

HB

406

DATE: 3/14/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/24/90

Labor & Commerce Committee considered CSHB 406 (Finance)
"An Act relating to the sale or transfer of consumer electrical products."

and recommended:

- replace with SCS CS HB 406 (L+C) same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical
- _____ letter of intent adopted title change (HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:
 fiscal note(s) _____

APPROVES PREVIOUS:
Dept/Date:
 fiscal note(s) _____

zero fiscal note(s) _____
Dept of Law 11/30/90
Dept of Labor 2/23/90 / for SCS

zero fiscal note(s) _____
 Governor's bill w/fiscal note

SIGNING DO/PASS:
Patricia Rydley

OTHER RECOMMENDATIONS:
No Rec
11 Rec

[Signature]
Chair: Signature and Recommendation

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSHB 406 (FIN)

No. 2

PUBLISH DATE: HOUSE 3/7/90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act relating to the sale
or transfer of consumer electrical products."
Sponsor: Cotten
Requestor: House Labor & Commerce

Agency Affected: Labor
BRU: Labor Standards & Safety
Components: Mechanical Inspection

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: there is no fiscal impact in FY 90

Prepared by: Tom Stuart, Director
Division: Labor Standards & Safety

Phone: 465-2712
Date: 2/23/90

Approved by Commissioner: Jim Sampson
Agency: Department of Labor

Date: 2/23/90

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Alaska State Legislature



Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

TO: Chairman Eliason and members of the
Senate Labor and Commerce Committee.

FROM: Rep. Sam Cotten

DATE: March 20, 1990

RE: CS HB 406 (Finance)

The need for legislation which would restrict the sale of consumer electrical products was first brought to my attention as the result of a tragic incident which occurred in my community. A ten-month old child was electrocuted by a lamp which was not listed by a third-party certifier as being listed for consumer safety. Testimony by Underwriter's Laboratories before the Labor and Commerce Committee indicated that the lamp assembly would not have been approved had it been tested by them or another third-party certifier.

Like many people, I had assumed that electrical appliances sold had to be listed. The tragic incident in Peters Creek demonstrated otherwise. With the passage of HB 406 I hope to give consumers the assurances of product safety many people erroneously believe they already have when purchasing a consumer electrical product.

HB 406 would prohibit the sale of consumer electrical products which are manufactured after the effective date of this Act. Products manufactured prior to the effective date and are not listed must bear a label warning the consumer that it has not been listed. This legislation is not intended to impact commercial electrical products, most of which are already certified, but is focused on consumer electrical products.

The Department of Law's Consumer Protection Section requested that I introduce this legislation in order to prevent the sale of products which have not met minimum safety requirements, and may as a result cause injury or death.

This is an important consumer protection bill which has received broad support. I would appreciate your support as well.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

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FAIRBANKS, ALASKA 99701-4679
PHONE: (907) 452-1568
FAX: (907) 456-1317

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

March 30, 1990

The Honorable Richard I. Eliason
Chairman, Senate Labor
and Commerce Committee
Alaska State Legislature
Post Office Box V
Juneau, Alaska 99811

Dear Senator Eliason:

Thank you for the opportunity to testify on the House Finance Committee's Substitute for House Bill No. 406.

My comments are directed at the oral and written testimony of Ronald Cooper and Barry McCormick, the owners and managers of Alaska Pump and Supply, Inc. I apologize for the adversarial tone of these comments, but unfortunately I am somewhat at odds with Alaska Pump and Supply's position.

I will respond one by one to all ten points raised in the March 20 letter.

1. My own survey of Anchorage retail establishments did not bear out the fifteen percent figure; in fact I had a tough time finding any unlisted electrical products. I also checked on Mr. McCormick's claim that Hamilton Beach products sold through Pay 'n Save are not listed. This, too, appears to be inaccurate. All Hamilton Beach products on Pay 'n Save shelves were listed when I checked them on March 29, 1990.
2. Alaska is not alone in this. Washington, Oregon, Texas, North Carolina, and parts of California are protected by this type of law. (Possibly other jurisdictions as well; my time for research is somewhat limited.)
3. This law would apply to mail order companies that distribute their catalogues or sell their wares in Alaska.
4. Representatives of Underwriters Laboratories have testified that they are willing to work at minimum expense with any Alaskan companies that need their services.

