

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 24, 2022

1:14 p.m.

MEMBERS PRESENT

Representative Grier Hopkins, Chair
Representative Sara Hannan, Vice Chair
Representative Louise Stutes
Representative Harriet Drummond
Representative Kevin McCabe
Representative Mike Cronk

MEMBERS ABSENT

Representative Tom McKay

COMMITTEE CALENDAR

HOUSE BILL NO. 296

"An Act relating to program receipts; and relating to the acceptance of gifts, donations, and grants for the purpose of providing signage for assets under the control of the Department of Transportation and Public Facilities."

- MOVED HB 296 OUT OF COMMITTEE

HOUSE BILL NO. 322

"An Act relating to the Alaska marine highway system vessel replacement fund; and providing for an effective date."

- HEARD & HELD

PRESENTATION: ALASKA MARINE HIGHWAY WORKFORCE PARTNERSHIPS FOR THE FUTURE

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 296

SHORT TITLE: DONATIONS/GIFTS FOR DOT&PF SIGNAGE

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

01/31/22	(H)	READ THE FIRST TIME - REFERRALS
01/31/22	(H)	TRA, FIN

02/08/22 (H) TRA AT 1:00 PM BARNES 124
02/08/22 (H) Heard & Held
02/08/22 (H) MINUTE(TRA)
02/24/22 (H) TRA AT 1:00 PM BARNES 124

BILL: HB 322

SHORT TITLE: AK MARINE HWY SYSTEM VESSEL REPL. FUND
SPONSOR(S): TRANSPORTATION

02/14/22 (H) READ THE FIRST TIME - REFERRALS
02/14/22 (H) TRA, FIN
02/24/22 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE GEORGE RAUSCHER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, gave information on HB 296.

ANDY MILLS, Legislative Liaison
Department of Transportation and Public Facilities
Juneau, Alaska

POSITION STATEMENT: Provided invited testimony during the hearing on HB 296.

KERRY CROCKER, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave an overview of the changes proposed in a committee substitute for HB 322 on behalf of Representative Stutes, prime sponsor.

SHANNON ADAMSON, Alaska Regional Representative
Masters, Mates and Pilots
Juneau, Alaska

POSITION STATEMENT: Co-presented a PowerPoint, titled "Masters, Mates and Pilots, Inland Boatman's Union and Marine Engineers' Beneficial Association," during the Alaska Marine Highway Workforce Partnerships for the Future presentation.

EARLING WALLI, Regional Director
Inland Boatman's Union of the Pacific
Juneau, Alaska

POSITION STATEMENT: Co-presented a PowerPoint, titled "Masters, Mates and Pilots, Inland Boatman's Union and Marine Engineers' Beneficial Association," during the Alaska Marine Highway Workforce Partnerships for the Future presentation.

ACTION NARRATIVE

[1:14:25 PM](#)

CHAIR GRIER HOPKINS called the House Transportation Standing Committee meeting to order at 1:14 p.m. Representatives Drummond, Hannan, McCabe, Cronk, Stutes, and Hopkins were present at the call to order.

HB 296-DONATIONS/GIFTS FOR DOT&PF SIGNAGE

[1:15:19 PM](#)

CHAIR HOPKINS announced that the first order of business would be HB 296, "An Act relating to program receipts; and relating to the acceptance of gifts, donations, and grants for the purpose of providing signage for assets under the control of the Department of Transportation and Public Facilities."

[1:15:58 PM](#)

REPRESENTATIVE GEORGE RAUSCHER, Alaska State Legislature, as prime sponsor, stated that HB 296 would allow the Department of Transportation & Public Facilities (DOT&PF) to accept gifts pertaining to ongoing renaming projects.

[1:16:33 PM](#)

REPRESENTATIVE STUTES asked what would happen if a person were to pledge payment for a project and then lost the ability to fund it.

[1:17:29 PM](#)

ANDY MILLS, Legislative Liaison, Department of Transportation and Public Facilities, answered that he looked back at the last several years at naming processes. Once the designation is on the books, should such a scenario come to pass in which the third party is unable to maintain those funds, the renaming would be moved to the next time such projects are undertaken.

[1:19:09 PM](#)

REPRESENTATIVE STUTES asked whether bridge would remain identified with its number "until something else transpires which would require signage."

MR. MILLS answered that the previous name would remain until the next renaming project occurred. In response to a follow-up question, he said that it would depend on the bill pertaining to the renaming.

REPRESENTATIVE STUTES asked whether new signage would be added if another project related to repairs of a bridge was ongoing.

MR. MILLS answered that that is a scenario in which the renaming signage would be added.

