

# MUNICIPALITY OF ANCHORAGE



Office of the Mayor

*Mayor Dan Sullivan*

Phone: 907-343-7100

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August 5, 2010

Mr. Scott Davis  
Chairman/Chief Executive Officer  
UPS  
55 Glenlake Pkwy, NE  
Atlanta, GA 30328

Re: Furlough of Anchorage-based UPS Pilots

Dear Mr. Davis:

It has been brought to my attention that UPS is currently in a process to furlough more than 250 Anchorage-based pilots with completion of this action expected by the end of first quarter 2011. I am writing to express both my concern over this decision, and to iterate my support for the company and my willingness to work with UPS to the benefit of its overall Anchorage-based operations.

A strong workforce is vital to any growing city and I appreciate the commitment that UPS made to open its Anchorage domicile in 2006. Our city and UPS have mutually benefitted from this relationship, characterized by relatively low business taxes and engaged employees. You can understand then, the choice to furlough these Anchorage pilots means a significant negative economic impact to Anchorage with estimates being as high as \$15 million in payroll alone.

Alaska's Senators Murkowski and Begich have sent letters that highlight their concerns on this topic. In a response from you to Senator Murkowski dated June 21, 2010, you indicated that the current pilot furlough is a temporary and short-term situation, and that "we intend to bring these pilots back into service when our package and freight volume permit the re-growth of our air crews."

A recent report by the Anchorage Economic Development Corporation says that air cargo in the fourth quarter of 2009 was up 27.4 percent over the fourth quarter of 2008, and is only 10.7 percent below the fourth quarter of 2007. This cargo transport growth will likely continue and with it the need for a sustainable workforce base. I hope that this data will compel UPS to reconsider the Anchorage furlough.

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I support the business UPS does in Anchorage. Since 1990 when your initial investment was made, we benefitted through an increase in property taxes to our Municipality and an active and engaged workforce. Many of the pilots have settled into our city and made a home for themselves. Their families are active in our school system and they volunteer in our community. I welcome any opportunity to meet with you to discuss how we can work for our mutual benefit to maintain this vital workforce here in Anchorage.

Sincerely,

A handwritten signature in blue ink that reads "Dan Sullivan". The signature is written in a cursive, flowing style.

Dan Sullivan  
Mayor