

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

February 28, 2008

9:02 a.m.

**MEMBERS PRESENT**

Senator Lesil McGuire, Chair  
Senator Gary Stevens, Vice Chair  
Senator Hollis French  
Senator Lyda Green  
Senator Con Bunde

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE JOINT RESOLUTION NO. 12

Opposing proposed changes to the interpretation of the Passenger Vessel Services Act of June 19, 1886, by the United States Department of Homeland Security, Bureau of Customs and Border Protection, affecting cruise itineraries of foreign-flagged vessels transporting passengers to ports in Alaska.

MOVED CSSJR 12(STA) OUT OF COMMITTEE

SENATE BILL NO. 276

"An Act relating to project labor agreements."

HEARD AND HELD

SENATE BILL NO. 208

"An Act relating to sexual assault."

SCHEDULED BUT NOT HEARD

SENATE BILL NO. 218

"An Act relating to use of child safety seats and seat belts."

WAIVED OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SJR 12

SHORT TITLE: CRUISE SHIP PORT TIMES: JONES ACT

SPONSOR(S): SENATOR(S) THERRIAULT

01/16/08	(S)	READ THE FIRST TIME - REFERRALS
01/16/08	(S)	STA

02/26/08 (S) STA AT 9:00 AM BELTZ 211  
02/26/08 (S) Scheduled but Not Heard  
02/28/08 (S) STA AT 9:00 AM BELTZ 211

BILL: SB 276

SHORT TITLE: STATE CONSTRUCT'N PROJECT LABOR AGREEMENT  
SPONSOR(S): SENATOR(S) BUNDE

02/15/08 (S) READ THE FIRST TIME - REFERRALS  
02/15/08 (S) STA, L&C  
02/28/08 (S) STA AT 9:00 AM BELTZ 211

**WITNESS REGISTER**

SENATOR GENE THERRIAULT  
Alaska State Legislature  
Juneau AK

**POSITION STATEMENT:** Presented SJR 12.

WAYNE STEVENS, President  
State Chamber of Commerce  
Juneau AK

**POSITION STATEMENT:** Spoke in favor of SJR 12.

JEREMY GEISER, President  
Juneau Chapter  
Alaska Travel Industry Association

**POSITION STATEMENT:** Spoke in favor of SJR 12.

CHIP THOMA  
Juneau AK

**POSITION STATEMENT:** Provided suggestions for SJR 12.

DON HABEGER, Regional Vice President  
Royal Caribbean  
Juneau AK

**POSITION STATEMENT:** Spoke in favor of SJR 12.

HEATHER BRAKES, Staff  
to Senator Therriault  
Alaska State Legislature

**POSITION STATEMENT:** Answered questions regarding SJR 12.

VINCE BELTRAMI, President  
Alaska AFL-CIO  
Anchorage AK

**POSITION STATEMENT:** Questioned aspects of SB 276.

JEFF ROBINSON, Division Manager  
Service and Installation  
Klebs Mechanical  
Anchorage AK

**POSITION STATEMENT:** Spoke in favor of SB 276.

JEFF ALLING, President  
Alcan Builders General Contracting  
Fairbanks AK

**POSITION STATEMENT:** Spoke in favor of SB 276.

REBECCA LOGAN, President  
Associated Builders and Contractors of Alaska  
Anchorage AK

**POSITION STATEMENT:** Spoke in favor of SB 276.

BARBARA HUFF, Director  
Governmental and Legislative Affairs  
Teamsters local 959  
Juneau AK

**POSITION STATEMENT:** Spoke to the history of SB 276.

ANTHONY SIVERTSEN  
Juneau AK

**POSITION STATEMENT:** Asked questions about SB 276.

#### **ACTION NARRATIVE**

**CHAIR LESIL MCGUIRE** called the Senate State Affairs Standing Committee meeting to order at [9:02:15 AM](#). Senators French, Bunde, and McGuire were present at the call to order. Senators Green and Stevens arrived later.

#### **SJR 12-CRUISE SHIP PORT TIMES: JONES ACT**

[9:02:44 AM](#)

CHAIR MCGUIRE announced the consideration of SJR 12.

