

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

April 8, 2009

3:30 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Mark Neuman, Vice Chair
Representative Mike Chenault
Representative John Coghill
Representative Bob Lynn
Representative Robert L. "Bob" Buch
Representative Lindsey Holmes

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 89

"An Act repealing the governor's committee on employment of people with disabilities; creating the state vocational rehabilitation committee and relating to the committee; and providing for an effective date."

- MOVED CSHB 89 OUT OF COMMITTEE

HOUSE BILL NO. 37

"An Act relating to the relationship between employees and labor organizations; prohibiting collective bargaining contracts that require employees to join a labor or employee organization; extending the policy and limitations set out in this Act to public employers and public employees subject to the Public Employment Relations Act; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 144

"An Act relating to the Uniform Probate Code, including wills, trusts, nonprobate transfers, augmented estates, personal representatives, and trustees; and amending Rules 3 and 8, Alaska Rules of Civil Procedure, Rule 1, Alaska Rules of Probate Procedure, and Rule 37.5, Alaska Rules of Administration."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 89

SHORT TITLE: VOCATIONAL REHABILITATION COMMITTEE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/28/09 (H) READ THE FIRST TIME - REFERRALS
01/28/09 (H) L&C, HSS, FIN
04/08/09 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 37

SHORT TITLE: RIGHT TO WORK

SPONSOR(s): REPRESENTATIVE(s) GATTO

01/20/09 (H) PREFILE RELEASED 1/9/09
01/20/09 (H) READ THE FIRST TIME - REFERRALS
01/20/09 (H) L&C, JUD
03/27/09 (H) L&C AT 3:15 PM BARNES 124
03/27/09 (H) Scheduled But Not Heard
04/08/09 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

PAULA SCAVERA, Special Assistant
Office of the Commissioner
Department of Labor & Workforce Development (DLWD)
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 89.

CHERYL WALSH, Director
Division of Vocational Rehabilitation
Department of Labor & Workforce Development
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 89.

PAM STRATTON, Member
Governor's Committee on Employment and Rehabilitation of People with Disabilities
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 89.

REPRESENTATIVE CARL GATTO
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as the prime sponsor of HB 37.

DIRK CRAFT, Staff
Representative Carl Gatto
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the prime sponsor of HB 37, Representative Carl Gatto.

GREG O'CLARAY, Retiree
Juneau, Alaska

POSITION STATEMENT: Testified on HB 37.

LARRY BELL, Business Manager, International Brotherhood of
Electrical Workers, Local 1547
Wasilla, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

JAMES FLAKE
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 37.

MAX MIELKE
Business Manager
Plumbers and Pipefitters
Juneau, Alaska

POSITION STATEMENT: Testified in opposition of HB 37.

GEORGE MCGUAN, Representative
Laborers Local 942
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 37.

DIMITRI CASSERI, Director
Government Affairs, National Right to Work Committee
Washington DC

POSITION STATEMENT: Testified in support of HB 37.

BILL WARREN, Retiree
Nikiski, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

JARED HAMLIN
International Union of Operating Engineers Local 302
Wasilla, Alaska

POSITION STATEMENT: Testified during the discussion of HB 37.

JOHN SOUTER
Chugiak, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

JAKE QUAKENBUSH, Assistant Business Manager
International Brotherhood of Electrical Workers (IBEW)
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to HB 37.

ACTION NARRATIVE

[3:30:00 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:30 p.m. Representatives Buch, Coghill, Neuman, and Olson were present at the call to order. Representatives Chenault, Holmes, and Lynn arrived as the meeting was in progress.

[3:30:02 PM](#)

HB 89-VOCATIONAL REHABILITATION COMMITTEE

[3:30:34 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 89, "An Act repealing the governor's committee on employment of people with disabilities; creating the state vocational rehabilitation committee and relating to the committee; and providing for an effective date."

PAULA SCAVERA, Special Assistant, Office of the Commissioner, Department of Labor & Workforce Development (DLWD), stated that HB 89 would allow the DLWD to conform to federal law. She related that the bill combines two committees within the Division of Vocational Rehabilitation (DVR) and sets up a process for appointment to the State Vocational Rehabilitation Committee. She assured members that the bill is 100 percent federal conformity and the DLWD did not add any additional provisions to the bill. Additionally, the DLWD refers to the committee by the U.S. code number so if any aspects of the board changes, the DLWD can make those changes without seeking legislative approval. She pointed out that the DLWD has one technical amendment to the bill that corrects a typographical error that was in the U.S. code cite.

