

1-20-82

HB 146

HOUSE LABOR & COMMERCE
 STANDING COMMITTEE
 January 20, 1982
 1:10 p.m.

Members Present: Rep. Martin, Chairman
 Rep. Bylsma, Vice Chairman
 Rep. Randolph
 Rep. Gardiner
 Rep. Rogers

Members Absent: No members absent.

COMMITTEE CALENDAR

HB 146 Re payment procedures/public contracts
 HB 595 An act continuing the existence of the Board
 of Welding Examiners; and providing for an
 effective date.

WITNESS REGISTER

Representative Brown
 Alaska State Legislature
 Pouch V
 Juneau, Alaska 99811
 465-3744
 Position Statement: Gave background on both bills.

Nick Coti, Management Analyst
 Division of Occupational Licensing
 Department of Commerce & Economic Development
 Juneau, Alaska 99811
 465-2534
 Position Statement: Supported HB 595.

Donald Lockman
 Testing Institute of Alaska and
 State Board of Welding Examiners
 Anchorage, Alaska
 276-3440
 Position Statement: Supported HB 595.

Ken Lomax
 ARCO Oil and Gas Company
 Anchorage, Alaska
 338-1271
 Position Statement: Supported HB 595.

Louie Rousseau
 Welding Application-Methods

Anchorage, Alaska
272-3543
Position Statement: Opposed HB 595.

Erwin Long
Arctic Foundations, Inc.
Anchorage, Alaska
276-5575
Position Statement: Opposed HB 595.

PREVIOUS ACTION

HB 146 Referred to committee 3/11/81; no previous action. No action taken by committee this date.

HB 595 Referred to committee 5/26/81; no previous action. No action taken by committee this date.

ACTION NARRATIVE

Tape #003
Recording
Number 1190

The meeting was called to order by Chairman Martin at 1:10 p.m. All members were present. The committee schedule called for the consideration of HB 595 and HB 146. Testifying before the committee regarding both bills was Representative Fred Brown, prime sponsor.

Number 1201 Rep. Brown, sponsor of HB 595 and HB 146, gave background on both bills. Chairman Martin limited further testimony and committee consideration to HB 595.

Number 1259 Nick Coti, Division of Occupational Licensing, Department of Commerce and Economic Development, spoke from prepared testimony in favor of continuing the Board of Welding Examiners.

Number 1371 Donald Lockman, of the Testing Institute of Alaska and the State Board of Welding Examiners, testified in favor of HB 595. Rep. Rogers questioned Lockman about his testimony.

Number 1634 Ken Lomax, of ARCO Oil and Gas Company, testified in favor of the bill, and presented written statements and letters to

the committee.

Number 1710

Louie Rousseau, of Weldir , Application-
Methods, a technical services business in
Anchorage, testified against the bill.

Number 0136, Side B

Erwin Long, of Arctic Foundations, Inc., a
manufacturer of pressure vessels and geo-
tech equipment, also testified against the
bill. He said he does contract work for the
Corps of Engineers, and finds the State
Board of Welding examinations and
certifications to be in conflict with
federal requirements that certification must
be done according to the American Society of
Mechanical Engineers (ASME) code.

Number 0312

Donald Lockman gave rebuttal testimony in
favor of the State Board of Welding
Examiners.

Number 0348

No action was taken on HB 595, and the
Chairman adjourned the meeting at 3:00 p.m.
Hearing on HB 595 will be continued in
February.

COMMITTEE MINUTES

COMMITTEE House Labor & Commerce
HEARING DATE January 20, 1982
TAPE NO. 3, Sides A and B

The meeting was called to order by Chairman Martin at 1:10 p.m. in the Labor & Commerce Committee Room, Behrends Building, Juneau, Alaska. Committee members present in addition to the Chairman were Representatives Bylsma, Randolph, Rogers and Gardiner. Committee staff in attendance were Jeff Barry and Mary Isaacs.

