

SB

486

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "employment preference...Alaska  
Marine Highway System"  
Sponsor: Jones  
Requestor: JONES

Agency Affected: DOT/PF - AMHS  
BRU: Marine Operations  
Components: Southeast and Southwest  
Vessel Operations and Overhaul

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No additional costs are anticipated as a result of the proposed legislation.

Prepared by: George W. Davidson, System Director  
Division: Alaska Marine Highway System

Phone: 465-3950  
Date: 3/11/88

Approved by Commissioner: W. Reid Carter  
Agency: Department of Transportation & Public Facilities

Date: 3/15/88

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

While I was unable to attend the hearing on S.B. 486 I have read the draft of the March 22, 1988 hearing and the position papers associated with it. Having been associated with the matter of advancement on the vessels of the A'ES I would like to briefly present some comments, some questions for the Transportation Committee, and most importantly correct some obvious misinformation.

1. The system of advancement worked until the MEBA closed to close its enrollment due to the economic realities of the shipping industry in 1983. Prior to 1983 more than one third of the engineers with A'ES have climbed up through the ranks of the A'ES. Since 1983 the purpose of MEBA has been to maintain the A'ES jobs for the temporary and permanent employment of their National members. The legality of this book closure and issues of preference to National MEBA members over long term State of Alaska employees will be addressed in oral arguments before Superior Court Judge Craske on May 17, 1988. Contrary to the Department of Administration's Position Paper the challenge is anything but decided in court.

2. The Department of Administration's Position Paper also fails to understand the economic situation of the marine industry. The mates hired by the A'ES are almost exclusively produced through the unlicensed ranks of the A'ES. The marine engineers that are given limited membership in MEBA and those persons nationally that are available make incorrect the idea that the State of Alaska could not crew its vessels without outside MEBA engineers. Also if one were to consider the low turnover rate with licensed personnel one could conclude a willingness among this personnel to be considered state employees working under certain union representation and not the other way around.

3. S.B. 486 is necessary in order to provide guidelines regarding job advancement. Personal lobbying efforts by three individuals forced the State and MEBA to address a closed

enrollment policy which kept job advancement at near zero. The purpose of S.B. 486 is to address hiring as it effects the role of the State of Alaska as employer not the internal policies of a labor organization.

4. Under #247 of the record draft Mr Halteman is absolutely correct that no non-residents of Alaska have been hired in the engineering department of ANS in the past two years. Mr O'Claray is also correct on this point (#088). The problem here is two fold a.) the criteria for residency and who determines it and b.) the policy of MEEA which grains preferred status to national members over State of Alaska resident employees.

The State makes no attempt to investigate or clearly spell out the statutory requirements of residency. Because National MEEA members may bring with them to the Juneau hiring hall seniority gained in MEEA hiring halls throughout the country they need only become 'Alaskans' to move to the head of the unpublished and unposted out of work list. All these 'Alaskans' need do is establish residency. Most of us know what that means when no investigation policy is provided by the employer. Thus when a permanent job becomes eminent the 'Alaskans' arrive.

5. Because there is no written policy regarding the operation of the local hiring hall it exists purely in the mind of the local MEEA representative Mr. O'Claray. Under #359 of the draft record he failed to explain that there is an entire group of National MEEA members that have bid rights and free transportation from Seattle ahead of the Group 2 Alaskans. Improperly discribed one couldn't understand why the Group 2 Alaskans don't get a percentage of the available work; the fact is Group 1 Alaskans including thirty day wanderers get the first jobs, the Group 2 National get the remaining jobs with the free travel incentive and no job goes much farther.

# Alaska State Legislature

REPRESENTATIVE BILL HUDSON

P.O. BOX V  
Juneau, Alaska  
99811  
(907)465-3744 or 4991

March 14, 1988

COMMITTEES  
Transportation  
HHS  
Telecommunications  
Fisheries  
International Trade

Mr. George Danner  
P.O. Box 210136  
Auke Bay, Alaska 99821

Dear Mr. Danner: *GEORGE*

Enclosed are several copies of SB 486, relating to employment preferences for certain employees of the Alaska Marine Highway System. The legislation was introduced by the Senate Transportation Committee, and will be heard by that committee in the near future. Once you have had time to review the bill, you should make your written comments known to Senator Lloyd Jones who chairs the committee. It would, of course, be better if you could testify in person, but I'm sure he'd be very appreciative of your written comments.

The points you raised in your letter relate to the collective bargaining agreement, and it would be more appropriate for the Governor to respond to those issues. I have therefore made a copy of your letter available to Mr. Ray Price, Special Assistant to the Governor, who has agreed to contact you through the Ketchikan Marine Highway Office at the 225-6183/6266 numbers.

As a legislator, I cannot ethically become involved in the negotiating process. You must make your concerns known to your union representative and to the Governor.

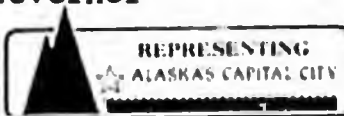
I hope you will take the time to review SB 486, discuss the legislation with your work mates, and then let me and Senator Jones know of any concerns, pro as well as con.

I am sorry to hear of your continued problems relating to your employment with the Alaska Marine Highway System, but I am confident Mr. Price will do what he can to help.

Respectfully,

*Bill*  
Bill Hudson

cc: Mr. Ray Price, Special Assistant  
Office of the Governor





# Inlandboatmen's Union of the Pacific



MARINE DIVISION — INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION  
NATIONAL OFFICE • 2700 FIRST AVENUE, ROOM 211 • SEATTLE, WASHINGTON 98121 • 448-9736

March 22, 1988

## SENATE BILL 486

The Inlandboatmen's Union of the Pacific, Alaska Region supports SB 486.

