



**Bureau of Electronic and Appliance Repair,
Home Furnishings and Thermal Insulation**
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Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation February 10, 2016 – Advisory Council Meeting Minutes

Attendees:

Council Members: Sharron Bradley, Industry
Donald Erwin, Industry
Burt Grimes, Industry
Timothy Hawkins, Industry
Judy Levin, Public
Donald Lucas, Public
Joanne Mikami, Public (teleconference)
Leonard Price, Public
David Spears, Industry (teleconference)
David Velazquez, Industry (teleconference)
David Yarbrough, Industry

Stakeholders: Jim, Halstield, Foam Industry
Robert Hupe, Business & Institutional Furniture Manufacturers
Association (BIFMA)

Govt. Personnel: Carrie Cathalifaud, Bureau Laboratory Supervisor
Dale Chasse, Bureau Deputy Chief
Nicole Dragoo, Bureau Licensing Technician
Steve Fischer, Ph.D., Bureau Laboratory Chemist
Yeaphana LaMarr, DCA Legislative & Regulatory Review Analyst
Justin Paddock, Bureau Chief
Terri Rice, Bureau Policy Analyst
Karen Skelton, Bureau Licensing & Policy Manager
Nancy Torres, Bureau Field Inspector

Teleconference: Several stakeholders intermittently listening in by phone.

Agenda Item #1 – Welcome

Meeting commenced shortly after 9:00 AM.

Chief Paddock opened the meeting by stating that this was the first meeting to be conducted outside of the Sacramento area in twenty years. He stated that the main focus of the meeting would be on Agenda Item #6 (Bureau Outreach Plan). The advisory council members then introduced themselves.

Agenda Item #2 - Bureau Administrative Update

Mr. Paddock stated that the Bureau entered into a contract with the American Association of Lab Accreditors (A2LA), who will conduct a site visit in March or April of 2016. He said that if it is needed, the

Bureau will do any follow-up that is identified with the laboratory. In addition, accreditation should be taking place within 2016.

Deputy Chief Chasse discussed cost cutting measures taken by the Bureau. The Bureau for Private Post-Secondary Education will be occupying a portion of the Bureau's warehouse, which may offset some expenses. They will be moving into the Bureau warehouse within the next few months. In addition, two printers went down in both the laboratory and office. The Bureau moved some laboratory equipment to the front office, which now needs to be replaced. Mr. Chasse estimates that \$4,200 will be spent on equipment within the next few months. Mr. Paddock and Mr. Chasse added that the Bureau has been working on changing procedures in efforts to utilize more technology and less paper.

Mr. Paddock mentioned that the Bureau's Electronic and Appliance Repair (EAR) and Home Furnishings and Thermal Insulation (HFTI) 2016 edition law books are now available online. Licensing & Policy Manager Skelton said that the law books can be accessed at bearhfti.ca.gov under the respective BEAR and BHFTI tabs. If there are any questions or concerns, she said to contact the Bureau at (916) 999-2041.

There were no further questions or comments.

Agenda Item #3- Licensing & Enforcement Report

Reference page 4 of Advisory Council Meeting Materials Packet.

Mr. Chasse reviewed the numbers presented in the Licensing/Enforcement Statistics handout and stated that most license categories in both EAR and HFTI are fairly steady, except the Service Contract Sellers licenses which continues to increase at a steady rate. Ms. Skelton said that the Bureau has gained approximately two thousand service contract seller licensees within the past few years.

In reference to the Licensing/Enforcement Statistics, Don Erwin asked how many complaints and investigations were EAR versus HFTI. Mr. Paddock stated that he would run a system report and e-mail the results to Mr. Erwin, and that the information will be broken down in future statistical updates.

Ms. Skelton mentioned that the Bureau has been working on reducing the amount of licensees in delinquent status. She stated that 1,700 licensees used the Bureau's online renewal system within the past year. The Bureau encourages licensees to use the online renewal system, because the turn-around time is 48 hours if there are no other holds on a license. At this point in time, all EAR service dealers can renew online if they are no more than one cycle delinquent. The online renewal system is open to HFTI retailers, importers, and custom upholsterers. The Bureau is trying to expand the online renewal system to all license types in the future.

David Velazquez reiterated that it would be helpful to get a summary of complaints received and citations issued.