The committee schedule called for the consideration of the following items: HB 595 and HB 146. Testifying before the committee regarding both bills was Representative Fred Brown, prime sponsor. Testifying before the committee regarding HB 595 were Nick Coti, Don Lockman, Ken Lomax, Louie Rousseau, and Erwin Long.

Rep. Brown, sponsor of HB 595 and HB 146, gave background (meter no. 1201) on both bills. Chairman Martin (meter no. 1248) limited further testimony and committee consideration to HB 595.

Nick Coti, of the Department of Commerce and Economic Development, Division of Occupational Licensing, spoke (meter no. 1259), from prepared testimony in favor of continuing the Board of Welding Examiners.

Donald Lockman of the Testing Institute of Alaska and the State Board of Welding Examiners testified (meter no. 1371) in favor of HB 595. Rep. Rogers (meter no. 1512) questioned Lockman about his testimony.

Ken Lomax of ARCO Oil and Gas Company (meter no. 1634) testified in favor of the bill, and presented written statements and letters to the committee.

Louie Rousseau of Welding Application-Methods, a technical services business in Anchorage (meter no. 1710) testified against the bill.

Erwin Long of Arctic Foundations, Inc., a manufacturer of pressure vessels and geo-tech equipment, (meter no. 0136, side B) also testified against the bill. He said he does contract work for the Corps of Engineers, and finds the State Board of Welding examinations and certifications to be in conflict with federal requirements that certification must be done according to the American Society of Mechanical Engineers (ASME) code.

Don Lockman (meter no. 0312) gave rebuttal testimony in favor of the State Board of Welding Examiners.

No action was taken on HB 595, and the Chairman adjourned the meeting at 3:00 p.m. Hearing on HB 595 will be continued in February.

MINUTES REVIEWED AND APPROVED:

Representative Terry Martin, Chairman
House Labor & Commerce Committee

TESTIMONY BEFORE THE HOUSE LABOR & COMMERCE COMMITTEE

ON HB 595

January 20, 1982

By Nicholas Coti, Management Analyst
Division of Occupational Licensing

Thank you for the opportunity to comment on HB 595. The department would like to take this opportunity to indicate what it sees to be key issues with respect to the sunseting of the Board of Welding Examiners and to provide this committee with relevant information that may assist it in determining whether it is in the public interest to continue the board and the licensing process.

The first issue I would like to address is: Is the welding inspector system set up under the present statutes and regulations necessary to protect the public from the effects of unsafe weldments.

The answer to this question appears to be yes. Under the present system, the board licenses welding inspectors who certify welders. This certification is a prerequisite for a welder to work on a job where weldment failure might pose a public hazard to life or property. This procedure seems reasonable and is the preferred approach by industry as evidenced by the operations of the American Welding Society and by comments of nonboard member professionals. While this approach seems to be necessary, it is not clear whether it is adequate to properly protect the public. The department would urge the committee to encourage comments from knowledgeable professionals on whether this system is indeed adequate.

The second issue that we feel is key is: Given the fact that the system of certifying welders by welding inspectors is accepted as necessary by the industry and that an independent certification process is available through American Welding Society's welding inspector program, is it necessary to make the certification of welders a legal requirement or can we rely on industry (specifically the purchasers of welding services) to regulate themselves?

The Division of Legislative Audit has indicated that it feels that industry can adequately regulate itself in this area, while the board has indicated the present level of regulation is appropriate and desirable.

With respect to this issue, the department would like to make the following points for the committee's consideration:

- o Contractors, not welding inspectors, are generally held liable for the consequences of weldment failure. Contractors are already licensed by the State. The welding inspectors who are presently licensed by the State are at least twice removed from responsibility for the consequences of weldment failure (the welder and the contractor). In other words, there are no sanctions relating the welding inspector's performance to actual events of damage to the public.

- o Similarly, the present statutes do not provide a system in which there are any realistic ways of identifying abuses by welding inspectors. For example, there is really no way of determining whether a welder who has been certified by a welding inspector has actually taken and/or passed the test.