The Honorable Richard I. Eliason
March 30, 1990
Page Two

5. The exemption spoken to on page 2, lines 1-6 applies in this situation if in fact the original listings no longer apply.
6. The state has a responsibility to act expeditiously on a request for exemption. Obviously a specific response time would be impossible to establish considering the wide range of products or situations that could occur.
7. Again the vast majority of items are listed. I have checked dozens of electric hand tools. All were listed.
8. The concerns raised are already answered in the definition. Any unusual application problems can be cured by the regulations spoken to on page 2, lines 1-6. If your committee wishes to further clarify the definition, add to page 3, line 2: "public for household use . . . and that is. . . ."
9. See response to No. 8.
10. See response to No. 8. Obviously general public in this situation refers to individuals purchasing an appliance for their own household use.

Sincerely Yours,

DOUGLAS B. BAILY
ATTORNEY GENERAL

By:

R. M. Scotty Dawkins

R.M. Scotty Dawkins
Investigator

RMD/md

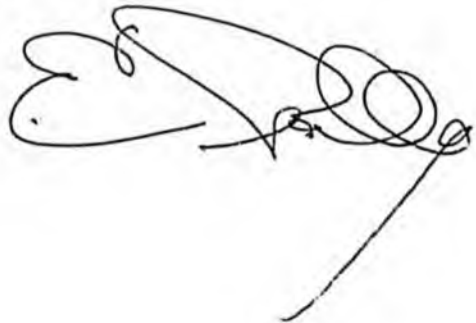
Sheila -

(A) an assembled device that has an electrical circuit that operates at 110 volts AC or higher other than mechanical attachments such as pump heads, pulleys, fan blades, etc; which are used in the application of the device;

cc: ~~Wileen Plata~~

This is the only
amendment Sam will buy.
Let's go with this and
forget the rest.

Thank -

A handwritten signature in black ink, consisting of several loops and a long tail stroke extending downwards and to the right.

Original sponsor(s): REP. COTTEN

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 406 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale or transfer of consumer
7 electrical products."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 45.45 is amended by adding a new section to read:

10 Sec. 45.45.910. SALE OR TRANSFER OF CONSUMER ELECTRICAL PROD-
11 UCTS. (a) Unless exempted by the department under (d) of this sec-
12 tion, a person may not sell, offer to sell, or otherwise transfer in
13 the course of the person's business a consumer electrical product ~~that~~
14 ~~is manufactured after the effective date of this Act, unless the~~
15 ~~product is clearly marked as being listed by an approved third-party~~
16 ~~certification program.~~

17 (b) A person may not sell, offer to sell, or otherwise transfer
18 in the course of the person's business a consumer electrical product
19 ~~that is manufactured before the effective date of this Act, unless the~~
20 ~~product is clearly marked~~

21 (1) as being listed by an approved third-party certifica-
22 tion program; or

23 (2) with a warning label that complies with (e) of this
24 section.

25 (b) A person may not sell, offer to sell, or otherwise transfer
26 in the course of the person's business a consumer electrical product
27 that has been exempted under (d) of this section, unless the product
28 is clearly marked with a warning label that complies with (e) of this
29 section.

CS FOR HOUSE BILL NO. 406 (Finance)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL
AMENDMENT 3

For an Act entitled: "An Act relating to the sale or transfer of consumer
electrical products."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*Section 1. AS 45.45 is amended by adding a new section to read:

Sec. 45.45.910. SALE OR TRANSFER OF CONSUMER ELECTRICAL PRODUCTS. (a)

Unless exempted by the department under (d) of this section, a person may not
sell, offer to sell, or otherwise transfer in the course of the person's
business a consumer electrical product [that is manufactured after the
effective date of this Act] unless the product is clearly marked, [being
listed by an approved third-party certification program.]