Joanne Mikami asked how many complaints and/or investigations have been closed. Mr. Paddock explained that it is difficult to capture on the Bureau's systems because complaints and/or investigations could either be closed by mediation or payment of citation. Also, an investigation may be started where a case is built based on multiple complaints. Mr. Chasse added that most complaints are associated with EAR. Mr. Erwin asked if a yearly comparison could be displayed in future reports. Mr. Chasse and Mr. Paddock agreed, and this will be included in the report in June.

There were no further questions or comments.

Agenda Item #4- Department of Consumer Affairs Legislative Update

Legislative & Bureau Regulatory Review Analyst Yeaphana LaMarr opened this topic by saying that there have been no Bureau-specific bills introduced this year. The introductory deadline is February 19th. Ms. LaMarr said that Senate Bill (SB) 763 by Senator Leno will likely not be moved at this time. This bill would have defined juvenile products and required manufacturers to attach a label to their product. Originally, the label would have stated whether or not the product contained added flame retardants, but was then amended to only require the label to state if the product did, in fact, have flame retardants. A solution is still being sought.

There were no questions or comments.

Agenda Item #5 – Regulations Update

Ms. Skelton presented the Regulations Update, which is referenced on page 6 of the Advisory Council Meeting Materials Packet.

Mr. Erwin stated that in years past the industry had a very close relationship with telephone companies and yellow page advertising. He said that companies would not print an advertisement for the industry unless a Bureau registration number was provided. Mr. Paddock said that the Bureau is looking into this, as was discussed during the October Advisory Council meeting. He stated that before it can be mandated in regulation, the Bureau needs specific statutory authority. Mr. Paddock reminded Mr. Erwin that the Contractor State Licensing Board (CSLB) has specific statutory authority which authorizes it to require a license number to appear on vehicles, business cards, invoices, etc. This is an idea that will be inserted into the next Sunset Review Report for comment.

David Spears asked if all avenues of media would be addressed, including the internet and business cards.

Mr. Paddock stated that if it were to occur in statute, the Bureau does not have an opinion either way. He said the Bureau raises issues in the Sunset Report that are discussed during Advisory Council Meetings. He added that the CSLB law will be referenced and quoted in the report. If statutory authority is given, it will likely be broadly defined, then the Bureau's regulation will tailor the general provision to make it more specific and suitable for both EAR and HFTI.

Mr. Paddock wanted to recognize the fact that Ms. Skelton has two strong employees in the Policy unit who work on regulations. He stated that the "high" priority group is actively worked on in order to make progress with the department, and also to get feedback in order to move forward to be released for public comment. The "medium" priority group is being researched and worked on as well. The "low" priority group is mostly under consideration. Mr. Paddock stated if council members believe that items should be shifted around on the table, he is open to suggestions.

Robert Hupe stated that his industry would like to see Technical Bulletin (TB) -133 move up in importance. He asked if it would be a lot of work to alter TB-133, and said that doing so would help the industry understand priorities.

Mr. Spears said that he would like to see the topic of required license numbers on internet advertising made a priority. Mr. Paddock explained that this was placed in the "medium" group because the Bureau

needs statutory authority in order to proceed. The next Sunset Review is in 2018, and in the Fall of 2017, the Bureau will release a Sunset Report that addresses several issues, including this issue. Throughout 2018, the Bureau will be engaged in the Sunset Review process with the legislature.

Burt Grimes said that he would like to see the labeling update move to a higher priority. He said it seems as if there's confusion on labels and specifics. He said that even though there are Frequently Asked Questions (FAQ's) on the website, some of the citations are being issued for labels with misinformation. He would like the FAQ's to be more concise.

There were no further questions or comments.

Agenda Item #6 – Bureau 2016

Reference the 2016 Outreach Plan Handout, which is now available at http://bearhfti.ca.gov/forms_pubs/outreach_plan_2016.pdf

Mr. Chasse presented the plan and then discussed the Bureau's website update. Mr. Donald Watts, Licensing Analyst, has been the project lead for the Bureau.

Mr. Paddock said that at the current time, the Bureau's units are reviewing the website and attempting to identify all issues and documents they know are important to industry and consumers who are regularly referenced. He invited all callers to schedule an appointment with the Bureau to visit and navigate the website themselves. The website goes live on April 4th, and Mr. Paddock stated the Bureau will be collecting screen shots for council members and stakeholders. He stated that at the time of release, do not hesitate to contact either himself or Mr. Chasse directly to inform them of any problems. Mr. Chasse added that individuals can send either he or Mr. Paddock an e-mail with a URL of any page that needs to be fixed.

