

LOCAL HIRE
TESTIMONY -

ANCHORAGE

2-14-86

FAIRBANKS

2-22-86

ANCHORAGE TESTIMONY

SENATE LABOR AND COMMERCE COMMITTEE
February 14, 1986
Anchorage, Alaska

MEMBERS PRESENT

Senator Fred Zharoff
Senator John Sackett

Senator Joe Josephson
Senator Vic Fischer
Representative "Red" Boucher

COMMITTEE CALENDAR

No bill scheduled. The purpose of this hearing was to take testimony from the residents of Anchorage on the issue of local hire.

WITNESS REGISTER

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WITNESS REGISTER, continued

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Eric J. Schnoor
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TESTIMONY
TAPE 1, SIDE 1

Number 001

The hearings were opened by Senate Labor and Commerce Committee Chair, Senator Fred Zharoff. The Chair recognized the presence of Senator Joe Josephson, of Anchorage, and said that committee member Senator Sackett would join the hearing late.

Senator Zharoff:

"I would like to take this opportunity to welcome you to this Senate Labor and Commerce hearings on residential hire and would also like to commend the Alaska First committee for their efforts on the issue of Alaskan hire. I want to thank them for their assistance in the formation of this public hearing, as well as the public hearing we're proposing to have in Fairbanks on the 22nd of this month. We're looking at the Assembly chambers there from 1pm-4pm, Saturday.

"The Governor and the Dept. of Labor have made a commitment to solve this problem, and the Legislature has been examining the various proposals to craft the resident hire legislation that will hopefully pass the constitutional "mustard". On the House side Representative Boucher has been very instrumental in working with the Alaskan hire issue, and I want to commend him for his efforts there. Although our past efforts have been thwarted in the courts, it appears that the actual findings contained within the Dept. of Labor Resident Hire Study will assist us in demonstrating the economic impact of the non-resident hire on the Alaskan residents. Furthermore, during the committee deliberations on the current resident hire bills, expert witness testimony have been provided which suggests certain social costs associated with unemployment are in existence. Among these are drug and alcohol abuse, domestic violence, child/sexual abuse, poverty, and suicide.

"I personally feel that displacing qualified Alaskan workers through non-resident hire is, in my estimation, inexcusable. As chairman of the Senate Labor and Commerce Committee I am committed to working toward a resolution to solve this problem. Additionally, the Governor has recently formed the Governor's Council on Alaska hire, to which I've been appointed along with Senator Ray. We will be working together to find legal, defensible solutions to the problem of Alaska hire.

"For your information I would like to read the list of members on the Council. Commissioner of Dept. of Labor, Jim Robinson, is the chair. Bill Allen of Anchorage. Jim Brinkley of Fairbanks. Alyka(?) Bryson, Fairbanks. John Galia, Ketchikan. Warren Gore, Anchorage. Albert Kukesh, Angoon. Gail Vick, Kotzebue. George Nelson, President of SOHIO, Kotzebue. Robert Sinnett, Teamsters Local 959. Al Belstren, Homer. Commissioner Eleanor Andrews of DOA, Lounsberry, DED, RAY, BOUCHER, PIGNALBERI.

"Hopefully, working together collectively the legislature, the administration, the state and private sectors can work up some sort of solution to the problem that we have with resident hire.

"I wish to thank those of you who made an effort to come here this afternoon. I'm looking forward to the testimony you'll be providing us. Any person who wishes to submit additional written testimony for inclusion into the committee record is certainly welcome to do so. I would suggest that you send any written testimony to my office in Juneau."

"Representative Boucher, will you join us please?"

"With that we'll proceed. I will read the invitation open to Commissioner Robinson, if you wish to make some opening remarks on the recent study put together by the department."

Number 070

Commissioner Robinson:

"Mr. Chairman and members of the committee, I really just came to watch and listen today. I guess the legislature has wrassled with this problem for the last fifteen years or so and I think that we in Alaska see a need for a resident workforce when some of the federal people may not see that. We're not privy to a road that takes us to another state or some of those types of things so we're really kinda confined to Alaska. I think that we have to show that unemployment cause these social ills....private causes that collapse the economy and along with the different rates of unemployment. The Dept. of Labor did make the study, we did show that there is an awful lot of unemployment out there, far in excess of all of the other states. We think that once [the legislature] gets all of the testimony on those social ills and, what I would hope that you would do, is if any of those folks out there have had a problem because their unemployed, they're now drinking or they're having a problem with dope, that they should come forward and give an affidavit then to say that that's exactly what's happened to them. Because I think that that's the thing you're going to have to have to have before we can go to the courts to defend this [action]. But I firmly believe that we will defend it and I believe that with Rep. Boucher's bill has a start because there will be things added to that as it goes through the system. I think that's probably the vehicle that we'll find to get through and be defensible in court.

"With the group that we just put together, you read off seventeen members, and of course we tried to start off with just twelve, we'll have five different subcommittees with those folks working on it, and we think that with that we'll be able to show that the contractors and companies that they need to hire the

Alaskan first, if in fact they are available. I think with that, Mr. Chairman, I will let some one else...

Number 100

Senator Zharoff:

"I understand that we are open to other sites [by teleconference] here, there will not be two-way communication, those that are there will be observing.

Number 105

Senator Josephson:

"Commissioner, I think by now you are aware of the bill that has reached now by fifteen senators the sponsor substitute for SB 271 that effects operation of state [], you probably haven't had the chance to study that yet.

Number 117

Commissioner Robinson:

"I've read it, but that's all."

Number 122

Senator Zharoff:

"You'll give us your comments later then when the committee holds a hearing on that bill, then I take it?"

Commissioner Robinson:

[nodded confirmation]

Senator Josephson:

"You mentioned a study which was done with your contribution, do you feel that it would be helpful to make that an annual exercise or do you and your counsel think that the one year study is enough for litigation."

Commissioner Robinson:

"I think that if you come up with a bill you would have to have a study at lease every two years to show that those figures are still out there. This was a good start but it was just a start."

Senator Zharoff began to take testimony from the general gathering at that time.

Number 126

Mano Frey:

"Thank you Mr. Chairman and members of the committee. My name is Mano Frey and I'm the executive president of the Alaska AFL/CIO and also the business manager of Laborer's Local #341. First of all I'd like to thank the committee for giving the public a chance to come and testify again and I say again because

this has certainly been an issue that has been one the table for a good many years. It's also an issue that the Alaska unions have always tried to support. I'll certainly be the first to admit that our local hire record isn't perfect but we always have been striving, just like the legislature, to work toward a solution. Most recently the laborers union in Fairbanks included in one of their collective bargaining agreements a twelve month residency requirement for some of the work on the north slope. Several of the local unions have provisions like that and many of us have been working together, in fact, two of the committee members belong to the unions in this state so that we can work and strive toward getting a better local hire law.

"One thing I'd like to point out, and I truly hope that the legislature would be able to help, is a Supreme Court decision addressed the law that the legislature passed regarding capital construction projects funded by the state of Alaska. There are many private employers in this state that are trying to hide behind, and many residents of this state who just are not aware, that the Supreme Court decision did not, and would not address, the issue of whether a private employer has the right to mandate Alaska residency. My understanding from speaking to many attorneys, including certainly the person that is best known for his knowledge of constitutional law though maybe not one of the world's favorite attorneys, but I have spoken to Ron Zobol. Mr. Zobol himself has said that union hiring all provisions is not a violation of the national labor relations act for hiring all provisions to have included in them geographical preference. It is not a violation of any of the discrimination laws that are now in affect for private employers to mandate that Alaskans be given preferential hire. That's not against the law, the Supreme Court did not address that. They only address the state in their construction projects mandating. And so I hope that possibly the committee and through forms such as this that groups like Alaskans First who are trying to have a voluntary compliance and trying to gather support for their efforts that an emphasis be put on the fact that if a private employer can't discriminate against many things. They can't discriminate against race, sex and religious preference and those things are specifically listed. Where you live is not listed, that's not one of those that's considered discrimination. So I would just like to say that I hope that the committee especially can get the word out, if a private employer wants to say "I'm going to give preference to Alaska residents" that it is not illegal and the Supreme Court certainly did not address that issue.

"I'll conclude by saying that the unions in this state will certainly to work as we have in the past in supporting a good constitutional local hire law and also trying to do our part as far as striving toward making sure that Alaskans that are out of work get preference for the jobs."

Number 183

Senator Zharoff:

"Thank you for your comments Mr. Frey. I'm sure that many have may considered but not pursued..."

Mano Frey:

"Well, like I say, I've heard many comments, Mr. Chairman, where people have said "well now the constitution has said that we can't do it". That's just not

true. They said the state can't do it. Private employers certainly can and they need to know that they can do it."

Number 189

Senator Zharoff

"For the record I'd like to note that Senator Vic Fischer has joined us as well as Senator Sackett. Are there any questions for Mr. Frey?"

Number 192

Representative Boucher:

"Thank you Mr. Chairman. Mano, when we were having the meeting that evening with Zobol that he was quizzed. In fact, he indicated that the way to go might be through hiring hall preference, in fact, that's the first time that I heard of that. You indicated to me that you're able to establish a twelve month residency indicated in your hiring hall preference?"

Mano Frey:

"Yes sir. For two of the contracts on the north slope that the work is going to be starting very shortly. In order to qualify for preference on that job, if a person for instance is on the "A" list, which is the highest of the priority lists, the people will be ranked. The first part of the list will be those who have proven to have been a resident of this state for at least twelve months."

Number 206

Rep. Boucher:

"Was that a part of your contract which you negotiated?"

Mr. Frey:

"That's exactly right."

Rep. Boucher:

"OK. Could I get a copy of that at Box V?"

Mr. Frey:

"I'd be happy to provide that language."

Rep. Boucher:

"Because at the time Zobol indicated that that might be the direction. Are other...was that just the laborer hiring halls."

Mr. Frey:

"I can speak specifically about the laborer's union. There are other unions that have similar type language. I'm not as familiar with that but I'd be happy to contact the locals who have similar language and get a package to you."

Rep. Boucher:

"Do you know of any other contracts that have been negotiated recently with that?"

Mr. Frey:

"I do know that, for instance, Teamsters Local 959 has had in place for quite some time tough, strict, Alaska preference. They have had that for quite some time and I believe because I'm not that familiar with it so I'm saying it's my feeble memory. But I believe its even to reach the higher status lists you have to prove your residency. And I'll get you that information Representative."

Rep. Boucher:

"Thank you."

Number 208

Sen. Zharoff:

"I'd appreciate a duplication of that. We've been working very closely on this issue."

Number 240

Lee Teich:

"I'm Lee Teich. I've been involved in construction work here for the last twenty-five years in Alaska and one thing that I was going to indicate was that we could go by the dividend qualifications on this longevity thing and its already established that where they can come up with an eligible for Alaska hire or whatever. Then there wouldn't be another study where all the money is spent and then we won't have any to enforce it with."

Sen. Zharoff:

"You mean using the same criteria we use for the permanent fund dividend?"

Mr. Teich:

"Right. There's been any number of them that I've know of that's been up on the slope that establishes a post office box up there and the only time they every stop there is to drop off and change planes at the the airport here and go south. And some of them were at one time Alaska residents, but not anymore. So if they're qualified for a dividend check, they're qualified for a job in Alaska."

Number 282

Sen. Josephson:

"Mr. Chairman, I think that in some of the legislation through Rep. Boucher's bill there is reference to eligibility for the permanent fund as a presumptive way, not the only way..."

Mr. Teich:

"That's about all I have right there."

Number 287

Rep. Boucher:

"One of the things that you might do, I know that there aren't a lot of copies available, and maybe some local could do it, but, the Department of Labor has

really done in a short period of time a tremendous job. It's laid a baseline. It's the first time we cross-matched and cross-checked and one of the things that we definitely used was the permanent fund and other documents. But I would strongly recommend that it would be money well spent if the locals themselves got copies from that and the Department of Labor and reprinted it. I know that Jim Robinson, the commissioner, is more than extended himself but you'll see what an outstanding job they've done. I don't think a study has been done in another state. So at least you've got a reasonable baseline. It's too bad we didn't have that along with some other things to present in court..... (intelligible tape) ... I think it's important. We've got to get our facts together. It's just not good enough to beat on the table and say "somebody took my job" or what have you. We've got to show social ills and the others and your helping to build that. The chairman said earlier if you know of specific cases, we're trying to build history now on the social disruption that this creates within....people have lost their homes. Put affidavits and information like that in for those of you listening. That's the type of stuff that we need that will stand up in a court of law."

Number 316

Mr. Teich:

"I had one other thing that I was going to bring up on that, too, was that I was involved as Joe and some of the others have in youth hockey and stuff here. We ran into one little thing involved with the old wolverines here. We couldn't get a beer license to sell beer down here because we hadn't been in business for five years within the state. But any other business can come in here and have some representative that has a house here and establish a business and take right off right from here. No problems at all. If they can make laws for the residents here what's fair's for one is fair for the other the way I look at it."

Number 329

Sen. Zharoff:

"Well when you do is try to identify all these areas and I appreciate your comments on that. I'm not saying that we're going to resolve all these issues on there, because once you've gotten to look into it there's a domino effect and sometimes they'll all go but in most cases they don't."

"Before (the next person) begins I believe there is a second edition that came out of the report and how many copies are available through the Department (of Labor).

Com. Robinson:

"If we have the names and addresses.....(unintelligible tape)

Sen. Zharoff:

"So there are copies available and you can get a copy just call the commissioner's office or my office or the House."

Number 349

John Jousma:

"My name is John Jousma. I've been unemployed for about a year, haven't been

able to find any work. What I think we have to do here is identify a multifaceted problem as a multifaceted problem and not pick specifically on resident or non-resident, I think we have to broaden it out. One of the problems I've identified that nobody seems to talk to is that some companies, particularly Canadian companies and now Korean companies coming in from outside tend to bring a lot of non-resident aliens in and they get around the non-resident alien hiring provisions where they have the so-called alien-proof law by putting up totally incredible requirements that have to be met supposed experience requirements and they get so picky about nailing down whether someone is acceptable or not that no resident or nobody could literally pass their qualification requirements. They thereby get around any of the laws that are already in place that are constitutional against bringing in non-resident aliens, against bringing in even resident aliens from other areas of the country or illegals. I know of many illegals that were on the pipeline that worked for the entire duration of the pipeline and you couldn't get them off with a stick of dynamite. Most of their money went back to Mexico and some of the South American countries. When they left that's where they ended up and now they're living down there as very wealthy drug dealers sending back cocaine and marijuana in increasing quantities and there is a fair amount of proof to justify these claims. I won't go into that here because we don't have the time. The other problem we have is to stop picking on, and I think this is where we can get legal justification, instead of trying to say "don't hire non-residents" I have two proposals to make. One is, let's make it economically disadvantageous for any employer to have a high proportion of non-residents in his workforce and the way I propose to do this is by having somebody introduce a bill and I've talked to some of Mr. Boucher's aides on this I don't know if they communicated across on it. That we propose a bill into the legislature that would effectively, or by regulation the Department of Labor, by simply increasing the base tax rate that the employer contribution to double or triple and then giving the employers a tax credit based on the total number years of residency of their total workforce average by the number of employees that they have. I think this would be very legal. I think there's another avenue that we should explore would be to put a minimum wage law, which we're having a problem with minimum wage 'cause who could live up here for \$3.85/hour. Only a fool would come up here and think that they could rent an apartment, pay food and get by on \$3.85/hour unless he was living ten-to-a-room and they were all eating rice three times a day. That's what I'm doing now, by the way. I eat half a cup of rice once a day. I've lost 100 lbs in about six months and it's not through my particular preference to be that way because I would like to have something to put on my rice but I can't afford it. The second thing I think we should do, and I propose that somebody surely is intelligent enough to work up with a law that would stick on this, a minimum wage law that would not specify a minimum wage in dollars but rather would specify that any employer must pay the maximum prevailing wage to any non-resident coming in to take a job. Because of the cost of his dislocation and moving up and the necessary need to find and re-stabilize his family situation. Thereby totally wiping out all the arguments about picking on people because naturally if a non-resident comes in to get a job and he by law has to be paid the maximum available rate once he identifies himself as a non-resident it's to his definite economic advantage to do so. On the other hand it does put a definite economic disincentive to the employer. I think we have to deal with people's basic psychological motivations here and not try and

beat around the bush with all these technicalities of law, many of which have been tossed out and which are unfortunately too closely linked and related to other things that have been tossed out. So instead of playing with semantics and bantering words around, we should propose some sweeping philosophical basis for what we do. And then even if the Supreme Court does get around to challenging it it's going to be twenty years from now. It takes them about 10-15 years to get something that sweeping into the courts to start with. So it gives us 3-4 built-in avenues ofIf I compared it to if I poured some acid on a plate and it never goes straight through the plate, it "pinholes" in in several areas and I think we could litterally overwhelm opposition to....also if we do this as rather than an up-front legislative thrust if we do it as a circuitous, inter-departmental modification of existing policies, like increasing the base tax rate, on the employer' contribution, not the employee contribution, but the employer doubling and tripling that over a period of 2-3 years in small increments and explain this away by saying simply that since more and more people are suddenly now unemployed we have to have a bigger tax base but we don't have more employers therefore we have to increase the employer contribution and then give the employer's a deduction based on the average of their total residency based on their total employees. I think that will go through the Supreme Court without resistance. Because that does not involve any constitutional questions involving individual person's rights to travel from state to state which has been the basis and the logical reasoning upon which they've justified tossing out most of the other residential requirements that tend to block people specifically. And I think we have to get into a little more logical mode here instead of reacting on an emotional basis. I also propose to Governor Sheffield, and this gets back to the governor and a few other people who have large property holdings and rental properties, I propose to weigh that we could get more than twice the power than we could get from Susitna we could build it totally with a few thousand resident workers over a long period of time and would cost less than 10% of what they proposed originally for Susitna and it could be a totally staid employee situation. I couldn't get beyond Rhonda, his aide down in the State building, because, unfortunately, in order to keep his hotels full I think he tends to have to have a large number of non-resident people coming in and I see a definite conflict of interest there. I see him giving a lot of lip service to the resident employment situation. But, in fact, most of his financial holdings seem to be based on bringing in a lot of temporary, non-resident people. Even more so than the Olympics. Unfortunately, I suspect that my apartment will go up to \$6,000/ month at that point for about six months and I may be forced to move back out to a village because I know what happened in Valdez when the apartments went for \$4,000-\$5,000/month and we had 25 people living in one apartment. And until we get some kind of occupancy law or safe and health hazard law in place to prevent multiple occupancy of given living space I think we're going to have a problem with that. But that definitely ties into the employment program because I also see a lot of the local businesses litterally being forced into bankruptcy because non-resident people coming 'n for short periods of time who don't intend to stay, don't patronize the local, small businesses. Most of my friends who are in the firearms business have begun to realize that transient non-resident populations definitely impact them in a negative manner because a person who is only going to be here for six months doesn't buy a bunch of guns. Legally. But, other businesses have much the same. Actually they depends on long-term stability of populations and demographics that tend to be stable. When the demographics become very unstable and people start moving around a lot many of the small

businesses in particular who do the majority of hiring are impacted financially in a very negative way and they tend to tighten up their budgets, they tend to not hire people they might otherwise hire. One of the things I see happening now is an awful lot of the small businesses are not hiring people they need in anticipation of an actual downturn or down swing in population at this point. I see people moving out wholesale. I see people walking away from very valuable property because they can't pay it. I see people forfeiting literally thousands of dollars in vehicles and even in homes and a lot of this because of the employment impact that so many people coming in unfortunately we have to make several intuitive leaps of logic here. It can be done extrapolatively, but to document it becomes a very intensive problem. I don't have the twelve million dollars of study money that I would need for documenting all of these leaps of logic. But they can be done on a purely extrapolative basis if you could accumulate enough evidence to make beliefs but you can't tie A to B and B to C and C to D. It's just an impossibility. You can't tie drug addiction directly, logically in a format that they will accept in a court of law to high unemployment rates. You can say "Yeah, but we know this is true. We have this gut feeling." But to actually tie these things together requires basically extrapolative logic that is not acceptable in a court of law or unfortunately in the legislature, which can be challenged by a court of law. So you get into a problem of we're going to tie up a lot of money in studying another Susitna dam, which actually at this point is economically unfeasible and they're beginning to admit that. But if we get into very intensive studies of trying to tie all these peripheral issues into unemployment we're going to waste a lot of time and money and I think it would be far better spent if we just went ahead and proposed some really new logic or philosophical base administrative changes rather than trying to just pound on the same laws that have already been, in essence, thrown out by the courts."

Number 565

Sen. Zharoff:

"We appreciate your comments and we allowed quite a bit of latitude because, basically, there weren't too many people to testify and I know that you have some very delicate concerns here that need to be looked at very carefully before we go on and make any changes. Any questions?"

Number 573

Rep. Boucher:

"One comment I'd like to make once again. It's true I'm not a lawyer and it's complicated. We find out if you give them money, if you give them a tax credit you still have to meet the same constitutional requirements. And understandably so the supreme court of the land, as Americans, the right to travel. But what we've got to do is come back continuously and show that as this Commissioner Robinson said today that if you're out of work and things are tough you can't just pack up your bags and get in the family buggy and take everybody to Arizona and maybe, winter it out there. So this is what we call the social aspects of it. One of the things that might, there's another document that I would recommend that was distributed this morning and I don't know if it's available. If there has been a combination of things that have been put on the table and we've missed any I don't know which it is because there was all types of approaches. In fact, the governor, and I'd have to be

honest with you sir, I'm not going to get in the middle of it, but the governor's really gone all out for this thing. In fact he's probably gotten a little more out on the point sometimes than some of the rest of us have and I do know it's of a deep concern to him. He had all of his departments for the last 3-4 months sit down and say "alright you and you and you and you, I want to hear from you on this". And there is a stack about this high of ideas and some of them even touch, it shows that great minds work in the same place, some touch on what your doing. It may be just that the person comes along in testimonies and offers something. But I do get concerned, I think the Senate and the House, Joe Citizens like yourself, the governor have probably spent on a scale of 1-10, 7-8 on this because it does deeply concern us and affect us and I'd recommend that anybody that thinks that something hasn't been tried see the commissioner on that list of stuff that they're looking at to see if it will pass mustard or how much it's going to cost or what have you."