SENATOR BUNDE moved to adopt the committee substitute (CS) to SJR 12, labeled 25-LS1292\E, Kane. Hearing no objection, Version E was before the committee.

SENATOR GENE THERRIAULT, Alaska State Legislature, said SJR 12 opposes proposed changes to the interpretation of the Passenger Vessel Services Act of 1886 by the U.S. Department of Homeland Security (DHS), which would affect the cruise itineraries of

foreign-flagged vessels transporting passengers to Alaska. In November, DHS published a new interpretation requiring all foreign-flagged cruise ships to spend at least 48 hours in a foreign port, spend at least 50 percent of the time that is spent at U.S. ports at foreign ports, and require passengers to depart at a foreign port. The industry brings a million passengers to Alaska each year, and this new interpretation will mean 158 fewer voyages and 349,000 fewer passengers. It will result in a loss of \$222 million that supports Alaska businesses in coastal communities and beyond. The public comment period is closed so the statement will not be officially submitted into the public record, but a decision has not been rendered. The CS makes it clear that Alaska opposes the interpretation, but if it is adopted, SJR 12 asks that Alaska be exempted.

[9:06:05 AM](#)

SENATOR BUNDE asked if this interpretation was developed because of some problems with foreign-flagged cruise ships going to Hawaii and spending a few hours in Mexican ports.

SENATOR THERRIAULT said the new interpretation does spring from a problem in Hawaii. American-flagged ships provide intra-island service, and "over time the large cruise ships that seasonally come to the state of Alaska, some of them were going from the West Coast over to Hawaii, around the islands, and to avoid the problem with the old ruling, they would then go to Mexico, touch base at a port there overnight, and then go back to the West Coast." That is what triggered this. The determination continually refers to the Hawaiian market, and at the end it refers to any cruise itinerary, thereby sweeping in Alaska.

[9:08:02 AM](#)

WAYNE STEVENS, President, State Chamber of Commerce, said his board supports SJR 12. It is on record opposing the proposed criteria to determine if foreign-flagged passenger vessels are in violation of the Passenger Services Vessels Act. While intended to solve a problem in Hawaii, the interpretation isn't limited to Hawaii and could be interpreted to include cruise runs to Alaska from Seattle or San Francisco. This is one third of the cruises coming to Alaska. It will not affect ships from Vancouver, B.C. The loss of ships will be devastating to Alaska's communities and delicate economy. The interpretation could be in effect for the 2008 summer season. The loss of jobs, revenue, and taxes will be crippling. If cruise ships spend 48 in foreign ports and 50 percent of port time in foreign ports on round-trip voyages from Seattle to Alaska, it will make the existing seven-day itineraries impossible. The only alternative

will be for ships to spend less time in Alaska and more time in Canada. The proposed changes are a significant departure from industry practice and not an interpretation of existing regulations. These proposed changes will affect all tourism communities. Cruise passengers typically fly from Alaska to connect to the ships. The solution to a problem in Hawaii will be of significant detriment to Alaska and its cruise industry.

[9:11:14 AM](#)

CHAIR MCGUIRE asked what the chamber is doing nationally to influence the regulation writers in Washington D.C.

MR. STEVENS said the chamber has been commenting.

CHAIR MCGUIRE asked about the chances of success.

MR. STEVENS said there is potential to get it overturned.

SENATOR BUNDE asked about Seattle losing business, and if Washington State is doing anything.

MR. STEVENS said he believes they are commenting.

[9:12:35 AM](#)

JEREMY GEISER, President, Juneau Chapter, Alaska Travel Industry Association, said he is also the manager for Gastineau Guiding. If a third of the port calls are lost in Juneau, his company will lose one third of its business including some year-round jobs. All of those jobs will go to British Columbia. The proposed interpretation will impact the communities, visitor services, and indirect businesses. Each organization stands to suffer economic hardships, and the resolution will send an important message.