Both of the above points underline enforcement weaknesses in the present system that should be evaluated during the sunset process. This also explains in part why there haven't been complaints of a public protection nature brought before the board...a point made by the Division of Legislative Audit in arguing that there is no need for a board.

The following comments address problems with the present statutes and regulations and address the performance of the board. These comments assume that the welding inspector system should be a legal requirement.

The first issue I would like to raise here is: Is the present set of procedures for licensing welding inspectors adequate?

The present regulations and statutes define two basic procedures whereby someone can become licensed as a welding inspector in Alaska. These can be identified as the AWS route to licensure and the board testing route to licensure (cf. AAC 72.065).

I would like to briefly discuss both these routes to licensure, noting first that only the AWS route to licensure has been actually operationalized.

The AWS Route to Licensure: Under the present set of regulations, a person will receive a license if he/she has a current welding inspector certificate from the American Welding Society and submits proof of having previously passed an all position welding qualification test in at least one welding process. One problem with the AWS route to licensure is that it places Alaskan applicants at the mercy of an outside organization over which the State, the board and the applicant have no control. Applicants dissatisfied with a determination made by the AWS have no means of appeal.

Two applicants actually encountered this problem this year when their applications for AWS certification were unjustly obstructed and temporarily denied by AWS. The Division of Occupational Licensing interceded in this case, contacted the AWS and after a series of interactions, was able to assist in getting the AWS decisions reversed. The actual problem was determined to be an obstinate AWS employee who was acting counter to instructions from the AWS Qualifications Committee. While this particular incident is by no means typical of our past interaction with AWS (which has been good), it does highlight the fact that under a system which relies solely on AWS certification, there is no appeal guaranteed to the applicant. Therefore, if you determine that licensing is in the public interest, the above is an argument against the position recommended by the Division of Legislative Audit that we rely on AWS certification for licensure.

Some benefits of the AWS system should also be noted: It is a generally workable system that represents standards recognized by the industry as valid; its independence from the board reduces the potential for conflicts of interest between board members and applicants who may be potential competitors; and it is a readily available method.

The board testing route to licensure: Under this route to licensure, the applicant should be tested directly by the board according to criteria specified in the existing regulations. In fact, the regulations describe this as the normal route to licensure and the AWS route is an alternative. As noted above, procedures for implementing these regulations have not been developed and the board has relied exclusively on the AWS route.

For the reasons discussed above, if the present statutes, regulations and board are retained, the Legislature would urge the board to establish the necessary procedures so that applicants could be tested directly by the board if necessary.

It should be noted that while the board has been remiss in developing these procedures, there is no record of the board being urged to do so by the department or the Division of Legislative Audit which has done two performance audits on this board in the last three years. The board has a good record of positively responding to constructive criticism and recommendations from the Division of Legislative Audit. If the present licensing system is continued, the department will make every effort to assist the board in developing these regulations.

In closing, I would like to note that the board has an excellent record of licensing qualified applicants who follow the existing procedures. There are presently 219 welding inspectors licensed by the board, 136 of which are currently in active status. This is substantially more than is reported in either of the Division of Legislative Audit's reports and reflects the board's efforts to license qualified people.

It is also worthy to note that in the past the board has delegated routine licensing functions to the licensing examiner in an effort to expedite the licensing process. The board instructed the licensing examiner how to evaluate the AWS certification documents and routine all position welding documentation. The licensing examiner was then allowed to issue licenses under these strict guidelines. The system worked well and allowed for expeditious licensing, a major goal of the Division of Occupational Licensing. This practice came under criticism in one audit report and was discontinued in deference to the criticism. The department would urge the committee to encourage this type of expeditious licensing if it decides that licensing of welding inspectors is in the best interest of the public.