The Union represents all unlicensed operating crew personnel working aboard vessels of the Alaska Marine Highway System.

Until 1983 provisions of SB 486 were recognized by the AMHS in practice and in collective bargaining agreements. In 1983, under provisions of the licensed engineer contract in place at the time, work opportunities for qualified unlicensed engine department employees, to work as licensed engineers, were essentially eliminated.

The AMHS attempted to address this issue during collective bargaining for a licensed engineer successor agreement beginning in 1985. The AMHS was only partially successful. Work opportunities for qualified unlicensed engine department employees have not been restored to recognized levels prior to 1983.

Licensed engine department work opportunities have improved for qualified unlicensed engine department employees, from 1985 to date, under the current licensed engineer contract. The following represents the amount of licensed engine department relief work provided qualified unlicensed engine department employees from 1983 thru 1987.

1983 -- 2%	1986 -- 24%
1984 -- 0%	1987 -- 44%
1985 -- 13.5%	

A breakdown of licensed engineer relief work for 1986 is provided. (Exhibit #1)

Assuming that the unlicensed work force is only capable of providing 50% of the licensed relief work available it would appear that the current system is working as of 1987.

## REGIONAL OFFICES

PEGET SOUND  
2700 FIRST AVE., RM 201  
SEATTLE, WA 98121  
441-5111

COLUMBIA RIVER  
2435 N.W. FRONT  
PORTLAND, OR 97209  
228-6000

SAN FRANCISCO  
801 ARMY ST., RM 208  
SAN FRANCISCO, CA 94134  
828-0536

HAWAII  
1001 DILLINGHAM BLVD., No. 214  
HONOLULU, HI 96817  
847-0611

SOUTHERN CALIFORNIA  
728 LAGOON AVE.  
WILMINGTON, CA 90744  
549-6730

ALASKA  
P.O. BOX 6100  
KETCHIKAN, AK 99901  
225-6360

JUNEAU  
2219 NO JORDAN AVE.  
JUNEAU, AK 99801  
749-0133

However, work opportunity restrictions could potentially revert to levels identified prior to 1987 depending on how licensed engineer dispatching is administered by the Marine Engineers Benevolent Association (MEBA), the organization that represents licensed engineers. The fact remains that the MEBA was successful in almost totally eliminating licensed engineer work opportunities to employees within the work force for a period of several years and the potential for greater restriction in future years remains.

The AMHS and the MEBA have previously indicated to the Union that qualified unlicensed employees have turned down relief licensed engineer assignments. The current system provides a considerable incentive to turn these assignments down because by accepting any assignment an employee goes to the bottom of the list for any future relief or permanent assignment. (Exhibit #2) SB 486 would allow current unlicensed employees to better define licensed career opportunities and allow the Union and the AMHS to expedite filling vacated unlicensed positions.

The Union does not view SB 486 as a restriction on the AMHS to hire the most qualified applicants for licensed positions. Based on past experience, the unlicensed work force has been able to supply approximately fifty percent (50%) of the Employer's licensed work force requirements. With SB 486 the AMHS would still have to satisfy a large percentage of their licensed employee requirements from other sources.

The Union has represented the unlicensed work force since the inception of the AMHS and feels qualified to state that the AMHS has benefited more from hiring licensed employees within the work force than from hiring licensed employees outside the work force.

Some of the advantages of providing relief and permanent licensed work to current qualified employees are as follows:

Ninety six percent (96%) of the unlicensed work force are Alaska residents. Providing licensed work within the work force means more work would be performed by residents than nonresidents.

Licensed engineers are flown round-trip out of State at the expense of the AMHS to receive temporary licensed engineer assignments when qualified licensed engineers are available within the work force.

Current employees are familiar with vessel operations, routes, navigable waters and machinery and are more immediately productive as a result.

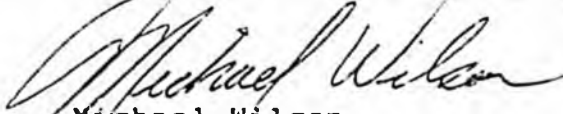
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Page 3

Incentive and career advancement is compromised when circumstances are such that a current qualified junior engineer with over three years working aboard vessels of the System is helping to "break in" a new licensed engineer that is probably a nonresident.

Normally the Union would not be supporting a bill that might best be left to the collective bargaining process. However, the AMHS has demonstrated a lack of ability to deal with this issue within that process to date.

Respectfully,

INLAND BOATMEN'S UNION OF THE PACIFIC

A handwritten signature in cursive script that reads "Michael Wilson".

Michael Wilson  
Regional Director, Alaska Region

EXHIBIT #1

The following is a tally of relief Engineer work from Alaska Marine Hiway System crew lists from 1986. The names in the left column are the national MEBA members that were flown up from Seattle to work those positions. The names in the right hand column for each vessel are the long time system employees attempting to get Engineering advancement.

The total number of weeks available for relief work was 169. Of this, 129 or 76.33% went to the people from out of state. The Alaskans got 40 weeks or 23.66% of the work.