DELETE LINES 17 - 20

Provided by Ernie Polley

Suggested amendments submitted by Alaska State Chamber of Commerce,
3/20/89, Senate Labor and Commerce.

Page 3, line 3

(A) an assembled device, other than mechanical attachments such as pumps which are used in the application of the device, that has an electrical circuit that operates at 110 volts AC or higher;

Page 2, line 7

delete all of paragraph (e) and replace with the following:

(e) The warning labels required by this section are of two types and must be brightly colored and contain simple, direct language. One type of label shall warn that the electrical product is not listed by an approved third-party certification program. The second type of label shall note that the product, while initially approved through a third-party certification program, has been repaired and that the new parts meet or exceed the technical requirements of the original parts. The department shall adopt regulations establishing the exact content, color, design and use of the warning labels.

Amendment



ALASKA

March 19, 1990

PUMP & SUPPLY, INC.

261 EAST 58TH AVENUE
ANCHORAGE, ALASKA 99502
(907) 563-3424
FAX 563-5449

HB 406

Please do not pass this bill in its present form. Many good quality items for sale in Alaska today will not be sold to Alaskan consumers, but will be sold to business & trades people for use of industry.

No other state has a law that is this restrictive. Consumers will be able to buy these articles in other states and bring them home to Alaska, also be able to order them from mail order houses.

Local manufacturers of any article that has an electrical component will be curtailed. It will be illegal to repair or modify a listed unit and then sell to a consumer, as repairing will void the UL listing.

The possibility of exemption from this law for a consumer item will be subject to the whims of the Bureaucratic system.

The cost of this bill would be a total waste of money.

At least put this bill on hold for a year while all of its consequences are considered

Thank you
DL Cooper



ALASKA

PUMP & SUPPLY, INC.

261 EAST 56TH AVENUE
ANCHORAGE, ALASKA 99518
(907) 563-3424
FAX. (907) 562-5449

March 20, 1990

Senate Labor & Commerce Committee
C/O Senator Eliason, Chairman
Room 417C, Capitol Building
Juneau, AK 99811

Ladies and Gentlemen:

We are writing you to express our concerns over House Bill 406, which passed unanimously and is to be presented to your committee for discussion on Wednesday, March 21, 1990.

The intent of this bill is for the benefit of the general public, and we agree with the intent. However, we are concerned with the broad language and scope covered by this bill which it seems to address through bureaucratic potentially political regulation rather than sound legislation.

(1) On a radio interview, Representative Cotten stated there would not be any cost for this bill. That is questionable. Does the DOL have the staff to deal with the multitude of exemptions that will be requested? In walking through large chain retail stores, we see as much as 15% of the product on the shelf in various departments doesn't appear to be listed. To properly administrate such a program would seem to require adding staff to the already taxed DOL.

(2) Additionally, many products that do not have an "approved third party listing" will ultimately have to be removed from the market place, as the manufacturers won't be willing to spend the exorbitant sums required to obtain listings for a small market like Alaska offers and the cost of opening each carton to apply a "Warning" label will be prohibitive.

We feel this will create a reduced supply vs demand situation thereby effecting increased prices to the consumers.

(3) Out of state mail order companies will still be able to offer any product, whether it is listed or not. Further erosion of Alaska's customer base can be the ultimate result, driving up the overhead that must be passed along by law abiding Alaskans on each and every sale if they want to stay in business.

(4) The cost of obtaining an "approved third party listing" may have a major impact in deciding whether or not to open a small manufacturing operation for entrepreneurs. The initial costs can run \$10,000.00 and more, depending on the product and agency used, and that isn't any guarantee the product will get the listing! By virtue of there being a law on the books, the "approved third party listing" costs can go up as there are only a few companies that meet ANSI Z-34.1 - 1987, to provide the listings.

(5) If a service shop such as ours modifies a listed product by adding a listed component, the original listing no longer would apply as far as the labeling agency is concerned. This would restrict service trades from fulfilling individual application needs without special ordering equipment, which may not be listed, thereby requiring an exemption. In the mean time, the consumer either does without or risks personal injury by buying the pieces and puts it together.