[1:22:27 PM](#)

REPRESENTATIVE RAUSCHER offered clarification that the proposed legislation is only meant to give receipt authority to DOT&PF.

[1:23:11 PM](#)

REPRESENTATIVE HANNAN noted that a memorandum ("memo") received by the committee from DOT&PF stated that the donor could donate materials rather than money, and she asked whether it could cause an issue due to the wrong materials being used.

MR. MILLS responded that the language used means that DOT&PF has the ability to contemplate the provided materials. He stated his understanding that the bill would allow more options for people. There are technical requirements when it comes to signage, and donated materials could be used if they met those requirements.

[1:26:11 PM](#)

CHAIR HOPKINS opened public testimony on HB 296. After ascertaining that no one wished to testify, he closed public testimony.

[1:27:35 PM](#)

REPRESENTATIVE HANNAN REPRESENTATIVE moved to report HB 296 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 296 was reported out of the House Transportation Standing Committee.

[1:27:58 PM](#)

The committee took an at-ease from 1:28 p.m. to 1:30 p.m.

HB 322-AK MARINE HWY SYSTEM VESSEL REPL. FUND

[1:30:07 PM](#)

CHAIR HOPKINS announced that the next order of business would be HB 322, "An Act relating to the Alaska marine highway system fund; relating to the Alaska marine highway system vessel replacement fund; relating to the Alaska higher education investment fund; and providing for an effective date."

[1:30:43 PM](#)

REPRESENTATIVE HANNAN moved to adopt the proposed committee substitute (CS) for HB 322, labeled 32-LS1501\B, Marx, 2/23/22, as a working document. Without objection, Version B was before the committee.

[1:31:09 PM](#)

KERRY CROCKER, Staff, Representative Louise Stutes, Alaska State Legislature, on behalf of Representative Stutes, prime sponsor of HB 322, stated that Version B would create two funds: the Alaska Marine Highway System (AHMS) fund and a vessel replacement fund. Those funds would be exempt from the constitutional sweep, protecting them from use in appropriations. He said that AMHS is a critical part of Alaska infrastructure that should not be subject to appropriation changes.

[1:32:40 PM](#)

REPRESENTATIVE MCCABE asked whether there is legal analysis on the bill.

MR. CROCKER said he would acquire it.

REPRESENTATIVE MCCABE expressed his concern that the fund would go against the Constitution of the State of Alaska.

[1:33:52 PM](#)

CHAIR HOPKINS announced HB 322 was held over.

**PRESENTATION: Alaska Marine Highway Workforce Partnerships for
the Future**

[1:34:30 PM](#)

CHAIR HOPKINS announced that the final order of business would be a presentation, titled "Alaska Marine Highway Workforce Partnerships for the Future."

[1:35:19 PM](#)

The committee took a brief at-ease.

[1:36:13 PM](#)

SHANNON ADAMSON, Alaska Regional Representative, Masters, Mates and Pilots (MM&P), stated that she has been a representative of MM&P for seven years.

[1:36:51 PM](#)

EARLING WALLI, Regional Director, Inlandboatman's Union of the Pacific (IBU), stated that he has been the regional director since 2020 and has been a merchant mariner since 1977.

[1:37:13 PM](#)

MS. ADAMSON began the PowerPoint presentation [hard copy included in the committee packet] on slide 2 and stated that the unlicensed number of members for MM&P is 303. She described some of the duties of the listed positions.

[1:38:21 PM](#)

REPRESENTATIVE HANNAN asked for a description of the difference between "unlicensed" means and "licensed" crew members.

MS. ADAMSON answered that unlicensed personnel do not have qualifications for higher positions on the vessel.

MR. WALLI stated that he would be speaking to unlicensed positions.

REPRESENTATIVE HANNAN noted that unlicensed implies that there wasn't governance, but the credentials are still provided.

MS. ADAMSON offered clarification that the difference between licensed and unlicensed is the level of qualification required by the U.S. Coast Guard.

[1:40:43 PM](#)

MS. ADAMSON moved to slide 3 and gave the number of members by licensed positions, including captains, engineers, and chief mates for both MM&P and the Marine Engineers' Beneficial Association (MEBA).

[1:42:05 PM](#)

REPRESENTATIVE STUTES asked Ms. Adamson about IBU's responsibilities.

MS. ADAMSON answered that the unlicensed division covers jobs that directly interact with passengers, such as stewards.

MR. WALLI added that IBU covers positions found across the vessel, including the galleys, engine rooms, and steering.

[1:44:33 PM](#)

REPRESENTATIVE MCCABE asked to which union unlicensed engineers would belong.

