Statement of the National Elevator Industry, Inc. in SUPPORT of SB 181,

an Act related to Elevators, Escalators and other Building Transportation Equipment Standards February 18, 2021

Mr. Chairman and Members of the Committee:

My name is Chelsea Chaney, and I am the Director of Government Affairs for the National Elevator Industry, Inc. (NEII). In this capacity, I manage legislative and regulatory activities for NEII in numerous jurisdictions across the country. Additionally, I want to note that I am a Kansan and operate out of my home office in Leawood.

NEII represents the interests of companies that install, maintain and/or manufacture elevators, escalators, and other building transportation products, including parts or components. Its membership includes the top elevator companies in the United States, if not the world, reporting more than eighty-five percent of the work hours for the industry nationwide. NEII members operating in the State of Kansas include KONE, Inc., Otis Elevator Company, Schindler Elevator Corporation and ThyssenKrupp Elevator Corporation, among others. And MEI Total Elevator Solutions, another NEII member, has a service, repair and modernization office in Kansas City, Kansas. On behalf of NEII and its member companies, I appreciate the opportunity to provide this statement in support of SB 181.

The elevator industry is concerned with safety first and foremost. We fully support the efforts of the Kansas Legislature to pass SB 181, which is based on the Model Elevator Legislation developed by the industry as a whole to promote the utmost in elevator safety.

In Kansas, the current responsibility for adoption and enforcement of construction codes lies with local jurisdictions, unless it is a State building. To date, Kansas is one of only two states that has not adopted a statewide safety code for elevators and escalators. This approach has resulted in a hodge-podge of codes and standards across the state, inconsistent licensing requirements and a mixture of inspection protocols - all of which can prove to be very challenging for elevator companies trying to operate in this state.

SAFETY ENSURED ACROSS ALL KANSAS COMMUNITIES

Based on the 2016 (i.e., most recent) summary of Kansas Building Codes published by the Kansas Corporation Commission (KCC), numerous cities and counties have not adopted building codes, with others operate under codes that are over a decade old. Over twenty different building codes are executed throughout the state. With jurisdictions operating under various codes, the inconsistency creates challenges and uncertainty for business.

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The most effective way of ensuring the safety of the riding public, as well as elevator personnel, is by the adoption of the latest version of the national model industry code without modification. The model code for building transportation is the American Society of Mechanical Engineers (ASME) A17.1 Safety Code for Elevators and Escalators, which was merged with the Canadian Standards Association's (CSA) safety codes for elevators and escalators and is now accurately referred to as ASME A17.1/CSA B44. This state-of-the-art international standard is widely used throughout North America and represents the optimum in safety for the riding public and industry personnel. It is reviewed, refined and updated every three years through a consensus process of hundreds of knowledgeable experts representing all aspects of the elevator industry. Such expertise is drawn from enforcing authorities, mechanical and electrical engineering, design professionals, inspectors, consultants, labor authorities, building and facility owners, and installation and maintenance specialists.

Currently, forty-eight states adopt codes on a statewide basis – Kansas and Delaware are the only two states without such standards. Twenty-six states have either adopted the 2019 version of the elevator and escalator safety code or are in the process of updating to the 2019 edition. Five of the eleven states which have adopted the 2013 code are updating to a more current edition, and two of the five states under the 2010 edition of the code are updating to a more recent version. The six remaining states all follow older versions of the code, but each one is working to update its code to a most recent version – often skipping editions to ensure they are working towards the highest possible level of safety.

In short, Kansas is at the bottom of the list when it comes to the adoption of safety codes for building transportation equipment. And no one wants to be at the bottom of any list related to providing an adequate level of public safety. SB 181, however, provides the solution by requiring that the state fire marshal adopt regulations that include the current edition of the ASME safety code for elevators and escalators.

MINIMUM PROFESSIONAL STANDARDS PROVIDE FOR INCREASED SAFETY

Licensing requirements for elevator mechanics establish minimum standards for qualifications, education, and training that can be relied on by both the public and the industry. The installation, maintenance and repair of elevators, escalators, moving sidewalks, etc. are very complex and technical undertakings. As a result, the applicable building codes are continually being revised and improved. It is imperative that elevator technicians (i.e., mechanics) be required to demonstrate a fundamental competency for this work. NEII's member companies support licensing requirements because they already undertake steps to ensure their workers are adequately prepared. A safety risk exists for both workers and the public, however, when other companies do not invest in comparable training and there is no enforcement mechanism to check credentials and whether the work is completed correctly.