CHIP THOMA, Juneau, said all the cruises that emanate from Vancouver are legal, but the Seattle ones are illegal under the Passenger Services Act. The complication can be solved by Vancouver building more dock spaces and taking over the entire trade. The problem with the Seattle-based cruises is that once they leave Seattle, they don't spend any time in Canadian waters until they come back and provide an eight-hour tour of Victoria. The ships then go back to Seattle. That is the token stop. The San Diego trade stops in Ensenada, Mexico, in the middle of the night for a few hours. He said he supports the resolution, but it should be more focused. On line 6, of page 1, instead of saying the cruise ship industry, it should say the Port of

Seattle. On line 8, after "cruise ships", it should say "cruise ships from Seattle".

[9:16:41 AM](#)

DON HABEGER, Regional Vice President, Royal Caribbean, Juneau, said the industry is on the record in opposition to the proposed regulations. The best trade organization for getting cruise ship messages out is "our membership" and the Association of American Port Authorities. They say the rule would drastically restrict vacation options for cruise passengers, and they specifically mention Alaska. It would limit cruise markets to itineraries with a single U.S. port of call, driving all Alaska business to Canada and Hawaii business to Mexican Ports. It will eliminate Key West Florida, and numerous East Coast and Gulf ports of call. He said there is a controversy in the Hawaiian market. He comes from the foreign-flagged side of the industry, and they have a different niche in that market. The foreign-flagged cruises to Hawaii are 14-15 days long and have a different clientele. The U.S.-flagged ships in Hawaii are typically seven nights. He thinks there is room for both in Hawaii. The proposed regulation will drastically change the business in North America. He supports the resolution.

[9:19:47 AM](#)

SENATOR FRENCH asked if the governor received an answer to her letter sent in December, 2007.

HEATHER BRAKES, Staff to Senator Therriault, Alaska State Legislature, said she believes she has not.

SENATOR BUNDE moved to report the CS to SJR 12, labeled 25-LS1292\E, from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSJR 12(STA) passed out of committee.

**SB 276-STATE CONSTRUCT'N PROJECT LABOR AGREEMENT**

[9:21:03 AM](#)

CHAIR MCGUIRE announced the consideration of SB 276.

[9:21:42 AM](#)

SENATOR BUNDE moved to adopt a committee substitute (CS) to SB 276, labeled, 25-LS1247\M. Hearing no objection, Version M was before the committee. The bill represents a fairness issue, he said. His mother-in-law was a single mother working as a waitress. She belonged to a union, paying her small dues out of her tips. She visited him in Alaska for about six months. Her

union contract had a proviso about a break in service, so when she retired she never received any benefits. There is something similar in Alaska. There are people working under a labor agreement who are not union members, but they are required to pay into the union retirement and benefit plan.

[9:23:46 AM](#)

SENATOR BUNDE said these non-union workers never have access to that money. It benefits the union retirement plan, because it provides funds that will never be drawn on, but it is not fair to the laborer. This is substantial money, like \$40,000 worth of benefits accumulated by someone working on the Alaska pipeline. He spoke of a worker who passed away and his wife couldn't collect because he hadn't been a union member. The gas line will have \$17 per hour that the employer pays into a benefit package, and a non-union worker will never get that benefit. It isn't fair. SB 276 gives employees the option of the union plan or their current employer's plan. Non-union employees will have benefits available if they never join the union and are covered by the non-union employer plan. If that person joins the union, the benefit contributions can be placed in that program.

[9:27:16 AM](#)

VINCE BELTRAMI, President, Alaska AFL-CIO, Anchorage, said he applauds Senator Bunde for looking out for all employees who may work under the terms of a project labor agreement (PLA). He said he is not opposed to the bill but has recommendations. The notion that PLAs discriminate against non-union workers is a fallacy. Most non-union workers have realized superior benefits that are offered by a joint labor management trust fund. Once they realize how good the benefits are, they stay on with the unions after the project is completed. Representative Mike Kelly has a companion bill in the House, and he provided a press release that identified three primary fringe benefits that he said would discriminate against non-union employees working under a PLA: health, training, and pension plans. Contrary to claims bandied about by non-union employers and by Representative Kelly's press release, the fringe benefit plans that are offered under PLAs do not discriminate against non-union employees. The medical plans are often superior. In a typical plan an employee becomes a participant as soon as the minimum qualifying requirements have been met, which is 300 qualifying hours and usually not more than a month and a half when on a seven/ten schedule. It is no different from what a long-time union member would need to qualify. Unlike typical non-union plans, participants build up an hour bank that can cover them with the good medical plans for as much as a year

after the project is completed, because that hour bank has been built up. Typically coverage under non-union plans end with the termination of the employee.