CHERYL WALSH, Director, Division of Vocational Rehabilitation, Department of Labor & Workforce Development, stated that the purpose of the State Vocational Rehabilitation Committee (SVRC) is to provide advice and oversight for development of policies and procedures to implement programs to assist Alaskans with Disabilities to regain or obtain employment. Thus, the SVRC committee will assist the department with its policy development to develop a state plan, and to provide the department with a perspective from outside of the bureaucracy. Additionally, the composition of the SVRC committee is important since it provides good representation ranging from employers, people with disabilities, and educators. Further the bill combines the Assistive Technology Committee and the State Vocational Rehabilitation Committee, which are required under federal regulation in order to administer the state programs.

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REPRESENTATIVE COGHILL made a motion to adopt Amendment 1, labeled 26-GH1024\A.1, Wayne, 4/3/09, as follows:

Page 2, line 4:
Delete "3001"
Insert "3003"

There being no objection, Amendment 1 was adopted.

[3:34:43 PM](#)

MS. WALSH, in response to Representative Chenault, explained that the committee meets four times a year, in Anchorage, Fairbanks, Juneau, and in a rural area whenever possible. Also, the committee can meet telephonically, if necessary. The majority of the committee composition must be people with disabilities. Thus, sometimes the telephonic meeting can be important.

REPRESENTATIVE CHENAULT related his understanding of the significance and necessity for telephonic meetings. He said he hopes the committee is making an effort to meet in rural areas since Alaskans with disabilities live in all parts of the state and to give rural Alaska a voice.

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REPRESENTATIVE BUCH related his understanding other states would have to do this too.

MS. SCAVERA, in response to Representative Buch, indicated other states have already made the changes. She stated there will not be any changes in the department except that the department will conform to federal law.

MS. WALSH, in response to Representative Buch, stated the committee met in Nome and previously met in Barrow. She explained that the committee attempts to meet at least once a year in a rural area. She explained that it is sometimes accessibility in the communities that makes it more difficult. In response to Chair Olson, she stated that the committee met in Sitka in January 2009.

[3:38:11 PM](#)

PAM STRATTON, Member, Governor's Committee on Employment and Rehabilitation of People with Disabilities, stated that the bill will bring the state into compliance with federal regulation and will allow it to have the appropriate membership. She offered that currently the state statute has a different definition for membership, as well as a different number of members. She also thought this bill would make it easier to obtain participation. She acknowledged the concern members raised with respect to holding meetings in rural Alaska. She explained that the committee meets in rural locations at least once a year, and takes public testimony. She also mentioned that an 800 number is also available for the public. She related that the committee solicits input and invited members to attend.

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CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 89.

[3:40:05 PM](#)

REPRESENTATIVE COGHILL related his understanding that the reason to use the federal code is to avoid having the legislature review changes every time the federal law changes the name. However, he expressed concern and stated he would consider this since the bill has another referral. He stated that he does not want to slow down the bill, but at a later time would like to know the dynamics of the code such as does the number change often. He related the similarity to the debate on sunset dates, whether the matter should come back to the legislature or just be set into motion. He pointed out this bill addresses a

federal requirement that references federal code, but the state performs the function.

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CHAIR OLSON suggested that Representative Coghill may wish to consider adding a sunset clause at some point.

REPRESENTATIVE COGHILL offered his belief that the bill is set up so to enable the committee to function more efficiently. He related that he has a favorable view of HB 89.

REPRESENTATIVE COGHILL moved to report HB 89, as amended, out of committee with individual recommendations and the accompanying fiscal note. There being no objection, CSHB 89(L&C) was reported from the House Labor and Commerce Standing Committee.

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The committee took an at-ease from 3:42 p.m. to 3:43 p.m.

[3:43:56 PM](#)

HB 37-RIGHT TO WORK

[3:44:00 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 37, "An Act relating to the relationship between employees and labor organizations; prohibiting collective bargaining contracts that require employees to join a labor or employee organization; extending the policy and limitations set out in this Act to public employers and public employees subject to the Public Employment Relations Act; and providing for an effective date."

REPRESENTATIVE CARL GATTO, Alaska State Legislature, introduced himself.

DIRK CRAFT, Staff, Representative Carl Gatto, Alaska State Legislature, introduced himself.

[3:44:39 PM](#)

REPRESENTATIVE GATTO stated that HB 37 supports individuals to form unions and it protects individuals who have formed unions from retaliation by their employers. He recalled a union

advertisement that stated we support the right of individuals to join a union. He stated that the Employee Free Choice Act (EFCA) has advertisements that support the right of employees to join a union. He said, "That's what this bill does. It encourages you to do it and supports your option to do it. The EFCA defends you against retaliation when you do it". He opined that the committee will hear testimony from people that will tell us that union states are better paid, have better benefits, have better retirement, and have better medical insurance than right to work states. He said, "That's not in the evidence that I have." He explained that Michigan is a strong union state and Texas is a right to work state. He offered his belief that Michigan is currently having an internal meltdown and disaster. General Motors is failing and if GM collapses, union workers will be out of work. However, Texas has an enormous amount of trade, is a North American Free Trade Agreement member, and the trade is good for Texas. He said he wants to make it eminently clear that the data demonstrates that right to work states have employees that receive very good wages, have medical and retirement benefits, and in general are doing very well. He opined that it is not necessary to force a person to join an organization they do not want to join. He opined that it is unconstitutional to do that. He stated that either we have the right of free association or we give up the right. He stated that if a person wants to do so, they should do so for his/herself, but not for someone else.