Mr. Paddock added that he is excited to implement Google Translate for all of the Bureau's web pages.

Mr. Chasse then took a moment to introduce Nancy Torres, the newest Bureau Field Inspector for HFTI. She is well educated and has an enforcement background, and also speaks Spanish.

Mr. Chasse added that the Bureau is looking at direct connection lines for different languages in order to bridge the language barrier for licensees who may not speak English. The Bureau is implementing a direct Spanish hotline, and the number will be printed on cards that the field inspectors will be passing out.

Mr. Paddock and Mr. Chasse then discussed the creation of YouTube videos geared toward licensees and consumers. The first two videos, which will be covering Licensing and Labeling, will be released in the Spring or Summer of 2016. Some of the topics that will be discussed include the SB 1019 label, flammability labels, and how consumers can search for these labels and what their rights are while shopping at retail store locations.

Mr. Velazquez asked if separate versions of the videos would be made for licensees and consumers. Mr. Paddock and Mr. Chasse stated that both audiences would be addressed in one video per subject.

Mr. Chasse explained that the videos will be filmed in a talk show format. "Law Labeling" will be the first video to be released, and SB 1019 will be covered in the second video. The third video will discuss "write it right" receipting. There will be a minimum of four videos in 2016.

Mr. Velazquez inquired as to whether or not there would be a paperless “write it right” presentation for use with current technology. Mr. Paddock stated that it is a very good idea, and he would consult with legal counsel to see if that would be a possibility.

Mr. Hupe asked how the Bureau would handle consumer confusion regarding flammability chemicals. He said that the videos need to clarify whether non-Flame Retardant products are good or bad. Mr. Paddock said that he has found it beneficial to always start discussions concerning SB 1019 with a short explanation of how TB-117 changed. He stated that the video will clarify that TB-117 was updated to address smoldering issues, and give tips to help consumers find FR free furniture. Mr. Chasse clarified that the first videos will only be three to four minutes long each, and will be followed by sequels. The first videos will be giving basic information.

Judy Levin stated that she thinks it would be beneficial for the Bureau to focus on the second half of the label. She said that it would be good to mention that the state has determined that fire safety requirements can be met without adding flame retardant chemicals, and that flame retardant chemicals can adversely affect human development.

Mr. Paddock explained that the Bureau is currently working on the storyboard development portion of the script. His intention is to share the completed draft with the Advisory Council. He stated that if any stakeholders would like to provide feedback to call him at (916) 999-2080 or e-mail him at Justin.paddock@dca.ca.gov.

Mr. Chasse next spoke about brochures that are being designed to be released along with the YouTube videos. These brochures will be given to field inspectors to hand out to the businesses they are visiting. The timeline for the brochures and other projects can be found on page 13 of the 2016 Outreach Plan. Once the English brochures are completed, they will be published in other languages.

Mr. Chasse then asked Ms. Torres to speak further about outreach programs. Ms. Torres stated that she and Larry Perlman, EAR Field Inspector, attended the Business Resource Seminar. She said that the general public, Senators, Congresspersons, and other representatives were in attendance. The audience learned about the Bureau, including its Mission Statement, and why field inspectors are visiting different businesses and what they are regulating.

Mr. Chasse added that there is a large senior citizen population who are victims of fraud and they are looking for more information. Senior citizens attend these meetings in large quantities and ask a lot of questions regarding receiving help for their problems.

Mr. Paddock added that Leonard Price is running an educational program at Los Medanos College in Pittsburg. He said he is interested in learning about other schools throughout the state where the Bureau can educate students attending a formal educational program or technical school. He added that he thinks it would be beneficial to speak to people when they are first entering the industry, and would like to talk to any schools that offer training and certification programs.

Mr. Price stated that he appreciates the Bureau's visit to his school, and added that La Puente Adult Education School is the only Appliance Training program he knows of in Southern California.

Mr. Chasse added that several campuses have been receptive to the Bureau speaking to its students. He said that he has visited American River College in Sacramento, and students were surprised to hear that the Bureau existed and were curious for more information.

