



June 20, 2017

House Committee on Rules
Oregon State Legislature
900 Court Street NE
Salem, Oregon 97301

Dear Chair Williamson and Members of the Committee,

Headquartered in Portland, Precision Castparts Corp. (PCC), is a worldwide manufacturer of complex metal components and products, providing high-quality structural investment castings, forged components, airfoil castings, highly engineered fasteners, and aerostructures for critical aerospace and power generation applications.

PCC employs nearly 5,000 Oregonians at eight different locations in Deschutes, Multnomah and Clackamas Counties. Our workforce is highly skilled, well compensated, and has a strong focus on safety.

For many years, PCC has calculated overtime pay the same way – paying overtime for the greater of the overtime hours each day or the total overtime hours for the week. This generally accepted practice has worked for employers and employees across the state. The only change, requiring legislative intervention, occurred in the past six months when the Bureau of Labor and Industries (BOLI) issued new advice on overtime calculation, suggesting overtime should be paid for both daily hours and weekly hours, even if resulting in paying overtime pay twice for the same hours worked by an employee.

We support SB 984 as well as Section 1(3)(c) of HB 3458, which addresses the new BOLI overtime advice and provides needed clarity in calculating overtime. Section 1(3)(c) codifies the longstanding approach to overtime calculation and provides our business with certainty going forward. We also support SB 984 which addresses the issue as well.

However, we are opposed to HB 3458, Section 1(2)(a)(C) (Page 1, Lines 16-18) which implements a cap on voluntary overtime. Restricting employees from working voluntary overtime is unnecessary and places restrictions and administrative burdens on industries, employees, and employers where there are currently no issues.

PCC does not utilize mandatory overtime. For our employees, the prohibition on voluntary hours over the cap reduces earning opportunities for employees who are ready, willing and able to work, and simply seeking to increase their income.

We have a highly specialized hourly workforce, including certified inspectors, welders, and other technical jobs that are not easily replaced. Our employees choose to work overtime because they excel at their jobs and appreciate opportunity and the compensation. For our employees that value and request overtime, HB 3458's restrictions on voluntary overtime will likely be viewed as a take-away.

Additionally, HB 3458's voluntary overtime cap fails to recognize the need for flexibility for ebbs and flows in manufacturing. Our manufacturing processes may be impacted by many factors, including increases in orders or other customer needs. At times when more work is required, the ability to offer overtime allows us to meet these needs and operate our business efficiently. The Dash 4 amendments do not address the problems HB 3458 causes for our operations and our workforce.

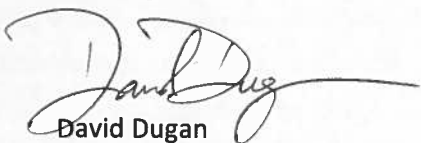
It's also important to point out that managing a cap on voluntary overtime will be incredibly difficult to administer. Typically, an employee clocks in and out of each shift, and at the end of the pay period, employers calculate hours and overtime earned and pay the employee wages due. Tracking hours during the pay-period for thousands of employees on an "as you go" basis is difficult and costly. Enforcing a cap on voluntary hours requires new policies, new time-keeping methods, and additional management to ensure employees do not sign up for, request, or work additional available time and inadvertently exceed the new cap.

Finally, HB 3458 is unfair in its application. It unfairly targets workers in manufacturing, agriculture, and forest products and puts these industries at a disadvantage due to stricter rules and higher penalties than other businesses. The limit on voluntary overtime also would only apply to manufacturing employees not covered by collective bargaining agreements, demonstrating the arbitrary and unnecessary nature of capping voluntary overtime.

HB 3458 is unnecessarily broad and will result in restricting more employees than it portends to protect. A cap on voluntary overtime hours is not necessary to protect workers and unreasonably limits flexibility for both employees and employers. We ask you to support SB 984 and oppose the caps on voluntary overtime in HB 3458. We also support the HB 3458 Dash 1 amendments drafted by Representative Barreto.

Thank you for your consideration and support.

Kind regards,

A handwritten signature in black ink, appearing to read "David Dugan", with a long, sweeping underline that extends to the right.

David Dugan
Director, Corporate Communications