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REPRESENTATIVE GATTO emphasized that no one should compel a person to join a group at his/her expense. No one should be subject to being fired if a person does not join a group. He offered to provide an example. He said, "When I was working for the fire department, I was a union member. I was required to join the union and I did so willingly. But at one point, I wanted to volunteer in Palmer for their fire department - just volunteer, no pay. The union said if you do that you can be fired." He related that the union was in Anchorage. He related that the union said that their bylaws stated that its members cannot volunteer for another organization. He said, "That's force. That is true force." And the rule is if a person violates the bylaws, then the union goes to the management, who requires the department to discharge the person if he/she has not satisfied the union bylaws. He stated that he was not allowed to opt out of the union, which is what he would have liked to have done. He said, "I think every person ought to

have the right guaranteed in the constitution to make a decision to join or not to join."

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REPRESENTATIVE GATTO offered his belief that if unions are good for him, his family, and his community, then he would willingly join. He said, "I believe we should not be forced to join a group." He reiterated that HB 37 allows members to make the choice and offers protection against retaliation by management or the employer. He said, "You can't be forced to join a religion. You can't be forced to join any society, but you can be forced to join a union."

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MR. CRAFT explained the sectional summary of HB 37. He stated that it applies to Public Employment Relations Act. He referred to Section 1, of proposed AS 23.10.441, which provides a declaration of the right to work policy in the state. Proposed AS 23.10.443(a) lists what would be prohibited as a requirement of employment or continuation of employment. He referred to proposed AS 23.10.443(b), which states union dues, fees, and assessments can only be deducted from an employee's pay if it is authorized in writing. Proposed AS 23.10.443(c) would make prior agreements or practices that violate the law proposed in Section 1 void. Additionally, a strike, picket, or boycott to induce an employer into an agreement would be a violation of law. He referred to proposed AS 23.10.443(d), which states that a person or labor union cannot coerce, threaten, or injure their employment prospects. He referred to proposed AS 23.10.445, which would make "knowingly" violations a class B misdemeanor and would require the attorney general to investigate criminal complaints and award an employee injunctive relief, civil damages or both.

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MR. CRAFT referred to proposed AS 23.10.447, which states that provisions in Section 1 would only apply to certain employers or employees and any provisions that conflict with federal law would not apply to the extent of the conflict.

MR. CRAFT referred to proposed AS 23.10.449 provides a proposed definition for labor organizations for the purposes of Section 1.

MR. CRAFT referred to Section 2, which would repeal AS 23.40.225 and replaces it with proposed AS 23.10.225, which would require all collective bargaining agreements to comply with the more universal Section 1.

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MR. CRAFT referred to Section 3, noting this would repeal AS 23.40.110(b), which currently allows public employers to enter into exclusive representation agreements. This section makes it a condition of employment for public employees to join a labor organization and pay dues or to not join a labor organization. In lieu of membership due members would pay a fee for services provided by the organization. He related his understanding that currently employees are not required to join unions but can be forced to pay union dues for their services. Thus, this section would repeal the requirement to pay union dues or fees.

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MR. CRAFT referred to Section 4, which would limit the applicability of the bill to prospective agreements related to collective bargaining.

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REPRESENTATIVE COGHILL described a scenario in which employees voted to join a union by a majority but a smaller group did not want to join. He offered his belief that the minority group would obtain a benefit from the union even if they did not join.

REPRESENTATIVE GATTO explained that employees could be asked to pay a representation fee, which could only be assessed for representation. He offered that unions can include fees for union organizing, which seem to be included in the union dues and fees. He related that there are ways to obtain more than just union dues. He stressed that members should not be charged for things other than representation.

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REPRESENTATIVE COGHILL agreed he has heard similar complaints. He related another scenario in which the same minority that did not want to join, had the right not to join, but the union was effective in obtaining pay raises. He asked if the minority members would also obtain the pay raises.

REPRESENTATIVE GATTO answered in practice that has usually been done.

REPRESENTATIVE COGHILL stated he agreed in concept but offered separating that issue would be difficult in practicality

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REPRESENTATIVE BUCH referred to proposed AS 23.10.447, which states provisions in Section 1 would only apply to certain employers or employees and any provisions that conflict with federal law would not apply to the extent of the conflict. He then referred to page 2, line 24, which makes it against the law for someone to strike, picket, or boycott. However, under federal law first amendment rights are guaranteed. He inquired as to whether the sponsor would consider striking some of the language in the bill.