In terms of Public Affairs, Mr. Chasse stated that the Bureau is going to start writing articles to be published in industry papers and magazines. He said that in the past, these articles were very well received. Mr. Paddock added that the Bureau plans to write an article on SB 1019 and TB-117-2013. He is open to article ideas, along with suggestions on good periodicals and magazines to publish the articles in. Mr. Chasse said that the Bureau will start pitching stories to reporters in order to gather more media attention.

Mr. Grimes asked if the Bureau includes information on SB 1019 when sending out license applications and issued licenses. Mr. Paddock stated that the Bureau does not currently send out additional information, but Ms. Torres and her field inspector colleagues reference the law book and several publications are provided to licensees. He also added that some Northern California field inspectors highlight critical items on the license applications when visiting a business.

Ms. Skelton explained that when the Bureau mails out HFTI initial licenses, her staff includes a flier that explains registry numbers and specifies who is and is not allowed to use each assigned number. She said that it should not be hard to include more information with the mailed out licenses.

Mr. Chasse then discussed industry relations, and stated that he and Mr. Paddock have been getting out of the office to talk to retailers and manufacturers in order to understand their confusion and concerns. Mr. Chasse and Mr. Paddock are documenting their findings in order to figure out how to make the laws and regulations more clear and concise to different groups. Mr. Paddock said that if the Outreach Plan works, complaints and inquiry calls will increase. His hope for 2017 is that far more people will be aware of the Bureau and what it does. Any suggestions regarding the Outreach Plan are appreciated.

There were no further questions or comments.

Agenda Item #7 – Public

Mr. Paddock opened this topic inviting all public comment for general business of the Bureau.

Mr. Spears brought up that there is a large disconnect between retailers and manufacturers. Quite often, when consumers purchase a product and are not happy with it for one of multiple reasons they will return it and the manufacturer will not back up the retailer. Mr. Spears cited an example regarding a small claims court case earlier in February. He stated that a consumer returned a dishwasher a week after purchase and install, even though the problem was not with the dishwasher but with a fixable issue with the consumer's sink. The adjudicator ruled in favor of the consumer and charged the company \$600.00 more than the dishwasher was sold for. The adjudicator held the retailer responsible for the product, and made no mention of the manufacturer. Mr. Spears stated that the retailer's hands are tied if the manufacturer will not take the product back from them and was wondering if there is a way to make the manufacturers more accountable for their product.

Mr. Paddock thanked Mr. Spears and said his concerns are similar to Mr. Erwin's concern regarding parts. He stated that the Bureau currently regulates the repair dealers' side of the industry, but not the manufacturer side. Mr. Paddock also added that he is happy to include this comment in the sunset report, as it is an important issue to make policy makers aware of. Mr. Paddock stated that he would like to discuss this specific section of the sunset report with both Mr. Spears and Mr. Erwin.

Mr. Spears stated that the Bureau is able to hold home furnishings manufacturers accountable by labeling requirements, so it would be nice to make the appliance and electronic manufacturers more accountable as well.

Mr. Velazquez reinforced Mr. Spears' comments by stating that retailers are placed in a negative position when the manufacturers are not held accountable for their product. He said that it increases challenges and the ability to provide a business to consumers. The retailers are forced to take back a product they are unable to re-sell for any value. This affects the small business person in serving the customer. In addition, he asked if there are any state agencies that the Bureau could team up with in order to enforce manufacturer responsibility.

Mr. Paddock said that he is not aware of any state entities that have jurisdiction over electronic and appliance manufacturers. He said that he will look into the matter and report back.

There were no further questions or comments.

Agenda Item #8 – Service Contract Working Group

Refer to Page 9 of Advisory Council Meeting Materials Packet.

Ms. Skelton reviewed the timeline for the schedule and work plan, which is highlighted in the packet. She stated that she is having a hard time recruiting consumer members to the working group, and is open to all suggestions of consumer groups who may be interested in joining. While talking about the 'areas of discussion' section, Ms. Skelton mentioned that blanket contracts do not work because several companies are attempting to add products into the blanket of a contract without adjusting commencement and termination dates. She also brought up that often times, Service Contract Administrators are not aware of who is selling their contracts.

Mr. Spears stated that when a consumer purchases a service contract for a set term, for example five years, typically they are only paying for four years of coverage because the first year is covered under manufacturer warranty. The service contract then kicks in at the beginning of the second year, through the end of the fifth year. He asked if there is specific verbiage to present to the consumer to make this clear. Ms. Skelton said that as long as the terms are disclosed, there should not be a problem. The problem arises when a contract is too minimal, and this usually occurs in the cell phone industry. The contract needs to clearly state differences in the manufacturer's warranty coverage versus the service contract coverage.