Number 630

Mr. Jousma:

"Now this is why I basically I propose residency averaging for the total workforce in a given employer's place of business or places of business because I think this would tend to be much more easily gotten by the constitutional requirements for freedom of travel because your not picking on an individual. You're averaging everybody into an equal and that makes it a lot tougher for them to come out and say "well, you're violating someone's constitutional rights", which is what they've essentially done. So this is one of the things that I'm...."

Number 645

Sen. Josephson:

"Thank you Senator Zhoroff. John, let me just share with you where I think we are. In the first place, different lawyers will read that information different ways. My law professors some years ago would tell me as a law student that the only thing a court decided was that the state didn't provide sufficient evidence in a factual record on that particular case to show the relationship between non-resident workers and the ills that the law was addressed to and that anything else in the opinion that comments on what the state may or may not do is simply philosophy and not precedent, if you know what I mean, private dicta and not modem. Now, as we get down through the years sometimes we get away from the academics of law cases and think "well, gee that case says you can't do this and you can't do that, but I think that a professional argument can be made that the case is pretty narrow than what it actually says, eventhough the language is very strong. In any event, Mr. Boucher has legislation in the house and some of us in the senate have legislation that we think even if we take a broad reading of Robinson vs. Francis, is aimed at meeting what the court was concerned with, and we're focusing in on the particular segment of the workforce that is unemployed or underemployed, recent job training graduates, people who come from areas of so-called economic distress, especially the rural areas where there are chronic problems, and Senator Sackett and others sitting on the committee that dealt with the problem of local option laws in the villages and they have findings that I think would accept to show that the problems of drug addiction and

alcoholism may be related to people having nothing to do....(tape unintelligible)....part of the workforce. As has been said by others,

TAPE 1, SIDE 2

Number 001

Sen. Josephson, continued:

".....running the unemployment security program enforcing.....(tape unintelligible)....I think you have to make that test. I'm no expert, but...

Number 004

Mr. Jousma:

I think the link there would simply be that employers with the high non-resident turnover tend to overload the repayment part of the system with people that are constantly drawing out of state claims. What I'm concerned with mostly here is that we don't get bogged down with studies that take more than two years to complete a study, but it only takes me about ninety days to starve to death. I want to make that point very clear, we have to move quickly or the entire season this year is going to be over with."

Number 009

Sen. Josephson:

"I thank you for telling us about your own situation and also I think you have focused in on what is an unspoken truth of the matter, which is that there is a reason why companies hire non-residents, and the reason is because those people will often will work for less than Alaskans will and the bottom line consideration, and too often it is neglected. You just talk about the right of travel and everybody treated equally and we're not willing to say that there maybe a deliberate, concerted effort to put Alaskans on the bench and bring in people who will work for less because they don't know Alaskan costs."

Mr. Jousma:

"Well, it's not even Alaska costs, I've gotten twenty or thirty thousand, forty thousand, dollars worth of equipment, which is now essentially junk, and I'm not talking about heavy equipment, I'm talking about sporting goods, I'm talking about living equipment. I've got a real investment here that I can't get 5% out of it, in fact, right now with people leaving and selling everything I couldn't sell anything to get out. The unfortunate part is I have to have an apartment, and a fairly large amount of space. I can't go out and get a room or I can't share it with ten other guys that just came in from somewhere else. So, I effectively cannot get by on \$1,000-1,200/month. But I've seen people that can do it quite nicely because they come up with a shirt on their back and in six months they're gonna leave with the shirt on their back. And essentially the only thing they spend is they split part of an apartment rent and then they split their food down to nothing. They can work cheap, they can work for \$3.85 or \$4.00/hour, I can' do it. I lose money at \$8.00/hour."

Sen. Josephson:

"Mr. Chairman, I'd like to say that I had lunch this week with a couple, man and wife, friends of mine, long time alaskans, she showed me her business card, which is said "such and such an address on 34th Street, Suite so-and-so and a zip code." She told me that all it was was post office box, but now the new

thing is not to call it a....it's a private box, a private company box. Now the new trick is not to go to a box, they give you a suite number to that that is your mailing address, but there is nothing there except a "box."

Number 034

Sen. Zharoff:

"John, I appreciate your comments there and thank you."

Number 036

Linda Fling:

"My name is Linda Fling. I've been an 27-year resident of Alaska. The last eighteen years have been in credit and collections. My husband, we just returned back home, we were gone for five years to the state of Arizona. He just retired from the United States Air Force on the first of December. He's a retired tech sergeant, job rating of "9", which is the best you can get. He was the supervisor. He is unable to get a job. Now, while I was in the state of Arizona for the past five years, I had personal experience, people I have talked to have been hired within the state of Alaska from unions and from oil companies in the states. I'm not giving any names, I just want to be heard. Many people are out of work in our state because there are a lot of people from the lower 48 states that are going to be coming up here in the next month, two months, to getting jobs. I work with a lady at my job that her friend's brother comes up every summer and he's got a bonafide job. He's guaranteed the job. He's had it for a long time. He's pushing a man with children out of work. In my line of business I talk to many many people, more than probably the whole legislature does. I know there's a lot of people out there that are starving, they don't have money to pay their bills, it's not only hurting us, it's hurting our economy. We've got bad check writers out there, the check law up here is the worst I've ever seen in my life, I mean tons of checks. Who benefits from the bad checks. Nobody. We people of Alaska end up paying high grocery bills because people have to make up for what they've lost. We have many people who come up here for the summer, open up a checking account with the bank, and they end up closing that checking account after they've went out and defrauded all the businesses around town. It's paying out of my pocketbook. I have five children. My husband served his country for twenty years and this bit of waiting 120 days to get a job at the base, he's qualified, he's more qualified than these little 18-year-old boys going out that don't show up for work on time, they're drunk. I see all of this stuff. I see this everyday in my line of work. I know where the people are coming from "hire the Alaskans". I see it every single day. Talk to people. There was a bid, I wasn't going to bring it up but I'm going to. Laid Law Transit, they're under contract with the Teamsters local. Now, I talked to the business agent last week. Laid Law Transit, instead of going through the union, put an add in the paper. According to Jerry Fuller, "all of it's documented, I document everything I write down, I document the people I talk to. That's why I'm good at what I do." He hired people out of the newspaper instead of going through the Teamsters, and they were signed up on a contract with Teamsters Local #959 back in June of 1985. My husband was effected. It's the most unprofessional way I've ever seen of getting a job. They laid 25 men off, there's a guy staying down at the YMCA living out of canned sea rations unable to get a job. You know I think the public needs, the big wigs, in our state need to go to these poor places around town. YMCA, the food kitchens, Catholic

charities and see how the people up here really are living. I talked to a woman yesterday about her telephone bill, she can't pay it. Her husband just left her, she lives in low income housing, the poor woman has no food. I gave her places to go to. I work with people..."Linda, I can't get food stamps 'til next month." Why is that set up like that up here. People are victims of problems. I think we need to work with all these people. This is the American way. And I'm personally sick and tired seeing people from the lower 48 get to come up here, my way, my father, when he was alive, was an insurance man. His name was George Mead, he was very well know in the state of Alaska. He worked for Colonial Life and Accident. Many of you people knew my father. When he was an insurance agent, I've seen people get hired up here, I mean its astronomical the way the jobs are given to the lower 48 people. It's not how experienced you are to get a job in the state of Alaska, it's who you know in this state. That's how you get a job. I came up, I was here two days and I had a job "snapped her fingers" like that. I have never in my life had problems getting a job. My husband is a heavy equipment construction supervisor. You show me the jobs out there waiting for him. I've upset with the way the rent has doubled in this state. When oil got discovered up here we left here in March of 1980. When we left we were living in a duplex in Mountainview, we were paying \$42.00/month for rent. Rent now over there has jumped up between \$900.00-\$1,000 0/month. The landlords up here don't care about the people. They don't care about them getting laid off of their job.....(Blatchford: yeah, they kick you out)....thank you!

Number 120

Joe Blatchford:

.....and I'm one of them. She doesn't matter.....

Mrs. Fling:

"No, sir, I've seen people get kicked out of their places, they want to pay. I've seen people try and work. They go out and work two and three jobs a day just to be able to put food on the table."

Mr. Blatchford:

"What she said was right. I'm one of them. I'm a native of Alaska and I got plenty of relatives. My name is Joe Blatchford, sir, and I'm sorry for interrupting. Plenty of people know my family, because I see faces I know when I was little. And I left for ten years to grow up. I left to get my act together. Then I come back home, this place has grown. And now.....I've never been on welfare or nothing.....or unemployment.....and now when I come home I have to be on unemployment. And I got a family now. I'm a heavy equipment operator and when I went up the slope I seen all these guys saying "yeah, I'm from Hawaii, Oklahoma, Texas" and then this one Hawaiian told me I didn't deserve to be on that job and I had just gotten that day on just for work with the union. And I said "well, screw you". And then if I'd gotten into a fight right there, maybe he was trying to give me on, to get me fired. And they say us natives aren't no good on jobs. I'm good. I work my but off."

Mrs. Fling:

"Sir, there's a lot of qualified native alaskans. I'm talking about indians, my aunts indian....."

Mr. Blatchford:

"And its not only natives, too. But there's a lot of people who have been up here all their iives that are white, mexican and black, and they all just pick the people from down there below jobs."

Number 140

Mrs. Fling:

"I know two places in the state of Texas that hire men for Alaska and you'll never get it out of me where it is. They work up the slope right now, and they're out of the unions. We opened up our state to the Teamsters and I remember all the stuff that went on up here with the Teamsters. Now all the Teamsters' building and their hospital has been sold, their health spa center been sold. Where's the benefits for the people. I believe in that man. He's telling it like it is. You guys just don't realize. And I'm in credit and collections and I'm a professional bill collector and I've been one for eighteen years. And I work with people. You don't realize the checks that are outstanding out there in Alaska, it's sick. Nothing's getting done. Oh, we'll sue, get you for three times the check. Up to \$100.00. Who pays that? We do. Out of our money. We go to the grocery store, Pay "N" Save, anyplace around Anchorage, we pay for it! I think it's time for the people, the legislature, the higher-up, and Governor Sheffield, get involved in what the public is really seeing and what they're going through. Because I grew up up here, and it's bad. I got five kids, ages 8-14, and I've got to put them through schools up here. You try and talk to a school counselor. You are not allowed to talk to a ninth-grade counselor unless you go through your child first. You know, I've got a child that's in the emotionally handicapped and the problem is I took out of one center because they tied her up in a chair, like a criminal. The people up here don't realize what we as human beings are going through. Go stand in line at the State Department of Economic Security and see the lines of people. I went through the State Department of Economic Security to get my first collection agency job. It's not professional there anymore. They treat you like a heard of cattle. These are men out there wanting to work for their families. My husband is working two jobs just to be able to help put food on the table and to pay rent for our children. And I'm working one job. That's how bad it is. And he's working jobs that he shouldn't even be working, because he's qualified for \$20.00/hour equipment operator and he's working in a stupid liquor store for \$4.00/hour. You show me the jobs up here, I'm very upset at the way my state has turned out. And I just nope to god that you guys can change it for some of these people up here. Because it's bad. I keep repeating, but I talk to people every day, like I told you from the beginning, and if you could hear what they're feeding their families, and what these people are going through. And then the fraud jobs in the newspaper. There's one in there that you call this phone number in the lower 48 to get a job overseas in Saudi Arabia. My husband called and it's on our phone bill. There's a catch to it: you pay \$350.00 to get in the door. There's another place over on Tudor Road. A company my husband went and applied for the job yesterday. They have three bids they haven't even been picked for the bid on the North Slope, yet they got a big add in the newspaper for equipment operators. You tell me how they can advertise like that unless they're going to pay somebody to get that bid. You know how many people went over there and applied for that job yesterday? There's no job! My landlord's daughter works at an oil company here in town, and her husband works up on the Slope, and they

think the adds in the newspaper for Slope workers is a big joke. You know, you put everything in to going for a job, my husband's got a beautiful resume, and you go in for that job interview and there's nothing. It's like slapping you right in the face. And I guess that's all I have to say."

Number 197

Frank Shirley:

"My name is Frank Shirley. I came up to Alaska in 1976 with in Army and I immediately became a registered voter. I been registered to vote since then. And I have experience in things here in Alaska that I didn't believe could occur in the United States. In Alaska, I experience a preference for non-domestic employment. Most the employers that I have run into would rather hire an alien, non-resident, who could avoid the jurisdiction of Alaska. They don't even have to pay taxes. They get a business license from the State of Alaska and subcontract with an employer and then vacate before any withholding taxes can be upon them. They have to be caught before they can be enforced. The employers don't necessarily have to report it to Uncle Sam or to the State of Alaska. I worked on the Eklutna Water Treatment Facility Project, I did the heating and air conditioning. That project, Montgomery Engineering firm. Campdresser and McGee were in charge of the process and the electrical. URS Engineers was in charge of the structural and heating and air conditioning. I was the only Alaskan citizen and resident working in the heating and air conditioning. We had a man from Holland, who resided in Seattle, who was in charge with that particular portion of it. Another U.S. citizen was up here temporarily as my supervisor and the engineer that did most of the design work. The structural group for URS had a polish citizen as a worker there that did not ever want to become a U.S. citizen. She could finance a home up here and invest using Alaska Housing Finance Company's money, use the state loan system for an education, going to Anchorage Community College, but she'll never stay in the state of Alaska. Her husband, also a non-U.S. citizen that does not want to become a resident, works for the Board of Education in Anchorage. And as soon as they get enough money put together, they are vacating. They will leave the State of Alaska jurisdiction. Campdresser-McGee, in charge of the process and electrical and water treatment facility, as their project head, they had a man from New Zealand. They didn't have any employees from Alaska. None of them were registered voters or residents of Alaska. They brought a young man up here who had been in the United States for less than a year, who is a polish citizen, never intended to become a U.S. citizen. They paid him \$15.00/hour to do drafting and he left them and went to work to ARCO because ARCO made a better offer to him. I am a draftsman, I've been working that field for thirty years. I've taught at the Community College up here as a draftsman. I'M UNEMPLOYED! I can't find a job with a legitimate company up here. What is wrong? My livelihood is not protected, although I'm a registered voter, a citizen of the United States, and I've spent eight years in the military. My last assignment was direct support of the Chairman of Joint Chiefs of Staff and Secretary of Defense. I still cannot find a job in the State of Alaska. Your jobs are protected because you must be a registered voter because you must be a registered voter to be qualified for your jobs. What about the jobs that I compete for? I've got two children that are quite capable and competent. I've taught them. I was asked to teach the other draftsmen working on Eklutna Water Treatment Facility how to do their drawings. My children could have taught them, but my children were not eligible to be

considered to be eligible for employment there until they could not find anybody else by word of mouth. My son went to work for Eklutna Water Treatment Facility to replace the polish man that left. My son was a couple of years older than him. He got paid \$11.00/hour instead of \$15.00/hour. My son spent the first several weeks on that job working part time because it was a second job, he wasn't making enough on a first job to get by on and this job was not permanent. But he spent the first several weeks correcting the mistakes made by the polish man. Where is the justice there, gentlemen? My son is a veteran. Let me read you a portion of something I had typed up here. 'It's a shame that the freedoms that I've enjoyed and I deserve or preserve by serving the armed forces are being taken from me, my posterity and the economic policies of the State of Alaska and the U.S. government. I know what I've lost in freedom. My children and grandchildren will never know because it is already lost to them. Gentlemen, I've lived in the United States all of my life. I've supported it, its policies, not just domestically but internationally. I enjoy freedom in the 1960's and early 1970's. It was true freedom, economic freedom, not having to come and argue for rights in a situation like this. My children will never be able to enjoy those freedoms. They won't be able to travel - the cost of traveling throughout the United States is getting prohibitive. Communications by telephone are getting prohibitive. People will begin to communicate no matter what the cost when they are forced into enough desperate situation. The State of Alaska has six billion dollars in a permanent fund and it's being invested outside of the state of Alaska, outside of the United States. It's being used, like in South Africa, to maintain a supression of the population there and it's vacancy in the United States, and in the state of Alaska in particular, removes a support for the citizens here. Those people who are voters who have supported this government are having those resources removed from them. They are capable and competent people they're being supressed by economic policies. We get all kinds of excuses that the legislature cannot come up with a law that will protect our rights, that it takes a lot of time, a lot of effort. What it you that kind of support from your military? I'm a disabled vet, and I can't find a job up here. The police department here in Anchorage has the last line on its a central qualifications for police officer are: must be a citizen or resident alien of the United States. I don't believe that an alien working in my police department, and it is mine as a citizen of the United States, Anchorage, State of Alaska, that is my police department. I don't want a mercenary there. If he's not a citizen I don't want him there. I want his allegiance to be the same as mine to support the constitution of the United States as a citizen. To hold his responsibility to vote, to pay taxes. Not to avoid the responsibility of going to jury duty. Why should I go to jury duty? I lose money. I'll have to lose my wages that I'm stealing from Alaska. If I became a citizen they would expect me to file a "10W40" or a "series C", if I operate under a business license. That's the attitude that's given by the aliens. I met a lady who is a Canadian citizen who had a limited entry permit financed by the state of Alaska an a boat financed by the state of Alaska. She does not want to become a U.S. citizen because she does not want to be tied up with the responsibilities of citizenship. She want to be able to escape. She wants to leave the jurisdiction of Alaska and the United States when she wants to without having to get a visa from the country she's from. It's the same with these other people. Alaska is being treated as a foreign country by a lot of people in the lower 48. We have a company operating here in Alaska known as Stone-Webster Engineering. They have a contract to do the Bradley Lakes

project. They don't even maintain an employment office in Alaska. If you want to get employed at Stone & Webster you have to call a Bob Brodie in Denver. Stone & Webster will, in my estimation, have cost over-runs on that project that are going to be unbelievable because everything that is done here in the state of Alaska on that project has to be submitted back to Denver or to Boston for it to be redone and corrected, evaluated, before it's sent back here. Alaska Power Authority apparently doesn't know what they're doing, maybe legislature is unaware. I don't know what else I might be able to tell you gentlemen, but I know that working on the Eklutna Water Treatment Facility I was told to use the Ship Creek's design as a guide. This was done by companies in the lower 48, the aliens, the man from Holland, along with the Kodiak's Coast Guard facility. I pointed out the errors that they had incorporated in their designs and they have had to come and back up and make changes. They didn't have to because they weren't under the jurisdiction of the state of Alaska. There are plenty of engineering firms operating here that don't just have a marketing office here but actually operate here that are quite capable of doing this work. The resources are here. There is no reason to go outside. We voted for Alaskan to be governor. We didn't bring Jerry Ford up here to run against him. I feel that I should be treated the same way. That I should not have to compete with companies from the outside that don't have the competence. Thank you gentlemen, I can't say anymore."

Number 417

Sen. Josephson:

"Thank you for your testimony. I must say that on some of these matters aliens again we run into court decisions..."

Mr. Shirley:

"Sir, what if I as a soldier told my commanding officer that I cannot go into combat against that man because you cannot identify him as a threat. That man has rights."

Sen. Josephson:

"Well, I'm not arguing the wisdom of a court, I'm just explaining to you that even when I came to Alaska the person who wanted to practice law in the state had to be a citizen of the United States and that seemed to be a very reasonable proposition...to make sure that officers of the court

Mr. Shirley:

"Sir, I don't mind competing against another voter in my district...."

Sen. Josephson:

"Well, let me finish. About ten years ago the courts not only here but elsewhere held that kind of restriction(tape unintelligible)....was intitled to practice law in the United States and the state where he resided. And that happened when Alaska became a state, so, I'm just explaining to you, without defending it that that is one of the realities of court decisions that we are dealing with. Now, my questions are these. You mentioned the Eklutna Water Project, was that a direct hire by a municipal office or was that a contractor working for the city?"

Mr. Shirley:

"The contractor had the project. As a matter of fact, if I can explain something that has happened within the last two decades: there has been a habit or method developed to avoid responsibility within engineering fields by spreading the jobs out to where they share with a number of different engineering firms. I see the same thing going on with Bradley Lakes right now. We used to be able to vote our bid on an engineering design contract and have it as a turnkey thing. Everything was done by the same company. This is no longer being practiced. And its more to avoid malpractice problems and responsibility than it is for anything else. Most of what was turned out on the Eklutna Water Treatment Facility and the facilities that preceded it were not much more than cartooning. This practice of spreading the responsibility around so that nobody can be pinpointed sounds a little bit like the legislature and the judicial branches saying "this is unconstitutional, you have to re-do it, you can't enforce it" so the executive branch can't do anything to enforce it, or the executive branch saying "we can't enforce this because the legislature hasn't mandated it". It's an avoidance of responsibility."

Sen. Josephson:

"There are people who have certainly not been avoiding responsibility and our colleagues, too, we have legislation again for the legislature, 15 sponsors out of 20 in the Senate and Rep. Boucher with a majority of House members sponsoring this bill so there is continuous real hard effort in the legislature to solve the problem. But the court decisions are a reality and I just said that I don't happen to read the court decisions as being as sweeping as some people do and I think there is more we can do, I'm not going to walk away from the problems you've spoken to. We're not doing that, we're here. But that is a reality and I think, you mentioned this matter of the Power Authority and I was very pleased, I'm sure that Rep. Boucher and Sen. Zharoff would be very pleased, we got to talk to the director of the APA and ask him about these issues and ask them why they have a contractor who doesn't want to hire Alaskans. Well, I'll tell you my position, it may be the same as others, if we are appropriating money for Bradley Lake or any other public facility, it's one thing to say that there are constitutional limits about giving the local hire preference to Alaskans, and we'll deal with that, it's even worse, though to talk about getting involved, like in drafting, who don't want to hire Alaskans at all and are discriminating against the residents and that's not acceptable to me, so,(tape unintelligible)....if you'll hang on you can listen to the conversation and we'll find out what's going on. "

Mr. Shirley:

"I appreciate that."

Number 513

Rep. Boucher:

"There's just one thing, hey, lookit, I put 20 years in the Navy and faught every battle in the Pacific Ocean and I've been here 30 years, and I'm mad as hell, too. That's why I'm sitting here as a citizen who ran last year. I was Lieutenant Governor, when we sat down at the table with these people in 1972 and they said "train them, we'll hire them". Well they've broken they're word. So, instead of sitting there I ran, and we are banging our heads, we are not the enemy. Hey, I want you to look at me!"

Mr. Shirley:

"I understand what you are saying, sir."

Rep. Boucher:

"I'm the oldest man down there, I came back in 1965 when I could be sitting under a palm tree someplace. What you need to be telling it to the oil companies....."