-1986-

VESSEL / DATE	NAME	GRADE	VESSEL / DATE	NAME	GRADE
<u>COLUMBIA</u>			<u>COLUMBIA</u>		
5- 19-86	Emery, Stewart	3/A	2/10/86	Ohmer, Lance	3/A
5-25-86	Owens, Ken	3/A	2/18/86	Larsen, John	3/A
5/25/86	Czuba, Frank	3/A	6/15/86	Ohmer, Lance	3/A
5/25/86	Ekholm, James	3/A	6/23/86	Deljudice, O'Neil	3/A
5/25/86	Medlin, Edwin	3/A			
6/8/86	Stewart, Don	3/A			
6/8/86	Medlin, Edwin	3/A			
6/15/86	Emery, Stewart	3/A			
6/23/86	" "	3/A			
6/30/86	Medlin, Edwin	3/A			
7/6/86	" "	3/A			
7/13/86	Emery, Stewart	3/A			
7/20/86	" "	3/A			
7/20/86	Czuba, Frank	3/A			
7/27/86	Medlin, Edwin	3/A			
8/3/86	Medlin, Edwin	3/A			
8/17/86	Emery, Stewart	3/A			
8/24/86	Medlin, Edwin	3/A			
9/1/86	" "	3/A			
9/1/86	Mckay, Charles	3/A			
9/1/86	Johnson, Darol	3/A			
9/7/86	Emery, Stewart	3/A			

MALASPINA

5/5/86	Grefsrud, Lee A	3/A
5/12/86	Van Hulle, Christene	3/A
5/21/86	" " "	3/A
7/1/86	Colleen, Richard	3/A
7/29/86	Jurgeleit, Jim	3/A
8/12/86	Rowe, Robert	3/A
9/30/86	Slater, william	3/A
9/30/86	Vandiver, John	3/A
12/1/86	Rowe, Robert	3/A

\* Crew lists for the following weeks were missing; 2/25/86, 4/14/86, 4/21/86, 4/28/86, 8/19/86, 11/5/86 .

MALASPINA

3/23/86	Cade, Wes	3/A
7/8/86	Roberts, Steve	3/A
7/15/86	Roberts, Steve	3/A
7/22/86	Ohmer, Lance	3/A
10/22/86	McRoberts, Mike	3/A
12/16/86	Hammer, Ken	3/A

MATANUSKA

1/13/86	Sippo, Michal, G.	3/A
1/20/86	" "	3/A
2/3/86	Borgen, Al	3/A
3/10/86	" "	3/A
3/17/86	" "	3/A
3/24/86	" "	3/A
5/24/86	Jurgeleit, Jim	3/A
5/31/86	" "	3/A
6/21/86	" "	3/A
6/28/86	" "	3/A

MATANUSKA

1/27/86	Templeton, Pete	3/A
3/3/86	Cade, Wes	3/A
3/10/86	Hammer, Ken	3/A
5/24/86	Larson, John	3/A
5/31/86	" "	3/A
5/31/86	McRoberts, Mike	3/A
6/7/86	Hammer, Ken	3/A
6/7/86	Larson, John	3/A
7/5/86	Hammer, Ken	3/A

VESSEL / DATE	NAME	GRADE	VESSEL / DATE	NAME	GRADE
<u>MATANUSKA</u>					
-CONT-					
7/5/86	Vandiver, John	3/A			
7/11/86	Webber, John	3/A			
5/19/86	Mckay, Charles	3/A			
5/25/86	" "	3/A			
8/2/86	Bashiruddin, Aasim	3/A			
8/16/86	" "	3/A			

TAKU

1/8/86	Jovanovich, Steve	3/A
2/11/86	Jurgeleit, Jim	3/A
2/18/86	" "	3/A
5/6/86	Owens, Ken	3/A
5/13/86	" "	3/A
5/20/86	Stewart, Don	3/A
5/29/86	" "	3/A
6/17/86	Stewart, Don	3/A
6/24/86	" "	3/A
9/9/86	Jurgeleit, Jim	3/A
9/18/86	" "	3/A
9/24/86	" "-yard-	3/A
9/29/86	Stewart, Don	3/A
10/13/86	Owens, Ken (N)	3/A
11/3/86	Bashiruddin, A (N)	3/A
11/3/86	Nolan, William (N)	3/A
12/16/86	Ellis, Jeffery	3/A

\*Crew lists for the following weeks were missing; 8/26/86, 10/20/86, 10/27/86. (N)= means NIGHTHAWK.

LECONTE

2/28/86	Borgen, Al	2/A
3/7/86	Vandiver, John	2/A
4/18/86	Vandiver, John	2/A
4/26/86	Owens, Ken	2/A
5/2/86	Vandiver, John	2/A
6/5/86	McCormac, Patric	2/A
6/19/86	McCormac, Patric	1/A
6/19/86	Owens, Ken	2/A
7/3/86	Tucker, Dan	2/A
11/10/86	Nolan, William (N)	2/A
11/19/86	" " (N)	2/A

\*Crew list for the following week was missing; 4/4/86 .

TAKU

4/23/86	McRoberts, Mike	3/A
4/29/86	" "	3/A
7/15/86	Hammer, Ken	3/A
7/22/86	" "	3/A
8/2/86	McRoberts, Mike	3/A

LECONTE

2/14/86	McRoberts, Mike	2/A
2/21/86	" "	2/A
3/14/86	Danner, George	2/A
3/28/86	McRoberts, Mike	2/A

1986

VESSEL / DATE      NAME      GRADE

VESSEL / DATE      NAME      GRADE

AURORA

AURORA

2/11/86	Trivich, Nicolas	2/A
2/18/86	" "	2/A
4/29/86	Stewart, Don	2/A
6/4/86	Owens, Ken	2/A
6/10/86	Vandiver, John	1/A
6/10/86	Owens, Ken	2/A
7/15/86	Stewart, Don	2/A
7/22/86	" "	2/A
8/12/86	McKay, Charles	2/A
9/9/86	Meucci, Ben	2/A
12/4/86	Sherman, Helen	2/A

6/25/86	Ohmer, Lance	2/A
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\*Crew lists for the following weeks were missing; 1/28/86, 3/11/86, 3/26/86, 4/22/86, 7/8/86, 8/5/86, 9/2/86, 9/16/86, 10/14/86, 12/11/86, 12/18/86, 12/25/86 .