(6) There is no time limit provision for a response to exemption requests. That is scary. A decision that should be made in a timely basis of no more than a couple of weeks could take months or even years if the requestor is not in favor with the administration in control at the time of the request or if the person responsible for granting the exemption could be held liable in any way for the potential consequences. A simple no in this situation would be better than waiting. A response time limit needs to be imposed on the DOL.

(7) A major concern is that non-listed items can be sold to a tradesman for use on the jobsite, but cannot be sold to consumers who may use the very same item around the house. An electric hand drill would be a good example.

(8) We feel many of our concerns could be laid to rest if the definition of a consumer electrical product were more clear. The phrase "commonly purchased by the general public" is vague and could lead an inspector to literally expect every single 110V AC consumer item to have either a listing or a warning label. We feel the following version, with the word "household" inserted and the phrase shown in capitals would resolve many potential problems.

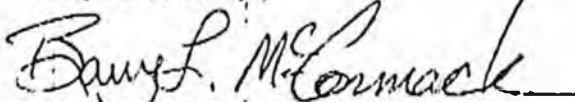
(2) "consumer HOUSEHOLD electrical product" means an electrical product that is marketed for and commonly purchased by the general public FOR USE INSIDE THE HOUSEHOLD STRUCTURE BY ALL MEMBERS, and that is

(9) There needs to be a clear definition of both "commonly purchased" and "the general public." What percentage of the population must buy, own or use an item before it becomes "commonly purchased"? 5%, 15%, 49%, or a majority of 51%? Does it include specialized devices used in some households but not in others such as water and sewer pumps, power hand tools, etc?

(10) What constitutes "the general public"; does it include only individuals representing households or does it also include tradesmen, service shops or manufacturing facilities? Perhaps this is answered in another statute. If so, it should be referenced.

One can argue that almost each and every item discussed here is addressed in HB406, however, if you read each concern and view it with an open mind, you can see that our concerns are valid and have merit. We ask that you consider our points carefully before sending the bill on to the Senate and make the clarifications and slight changes that will allow this bill to better serve the public as originally intended.

Respectfully,



Barry L. McCormack
General Manager

cc: Rep. Loren Lemar, District 9-A



International Association of Electrical Inspectors



The Alaskan Chapter of the International Association of Electrical Inspectors supports House Bill No. 406. This bill follows our associations major objectives in formulating standards for safe installation and use of electrical materials, devices and appliances. Product manufacturers have the responsibility to supply products that are safe and suitable for the purpose. Listing and labeling of an electrical product assures the consumer that the product manufacturer has met basic fire and life safety tests conducted by an unbiased approved testing laboratory.

to Janet, Speaker Cottons office
phone # 465-3711, FAX 465-4565
from Gil Chambers
Building Safety MOA,
Electrical section
phone # 786-8394, FAX 786-8214

Gil Chambers
Sec/Treas AK Chapter IAEI
13811 Savage Drive, Box 110
Eagle River, Alaska 99577



Underwriters Laboratories Inc.

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(408) 985-2400
FAX No. (408) 298-3256
MCI Mail No. 259-3283
Cable ULINC SANTA CLARA CA
Telex No. (TRT) 184-219

March 20, 1990

Senator Richard Eliason
Chairman Senate Labor and Commerce Committee
Alaska State Legislature
P.O. Box V (MS3100)
Juneau, Alaska 99811

Subject: HB 406

Dear Senator Eliason:

We understand that an amendment to HB 406 is being proposed by the Alaska State Chamber of Commerce. The first part of the proposed amendment would exempt mechanical attachments of electrical products from being Listed. The second part of the proposed amendment would require that Listed products that have been repaired be provided with a marking. This marking would indicate that the product has been repaired and that the new parts meet or exceed the technical requirements of the original parts.

Underwriters Laboratories (UL) strongly urges the Committee to reject the first part of the proposed amendment.