Mr. Shirley:

"Sir, the oil companies are one thing, but the oil companies are not the life of Alaska, they are in their demise state. We need to replace the oil companies as the....."

Rep. Boucher:

"Hey, they are part of the issue, but we need to be telling it to the oil companies who say they're hiring them, we need to be telling it to the other companies that say that they're hiring them. Now, Sen. Josephson hit it right on the head. The city of Anchorage is appropriating millions of dollars for Eklutna, I think it's the second or third on their projects, now, yesterday we asked Barry Quinn and the mayor if, indeed, they had a wording in their contract that there would be preference for Alaskans, did we not? We're going to go back to them and say it again."

Mr. Shirley:

"Well, the practice wasn't there in the office I was working in."

Rep. Boucher:

"Well we sure like to hear about it, if you can put down exactly what you've had to say and support it, in other words were you let go by that company?"

Mr. Shirley:

"Well, yes. The job was completed and my employment was terminated."

Rep. Boucher:

"Was there other work you could have done?"

Mr. Shirley:

"Not that I know of in Alaska. Not within the category or classification of work that I was hired for."

Rep. Boucher:

"Well that's the biggest thing that we need, in fact that's the reason why Senator Zharoff and Labor and Commerce is holding hearings. We're going to be holding hearings in Fairbanks just to get the input so that the judges can be listening to what you had to say."

Mr. Shirley:

"Well, gentlemen, there are companies here in Alaska that are quite capable of performing the work that's needed. I don't know why there is an election to our preference, to hire companies that will be up here on a transient basis. To where they will be here to get their work done, their paper work done and collect their fee and vacate the area before you are able to determine whether its a feasible project or not."

Rep. Boucher:

"We couldn't agree with you more whole heartedly."

Mr. Shirley:

"You have engineering firms up here and construction firms, you would have manufacturers up here if you were to bring that permanent fund back here instead of investing it in South Africa, or in European areas. I don't understand why that permanent fund is invested in Europe and then our Alaska Housing Finance Corporation bonds are sold to that very same European Market. Why are we paying interest to them for the money that we're letting them invest for us. It should be invested here in Alaska. It should not leave the State of Alaska. Who is getting the commissions for this type of brokerage to where the money is placed elsewhere. And where Alaska Housing Finance has to go overseas to get that same money back and pay somebody else to get it. Who has Merrill Lynch stock."

Number 605

David Donley:

"Thank you Mr. Chairman. I hadn't really planned on testifying today, but, Commissioner asked me to say a few words. I'm Dave Donley, I'm a local attorney. I'm also a officer in Laborer's Local 341 here in Anchorage and I'm one of the drafters of HB 294, which passed into law last year, and HB 466 by Rep. Boucher, which is before you this year. Also wrote the research paper for the House Finance Committee this summer on local hire precedence. First of all I wanted to point out the distinction between, it was pointed out the unions have been making efforts to include in their bargaining agreements residency factors this is already in a lot of the bargaining agreements, existing multi-employer agreements, such as the AGC agreement with certain locals. but the key thing I wanted to identify for the committee's knowledge, is that, it's possible for individual employers to require at the time of negotiating agreement, individual project agreement, to ask for the union's to agree to and in fact for the unions to advocate that very strong residency requirements be included in those agreements. There's been a lot of articles in the paper lately with statements by people who don't know labor law, saying that unions cannot provide Alaskans to, for example the North Slope, they cannot discriminate against non-residents. That's simply not true. All the employer and the union have to agree to is qualifications that are appropriate an those qualifications can include residency requirements and there is no such limitation. That point should be made very, very stronger, that's a complete red herring. I agree with Mr. Zobol on that particular analysis he did. Second, is unions are not obligated to dispatch to anybody who's unqualified, so that if you set the qualifications based on experience within that job market, which is the laborers union, has for say now five years construction experience in Alaska there's no problems there. You're not creating some irrational basis for the discrimination also. Several of the witnesses today talked about the problems that are more aptly put into the federal spectrum and that specifically dealt with the problems of aliens, the Francis case, in fact, that was a recent Alaska Supreme Court Case, which struck down our old law, Sen. Josephson and I talked about resident aliens and if we go back, I think it was a couple of years ago, to the paper that the state had a more perfect union that analized that the voters voted on to analyze the relationship with the rest of the union. One of the strong and early suggestions in that paper was

that the state take an active, aggressive role in identifying potential federal constitutional amendments that the people could benefit from. This is something that I think we haven't followed through on as much as we should. I think the legislature would have some money very well spent if they would development an advocacy program to initiate federal constitutional amendments that would assist the people of Alaska in some of their needs and their very serious concerns. In other words, I think we should definitely consider sponsoring, the state legislature should consider sponsoring, certain federal amendments that the federal constitution that would benefit Alaskans....."

TAPE 2, SIDE 1

Number 001

Mr. Donley:

".....or not, was to suggest a constitutional convention to identify what a constitutional convention would do. A final point I wanted to make was to reiterate what the commissioner mentioned to me, and that was a lot of the proposals you've heard today are state action. Whether you go by incentive or penalties, it's still state action, and you have to meet the constitutional requirements that are necessary for any other program. I think a lot of people don't understand that, Rep. Boucher pointed it out. I know the committee already knows that, but I feel it's important to emphasize to everybody listening and everybody in the room today that state action is what's prohibitive by the privilege and immunities clause, which has been the problem that we've been faced with for the past few hears. Finally, I really want to encourage everybody in the room today to come forth with really short, specific testimony about how they've been impacted by any out-of-state workers, cause that was really what I was hoping to hear today was testimony from individuals who have been directly impacted and have personal experience with displacement of Alaskans or social impact upon them by their displacement by out of state workers. And I'll start. In 1976 when I was working on the Alaska pipeline I was born here, and right after high school I was in college and I worked summers on the pipeline and I was on one particular crew, which was not an acception it's just it was the only crew I particularly did a head count on, there were 24 people on this VSM crew, 22 people were from out of state, 2 of us were from Anchorage, we happened to know each other from high school, and both of us knew many, many friends at home when we'd come back for R & R that asked us "how do we get on the pipeline" who had jobs they were very unhappy with, low-paying jobs, could not even get any consideration for the jobs these other people had, and the laborers that were working with us got their jobs through friends in the oil companies and not because they had any special qualifications. They were brought up here specifically and directly from outside, not because they were more qualified than any Alaskans or any of our friends in high school, and they went right to work because of who they knew back then. That's a real specific example. A lot of those people were stuck in those lower paying jobs and never got the chance to advance in education with the benefits from the income I earned on the pipeline. They had a lot of other social impacts that resulted from their lack of educational opportunities there. And I would hope that anybody in the room who knows somebody like that could give some short testimony about that type of situation today."

Number 030

Sen. Zharoff:

"We did allow quite a bit of latitude there because I think some of the testimony given earlier probably(tape unintelligible)..... concerns that some of the people had. If we could possibly keep the comments there as brief as possible now and maybe targeting in on areas that are of concern, particularly in those that are the displacement of Alaskans and where this has created problems. Here again, I'd like to give as much latitude because I think it is important for people to bring up their concerns."

Number 040

Robert Rasmussen:

"My name, Mr. Chairman, is Robert Rasmussen. I'm the business agent for the Piledrivers and Divers Local #2520, we're statewide local, and I'm here to say that we had an impact loss of 44 Divers as support people for 1986. Our problem is above your head, I can realize that, because I've been back to Washington, D.C., about it once and I'm going back again. But there the Coast Guard regulation that passed in August, 1984, stipulates in here that any foreign vessel be anchorage off the United States out of the three mile limit on federal leases and work out there as drill rigs drilling for oil using foreign crews. In our case here its up Canmar Explorer two, it's up just off Plaxman Island about 30 miles NE of Prudhoe Bay, 125 feet of water. Has a complement of 104 people, plus the divers. They fly the divers out of Vancouver, B.C., they bring right into Deadhorse, which is perfectly legal as far as the immigration authorities say, they come through here on a temporary migratory transit seaman's papers good for six months. No problem. They can fly right in and they've been doing it for years out of Spain, into LAX, California, and working on those platforms down there. I've got all the documentation on it. You can't stop it. Ain't no way to stop it because the burocracy through big business, I guess, put a whole bunch of loopholes, I got all the loopholes right here all on a four page document put out by the Coast Guard and presently the state level we're powerless to do anything about it, I'm talking to Senator Stevens about it, he sorta give me a lefthanded answer, he says "well the future leases we might be able to write something in there to require them to have American workers exclusively on these leases. But there is all these leases are sold up there, all the good ones right now in Prudhoe Bay that they are going to drill on. I talked to Senator Murkowski about it, and his helpers there, and I missed Murkowski but I got a card from him today saying that when I get back the next time he'll talk to me, but I talked to him here in Anchorage. He'll help us. I went into Don Young's office back in D.C. and got some help from his aide there, Powers is his name. But the whole t'ing boils down to is the state of Alaska is not going to be able to man any of these offshore leases out there. The way the law stands now. And we're going to have to do something about it collectively, as a state in order to get our people up there. The way it is the Department of Emigration says that you can go up there and you can form a big hump along the bottom of the ocean, as long as it doesn't touch the surface of the water, it's not declared and island, so they can use foreign workers to make this big hump with hydrolic pumps up there, they got the world's biggest. So, evidently when they do find a big field out there at about 100-125 feet of water they'll just make a bunch of these mounds and they'll bring in these case hunches from Korea or Japan and just float them right in there in place, and once they're stay out there for six months. And they can move people in and move people out and nobody's going

to stop them because the law has got one big giant loophole in it. And they come right in out of Canada, all the drillers, right now they can fly into Deadhorse up there and they can pick up and put them right out. And there's giant lease sales out there right now the equivalent of Prudhoe Bay or Kuparuk and only in shallow water to 100-125 feet of water. If they strike oil in a big field in there you won't see one American out there, let alone Alaskans. And I got all the documentation on this. I've been on it for four years. And they've been pulling this thing in Arima, in the Gulf of Mexico, since 1978 they built 66 platforms down there the same way. But possibly we can get some of our legislators to put some pressure back east and get some law put in there to get this thing changed. And the beauty of it is they can bring all these foreigners in there, work them out past the 3-mile limit, and these individuals that work out there don't pay income tax to the U.S. They're tax free. So right there they've got the edge on you. They can work cheaper than we do. And furthermore, if they could stay out of Canada for six months they don't pay income tax to Canada either. We got the cards stacked against us by our own bureaucracy. That's it. We just been had. And I'll pass each one of you there, I've got 10 of these here, you can pass them out to the other legislators, if you can read that and you can see just a great big, beautiful loopholes they've put in there to just jump through. Now the other subject I want to get on to because my subject is offshore platforms. We built all those one's down here in Cook Inlet, I think 14 of them, I worked out there from 1964 through 1968 on just about all of them, and it was all union built. Everyone of them. The operating engineers, laborers, piledrivers, iron workers, electricians, pipefitters, seafarers. All union and they were all built by Alaskans. Brown & Rude is going to come up here in June and put up this big platform steelhead. 180 feet of water, it's going to go right between the grayling and the dolly vardin. And they are going to bring their people up from the Gulf of Mexico, put them right out there on those platforms, no Alaskan workers, there might be a token force to make them look good, they'll probably go through job service over there in Kenai, ask for resumes, but they will hardly take anybody, they'll just take their token force. 99% of them jobs out there will be from out of state workers. They'll stay out on them barges the whole time, I know 'cause I worked out there and stayed out there all summer. Six months at a time, maybe 8-10 days off in six months. All those paychecks those guys make will be in their back pocket, they'll get back on that airplane. They might buy a pack of cigarettes at the airport, that's all the money you'll see from out there flow back into the economy of Alaska or Kenai or any other Alaskans. And that's on a state lease there, so the federal government has nothing to do with that one. Now, when I talked to Murkowski, he put this amendment in this defense act, it stood up, it went through Congress. Even Mr. Ronald Reagan signed it. That's exclusively for Alaskan hire and he had a couple of stipulations, you guys know the thing well, he had a couple of stipulations in there providing that the local hire statistics were higher that they were nationwide, that we'd have the exclusive hiring for Alaskans down there on all these military defense bases. Congress of the U.S., if they can stand up, I don't see why the legislature in Juneau can't do something for state leases an state money. That's all I got to say, except I do represent definitely 44 people who were bread winners for their families, they made enough money out there working on these drilling rigs and simi's out there when they was diving and support people. They don't have a job this year. 44 people. Now they have no source of income whatsoever. They are on unemployment right now, they're over there signed up at job service hoping that the Canadians might

hire them out there instead of them Canadians, but you know darn well they won't. Well, anyway, these people they're going to have to some of them maybe save a little to find a job somewhere else, but they can't work in Canada because Canada has on their offshore we're locked out. They get all Canadians that are capable before they take an outsider because, heck, I had one of our divers try to go down there and try to get through the Counselet and into Canada and they just turned him down just flat, just like that, he found the only way he could get was to become a citizen and then he could work in Canada. So these 44 people they're, you know, Anchorage, Fairbanks, Kenai, Mat-Su they're all becoming ghost towns. To have all the lights lit and you've got to have the heat running to keep the pipes from freezing up because a lot of these houses out there with nobody in, and this year it's going to clean out a lot more of them. And I know all about 44 that we're going to lose. So that's all I got to say, gentlemen."

Number 166

Rep. Boucher:

"Ah, Robert, thank you very much. That's the kind of thing we need. Would you, and I know that you people are going through enough agony, but what we're trying build, as Dave said before our testimony, if you could get statements. You know, it doesn't have to be anything fancy. Just something short, send it to the Chairman, "I've lived in Alaska....", for example. Some of the things that really need to presented is maybe they have a home, they baught a home, they got going to school. As we have said repeatedly, our people can't pick up their bags and drift down to Arizona and summer there. For a person to make a decision to leave Alaska, but then the cost is just...I mean they're between a rock and a hard place. If you could have them outline if they're a homeowner, some of che things, and just on one page. It doesn't have to be fancy."

Mr. Rasmussen:

"A page, a written statement from each one of them?"

Rep. Boucher:

"That would be a tremendous help. One piece of written paper, sometimes influences people far more than all the petitions in the world. And that would be a great deal of help. And I say that to anyone here that might not get their opportunity and I know the Chairman will repeat that. We need it. That's the tools that we'll fight this with."

Mr. Rasmussen requested and was given the address and correct persons to send written testimony to. Sen. Zharoff also mentioned that the Anchorage Legislative Information Office can assist him as well.

Number 193

Sen Zharoff:

"When we originally set up the meeting it was set up to go from 1:30 pm to 3:30 pm, and under those guidelines I had made transportation arrangements to depart. I will be leaving and Sen. Josephson has agreed to chair the meeting and I will vote that Rep. Boucher will stay so that we can continue at least for another half hour or so."

Number 210

Mr. Rasmussen:

"Thank you, gentlemen."

Number 201

Sen. Josephson:

"Two thoughts. On the matter you raised on about federal and state action, of course I agree with you in part. In the Hickman case, when the U.S. Supreme Court struck down an old pipeline era local hire law, it objected to the fact that that law related to refineries and activities off property of the state. The new legislation we have we are focusing on the state lease properties and I believe that when we lease state land we ought to be able to say who works on that state property. We don't have to lease it at all to anybody or allow anybody to work, so why can't you say "do it" and you are going to hire Alaskans. That's the argument. There is the fact, however, that the federal government isn't under the privilege of(protection laws?).... and the states laws, that creates a problem. But I think we can overcome it. Let me ask you this: in the material you gave us there is a provision that if the president certifies that the vessel's flag country..."

Number 210

Mr. Rasmussen:

"All the business agents on the west coast wrote him in 1983 and nobody ever got an answer. To Ronnie, you bet. And a congressman, also. And I think that one senator, I been to see Kranston about this too, but...We'll get a change but it might take 3-4 years. But I'm just showing you."

Number 222

Sen. Zharoff:

"I do want to thank everybody personally for coming in here and testifying and bringing forth your concerns and my office is still represented although I won't be here. My committee aide will be in attendance for the rest of the meeting and we are, as Rep. Boucher mentioned, we are very much concerned about this. This legislature is probably most that I've seen them in the eight years that I've been in there really concerned about this issue and if there is anything we can do about it we'll try to resolve. The administration, the governor, has gone completely overboard as far as we've been able to observe in trying to tackle this problem head on so that we can try to take care of Alaskans and Alaskans first. Again I want to thank the Organization, Alaskans First, for helping us to put this together. Again, if you don't have an opportunity to testify, do correspond with us, send us your written testimony and we'll be happy to work with it and hopefully we'll come up with a resolve that will be for the Alaskans benefit. Thank you."

Number 239

Dennis Davidson:

"Thank you, Sen. Josephson, Rep. Boucher. My name is Dennis Davidson, I've

lived in Alaska forever and I work as an employment and training consultant, primarily in designing and looking at employment and training programs, primarily with Alaska natives. So, I can thank Alaskans First, also, an I'm sort of a branch of that, I guess you'd say, a "first" Alaskans First. And some of the things, I hadn't planned on testifying either, but I heard a few things and I thought it's an opportunity to pass on some of the things I've noticed in reviewing the bill, I believe it's the substitute one that I have, is it 46-something? Yes, 466. I've been involved in the employment training field for a long time and I can remember that this issue of local hire has gone back long before even the pipeline. I can remember it going back to the - of course at that time the unions took a lot of the brunt when they used to bring a lot of workers from the states to work on the military projects, etc. Looking at the current law, and I've sort of watched the way that the from back during the pipeline's when I really got involved with it, personally, but looking at the current law it seems like it's becoming directed at trying to establish that this influx is causing a disparity and an economic strain on the people of Alaska, which appears that's the direction that the law's intended to try this time. It appears that maybe that is the right direction since that is the one that Murkowski has or if it is a law I don't know if it's a law or not, but the special considerations that Alaskans are receiving up on the military projects seem to be again targeted in the same area, showing that there is this is causing economic hardship on the residents of the area by influx of imported labor. Possibly just some comments on that thought, and it would appear that I don't know if any of this, I might be ahead of the time on this, is any of the agencies in Alaska that are charged with the gathering of information that would highlight and show these disparities, such as the unemployment rate, such as the number of people on public assistance, possibly if those agencies, if the law could make sure that those agencies would be provided with both the mandate and sufficient resource to gather and correlate the information and to provide that information uniformly. If they could use some type of forms that could be used to continuously monitor the workforce, the labor force, and economic conditions within the state might add the ammunition that you mentioned, Rep. Boucher, that you were looking for that had to be forthcoming. I don't know what kind of arrangements have been made in that regard yet, but it appears that that one special study that was done on the resident hire issue comparing it using the permanent fund dividend, for example, was a area. It would appear that also would be Alaska to have the employment security service or contracted out to small organizations within the areas Alaska to sign everybody who is out of work up for employment as being out of work to even bolster the figure as it was said, if many people don't register for work if they don't feel there is any work why, and they don't have any unemployment coming to them, why should they register as being out of work, because there is none. So it appeared that that would be a good way to also beef up these statistics and beef up the case if it comes to a challenge, which it probably will. I think another area that will and it mentioned, I think it was Sen. Faiks has proposed some type of looking at a tax incentive for companies to provide more efforts for local hire and Sen. (Josephson?) was it you that mentioned that you've run into this problem as being that those with incentives have to be provided also for resident/non-resident. Well, I think that if under the federal program called the targeted jobs tax credit, and I'm sure that this is where Faiks got the idea of it, I think the idea that if you target the economically disadvantaged or the economically distressed, going

back to some of the wording in your bill, it appears that I don't believe that that could necessarily be challenged since the federal government approved of the federal training laws that provided preference to or incentives to employers as long as they hire people of a certain income level or less or people that have been out of work for a long period of time, I think it's something like eight weeks or twelve weeks and those kind of conditions are not very hard to meet anymore. I think one of the things that would really help would be to require companies up here to, in the way of an incentive, hopefully to do a utilization study of the local manpower available within the area of the project. Now, it's hard to define the project's radius, such as some of the union contracts define a 50 mile radius, I think a better radius would be to use a population, in other words provide a certain number of block of people who could work on that within that area, however big that circle was, would be considered a "local radius". The employers to do a utilization study on how much local available labor there is there that they could use before they, and have that report again to the Commissioner of Labor or whoever would determine those type of things and let him do his little push-and-shove from that angle. Long before any of this is down the line on putting the actual project together. It' got to be done with enough lead time. Some of the, I think the same thing on incentives the state has provided incentives of all kinds in terms of low interest loans and everything to companies and to encourage everything under the sun since the oil wealth came along. I don't believe it would be a bad idea to even look at using some incentives to large companies and oil companies to produce that effort because it's much more important to have a local hire effort than it is to save in a few dollars in taxes that would possibly, not frittered away by our stingy legislature, but may spread out a little bit. Too much. And specifically working on the oil industry, we're talking about them, because there's a lot of industries that import a lot of labor: the fishing industry a notorious abusing of resident hire, also, and very little is heard from them of course 'cause they don't like to spend the dollars I guess, the tourist industry is another one. The tourist industry I find that there is any reason at all for the tourist industry to bring in outside young guys to drive their tour busses up here in the summer time from colleges outside. Now, I don't understand why that is, but, unfortunately it exists. There should be any reason for that. I think on the oil industry thing the thing that bothers me the most about it is that the Alaska labor force has grown since the '50's and the Swanson River Oil Field, the Cook Inlet Oil Field, and then the pipeline and Prudhoe Bay and many of the people that have come to Alaska to work with the oil industry were brought here by the oil industry, they became citizens and they stayed here and there's a lot of them that have come here for that purpose, and they've benefitted this state by enriching us with a more diverse labor force than we had before. But the thing that bothered in a sense you hear so many people who work in the oil industry and people in Alaska here that have worked for the oil industry, many of these people came with the oil industry I'm sure when they first came up here. Why are any of these people out of work, though, if the oil industry were really serious about hiring the people and saying that we have to have the expertise and the experience that is necessary, which is usually one of the bugaboos they throw up. I think it's because the people that have moved up here with the oil industry and become part of Alaska and they've become part of the high Alaska standard of living, which includes the high wages. And I think that they see a lot of the fact that the oil companies that these people won't work for us. We don't want to pay those wages, so if we bring people from outside

we can drive those wages down some more because people from outside will work at those lower wages. It could be something, I'm sure that that's got a big factor in it because I know how the bottom line of these companies are necessarily so at times, I guess in the oil market. I think that some of the things that I would like to see, and if the future OCS development that they're talking about, and I have gone through some of the technical report that are put together impacting showing the potential labor force and the impacts of OCS development on Norton Sound and the Navarin Basin, on the Beaufort Sea, and a distressing situation looking at the Norton Sound and Navarin Basin, it shows that of all the offshore platform work that could possibly be done out in the Norton Sound-Navarin Basin, they don't project any local person from Nome, for example, even working on this platform. And that to me is very hard to believe. I don't understand where they can figure that there is not an electrician, a utility flow, or whatever you want to call it, a maintenance man or a roustabout-laborer. I can't understand how they can look at those type of figures. If you're looking at that we're looking at 4-5 years down the line. There is no reason that if Alaskans and the oil companies are sincere about wanting to hire Alaskans that they cannot look at the fact of let's make a trade for training Alaskans for those jobs that you're going to have four years down the line. Let's look at it either as an incentive or if you say you want to hire Alaskans, here's the opportunity. If you take a look at the oil industry right now there's not one oil industry that I am aware of, one training plan to bring anybody from outside the workforce into the oil industry for Alaskans or anyone else. The only training plans I'm familiar with are on upgrade training opportunities for their employees that come to work for them. So, if there is a real sincere effort there, and if the interest is in hiring Alaskan residents, then they should be looking at the fact that hiring who are here and looking hard at them people or upgrading the skills of the Alaskans for these jobs that are coming on 2-3 years down the line. And there shouldn't be any shortage whatsoever I don't believe there is a shortage of labor up here. That's all I have to say."