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REPRESENTATIVE GATTO stated he would have to consider whether it would improve the bill.

MR. CRAFT explained that proposed AS 23.10.447 only makes it illegal if the purpose of the strike, picket, or boycott, or other action is to induce an employer to enter into an agreement that is contrary to Section 1. Thus, members could strike for many reasons, but if it is for the purpose of entering into an exclusive bargaining union, it would be illegal.

REPRESENTATIVE BUCH asked how to differentiate between valid and non-valid strikes or pickets. He opined that there is an immediate conflict, noting he is not a lawyer.

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CHAIR OLSON announced that it was not his intention to move the bill. He stated that the legislature is currently under the 24 hour rule. He offered in addition to noticing, to contact three of the unions to help ensure union members are aware if the bill is scheduled for another hearing.

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REPRESENTATIVE GATTO summarized freedoms everyone should be allowed. He opined that a person has a right to join or not join a union under the U.S. Constitution and the Alaska

constitution. He said, "You can't be forced to do something against your will. And you are forced when your livelihood is at stake. That is forcing you to do something so I think constitutionally, if the unions would allow a person to simply not join, I think we wouldn't be here. But they are forcing people to join, and that's why we're here."

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REPRESENTATIVE LYNN asked whether this issue has been deemed unconstitutional. He inquired as to whether the U.S. Supreme Court has issued a decision to that effect.

REPRESENTATIVE GATTO referred to the clause for the right of free association.

REPRESENTATIVE LYNN asked if the U.S. Supreme Court has decided that unions cannot "force" someone to join.

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REPRESENTATIVE GATTO stated there are currently 22 states that are right to work states. He offered his belief there would have been 22 challenges. He assumed so, yet 22 states have this law. He said he was not sure.

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REPRESENTATIVE LYNN recalled earlier testimony that it was unconstitutional to force someone to join a union.

REPRESENTATIVE GATTO answered no. He said that a person has the right of free association and can join a church, a rotary or not join a rotary club. A person can resign from a club. He clarified that no community can require everyone in the community to join a certain business or a club.

REPRESENTATIVE LYNN inquired whether the U.S. Supreme Court has ruled on right to work issues.

REPRESENTATIVE GATTO said he was not certain.

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GREG O'CLARAY, Juneau, Alaska, stated he is a retired former official for organized labor and is a former Commissioner of Department of Labor & Workforce Development (DLWD) under the

Murkowski administration. He further stated it is preposterous that someone would be fired for violating a bylaw. Since 1967, he has been in organized labor or worked as an official, a consultant, a lobbyist, and as commissioner. He opined he has never seen a union bylaw that requires compulsory union membership. He said, "Period. That is a fact. That is the law." Thus, the bill is a misguided effort. These laws have been widely known as national right to work for less or for free. As a former Commissioner of Department of Labor & Workforce Development, he stated that he had access to studies that showed the comparison between right to work states and union labor in terms of the economy. He offered that problems exist worldwide with the economy.

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Mr. O'CLARAY said, "This is the absolute worst piece of legislation you could be considering. In our state alone, the fact is that our state is primarily organized in the private sector, in the construction industry." He then said:

This legislation does not give anyone rights. What it does is it infringes on the rights of people who form associations to bargain collectively, to be effective, and to deliver for their members. This state was built with union labor; our pipeline was built with union labor; this building we're in was built with union labor. And I have to tell you the reason this state has been prosperous, and come out of the dark ages, is because of organized workers building and working together.

MR. O'CLARAY opined it is appalling that a bill like this would get a hearing.

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REPRESENTATIVE COGHILL thanked him for his service to Alaska. He stated that he likes the right to organize, but understands many in Alaska do not. He asked for the percentage of those in the state under a bargaining union and those in private sector that are outside union.

MR. O'CLARAY related the percentage of union and nonunion workers depends on the specific industry. He opined that in construction, most crafts are organized, but some are nonunion. He stated he is familiar with a company in the timber industry

that is nonunion company. He said, "Unions do not organize workers. Bad employers organize workers. Because you can't organize a union membership or working group if they are not unhappy." He made a semi-educated guess, that about 60 to 70 percent of heavy construction is organized labor. He opined that since the pipeline was constructed there has been a resurgence of unorganized shops in the smaller electrical trade [shops], for example. He estimated that there is about 60 to 75 percent organized labor. He stated that the Associated General Contractors, a nonunion association, are not organized. He opined that in the commercial fishing industry, the processors are mostly organized with cannery workers. However, he stated that most commercial fishermen are not organized and that he is also a commercial fisherman. He opined that most Alaskans associate with some type of organized bargaining unit, but not necessarily a union. He concluded by stating the private sector could be a 50:50 split, or could be 60:40 split of nonunion/union workers.