When UL Lists a product we evaluate the product for all reasonably foreseeable hazards. This includes electrical as well as mechanical and other potential hazards. UL also evaluates hazards associated with attachments to Listed products. For example, an impeller on a motor is evaluated as a Listed pump. Tests on pumps include Temperature, Dielectric, Flooding, Leakage Current, Insulation Resistance, etc. Products with pumps, such as spas, are evaluated to determine that the pump will perform acceptably in combination with the overall product assembly. Furthermore, UL evaluates instruction manuals to determine if any hazards will result from attachments recommended for use with the Listed product.

UL feels that it would be inappropriate to exempt mechanical attachments of electrical products from being Listed.

Referencing the second part of the proposed amendment, when a product bears a Listing Mark it means that at the time of manufacture, the product complied with the applicable product safety standard. When a Listed product is modified or repaired it does not change this fact and therefore does not void the Listing. However, if the product is repaired or modified, neither UL nor any other third-party certifier knows if the product still complies with the applicable product

safety standard. Therefore, the proposed marking would not guarantee that the product complies with the appropriate safety requirements.

Summarizing, UL strongly urges the committee to reject the first part of the proposed amendment allowing products with mechanical attachments to be exempt from being Listed. In regards to the second part of the proposed amendment, we feel that the marking would not serve any purpose.



Bob Pollock
Senior Staff Engineer
Electrical Department

Dear Fellow Electrical Inspectors and Members of the International Association of Electrical Inspectors:

You will find enclosed:

1. A paper explaining the need for and uses of third party certification of electrical products.
2. Washington State - Electrical testing laboratory accreditation regulations and a list of the testing labs so accredited.
3. Oregon State - Electrical testing laboratory rules, list of testing labs, and testing lab on site inspection report forms.

With the increasing number of unlisted, unlabeled electrical products being introduced into the Alaskan market, the need to call on the services of a qualified impartial testing laboratory is also increasing. All inspectors enforcing the National Electrical Code require the most positive proof that the equipment installed meet these fire and life safety standards. Equipment introduced into Alaska from foreign sources or products made in the USA installed without first being tested to these basic standards run the risk of not complying with the N.E.C.

To help prevent injury or loss of life, and minimize damage to the electrical installation, the electrical inspectors are calling on the help of qualified testing facilities to make field evaluations as a backup for approval or disapproval of the products being installed.

The enclosed material should help explain the concerns of the electrical inspection agencies and the procedures used to insure that the questionable electrical system is safe.

Those of us who have to enforce N.E.C. 90-4 Enforcement, 90-6 Examination of Equipment for Safety, 110-2 Approval, 110-3 Examination, Identification, Installation, and Use of Equipment, and 110-21 Marking; should find this backup material a great help.



Gil Chambers,
Secretary/Treasurer
Alaska Chapter I.A.E.I.
13811 Savage Drive, Box 110
Eagle River, Alaska 99577
786-8394



January 24, 1990

Representative Sam Cotten
Speaker of the House
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Mr. Cotten:

Your letter of January 10 to our Mr. Wes Christensen, together with the copy of House Bill 406, has been referred to me for review.

We note that Section 45.45.910(d)(1) states that an approved testing laboratory means a laboratory that meets the requirements of ASTM E994-84, Standard Guide for Laboratory Accreditation Systems. We believe it inappropriate to reference ASTM E994 in this context since it does not include criteria that a laboratory must meet in order to be accredited.

ASTM E994 identifies the important features that operators of laboratory accreditation systems should adhere to in their accreditation procedures and practices. It provides guidelines for the qualifications and selection of assessors, the conduct of on-site assessments, the implementation of proficiency testing and the evaluation of laboratories leading to accreditation. In other words, ASTM E994 applies to the accreditor of a laboratory, and not the laboratory.

The title of E994 is "Standard Guide for Laboratory Accreditation Systems." Further, the introduction concludes with the sentence "Laboratory accreditation systems should not be confused with product certification systems." We are enclosing a copy of ASTM E994 for your reference.

If the bill remains essentially in its present form, then we recommend the following changes:

Sec. 45.45.910(a) - Change "...labeled or listed by an approved testing laboratory..." to "... listed or labeled by an approved third-party product safety certifier..."