Number 420

Eric Schnoor:

"My name's Eric Schnoor and I'm a construction worker and I've got a lot of friends who are construction workers and construction workers are a lot laid off this time of the year. Everybody's counting on work this spring and they've got the prison project in Seward, they've got a lot of work out here at Elmendorf, the new radar towers, all building up in Wainright, and all I want to say was that if when people get ready to get the jobs down in Seward building the prison, they go down there and there is a bunch of Koreans working, and a lot of out of state people, there's going to be a lot of agree folks and you know I don't know what to do about it, you guys get paid to listen to us and then you know what to do. But there is because there is a lot of rumors. I know a lot of people and I hang out with a lot of construction workers are and everybody's waiting to get these new jobs to open up and there's a lot of people that wonder when is there going to be any thing done before all the subcontractors are done and before the elections. There is a lot of talking right, but, if nothing gets done before they sublet all the jobs, well, then the summer's jobs are shot."

Rep. Boucher:

"I can't agree with you more about that. I raised holy hell about a contract.....that's two of us. The newspapers kicked for being anti Pacific Rim and that isn't the case at all. We just want to see you go to work. I'll guarantee you I'm headed for Seward."

Number 464

Mr. Schnoor:

"Well, they're starting to work down there and the word is that they haven't sublet the jobs yet."

Number 466

Rep. Boucher:

"We are tracking on that and that thing is not as per the agreement, I sit on House Labor and Commerce, we're gonna, I've already told the commissioner Knapp, we're gonna request a update of that contract. How it is proceeding. We've heard some pretty....and I don't like to engage in rumors....but there was an article in an reputable national magazine in December that indicated that there was a possibility that what they would do because of the strictness of our laws is to bring in Koreans who are naturalized citizens. Now, we haven't heard anything about that, but while I'm here I'm going to asking some of the D.A.'s. Now if they do that, that's a reverse of what they're telling us, you know, that's discrimination of a different form."

Mr. Schoor:

"And also, like on the Seward job, they're going to pre-cast a lot of the construction tools, and the walls and the things like that. Bring them in from Korea."

Rep. Boucher:

"No they're not, they better hadn't. We had an understanding that they wouldn't do that, right Joe?"

Mr. Schnoor:

"They don't have a place in Alaska to pre-fab some of this stuff, that's going to be a long job. What, do they have to protect it for, 2 years?"

Rep. Boucher:

"We understood that they were going to build that pre-fab plant down there, that's one of the first things. But, we've heard people say they were going to do that."

(Person in audience, unidentified):

"The technical problem from our point of view is that they way that the thing works out is that it is a city job, city construction leased back to the state, the city is doing the financing, it's not the typical state contract."

Sen. Josephson:

"Is this a way of avoiding state law?"

(Person in audience):

"I think when the legislature began to have revenue problems the city stepped

forward and said that "we can bond this project through tax exempt bonding and all we need is assurance that the state will enter into a lease agreement with us. We'll own the facility but we'll give you the keys, and that way it comes off your state's bottom line, just pay us every year for rent. But I, the assurances we spoke of still were made and maybe there should be some stipulation between the state transportation public facilities department and the city, but, actually it's city controlled project."

Mr. Schnoor:

"Residential construction up here is almost exclusively summer months, because so many problems with the weather. And seems to me like I've worked it for a while residential, I'd rather not because the summer, you get all the people from the lower 48 that just fly up because they've got their friends that are contractors. They hire the whole crew. And they just work the summer and they're gone. And that really hurts because....it just hurts everybody up here that stays up here and tries to make a living of it through the winter."

Number 530

Sen. Josephson:

"Gee, I, again, apart from everything else, we're in a recession here and with the vacancies, AHFC housing, and foreclosures, I'm not in this business but I would not look to a lot of residential construction or new construction anyway, would you?"

Mr. Schnoor:

"They been saying that for a couple of years, though."

Sen. Josephson:

"Well, just want to, for whatever that's worth, you can consider(unintelligible)..... It's going to be a slow year."

Mr. Schnoor:

"Well, there's going to be enough jobs that are in the making that if they don't ...most Alaskans get the work there is going to be many Alaskans out of work, at least in the construction industry. That's pretty big up here."

Number 546

Rep. Boucher:

"One of the things that we hope to be able to do is be able to get a piece of legislation out that will hold up as fast as possible so that we can prior to Bradley Lake, this San Juan, and we're working with the Senate now, but also with the people. We've got to get a piece of legislation just as fast as we can. The one's that I have we're talking about what it should cover right now. (moved his microphone, unintelligible)"

Mr. Schnoor:

"Most of the people that are working before the reporting on these projects could be evaluated. Usually, safety hazards are not evaluated until things are in place, but I know of several, well, there is one that's in place right now. If you go down the Glenn Highway, you pass Muldoon you see a green cloud coming

at you, you figure that your vehicle and your person will dissolve because the you can figure that that cloud would be . discharge of chlorine gas from the Ship Creek Water Facility. That's the only way that they can set up to maintain the safety of personnel in the plant. That the canister they maintain one ton canisters of chlorine gas, maybe 6-12, if one of those canisters was to rupture, the only way that they can maintain safety for the people in that plant is to vent it to the atmosphere. Well, the atmosphere is just above the Glenn Highway, and chlorine gas would come down there and dissolve your vehicle and you in it. The same thing is being done at the Eklutna Water Treatment Facility. What can you do with something like that? By the time you would discover it, you'll have lawsuits on your hand 'cause of the people who are the survivors of the people that were dissolved. They were eaten up by hydrochloric acid."

Number 568

Mr. Jousma:

"Yeah, I just wanted to mention that I noticed on lots of job applications up here there could be a lot of specific questions on it that a lot of job applications across the country don't even put on there. You know they all ask for Social Security numbers. And we all know they ask for driver license numbers, but, they don't get into the specific in what state it's in, if it's an Alaskan license 'cause they can say yes and give a number but it could be a Washington state number or and Oregon or California. When it comes to driving, driving is a privilege and not a right when it comes to a civil problem and if you ask them what their driver's license is, that might be another way of doing it. And I noticed a lot of applications that ask you if you've been on workman's compensation, they hardly ever ask the question that if you've been on unemployment compensation. And if they can begin to start asking that "have you had unemployment compensation before in the state of Alaska or previous employment within the state of Alaska, yes/no, if yes has your unemployment insurance money been mailed to an Alaskan address. And another questions that they don't ask on applications is if they're a registered voter of the state of Alaska. If you just specifically leave it open and say that they're a registered voter, they can say yes or no, they can say, Washington, Oregon, California or anywhere, but if you can be specific on voter registration and ask for the number as well as the driver's license number, just like you do with social security numbers. And that way would be easier to research it, for the employer to do the research. I just wanted to mention that. 'Cause a lot of people that work up here and earn money, they'll apply for unemployment compensation before they leave, and then they'll have it mailed out of state and it's legally their money, 'cause they did have money taken out so can't get around mailing it to them so long as they keep mailing in they're thing. But you can specifically ask a question on the application. That might be one of the ways."

Rep. Boucher:

"My apologies, Mr. Chairman, I have a 4:00 pm appointment."

Sen. Josephson:

"Well, I told Sen. Zharoff we'd finish about 4:00 pm, but I'll hear these two people briefly."

Rep. Boucher:

"We'll continue to work on it, I've been working on it for two years, he's been working on it forever. We are not going to give up on this issue. What do you want to talk about besides local hire, nothing! That's how strong we feel about it. Right Joe? (Sen. Josephson - "Right") We are not giving up."

Number 690

Kathy Kucinski:

"Good afternoon, Mr. Chair. My name is Kathy Kucinski. I have been an Alaskan resident for 13 years. My occupation is a heavy equipment engineer. Right now I am currently unemployed, like everyone else, and have been for quite a while now. My husband is also

TAPE 2, SIDE 2

"..... lived in a camper for a couple of years just to be able to survive - or try to survive. I have been to about every place that you can mention in the State of Alaska to try to get a job. Yesterday was quite a experience. I was interviewed by a Korean at the unemployment office who could not speak English. I had to go out in the car and get pictures and bring back to this gentleman and lay them out in front of him to show him what I did. And he looked at the pictures and said "ah, engineer!" Yes!, you know? So I proceeded to step out in the hallway and tell the workers at the agency there that we had a communication problem. I could not understand him and he could not understand me. So finally they did give me an interview with somebody who did speak English. As my occupation as a heavy equipment engineer I've traveled this state quite extensively for the past several years. One of my tours happened to be Prudhoe Bay. I was working for a major oil company. I met one Alaskan on the entire Slope. One. I started asking questions up there, and because I started asking questions, two days later I was off the Slope. I attended the State Chamber of Commerce meeting two weeks ago. The guest speaker was Mr. Harold Hienes, president of ARCO. Mr. Hienes was commenting on how he was proud of ARCO for hiring 99% Alaskans. So I let him set up there and make his cute, little speech. And then a lot of people made a lot of speeches to him that they felt that he was not giving the public the facts. So then I stood up and told Mr. Hienes my experience on the Slope, that I did meet one Alaskan, and what happened from that. And he did take a copy of my resume. Often there is a hiring problem in the hiring system with the federal and state agencies both. Elmendorf and Fort Richardson, for any of you who are vets, I have been applying for five years at each of those stations. Oh, you are quite aware of the problem, then....."

(Member of audience):

"You can't even complain to the attorney general up there."

Mrs. Kucinski:

"That's true."

(Member of audience):

"You can call up and tell them "I'm a vet. A disabled vet. From the Viet Nam era. Why couldn't I turn in my application on this particular thing that is set aside for the VRA? Oh, you need to talk to this man that's in charge of

personnel. We don't need (unintelligible)". Elmendorf...she is a veteran (confirmed) she's probably eligible for the VRA. Elmendorf would not even give her a slot above a GS 3. If they had had that available. If she was eligible to work in the field that she was applying. She has to be completely ignorant of the field that she'd be applying in before they would even consider her for a VRA. The municipality of Anchorage has got a thing set up to avoid hiring a vet. I think they have a point system. Avoid hiring an Alaskan and avoid hiring a vet. You get more points for hiring a vet than you do for hiring."

(Another member of the audience):

"They told me I had too much experience."

Mrs. Kucinski:

"That is the worst thing that you could tell them that you are a vet. Or that you have any experience. I was fortunate to get hired for the summer overhire program this summer on Elmendorf. When the last day, September the 30th, they kept on a gentleman who was hired at the same time I was who had never been on a piece of equipment in his life. But he was hired because he was the good old buddy system that they have running on those bases. There was also people that flew from New York to work there this summer. I'm trying for the winter overhire. Somehow, personnel just conveniently lost half of my application. So I reapplied and my application layed on somebody's desk for two months and then I was told that the slots have already been filled. Now they hired between 150-200 men at Elmendorf this year for the winter overhire. Two laborers that I worked with during the summer that had never had equipment experience somehow, they're a heavy equipment engineer right now, working over there. I started questioning some of what was going on over there, I talked to Sen. Murkowski about it. I was called two days ago and somehow they said that they've found some positions out on the remote sites that they would give me a call for. I don't know how they came about. They probably created them because I've asked so many questions about their hiring practices. The Alaska Railroad and State Local #71 is other systems that I have applied for and have failed to get a job through. I did get one through the Alaska Railroad, but it was also a temporary position. I've paid the state local so long union dues, but you get tired of paying them after a while because it's going into another person's pocket. I just hope that you gentlemen find a way to either be able to tax the industry heavily or to find a way to solve the problem to get Alaskan people hired because like the lady said before, I don not think that you realize how it is out there right now. And we're just fighting to survive. And I hope that there's something that you'll be able to do about it."

Number 098

Sen. Josephson:

"Speaking strictly for myself, I totally agree with you on the question of taxation. The industry isn't going to hire Alaskans if they dump on the Alaskan(unintelligible)..... fuel problems, the welfare costs, the (?) costs, the general relief medical costs, and the only choice we've got is to look to the (?) industry cost that way, they're not going to pay free, honest wages for honest work. It is my feeling, but, because I think when they tell us, as you know they spend millions of dollars in advertising trying to tell Alaskans what good citizens they are and they talk about a stable tax climate to promote exploration and development, which is fine, but part of the deal was

that it was for Alaskans. We gave them the stable tax climate they've enjoyed over the years. They're not living up to their end on it, in my feeling."

Number 111

Mrs. Kucinski:

The news media that was at the Chamber of Commerce when Mr. Hienes was speaking, when I told Mr. Hienes that I didn't believe that he was giving the public the facts, and if the cameras would take their and if the newsman would take their cameras down to meet his plane that was coming off the Slope I told him I'd give him odds that 98% of them would get off and go to the lower 48. Well, the people that were there that were speaking to him didn't happen to get on the news but Mr. Hienes got on the news in a whole different perspective. He was portrayed in a whole different view."

Number 122

Sen. Josephson:

"That's happened to all of us. I don't know how much they've spent on those production costs or how much they spent that much on hiring Alaskans they'd have a lot better reputation and we wouldn't be here this afternoon. There might be more than one paying the add agency about this."

Number 129

Mrs. Kucinski:

"That's true. I did write, also, Congressman Young about this, also, to see how he felt about it and I got this cute little letter this morning that said that if I felt that there was a problem to go to the state and local labor departments, if I felt there was a problem in hiring. I can tell Mr. Young I personally know, there probably isn't anybody in the state of Alaska that you can name that I have not been to. And, I intend to let him know about that after I received his letter this morning. He doesn't really seem to want to get involved with this issue, or whatever. That's the way I felt from the way that the letter read to me. But also you might want to make a note that the state labor department is combining, they are not classifying out the different occupations. They are combining occupations. They are combining engineers with laborers with secretaries. And they're saying "oh, well we have enough hired. And we're meeting the statistics." That is not the true facts if you go look at the way they have them combined. They are supposed to classify each occupation separately. Whether you are an engineer, whether you're a laborer, whether you're a secretary, and then go from statistics that way but they are not doing that. They are combining them and then telling you that they have enough hired in those classifications. So that's one way that they are getting around it. That's all I have to say."

Number 154

Bill Seitz:

"My name is Bill Seitz. I was born in Anchorage, I lived in Alaska all my life, I'm an unemployed lineman right now, and there's a couple of things I'd like to say. First of all this Alaska hiring encompasses a lot of things, and

one of the things I feel should be thought of introspectively is each person that's Alaskan where they buy their goods and if they are supporting people through their purchases of people that have been here a long time or if their just buying something a catalogue outside or if their purchasing anything off the street. The other thing I'd like to pay attention to is the employers and contractors and stuff a lot of times don't seem to realize that the dollar in Alaska only turns over 8-10 times and then it's gone. They seem to just be caring about their dollars period. And the third thing is the state needs a little criticism, it was brought up before with the Seward job, but, something that affected me two years ago was they intertie that was built from Willow to Talkeetna, all the steel on that was made in Korea, Hyunde(?) did it, and there was nothing done about that. And also I believe the belt down in Seward for the coal loading was made in Korea, also. And I believe they had to make repairs on that and I was wondering if it's possible that the state and her projects could make it where when they award a bid that they require at least that things be made in the United States of America or they don't get used on jobs. Other than that I support and I thank you for your time being here. Another thing is there's a lot of people that are friends and buddies of mine that are unemployed that they don't seem to take time to come to these things and that's why I say a lot of us have to look at ourselves and blame a little bit on ourselves because we really seem to take time out to make an effort to attend things like this and to express our opinions sometimes."

Number 177

Sen. Josephson:

"Thank you, Bill. It's a system that can wear us all out. Legislators, unemployed people, workers, union people. The danger is that we'll just get exhausted and dispondent about it and not too long ago one of the newspapers wrote an editorial saying that she was the supreme courts spoken there's really not much we can do about it except make a company voluntarily look at their practices. I called the editor or one of the editors and said that I disagree with that, I think that's really destructive for you to that. As you can tell the legislature continuing to work on the matter, we're not going to stop. Frankly, even the legislation that is held to be unconstitutional was useful when it was ineffect and while most of this was not built for legislation that we know is unconstitutional, I wouldn't vote for a bill that is unconstitutional. I am certainly going to on an issue when I am in doubt, where I'm not sure, keep giving the court another chance to review new propositions. I'm not going to throw my hands up and assume that a bill is going to be unconstitutional and as I said even with the last case we had decided you can responsibly read that for a very narrow proposition. Simply that the record wasn't (?), that that was before the Department of Labor study came down, before this tie into alcoholism and drug abuse issues that we found out about, so, we are going to pursue it. As I mentioned last week I put in sponsor substitute for SB 271 and there were 15 out of 20 senators who co-signed that legislation and there is real interest there. We're going to do whatever we can."

Number 202

Mr. Seitz:

"I'm very well that you're well aware that there's more people than just the

people that showed up here and that's what I was kinda trying to say there.
Thank you for your time, too."

Number 205

Mr. Shirley:

"I'd also like to say that I'm surprised that the members of our legislature did expose themselves to us here. Normally, what we run into on the front line dealing with the public are very inept people who seem to be put there more to defer you or to divert your attention from the effectiveness of what needs to be done. I'll be watching to see that you will accomplish something."

Sen. Josephson:

"If you'll give me your own individual phone number, I will call Mr. (Eden?) to get back on what I find out about the APA."

Number 215

Sen. Josephson:

"Thank you all and the meeting's adjourned."

FAIRBANKS TESTIMONY



Official Business

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

SENATE LABOR AND COMMERCE COMMITTEE

February 22, 1986

1:00-4:00 pm

MEMBERS PRESENT

Senator Fred Zharoff, Chairman
Senator Dick Eliason
Senator Don Bennett

LEGISLATORS PRESENT

Senator Bettye Fahrenkamp
Representative Niilo Koponen
Representative Mike Davis
Representative Marco Pignalberi
Representative Steve Frank

COMMITTEE CALENDAR

No bill scheduled. The purpose of this hearing was to take testimony from the public on the issue of local hire.

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PEOPLE WHO TESTIFIED WHO WERE NOT LISTED ON THE WITNESS LIST:

Tom Favero	Lenny Arsenault
Bob Richards	Cathy Fitzgerald
Art Robson	Pauline Gravenstein
James Farrell	Tom Baker
Rick Spencer	Richard Goll
Fred Pascoe	Charles Paskvan

TAPE ONE SIDE ONE

Senator Zharoff:

"I'd like to go ahead and begin the public hearing on local hire at this time. We will be somewhat under a time constraint. Members of the Senate Labor and Commerce Committee have commitments that call for us to be in Anchorage and we will be departing this evening. With your cooperation, we'll try to get through as many people as possible on the public testimony. We will not have any legislation presented before us at this time. We are on a fact-finding mission than anything else and we're more concerned about the problems and concerns that you have regarding the local hire issue. With that, I'll introduce myself as Senator Fred Zharoff, from senate district N, chairman of the Senate Labor and Commerce Committee, and I would like to introduce the Senate Labor and Commerce Committee members that are here. Senator Dick Eliason is the Vice-Chairman of the Committee and from Sitka, Senator Don Bennett I'm sure all of you know from Fairbanks. Joining us there to assist and also according to her request, is the Chairman of the Health and Social Services Committee, Senator Bettye Fahrenkamp. We also have in attendance members of the House: to my far left, Representative Mike Davis, Representative Steve Frank, Representative Marco Pignalberi. I might mention that we have some staff members that are assisting us as well. Senator Coghill could not be with us today but he did send a member of his staff, Shelley Growden, who will be presenting some testimony a little later on Senator Coghill's behalf and will be taking notes on information for him as well.

"I'd like to introduce at this time the Borough Mayor of the North Star Borough, Juanita Helms? Well, she's here. And former state senator Ed Merdes.

"With that I think we'd like to begin and I'd like to welcome all of you here. I'd like to take this opportunity to welcome all of you on behalf of the Senate Labor and Commerce Committee for the hearing on resident hire. I'd like to commend your senators and representatives who are requesting that we have a meeting here to hear the concerns from the individuals here,

particularly from your perspective. I'd also like to thank the Alaskan First committee for their efforts in promoting local hire within the state and hiring Alaskans first. We also thank them for assisting us in formulating the public hearings here in Fairbanks, as well as the one that we had in Anchorage. As you know, the governor and the Department of Labor have made a commitment to this problem and the legislature has been examining the proposals of draft resident hire legislation, which must pass the constitutional mustard.

"I also wish to thank Senator Bettye Fahrenkamp, although she is not a member of this committee, who is committed to help solve the problems associated with the non-resident hire problem.

"Our past efforts have been thwarted by the various court decisions that have come up. It appears that the fact findings that were contained in the Department of Labor recent local hire study will assist us in demonstrating the economic impact of the non-resident hire on the Alaskan resident and in Alaskan communities.