In Kansas, most jurisdictions have no minimum standards for personnel working on building transportation equipment. In fact, NEII is aware of Topeka and Wichita as the only two jurisdictions within the state that currently require elevator mechanics to meet a minimum level of knowledge, skills and abilities and be licensed to work on conveyances.

Looking across the country, all but fourteen states have adopted elevator mechanic licensing requirements. Again, Kansas falls near the bottom of the list as one of only a few states that have not adopted a minimum level of qualification for workers in elevator and escalator safety.

ELEVATOR BOARD IS A TOOL TO ASSIST IN THE ADMINISTRATION OF THE ACT

As indicated previously, building transportation equipment is highly complex and technical. An elevator board is a valuable tool to assist in the oversight, regulation and enforcement of this very specialized industry. Currently, thirty-eight states have an elevator board or advisory committee. All of them operate under the jurisdiction of a state agency and provide invaluable technical support to those states. For Kansas, the advisory board of industry stakeholders outlined under SB 181 will help the state create this new program, drawing from expertise and experience gained through industry involvement in elevator programs for other jurisdictions.

REVENUE NEUTRAL PROGRAM

The new elevator program should be revenue-neutral for the state of Kansas. SB 181 includes specific language that requires the elevator board to set fees for licenses, permits, and inspections in amounts sufficient to cover the costs of the program. The industry, including both labor and management, has agreed to these cost-based fees and considers them to be an appropriate investment to develop a program that, ultimately, increases elevator safety for the riding public and industry personnel.

It is important to note that NEII is not aware of any program across the U.S. that operates in a deficit. In fact, many elevator programs result in excess revenue that can be applied to other programs, the general state revenues, or result in a reduction of fees moving forward.

KANSAS CURRENTLY AT A DISADVANTAGE

Nearly thirty-five states across the country have adopted some form of legislation or regulations similar to the minimum requirements outlined in SB 181, including the states that surround Kansas. Many elevator companies bid on work across state lines so that they can keep their workforce employed and move them to where projects are located. Currently, Kansas contractors and mechanics must obtain licenses to do work in any of the bordering states. Once SB 181 is passed, however, industry personnel licensed in Kansas would have reciprocity and be able to obtain licenses in other states more efficiently. Kansas contractors would be able to reposition personnel as needed and work on out-of-state projects without any unnecessary licensing delays.

CREDIBILITY TO DO BUSINESS IN KANSAS IS CRITICAL

All reputable firms within the building transportation industry, as well as most other industry sectors, obtain and operate with appropriate insurance coverage as part of the normal course of doing business. Any company wishing to work in this arena in the

State of Kansas should be required to do the same. The requirements for elevator contractors to carry minimum general liability coverage and minimum property damage coverage outlined in SB 181 will readily identify legitimate businesses.

JOB CREATION IN KANSAS

There are an estimated 10,000 elevators in the state of Kansas, and SB 181 will require an annual inspection of each device. This requirement creates an opportunity for job growth, as additional industry mechanics, inspectors and other related jobs will be needed to support the inspections where they were not required previously. Careers in the elevator industry are highly paid jobs, with exceptional benefits for workers who possess a mechanical aptitude. Now more than ever, identifying opportunities for Kansans to find reliable employment is critical.

NEII is committed to working with the Kansas Legislature and is available to answer any questions. The passage of SB 181 is necessary to create minimum safety standards to protect both the riding public and elevator industry workers in the State of Kansas. SB 181 has been modified to address the concerns that were raised about previous versions of elevator safety legislation and is a more streamlined and cost-efficient measure.

Please feel free to contact me if you have any questions or need additional information. at 620-332-9552 or via e-mail at cchaney@neii.org. I am available, as are representatives from our member companies, to meet with you or other members of the legislature so that we can address any questions. Thank you for your time and attention to this important industry issue.