the hearing and Advisory Council members are welcome to attend the hearing. Sunset Review occurs every four years for all DCA boards, bureaus and programs. Once the Sunset Review has concluded, the Committee will make recommendations and may introduce legislation to make necessary changes to the program, based on the findings.

Mr. Chasse introduced the topic of surveys. He noted that the DCA Complaint Resolution Unit had been disbanded and the Bureau was granted three staff members to work the complaints in-house. This was both a cost-effective and efficiency benefit for the Bureau as salaries and overhead were paid out of pro rata, instead of having a stable budget line. The staff members have integrated into our Enforcement team and have enriched processes with that team. At the close of a consumer complaint, a survey is distributed to the consumer to rate their experience with the Bureau. The Bureau has traditionally been given high marks for its resolution of complaints.

Mr. Chasse brought up the label survey, asked Mr. Grimes to speak to the survey the Bureau recently conducted at his request. Mr. Grimes stated that the basis for this survey was to determine if consumers and retailers were concerned about the percentages of furniture filling material being listed as indicated on the current labels and how much confusion was there regarding the labels. Industry representatives have proposed that the materials be in order of predominance, such as food labels, without the percentages. Mr. Grimes said four associations approached about the proposal supported the predominance listing as opposed to percentages. These groups included: California Furniture Manufacturing Association, American Home Furnishing Alliance, Home Furnishing Association, and Business Institute of Furniture Manufacturing. Mr. Grimes asked Mr. Chasse how long the survey would appear on the Bureau's website and Mr. Chasse responded that we would check it again in 4 months.

Advisory Council member Judy Levin asked for affirmation that the filling materials referenced did not include plumage or cover fabrics. Both Mr. Grimes and Ms. Cathalifaud stated that they are not covered.

Ms. Levin then asked for clarification that if the fabric is only included if it is part of the material. Ms. Cathalifaud stated that only if there was a quilted outside cover fabric with an inner layer of batting.

Further discussion ensued on the subject and it was noted the Federal Trade Commission (FTC) requires on certain products that outer cover fabrics disclose percentages and that the Bureau allows the information to appear on the "Optional" section at the bottom of the law label. Ms. Cathalifaud noted that only resilient products are listed on the law label under new materials, but reiterated that the outer cover fabric could be listed with the required FTC percentage disclosure in the optional section.

Bureau Flammability/Research Test Engineer Dr. Said Nurbakhsh brought up that in the manufacturing process a section of foam was trimmed after the filling material was measured, it would impact the percentages. Mr. Grimes stated that normal protocol was to have foam cut specifically for a piece as it was expensive and they wanted to minimize waste. Dr. Nurbakhsh asked about the practicality of weighing the material, and Mr. Grimes responded that it could be done accurately, however the question was did anyone care as the percentages do not speak to the quality of the filling nor its lifespan. Dr. Nurbakhsh asked if this was burdensome to the industry and Mr. Grimes responded that it required different labels for different products, and there was more potential for something to be mislabeled.

Mr. Donald Lucas asked what the tolerance for error was and Ms. Cathalifaud stated it was plus or minus five percent. Mr. Grimes stated that percentage was not written anywhere. Ms. Cathalifaud referred to the regulations regarding percentage deviation. She stated that the regulation package being proposed a ten percent deviation instead of a five percent. Mr. Grimes stated that moving from twenty labels to five would be much easier, and that the predominance was always foam, then Dacron, and doubted that anyone used cotton anymore for sofa manufacturing. Ms. Cathalifaud stated the there was a slight upward trend in what they had seen in the laboratory, as people were looking for some natural components.

Mr. Chasse stated that the survey will give us more information. Mr. Lucas asked how the survey was being advertised. Mr. Chasse said it had just gone up and there was no advertising. Mr. Lucas expressed concern that the survey could be "flooded" by certain people or groups that would skew the results. Ms. Cathalifaud stated that it was based on email address so unless someone had multiple email addresses they could only take the survey once. It was

suggested that links to the survey go out to retailers' associations and consumer groups. Mr. Grimes said they had approached the American Association of Retired People (AARP) who expressed it was not a priority, Consumer Union, Consumer Federation of California, and Consumer Trade of California all indicated their positions were neutral on the subject.

Mr. Chasse introduced the topic of the advertising survey. Bureau management had canvassed retailers in various areas throughout California over the last year, however many of the retailers did not understand the issue or could/would not provide feedback. Bureau staff also find it difficult to apply the law when it comes to markdowns from former price and gauging comparable prevailing market price. Ms. Bradley stated she had requested a link to the survey on the Bureau's website. There was considerable discussion about home furnishings sale advertisement being regulated differently than other markets, Mr. Chasse said he would work on shortening and simplifying the survey.