"Furthermore, during the committee deliberations on the resident hire bills, expert witness testimony have been provided, which suggests certain social costs associated with unemployment. Among these are alcohol and drug abuse, domestic violence, child sexual abuse, poverty and suicide. I personally feel that displacing qualified Alaskan workers through non-resident hire is inexcusable and as chairman of the Senate Labor and Commerce Committee I am committed to working toward a resolution of this problem. Additionally, the governor has recently formed that Governor's Council on Alaska Hire, to which I have been appointed by the Senate. Other Senate member is Senator Bill Ray. In the House the Representative Red Boucher, who has introduced the local hire legislation last year and, because of court decision, is re-introducing the legislation this year. The other House member that is on the Governor's Advisory Council is Marco Pignalberi, who is with us today.

"Collectively, the legislature, administration, Departments of state government and the private sector will be working to find legal and defensible solutions to the problem of Alaska Hire.

"Again, I wish to thank all of you for coming in as we will try to go through and hear as much of the testimony as possible. I apologize, I may have to be short on some of the responses to give as many of the people the opportunity to respond or give testimony. At this time I will ask any of the committee members if they have any comments they wish to make at this time."

Senator Bennett:

"Good to be back home again and see so many friendly faces. Sorry that the(tape unintelligible)....grave situation. It is not new, we have addresses it many times. We've faced it many times with past legislation and appointed committees. We have wrestled it and wrestled it. It's something that we are going to continue until we win. Everytime that we think that we have it resolved where our fellow Alaskans are going to have a job, the court has kicked it out. It's a tough resolve. Be sure that we are not going to abandon it, we are not going to sell them short. Our chief concern is the people who reside within the boundaries of our state get first shot at every job. And we're not going to stop until we get that resolved, be sure of that!"

Senator Fahrenkamp:

"I have no comments, I'm here to listen. I think everybody knows that I put the same bill that Boucher did on the House side in the Senate side and we held it for further work hoping that we could stave off some of the results from the case. We do have, as you know, a number of bills down(tape unintelligible).....you people ask us in our teleconference Tuesday night to get a hearing up here. Well, we're here."

Representative Frank:

"Thank you, chairman. I just like to say that I'm happy to be here and I'm looking forward to the testimony and that I really do believe that the legislature will come up with the best legislative solution to the problem that we can. There is no easy answers, but we will do our best to come up with legislation."

Shelley Growden (for Senator Coghill):

"Thank you, Mr. Chairman. My name is Shelley Growden and I'm on the staff of Senator Coghill. Senator Coghill is not able to be present today and he requested that I read his short statement into the record.

" Senator Zharoff, members of the Senate Labor and Commerce Committee. Nineteen measures concerning Alaska hire have been introduced into the legislature. Twelve of these bills are essentially the same bills with one introduced in the House and a companion bill introduced into the Senate.

I'm glad to be a co-sponsor of SB 271. As for the residents of the interior Alaska, I know very well how strongly they support the local hire or resident hire philosophy. I have carried forward that philosophy in the state Senate. It's attitude that really makes the local hire issue work. In my district of thirty-eight communities, we too have a concern on local district hire when it comes to jobs being taken by outsiders on state seasonal jobs. Even if the courts continue to strike down the laws we Alaskans pass as being unconstitutional under the US constitution, we as Alaska legislators still are obligated to seek out every method we can to ensure that our residents are hired first. The nineteen bills attempt to find other methods. They cover, for example, Alaska Bidder Preference on State Contracts and Grants, Alaska Bidder Preference on all Department of Transportation Bids over \$5,000.00, Alaska hire on Oil and Gas and other state-owned resource development, and Tax Credits to Employers Who Hire Alaskans. Friendly persuasion is one method that I use. I urge all of my business colleagues and professional associates to hire Alaskans. It simply makes good sense for us to do our business at home with Alaskans. As for the voters of interior Alaska, I think have clearly demonstrated their demand for local hire when they cast their vote for the legislators from the interior in 1984. Four of the nine interior legislators were born in Fairbanks, grew up in the interior, were educated in the interior and are 100% local hire. Legislators, after all, work for the people they represent. Those four legislators are myself, Representative John Ringstad, Representative Steve Frank of Fairbanks, and Representative Mike Miller of North Pole. Long time and lifetime Alaskans live in the thirty-eight communities of my district. Some communities are rural, some are highway rural and one is an urban area, North Pole. There is no question how they stand on the local hire issue. Thank you, Mr. Chairman."

Senator Zharoff:

"Thank you Shelley. With that I think we will begin the public testimony. We will go ahead(tape unintelligible)....I will ask, if you would, to be brief and concise, please. I would ask for your cooperation with the large numbers of people we have in here and the people wishing to testify if you would keep your comments brief and to the point, we will allow as many people as possible. And we'll just go with the show of hands and continue on."

Ray Ward:

"My name is Ray Ward. My little girl is having a birthday party, its been ten years. I was born here. She was born here. My dad has been here forty years. But the way things are going, you know, I don't know if I can stay here because you guys are dealing with things with drugs and problems with child abuse but the normal people is God fearing and they want to work. I have never (?) those things, before I can think about that I'll leave the state and go where I can make money. Everybody's talking about five, seven dollars here an hour, and if milk costs me \$3.05 I can't make it. You see on TV that you can go buy milk for 99¢. I know its not too relavent but these oil companies drive the prices down because they drive people out here that can make five or seven dollars an hour because they are paying for milk in Arkansas or places like that. I just can't make it like that, but, I'm just hoping that - I got a residency card here from 1976, #322, and it says how I was a resident and all this. Here we are ten years later still fighting for the same thing. I'm here in Fairbanks instead of up north working and I don't know no one in Prudhoe Bay. And one other thing, if they think that people are going to fight to stay here and starve and starve they got nothing in common. The only way we can resolve it is through legislation and maybe we need to get the right legislation in there instead of padding the people. The oil companies get the people in there that's going to fight for the people that need to work here. Instead of just trying to through legislation in there. I think there's a lot of politicians that they think a city is made up of corporations and millionaires, and it isn't. Its made of everyday people like to work and live in the city, that's what its made of. Thank you very much."

Bobby McGee:

"First off, I don't talk very much and this is something for me to get up to say something. So it means something to me that I have to get up here and say something. I feel that I have a responsibility to the poeple here, union people here, and to my family. So that's why I'm up here talking. My name is Bobby McGee.

First off, when I first came here, when the pipeline first started, the houses, if you bought a home, was \$45,000-\$50,000. Rent was \$200-\$350 on a home. If you drink, beer was 75¢. Today the house that was \$40,000 is \$125,000-\$130,000. The rent that was \$200-\$350 is now \$550-\$900. The drink is \$2.50/beer, unless you go to the airport, then you got to pay a little bit more. One bag of food, \$30. Now, you might look at me and say "well, California's same price". California you got all the sunshine, so we're paying for that. Here you got, cold weather, miserable weather, you got miserable conditions. And somebody might say to me, some oil representative, might say "well, why the heck are you even living here?". It takes a certain kind of person to live in Alaska. We have to be a different type person. Not everybody can come here and live with the conditions in Alaska. You have to be different. But once you have found a condition and you get it, you love

it. Just ties right on you, you just love Alaska, and that's why I'm here. Now, this is my home, and the reason its my home is because the oil company had me come out here to work as a union members. They didn't ask a non-union man to come out here and run their oil. They had union people come out here. And that's why I'm here. The whole thing I'm trying to say is responsibility. The oil company had me come out here, and I work for them, and a lot of people who already lived out here were here, I'm not forgetting them. I'm particular person that just came out here to work here. The work got to me, I loved the country, I started another family, I'm 56 years old. I got four kids, seven and under. 'Cause I just love it here and I enjoy myself. But they didn't ask the non-union people to come out here and work. Now the problem is its over and done. Its over and done, we've all gone out and bought big homes, we have big payments, we're all having a problem just existing today. The oil comapnies don't want us anymore. They're the ones that brought us out here in the first place. Brought some of us, other than tñe people who worked here. They brought us out here. Now they're saying they don't want you. What are these people supposed to do with all their high payments and everything. What do you do? Your just going to lose everything. It just isn't right. They just left us to pay all the bills; the high cost of housing, the high cost of a car. I feel that they have a responsibility and I feel everybody is, they can't just throw us away.

Now, I'm from Detroit, Michigan, originally. And there in Detroit if you had the Ford Motor Company put up a factory and employed so many people, Ford can't close that factory down and say to the people "forget you, go!", they can't do that. Because if they try to do it the first thing that happens is the government sets in and tells them you can't shut that down, and they'll even finance them to keep these people working. Where's Alaska? Where's the government here? Nobody's protecting us at all. And these people have put us out here and I feel they are responsible for it. They have put us out here and I feel they are responsible for it.

Anyways, I'm going to cut it short. Like I say, I'm from Detroit. If Ford Motor Company would run an add in Texas to get employees for their company and dump the people that they have, every Ford in Detroit would be turned upside down within twenty-four hours I'm sure. Because they did it with the Volks Wagon and they did it with other foreign cars when they first come in. They got so huge we couldn't handle it. And I think, the whole thing that I'm getting at is the repsonsibility of the oil companies, they can't just take us and throw us aside after we've done the work for them. They couldn't get non-union people to do the work they originally wanted. And now they're saying that they've got it, I've like to use a lot of words, but I don't want to. But just "foeey on you". And I don't think that's right and I think our politics in the state of Alaska should realize this because they just can't do it to us. Thank you."

Member of Audience:

"Could you give three minutes to everybody to talk. Can't you put a limit on it?"

Senator Zharoff:

"We're asking people to limit their comments if they would, please, to give everybody a chance to participate."

Debbie Dickerson:

"My name is Debbie Dickerson. I grew up in Fairbanks, this is my home town. I left for a few years and got my College education and came back to raise my daughter here five years ago. I am a teacher, I got a Master's degree at the University. I'm now working as a substitute teacher. I'm a member of the Fairbanks Education Association as an associate member. And I feel like there are a lot of difficulties for teachers. The reason I came back to Alaska was because this is my cradle, this is where I got my education, this is where I learned how educators supposed to be treated, this is where I learned that teachers are respectable, well paid members of the community, this is where I learned how things should be. And I came back to part of that education community because I believed in the ways that teachers were treated here. I worked in South Carolina, I saw teachers treated dispicably. I came back here to be a part of that education community that I believe in and it makes me know that that's the way that parents and children and teachers should work together. I've had a very difficult time getting a job. I've subsitute taught for two years, I became involved with Ben-ll House at the Univeristy, which Mike Matty closed because he didn't want to spend money on that area, wanted to get into a more technical field, fields in the Tanana Community College. I understand that. I interviewed yesterday for a job - there were 100 people applying for one teacher's aide position with Headstart that pays \$6.66/hour and there are no benefits. Every job that I have applied for as a teacher's aide or a teacher there have been 100-150 people applying for those jobs. Its a very difficult, difficult situation there. There are many teachers and I don't mean to point fingers because a lot of them are my friends. Many people up here spend the summer looking for a job, get a job, and then establish their lives here. But there are so many people here who want to be here. I can't afford. I am a single parent. I am at the present time on unemployment. I went to apply for AFDC or Food Stamps. I am a single parent with shared custody, that means I have no benefits. No AFDC. No Food Stamps for that daughter of mine because I have not more than 50% custody of that child. I don't have the benefits of the system. I didn't tell them at unemployment that I didn't have more than 50% custody so I probably don't deserve the \$24.00 a week I get to take care of her. Its very difficult to live. Very difficult to exist. My family is here. My ex-husband is here. My daughter has the benefits of having two parents with them. But I cannot continue in this way. As I said I have a master's degree. I spend the last year working at the Barren Seal as a waitress making more money than I can make doing anything in my field. I'm a member of Fairbanks Education for Young Children. I'm active professionally as much as I can be outside of it, but it costs money even to be involved in any way. And I find that being back in my home town makes me know that this is where I came from. this is where I belong. This is where I understand the way people think. This is where I want to be, eventhough I dislike the weather and I know there places that its better. But I feel like the kinds of things you are doing with Alaska local hire are very important because those of us who want to stay here want to establish. My brothers and sisters are all here. My nephews and nieces are all here in Alaska. This is where we want to stay but we all struggle with being able to survive and being an Alaskan doesn't seem to matter, having had your life here and being committed to being here, especially in the education field. And I would like to see some more done there."

Senator Zharoff:

"Thank you for your comments. The gentleman here had a good idea and I think what we're going to do is try to limit testimony. What I've asked my staff committee aide here to do, if he would, when the testimony begins to stand up for approximately three minutes, so that would give you an indication that that amount of time is left. Its not to cut off anymore, but if you could bring it down within a reasonable amount of time after that, it would certainly help us. We are trying to accomodate you.

"I'm going by a list here and I'm not sure where the other lists are, so, if they could work their way back up here. Roger Caron? Frank Evans?"

Stan Eberhart

"I'm not very good at talking publically. I prepared a written statement here that I was going to turn in. I'll go ahead and read the cover page:

"Recently I applied for a job with ARCO and was rejected for unknown reasons. I made my application the day after ARCO's first add apeared in the newspaper. Attached is a copy of the resume I sent in. A rejection always makes one do an extensive self analysis. I felt my qualifications met or exceeded those that were advertized as being necessary, and I wondered if perhaps my resume was at fault, or if I wasn't qualified, just who is? At issue here is local hire. I am a fairly new resident compared to many. But I feel that jobs here ir Alaska should be manned by qualified Alaskans first. It very disheartening to read that ARCO is recruiting outside. There are many skilled residents going hungry and a tremendous amount of money leaving the state due to migrant and imported workers. "In conclusion I would say that I'm ready, willing and able. If the jobs are there, I would like a fair chance.

"Would you like this?" (asked what his name is) " Stan Eberhart."

Senator Zharoff:

"In addition to Stan's comments here, if we do run out of time, I would encourage anyone who has any written testimony, or if you wish to comment in writing do so and forward your comments to my office, which is Pouch V, Juneau, or if you would forward it to your legislator or through your Legislative Information Office."

Joe Sitten:

"My name's Joe Sitten. I'm glad your here. I'm a member of the Borough Assembly but I'm here as a citizen. Since the month of June I have spoken with literally hundreds of people, some of whom you see out here today, who have been desparately underemployed or unemployed due largely to the hiring policies of a few companies on the North Slope. And I would like to give you a specific example here today. I have in this audience two VECO employees, who are here to tell you that they worked on a project with over 300 employees underway right now with 20 Alaskans on it. And I'm here to show you a form the company is passing around, their supervisors are passing around, getting people to put Alaska addresses on their records. This concerns me a great deal 1) because of the impact on Permanent Fund Dividend Check Payments, that they're going to raid that, you know that's a concern to me, but another concern is that 2) what's it doing to our voter registration list. So I respectfully request you, Senator Zharoff, to either have the Attorney General or someone from your committee appoint a special investigator or get a grand jury investigation going on VECO and everybody else on the North Slope."

Senator Fahrenkamp:

"Is that one that you have, could we have a copy of that? Is that the one that you are trying to register as COBA (sp?)?"

Mr. Sitten:

"This is the one that they're supervisors are passing out in Kuparuk, and I have heard testimony that you can probably verify that they are giving VECO's Anchorage address and other people in Anchorage's Alaska address. You need a grand jury investigation of that mess. Thank you Senator Zharoff."

Tom Horton:

"I'm Tom Horton, this is P.J. Reilly. We're both VECO employees. We read about this investigation. We read about (Rep.) Mike Davis coming to the slope. And we both quit our jobs to come testify at this hearing. We're concerned about the non-resident issue on the North Slope. While we were there there was a large number of non-residents employed there. This paper that Joe Sitten handed out, it was passed out by the VECO formans and personnel VECO said that we could use the VECO address on it as an Alaska residency. If we didn't have someone that lived in the state that would let us use their's. Says on here "this must be in the Anchorage office by the end of the pay period". There was a large number of people there. Any job I worked on, I worked on 4-5 different crews. This is a largest job on the North Slope at the present time. 4-5 people is the larges number of people I've seen from the state of Alaska. We met very few people from the Fairbanks area. Maybe ten at the most, P.J. worked in the Fairbanks area. We worked for VECO on a previous job at Melanie Point. There was a large number of qualified people from Alaska on that job. They were not hired back for this pipeline job on the Kuparuk project. We feel like what we saw and what we know should be brought to the attention of this committee. Something should be done for the people of the state, the people of Fairbanks, to get them employed on the North Slope. I'll let P.J. speak a little bit now."

Senator Bennett:

"First can you tell us how many employees ...(tape unintelligible)..."

Mr. Horten:

"There was approximately 2300-2389 employees at the peak was 2389."

Senator Bennett:

"So you are saying that it was 98% by subcontractors."

Mr. Horten:

"You might interpret it that way. All you got to do is fill one of these out and you'll become a resident of the state of Alaska. I know people on the crews I was on from Grand Junction, Colorado. He came up to me at the last and said "I'm a resident of the state of Alaksa now" he said "there's nothing you can do to me". He owns sixteen apartments in Grand Junction. He doesn't pay anything except for plane tickets from there to here. This thing has been going on up there all the time. I don't know whether you really know it, but if you go up there I appreciate you coming up, I didn't get to talk to him up there. I read in the paper, I quit the job yesterday and came down today. So I want you to find out what is going on. Go ahead P.J." (applause)

P.J. Rielly:

"Well, I don't have too much to say just that I lived in Alaska in Fairbanks for ten years, I'm a member of the Laborer's #942 and, like Tom said, went up and worked for VECO and I was shocked to see that there wasn't twenty Alaska residents on the job out of 320 people. There was one native on the job of 320 people. I don't think that's right. We have the people here, we sure beaten had them last year when we went up to Melanie Point and did the job. Showed them that we have the people here to do the job. But this year they wouldn't rehire the people. They brought up from the lower 48. That's all I have to say. Do you have any questions.?"

(tape unintelligible)

Mr. Horten:

"Well, I couldn't come and testify against VECO, I didn't feel like I could go back."

Mr. Rielly:

"I'll also want to say that a lot more people should do like (Rep.) Mike Davis did and go there and see for themselves. Because people don't believe what is really happening unless they see it."

Representative Mike Davis:

"Thank you Senator Zharoff. I think a few of us deserve a round of applause, they've been pretty courageous."

Tom Favero:

"Mr. Chairman, members. I'm Tom Favero. All these things that are being said here has been going on for some time, actually, its not anything new because even at the time when there was labor agreements these same things went on. Actually its just come to light a little more so because it hit more people in the pocket. But my concern is here that what's really going to happen is that there's a large influx of people that's come in, even currently coming into our state. Its indicated by increase in the general delivery mail, I understand, here at the post office. Looking into a few things. This is a little bit different twist of things. And of course all these things you folks hear there's no use me saying the same thing. Also find that from '84-'85, that's February of '84 to February '85, the unemployment checks sent out increased by less than 10%. Now your Department of Labor feels that this is a normal increase. From '85 to '86 that increase is more than 20%. In speaking with those people in Juneau, and compile these things, and you can speak with them yourself, its easy to find, I can find it by phone call so I can't see why it should be any problem for anyone else. These are the same issues that we had twenty years ago. Now there is one difference, though, the head of our Borough and city and state government is much greater. There is only one way that that will be paid off, actually, is one way is keeping these people working. Another thing that has to be paid off besides those actual debts, is the bonded indebtedness to these schools and things. We built a lot of schools here in our community, I don't know how it is in Kodiak and others, but we've built a lot. With the value of the pipeline going down, looks there will be less income for the communities along the pipeline. Somehow we need to be concerned about the possibility of increased taxes in the Borough. Maybe sales tax or property tax. My property tax is pretty high already. So, that's another concern. So if you folks would look at that and I think now the ball's in your court. Its all up to you guys. Possibly if we

could get our ARCO representative to speak here, too, it would really help clarify some things. I know they've been on the radio. But I really don't see how they've addressed that situation real clearly. I think they should be able to rebut those things. Are they on our list?"

Senator Zharoff:

"I don't know, Tom, I've got six pages of names here. Thank you, Tom."

Dennis Wilfer:

"Thank you. My name is Dennis Wilfer. I live at 18 mile Chena Hot Springs Road. And the experience I'd like to relate is one about adds being run the local paper looking for help for some of the North Slope Contractors. My specific experience is that the Peak (sp?) Equipment Company ran a newstory in the paper that they had been awarded a maintenance on the North Slope. I called down to the local office at McDonald Industries, Peak its a subsidiary of McDonald Industries. I've done business there for a couple of years so I know people in the office. I called down and I said "who would I talk to" and he gave me a phone number "where would I apply for such a job?". They were kind enough to give me a phone number and a name of the personnel person in Anchorage that was going to be staffing this job. The following day I called down there, this is now two days after the news story broke, and they told me that the job's been completely staffed, they more applications that they would ever need. They weren't even interested in my qualifications or what particular position I might be applying for. The following two weeks was a little bit of focus on ARCO. There was some demonstrations. Lee Nunn, from ARCO came up here and spoke on Problem Cornor. One of the things he stated was that it was ARCO's policy to encourage subcontractors and look for local help, some of the stuff you've already heard here. He also stated that when he got back to Anchorage he'd be making some phone calls to again encourage these subcontractors to make sure these adds were being run locally. Well, aparently he did. Five days after he spoke here, on Sunday, Peak Equipment ran an add in the paper for one day, that said that they're looking for PM Mechanics, Service Owners and Fuelers; send your resume in - and had an address to send it in. This was the same company that I just called two weeks prior to and said that they had more applications than they could ever use. The very next morning my resume was in the mail and that's been a full five weeks ago from now. Peak has never even done the courtesy to call back to me and say "thank you for submitting your application." I've talked to a couple of other people in town who said they also saw the add, submitted resumes, and they have gotten absolutely zero response.

"My point is that when these folks are coming down and the company officials are coming down to Juneau telling you folks that "hey, we do advertise locally and here's the proof, here's the adds that we ran", they're just pulling a con job because we're responding to our adds and we're not getting any return to our response whatsoever. Thank you."

TAPE 1, SIDE 2

Ron Cramer: "I did work for twelve months, and then I've worked six months out of last year, I've been off since last October. I need to find different line of work, so I'm going to have to be moving, and I've been here since 1966. So, I just wanted to let you people know and be on the record that its been

good in Alaska and I like the country but I'm going to have to do something different now. Thank you."

A member of the audience asked for a show of hands of the unemployed people. He said "There's a lot of people unemployed right now, that's what we want to get across before everyone starts leaving."