Mr. Paddock added that the purpose of the report is to help the Bureau update the service contract regulation, which is very outdated. The Bureau is trying to receive as much commentary as possible regarding issues and what needs to be updated because the industry has changed considerably in the past few years. The working group is designed to give the legislature a roadmap of how to update a very complex topic.

Mr. Erwin brought up that a problem retailers are seeing is that sometimes they will sell a product that has a one year manufacturer warranty. The retailer will sell a four year service contract as well, and then the manufacturer will go out of business within the first year. If the customer needs service and the manufacturer goes out of business, the burden falls on the service contractor. At times, the manufacturer will go out of business and resurface under a different name. He stated that service contract sellers need to be protected too. He suggested a fund set up that the manufacturer pays into in case they go bankrupt.

Mr. Paddock stated that this is typically covered under an insurance requirement. Ms. Skelton went into deeper detail regarding who is financially responsible in terms of contracts. She said that if the contract is going through a third party administrator, that there is always insurance. If the manufacturer is considered the seller, they provide their own financial backing. Some manufacturers have better backings than others. This will be discussed within the working group, along with exploring alternative financial backings that may benefit the consumer and researching other states' protocols.

There were no further questions or comments.

Agenda Item #9 – Appliance Repairs in Residential Complexes

Mr. Paddock opened the subject by stating that Mr. Spears brought forth several topics in the October meeting, to which he was going to provide updates. One of the comments was to make sure the Bureau makes aware on its website what constitutes a handyman versus an EAR service dealer. For example: If you are a handyman and services exceed \$500, that does not meet the Bureau threshold. The Bureau threshold does not have a dollar cap on services. However, it may or may not meet the Contractors State Licensing Board (CSLB) threshold. It has been requested that the Bureau polishes the EAR Frequently Asked Questions (FAQ), and include materials regarding the handyman threshold. Mr. Paddock said another question raised at the October meeting was in regards to apartment complexes and condominiums and whether or not the repairers need to be licensed by the Bureau. Mr. Paddock found that if the apartment complex or condominium owns the appliances being serviced, that someone who is not licensed by the Bureau may perform those repairs. However, if the resident (consumer) owns the appliance that is being repaired, then the repair company needs to be licensed by the Bureau.

Mr. Velazquez asked for clarification regarding the repair being \$500 per event. Mr. Paddock stated that it is CSLB's jurisdiction. Once a repairman advertises their services, then they will be licensed by EAR. The Handyman advertising is typically not part or appliance specific, so at times it is tricky to distinguish whether or not the handyman needs to be licensed by the Bureau.

Mr. Spears asked if it would be worthwhile for the Hoover Commission to see if a handyman licensing requirement could be proposed. Mr. Paddock responded by stating he is not sure, and explained that once the Bureau has evidence that a repair has been made on an appliance, enforcement can move forward with an unlicensed issue. In regards to CSLB, it is a policy determination of the legislature that will be the threshold whether or not the company needs licensure with them. He said that he is not aware of policy issues on the CSLB side. Ms. Skelton added that Title 16 California Code of Regulations Section 2711 defines what engaging in the business is: advertising, accepting and receiving equipment for repair, and installing covered equipment.

Mr. Spears mentioned that beyond appliance repair, a handyman going into a consumer's home raises a safety issue for the consumer. Mr. Velazquez added that he thinks a handyman should be background screened because at the current time there is no way to control whether or not a criminal is entering a consumer's home.

Mr. Paddock said he will forward these sentiments to the Department's Legislative Office to add to the materials they are working on.

There were no further questions or comments.

Agenda Item #10 – Public Comment on Electronic and Appliance Repair Items not on the Agenda

Mr. Paddock asked if there were any public comments regarding BEAR items not on the agenda.