9:30:23 AM

MR. BELTRAMI said contributions that make participants eligible for training are available to union and nonunion members if that contribution is being made on their behalf. That entitles them to OSHA training, HAZWOPER [hazardous waste operations and emergency response], CPR, first aid, and any other skill-specific upgrade training that many of the union training programs provide. He doesn't know of any comparable training programs in the non-union sector. The question that often arises, and what probably was the impetus for SB 276, is the pension contributions. Universally, defined benefit plans require five years of vesting -- not ten years, as it was under TAPS. At this point, the gasoline project may not last long enough for a participant to vest. "However they would vest if the project was longer than that and they worked on it." Accordingly, labor expects the licensee or whoever is negotiating the terms of the PLA to bring up alternatives to defined benefits. Many of the unions offer both defined benefit and defined contribution plans. He fully expects the unions to agree to a hybrid that allows fully-vested union members to continue with their existing plans and an option for something like is being suggested in this bill. The slippery slope is in oversimplification of this element by a simple declaration of benefits by the employee. The unions will fully agree to allow its plans to be open and examined by all parties. The same must be true of any non-union employers who work on the project and who have some type of fringe benefit plans that they want to have be considered for the project. Some non-union plans have comparable benefits but many do not. Fraudulent plans are difficult to navigate and leave employees without the benefits that they thought they were getting.

9:32:57 AM

MR. BELTRAMI said it is imperative that the benefit options meet the level of scrutiny that the union sponsored plan gets. Not to include that type of provision would be a disservice to the employees and contrary to what it seems the bill is trying to accomplish. Another slippery slope is the precedence this bill would set. He hasn't seen a legislative body legislate things that are always mandatory subjects of collective bargaining. "Will the legislature go on to negotiate more terms in other collective bargaining agreements?" If this body moves in that direction - although it might not pass legal muster -- it would

seem to be a subrogation of the duties assigned to others and a proclamation that the legislature is ready, willing, and able to take on more than it is typically faced with. But he is glad to see the legislators looking out for the best interest of Alaskan employees - "I do it everyday, and we don't just do it for our members. Our concern and involvement over things like minimum wage, unemployment insurance, and other issues demonstrates that organized labor works hard on issues that do benefit working Alaskans other than our union members." He urged the committee to make sure that SB 276 protects employees who are not union members to the same level as the union members who will go to work under the terms of a PLA. He asked for amendments to Sections 36.30.405 (b) 1, 2, and 3 to assure that employs will get the same level of benefits as those provided to the typical union members.

[9:35:16 AM](#)

CHAIR MCGUIRE asked what amendments he wants.

MR. BELTRAMI said he doesn't have a specific proposal, but he asked for the plans to meet the same level of benefits that exist under union plans.

CHAIR MCGUIRE asked if health, training, and pension all need to be equal.

MR. BELTRAMI said certainly -- whatever the prevailing wage package is. The fringe benefits need to be equal. Some plans provide legal benefits. If a benefit plan is approved that is contrary to the union, it has to be at least as good, so that those who opt for it have the same coverage.

[9:36:19 AM](#)

SENATOR GREEN asked why he is concerned about that. "If I as an employee choose to put my contribution somewhere else -- and why you would care."

MR. BELTRAMI said, "We represent employees whether they're members of our union or not. If you're going to go down this slope and try to negotiate benefits..." Workers are essentially deciding they want non-union benefits, not union benefits, so they need to be comparable. They need to protect the employee in the same way. The pension needs to be legitimate and approved, and the training benefits need to be comparable.

SENATOR GREEN said, regarding vesting, Mr. Beltrami is comparing something with a future with something without. If employees are

not going to get long-term benefits by contributing to the union pension, wouldn't they want to put it in their existing plan?