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REPRESENTATIVE COGHILL related his understanding that the general number of organized workers in the Interior is about 35 percent. He related that he has a mix and both groups are important to him. He stated that he wants to protect the rights of both groups: the nonunion members from being pushed by the union, and the union members who have bargained in good faith.

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LARRY BELL, Business Manager, International Brotherhood of Electrical Workers, Local 1547, stated that he is opposed to HB 37. He stated that he administers over 75 collective bargaining agreements around the state with approximately 5,000 active members and 3,500 retirees in Alaska. He stated the union agreements require that fees be paid. He stated that members cannot be mandated to become a member if he/she does not wish to become a member, which is current law. He stated that all of the collective bargaining agreements are operated accordingly. He highlighted that their bylaws are generated from the floor of their meetings by the membership. He stated that he is a son of nonunion electrician. He noted that he joined union membership later in life, had no prior attachments, no political inside track. He stated that he rose through the ranks as a hard working apprentice, and got involved in the process. He further stated that he is proud of the union structure. He said, "I speak today in opposition of this bill, not only as a union

leader, and a working Alaskan, but as a veteran, a father, an American." He opined it is representative of the very democratic process for which my family has fought and died. He concluded by relating he fights the fight to work for members that make the union work. Additionally, padding agency fees does not exist, he opined. It is no secret labor organizations are more heavily regulated than any other entity. He stated that the fee structure is a very open and transparent fee structure, which changes as directed by membership.

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REPRESENTATIVE COGHILL related he has a family member and a son-in-law that are members of the IBEW. He recalled that he administers several contracts, without mandatory memberships. He described a scenario in which a majority of employees that decide to organize in an electrical company with a minority membership. He asked for clarification of administration of minority members working work side by side with majority members.

MR. BELL explained that majority rules. Under the National Labor Relations Act (NLRA), if a minority, 30 percent or more, of employees want to join a union the group has a right to hold an election. If the majority votes to become union, it becomes a union shop. Those that did not want the union have the ability to join as full members or to sign on as fee objectors, which means they will pay the portion of working assessments that goes solely to negotiating. He recalled earlier testimony mentioning some items were also included in fees, which he noted are expressly prohibited by law. He related his understanding that they are not included. Additionally, a labor leader would be foolish to include them in assessments, he opined.

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REPRESENTATIVE COGHILL inquired as to how contentious the working relationship is and between the two groups. He asked whether people quit or find a good working relationship and if any intimidation problems occur.

MR. BELL related that the IBEW is very active in organizing unions. Since he has been a union organizer, he has been business representative in at least a half dozen instances. He highlighted that he could not list a single fee objector. He opined that the reality is those who initially objected to the union realized through the negotiation process that they would

enjoy the investment. He stated that it does not happen through intimidation, in fact, the unions are legally barred from it. He related that he simply does not have an issue. He explained that every working Alaskan benefits from the union movement, whether they are union or not. He surmised that most workers realize the benefits. He explained he grew up in that environment. He stated that his dad looked for jobs and recognized the union rate and how it affected him as a nonunion electrician. He pointed out that construction rates, labor laws, every working Alaska benefits.

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REPRESENTATIVE COGHILL stated that he is attempting to distill the right to work emphasis of this bill. He stated that right to work generally rings true with him. However, he related his understanding that attempting to make this work is difficult. He related a scenario in which a majority forms a union. He inquired as to whether the employer could hire a nonunion worker who may provide a unique specialty.

MR. BELL answered that what was described appeared to be subcontracting ability. He explained that would be covered in the specific collective bargaining agreement. He offered to describe a shop in which some employees want to join a union, but others do not want to be union. At the core of right to work and the reason it has been dubbed right to work for less, is it facilitates those that do not want to pay to avoid paying any dues for representation and for negotiations. This places this burden on those who are willing to pay the dues. Thus, everyone benefits from the workers who pay the dues, including salaries and benefits. Furthermore, the burden shifts to fewer and fewer people. He offered to review Texas law. He opined the record is clear, with respect to the 22 states that are right to work states, of the benefits enjoyed by construction crafts before and after the law went into effect.

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MR. BELL, in response to Representative Coghill, explained that he has been through two decertification processes. He stated decertification and de-authorizations are similar. He offered that neither one was successful. He highlighted that 30 percent can also file for a de-certification. He concluded by stating that he would like to speak in stern opposition to HB 37.

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MR. BELL, in response to Representative Lynn, explained that the reason for deciding not to join goes back to the work environment. He opined when workers are seeking to join a union that they are not working in a healthy environment. He argued that these employees are not being treated as well as they could be under a union contract. He said, "We don't go after those employers." He offered his belief that the unions benefit union and nonunion employees. He stated any number of reasons might affect employees' viewpoints including what they have heard on the news, commercials, or on the Internet.

