

Submitter: JL Wilson
On Behalf Of: OSCC
Committee: House Committee On Rules
Measure: HB3568

Dear Chair Fahey and Members of the House Rules Committee -

The Oregon State Chamber of Commerce opposes HB 3568, because as written, it is a clumsy regulatory overlay on "large" warehouses simply for the fact that the warehouse might employ production quotas on its workforce. There is nothing special or noteworthy about production quotas that should trigger the types of reporting requirements and potential litigation in this bill.

First and foremost, production quotas are a fundamental building block of business output, productivity and workforce management. Without quotas, there is no way to objectively forecast business output, meet customer demand, or gauge the performance of employees. Quotas exist in many professions - most notably sales. A sales quota does not present a workplace safety threat to the sales employee. A delivery quota does not present a workplace safety threat to the delivery driver. Likewise, a production quota in a warehouse does not present a threat to the workplace safety of the warehouse employee.

Quotas are intended to be achievable. Quite simply, they are a management tool used to establish a baseline of productivity. How else is an employer to determine the quality of work in a warehouse setting? It is the metric by which quality of work is measured in that setting. Unachievable quotes would lead to low morale and ultimately a diminished workforce. Quotas are also dynamic. More likely than not they evolve with customer demand. They are not arbitrary.

OSCC's opposition to this bill stems from the fact that this is a door best not opened - it is a direct threat to an employer's right to manage the workplace to meet legitimate business objectives. Quotas objectively represent "the work." How else is an employer going to manage a workplace but for establishing performance criteria?

Another practical issue specific to this bill is that it creates ongoing and limitless opportunity for retaliation claims. Invoking the rights laid out in this bill creates a 90-day buffer where no adverse action can be taken against an employee without the presumption of employer retaliation. This is detrimental to the workplace, not only because it will hinder legitimate management decisions, but because it will also have the effect of keeping low performing employees on the job which will sour the morale of the existing workforce.

Warehouses have become essential to both big and small businesses alike. OSCC

is concerned that HB 3568 would have the effect of dis-incentivizing warehouse investments in Oregon relative to neighboring states. We are concerned about the ongoing effect that bills like these have in replacing humans with automation. And we are also concerned that bills like HB 3568 ultimately hurt small business more than large corporate entities as they are more susceptible to supply chain disruptions.

If there are workplace safety concerns specific to large warehouses, they should be addressed specifically. HB 3568 is far too broad of an approach that opens the door to regulation of fundamental business tools that would really hurt Oregon's competitiveness and small business climate.

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