[9:37:41 AM](#)

MR. BELTRAMI said he doesn't disagree, but if it is a defined contribution plan, which is a mandatory subject of bargaining, "anybody will be able to say -- from the employers' perspective - we want this plan to be considered. We have agreed, in other collective bargaining agreements, to have plans like that." But the plan needs to be legitimate and recognized.

SENATOR BUNDE said retirement plans are covered under federal regulations, so requiring a legitimate plan is already covered.

MR. BELTRAMI said he has seen some that are not legitimate and that skirt ERISA [federal Employee Retirement Income Security Act], and they have been problematic for non-union employees working on Davis-Bacon jobs to be able to actually get the benefit that they have been promised.

SENATOR BUNDE said maybe the title of the bill should be changed to make it pro-choice. He said he can pick and choose state health benefits. Not everyone wants the same coverage, "and I'm suggesting that this bill should allow employees that choice." He asked if there have been abuses of the union pension plan in Alaska, like there have been nationally.

[9:39:46 AM](#)

MR. BELTRAMI said he saw a letter that came from Brian Miller of Arctic Lights Electric where he makes that claim related to TAPS - that people were left out of their benefits, and there was a class action suit that spurned pension reform across the country. It changed a lot of 10-year vesting to 5-year vesting. The suggestion in the letter was that this cash went to the union, which is inaccurate. The cash never goes to the union - that would be a violation of ERISA -- it goes into union management-operated joint trust funds that have all been reformed to ensure that employees don't have that kind of abuse. That was settled 30 years ago. Once it was settled the money was distributed to the participants. People came to Alaska from other parts of the country and never worked long enough to vest. He said the I.B.E.W. set several million dollars aside in those benefits when the suit came along. Once it was settled, the money was distributed to those participants as was expected. He is not aware of anything that goes on today under project labor agreements or any other collective bargaining agreement where

employees are not entitled to the benefits they've earned. It would be a violation of ERISA.

[9:41:22 AM](#)

CHAIR MCGUIRE said, so, "the concept would be that the benefits program that would be offered that's non-union would meet the same thresholds as the union."

MR. BELTRAMI said the language is too vague and subject to challenges, because it won't do all it should do to protect employees who might choose those options. The part about the labor representative who negotiated the PLA should be corrected. It is not the labor representative; it is the labor management trust fund.

SENATOR BUNDE said it is a trust fund managed by the union.

MR. BELTRAMI said, "And the employers." He serves on the Alaska Electrical Pension Trust Fund, and there are five union-appointed trustees and five employer-appointed trustees. That is the oversight of the trust; it is not the union.

MR. BELTRAMI said it is apparent that there are several technical issues that need to be addresses. The bill in its present form won't do what it tries to do.

[9:43:56 AM](#)

JEFF ROBINSON, Division Manager, Service and Installation, Klebs Mechanical, Anchorage, said Klebs is the largest mechanical contractor in Alaska. Project labor agreements place an unfair financial disadvantage on workers who have not been subject to a collective bargaining agreement prior to the project. They force workers to make contributions to plans knowing full well they will not receive the benefits. It is unethical. His employer makes contributions to benefit plans on behalf of its employees that range from \$27,000 to \$34,000 annually per worker. What workers can make those kinds of contributions, especially those that do not benefit them? His employer would never sign a PLA because of that. There are smaller Alaskan contractors who might sign an agreement on a large project, and so there are many Alaska workers who would suffer that hardship. Many temporary rural workers will never get vested and never see a dime of their pension money. The most common vehicle used by open-shop contractors is the 401K, which is what Krebs has, and that money always belongs to the employees. If a worker leaves, the money goes with him or her. The bill is great for both union labor and open-shop contractors because it gives the worker the choice. It

has always been the union's assertion that it wants to do what is best for the worker. SB 276 gives the worker the choice and is a good compromise so that workers on large construction projects receive the full benefit of their compensation package.

[9:47:17 AM](#)

SENATOR BUNDE said competition is good for business. Mr. Beltrami suggested that all plans be the same. He asked if having the option of different plans will provide competition, and perhaps will put pressure on Krebs to change its plan to be more competitive.

