

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 them 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 echelon to the upper echelon 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 may 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."