### Agenda Item #4 - Lab Operations

Ms. Cathalifaud reported that the Bureau's laboratory completed and was awarded its accreditation from the American Association for Laboratory Accreditation (A2LA) in November 2016. This is in addition to the National Voluntary Laboratory Accreditation Program (NVLAP) that the Bureau has been accredited by for many years. She stated that test accreditation is a continuous process, but since the assessor visited the lab in August last year, it was anticipated that he would return around August 20th this year to review paperwork, the management system and other documentation. In addition, he may also review testing processes.

The Bureau recently filled two vacant textile technician positions, who are currently being trained.

The Bureau does face some challenges with its conditioning requirements due to hard water deposits in its humidifiers, but the Bureau works with the facility contractors to ensure that equipment is optimal for conditioning and testing.

Dr. Nurbakhsh provided an update on the barrier study. He gave a brief history on Technical Bulletin (TB) 117 and 117-2013. The original standard required products to meet an open-flame test. TB 117-2013 revised the requirement to meet a smolder test instead of open flame. As part of the adoption of TB 117-2013, the Bureau committed to do a barrier research study to evaluate the effectiveness and efficiency of barriers in lieu of flame-retardant chemicals. The Bureau developed a simple test method and received 25 different barriers to test. The barrier fabrics consisted of a variety of weaves, densities and other different properties to provide a broad base to test from. The barriers that passed the test provide fire safety enhancement of the furniture. The Bureau has also contracted with an upholstery shop to make mock-up cushions that can be used in further testing, the results of those tests will provide the Bureau with further information on how to proceed. The mock-ups will be subjected to an ignition source that is between what was used for TB 117 and what is used for TB 133. TB 133 is the standard used for furniture for commercial public occupancy, as opposed to residential furniture.

Ms. Levin asked that the results from Dr. Stapleton's barrier test be shared. Dr. Nurbakhsh stated that Dr. Stapleton examined all 25 barriers and the chemical analysis did not detect flame retardant chemicals in any of the barriers. Ms. Levin stated that as the test was reactive it is not conclusive that there were no flame retardants in the samples. Dr. Nurbakhsh stated that the Bureau did not have the means to test post-combustion products for chemical analysis.

Lauren Scott of the American Chemistry Council asked when the Bureau anticipated completing the study. Dr. Nurbakhsh replied that there were steps and that the weather can play a factor. Upon receiving the completed cushions from the upholsterer, the Bureau would decide on how to proceed. Mr. Chasse stated we were targeting January 2018 for the economic portion of the study that California State University of Sacramento had been awarded to complete.

Mr. Lucas asked about the decision to use the different ignition source. Dr. Nurbakhsh explained that the ten-inch flame is somewhere between the two-standards and should give a good indication of the safety afforded.

Mr. Lucas expressed concern about the potential toxicity and the lack of testing of the materials. Dr. Nurbakhsh stated that the role from an engineering perspective was to test for flammability and whether or not the barrier did well in a test. Mr. Lucas asked if a product had passed the TB 133 standard, what benefit did this new test bring? Dr. Nurbakhsh stated that it was a different test and the variety of fabrics was very broad.

Mr. Lucas asked about products that passed the open-flame test, but did not do as well on the smolder test. Dr. Nurbakhsh stated there were a lot fewer failures of the TB 117-2013 smolder test. He stated the primary failures were the filling or the cover fabric.

Mr. Chasse stated the Bureau would keep the Council members apprised of further information as it became available.

Ms. Sandhu in Bureau Laboratory Unit talked about confusion among manufacturers about which label to use on upholstered furniture. She differentiated the type 1 law label as those used on products without detachable cushions, such as a dinette chair where the cushion is attached to the frame. The type 2 law label is used for upholstered furniture with detachable cushions, such as sofas. The type 2 law label has three sections for new materials to accommodate body, seat cushions and back cushions filling material and the manufacturer can use one label on the product. Or the manufacturer may use a type 1 label, but must attach to every cushion.

Mr. Grimes stated that the number of cushions has been indicated on the labels, which can lead to a lot of labeling, especially if it belongs to a set (e.g. sofa, love seat, ottoman). Ms. Sandhu stated that there was no current written requirement, though she has seen the number of cushions on some samples.

Both Mr. Grimes and Ms. Bradley expressed hope that the number of cushions would not become a regulatory requirement. There was a brief discussion about consumer awareness.