MR. ROBINSON said it could. He doesn't see how two plans could ever be truly compared. It should be the workers' choice to evaluate both plans and pick. Trying to make them the same would be impossible to administer.

JEFF ALLING, President, Alcan Builders General Contracting, Fairbanks, said he has between \$5 million and \$25 million worth of work annually. PLAs discourage bidding by non-union contractors for many reasons, including the negative financial impact for an employer regarding pension, health and insurance. Employers may have to double pay. There is a legal risk to not contribute to the regular pension plan through the employees who work on a project while contributions are made on their behalf to union pension plans. The legal risk of suspending health coverage while transitioning to another plan is substantial. Benefit contributions for different crafts that he employees can range anywhere from \$13.00 to \$18.00 per hour. Making double payments makes a contractor uncompetitive in the bidding process if it is non-union. Employees who sign on to a PLA and make contributions to a union pension plan subject themselves for withdrawal liability - meaning a contractor can be on the hook for any future liabilities of a union plan. AGIA requires that the licenses use Alaskan contractors to the maximum extent possible, and it requires a PLA. These contradict each other. SB 276 is a good first step in removing one of the burdensome terms of a PLA that keep contractors from bidding.

[9:51:37 AM](#)

SENATOR BUNDE asked if he continues a longstanding employee's benefits if he or she goes to work on a PLA, while being forced to make payments into the union plan.

MR. ALLING said that is correct. He has to follow the Davis-Bacon prevailing wage program. A carpenter is paid \$31.93 per hour with a benefit package of \$17.25 per hour. It brings the

total to \$41.98. With workers compensation, Social Security and other things, it costs him \$60.00 per hour to put a carpenter in the field. His company has been in business so long, it has long-term employees who have chosen to stay because his company provides a good package. "We are fair to them and they are very comfortable working with us." They have chosen not to become union members. If Mr. Alling is forced into a PLA he will be non-competitive. To take care of his employees, his costs per hour will be \$77.25 as opposed to the \$60.00 per hour that a union contractor can use in bidding the same project. "That would be union contractors from anywhere in the country. It would give them a competitive advantage over my company." The bill is good for the worker because it gives the worker the option. He just had a PLA at Fort Greely, and he saw license plates from every state brought up by union contractors.

9:54:40 AM

REBECCA LOGAN, President, Associated Builders and Contractors of Alaska, said standard PLAs crafted in Alaska already give the union the right to audit the books of the non-union contractors that participate. Mr. Beltrami had mentioned adding that provision, but it is already there. Any time a non-union contractor signs onto a PLA they give the union a right to audit all of their books. She is not opposed to comparable plans, because they would be for contractors who work on the pipeline.

CHAIR MCGUIRE asked if that language could be worked on.

MS. LOGAN said something can be worked out. Mr. Robinson was right that it would be hard to have an apples-to-apples comparison of pension, health, welfare, and training. There are so many ways that people train, she noted. There could be some broad language.

SENATOR GREEN said her training program could probably be comparable if she got as much from the state.

MS. LOGAN said, "We choose not to." The employers pay their own.

9:56:58 AM

SENATOR GREEN asked if she is saying that after the review of a private employers plan, the union can refuse an employee from coming on. "It's just a review - they can't reject."

MS. LOGAN said Mr. Beltrami was asking that the plans be qualified under ERISA, and that's fair.

SENATOR GREEN asked if she really wants that in statute.

MS. LOGAN said she is open to suggestions.

SENATOR FRENCH said it sounds like the real money is in the pension contributions; "that's where you go from \$50.00 per hour to \$67.00." Perhaps there won't be an apples-to-apples comparison, but workers need to make an informed choice, like knowing whether they need to take five years to vest, for example. A little more language is needed to ensure a worker can make an informed decision. Mr. Beltrami said he is in favor of the bill in general because it is pro-worker, "but it just sounded like there just needs to be a little more disclosure ... at that moment that you make that decision that can have such huge ramifications." He said he worked three years for an oil company that had a five-year vesting plan. Whatever he contributed to that oil company is gone forever. He was young and didn't know any better. "When a vested non-union worker steps into a PLA world, he's got an extremely important decision to make."