Virgil Umphenaur:

"My name is Virgil Umphenaur I'm a carpenter/mill wright, I belong to the union here in town and the fifteen months I've worked eighteen days. I also commercial fish in the summer time, you can't make a living in construction anymore. And I wanted to point out what happened to an individual from Nenana last summer. He sent approximately 100,000 pounds of frozen salmon to Seattle to a fish broker. The fish broker, naturally, had agreed to pay "x" number of dollars, or whatever, per pound. He didn't receive a reply from the individual, he call's him up and the guy gives him the run-around, so he jumps on the plane and he flies from Nenana down to Seattle. When he gets to Seattle he's found that out of three semi trucks full of fish he's got about three fourths of one semi truck left. That individual had sold his fish, kept the money, and told him "take me to court". So he thought Washington was like Alaska where fish buyers and fish brokers have to be bonded. He found out that they're not. He lost everything. I think that our legislature should put some pressure on the Washington legislature to put requirements such as the one's Alaska has, on the State of Washington so that the exploiters in the State of Washington can't exploit anymore Alaska fishermen."

Senator Zharoff:

"Let me add to that that Senator Coghill has been working on that very same issue and has come up with legislation and has tried to work out a compromise to where we can come up with a fair and equitable bonding system for the honest fishermen in the state and to increase the bonding requirement for those that are doing this very thing. The whole process Senator Coghill has been taking the lead on this particularly up in this area. Thank you (to Mr. Umphenaur)."

Mitchell Fuches:

"My name is Mitch Fuches. Just like to bring a few things to attention here. In today's News-Miner there's a little thing in the "Insider", its little commentaries, and its says "one way to declare residency in any state is to register to vote there. And the "Insider" hears that there has been a surge in voter registration on the North Slope for the past few days." I didn't really write anything out but I'd just like a little bit of reiteration that everything I've heard here today is true and the oil companies and their print ads and their broadcast and such is a lot of distortion and deceit in them and I think that we're kinda heading for an economic feasco here. For individuals and for the community and that work up there should be our work. They're determined not to let us have it. Last there was a show on about Texas about the trouble they're going through because of the lowering of the oil prices and supposedly they lose about 25,000 jobs for every one dollar dropped per barrel. Are those people just going to be here and make our situation worse? We have a really bad problem now but it has potential for even getting worse. That's about all I have to say, thank you."

Steve Hovenden:

"Ladies and gentlemen, my name is Steven Hovenden, I'm from Fairbanks here. I've got two things to say, well more than two things to say, but I represent basically two organizations. One is my family and one is Viet Nam Veterans of Alaska.

"First of all, I'm a journeyman surveyor. I've been here nineteen years. I work out of Local #959 and the majority of my work is oil field related. Now, myself and other surveyors out of my local provide a quality service. We've built the pipeline, we built the oil field facilities, and through anti-union activities and especially non-local hire my financial face has been eroded by the very companies that I helped make millions of dollars for. That's fact. (applause) Its not me, its these people, too. I'd like to again thank you for having this situation and I'd like the ARCO representatives to be noted, and the gentleman with the nice shoe shine, SOHIO guy, I'd like him noted.

"Number two, well first of all, I'm currently underemployed, my girlfriend is a union carpenter. I've been here nineteen years, she's been here thirty-one years. And we're both in danger of losing everything we've got partly because of this situation. Its not all on any one thing, but its a major part of it. The second part is, there's seven thousand Viet Nam Veterans in the Fairbanks area. There's probably seventy thousand Viet Nam Veterans in the State of Alaska. And if you don't believe me, and you don't have to, go down to any Vet center in this state, and you will find six or eight individuals at any given time looking for work. Qualified individuals. I can give computer programmers that program the crews missile. I can give you some very hard men. And they're looking for work, not looking for a hand out, not looking for a handful of gimme, all these guys need is a chance whether they're a Vet or not. All anybody really needs is a chance to do something. You know, somebody's playing with people's lives. And with all the training programs available, both on the federal and state level, there's absolutely no excuse for this. There is a job training partnership act, feds are going to pay a good portion of this, you get tax benefits and it goes out the window. I probably shouldn't say this, but I'm going to, I'm hot. I'm a combat Vet, and I know how to and I know what for and I'm mad as hell and I'm not going to take it anymore. Period. Thank you."

Senator Zharoff:

"I appreciate the ideas and different concerns that are expressed as we go through these meetings. It will help us in looking for diferent avenues and areas where we can try to resolve specific problems. We've picked up a number of good ideas out of the Anchorage public hearing, we're picking up some good ideas here. We're hopefully going to try to narrow down to some of the areas where we'll try to do something. But as we mentioned earlier in our presentation, it is very difficult because we do have a constitutionality in question here that we need to resolve. It is a problem, there are things that we are looking at that may make it more advantageous for the Alaskan's to get hired and a little bit more disadvantage for the non-resident to get hired."

Members of the audience:

"We got the railroad, let's get an oil company."

"We own that oil in Alaska."

"I got just one comment that might help you with your problem. Why don't you expand your committee and put Zobol (Atty. Zobol, Anchorage) on it. He seems to understand the law. Why just, he been in Alaska, he might be able to write something legal that we live with."

"It will only take me a second. We own that oil in Alaska. Alaska residents own that oil. The oil companies don't own that oil, they give us a lease to be able to take that oil from Alaska. They're not living up to that lease because they're not hiring Alaska people. Let's take the oil away from them. That's what I think!"

"You know, this is nothing new. I was born and raised here.....(tape unintelligible).....I happen to be one of the guys that is working, by the way, I'm not working for an oil company, I've never worked on the pipeline and I'm not going on the pipeline. But this thing about local hire has been going on for damn near fifty-five years because my mother and father and older brothers and sisters told me it was going on. Now, the canned salmon industry did it for years and they're still doing it today. This guy over here said he lost his catch down in the State of Washington, the State of Washington's got control of every catch. They did it for years. Any independent packer that come up here and go into the canned salmon industry, they had to take it to the State of Washington, have it labeled, and they had to have it inspected down there and those guys would go time and time again, you never say any of the big canned salmon industry. And its the same way with the oil companies. You ever hear that song "hey I'm going down to that company store to get my full bottle of booze". That's what the oil companies want. I don't want to work to any company store. I don't want to work for any damn oil company, either."

Paul Barelka:

"I thank you gentlemen that I can come before you and speak my mind. I was thinking of the time before the oil companies came here. I shouldn't say that because of the fact that there was a lot of exploration going on at the Slope. In fact, I was at Umiak at the time that I tried to get on when Parker Drilling was starting their exploration there and they told me the same thing they're telling us now; that we weren't qualified. But I remember a C-46 with qualified people coming in from California. They didn't even have enough sense to put ears on their engines at -50°. But I can tell you one horror story after another. And I'm also on one of the committees to try to get Mr. Egan to build the pipeline instead of the oil companies because I felt that we were going to be raped by the oil companies, and our basic industry, mining, fishing and trapping were going to be destroyed. "Course, I'm one of these rare individuals that are considered a "dirty Alaskan" and one of these dirty Alaskan workers. In fact, I've been persecuted so long I'm almost getting gun shy just to get letters from the state or from the federal government or even from the local borough. I was thinking about the fact that I was associated with that Mount Sinai project down there at Delta before the pipeline came in and how they persecuted those people that are trying to build an industry that would have paid more money to this state than the oil companies. And he got no support. Egan was so persecuted he had a heart attack and died. I'm also thinking of the fact I was developing an antimony deposite back there at Black Rapids. When I consider one of the best possibilities for antimony in the state, which is short here in the United States. Also, there were fellows back in there that, right in the back of

Rainbow Mountain, that was developing nickel and cobalt, were short. And yet we couldn't do anything. We were laughed at, we were jeered. The legislators said "No. We're going to go out and lock up most of our lands along this pipeline corridor." And you did that. You've locked over manganese deposits and gold and cobalt, I can list the name and list after list after list everything we said. You wouldn't listen. In fact, I'd like to tell you one story. I worked at the Delta camp. I got a job there through the Laborer's 'cause I am a miner. I went there but these people came from the states at that job. There were only a few of us Alaskans working at that camp. There was a fellow by the name of Tom Wilson, he lived right there in Delta when we were living there. He had a little bar. And his wife worked and he worked there at the bar and he got a job as a foreman, for, what is this, Western Mechanical Company, and he was foreman on that job. And these fellows came up from the states there at that job and they told us that "you dirty Alaskans, you think you're going to go out there and hunt? You think you're going to go fish? You think you're going to go out there and take use of the land and homesteads. But we're going to show you. We're going to show you dirty Alaskans." And they did. But you know the trouble with Tom Wilson, he's one of these nuts, he believes in saluting the American flag, he believed in fighting for his country, he was a Marine and he did a lot of service in the Second World War. And he also used to talk up about the constitution of the United States and you know what - he was our spokesman against those that were coming from the states. Those that are at war against us. They persecuted him. Boy, I'll tell you he would go and do a job and they would sabotage that job to make him discredited. Every place he'd go they'd, first thing he'd sit down to eat, they take his tray and dumped it on the floor. They constantly harrassed that man, he didn't know what to do. They took his truck and they would sabotage it every time. They'd put sugar in his gas, destroyed his truck. They turr around finally and he bought a new truck, and new tools because they stole all his tools and threw them all over. And they ran that truck one day and threw it right into the river, right in the Tanana River. And then they went and beat up his wife at the bar because she was just a dumb Alaska native woman. But let me tell you she was a very fine woman. Very hard worker. And you know, Tom got so upset, he got so mad, and here he was deranged already, he took a gun and he ran into the bar and he fired and he killed a man. It was the wrong guy, he wasn't the one that beat up his wife. But Tom right now is still in jail. And you know the thing is that's typical of what's happening here. I can tell you horror stories and horror stories. But I don't understand why the Alaska legislature, why the Alaskan people, that are seriously involved in living.....we got the world at war with that eastern establishment. Please give us a chance to get some work and do something. Thank you."

Herb McKirgan:

"I don't have a whole lot to add to what these people have said, most of all there's been pretty intelligent conversation going on so far. One thing that is important to realize is that we are dealing with big money right now. Big money has all the money in there pulling all the strings. If they have their choice in this matter, we'll all be working for \$3.00 an hour here pretty soon. What we should do is remember that we have some very good labor leaders sitting in this room right here. They have written some very interesting things in the paper and I think we should follow them because united we stand and divided we fall."

Gary Atwood:

"Well, I thought I'd come down and say something. I've missed the last couple of sessions and teleconferences. I'd like to thank (Rep.) Mike Davis especially for going to Prudhoe Bay, thank you Mike. I won't go as far as to give him a kiss, but, it shows a little class there, Mike, and you get a bird's-eye view of what happened. I think another suggestion was, and I did it the other day, I was down in Anchorage at the ARCO charter airplane. I stood down there probably two hours waiting on my plane, so I filtered up there and got in line for the ARCO charter just to eaves drop. Well, you went through five-ten-fifteen-twenty people lined up deep there and all you got to do is take a picture and tell you a story standing in that damn line there and you'll find out where these people are from. They sure as hell aint from Alaska. 99% are right out of Dallas and Houston and Louisiana and Oklahoma. So try that out if you really want to know what's going on, that's another direct, like Mike did going north. I think there is some hope and there is a way to get the local hire bill put in place. I've heard some talk from some of the politicians concerning an incentive type program. I don't think an incentive type program is going to work. I don't believe in it, I think maybe it might be a smokescreen out there, I'd say stay away from it. I haven't seen from the oil companies that they are wanting to work with us, they haven't given us any evidence of that, they used our expertise, our skills, our productivity to build the pipeline during the critical period of time and now they're saying "we don't need you no more, get the hell out. Goodbyes." We aint going to buy that, I don't think Alaska's going to buy it, and we're going to fight it. And if anything comes down in this whole situation that's going to drive us together, union/non-union, to fight these oil companies and get our oil back where it belongs. I heard one good thing today, and that was that maybe we ought to put our permanent fund money over into that oil patch and let the state drill that. I think we'd all give our permanent fund money if we'd go up there and do it ourselves. I think their program has just started, they're going go into mass hysteria type PR program, they're go all to the point of - we saw in the paper ARCO's starting to cut back. They're going to go to the point of packing their bags, shutting down operations. Its down to the point that we as teamsters, we're down to about twenty-thirty people up there compared to three or four hundred a year ago, we just don't give a damn no more, we're going to take them on, right where it hurts, and we're going to fight them all the way, but they're going to try and pull this on the politicians and we'll find out who our friends are, I guess, here soon. We expect two people that can do anything for us that will go back to Juneau, spread the word that we're going to hold you representatives accountable in this next legislative session, the election is coming up, and we want a local hire bill. I think if you sit down with the laborers right now and also ourselves, who have a similar type local hire provision in our hiring hall, our's is six months, they've extended to a year, its been tested by the national labor relations board and in the court, it is a viable local hire, that they have to prove continuous residency. No one's come and asked us how its done. Check it out. It can be done. But I don't think we're going to take second best this time around because we're fighting for our lives and what we think is our jobs and our work. We want them and I think we ought to be telling the message that the ARCO's and SOHIO's that we were here before they got here and by god we're going to be here after they leave and if they have to go let them go. Pack it and hit it."

Rorry Burke:

"First of all I'd like to thank you for coming and listening to our concerns. My thoughts is that this is not a union labor issue, but an Alaskan issue. I'm here representing myself, not my local union, although I am a member of the Plumbers and Steamfitters Local #375. My history, to be brief, I arrived here in 1969 in my early twenties. I have property at 3 3/4 mile Gilmore Trail. I have a wife and two children. In 1969 I became a third or fourth list member of the Local's labor union. I worked my way to the first list. I was a member of that union for five years. I went to Hutchinson Career Training Center and completed a welding course. On my own behalf with my own funds. I submitted an application to Local #375, Plumbers/Steamfitters and served a four year apprenticeship program. I worked through the pipeline era, I worked at Prudhoe Bay, Kuparuk, I was last employed for four weeks for Price-Seri. I've not been employed since and that was last November. I would like to say that I have about fifteen hundred hours of North Slope experience and I have another three thousand hours of trade experience in this community. The oil companies complain that they cannot find qualified residents. I ask you what training facilities have these oil companies built. What have they done to train and employ Alaskan residents. I would like to say that my home will soon be on the market. I will be forced to find other employment and possibly fishing in Homer, I don't know, maybe I can start new somewhere. I am personally outraged at being beat out of jobs by non-residents. I strongly condone all efforts to stop this on all levels. Community, union, everywhere! I would like to say that my unemployment benefits soon run out, and so do my medical and dental benefits. This effects my family. I intend to fight for my existence in this state at the ballot box or in the street. I would also like to bring to your attention, and I don't know what statistics are available, but it seems to me that there's been a whole rash of "mom & pop" and over-the-counter robberies in this communities lately. This is a cancer that's growing in this community. That's all I have to say."

Senator Zharoff:

"These (sign-up) sheets are not numbered in any form here and I have four to go through, so, I'll just have to take them as they come up. Charles Piersol?"

Charles Piersol:

"I'm Charlie Piersol. I come to Alaska in 1975 to work the pipeline and I made my home here. I realize everybody has to come from somewhere and I really have no heartburn with a man who wants to come up here and build a home and bring his family up here. But I'm really getting tired, like everybody says I don't want to beat this to death, but of the guys that come in to the Slope and grab their paycheck and fly back home to Oklahoma, Arizona, Texas, and spend that money back down there and there is no way in the world its going to stop until we stop it here. We've got to cut it off. They sit here and tell us that they're really trying to support our state, I'd like to know what in the hell our state is getting out of all these Canadian trucks that are coming through here, ten and twelve a day, hauling those god-damn ATCO's for the oil companies in Prudhoe Bay. There's three, at least three, employees with every ATCO that comes in here; two piles of cars and a truck driver. And they've all got Canadian license plates on them, they're all based out of Edmonton and Calgary, and we're not reaping a dime off of it. And that's been going on for the last month. I understand its going to go on until breakup or after. Personally, I run a winch truck service off of that road. I've gone

up and tried and tried to work some kind of a deal to talk to those Canadians about even doing some kind of service for them. My god, if you're going to come through here, let's at least get in their pocketbook somehow. But, gentlemen, this isn't right. I don't even know if they're making them put license plates on them. I did go over with a friend of mine to get his license at the license bureau and I did see six Canadian pilot cars sitting at our state trooper's office at the same time. Now, whether their making them license the damn things or not, I don't know. But, gentlemen, this sort of thing needs to stop and its a good example of how our SOHIO and ARCO people are really helping out the state of Alaska. Hire the Canadians to haul it in because they've got the Alaskans beat down so damn far that they can't afford to drive their trucks. I have not been able to work at my profession up here for the past year and a half. The first year I came here I got all kinds of hours. Made good money, that's why I'm still in Alaska. I stayed here long enough to fall in love with this state and by god I agree with Mr. Atwood: If they don't want us to help us build this state, then let them get the hell out. We don't need them, we'll do without them."

Richard Eldridge:

"My name is Richard Eldridge. I reside at 412 Iditarod Avenue, Fairbanks. I've been here for about twelve years. I got quite a bit of time on the North Slope and elsewhere in the state. My concern is for the people of Alaska, and I'm not stressing union or non-union. The people of Alaska. I heard a number of things have taken place up on the North Slope, here's another one. There's a company up there called Trowbridge and Associates. They issue PSC's, which are personal service contracts. They supply ARCO with labor. These people are pulled out of the Lower 48. They're flown up on a weekly and biweekly basis and they're sent back. We've got the expertise up here, whether you're looking for ditch diggers, engineers, somebody to develop those fields, office help, whatever. We've got the expertise right here. But yet they go through this Trowbridge & Asso. and they bring people up from the Lower 48. We've all heard and listened to the ARCO add campaign. They pay millions of dollars, you watch during the Superbowl. Something like \$500,000.00 dollars a minute. They've got money to spend on that. Telling us how much they're doing for Alaskans. Ask Trowbridge how many people they're bringing up here for ARCO. The economy here is real bad. You don't have to take my word. Ask some of the merchants the number of them that have already filed chapter 11 and 13's. Most of the people here that are unemployed right now, they're getting unemployment benefits. Come summer when those be efits run out, then where are the merchants going to be. And that's about all I have to say. Thank you for listening."

Everett Bartlett:

"My name's Everett Bartlett. I reside in Fairbanks. I'ved in the state of Alaska since 1967. I've worked in the lumber industry, the logging industry in Southeast, I've worked in the fishing industry. Presently I've been working out of Teamster Local #959 in the oil fields. I've worked there off and on since 1975. When I worked in the lumber and logging industry in Southeast, that's a seasonal type work. In the spring, loggers come in from the "outside", they bring their families in, their groceries as best they can to survive in the camps. In the fall, they take what they've got left and they go outside. In the fishing industry, notoriously, the larger boats that come into the state bring in everything they can with them, including their fuel, their groceries, their employees. They take just enough money with them

to use in the state what they need while their here, very minimal. At the end of the season they take their money and they go right back "outside". This has been happening in the state of Alaska since its been Alaska. My last job ended in November of 1985. I was working in Prudhoe Bay. I was working for an ARCO contractor. I was doing the expiditing to and from the airport. I met all the airplanes. Had Mike Davis come up there prior to that time the man that he would have talked to probably would have been me. Its not difficult to find people that's non-residents or people that come from the "outside" because they all have the same questions. About one hundred of them, the same question each and every time. They want to know everything they can about the state. They've only been here a few minutes. Gentlemen, ladies, believe me there's lots of them and lots of them. Every day getting off those airplanes. I carried those people to ARCO's MCC camp every day. I'll take it one step further, a man spoke of a company called Peak that run an advertisement in the newspaper. I worked for a company called Summit Equipment. Summit Equipment is a subsidiery of McDonald Industries. Peak is a subsidiery of McDonald Industries. January 1st, Summit lost they're contract to ARCO. January 1st, Peak got the contract for the maintanence, expitditing to the airport, whatever. The management people stayed the same. Summit's management people is now Peak's management people. Summit's workforce is gone. Peak's workforce is there. In December I was layed off. The first of January I called Peak and asked them for a job. My position was filled. Thank you, gentlemen."

Lawrence Swensen:

"My name is Lawrence Swensen and I reside at 1.7 Chena Ridge. Basically you people are looking for evidence. A good source of that evidence would be to go to the post office at Chiles every payday, which is basically friday. You see the local people from Anchorage and Fairbanks 'cause you recognize the banks or credit union insignia on the envelopes that they send the paychecks home. You also recognize a tremendous number of people who go in there, cash their paychecks, and buy money orders 'cause it takes basically ten days to two weeks to clear if you send it "outside". But if you send your check to mama she'll get that money right away in the form of a money order. I would like everyone of you to go up there on a friday and see if that isn't the truth."

Bob Richards:

"Thanks very much for the opportunity to testify before you. I'm Bob Richards. A citizen. I've listened to an awful lot of the testimony that certainly is heartwarming. I'd like to emplore the committee to take a look at another dimension of this whole issue which is of critical importance to all of us and all of our children. And that is the hiring practices of the state of Alaska. I think its imperative that we clean up our own act as well as ask others to clean up their acts, but as you well know, and I would suggest the committee take this on as a major project, and that is look into where the state of Alaska buying its printing. I'd like to know why the state of Alaska is using an out-of-state advertising agency for our very lucrative tourism promotion activities. And while we're on the subject of tourism promotion, I'd like to knwo why almost all those young kids driving buses are the offspring who live out-of-state and themselves live out-of-state. As you well know in the financial crisis facing our state, the student loan program and a lot of other things are in jeopardy. And I find it a bit odd that the same time that the student loan program's in jeopardy, we're not aiding our

own students and I find it a bit strange that Westours has essentially a policy of not hiring Alaska students. But my main point is I concur with the points of my fellow Alaskans have been raised here, but I'd just like to raise a new subject, and one that I would strongly urge the committee to give an awful lot of time and attention to, and that is looking at your own house, and by that I mean state government's house, and what its hiring practices are. Thank you very much for the opportunity, I appreciate it."