MR. WALLI answered that personnel that gain more qualifications would eventually move to another union.

[1:45:59 PM](#)

REPRESENTATIVE HANNAN asked whether the numbers on slide 3 refer to the numbers in the unit.

MS. ADAMSON answered that these are the current numbers.

[1:46:42 PM](#)

MS. ADAMSON continued to slides 4 and 5 and gave an overview of the job qualifications for a steward. The qualifications include basic safety training, merchant mariner credentials, drug tests, and food safety training. She stated that an office assistant position requires a high school diploma.

[1:48:38 PM](#)

CHAIR HOPKINS asked whether all qualifications have to be met before joining the crew.

MS. ADAMSON responded that all qualifications are required to qualify for a permanent, full-time crew member position as a steward.

[1:49:16 PM](#)

MS. ADAMSON continued to slides 6-8 and gave a brief overview of other requirements for full-time deck and engine room positions. Advancement to the highest levels of unlicensed supervision positions requires further merchant mariner credentials and endorsements.

[1:50:54 PM](#)

REPRESENTATIVE STUTES asked about the motives for some of the decisions made by IBU. She referred to an instance a few years ago when the IBU chose to go on strike during a time when the marine highway system was in danger of going under financially.

MR. WALLI answered that they had been bargaining with the state for over two years over multiple administrations.

[1:52:59 PM](#)

CHAIR HOPKINS asked whether IBU falls under the Public Employee Relations Act.

MR. WALLI answered yes. In response to a follow-up question, he answered that going on strike has many requirements of mediation and negotiation before being considered to be at an impasse that would allow for a strike.

[1:54:18 PM](#)

REPRESENTATIVE STUTES asked Mr. Walli whether they went on strike before having an arbitrator become part of the process.

MR. WALLI answered yes.

REPRESENTATIVE STUTES stated that AMHS is in a dire situation, and she questioned whether going on strike at that time was in the best interest of the state and the members of IBU.

[1:55:30 PM](#)

REPRESENTATIVE MCCABE noted that he was once a negotiator for a union and negotiated a contract for seven years. He said that state employees cannot go on strike until they reach an impasse that the national labor relations board says is an impasse, due to their status as a service that has a monopoly.

[1:58:07 PM](#)

REPRESENTATIVE HANNAN asked Mr. Walli whether the leadership of IBU has changed since the strike two years ago.

MR. WALLI answered yes. He added that there have been efforts to have a better working relationship with the State of Alaska.

[1:59:11 PM](#)

CHAIR HOPKINS asked whether Mr. Walli could say what the vote threshold was.

MR. WALLI responded that he doesn't have that info but can look it up and provide it. In response to a follow-up question, he stated that the last strike had been in the 1970s.

[2:00:34 PM](#)

MS. ADAMSON continued with slides 8 through 10 and gave a brief overview of the qualifications for MEBA and MM&P positions that require a license. The qualifications for MEBA include a Coast Guard license for each specific job class, hazardous communication training, firefighting, and rating for each engineering task. She said that the MM&P qualifications include communication techniques and the associated Coast Guard license. She noted that the slides contained a more detailed list of other qualifications. She stated that MM&P covers 46 pilotage areas across the state and 3 in the state of Washington. She noted that chief engineers and masters have further qualifications that are required on top of those other positions covered by MEBA and MM&P.

[2:04:21 PM](#)

CHAIR HOPKINS asked for a comparison between the qualifications for the State of Maine and those of the State of Alaska.

MS. ADAMSON responded that she was unsure of specific examples.

[2:05:18 PM](#)

REPRESENTATIVE MCCABE asked Ms. Adamson whether pilotage is a Coast Guard certification.

MS. ADAMSON responded yes. In response to a follow-up question, she said that gaining the qualifications for that license is similar to an apprenticeship.

[2:06:29 PM](#)

REPRESENTATIVE HANNAN asked Ms. Adamson whether a captain on an AMHS vessel would need to have a license for each pilotage area.

MS. ADAMSON responded that in most instances, there is pilotage for each route. She added that the Kennicott is the only vessel that requires charts for all pilotages the vessel travels in, which is all 49 charts. In response to a follow-up question, she answered that that includes those in the state of Washington.

[2:08:07 PM](#)

REPRESENTATIVE DRUMMOND asked whether Ms. Adamson's organization represents the pilots of cruise ships.

MS. ADAMSON answered that cruise ship pilots usually choose to remain a part of MM&P.

[2:08:45 PM](#)

MS. ADAMSON proceeded to slide 11 and gave a brief overview of the additional requirements for chief engineers and masters. She said that years of experience and several Coast Guard tests are required for a crew member to reach these levels. The education required for these positions is a significant investment that is lost whenever personnel filling those positions are lost to other organizations.

