



March 26, 2013

The Honorable Margaret Doherty
House Committee on Business and Labor
Oregon State House of Representatives
Salem, OR 97301

Dear Chair Doherty and Members of the Committee:

We are writing to you regarding HB 2535—Relating to employees provided by temporary service providers.

Representative Holvey's intent with this bill is to stop a practice wherein some businesses manipulate the temporary staffing relationship in order to avoid their duty to their employees. This objective was not reflected in the way the bill was originally drafted, and the original bill would have been an administrative nightmare for temporary staffing companies, business clients, and workers' compensation insurers. Representative Holvey, understands this and knows that the original language did not express his intent, and he has worked with the staffing industry to craft a workable bill that accomplishes his goal while remaining administrable for the staffing firms.

Rep. Holvey explained that his goal is to prevent a customer of a temporary staffing firm from directly paying a temporary employee during the same pay period that the temporary staffing firm provides and pays the same employee. As the employer of record, we are responsible for workers' compensation when one of our employees is hurt while working for one of our customers. Unfortunately, some businesses have learned that they can take advantage of this situation by claiming that an injury happened while the employee was working through the temporary staffing firm, even if the injury really happened while the employee was working directly for the business.

Temporary staffing offers flexibility for our employees as well as our customers. We work with our customers to determine the expected hours of and duration of the jobs our employees are sent to do. However, the hours to be worked can vary drastically from what is originally requested. The variations depend on a wide variety of reasons. For example, if a customer expects to work three employees for 40 hours, but the project depends on sunny weather and it rains on the second day, the rest of the job may be canceled. Sometimes a client really likes an employee and will ask to keep them longer than initially thought and other times an employee just won't work out, so they are sent back to the branch after just a few hours or a single day. We do tell our temporary employees, upon assignment, what the expected hours and duration, and they understand that those may change during the course of the assignment. Staffing firms provide customers with work tickets or time cards. The customer documents the actual hours worked, and these documents are returned to the staffing company to determine pay for the temporary employees.

However, any legislation that adds to the administrative burden of temporary staffing companies leads to fewer jobs due to increased costs of administration or due to the fact that we must turn our attention to completing paperwork rather than

LABOR READY

SPARTAN

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CENTERLINE

the TRUEBLUE companies

looking for more jobs for our temporary employees. Measures that require temporary staffing companies to provide written notice to each and every employee before each and every assignment can also be burdensome to our temporary employees because they would have to drive to the branch before each assignment, even if they were assigned a job over the phone. The job could be a mile from their house but they would have to travel first to the branch, which could be many more miles of travel, just to get the paperwork, which would include information we provide verbally. It will be possible, however, to give employees notice about the provisions of this bill when we initially hire them.

TrueBlue and its family of brands, including Labor Ready, CenterLine Drivers, and CLP Resources, is America's leading provider of blue-collar temporary labor to the light industrial, manufacturing, and construction industries. In 2012 we put more than 7,000 people to work in Oregon, served 3,500 businesses, and contributed \$14.5 million to the state's economy through wages paid to our temporary employees. On average, our temporary associates stay with us approximately one month. We put people to work and serve businesses all over the state, including many in your districts. We are responsible employers and do much to aid the economy of the State of Oregon by providing opportunities to those who choose or need to work on a temporary basis: those who are unemployed, between jobs, seeking additional income, looking for training, or trying to get off welfare.

We take great pride in the fact that we put so many people to work and act as a bridge to permanent employment. In doing so, we offer flexibility to our employees as well as our customers, many of them small and mid-sized businesses that need to respond quickly to production and market fluctuations and that rely on flexible labor to survive this recession and position themselves for growth. Unlike fly-by-night labor providers and the contractors who pick people up on the street corner, TrueBlue companies strive to protect our employees from unsafe working conditions, provide worker's compensation should an employee be injured on the job, comply with employment regulations, and ensure employees are paid correctly.

We will continue to work with Rep. Holvey to craft a mutually-agreeable bill. To see how we put people to work the right way, we invite you to visit one of our branch offices.

Respectfully,

/s/Paul Shevchenko

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