1986

VESSEL/  
DATE NAME GRADEVESSEL/  
Date NAME GRADEBARTLETT

3/31/86	Coulson, Louis	2/A
4/7/86	" "	2/A
4/14/86	" "	2/A
4/21/86	" "	2/A
4/28/86	" "	2/A
5/5/86	" "	2/A
5/12/86	" "	2/A
5/19/86	" "	2/A
5/26/86	" "	2/A
6/2/86	" "	2/A
6/9/86	" "	2/A
6/16/86	" "	2/A
6/23/86	" "	2/A
6/30/86	King, Ivan	2/A
7/7/86	" "	2/A
7/14/86	" "	2/A
7/21/86	" "	2/A
7/28/86	" "	2/A
8/4/86	" "	2/A
8/11/86	" "	2/A
8/18/86	" "	2/A
8/25/86	Vandiver, John	2/A
9/1/86	" "	2/A
9/8/86	" "	2/A

-NONE-

BARTLETTTUSTUMENA

2/18/86	Jovanovich, Steve	3/A
2/25/86	" "	3/A
3/3/86	" "	3/A
3/10/86	" "	3/A
3/17/86	" "	3/A
3/24/86	Nolan, William	3/A
4/1/86	" "	3/A
4/7/86	" "	3/A
4/14/86	" "	3/A
4/21/86	" "	3/A
4/28/86	" "	3/A
5/5/86	" "	3/A
5/12/86	" "	3/A
5/19/86	" "	3/A
5/26/86	" "	3/A
6/2/86	" "	3/A
6/9/86	" "	3/A
6/16/86	" "	3/A
6/23/86	" "	3/A

TUSTUMENA

1/6/86	Wright, Harold	3/A
1/13/86	" "	3/A
1/20/86	" "	3/A
1/27/86	" "	3/A
2/3/86	" "	3/A
7/7/86	Begley, Curt	3/A
7/14/86	" "	3/A
7/21/86	" "	3/A
7/28/86	" "	3/A
8/4/86	" "	3/A
8/11/86	" "	3/A

EXHIBIT #2

EXCERPT FROM A UNION LETTER TO AMHS PERSONNEL DATED MARCH 12, 1987 CONCERNING UNLICENSED ENGINE DEPARTMENT BID AWARDS TO CURRENT EMPLOYEES THAT ARE QUALIFIED TO WORK LICENSED ENGINE DEPARTMENT POSITIONS

The Employer assured the Union that several engine department employees, bidding on junior engineer positions, would be working in licensed engineer positions and should not, as a result, be awarded positions they would not work. The Union agreed. However, the Employer failed to identify the fact that the licensed engineer dispatching system can create a more favorable situation for permanent licensed engineer employment when relief assignments are refused.

Per our telecon Friday, March 6, 1987, this was brought to the Union's attention by one of the bid applicants passed over with the understanding that the applicant would be working licensed engineer positions. As the Union now understands the system, once a group A-1 Alaska listing is attained a licensed engineer goes to be bottom of the list, for future relief assignments or a permanent job bid, if he accepts any relief licensed engineer assignment. Under this method an incentive exists for employees to refuse relief licensed engineer assignments to maintain their position on the list or to move up the list in order to expedite career advancement opportunities with the AMHS.

The Employer should not inform the Union that certain employees will be working relief as licensed engineers when the Employer is involved in a dispatching system that, in many cases, prevents these employees from accepting such work in their own best interests. Also, this system would seem to defeat a desire for the most experienced engineers to fill permanent positions.

Understandably, employees involved are reluctant to give up their unlicensed bid awarded positions and should not be expected to do so. Therefore, pending an appropriate change in the system to address this problem, unlicensed engine department positions should not be considered vacated for bid purposes until such time that the employees involved can be regularly assigned as licensed engineers. Passed over bid applicants should be awarded the positions originally applied for as appropriate.

The Union strongly supports upward mobility and career advancement opportunities within the AMHS. Qualified unlicensed engine department employees should have every opportunity to work as licensed engineers.

LETTER OF AGREEMENT  
between the  
STATE OF ALASKA  
and the  
NATIONAL MARINE ENGINEERS' BENEFICIAL ASSOCIATION  
DISTRICT #1, PACIFIC COAST DISTRICT

RE: HIRING PROCEDURES

The following understandings supplement the procedures set forth in Rule 3 of the 1985-1988 Agreement between the undersigned parties. No practices of either party shall interfere with the intended operation of the procedures set forth in the collective bargaining agreement or this Letter of Agreement:

1. To assure that the local hire preference expressed by Rules 3.01 and 3.02 is effective, The Union agrees that it will register every Alaskan resident applicant who is entitled to the preference established by Rule 3.02. The Union agrees to do so without delay, regardless of any policy or procedure which may be in effect for other applicants.

Applicants are considered in Group II status until they have fulfilled the minimum service and financial requirements lawfully applied by MEBA under its Constitution and Bylaws. Upon fulfilling these requirements, and notwithstanding any quotas or limitations in effect for other applicants, Alaskan resident applicants will immediately be granted Group I status for dispatch to this Employer under Rule 3.01.