REPRESENTATIVE LYNN asked if he wanted to work in a union shop, what reason would someone give for not joining that union, assuming the union is already organized.

MR. BELL related he does not encounter that since the employees want to be in the union.

REPRESENTATIVE LYNN clarified that he is directing his remarks to those who do not want to join the union.

MR. BELL surmised if the employees are working in a shop, but do not want to be union, that he would not usually hear from them. Thus, he stated he cannot really answer that question. He offered his belief workers seek work at a property that is union since they are interested in the union jobs for the benefits.

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REPRESENTATIVE LYNN related his understanding that some unions take positions at the national level on "hot button" social issues such nuclear warfare, global warming, and whether the U.S. should be involved in the war in Iraq. He opined the issues do not have anything to do with health benefits, wages, or working conditions. He offered his belief that some workers do not want to join a union to subsidize the platform the union takes on issues that do not directly affect the workplace. He recognized that members could opt out.

MR. BELL clarified that members do not opt out of the political portion of membership, but actually opt in to support the political platform. He explained that the union membership sets the direction. He acknowledged that many members challenge what union should be involved in politically. He offered that if the union is not involved in issues such as the right to work issue today, that all members would feel the negative impact.

4:30:00 PM

REPRESENTATIVE CHENAULT asked for clarification on decertification since 30 percent can call for an election.

MR. BELL explained it is the flip side of organization. Thus, if 30 percent show support for a union, the union can hold an election. And if 30 percent petition to decertify, under federal law an election is held to determine if a majority want decertification.

4:30:51 PM

JAMES FLAKE stated that he has been a member of Laborers Local 942 union. He related he is trying to understand HB 37. He offered that if a person did not vote for Governor Palin or for President Obama, what are his/her concessions. He highlighted that people who did not support the candidates, still have them as their leaders. He related his own circumstances that he worked in a shop as a welder. The employees elected for union representation. He said, "I didn't vote for the union, but when it came down to the vote, it went union. I joined the [Plumbers and] Pipefitters [union]. Our whole government is founded on majority rules. If a majority wants something, and you're not on that side, then you've got the option. Either join or go on. They're a lot of nonunion companies in this town. If you don't want to be union, you don't have to be." He related that the benefits are representation and wages. He opined that it is nice to have representation so when problems arise the union representative irons it out such as if an employee is asked to do something outside the scope of their job duties. He further opined that without representation if the boss tells you to do something and you do not do it, "you're down the road."

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MR. FLAKE surmised that if the right to work bill passes, he could be on a job being paid \$28 per hour, and if the boss wants him to perform flagging duties, but the nonunion worker will perform the flagging for \$15 per hour, that he may be asked to take a wage reduction. He opined that he has observed companies using noncertified flaggers, which he opined is dangerous. He stressed the union guarantees that the person performing the work is qualified to do the job. He said, "That's why we have union contracts. And I still want to know what concession I get if you guys pass this bill."

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MAX MIELKE, Business Manager, Plumbers and Pipefitters, stated that he has been a former pipefitter for 34 years, worked on the Trans-Alaska Pipeline System, and served as a business manager for the Plumbers and Pipefitters union, which represents about 100 members. He asked to go on record that the Plumbers and Pipefitters strongly oppose HB 37. He opined that at a time when the nation and Alaska wants to stimulate the economy, that this would have the opposite effect. He further opined that the bill would affect everyone. He referred to the U.S. Bureau of Labor statistics he found. He related that the average worker in right to work states earns \$5,000 per year less. He opined that right to work would hurt Alaska businesses since workers earning less would spend less. He stated that 21 percent fewer people have health care benefits in right to work states. He provided additional conditions in right to work states such that residents of these states have higher poverty, more infant mortality, lower Workers' Compensation benefits, and higher death and injuries. He stated these are just a few reasons why right to work legislation would be another backward step for the struggling middle class in this country and this great state of Alaska. He reiterated the Plumbers and Pipefitters opposition to HB 37.

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GEORGE MCGUAN, Representative, Laborers Local 942, stated he found similar statistics. He offered his personal work experience. He stated that he has been in the union since he was 19 years old. He also worked in a nonunion job in Texas. He further stated that when his employer needed laborers they went to the corner and selected a group of laborers that fit the crew best. The workers were paid \$10 per hour in cash. He highlighted this does not happen here. He said, "I hope it never does." Additionally, he had an opportunity to volunteer as a Peace Corps volunteer, and paid his union dues during that time. He offered he was not subject to any repercussions for his time serving in the Peace Corps. He stressed the union has never forced him to do anything he did not want to do. He offered his belief that higher injuries result in right to work states is due to a lack of training. He highlighted that he has been afforded training, which is all paid from union dues. He said, "What it does in my personal opinion; there are no better workers in the world than United States union workers. I've seen it - both sides of it."