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 1/20/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	X		1:00	
Rep. D. Randolph	X		1:02	2:32
Rep. B. Rogers	X		1:03	
Rep. T. Gardiner	X		1:02	2:16
Rep. T. Martin, Chair	X		1:00	

Subject Matter:

House Bill No. HB 595 ~~HB 146~~ _____

Senate Bill No. _____

Special Orders:

MEMORANDUM

State of Alaska

TO: Board of Welding Examiners

DATE: May 28, 1981

FILE NO:

TELEPHONE NO: 465-2535

FROM:  Nick Coti, Management Analyst
Division of Occupational Licensing

SUBJECT: HB 595

Attached for your review is a copy of HB 595, relating to the continuation of the Board of Welding Examiners. I would appreciate receiving your comments on this bill. Please respond on this memorandum, or on an attached sheet, and mail it to me as soon as possible, Thank you.

COMMENTS:

3 Jun 81

Yes, I do support passage of HB 595. I feel that the Board has has been effective in increasing the quality of welding within the State of Alaska.

I do not feel however, that the Board has ^{NOT} been as effective as it could have been in the last couple of years since so much effort has been spent in replying to Sunset requirements. If HB 595 was passed the Board could devoted full time to serving the public in regards to the welding industry.

The Board has managed to effectively operate on what I feel is a very minimal budget. A great service has been provided to the taxpayers of this State at a very low cost. I see no reason that this low level of funding would not be sufficient to addequately meet the publics needs in the future.

I am adamantly opposed to the creation of a bureaucracy, such as a Welding Bureau to over see the welding industry in the State. The cost would be enormous and would probably be no more effective than the present Board.

Please forgive the typos, I had to do this myself.



Don H. Delk
Secretary,
Board of Welding Examiners

MEMORANDUM

State of Alaska

TO: Board of Welding Examiners

DATE: May 28, 1981

FILE NO:

TELEPHONE NO: 465-2535

FROM:  Nick Coti, Management Analyst
Division of Occupational Licensing

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COMMENTS:

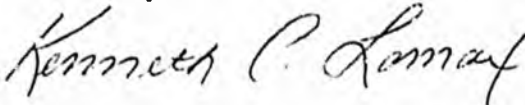
Dear Mr. Coti:

I feel the continuation of the Board of Welding Examiners is essential to the construction and Petro-Chemical Industry in Alaska.

As a supervisor for a major oil company I have had an opportunity to see positive results from the licensing of welding inspectors. Of course, as with any licensing requirement, there are some rough edges to smooth over but that is what the board is for. I think the board should have the opportunity to finish what it started several years ago when the laws were still in the draft form.

Thank you for the opportunity to speak out.

Sincerely,



KENNETH C. LOMAX
Quality Assurance Supervisor
ARCO Oil and Gas Co.

MEMORANDUM

State of Alaska

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COMMENTS:

I am in favor of HB 595 to continue the Board of Welding Examiners. Our state is in its infancy of an oil and mineral revolution in which welding will play a dramatic roll for both public and environmental safety. Our state can not afford to relax the requirements of quality at the expense of safety. The Welding Board has made tremendous strides compared to other states where legislation has not been enacted to insure the public's protection, and if continued, will be improving on the existing regulations to be more meaningful to both public and industry.


Donald M. Lockman, Chairman
Board of Welding Examiners

MEMORANDUM

State of Alaska

TO: Board of Welding Examiners

DATE: May 28, 1981

FILE NO:

TELEPHONE NO: 465-2535

FROM:  Nick Coti, Management Analyst
Division of Occupational Licensing

SUBJECT: HB 595

Attached for your review is a copy of HB 595, relating to the continuation of the Board of Welding Examiners. I would appreciate receiving your comments on this bill. Please respond on this memorandum, or on an attached sheet, and mail it to me as soon as possible, Thank you.

COMMENTS: I believe the Board of Welding Examiners is worth continuing. The cost has been very, very minimal to the state especially when compared to the accomplishment of the Board. Alaska by far leads the nation for the number of certified welding inspectors per capita as a result of regulations adopted by the Board. There is no doubt in my mind that licensing welding inspectors whom monitor welders has upgraded welding throughout the state all of which has been accomplished with very little cost to the state.



PETER MILLAR

Member - Board of Welding Examiners.