Bureau Chemist Rosemarie Pecota talked about the label requirements regarding added flame retardants that was added to the law in 2015 by way of California Business & Professions Code Section 19094. Since the onset, the Bureau is seeing more that requires identification and understanding. Despite efforts to educate, there are still companies that are unaware of the requirement, however we are still attempting to gain compliance. If products are sampled that are "labeled "contain no flame retardant chemicals" the Bureau has the authority to request documentation from the manufacturer in the form of test results or a statement from the suppliers. In addition, the Bureau works in conjunction with the Department of Toxic Substance Control (DTSC) to obtain testing on products. DTSC has recently updated and posted a list of flame retardant chemicals. Ms. Pecota noted that there is also confusion regarding Prop 65 and the Bureau's law regarding flame retardants, so many of the Bureau's efforts are spent educating about the distinction between these two laws.

Mr. Chasse noted that we have encountered difficulty in obtaining the required documentation, especially from manufacturers located overseas, but we continue to educate and work on ways to ensure compliance.

Mr. Grimes asked if the Bureau asked for e-mail addresses on their applications. Ms. Pecota stated she believed we collected those when supplied, and those were used to communicate when possible.

Mr. Grimes suggested that the Bureau put out a bulletin about the differences between type 1 and type 2 labels. Ms. Pecota stated that we provide the information when sending out other documentation. Mr. Grimes asked if it could go to out to everyone. Mr. Watts noted that many companies use a third-party agent for licensing and renewal, and that is the only e-mail address we have on file, so it doesn't go to the licensee. There was further discussion about the challenges of contacts and emails.

Ms. Levin brought up the subject of shared responsibility. Ms. Pecota referenced that the documentation requirement holds the manufacturer and the supplier jointly responsible, but not the retailer.

Ms. Cathalifaud reiterated the educational efforts on the differences between the Prop 65 chemicals and the Bureau's flame retardant provisions. She also noted that DTSC updated their list annually at this point, each May 1. She stated that we contracted to have an additional 20 samples tested by DTSC.

Ms. Cathalifaud then reviewed the laboratory statistics that were included in the meeting packet.

Ms. Levin expressed concern about test results being accepted in lieu of declaration on the presence of flame retardants. Mr. Chasse and Ms. Cathalifaud indicated that receiving both were preferable. Phone caller commented, Jim Gould, stated that his company has over 130,000 fabrics and having them all tested would be impossible. Ms. Levin agreed that it would be overly burdensome. Mr. Gould stated that his company did test fabrics frequently.

Ms. Levin asked about Prop 65 test results and Ms. Pecota again mentioned education efforts to differentiate between the two issues and chemical lists.

Ms. Cathalifaud noted that the failure rate for TB 117-2013 standard was now at about 7%. Mr. Grimes asked what the failure rate had been in the past. Ms. Cathalifaud responded that it had been at 40%.

### Agenda Item #5 - Field Enforcement Update

Mr. DiGirolamo reported on the two sweeps made by the EAR field representatives and their successes. One sweep focused on the Sacramento/Stockton areas and one in San Diego. Mr. DiGirolamo indicated that it was likely the Bureau would concentrate next on the East Bay - Santa Clara and Contra Costa counties. Mr. DiGirolamo also reiterated the desire to get the pilot program going for the EAR field so the Bureau would have sufficient coverage in Northern California.

#### Agenda Item #6 - Service Contract Industry

Mr. Watts provided a brief history of the service contract regulation. He noted that over the past four years, the population of service contract sellers had increased by approximately 2,500 registrations.

Mr. Watts stated that the recent focus had been on reviewing the service contract administrator files to ensure that contracts being sold matched the files, and that financial documentation was in order. He also noted that the Bureau completed its Service Contract Working Group Report last fall and would be part of the upcoming Sunset Review Report.

Mr. Watts also indicated that the Bureau is developing pamphlets for people considering the purchase of a service contract and rights and responsibilities after one is purchased. The second pamphlet would also provide information on how to file a complaint, and their recourse. Complaint resolution staff and the field will be involved in dispersing these pamphlets at consumer events, and the Bureau will place the information on its website and provide notification through Facebook.

### Agenda Item #7 - Consumer License Checks, Scams

Mr. Chasse noted that the Bureau would continue to participate in events for consumer awareness against scams and how consumers can protect themselves. He also noted that we would explore additional ways to educate manufacturers on the HFTI side, finding avenues to disseminate helpful information to both the industry and consumers to be successful on both sides with compliance and protection.

### New Business

For future Advisory Council meetings, the Bureau plans on scheduling presentations from various parties on different topics to provide additional relevant information.

Mr. Chasse adjourned the meeting at 12:03 pm.