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DIMITRI CASSERI, Director, Government Affairs, National Right to Work Committee, stated that the right to work citizen organization consisting of 2.2 million workers dedicated to the elimination of compulsory union participation. He stated that HB 37 would guarantee working men and women in Alaska have the right to decide for themselves whether a labor union deserves their financial support. He referred to his written testimony, but stated he would like to address misconceptions stated earlier. He said, "Yes, no one is forced to join a union, but in a non right to work state, a forced union state like Alaska, individuals are forced to pay dues to a union, up to and including 100 percent of the union membership dues just for the privilege of keeping their job." He emphasized that no one should be forced to pay union dues or fees just to keep their job. He provided some examples, such as a good friend, who was a secretary/treasurer for his union. He participated in an exchange program in Alabama and was amazed what unions did for their members. He related that his friend reported this to the local union, but they did not care. He opined that the reason is union members are forced to pay dues whether or not they receive benefits. He highlighted his friend decided that right to work is the way to go. He offered his belief that the best way to get union members to join a union is to provide the employees with services. He related his understanding that some of the statistics mentioned in previous testimony were pretty inaccurate. He provided some statistics, such as according to U.S. Administration on Child and Families, welfare recipients in right to work states are 7.3 per 1,000, but in Alaska welfare recipients are 16.3 per 1,000. He opined that more people collect government subsidies and government assistance in forced union states like Alaska. He referred to wages and stated that while union workers are paid more, the cost of living is higher in forced union states. Alaska has a high cost of living. He opined that workers in right to work states actually take home \$5,000 more than forced union state workers, once basic needs are subtracted from their wages due to fewer costs.

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MR. CASSERI stated that he supports this bill. He stressed that this will bring jobs to Alaska and it will keep the young people from leaving. He recalled that 102,000 families left Michigan with many of them relocating to Charlotte, NC to gain employment. He opined that many college students leave forced

union states to move to right to work states to start a family, get a good job, and make a good living. He opined that they do not stay since they cannot make a good living in the forced union states.

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REPRESENTATIVE COGHILL related a scenario with union organization with nonunion workers. He inquired as to whether the nonunion members are required to pay union dues, and if they receive the same collective bargaining agreements.

MR. CASSERI stated that the nonunion workers will obtain the same benefits that a union worker would receive. However, employees who do not want the union to negotiate for them for benefits, under federal law, are forced to accept them. He stated that under federal law, unions can also opt out and offer members only bargaining, a practice that was prevalent prior to 1960. Since then, the unions have elected to be the exclusive bargaining agent for everyone in the workplace. Thus, they negotiate for union and nonunion members. He offered an example, such that every state has problems obtaining enough math and science teachers. He stated that the union sets the salary, but does not allow any additional salary for math and science. He offered his belief that math and science should be receiving more funds since the demand is greater. He stressed that an underperforming worker benefits, but over performing workers probably receive less than what they are worth.

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REPRESENTATIVE COGHILL asked for clarification on the qualification of workers, especially in the trade fields.

MR. CASSERI stated that economically the fastest growing states are right to work states. He referred to American Legislative Exchange Council (ALEC) lists "rich and poor" states. He opined that 9 of 10 are right to work states. Additionally, all of bottom ones are forced union states. He offered his belief that a business owner would look for high quality employees. He stated that Charlotte, NC is the number one recipient of Michigan workers. He said:

Well, they're stealing, basically the well-educated young families to come down there, to work there. They're coming down there to look for jobs. They're hiring good people. People are mobile. They don't

have a problem finding qualified, competent employees. And I don't think anyone would leave Michigan to go to North Carolina to take a 50 percent pay cut or 25 percent pay cut. They're going because they can get a well paying job down there. They're costs are less and they're treated better.

4:49:52 PM

BILL WARREN, Retiree, stated he is a retired member of Plumbers and Pipefitters Local 367. He expressed his opposition to HB 37. He opined that it will not affect the box stores or the mom and pop businesses, but it is aimed at the large commercial and industrial jobs. He stated that he has worked on large union jobs since 1960 in Alaska and does not see anything wrong with the existing labor laws. He offered his belief that he made a good living in Alaska, raised his family here, and has retired. He has a nice home, a good pension, and health care. He opined that he is not a financial drain on the community. He stated right to work is nothing new. He further opined that right to work states are primarily located in the South and in Texas. He recalled working in Texas as a young man and the low wages. He stressed that right to work states have lower wages, have less health care per capita, with more poverty and crime. He stated it has not been demonstrated that Alaska would gain by adopting the right to work bill. He referred to the TAPS project, any Alaskan that wanted a job, had a job. He recalled his union trained many apprentices for skilled jobs. He opined that having the workers on the same job, making different pay, under different conditions is bad. He suggested that Alaskans supporting right to work states should visit Mississippi, Louisiana, or Georgia to observe how their citizens fare. He said, "I think this bill, along with HB 185 is an effort to break the unions in Alaska and will cause a great amount of discontent and lower the standard of living for us."