2. Not later than sixty (60) days after the signing of this Letter of Agreement, the following employees of Alaska Marine Highway System, who the parties have determined meet the qualifications of Rule 3.02, may apply for registration with the MEBA by notifying the Employer and the Union that they wish this registration to be effective:

	<u>Registration Date</u>
1. Robert Seidman ✓	July 14, 1983
2. Harold Wright ✓	August 9, 1983
3. Peter Templeton ✓	November 10, 1983
—4. Kurt Begley	February 16, 1984
5. George Danner ✓	May 9, 1984
—6. Mike McRoberts	May 19, 1984
7. Wes Cade	June 14, 1984
—8. Steve Roberts	December 13, 1984
—9. Lance Olmer ✓	March 12, 1985
10. Ken Hammer	March 14, 1985
—11. John Larson —	March 15, 1985

EXHIBIT 4

LETTER OF AGREEMENT  
between the  
STATE OF ALASKA  
and the  
NATIONAL MARINE ENGINEERS' BENEFICIAL ASSOCIATION  
DISTRICT #1, PACIFIC COAST DISTRICT

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9. Lance Olmer	March 12, 1985
10. Ken Hammer	March 14, 1985
11. John Larson	March 15, 1985

EXHIBIT 4

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

ALASKA MARINE HIGHWAY SYSTEM  
SUPPORT SERVICES

STEVE COWPER, GOVERNOR

P.O. BOX R  
JUNEAU, ALASKA 99811-2505  
PHONE: (907) 465-3950  
TELEX: 45-312

## Senate Bill 486

Senate Bill 486 would require the Alaska Marine Highway System to fill vacancies in licensed, entry level positions aboard its vessels with individuals who have worked for at least three years on a vessel operated by the system as long as that person holds a license for the vacant position and is currently an unlicensed employee.

While we share the goals of the legislation to promote the employment of Alaskan residents and provide a career path for employees who wish to move to licensed positions, we feel the arena within which to achieve these ends is the collective bargaining process. As such, it is important for management to maintain adequate flexibility to negotiate. By placing minimum demands in statute the opportunity to achieve agreement with organized labor is diminished.

By requiring three years employment with the System prior to employment in a licensed position, this legislation would impede the hiring of other Alaskans who have military or maritime academy credentials. Drawing on one source for all licensed positions would be a self-limiting exercise which would reduce the fleet's to access new thinking in the maritime industry. The ferry system is but one part of the maritime industry and to shut ourselves off through restrictive hiring practices would be detrimental in the long run.

In regard to the employment of resident Alaskans either from within or outside the Marine Highway System, the figures for the two-year period through December 1987 reflect our commitment to this practice.

In the employment of licensed deck personnel, the Port Captain looks within the unlicensed Deck Department first. During the last two years, nine employees were promoted. An additional four Alaskans residents with the required pilotage certificates were employed during this time period. One non-resident was employed on the TUSTUMENA during this time.

In the Engineering Department, no non-residents have been hired in the last two years. During this period, ten persons were hired, including six promoted from unlicensed engineer positions.

There are an additional eleven Alaskan residents available for dispatch to temporary licensed engineer jobs, of whom ten are from the unlicensed Engine Department.

In short, we feel a good job has been done in hiring Alaskans and promoting from within the System. Certainly, there are problems still to be addressed, and we are interested in hearing the testimony on the bill in order to gain an understanding of what changes may be needed.

POSITION PAPER  
SB 486

- D.O.A.

This bill would create a seniority "promotion" system between Inlandboatmen's Union (IBU) employees and the Masters, Mates, and Pilots (MMP), or Marine Engineer Beneficial Association (MEBA) employees on vessels of the Alaska Marine Highway System. The promotion would first require that the IBU employee hold the proper license for the vacancy.

If the bill becomes law, it will place the State, as employer, squarely in the midst of an internal union matter. MEBA has closed its rolls to new members. Three IBU members on Alaska Marine Highway System vessels have unsuccessfully challenged MEBA in court. This bill would require MEBA to agree to a contract provision at odds with its internal nationwide procedures. While one can hope they would change their national procedures for the sake of a single employer, that is an unrealistic hope. More likely, MEBA would use all its economic weapons not to agree. In this situation, the employer would not have all its economic weapons available. There are insufficient marine engineers outside of MEBA for Alaska to staff its vessels. The Coast Guard will not allow operation without the proper member of licensed engine room personnel. Further, as employer, the State would be unable to compromise because the requirement would be in statute.

The Department of Administration opposes this bill because it would place the State in an untenable but entrenched collective bargaining position.

*for* Richard P. Tom Freuden  
Bruce A. Cummings  
Director  
Division of Labor Relations

3/18/88  
Date

J.M.A.  
Commissioner John M. Andrews  
Department of Administration

3/21/88  
Date

1227  
June 7, 1987  
907 506-6040



# MARINE ENGINEERS BENEFICIAL ASSOCIATION D-1, P.C.D., (MEBA) AFL-CIO

**C.E. DeFRIES**  
President

**CLYDE E. DODSON**  
Executive Vice President

**MARIO C. WHITE**  
Secretary-Treasurer

R.F. Schamann, Vice President, Atlantic Coast

A.P. Sasso, Vice President, Gulf-Coast

C.S. O'Clary, Director of Legislative and Governmental Affairs

April 7, 1987

George Davidson, Director  
Alaska Marine Highway System  
Dept. of Transportation and Public Facilities  
P.O. Box R  
Juneau, Alaska 99811-2505

Dear Sir,

The following is provided your office as information relative to the operation of the Alaska Hire provisions in Rule 3 of the current labor agreement between the parties.