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Sec. 45.45.910(d)(1) - Delete the reference to ASTM E994 and include in its place "ANSI Z34.1-1987, American National Standard for Certification - Third-Party Certification Program, published by the American National Standards Institute." ANSI Z34.1 is a reasonably complete standard for third-party product safety certifiers and includes most, by not all, of the criteria UL recommends for valid third-party product safety certification programs.

Sec. 45.45.910(d)(2)(B) - Change "for which an approved testing laboratory exists" to "for which listing or labeling by an approved third-party product safety certifier is available."

It is important to recognize the significant difference between "laboratory accreditation" and "product certification."

"Laboratory accreditation" is a formal recognition that a testing laboratory is competent to carry out specific tests or types of tests. Laboratory accreditation is directed toward and limited to assessing testing competence. The adequacy of personnel, laboratory facilities and equipment are determined. At best, testing competence should be considered as only one of several elements of a product safety certification system.

"Product certification" includes testing, but, in addition, involves a number of other elements. An over-simplified visual comparison of the two systems might look as follows:

MAIN ELEMENTS OF SYSTEMS	
<u>PRODUCT CERTIFICATION</u>	<u>LABORATORY ACCREDITATION</u>
Product standard	
Product testing	Product testing
Product assurance (Follow-up production inspection)	
Certification Mark	

Laboratory accreditation does not include supervision of the use of a certification mark by which the government authorities and the public can identify products produced in accordance with a certification program.

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Laboratory accreditation does not include a product follow-up program to assure that factory production continues to comply with minimum safety requirements.

It does not have provision for recall and removal of certification marks from noncomplying products, response to field problems and a host of other elements essential to a product certification system.

The only element of a product certification system that is addressed by laboratory accreditation is testing competence. Without the other elements of a product certification system, accreditation of testing competence is meaningless to the role of protecting the public from unsafe electrical products and installations.

The term "Testing laboratory accreditation" or the equivalent is commonly used in laws and regulations, probably because the organizations involved often have the word "laboratory" in their names and testing is one element of the process. In reality, "product safety certification system" is the subject.

The prevailing view of product safety certification is that it is an activity involving laboratory testing to determine compliance with a standard. Testing is only one of many essential elements in a product safety certification system, however.

"Product certification" is the action of certifying, generally by a registered mark, that a product is in conformity with specific standards, in this case American National Standards for safety, or equivalent. Since product certification is directed to product conformance vis-a-vis testing competence, it is also concerned with conflict of interests, independence, use of United States codes and standards, a production inspection program, contractual provisions for testing and follow-up, and provisions for removal of the certifier's mark from noncomplying products.

There are relatively few organizations (laboratories) operating product safety certification systems. On the other hand, there are thousands of testing laboratories doing commercial testing.

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Commercial testing laboratories perform a variety of tests in fields such as metallurgical, chemical and physical analysis, radiological analysis, air and water quality, concrete, soil and weld analysis, and on and on. The list is almost endless. Often, a laboratory is organized to do only one type of analytical testing, such as concrete.

The testing performed by commercial testing laboratories is usually on a lot-by-lot, project-by-project, one-of-a-kind, or similar basis. That is one time testing, as opposed to continuous product testing of mass produced products upon which the public depends for product safety. Potential customers may be interested in knowing that a laboratory has been judged by an independent organization to be capable of performing specific analytical tests. This would motivate a laboratory to seek accreditation of some form.

Accreditation would involve an evaluation of laboratory personnel, test equipment and facilities with respect to performance of specific tests or groups of tests not necessarily to a specific standard nor to all the requirements of the standard.

Product testing is one of many elements of a product certification program. The operator of a certification program, such as UL, conceivably could contract to have testing performed by an outside laboratory. Laboratory accreditation could provide a useful mechanism in assessing the technical competence of a testing laboratory. This is another illustration of how a testing laboratory and laboratory accreditation might serve a useful purpose as one element in a certification system. Laboratory accreditation could never be a substitute for product certification, however.