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JARED HAMLIN, International Union of Operating Engineers Local 302, stated that he has been a union member for six years and prior to that he was nonunion worker. He also owned a manufacturing company that was also nonunion company. He offered his belief that both are needed in Alaska. He offered that both union and nonunion jobs are needed. He said:

This proposed bill is definitely unnecessary and untimely looking at our current economic crisis. Just

real quick, just four days ago was the 41st anniversary of the assassination of Martin Luther King. I wanted to read a quote here real quick. This is a quote that came from his speech that was given the day before his assassination. He wrote, "In our glorious fight for civil rights, we must guard against being fooled by false slogans such as right to work. It is a law to rob us of our civil rights and job rights. It is supported by southern segregationists, who are trying to keep us from achieving our civil rights and our right of equal job opportunity. Its purpose is to destroy labor unions and the freedom of collective bargaining by which unions have improved wages and working conditions for everyone. Wherever these laws have been passed wages are lower. Job opportunities are fewer and there are no civil rights. We do not intend to let them do this to us. We demand this fraud be stopped. Our weapon is our vote.

MR. HAMLIN provided U.S. Department of Labor statistics census of fatal occupational injuries from 2006. The US-DOL compared right to work states versus non-right to work states. What they found was in right to work states the fatalities rate was 5.9 workers per 100,000 compared to 3.8 fatalities in non-right to work states. If right to work was enacted in Alaska, using an arbitrary number of 400,000 workers, approximately 8 more people would die per year.

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JOHN SOUTER stated that he is a member of the Anchorage Independent Longshore Union #1, which is an independent union affiliated with Teamsters Local 959. He offered that he recently retired from Public Employees Local 71. He stated one thing that has been overlooked is that for the working poor, the unions offer an opportunity for people to pull themselves out of poverty and into an average standard of living. He reiterated that the union provides the mechanism to do that. He stated that unions offer a living wage. Additionally, across America that is a balance of power between workers versus management. He emphasized that unions provide a better balance of power. He recalled speaking to the NLRB and opined that the board has a mechanism to assist members in opting out of the union. He related his understanding that employees would pay for the benefits of union personnel who negotiate contracts but they do not have to belong. He emphasized that the unions provide workers with an opportunity to get a fair wage.

JAKE QUAKENBUSH, Assistant Business Manager, International Brotherhood of Electrical Workers (IBEW), stated that he has been a business manager for IBEW for 18 years, and has been a member for 32 years. He said that right to work seems like a great slogan. He said the phrase is a catchy phrase, but it is not true. He stated that right to work does not give workers rights, create jobs, or provide benefits. He said, "It is such a misleading statement that when right to work legislation was being spread through Washington, the state supreme courts said the phrase right to work could not even be listed on the ballot because it was so falsely describing of its contents." He opined that the right to work movement led by the national Right to Work Committee on the East Coast is dumping millions of dollars into breaking unions. He said, "The national Right to Work Committee exists for one reason. And that's to weaken and break ultimately their goal is to break unions and their workers. They think that by driving away unions and their workers, they will help the economy. Right to work is wrong again." He related his understanding that it is not the state's role to protect unions, but it should protect workers in Alaska and the economy. He opined states that have right to work laws have a negative impact on all their workers - union and nonunion. In Alaska, workers have a legal right to form unions in their workplace. They do this through a democratic process. Workers understand they will pay a fee for services. He related that people do not have to become members, but must pay their share of dues or fees for the service. He further opined that the union has a legal duty to represent all employees in the workplace. He highlighted that with right to work, no one has to pay for the representation. He said, "It doesn't take a rocket scientist to see that this system is going to break down." He inquired as to how many organizations would survive to support the employee if dues or fees were not required. He pointed out that National Rifle Association (NRA) requires its members to pay dues, as do Chamber of Commerce members and so should all employees who choose to work under a collective bargaining agreement with an employer and a union. Alaska's economic success does not include right to work. Instead, economic success includes things like partnership with corporations and unions under collective bargaining agreements. He said, "Innovation and hard work "8 to 8" as we say in the trade. The future of our economy depends on a fair balance between "labor, business, and government". The future does not lie with the right to work. They would like to tip the balance away from fairness and partnerships by distracting unions from the real work of representing workers. They want things so one-

sided that workers are not even at the table." He opined that right to work is a misleading and catchy phrase. He reiterated his strongly opposition to HB 37.

CHAIR OLSON announced that HB 37 would be held over for further discussion.

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ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:04 p.m.