Mr. Velazquez asked if the industry was able to move forward with paperless invoicing so long as it meets the regulatory requirements, and are available for the customer to sign and receive a soft copy if requested. Mr. Paddock said that he will have more information at the June update. The Bureau is researching whether or not there needs to be a regulatory change, or if it requires a statutory change or if he can move forward with a policy change. Mr. Spears added that there is software available that e-mails the paperwork to consumers, and asked if that would be acceptable for appliance repair at this time. Mr. Paddock asked the name of the software, and Mr. Spears said he knows of a mobile app called Rosswire. This app allows the customer to sign their name on a tablet and the invoice will be e-mailed to them. Mr. Paddock said if anyone thinks of additional software to e-mail it to him.

Mr. Erwin said he has a copy of SB 2075 (Polanco, Ch. 1075, Statutes of 1998) referring to BEAR service contracts. He asked if there was any other information that he should be aware of while working on a change of service contract information wording? Ms. Skelton responded by saying that the 1999 Survey was too large to send out, so she will attempt to put it on the web for reference, in addition to other reference materials.

The meeting recessed for break at approximately 11:00 AM.

Agenda Item #11 – Home Furnishings Retail Advertisement Regulations Update

The meeting commenced shortly after 1:00 PM.

After introductions, Mr. Paddock stated that at a previous Advisory Council Meeting a survey was introduced and he received helpful feedback from Mr. Grimes, Sharron Bradley, and Dr. Lucas on how to refine data collection. Mr. Paddock stated that he and Mr. Chasse spent time in the Los Angeles region speaking with retailers, and that Ms. Skelton would be visiting several retail establishments in the San Diego area to gather information to bring back to the Bureau. Mr. Paddock said that based on data, he will try to specify where extreme margins are as well as what level of hardship there may be in regards to communicating with the Bureau prior to a “liquidation” or “going out of business” sale. Based on the data collected and feedback at the next meeting in June, the Bureau will begin mailing more refined surveys to 100-200 retailers to seek additional feedback. After this has been completed, a regulatory package will be assembled for comment.

Ms. Bradley asked if Mr. Paddock wanted the industry to send the survey out. Mr. Paddock stated that at this time he is trying to talk to people to make sure he is asking the right questions. Ms. Pamela Williams of the California Realtors Association said she would like to offer help in terms of getting the survey to the correct people. She stated that big chains would want the survey at a different level than handing it to store managers. Mr. Paddock said that he plans to do that with certain larger chains, and will make sure to encapsulate small to medium sized operations as well. He stated that he will reach out soon to set up some meetings.

Agenda Item #12 – Operations Update – Importer Inspections

Mr. Chasse opened the topic by stating that the field inspectors received extensive training in December. They were taught new ways to search the web and Bureau databases. Mr. Paddock stated that in some locations, field inspectors will ask to see SB-1019 labels prior to identifying themselves. It is an obligation

of the retailer to show the label upon request, whether or not doing so requires tipping the furniture piece or removing a cushion.

Mr. Chasse explained that the field inspectors have been practicing point-source enforcement. This concept was suggested by the Council, and he said it has been beneficial. The idea is to go straight to the source of the product, instead of to the retailer. The field inspectors have expressed that they are having accessibility problems entering certain warehouses, and there are a few safety concerns. In addition, inspectors have found a lot of disassembled furniture in the warehouse, and certain instances where they were told that certain pieces were not for sale in California. It is hard to discern whether or not the truth is being told. Mr. Paddock stated that he is looking for manifests but would like to get feedback from industry experts regarding this issue.

Ms. Bradley stated that in her experience well-known manufacturers would keep everything streamlined across the board. However, she said the smaller manufacturers may not be necessarily disclosing all details. Mr. Chasse confirmed that this was his line of thinking, and by the next Advisory Council Meeting he would like to come up with a more detailed report regarding findings and potential patterns. Ms. Levin agreed with Ms. Bradley and said that she has conducted surveys asking whether companies were labeling outside of California for SB 1019, and will share the responses with Mr. Paddock.

Mr. Chasse said that the Bureau has found a lot of unlicensed supply dealers and custom upholsterers. He stated that both auction yards and flea markets have many unlicensed sellers. The field is implementing point-source enforcement with these businesses as well by contacting management and owners to make sure their vendors are licensed.

Mr. Paddock stated that the Bureau has found it very helpful to communicate unlicensed activity to the Better Business Bureau (BBB). Once reports are made with the BBB, compliance typically follows.