Historically, the regulatory authority exercising legal jurisdiction over electrical installations has been charged with the responsibility to assure that the health, safety, and property of the people of a state, county or city are reasonably protected.

Requirements for the safe installation of electrical products have been available in the National Electrical Code since 1897, but this Code does not cover the safety of the

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products themselves. Most regulatory authorities have not had a staff with technical expertise to devote to the evaluation of product safety, the laboratory facilities in which to conduct such evaluations, the funds to do so, the ability to conduct factory production inspections nor the other necessities to conduct an adequate product certification system.

As a result, those responsible have looked for assistance to organizations specifically established to conduct product safety certification systems. The National Electrical Code makes such a recommendation in the first paragraph of Section 90-6. Up until recently, a statement appeared in a state regulation to the effect that "electrical equipment shall be listed by Underwriters Laboratories." With the advent of competitive certification programs in recent years, reference to "electrical equipment listed by Underwriters Laboratories or by a testing agency approved by the department" has been substituted.

As concern for public safety has increased, so has the number of laboratories claiming to conduct product safety certification programs. Regulatory authorities in general were ill equipped to evaluate the qualifications of laboratories. There were no guidelines, insufficient funds, no spare time and little expertise. Unfortunately, many regulatory authorities were placed in a position of having to recognize laboratories without adequate evaluation.

The result was that products began to appear which some electrical authorities believed did not comply with minimum safety requirements. Accidents and fires were reported, allegedly involving electrical equipment certified by a laboratory whose product certification system was recognized. Concerned authorities decided that it was time that stringent guidelines be established with which to evaluate product safety certification systems.

The states of Texas, North Carolina, Oregon and Washington adopted completely new regulations. Other jurisdictions upgraded their existing requirements. Today, as a result, product safety certification systems and the laboratories operating them are receiving more scrutiny than ever before.

Underwriters Laboratories supports independent third-party product safety certification systems and we support efforts to

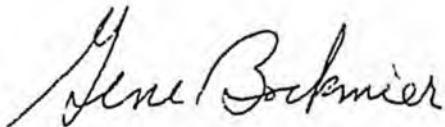
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develop more stringent criteria for the evaluation of such certification systems. We believe the certifying organizations seeking recognition should be willing to reimburse the state for the cost involved, so that the program will be essentially self-supporting.

We are enclosing a copy of the ANSI Z34.1-1987 document we referenced in our suggested changes. Also, enclosed is a copy of the Washington State product certification rule that may be of interest to you. It is more complete than ANSI Z34.1-1987.

I understand that our Messrs. Bob Pollock and Wes Christensen expect to meet with you February 2. They will be prepared to discuss this matter. In the meantime, if we can be of help, please let us know.



GENE BOCKMIER
Vice President

Original sponsor(s): REP. COTTEN

1 IN THE HOUSE

BY THE LABOR & COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 406 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale or transfer of consumer
7 electrical products."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 45.45 is amended by adding a new section to read:

10 Sec. 45.45.910. SALE OR TRANSFER OF CONSUMER ELECTRICAL PROD-
11 UCTS. (a) Unless exempted by the department under (d) of this sec-
12 tion, a person may not sell, offer to sell, or otherwise transfer in
13 the course of the person's business a consumer electrical product that
14 is manufactured after the effective date of this Act, unless the
15 product is clearly marked as being listed by an approved third-party
16 certification program.

17 (b) A person may not sell, offer to sell, or otherwise transfer
18 in the course of the person's business a consumer electrical product
19 that is manufactured before the effective date of this Act, unless the
20 product is clearly marked

21 (1) as being listed by an approved third-party certifica-
22 tion program; or

23 (2) with a warning label that complies with (e) of this
24 section.

25 (c) A person may not sell, offer to sell, or otherwise transfer
26 in the course of the person's business a consumer electrical product
27 that has been exempted under (d) of this section, unless the product
28 is clearly marked with a warning label that complies with (e) of this
29 section.

1 (d) If a consumer electrical product is a work of art or an item
2 that has an unusual application that makes approval by a third-party
3 certification program not reasonably available, the department shall
4 upon request exempt the item from (a) of this section. The department
5 shall establish by regulation guidelines to identify consumer electrical
6 products that qualify for an exemption under this section.