The Union implemented the provisions under Rule 3, Preferential Hiring, on August 5, 1985. From August 7, 1985 through December 1985 a total of 47 Engineer Officer dispatches were made to AMHS. Of these a total of 35 were Alaska Residents, or 74%. The remaining 12 were non-residents, for 26%. Estimated earnings of base pay followed the same percentages; 74% (\$112,000) to Alaskans and 26% (\$39,000) to non-residents. The one permanent job during this period was filled by an Alaskan.

During 1986 a total of 71 Engineer Officer dispatches were made to AMHS. Of these a total of 43 were Alaska Residents and the remaining 28 were to non-residents, 61% and 39% respectively. Estimated earnings of base pay were 89% (\$400,000) to Alaskans and 11% (\$50,000) to non-residents. Of the six permanent jobs called in 1986, all were filled by Alaskans.

From January 1987 through April 6, 1987 a total of 37 Engineer Officer dispatches were made to AMHS. Of these a total of 30 were to Alaska Residents, or 81%. The remaining 7 were to non-residents, for 19%. Estimated earnings of base pay were 74% (\$48,000) to Alaskans and 26% (\$17,000) to non-residents. The only permanent job called during this period was filled by an Alaskan.

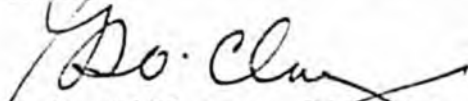
George Davidson  
April 7, 1987  
Page 2

In summary, the preferential hiring of Alaska Residents to AMHS in Engineer Officer positions has been successful as indicated from implementation of Rule 3, as intended by the parties under the labor agreement

Our office will continue to work with AMHS to insure the provisions of the Agreement are followed and will update your office periodically.

Very truly yours,

MARINE ENGINEERS BENEFICIAL ASSOCIATION



G.S. O'Claray, Director  
Legislative and Governmental Affairs

GO:jln

March 21, 1988

Before the Senate Transportation Committee  
Senate Bill No. 486

My name is George Danner III, I was born in Juneau and have been an employee of the AMHS since 1975.

Since 1982 the State has tried to include language in two contracts with the Marine Engineers Beneficial Association to allow AMHS employees advancement to licensed engineering positions.

My personal experience has only too graphically illustrated that the State attempts have failed. My experiences and the D.O.T.'s inability to control hiring of state employees are accurately exhibited in the litigation now pending before the Alaska Superior Court.

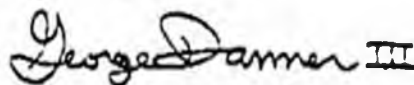
The litigation was precipitated by the AMHS's failure to enforce our rightful advancement and as written in the 1982 contract. This and other discriminatory policies continued in the 1985-88 contract.

Had the Dept of Transportation, and Labor Relations been more knowledgeable and less easily influenced about; (1) what they legally could have done for their employees. (2) How hiring halls should legally be operated. (3) had they enforced their legal responsibilities under Alaska Statutes, this committee meeting would not be required.

However for the last six years this particular policy guiding system has not worked well or fairly. Senate Bill No. 486 is necessary to correct the wrongs of the past, the problems that still exist now and to provide some clean and purposeful direction to return to the State of Alaska, its control of hiring policies for engineers in the ALASKA Marine Highway System.

I thank you for your time and attention and urge your support of Senate Bill No. 486.

Sincerely



George Danner III

# ALASKA STATE LEGISLATURE

Sen. Lloyd Jones, Chairman  
Sen. John B. "Jack" Coghill, Vice Chairman  
Sen. Mitch Abood  
Sen. Bettye Fahrenkamp  
Sen. Tim Kelly



P.O. Box V  
Juneau, AK 99811  
907-465-4921

## Senate Transportation Committee

### MEMORANDUM

TO: All Members, Senate  
Transportation Committee

FROM: Senator Lloyd Jones, Chairman  
Senate Transportation Committee

DATE: 3/22/88

SUBJECT: SB 486

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Senate Bill 486 attempts to answer an alleged problem with resident hire aboard our Alaska Marine Highway fleet. I have received many comments concerning upgrade and hiring into licensed positions on the Ferrys.

It is my intention, through hearing SB 486, to bring these problems before the committee and to determine whether or not this legislation is the appropriate response to this situation.

Senator Lloyd Jones  
Alaska State Senate  
P.O. Box V,  
Juneau, Alaska 99811

Wylie Allen  
P.O. Box 8362  
Ketchikan, Alaska 99901

August 25, 1987

Dear Senator Jones.

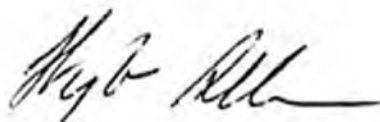
I am a purser on the Alaska Marine Highway, and have been asked to write a letter in support of the efforts of my fellow workers to upgrade their job responsibilities and opportunities for financial advancement.

As you already are aware, the State of Alaska has gone to a great deal of trouble, time, and expense to promote the idea of keeping jobs and the monies they generate within the Alaskan economy. There has also been a somewhat tame, grass roots effort to encourage the Japanese concept of "worker participation" on the ferry system. As a result of these efforts on the part of the state, plus the "harrassment" some of our crew members have experienced who live out of state to move to Alaska or suffer severe financial repercussions with their pay checks, it is difficult to understand why this same state body gives out of state workers (MEBA Engineers) PREFERENCE over employees who live here and already work for the AMHS (IBU engine staff). The IBU workers have the licenses, know the jobs, live in Alaska, and probably have a more vested loyalty to the ferries than a person who doesn't, and who only is waiting for a good off shore job to come along.