Mr. Chasse brought up the issue of website businesses who steal identities of others in order to try to derail businesses. The website businesses often come up with a similar name and advertise as the legitimate business. These companies are not licensed, and they are hard to track because they work out of call centers who subcontract out to other businesses. Mr. Chasse went on to say that online businesses are still a challenge, but phone disconnects have been very successful in terms of gaining compliance. He mentioned that three field inspectors were currently conducting an enforcement sweep of the San Diego area, which has significant unlicensed and delinquent businesses.

There were no further questions or comments.

Agenda Item #13 – Technical Bulletin 117-2013 Update

Please reference Advisory Council Meeting Materials Packet Page 11.

Mr. Paddock opened the topic by stating that the Bureau has spent the past year refining small scale tests for the TB-117 barrier research study. Provided in the packet, is an updated small scale test as well as a comments table summary. All comments that the Bureau received from stakeholders, and the Bureau's responses, have been included in the packet on Page 27. Mr. Paddock urged the stakeholders to offer any comments or suggestions within the week, so the small scale testing of 24-27 barriers can commence by March 1, 2016. At the time of testing, the laboratory will be working with the Department of Toxic Substances Control (DTSC) to do flame retardant evaluation of the Bureau's in-house barriers. After this is completed, the Bureau's focus will move toward large scale validation.

David Yarbrough pointed out that the Department of Transportation (DOT) performs their test in a cabinet to make sure air flow is not affecting the result. He recognizes that the Bureau laboratory is conducting the tests in a hood, and went on to say that if the test is being operated in a hood that there should be instruction to turn off the ventilation system. He asked if the air current has been taken into consideration and dealt with.

Dr. Fischer responded by asking Mr. Yarbrough to reference Annex C on Page 26. He stated that an acceptable airflow range has been specified, and considering that there is a fairly high flow open flame impinging on the sample, he would not expect there to be an effect from ambient airflow under the conditions at hand.

Dr. Lucas asked if preliminary tests have been conducted, and what results were found.

Mr. Paddock responded by stating the laboratory has conducted preliminary tests based on Version 2, and is currently on Version 3. He asked Dr. Fischer to give a synopsis of the Version 2 results, and offered to provide an informal data table.

Dr. Fischer stated that all of the barriers that have been preliminarily tested have passed the open flame test. The laboratory has been comparing them to Section 2 of the current TB 117-2013 standard, and the majority of barriers have failed that part of the test.

Dr. Lucas suggested the laboratory staff place fabric next to the barriers to create a realistic representation and referenced an article in the *Journal of Fire Sciences* that evaluated smoldering behavior. It was found that certain barriers would pass smolder tests in a stand-alone environment, but when fabric was placed on top there would often be enough heat transfer from the barrier to ignite the foam.

Mr. Paddock stated that this would not be addressed in small scale testing, but mock-ups will be used in large scale validation. The team is currently working on a rough draft for review. Sometime in March, the Bureau will release the draft to the phase 2 working group for comment. He said the purpose is to compare large scale validation tests with results that are seen in small scale tests. Mr. Paddock asked Dr. Lucas to send him a link to the study in the *Journal of Fire Sciences*.

There were no further questions or comments.

Agenda Item #14 – SB 1019 Implementation Update

Reference page 29 of Advisory Council Meeting Materials Packet.

Mr. Paddock opened the topic by stating that as of late January 2016, SB 1019 is being fully implemented. Last year, the Bureau finalized an inter-agency agreement with DTSC. In mid-December, DTSC released their operating procedures on their website. The Bureau then had a quick meeting with stakeholders to see if there were any concerns. Based on that discussion, at the end of January, the Bureau decided to submit samples. Mr. Paddock stated that he looks forward to summarizing the first set of results at the June Advisory Council Meeting. The second batch of samples will be en route to DTSC in March. He said that the next steps of the process will be discussion with DTSC in coming months over procedure changes they would like to make to their operating practices for the following year. If there are any changes, both the DTSC and Bureau will make a public announcement in May. This will give time to evaluate the new procedures before they go into effect the following fiscal year, on July 1.

There were no further questions or comments.

Agenda Item #15 – Thermal Insulation Program and Regulatory Update

Mr. Paddock said that starting January 1st in order to reduce costs, the Bureau has been working on revenue reimbursement on its home furnishings side. When the Bureau confiscates an upholstered furniture product for testing, the retailer or manufacturer is entitled to reimbursement if the product passes all tests. However, if a thermal insulation sample fails the laboratory's test, the Bureau can charge the manufacturer the cost of the test. In 2016, the Bureau will be charging manufacturers in any instances of failure in an effort to make this a more cost neutral program. Mr. Paddock added that the thermal insulation directory is now on the Bureau's website, located here:
<http://www.bhfti.ca.gov/industry/tinsulation.shtml>.