[2:10:10 PM](#)

REPRESENTATIVE STUTES asked whether retention has any correlation to the reduced number of routes during the winter.

MS. ADAMSON answered yes.

[2:10:43 PM](#)

MS. ADAMSON continued to slide 12 and showed a list with the number of bids and vacancies within MM&P and MEBA. She added that the normal 30 percent relief pool is not currently available, resulting in both being short-handed.

[2:11:40 PM](#)

REPRESENTATIVE STUTES asked whether the numbers include those who will be leaving during the next spring.

MS. ADAMSON answered no.

[2:12:16 PM](#)

CHAIR HOPKINS asked why no crew is assigned to the Motor Vessel (M/V) Hubbard.

MS. ADAMSON answered that it is currently being repaired.

[2:13:02 PM](#)

MR. WALLI continued to slide 13 and displayed several graphs showing IBU vacancies. He said that having some vacancies is normal.

[2:13:44 PM](#)

CHAIR HOPKINS asked whether specific numbers for the graphs are available.

MR. WALLI answered that he would provide them at a later time.

[2:14:29 PM](#)

REPRESENTATIVE DRUMMOND asked what bids mean in relation to vacancies.

MS. ADAMSON answered that a bid is a full-time position.

[2:15:32 PM](#)

REPRESENTATIVE MCCABE asked how often the bids open.

MS. ADAMSON answered that it depends on the bargaining unit.

MR. WALLI added the bids open four times a year, and personnel are locked in for six months for making a lateral move.

REPRESENTATIVE MCCABE asked what happens if a vessel is moved to dry dock or a personnel member is otherwise bumped.

MR. WALLI answered that it depends.

[2:18:10 PM](#)

The committee took an at-ease from 2:18 p.m. to 2:20 p.m.

[2:20:23 PM](#)

MS. ADAMSON continued to slides 14 and 15 and stated that problems with retention are not solely due to the COVID-19 pandemic, as retention has been in decline since 2015. She said that mariners that work for AMHS do so because of a schedule that is more friendly to those that have families. She said that mariners can make more money elsewhere, and with the reduction of these more friendly schedules, retention has decreased.

[2:23:12 PM](#)

REPRESENTATIVE HANNAN asked what a schedule might look like for a private sector mariner.

MS. ADAMSON answered that a mariner working in the private sector would work for six to eight months at a time, with four to six months off, and make up to double the amount of money as a mariner in AMHS.

MR. WALLI added that Southwest Alaska has some flexibility in scheduling due to the one-man crews.

[2:26:17 PM](#)

REPRESENTATIVE STUTES asked Ms. Adamson which license she has.

MS. ADAMSON responded that she has a Second Mate Boatswain's license.

[2:26:36 PM](#)

MS. ADAMSON continued to slide 16 and stated that scheduling issues and wages are the main reasons for mariners leaving AMHS.

She said that the number of favorable schedules has decreased, and there is less year-round work available. Mariners will seek new work during the winter and not return to the AMHS during the next summer.

[2:28:12 PM](#)

MR. WALLI added that there is an ongoing issue in IBU with members not knowing whether their vacation is approved until the last minute.

[2:29:01 PM](#)

REPRESENTATIVE HANNAN asked Mr. Walli for clarification.

MR. WALLI replied that crew members often do not know whether their vacation has been approved until a new crew list is released without that member being on the list.

[2:31:11 PM](#)

REPRESENTATIVE MCCABE asked whether premium pay is available for less favorable schedules and for time spent being held over.

MS. ADAMSON answered yes.

[2:32:37 PM](#)

MS. ADAMSON continued on slide 16 and reiterated the lack of available work during the winter. She added that she is unable to go into detail about payroll due to it being under negotiation.

[2:34:12 PM](#)

REPRESENTATIVE MCCABE noted that the slide seems to be showing a list of grievances.

MS. ADAMSON responded that the number of grievances filed fluctuates.

REPRESENTATIVE MCCABE asked whether something could be done to improve sleep schedules.

MS. ADAMON explained that the origin of the six-hour schedule started in the 1960s, before it was unearthed that that schedule was detrimental to one's health. She added that the Coast Guard

keeping the schedule was based on the idea that a two weeks on/two weeks off schedule would allow people to reset.

[2:37:16 PM](#)

REPRESENTATIVE HANNAN asked whether that sleep schedule is industry wide.

MS. ADAMSON answered that it is in the contract for AMHS, and the Coast Guard has not corrected it since it was created in the 1960s. In response to a follow-up question, she stated that cruise ship pilots follow a weekly schedule rather than a daily schedule.