[9:59:43 AM](#)

SENATOR BUNDE said he doesn't think the bill anticipates that a union member would opt out of a union program. That may not be possible. He doesn't want the bill to even suggest that alternative. The options are only for the non-union people. But he agrees with having more information available.

MS. LOGAN said there is a lot of discussion about what can be done, but that is not the same as what will be done. In a PLA often the terms are struck, and the majority of the people covered by that will be left out of the negotiations. It is appropriate the state is in this role as a market participant, "that they can protect those people who don't get to participate in the negotiations."

SENATOR BUNDE said Mr. Beltrami said the state shouldn't get too involved in collective bargaining, and he is right except the legislature and public employee unions are deeply involved "because we have to fund the results of the bargaining."

[10:01:22 AM](#)

BARBARA HUFF, Director, Governmental and Legislative Affairs, Teamsters local 959, said she had intended not to testify until an electric company referred to the teamsters in a letter sent to the Senate. She felt it was important to go on record, "because what we're doing is living 30 years ago." There was a

class action suit that cost the teamsters "millions and millions and millions of dollars." It came out of the pension plan - not out of the teamster's general fund. It was not a cash cow. This happened 30 years ago, she emphasized. Under ERISA there were some drastic changes in federal law as a result of the lawsuits. The teamsters had the deepest pockets. Everybody else fell in a similar category. The teamsters negotiated a PLA with the owners anticipating that if there will be a gasline, there will be those particular managing companies who will ultimately decide who the "subs" will be. "It is not our job to negotiate," or to have a bill drafted here. "I'll use the convention center; introduce a bill down here that says - and the unions are pushing this - so that we can designate - or by law designate -- who those subcontractors are going to be on that project." That goes back to that successful contractor who goes through a selection process. This bill is attempting to piecemeal specific areas of law that are mandatory subjects of bargaining.

MS. HUFF said, "We go through the negotiating process with whomever that particular designated employer or employers ... on a project labor agreement, and we're very much aware of that." Thirty years ago decisions were made and folks were impacted. "Nobody talks about the health benefits that these individuals all had; they walked in, they had free prescriptions, they had free hospital care, they had everything that was given to them under our negotiated health benefit plan." Nobody talks about that or the recreation centers and medi-vac planes to take care of workers that the union represented "during those particular times." There were some very good things. "Yes, we were taken to court. Yes, we went through that process, and we paid millions and millions and millions of dollars back." They now moved on and have negotiated many collective bargaining agreements and represent thousands of workers around Alaska. Negotiating fair and reasonable agreements is their job. "We want to make sure the workers are protected and that they are knowingly offered a benefit package that, indeed, they can survive." Vesting is five years. The teamsters have collective bargaining agreements with employers who have pension plans under the teamster plan, and there are some that actually have employer plans. That is a decision that is made when the collective bargaining agreement is negotiated and brought back to the employees with an up or down vote.

[10:06:01 AM](#)

MS. HUFF said, "We are open; we are transparent." It is not 30 years ago, and she wants to move forward and work together. The teamsters don't want to make the same mistakes. They sold their

recreation centers, hospitals, and jet airplanes and now they just represent the employees, which is the job the members want them to do.

[10:07:08 AM](#)

ANTHONY SIVERTSEN, Juneau, said he worked under Davis-Bacon wages for a paving company. He worked with commercial off-shore fishing companies all the way to Hawaii and asked if he was "paying into this."

SENATOR BUNDE said he is not aware that they were under a PLA.

MR. SIVERTSEN asked, "Who is paying for this fund that's coming in ... the money to give the worker the choice? Who's paying for that, the union?"

CHAIR MCGUIRE said the discussion is about project labor agreements - a very specific type of contract. The bill is proposing that a worker would be given a choice of benefit contributions going to the union or to some other plan. "If you weren't under a project labor agreement, then the bill doesn't apply to you."

[10:09:40 AM](#)

CHAIR MCGUIRE said SB 276 will be set aside.

There being no further business to come before the committee, Senator McGuire adjourned the meeting at [10:09:53 AM](#).