7 (e) The warning label required by this section must be a brightly
8 colored label that contains in simple, direct language a warning
9 that the electrical product is not listed by an approved third-party
10 certification program. The department shall adopt regulations establishing
11 the exact content, color, design, and use of the warning
12 label.

13 (f) Unless a later version has been adopted by the Department of
14 Labor by regulation, a certification program must meet the requirements
15 of ANSI Z-34.1 - 1987, American National Standards for Certification
16 - Third-Party Certification Program, published by the American
17 National Standards Institute, in order to qualify as an approved
18 third-party certification program under this section. The Department
19 of Labor may adopt by regulation later versions of the American National
20 Standards for Certification - Third-Party Certification Program,
21 as the standard for third-party certification programs under
22 this section. If the Department of Labor has adopted a later version,
23 a certification program must meet the requirements of the most recent
24 version adopted by the department in order to qualify as an approved
25 third-party certification program under this section.

26 (g) In this section,

27 (1) "approved third-party certification program" means a
28 program that qualifies under (f) of this section;

29 (2) "consumer electrical product" means an electrical

1 product that is marketed for and commonly purchased by the general
2 public and that is

3 (A) an assembled device that has an electrical circuit
4 that operates at 110 volts AC or higher, except for mechanical
5 attachments, including pump heads, pulleys, and fan blades, that
6 are used in the application of the device;

7 (B) a device that when assembled has an electrical
8 circuit that operates at 110 volts AC or higher; or

9 (C) an individual component part that is intended to
10 be part of an electrical circuit that operates at 110 volts AC or
11 higher;

12 (3) "department" means the Department of Labor.

13 * Sec. 2. AS 45.50.471(b) is amended by adding a new paragraph to read:

14 (29) violating AS 45.45.910(a), (b), or (c).
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ARCO Alaska, Inc.
External Affairs
Mailing Address: 134 Franklin Street
Juneau, Alaska 99801
Telephone 907 586 3680



Beverly A. Ward
Director, Southeast
Government & Community Relations

April 23, 1990

Senator Dick Eliason
Alaska State Senate
Capitol, Room #417
P.O. Box V
Juneau, AK 99811

Dear Senator Eliason:

As I have previously testified in Senate Labor & Commerce, ARCO Alaska still has some concerns about HB 406, sale of electrical products. We recommend that the bill only be applicable to new, not second hand or used merchandise.

A testing laboratory label assures the purchaser of new equipment that minimum standards have been met for that product. The same label has little or no relevance to a used product.

If used electrical products are included in this bill, there will be many groups affected. Any one who sells surplus equipment on an "as is, where is" basis would be affected. This would include the State of Alaska and the federal government, and companies like APC. In addition, second hand shops, thrift stores, used TV and other shops would be included.

In the case of ARCO Alaska, we donate thousands of dollars worth of used equipment every year to charities, non-profit organizations, and municipal groups, like police and fire departments. A lot of useable merchandise will be taken to the landfill if a testing label is not attached, or we would be required to affix a warning label indicating the merchandise was not tested by a third party. This warning label has the potential for confusion and misinterpretation.

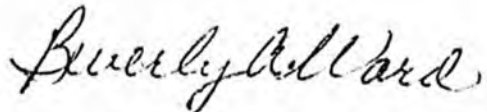
Senator Dick Eliason

April 23, 1990

Page 2

We share the bill sponsor's concern that all equipment being used should be safe. We think it is an appropriate first step to require that all new household electrical products being offered for sale must have a third party testing label.

Sincerely,

A handwritten signature in cursive script that reads "Beverly A. Ward".

Beverly A. Ward
Director Southeast

ARCO Alaska, Inc.

External Affairs
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Juneau, Alaska 99801
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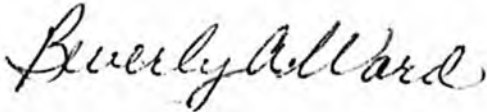
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