Perhaps if the state were more laissezfaire when it came to where people live, and where they spend their money, letters of this type need never be written. However, this is not the case, and the obvious hypocrisy and contradictions just reinforce the image of a bureaucracy which has no agenda, goals, or consistency of purpose.

I hope that your office and staff will be a willing participant in the efforts to solve this dilemma if not to a mutually satisfactory conclusion, than a least to clarify what now appears to be a confusing and arbitrary policy.

Sincerely,



Wylie Allen

- AMHS employee letter -

August 23, 1987  
P O Box 34002  
Juneau, Alaska 99803

Governor Steve Cowper  
Office of the Governor  
P O Box A  
Juneau, Alaska 99811

Dear Governor Cowper:

I have been an employee of the Alaska Marine Highway System since 1978 and an Alaskan resident since 1977. I've found my employment for the AMHS to be both a rewarding occupation and a stimulating career.

I feel that the opportunity for advancement is the key to a rewarding career and for that reason I am concerned about a situation that exists in the procedures governing hire and promotion within the various departments of the AMHS. It appears a more efficient policy for the advancement of existing employees needs to be developed.

I myself am an Able Bodied Seaman sailing relief in the deck department and have every intention of upgrading to a position of licensed deck officer when my sea time requirements are met.

To my way of thinking, in-house promotion of existing employees who meet the requirements is the most efficient method of developing any system's personnel resources. This should be obvious for no other reason than the reduction of the time needed to train and orient new people in the most basic methods of operation that are unique to that system. In this case, each vessel's different problems and characteristics.

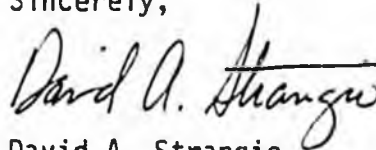
It appears that recently several new hires of junior officers in both deck and engine departments have come from outside the AMHS. Indeed, from outside the state. When this happens, the company (the state) loses twice. First, you have an employee earning a higher wage than an entry level salary being trained at an orientation level, and secondly, that employee's wages are being taken out of the state at a time when local hire and an ailing economy are very vocal issues.

- AMHS employee letter -

This condition could be remedied through contractual labor agreements or through simply instituting a system-wide hiring and promotion policy whereby existing employees with the necessary qualifications are given preference. The fact remains that the system itself is better served when its available resources are more efficiently utilized.

Please believe me when I say that any and all attention that you give to this matter will be noted and appreciated not only by the upwardly mobile and career minded employees that we should want to run our transportation systems, but ultimately by the taxpayers who pay all of our wages.

Sincerely,

A handwritten signature in cursive script that reads "David A. Strangio". The signature is written in dark ink and is positioned above the printed name.

David A. Strangio

cc: Rep. Bill Hudson  
Rep. Ben Grussendorf  
Rep. Bette Cato  
Sen. Lloyd Jones

RECEIVED

OCT 28 1987

GOVERNOR'S OFFICE

Juneau, Alaska  
October 26, 1987

CS# 87322 HDC 0004

Honorable Steve Cowper  
Governor of Alaska  
State Capitol  
Juneau, Alaska

Dear Governor Cowper,

As a life long Alaskan, I would like to bring to your attention, and ask you a few questions about a subject of much conversation at my house for the last three and a half years.

It concerns my son, George Danner III, and his frustrating, exhaustive, and expensive efforts at career advancement in the engine room of the Alaska Marine Highway System, where he has worked for almost thirteen years.

Why has he had to fight the state tooth and nail for something the state contractually guaranteed him and others, beginning in 1982, but refused to enforce? Why did it take my son two years and ten months for him to finally advance to an engineering position, but only after several others from out of state and new to the ferry system were given positions?

Why has the state chosen to provide no more than lip service to this issue for this long? On one side of Fourth Street the state cries "local hire", while on the other side of the street it fights the long time Alaskans by hiding behind one of the wealthiest labor organizations in the U.S.--who obviously don't give a hoot about Alaska!

Perhaps you could relate to me why these policies and contracts continue, neither of which do I find economically sensible or explainable. Why won't the state take a stand and support people like my son? I think it should be apparent by now that he intends to see this issue through, and I hope that the state will wake up and face the issue. It is time!

Thank you for reading this, Mr. Cowper. I would appreciate any action by you on this matter, as my son has been talking about this for three and a half years now. and it would be nice if

(father)  
- Constituents Letter -

he and I could start talking about something else.

I am

Respectfully,

*George Danner Jr.*  
George Danner Jr.  
F.O. Box 020-123  
Juneau, Alaska 99802

c.c. Jim Duncan  
Bill Hudson  
Fran Ulmer  
Dick Eliason  
John Sund

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

P.O. BOX Z  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-3900

December 3, 1987

Mr. George Danner, Jr.  
P. O. Box 020123  
Juneau, AK 99802

Dear Mr. Danner:

Your letter of October 26 to Governor Cowper on local hire for the Alaska Marine Highway System (AMHS) has been referred to me.

It is this department's and AMHS policy to hire Alaskans first whenever possible, as well as promoting from within for deck and engine jobs. This policy has been reflected in contract language and the subject of considerable negotiation with the maritime unions. Current contract language in the three major marine employee bargaining units is the strongest it has ever been toward Alaska hire and promotion from within.

To illustrate this, the following is a list of all promotion and hiring into the licensed deck and engine departments in the past two years according to the AMHS personnel section.

For the past two years promotions from unlicensed deck to licensed deck were:

Pete McMahon

Phil Taylor  
Fred Montez

These were the only individuals available from the unlicensed area that met the pilotage requirements. The Port Captain looks there first before hiring from outside AMHS.