Bill Wally, Mayor of Fairbanks:

"I want to thank Walter, who has asked me to talk from three perspectives today. And first as the Mayor of Fairbanks. Second as a small business man. Third as a guy who hosts a radio show who's heard some almost terrifying stories about people who, in Fairbanks.....oh, you recognize the voice, huh?.....about people who are twelve to twenty year residents of Fairbanks who have lost their homes in the last couple of weeks and months who have brought to the radion station that I own some documents and documentation which I planned to give to Bettye later on this afternoon dealing with employment with particularly ARCO where they have called, they have applied, they have tried, they have done everything that is physically, emotionally, and mentally possibly to get a job, but have just been flat sloughed off. And it's obvious to me from those documents that Bettye will get from me that those folks just don't want to hire Fairbanksans. From the perspective of a small businessman and one who deals with lots of other small businesses at the radio station I deal with probably 200 small business people who are here in Fairbanks. In the last two months, the first quarter of this year, trying to collect money from those small businessmen has been like trying to pull teeth. I've had stories of potential bankruptcies from 20 or 30 people who I'm sure that the Fairbanks' representatives of this committee know personally, that the first two months of this year have been the worst two months they've ever had and I'm talking about small retail shops, people in malls all over the community, and they can't pay their bills to my radio station because they just don't have any money. And I believe that that's a direct result of the sudden turn of employment up on the North Slope. Now that has a tremendous dramatic effect on Fairbanks and about five months ago a lot of folks in this room were talking about that and a lot of people in small business weren't paying any attention to them because they thought it was a problem between some unions and some business people up on the North Slope. It has gotten a lot farther than that, it is now a problem of tremendous, serious economic pressure on Fairbanks. And you can take that right down to the human element. Some of your friends, Don and Bettye, have lost their homes here in the last two or three weeks and I'll show you some papers about that and these are folks that have been here a long time. Some of your friends have felt that they have to go to Houston, 15 of your Fairbanksans, to apply for a job because they think that's the only way they'll get it. And let me tell you something, the whole economic spectrum of Fairbanks, and I think, I know it's a whole Alaskan issue, but right this minute it's a Fairbanks issue and it's hurting many, many, many, many people beyond the labor force. It's like a snowball running downhill. It is an economic pressure that we have not felt since the start of the pipeline. And I think there's more to come, and I think we're going to have to, from the legislative point of view, put the kind of political pressure that you need to put on to stop those hiring practices, hire Fairbanksans, you can take it to whole Alaskan scope later, but right now, you've got to put those guys back to work. But you've got problems in Fairbanks, and I'm speaking now as the Mayor of this city, that you never

dreamed possible economically in the next few months. And it's serious and I hope you'll take it that way and I know I've only got three minutes. Thank you very much."

John Hakala:

"My name's John Hakala, I've been here 27 year, that makes me a native Alaskan, but not an Alaskan Native. Okay, the chairman here, on his initial comments, I can quote, he said we collectively are responding. Oil companies have, I suppose, have collectively been non-union in structure and down in the states, the results are shown. And you can see outside, their states border states, and the people can move a lot easier than us, but we can go to the water or go to Canada. That's about the extent of where we can go. Okay, that's one point. This participation, what we have here, isn't necessarily union or non-union, it's a local hire issue. But the basis of what we are doing is collectively getting together and that is the essence of unionism without trying to label it or anything, so everybody should realize that whether they are union or non-union. And that's how changes get done is by people getting involved. All lifestyle phases are being affected, professional and non-professional, the crime rates going up, alcoholism, you know your statistics. My question there is, are the oil companies identifying... (tape unintelligible)

TAPE 2, SIDE 1

Shawn Denning:

"I was born and raised here in Alaska, I've been up here 30 years of last Saturday, and I did quite well up until 1980 as far employment, in fact I have 21,000 hours invested in Prudhoe Bay, and did do quite well up until 1980, and then in 1982 I lost my home because of work was (tape unintelligible) in the line of the craft that I was in. Since then, I've tried changing my career and changing my craft, and applied to many of the oil companies in Prudhoe. I've documented letters stating that, "Mr. Denning, you are not qualified." I have three years of college and 21,000 hours in the Teamster, I am now vested, I am no longer doing that type of work. I'd like to but the work is not available so I've tried using my college background in getting on with Arco, Sohio, Shell, Exxon, Pingo, Conoco, and apparently I have not been able to get much help from those people in the line of..., I always get a real nice letter from my resumes back from them stating "Mr. Denning, you are not qualified." But that's about all I can get from them. The issue here is, I had something all written up that I wanted to say, but it's kind of been blown out. The issue here is Alaskans need to work and we did real well up until 1980 and our economy started going downhill because the oil companies started pretty much rewriting our own laws that we put into the legislature down in Juneau. And Juneau more or less let it go, and let the oil companies rewrite our own state laws. I think it's about time we take time out and really look at our own house and start doing a housecleaning within our own house, then we can go outside and clean the yard. And that's one, get rid of the oil companies or have then live up to the laws that we write. Because, not only me, but there's a lot of other people here, not just in Fairbanks, the Interior, and also south of Fairbanks, that are hurting because of the employment picture. You know, one of the things my dad taught me when I was a kid was Alaskans for Alaska. Well, that issue used to be real good. Now we need to turn that around and make Alaska look out for Alaskans because if we don't start looking after our own people we aren't gonna have, by 1988, you think our deficit's

high now, you wait until 1988. They're gonna cut your meal tickets too, guys. If I'm gonna hurt, I'm gonna make damn sure that you guys are right down there in the unemployment line with me. Because I am tired. I've had 27 months of bad employment. Now my 21,000 hours must say something for my experience and if we can't start living up the laws that we write, why in the hell write them. Because we can pull people off the streets and get them at least to live up to them, then we can get people in our senate and congress to live up to them. And as one, as oil representatives here, you people need to start looking at your own meal tickets too. Thank you."

Dan Loering:

"My name is Dan Loering, I'm business manager of the culinary union here in Fairbanks and I thank you all for coming up here because this local hire issue is one that is dear to our heart. Recently, on January 1st, we lost a contract at Prudhoe Bay with Arco, we had a union catering company thrown out in the street and our members were replaced not as Harold Heinze stated, with 100 percent Alaskans, but by my tally, by about 50 percent Alaskans and 50 percent non-Alaskans. I think there's a point here that needs to be made, and that is that this is not a union versus non-union issue. This is an Alaskan issue and if we hire Alaskans, if the state helps us in putting unemployed Alaskans to work, my union, the culinary union, we will do our job. We're not asking anybody to help do our job for us, we just would like, and we think it's socially responsible for the State of Alaska to insist on Alaskan hire in times of high unemployment. I would also like to thank Mike Davis for taking the initiative, not only on this last trip to Prudhoe Bay, but in the 3-4 years that I've know Mike, he has to me, worked that extra 2-3 hours a day to make sure that he understands the pulse of Alaskans and I think he understands the pulse of Alaskans as well or better than any legislator that I have talked to to date. So, I'd like to thank you, Mike, from the culinary as well as personally. Does not take too many people too long, if they go to Prudhoe, to make the rounds to understand that it's a major problem. But as Bob Richards spoke, as Bill Wally spoke, this is not only an issue that affects Prudhoe Bay, this is an issue that affects state government, it affects our fisheries, it affects a local private enterprise employer, Westours. This is not an issue that only concerns unions or non-unions. This is an Alaskan issue and I think that's the biggest point that I would like to make. As far as testimony concerning the social ills that are created by high unemployment, there's not enough time today to go into that. However, I'd be more than happy to provide the horror stories in specific forms of Local 879 members losing houses, becoming alcoholics, as a matter of fact, every Tuesday, we have a narcotics anonymous meeting downstairs. We have some members that are part of that group. That's why we open our doors for them. They're trying to get their act together; they do a real good job. But it's a long go. One of the main reasons, I believe, for the abuses, be it alcohol or narcotics, or maybe some domestic violence in the household, is unemployment. Nobody can have any dignity all if he is any kind of man or woman that is proud to be unemployed and sitting on their butt. We're Alaskans, we're Americans, we want to work and we demand to work. Thank you all for your time."

Corky Cockman:

"First of all I'd like to thank those individuals that are here, Senators, Representatives, Bettye. For most of you that know me, I never say anything very brief, it always gets long-winded. My job is coordinator for the apprenticeship program of Local 302. I deal with young people that are born

and raised in Alaska. They've been asking me the question, "Corky, am I gonna be able to finish the program." It's 6000 hours of duration. I'd like to give them an answer yes."

Art Robson:

"I suppose the approach is to speak from out here because we can't hear anything back there except the guy who can't find the stud with his hammer going bang, bang, bang. Be that as it may, I'm Art Robson. In any event, ostensibly we're to comment on social ills related to the unemployment which is caused by hiring people from outside. I don't think any of the legislature are recent enough Alaskans that they don't know where this comes from. When you've been here you know what happens. In winter, you people go into the bars, you know they drink. When they drink they got nothing else to do but pound on their wife or husband, as may be. That's worse than wife-beating. If you're ever a judge, the poor guy who's got pounded on, he can't say my wife beat me up. What do you say, some of the excuses are dreadful. Anyway, these sort of things, everything on your list I expect, except drug abuse, is obvious enhanced by the unemployment, or the loss of self respect and ability to have money that comes with this hire of people outside. The drug abuse I say is different, but it's only different because it runs along fairly much consistently, it's just when you're not working you got to steal to get the stuff instead of getting a paycheck. In trying to find something that somebody else hasn't said, and I really can't tell back there, there are a couple of things that I think we should touch on because you're probable bored with hearing the same things over and over, and the emotions are all there, you can see it. There's no problem with that. I start basically with Machiavelli, which to a politician is his bible, or her bible, or what have you, because it doesn't make any difference whether you take power by revolution or by the ballot or by whatever means you happen to get there. You've still got to figure out how to keep people supporting you enough that you stay in office. In 1981 there was a bad mistake made by the legislature in hopes that they would solve a number of problems, litigation in the courts, they switched to a different system, it didn't work, they got dumped on by the oil companies. They litigation is still there, the oil companies are using our money by litigating. They more off our money than the interest we charge them, hence that's gonna go on for some period of time. Now, last year, local hire came to the fore, and a very wierd thing happened. There was almost no legislator that didn't say "Hey, this is a crucial issue. We gotta get at it, we're gonna do something now." A couple tried to get the thing up and voted on, but everybody chickened out. I respectfully suggest that this is pretty bad for the legislative image, because whether you say that it was because we didn't fully understand the facts, or possibly because we want to pass the buck to the court and wait till they rule on the particular segment, which had by that time become obsolete of the local hire rule. It doesn't wash. The legislature is a co-equal branch of the government and if you suspect the Supreme Court is gonna put you down in one area, you've got to come up in another area. Whether the doggone law that you passed flies five years from now when it finally gets to the Supreme Court, is not as important to the people in this room as the fact that you get out there and do something so that at least for a couple years we've got jobs. We'll worry about what happens, we'll figure a way, we're rather ingenious and we'll survive. But we need the help now. Let me suggest that more of you try to do what Mike Davis did, and it's not just going to the slope, it's don't take the Westour or what have you when there. Don't go around escorted by somebody and get all the

fancy presentations. Go to the jobs, talk to the people. Find out who they really are and what they're really doing. I don't think with what Mike has said already there can be any question anymore as to what's going on up there. Sure, the oil companies are hiring people who don't what it costs to live up here and don't have to pay the bills so it doesn't make that much difference. They're going up there and getting the dollars and you can have all the rigamarole, all the either factual playing games, or all the philosophical arguments you want. It doesn't change a damn thing. The money's going outside, it's money from extracting our resources. I feel that the legislature simply can't afford this image anymore. Everybody when you first came to Alaska, you kind of remember that, well, we're kind of Micky Mouse up here. And there was a time when I remember three guys set out to change the marijuana law, and they could and they did. Sure, you can get the legislature and you can kind of lead them through something. It's much easier if you've more money than the whole damn state of Alaska, and the oil companies do, there's no question about that. We're up against a biggie. And that get's to where it's at. Everybody who studies the political system is aware that there's somewhere between 20-30 percent of people that are gonna vote on one side of the general political issue, Republican, Democrat, divided up how you want, conservative, liberal, and 20-30 percent are gonna vote on the other side. They vote as their parents did, they always vote the same way. Then there's a big swing vote, that everybody goes for. These are the people that count. When you get above about 10 percent of the absolute population that is wound up on an issue, things get out of control because this 10 percent can carry enough with them, they carry the election. And what I want to respectfully suggest is it's time for the people in this room to show what they mean and be willing to single-shot an election, and just simply say they will not vote for any legislator back in office unless that person both supports, and votes for, an Alaska hire bill, both on state funded jobs, the thing that's been going now, and on the state owned natural resources. And that's it, if you are willing to single-shot it and vote that way, then come on, stand up and be counted with me."

Randy Wagner:

"My name is Randy Wagner, I was born and raised in Fairbanks, Alaska. In 1974 and 1975 I worked as a wage-hour investigator too, for the Alaska Department of Labor. My job was to investigate resident card applications and issue or deny the resident card. Please, hold your fire. During this time, myself and Ron Yeager, conducted a survey at the orientation center on Ft. Wainwright of over 20,000 people that were already dispatched, headed up north to work on the pipeline. The results of our survey were published in the newspapers and created quite a stir. Our surveyor found only 20 percent of Alaskan residents one year headed north to work on the pipeline. Although the union's contractors and the Aleyska Pipeline signed a contract saying that they would hire Alaskans first, that did not in reality happen. It seems that it was nothing more than lip service to those who lived in Alaska year round. I'm sure anyone is familiar with the deal, with what happened, and I'm learning a whole lot about what's going on now. The job was very frustrating because there was no teeth in the law and I do not recall any non-residents being pulled off the job even after we proved time and time again to Juneau that they were not residents, they falsified their applications. We had illegal aliens come into the office with resident cards and ask if having a resident card made them citizens of the U.S. because they'd been working on the pipeline for six months, or were they part of Canada. More than once there

was non-residents who wanted to file charges because he paid \$500-\$2000 for a job on the pipeline, went to work for six or eight weeks and was laid off because the job was sold to somebody else through the contractor. Needless to say, we said "Sorry about that, we have Alaskans that need jobs." I could go on for hours about this. What about the time, if you were hired in Dallas, you went to work up there, when your R&R came up, you were flown all the way back to Dallas. This is discrimination, if you were hired in Fairbanks, you didn't get a free trip to Dallas everytime your R&R came up, or Hawaii, or Florida. Ironically, today, some of those former 80 percent non-residents stayed to become ten year residents, raising family, becoming citizens of the community and they are truly, definitely Alaska residents, and unemployed. So before we make the local hire law, we should consider how we are going to enforce it. You have to give a person credit if he gets out and hustles a job, resident or not. Would you want the task of removing a man from a job and sending him home to the states if he was a non-resident? As Alaskans, we need to hustle the job and get to the front of the line. And believe me, it's obvious while you heard today, it's damn hard to find the line. I have no solutions, but an idea. And that is simply require all contractors to file a list with the state and make public their manpower requirements prior to doing business in Alaska. In other words, if they're gonna operate in Alaska, just let us know how many people are gonna be hired, and whatever. Once the requirements are know and the employees hired, the state could tax them on the percentage of non-residents employed, therefore we would have unemployment for the residents. The point is that we, as Alaskans, need to know what positions are available and the employers must be given some incentive to hire Alaskans. Thank you."

Rehophus Esters:

"My name is Rehophus Esters, and I live in Fairbanks. I've been a resident for about 13 years. Recently, there was an article in the paper about Arco having money problems, and they're gonna cut production or whatever up on the slope maybe by about 30 percent. The way things are going now, and from all the testimony that has been heard here today, it's not gonna matter if they cut production to zero percent up there. The fact that they're up there now hiring non-residents, non-Alaskans, that is not helping the people in the interior. As far as I'm concerned, if they're not gonna hire us, they can get the hell out. That's all I've got to say."

David Guttenberg:

"My name is David Guttenberg, I've been here since 1969. Just the way I feel is that if I can't work to develop those resources, I want them either left in the ground or in the ocean or wherever they're from. I worked a job for Veco last year with P.J. Riley, and there was a large percentage of residents on that job only because they weren't able to get it done with their non-resident work force. There was also a guy on that job that was 56 years old, from Miami, who had never seen snow before. His comment was, now he knew how the North won the war. Thank you."

John Wagner:

"My name is John Wagner and I've been a resident of Fairbanks since 1975, relatively new kid on the block. I'm involved in the defense military contracts that are in the state. One of those was out in Shemya, Alaska, and I worked on that contract up until August of last year and we were replaced by a group of people all from out-of-state, not a single Alaskan on the job. And

I've got the list of names here of these people and I'd just like to turn it in to you because I think they're all applying for permanent fund dividend checks."

Scott Cruikshank:

"I didn't get a chance to sign that, but I would like to give you this. My name is Scott Cruikshank, and I'm from Fairbanks. My mother lives out in Oregon part of time, she sent me up a paper from Washington. There's a guy from Kennewick, Washington that commutes 3,000 miles every four weeks and he comes up here and works. And he says at the bottom, he explains a little bit, he says, "I spend most of my time hanging around the Anchorage airport, the rest working, when you've spent 15 minutes at Prudhoe Bay, you've seen all there is to see in the Arctic."

William Wittham:

"My name's Bill Wittham, I live in Fairbanks. I came up and started work in '74. I've been out of work since July 2nd, last year. I feel we got sold down the river back here in this coup and what resulted afterwards. It is my understanding that's the tune of about \$850 billion. That's a lot of money, I can't even imagine how much it is. I think you should go about it in more than one area other than legislation for local hire laws. One of them is, I don't say do it, but I say to form a committee or something to look into the possibility of having an Alaska oil company. I believe in my own mind that it is feasible, that it can be run to extract that oil up there and still have a fair wage paid while you're doing it. Another thing I don't understand is how the Department of Revenue don't know. Can't give you specifics: gallonage, price that it's running through the line per day, and so on. If that's the case that's another reason I feel that we should look into have an Alaska oil company compete with them. Another thing on this same line, if you did have such a deal, I want to know, can we send Alaska oil companies' oil through that pipeline at the same rate they deduct it for, or what's the situation there? There's more than one way to approach this problem, I feel. Time's running late, I'll let you go with that."

Unidentified Speaker:

"Mr. Chairman, I have a piece of paper from Charter North Hospital, that says Depression at the top. It lists the symptoms of depression and I think we could take real quick check of what the problems are here. It says, let me read these to you and if any of you people have experienced these just write your name and we'll see how many of are depressed in Fairbanks. It says, "Loss of interest or pleasure in usual activities, decreased sexual desire, loss of energy and fatigue, feelings of worthlessness, self-reproach or excessive, inappropriate guilt, diminished ability to think or concentrate, slow thinking or indecision, recurrent thoughts of death, suicide, wishing to be dead, increased irritability, disrupted sleep." Is there anybody here who's suffered any of those, or all we doing good? I think that, sir, answers your problem of what's wrong in Fairbanks."

Darryl Thompson:

"My name is Darryl Thompson, I've lived here since 1957. I'd like to take a little different approach to this, I'd like to suggest a method to where we might alleviate some of the problems. I think a local hire law is good, but they're not holding up in court, so let's do something that will hold up in court. I call it the Alaska Employment Equalization program, the need for a

fair legal method of putting Alaskans to work is already at critical stages. It is an issue that should have been dealt with before the Trans-Alaskan pipeline was ever built. Hindsight, however, is 20/20. There is no need to digress on the past any longer. Residents of Alaska are now losing their homes, small businesses are going bankrupt at record levels. Also at record levels, people from other states are working in every sector of the labor market including state and local government. I'm sure the oil companies can afford higher taxation regardless of what their advertisements imply. Separate accounting seems to be the only logical approach for oil or any other business as far as taxation. Higher taxation, however, will not stop workers from outside coming up to Alaska, seeking and getting jobs. At this time, I would like propose that Alaska institute a state labor tax of 21 percent of gross income deducted by payroll withholding. Also at a 21 percent deduction of salaries, services rendered for consultation formed in state, other than materials. This tax will apply to all individuals working within the State of Alaska and its waters without exception, exemption, or deduction. I think we can agree it costs a lot more to live in Alaska, therefore an 80 percent cost-of-living adjustment will be an integral part of this law. An income tax is legal and will stand up in court, we all know that. The cost-of-living adjustment must also be legal, the state and federal government do it now. The 80 percent refund portion of this program must be made at timely intervals, ideally on a monthly basis, but no more than quarterly, so we don't create undue hardship upon residents. Guidelines similar to those of the Permanent Fund Dividend program will be used to determine bonafide residents' time requirements. Language defining what constitutes a permanent residence must be included with specific residences made to exclude work camps, post office boxes, motor homes, travel trailers, boats, and tents as permanent residence. A review board will be formed to hear appeals on types of abode. I just saw a boat down there on the Chena with smoke coming out of it, so you can't really tell where an Alaskan's gonna live. The non-refunded revenue from this program will be put in a separate account. Revenues raised from this program will be raised by the workforce and will be used to aid the workforce. The program will be self-supporting and will incorporate an active fraud division and grievance board to review disputes. The fraud division will be empowered with felony class penalties including jail and fines for cheaters and those that aid cheaters. A reward system would be effective in assisting the fraud division. Any remaining income from this program would be used to establish work-creating projects for training for skills not readily available in-state and used as additional unemployment benefits for residents. Some areas will have to be separately addressed, in fact, it will probably take somebody a month to write them all. Military and dependents will be eligible for full cost-of-living adjustments as long as they qualify under Permanent Fund Dividend program and reside off military reservations, or one-half the cost-of-living adjustment if they live on a military reservation. The fishing industry, many out-of-state crewman are paid a percentage of the catch once the boat returns to it's home port in Washington, Oregon, or California. 21 percent of each boat's catch will be held out until proof of residency is shown, a portion of each crewman's percentage will then refunded at 80 percent if eligible. Resident boat and crew licensing will be helpful in this area. A most difficult area to monitor has recently developed. Individuals defined as consultants, specialized technicians, individuals with business licenses contracting out their own labor and outside firms providing nothing but workers for oil companies need to be addressed. Oil companies have been using the ploy of outside companies providing their people for some

time and recently a contractor out at Eilson Air Force Base used one of these ploys, they were requiring all their workers to get business licenses and then paying sub-standard wages, saying that they contracted out their own work. The greatest portion of these individuals are from the lower 48 states. The 21 percent tax must be levied on the prime contractor for these individuals and services and of course, refunded at a rate of 80 percent for residents. That's all I've got. Thank you."

Senator Zharoff:

"May we have a copy of that please?"

