

RE: The House and Senate Minimum Wage Bill

My name is Paul Wendlick, President/CEO of ISSPRO Inc in Portland Oregon. Our company was founded in 1949 by my aunt and uncle; the first sales office was in a house on 8th & Burnside in Portland. The company is now owned by myself and my older brother. We are a manufacturer of products used in the heavy duty truck market (Daimler, Kenworth, Peterbilt, Navistar), the agriculture market (John Deere, Case), as well as small OEMs and aftermarket. This is just a short list of our customers for brevity.

Our market area includes the entire US, Canada, Mexico, Europe and a few Asian countries. We are able to compete in these areas despite intense competition from Chinese and East Indian manufacturers.

We currently employ 103 people, supporting 103 families. We pay 80% of the employee's health care; provide sick time, vacation time, as well as a company-matching 401(K).

Our manufacturing floor's productivity surges and ebbs based on customer orders. 25 years ago, we used a lot of temporary help when the orders grew, and laid off personnel when orders declined. This proved to be a terrible method of manufacturing product, as we realized that experienced workers built product with consistently higher quality and fewer returns than product built by temps. We decided then and there that our goal would be to keep our workforce stable and employ people through "thick and thin."

During the "great recession" in 2008, we saw our business drop 35% in a month! With our goal of maintaining employment, we approached our employees with an idea. We could either lay off workers during the slow-down, or we could immediately begin furloughs. Unanimously, they said that they needed their health insurance and would be willing to have their hours cut to offset our sales decline.

What came out of this was a plan for senior managers (and owners) to take a 20% salary cut, middle management and production employees took a 10% salary cut, and all employees a one week per month furlough. We had a skeleton crew of technical, customer service, and shipping department personnel work during furloughs. Within a year, we were able to restore wages, and have slowly returned to nearly all people at full time. Through this recession, we didn't lay off anyone, a testament to our commitment to our employees.

Many of our production workers are SE Asian (Vietnamese, Cambodian, etc.) and with their lack of communication skills (many speak little English) they would have a hard time getting another job. But that works perfectly for us – many of our workers have been here 10-25 years; our oldest is 72. These are all taxpaying, contributing members of our community.

There has been a great call to bring manufacturing jobs back to the US, but in order for us to compete, price is always an issue with our customers, especially large corporations like John Deere, Daimler, etc. These customers are not going to stay with an American supplier just because they're American. Their loyalty is based on values such as quality, delivery time, and price.

With this in mind, the idea of a \$15/hour minimum wage will put us at a competitive disadvantage against manufacturers in other US States as well as the world. We receive requests regularly from customers looking for price reductions, yet with this proposed minimum wage increase, we will find ourselves losing business, and potentially, letting some of our employees go.

The crux of the argument to raise the minimum wage is based on fact that many minimum wage jobs require people to receive public assistance. It was reported that the share of workers in various occupations who receive some form of assistance are as follows:

Fast food workers	52%
Home care workers	48%
Child care workers	46%

If the minimum wage was raised in these three areas, the impact would not greatly affect their sales because the increase would be passed on to the end user. Since these businesses sell locally, competitive edge would not change. A \$1 burger might become a \$2 burger, but it would affect all food equally. No one would say, "I'm going to Washington because the burgers are cheaper there," nor would someone seeking home care for a family member say "Home care is cheaper in Boise." But for ISSPRO, the change could be a disaster since John Deere might say "Tachometers are cheaper in Pennsylvania than Oregon."

It's imperative you consider what the impact of an across-the-board wage increase will have on any Oregon business that competes outside of Oregon.

Some say that Portland and Oregon are anti-business. You need to show that Oregon businesses are given the tools to compete nationally and internationally – Ensure jobs stay here.

A handwritten signature in black ink that reads "Paul Wendtlick". The signature is written in a cursive, flowing style.