Mr. Paddock stated that the Bureau has received comments from stakeholders on its proposed changes to thermal insulation regulations in Title 24. Most comments were technical, and helpful in regards to updating references. He then asked Dr. Fischer if he had anything to add.

Dr. Fischer stated that he sent the comment to the Energy Commission for review.

Mr. Paddock stated that within the next month, the Bureau will update its website based on a summary of the comments received and the course of action the Bureau decides to take based on those comments.

Dr. David Yarbrough asked for clarification regarding thermal insulation failures. He wanted to know if the Bureau will charge for the cost of the laboratory procedure. Mr. Paddock said that is correct, and Mr. Yarbrough asked how the cost would be determined. Mr. Paddock stated that the Bureau will be making a cost sheet that will be shared in the coming months, and that a failure would cost approximately \$500-\$1000. Mr. Yarbrough suggested the Bureau research what commercial laboratories are charging for specific tests and use that as a guideline. Mr. Paddock said he will reach out to several laboratories in order to obtain price sheets.

There were no further questions or comments.

Agenda Item #16 – Public Comment on HFTI Items Not on Agenda

Reference page 31 of Advisory Council Meeting Materials Packet.

Mr. Hupe of Business & Institutional Furniture Manufacturers Association (BIFMA) gave a presentation on Open Flame Regulations and the Industry.

Mr. Paddock clarified that if a structure meets certain sprinkler or fire suppression requirements, then the furniture in it does not need to meet TB-133 for high occupancy spaces, and instead can meet TB 117-2013. This is more prevalent in "legacy buildings" in California, where systems have not yet been installed.

Mr. Hupe stated another issue is that even though regulation may not require TB-133 furniture, multiple agencies such as local fire marshals or building code inspectors will tell building owners that they are required to have TB-133 furniture anyway due to a lack of understanding of the guideline.

It was brought up that certain plastics also contain flame retardant chemicals. Mr. Paddock asked why flame retardants would be added to plastic, and Mr. Hupe explained that some furniture that contains

plastic components have to contain flame retardant chemicals because they will melt during a TB-133 test and fail if they are not added.

Mr. Paddock asked Mr. Hupe if the majority of office chairs in California have flame retardants. Mr. Halstield responded by saying that most chairs probably do not. However, some chairs that contain plastic components do need to include flame retardants if they need to meet TB-133. The flame retardants are included only in those particular orders. Mr. Paddock asked Mr. Halstield to e-mail him the numbers regarding how many orders he fills of chairs requiring flame retardants. Mr. Hupe added that Mr. David Panning would be able to provide that information.

Ms. Levin stated that when she speaks with manufacturers, some are asking about oppression of parts. Many manufacturers do not know if their recycled plastic components contain flame retardants because they do not know where parts came from. Mr. Halstield added that when flame retardant is put in plastic, there is no residue so it does not become airborne like it does on fabric and foam.

Mr. Paddock asked whether Dr. Stapleton or another academic has looked into the migration of residue. Ms. Levin said she is aware of electronic plastic casings where there is migration out of the plastic. Mr. Hupe added that several people are looking at the topic, depending on what the flame retardant chemical is. Another participant said that the migration amount may depend on the type of plastic being used. He said that his company's flame retardants were added to the plastic which goes into an injection molding system so there should be little to no smell or exposure.

Mr. Hupe stated that BIFMA is not happy about having its members' exposed to flame retardants, and would prefer for the exposure to flame retardants be abolished. Ms. Levin added that another problem is that she works with some purchasers whose buildings are 90 percent sprinklered and 10 percent un-sprinklered. Their legal departments require them to purchase all TB-133 furniture even if 90 percent of the building is sprinklered.

A participant of the teleconference asked when legacy buildings would require a fire suppression system due to it now being a law in California. Mr. Paddock responded by saying there has been discussion about requiring fire suppression systems but he is not aware of a formal proposal. He stated that if there is a formal proposal it would require a change in Title 24.

There were no further questions or comments.

Agenda #17 – Adjournment

The meeting was adjourned shortly after 2:00pm.