Lenny Arsenault:

"My name is Lenny Arsenault and I want to take this opportunity to thank all you people for being here today. And on the humorous side, it's a little different. I'm not on TV, I'm standing here and I'm questioning you people, and I see I have my good friend, Stan Jones, sitting right there. But anyway, I want to bring up an issue that hasn't been brought up today. It's House Bill 353. I'm just going to touch on it briefly. Now, organized labor or non-union did not institute that HB 353. The oil companies did. If they had went with local hire, we wouldn't be fighting for HB 353, I can tell you that right now. Another thing too, I had the opportunity to meet with Harold Heinze. That was four weeks ago. I thought we could go in there and talk to him and plead with him that we could work out some arrangements that would be beneficial to the unions, non-unions, and when I say non-unions, we had people working non-union for us last year, they were on permit, they were welders. Incidentally, the gentleman that was talking about when they were doing indoctrination down there and they had about 20 percent Alaskans, you got to remember, Local 375 did not have the pipeline at the time, Tulsa, Oklahoma had it. But anyway, I only want to brief a small subject, that basically we did not institute HB 353. The oil companies did and basically if we had local hire at time, the tax bill wouldn't have been talked about. And when I talked to Harold Heinze about taxes, I asked him, I said, "Wouldn't it be nice if management and labor could down to Juneau together and lobby for fair taxes and we could get our people to work." Thank you."

Pat Fox:

"My name is Pat Fox and I've lived in Fairbanks since 1970 and I don't happen to be a member of any of the unions, but I'm here to talk about local hire anyway. I was a state employee until I had a brain injury. Been rehabilitated and the state local hire laws have replaced me with people from out-of-state. They said they don't have to rehire me since I've been rehabilitated. I've been without either my benefits or a job for quite a while. I've tried opening my own consulting business in the state and it ended up that the state contracts with companies from outside because they say they can get the expertise. It just so happens, that's an old-fashioned idea for a current problem. I think we don't need laws that tell people how to live by their conscience. I really don't. And I know people from outside and what we're experience as far as loss of jobs and money is going in other states besides Alaska. People don't leave their families outside to come up and work without them because they're doing real well. But I think what's happening is we have employers, including the State of Alaska, that are taking advantage of that sort of situation. They can pay somebody from outside half the money and somebody from outside doesn't know that it costs more to live up here. I tried for a job with one of the local industries, with Nerco and I

had more qualifications, but I was turned down and somebody was hired for half the cost. He was hired for about the job of a secretary and what I was applying for was a pretty high professional job. I guess what I'm saying is that don't just look at it as a union issue or an Alaskan issue, it's an issue of hiring and labor practices. Right now, the workers, people working in whatever field at whatever level, from the lower eschelon to the upper eschelon have problems. It's basically they have no rights. My disability policy is farmed out to somebody in Missouri, so I can't even appeal it. And the state says we don't have to hire you back either. I only worked for them for 10 years without getting paid for overtime, because I was in one of those academic technical professional level jobs. I'm bringing that up because I'm not the only one and I've run into a lot of people that have been in the same situation. I'm about to lose my house and I'm not really sure how I'm gonna make it anymore. I really think that it's time that the legislature opened up their eyes to the full scope of it and start looking at state practices as well as trying to blame it on the person that comes from outside. I honestly want people hired locally, but I also think we need to look at what's going on in our own state government too. Thank you."

Senator Zharoff:

"Let me point out that Representative Niilo Koponen has joined us. He had a prior engagement there. He had informed us that if would if he had the opportunity to come in and I'm pleased to see that he has been able to arrive. A former member of the House of Representatives has joined us, a member of your community, Steve Cowper."

Elmer Leistikow:

"I've been here for 10 years and I've worked on the slope for 3 years or so and everything I own is in Alaska. I came to Alaska to visit and I started to work. I started on the bottom as a grunt, finishing concrete and so forth. I've had two two-week jobs since September and that's about the size of it so I've kind of gotten involved educating myself on the problems with local hire and oil company taxation. I checked around with a couple of different things and I found out that our per capita debt for the state has gone from about a \$1050 in 1970 to \$5500 in 1984. We've seen some articles in the newspaper about state credit ratings on bond ratings on Wall Street because our debt rate is so high. And if I don't have a job to pay off these debts through property taxes or other forms of taxation, somebody else will have to carry the ball which means even the legislators and anybody else that's got property in the state. I ran around trying to encourage a few business people to attend today and give their stories, and in the course of it I ran into an Arco employee who said he had 25 applications in before he happened to slip by one of the supervisors who does the actual hiring and he found out that he was more qualified than any of the other applicants and he had a stack about 6-8 inches high, but he says that was the only reason he got the job because basically it seems they aren't hiring any Fairbanks people. We've heard that Arco is going to start their charter again and stop it in Fairbanks and according to him and what everybody else says, that's just propaganda. Speaking about the 14th Amendment and equal protection, most laws we know are created by politics to answer a specific need and we have a specific need here."

TAPE TWO, SIDE TWO

...to encourage the people who write the laws, with the legal minds, to find ways to deal with it. Otherwise, maybe the taxation ways is a solution to get us able to pay off our own debt in addition to the public debt. The people that are here might recognize that there's probably 20 million people in Texas and maybe 25 million people in California and that we're only 500,000 here. So as a result, we have access and we have power as an individual of about 40 people, that it would take 40 Texans to make one Alaskan or 50 from California. I think that if we'd all utilized our capabilities and our intelligence and our will that we could come through with something that's gonna provide for all of us. I guess that's about the gist of most of what I have to say. Thank you."

Cathy Fitzgerald:

"My name is Cathy Fitzgerald and my husband is a laborer with 942. The only question I have, or comment is back in May I met a lady who had come to Fairbanks to visit a friend and was here for a week and a half. She left Fairbanks, she loved it, she had to get back to her job, blah, blah, blah. She then moved back to Fairbanks, supposedly packed up all her bags and moved here, got an apartment on Aurora Drive, she's still living here, she still is here, I have no beef about that. My beef is that she was in the state less than three weeks and was hired as the promotional director for Alaskans First. And the man who hired here is sitting right there. It's a total embarrassment. The same person now, I'm not even going to say what she does now. But the person I have been told is directly responsible for her hiring is Representative Pignalberi and he and I have spoken on the phone. I never revealed my name to him and he told me that of all the applications he reviewed, "she was the most qualified." Do remember my conversation in June? She lived in Anchorage when she was eight years old, she hasn't lived in Alaska for the last 20 years. That's my comment. I'm waiting, I'm inviting a response. My only point was that there are a lot of valid comments here and that maybe cleaning house is probably the first place to start. That was my point."

Pauline Gravenstein:

"First I would like to give you this, I work out of Culinary Local 879. I was employed at Prudhoe Bay up until the time that we were all terminated on 12/31/85. I held my job for four years, evidently I did it okay. All of a sudden, on 12/31/85, I'm no longer competent to fill that job. Now, granted it was not a great job, it was a dishwasher, but it was fine. Anyway, you will see here, first of all, what I wanted to start out with was, every night when you don't have any money to go party, so you s't home and you watch TV, and so you're force-fed 5-8 Arco commercials telling you how great they are, how much they have done for you, how much they have done for the state. And they are hiring 100 percent of Alaskans and they have always supported everything except, you know, and the only reason that now they are forced, forced to do this is because the price of oil has gone down. You will notice on this paper that I handed you which is February 23, 1984, 1984 mind you, that Point Jarvis and Paul Flem of Arco attended this contractors' meeting for the North Slope and they were there to give statistics and to emphasise that Arco had no intention of renewing or reopening the PLA's that they had nor to do more which means the PLA basically means union. I'm not here necessarily union, because I am an Alaskan, have been for a long time. But the only difference is that a PLA is basically a union thing. And they show here in '86, they got them marked in man-hours for this and merit shop PLA's and all

this for the different fields and compared Prudhoe Bay East and different fields and down here in 1986 they show a flat zero. Now, they had, you know that Arco does not do anything, think of it today and do it tomorrow. So when I show you this February 23rd date on this thing, that means that it had already been in the works for well over one or two years, and I'd say probably three or four. They already knew this long before it happened, before they were implementing, that it was gonna happen and they put it right down there in the figures. So, this poor mouth and then being force-fed this stuff every night by how good they are to us is for the birds, for one thing. Anyway, Lee Nunn, this is one of the commercials, I was a dishwasher at Prime Camp, Prudhoe Bay, which is the Arco, not their big camp, but that's where they all eat because the non-union food over there isn't great, so they all eat over at our camp. Many times, he has brought his dishes into me and so when he stood on TV and made this remark, "We cannot afford to pay \$18.25 an hour for a dishwasher," he was talking directly to me as he had for a couple of years already. He never said one word that they had already been offered to go from \$18.00 to \$12.00. That already an offer had been made, which from \$18.00 to \$12.00 is a one-third cut in wages. The package they offered on the benefits was a three-fourths drop in our pension, now that's a big cut. That means \$9.00 an hour to them, but they weren't interested because that contract came under union. Now, he also gets on there and he said, "We would be happy to hire you people if you were qualified." Well we had enough people, enough qualified people, to build the pipeline, and we had enough people to maintain it even up until 12/31/85. And then from that point on, we no longer have qualified people. Alaska people built these camps that the people are living in now, from outside. And they build them at 30 and 80 below. I was in Coldfoot in '76 and we had a 798 crew that refused to go out because it was 40 below, and the refused to work at 40 below. There was an old gray-beard carpenter up there that says, "Look you bastards, I built this son-of-a-bitch at 60 below, now you get your butt out and work on it.""

Unidentified Speaker:

"I'd like to speak before it's over, with my son. I'm on that list by the way, I was born and raised here. And we want a future. You've all got kids, most of you, I'll bet. Think about it.

Kevin Ginley:

"My name's Kevin Ginley, I'm out of Local 375 and I've been up there for 10 years and I've been working up north a lot. And I'll just tell you one story, up there, I was working up there for Sohio and we were doing a really good job for them and we were putting in a 30 inch tying into the turbins there for WSH and there was four Veco hands standing there trying to make a pup with two flanges on each side and it took them about six days to do it. They had to keep cutting it out. Now we had five guys on our crew and we tied that thing in with over ten welds before they even tied that little pup in. Now you guys got to start thinking on who's gonna be good. I'm not saying union's better or non-union's better, I'm saying we're willing to work and seems like our records, our credentials show. We all got to stick together in this. We hire you, or we vote for you guys and you guys are being paid by our taxes. And if we're all out of work, how are you guys gonna get paid when our taxes run out and our unemployment and stuff runs out? Unemployment is always, there's a lot guys on unemployment right now, and when our unemployment runs out, that means we're taken off the statistics. So the statistics stay the same, so if

we don't get employed, and I don't how you guys are gonna get your money, and why should we elect you guys if we're out of work. That's all I got to say."

James Farrell:

"I'm an Alaskan resident. They gave us our turn up to bat anyway. You know why the hell have a house when all you have to do is rent a mailbox to become an Alaska resident. We're competing against people up here at Northward where there's four people sharing a one-bedroom house, and stuff like this. And people living in campers and stuff where we're paying house payments and everything else. Something has to change. It's just getting to be too much competing against everything else that's going on. Thanks a lot."

Rick Spencer:

"Mr. Chairman, I'd like to speak to one of the oil company representatives, to relinquish my time if they'd like to come forward. Everything I have to say to you would be pretty much redundant. Any of you legislators that aren't aware of Arco's local hiring policies or management philosophies, the fact that most of the employees on the North Slope right now are not Alaskan residents, you'd have to have your head in the sand. I was born and raised here, the first one on the North Slope in '73. I've been there several times, I don't even like to go up to the damn place, but I have to try and feed my family. I think it would behoove the committee here to get some new input. If we could have the oil industry come up and give their little talk so then we could have a chance to clear up any misconceptions that they may state. One thing I could bring up just to add something that would offer some solution, I'm sure you're all familiar with Joe Vogler and some of his ideas are a little radical. Now is the time for everybody stop to consider a little radical idea he had once before about the succession. You keep talking about the United States Constitution and our residency hire laws are always being declared unconstitutional according to the Federal Constitution. That's all I have to say."

Senator Zharoff:

"That pretty much concludes the list that I have. Maybe since we are very close to the time we had planned for, maybe we could take another 3 or 4 people from the floor. Let me remind people that we were pretty much here to hear the concerns that the public had here in Fairbanks. And I appreciate the comments that people made during this meeting we had today. I know it was difficult for many people to come forward and I do appreciate your candid response to us. The people that are here that didn't testify were probably here for observation and we'll probably take a lot of your comments and hopefully we'll heed your concerns. This gentleman here..."

Tommy Turnipseed:

"My name is Tom Turnipseed. I've been here for twenty years. The federal government gave my home and everything away in Miami and now it looks like the oil companies are going take it away here unless you fellows do something different about it. And I would like to say that something's got to be done. It's all gonna be through education to get the information to the general public of what's really happening up here. And these are the kind of things that are gonna get it there. And I want to thank everybody that had the nerve to come up here and speak on this today because I'm sure the oil companies have got everybody's name that spoke on it and you're gonna be on their list whether you like it or not. They say they don't have a list but they do and

you know it as well as I do, so even if you get up there they'll see that you don't last long. I just want to say to everybody, get out and vote because this is the only way we're gonna get this problem solved. Thank you."

Charlie Morrisett:

"My name's Charlie Morrisett and I'm an electrician, I've been here 12 years, and here's a letter from Arco. I've been an electrician since I've been 17 years old, so that's 24 years and here's a letter that I'm not among the most qualified and I spent 10 years on the North Slope and if they don't want to hire you they're not gonna hire you. And I thing you're thing in the paper was about the social ills. Well I've been all over the United States and Fairbanks is a total for dope."

Fred Pascoe:

"My name's Fred Pascoe and I reside in the Aurora precinct and I would just like to say that if we still had a state income tax you wouldn't be getting much money from the people in this room. If we still had a state income tax you might be getting some money from those non-residents that are working in Prudhoe Bay. Thank you."

Senator Zharoff:

"It looks like we've run pretty much the course here."

Rory Burke:

"My name's Rory Burke, I testified earlier. I would just like to say this, I read January's issue of Alaska Oil and Gas News and it says clearly right in there on the second page that there's a hundred modules coming this sea lift to Prudhoe Bay or to the Kuparik oil field. It also says in one very small paragraph that 14 of these modules were built in Japan and Korea. In so saying this, you know, this even goes beyond the state, you know. I thing you people should take a look at that, you know. And those 14 modules are for the natural gas system and I don't how they are and how many billions of dollars they're worth, but we had to install and get functioning one water injection system that came from Korea and I'll tell you that it cost Arco a lot of money. And if you people could find the facts and figures on some of that stuff, you'd be doing not only the state some good, but this whole country."

Tom Baker:

"My name is Tom Baker. You know Lenny's raised the question I was surprised that it never was brought up here, but nobody addressed it. I want to tell you if you're talking about the difference between out there paying a union hand and a non-union hand, them people from Arco are sitting there making fools out of you. Cause that's a drop in the bucket, they've got megabucks and that don't amount to nothing. I'm gonna tell you where they're shaking in their boots. They don't want the tax put on that oil that we've rightfully got coming and our legislature said they wasn't even sure they wanted to take a look at it to go back to the other way of accounting where they're gonna have to pay millions of dollars. That oil is gonna flow until it quits flowing. ... (tape unintelligible) in North Dakota I started front line work there in 1950 in this seismograph and they get a field there, during the oil embargo the ... (tape unintelligible) basin in Oklahoma and the Wolveston(?) basin in North Dakota was the two hottest producers. They're drilling more wells there today than they was 30 years ago. And they tell you today it's

gonna run out in a few years, we're gonna take our ball and go home. I think that's what they need to do."

Senator Zharoff"

"We're in the process of closing the public hearing down, before we do that I will take one more testimony. The gentleman up in the back there please, then I'll take you and we'll proceed on closing the meeting down. Any comments that the legislators have there, you may want to start thinking, I'll poll before we adjourn."

Richard Goll:

"We've got a problem, we all know that. Richard Goll, I'm union. We know we've got a problem but I don't think the answer's restricting outside people from coming in. Most of us have come from somewhere else. Perhaps it's a contractual solution, but perhaps it's income tax, getting a little bit more money. People from other states come here, we don't pay income tax here. We can't stop people from coming from the rest of the country, and I don't think it behooves us really to try so maybe we should start thinking of another way. Thank you."

Charles Paskvan"

"My name's Charles Paskvan, I was born in Fairbanks. My father worked out in the coal fields north of here. It's not about the local hire issue up there at Prudhoe but I believe we've never had any trouble with the Alaska mining industry hiring Alaskans. We all work for Alaska, we live in Alaska, and in recent years we've been having a lot of trouble with environment issues and it just stands to reason when you look at the facts it says here in the February 18th, says how 32 million cubic yards were moved on an average every year and here in this 40 years this amount was moved into the streams and everything there, they had an increase of 700 fold in the salmon industry. So there's no real proof of any damage, any harmful effects that might be. I mean, you look at all the streams in Alaska and you see them pretty dark even without the mining going on. And I've been working up north since '75, I got injured a few years ago and in four years I've been trying to invest in this mining operation and I can't really how you're trying to shut down Alaskans when we need it now."

Senator Zharoff:

"Are there any comments from any of the legislators? Representative Davis?"

Representative Davis:

"Well I'd just like to thank everyone. Someone made a comment that people took some risk to come out here today and talk to us and I felt the same way when I was up north. It was some pretty courageous people here today and there's some pretty compelling stories. And I can't help but sit up here and hear those without making us want to work harder on this issue and we sure are committed to it. I'd like to thank each of you personally for coming out today. Thank you."

Representative Pignalberi:

"Thank you Mr. Chairman. I think one of things we should do as a result of this meeting is to ask Arco and Sohio to establish a personnel office here because if they're advertising in Denver and you can apply for the job in Denver or Houston or somewhere else. (tape unintelligible)...will turn in

your application to get a response locally, and that's just in Anchorage. The other thing I would mention to you ladies and gentlemen is that most of you probably have friends or relatives in Anchorage or other parts of the state. I think I'm the only one except for Dick Eliason from Sitka, not only here that's not from Fairbanks and is from Anchorage. I can tell you the people at Anchorage feel the issue much differently. In Anchorage I'd say it's about a 50/50 issue as to whether resident hire and resident contractor preferences is a serious economic issue to the state. You feel it much more intensely here because you've felt the impact of the economic downturn first. So what I would urge you to do is to make sure that you contact any Anchorage legislators you know, contact your relatives and your friends in Anchorage and say, "Hey, look, you better get tuned into this issue. It's not just a Fairbanks issue, it's gonna be spreading down and hurting the rest of the state pretty soon." So we need to drum up support from the political figures in other parts of the state. I would urge you to try to figure some way to do that."

Representative Koponen:

"I want to thank everybody for coming here. I know that sometimes that when people try to get hired out it isn't just that they are unqualified sometimes, they get told that they're overqualified. That probably means they know too much. I think that we've got to, as Representative Pignalberi says, broaden our impact throughout the state, contact other people, make sure that they realize that this is a spreading phenomenon and that it threatens the economy of Alaska generally, and is not just specific in this area. So keep punching."

Unidentified speaker:

"I would like to say in response to Mr. Pignalberi's statement about the personnel offices in Fairbanks, they don't mean a damn thing because you can put a thousand applications in there and several gentlemen made the statement here, they don't want to hire you and those things just run through a paper mill and they get you a nice little letter back either we're not hiring right now or you're not qualified for some reason. If they had a dozen of them here, it wouldn't make a damn bit of difference as to whether the people in this area were gonna get hired or not."

Senator Eliason:

"Mr. Chairman, I do feel a real sense of desperation of some of the people here and I just want you to know of any legislator down there who is not totally in support of Alaska hire, if they aren't in support of Alaska hire they shouldn't be there. It's not just a Fairbanks issue, it's a state issue. I feel a real moral problem here. I don't know what you can do to the oil companies to get them to realize that you can't legislate morality. But you sure as hell can get their attention, I don't know how, but I just want you to know that even though I live in Southeast Alaska, I recognize that this is not just a Fairbanks issue, it's a state issue and we're not gonna let you hang out there alone."

Senator Bennett:

"I'd would like to point out just a very few things to my friends and neighbors seeing as I live here and I have the same problems you have. I have children here who have the same problems you have. Let's remember several things. There are three branches of government. You vote for judges, you

vote for the chief executive officer who appoints the commissioners, there is the legislature. Beat on all three, not just one. Your government has three bodies. We're the 120-day people. There are others that are there 365 days a year to monitor these issues. Don't be like the preacher who in fact preaches the sermon to the choir who attends the meeting. Go beyond that. Use your full power as was pointed out by some of your leaders. The vote is very, very important. Petitions are important. Make every effort to, where we pass the law, that even the judges are going to have to think does this fit or does this not fit. There's a lot to our government than us who come up every two or four years. There's a lot more to it. Very complex. I little knew until I started serving in the government the complexities of it. And I only want to number one, thank you for this 3-4 hours, number two, encourage you to continue it until we win please. Thank you."

Senator Zharoff:

"We have people that want to get the last word in here and I want to adjourn here very quickly. Alright, I want to go bing, bing, bing. Right here."

Unidentified speaker:

"I have a question. My name is Frank and I'm a voter in this area. I've been here all my life. Some question was put before the legislators, what is their main goals for the year, their big thing, and I think it was one legislator, Mike Davis, that local hire, the rest was something else. And this was put up with a priority, what they felt they should push. This was in a paper some time ago."

Senator Zharoff:

"I'm gonna show you I can remember this person's name because I appreciated her comments, Pauline."

Pauline:

"Thank you. Thank you for recognizing me again. And it seems to me that Arco doesn't give a damn about our family or us or any moral issues. The only way that we have got their attention is when we start to talk tax and then they start to listen. So let's talk tax, let's vote tax. Make them listen."

Senator Zharoff:

"A final public comment over there please."

Unidentified speaker:

"Yes, I just wanted to leave this as a reminder, let's don't take this day and this time that we spent and testimonies that we heard and have you guys file it away someplace in Juneau. Let's take it and go all the way with it and let us see the results back here in Fairbanks before election. Otherwise, you guys will feel the results of the election."

Senator Zharoff:

"Overall again, I want to thank everybody that participated here today and I know those that weren't here wish that they could be but other commitments may have held them up. I want to personally thank Paula for her assistance here from the LIO office and Senator Coghill's staff, Shelly, appreciate you being here and staying here for the meeting, and I want to again thank everybody else that participated and those that stayed and listened. Thank you and see you next time."