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Oregon House Committee on Labor and Workplace Standards  
Oregon State Capitol  
900 Court St NE  
Salem, OR 97301

**Subject: Concerns Regarding the Impact of HB 2688 on Electrical Contractors**

Dear Members of the House Committee on Labor and Workplace Standards,

I am writing on behalf of the Independent Electrical Contractors of Oregon, to express our concerns regarding the potential impact of the proposed legislation that HB 2688, which expands the definition of off-site fabrication for public works projects. While I understand and appreciate efforts to ensure fair labor practices, this bill, as currently written, presents significant challenges for electrical contractors—challenges that could ultimately increase project costs, delay construction timelines, and create confusion in an industry already evolving at an unprecedented pace.

**The Rapid Evolution of Prefabrication in the Electrical Industry**

The electrical industry is undergoing a technological transformation with the increasing adoption of prefabrication, modular construction, and advanced manufacturing techniques. Electrical contractors routinely use pre-wired assemblies, modular panels, prefabricated conduit racks, and data center modules to enhance efficiency, improve job site safety, and reduce material waste.

However, HB 2688 introduces broad and ambiguous language that makes it difficult to distinguish between "custom" prefabrication for a specific project and standard industry prefab components used across multiple jobs. Given the rapid pace of technological advancement, classifying prefab components under this legislation will only become more confusing and burdensome over time.

## **Key Challenges Electrical Contractors Will Face**

### **1. Unclear Definition of Prefabrication**

- The bill states that "custom, off-site fabrication" applies to non-standard components made specifically for a public works project, but in electrical work, most prefab components—such as pre-wired junction boxes or conduit runs—are built for efficiency but not necessarily "custom" for one project.
- Contractors will struggle to determine which prefab components are subject to new labor regulations and reporting requirements, leading to unnecessary administrative burdens.

### **2. Increased Costs & Prevailing Wage Implications**

- If all prefabrication related to public works projects is considered on-site labor for wage classification, this could lead to higher labor costs at off-site fabrication shops, undermining the cost savings that prefabrication provides.
- Oregon already faces a shortage of skilled electricians, and the reduced use of prefabrication due to confusion and cost-prohibitive regulations will further strain the workforce, increasing labor costs and limiting contractors' ability to meet project deadlines efficiently.

### **3. Potential Delays in Public Works Projects**

- Prefabrication helps reduce project timelines, ensuring that Oregon's public infrastructure projects are completed faster and more efficiently.
- If prefab components require additional reporting, classification, and oversight, it could lead to delays, increased paperwork, and workforce disruptions, ultimately harming taxpayers and local communities.

### **4. Confusion Around Evolving Electrical Technologies**

- With emerging electrical innovations such as smart panels, integrated energy storage, and modular microgrid solutions, the industry is rapidly moving toward advanced prefab solutions that did not exist just a few years ago.
- If HB 2688 becomes law, contractors will constantly face uncertainty about whether new prefab technologies are considered "custom" and subject to additional regulations, creating barriers to innovation.

## **A Path Forward: Industry Consultation & Clear Definitions**

I strongly urge the Committee to engage with industry professionals, including electrical contractors, engineers, and manufacturers—to fully grasp the numerous challenges this legislation creates, including increased regulatory ambiguity, higher administrative burdens, and obstacles to adopting evolving prefabrication technologies.

- Consider Technological Innovation: Recognize that new electrical prefab technologies will emerge and that overly broad definitions may restrict their adoption.
- Assess the Economic Impact: Conduct an economic study on how this bill may increase costs and delay public works projects.

We strongly oppose this type of legislation as it introduces unnecessary complexity and restrictions that will burden electrical contractors, drive up costs, and stifle innovation in the industry. HB 2688 as written, fails to acknowledge the evolving nature of prefabrication and *the* essential role it plays in modern construction. Rather than imposing additional regulatory hurdles, we urge the Legislature to reject this provision and focus on policies that support efficiency, job growth, and technological advancement in the electrical sector.

I appreciate your time and consideration of this important matter. I am happy to provide further insights or participate in discussions to ensure Oregon's public works projects remain efficient, innovative, and cost-effective.

Sincerely,

*Cindy Regier*

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