[2:40:13 PM](#)

CHAIR HOPKINS asked about onboard maintenance requests.

MS. ADAMSON answered that maintenance requests are often ignored.

[2:40:47 PM](#)

MS. ADAMSON continued to slide 17 and stated that mariners working for AMHS are leaving for retirement and other organizations on the West Coast such as the Washington State Ferry and Black Ball, among others.

[2:41:37 PM](#)

REPRESENTATIVE STUTES asked where Black Ball is located.

MS. ADAMSON answered that Black Ball operates between the state of Washington and British Columbia, Canada.

[2:42:13 PM](#)

REPRESENTATIVE HANNAN asked whether Black Ball is a private ferry.

MS. ADAMSON answered yes.

[2:42:29 PM](#)

MS. ADAMSON continued to slides 18 and 19 and stated that mariners are also leaving for positions they see posted in MEBA and MM&P union halls. She showed a chart with wage comparisons

between AMHS, Washington State Ferry, and Black Ball, and said that wages for the latter two are much higher than those available at AMHS.

[2:44:16 PM](#)

REPRESENTATIVE MCCABE asked whether the wage discrepancy included total take-home pay.

MS. ADAMSON answered that it includes only wages.

[2:46:52 PM](#)

REPRESENTATIVE HANNAN commented that it is likely that health care contributions for Black Ball employees do not come from their paychecks.

[2:47:19 PM](#)

REPRESENTATIVE STUTES asked whether Black Ball is privately owned.

MS. ADAMSON answered yes.

[2:47:29 PM](#)

REPRESENTATIVE DRUMMOND asked whether the Washington State Ferries do anything other than commuter transport.

MS. ADAMSON answered no.

[2:48:00 PM](#)

MS. ADAMSON continued to slide 20 and displayed a bar graph comparing the differences in wages between MM&P and other West Coast ferries. She added that a typographical error ("typo") on the previous slide resulted in a wage comparison stating that it is 108.9 percent higher, when the actual number is 8.9 percent. She added that certain positions are able to make more money at Black Ball than AMHS even if they are slightly lower level positions.

[2:50:21 PM](#)

REPRESENTATIVE MCCABE asked what happens if a crew member is sick.

MS. ADAMSON responded that that crew member would have to use [leave].

[2:51:06 PM](#)

MS. ADAMSON moved to slide 21 and displayed a bar graph comparing Black Ball, Washington State Ferry, and MEBA wages.

[2:51:49 PM](#)

MR. WALLI continued to slide 22 and displayed a bar graph comparing Black Ball, Washington State Ferry, and IBU wages. He added that the graphs include only information that compares similar positions.

[2:52:37 PM](#)

MS. ADAMSON continued to slide 23 and stated that the unions recommend providing work for members year round and utilizing union halls for certain positions in order to increase retention.

[2:53:07 PM](#)

REPRESENTATIVE STUTES asked whether they would need full licensure for any of those positions.

MS. ADAMSON answered yes. In response to a follow-up question, she said that union members cannot work in lower positions than what they have bargained for.

[2:53:53 PM](#)

MS. ADAMSON continued with slide 23 and stated that payroll and labor relations issues need to be addressed. She said that AMHS should remove requirements for certain positions when those requirements are not required by the Coast Guard.

[2:54:42 PM](#)

REPRESENTATIVE STUTES asked for examples of those positions.

MS. ADAMSON responded that certain boatswain qualifications would fall under that category.

[2:55:46 PM](#)

MS. ADAMSON continued with slide 23 and stated that training programs for entry level positions should be made available. She said that predictable schedules should be available to those working in the yards, and that AMHS stopped recruiting at high schools, job fairs, and maritime academies.

[2:56:56 PM](#)

CO-CHAIR HOPKINS asked when AMHS stopped recruiting.

MS. ADAMSON answered seven or eight years ago due to the drop in oil prices.

[2:57:07 PM](#)

MS. ADAMSON moved to slides 24 and 25 and stated that it is easier to provide industry standard contracts instead of state employee contracts for positions that fall under these organizations. She said that things such as paid travel are necessary to retain mariners, and the contracts are less complicated than most industry standard contracts. Wage increases do not occur without specific negotiation, and certain language is the result of 60 years of collective bargaining. She encouraged the legislature to work with the unions to better utilize mariners for the improvement of the state.

[3:02:23 PM](#)

CHAIR HOPKINS asked about how restructuring the system has been received.

MS. ADAMSON responded that the unions are hopeful and would like to be included as much as possible.

[HB 322 was held over.]

[3:04:18 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 3:04 p.m.