In hiring from outside AMHS, Alaskans with the pilotage requirements were next:

Jane Favors  
Richard Aldo

Wayne Carnes  
Wolfgang Mikat  
Harvey Knuth

One individual was hired from out of state:

Gregg Styrk

Comm. Hickey - Hiring Practices

This individual was hired on a temporary basis as the only qualified person available for the M/V TUSTUMENA while in overhaul status, and now works on the same vessel on a regular basis.

The system for hiring licensed engineers is somewhat different from licensed deck officers since it involves a dispatch to assignment procedure. While this was strictly a function of a Seattle hiring hall in the past, last contract negotiations resulted in a local hiring hall and procedures to promote from the unlicensed engine department of AMHS.

Individuals on the Alaska resident lists available for dispatch to temporary jobs are:

* Steve Roberts	* O'Neil DelGudice
* Ken Hammer	* Lynn Daniels
* Ray Justice	* John Larsen
* Curt Begley	* Jim Jurgeleit
* Mike McRoberts	Fred Ross
* John Webb	

Licensed individuals who have obtained permanent jobs within the past two years are:

* Pete Templeton	* Alan Borgen
* Harold Wright	* George Danner
* Robert Seidman	* Lance Ohmer
Ken Owens	Jim Dolan
Bill Haskill	Tony Baxter

Of the above names, all are Alaskans and those marked \* were promoted from the unlicensed engine department.

Since the new Marine Engineers Beneficial Association bargaining agreement provisions for hiring and dispatching were implemented in August of 1985, no non-Alaskan has been placed in a permanent engineer position. We recognize that the 30-day criteria to establish residency can be argued, but that is not within AMHS control.

I realize this may not dispel your concerns about your son's ability to upgrade into the licensed deck department. Since becoming Commissioner last March, I have held several meetings with affected AMHS personnel, AMHS management staff, and representatives from the Department of Law to discuss various concerns expressed by many about these problems, particularly those involving engine crew. I sincerely believe the intent and commitment is there with AMHS management to ensure this policy is implemented and that relevant

Mr. George Danner, Jr.

-3-

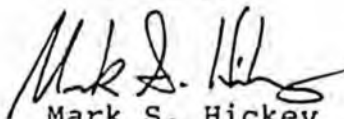
December 3, 1987

contract provisions are enforced. It appears that the current language and procedure may benefit from some adjustment. Accordingly, I have directed staff to review this question, particularly in relation to possible adjustments to pursue during upcoming contract negotiations.

I have received several letters like yours expressing concerns. I take these concerns seriously and am willing to pursue improvements when possible. In that regard, I need more specific information and proposals so that problems which are continuing can be identified and better addressed.

If you have any more specific information to offer, I would appreciate receiving it.

Sincerely,



Mark S. Hickey  
Commissioner

cc: The Honorable Betty Cato  
Alaska State Representative  
The Honorable Jim Duncan  
Alaska State Senator  
The Honorable Dick Eliason  
Alaska State Senator  
The Honorable Ben Grussendorf  
Alaska State Representative  
The Honorable Bill Hudson  
Alaska State Representative  
The Honorable Lloyd Jones  
Alaska State Senator  
The Honorable Fran Ulmer  
Alaska State Representative  
The Honorable John Sund  
Alaska State Representative  
George W. Davidson, System Director  
Alaska Marine Highway System  
Susan Fleischhauer, Legislative Liaison  
Keith Gerken, Deputy Commissioner, Operations

L. 1985  
 P.O.Box 210588  
 Auke Bay, Ak.  
 99821

789 -

I am writing this letter on behalf of eleven Alaskans, the victims of job descrimination which ironically has cost the state millions of dollars. I myself am a member of this group.

Specifically, I am speaking of the concessions the state gave to the M.E.B.A. [Marine Engineers Benificial Association, who represent engineers on the Alaska Marine Highway System] in their 1985-88 labor agreement. Regardless of assurances to the contrary, the affect has been costly. Qualified long time Alaskan engineers are still being passed over by out-of-state workers at an excessive cost to the state.

Prior administrations recognized the benefits of upgrading the experienced worker: and wrote contracts with language favoring their advancement. Among these benefits are: reduced expense in training and breakin, enhanced safety, no inter-state travel expences and payroll retention and recirculation within Alaska.

It should also be pointed out these contracts stood the test of time concerning legality. The new language is not only loose but also changes the focus from experience to Residency with its dubious constitutional legality. We were assured when this contract was signed that it represented our best interests. We were also told the state would emphasize Alaska hire and dispatch and that enforcement would be pursued. The true effect has been just the contrary. Presently the M.E.B.A. enjoys total control of engineer hiring and dispatch with the following results.

Alaska Marine Highway System  
 RELIEF engineer work

	HIRED FROM SEATTLE	APPROXIMATE WAGES	% OF WORK	AMHS UPGRADES VIA 3YR RULE	APPROXIMATE WAGES	% OF WORK
1983	28	300,000 \$ *	98%	1	6,000 \$	2%
1984	50	367,000 \$ *	100%	-0-	-0-	-0-
1985	53	586,000 \$ *	86.5%	11	75,000 \$	13.5%
1986	32	230,000 \$ *	75%	11	80,000 \$	25%

\* Does not include air fare to and from Seattle

A.M.H.S. PERMANENT JOB  
 AWARDS

TO M.E.B.A. MEMBERS      TO AMHS UPGRADES

1983	-0-	-0-
1984	1*	-0-
1985	1*	-0-
1986	3*	3

\* award proceedure questioned

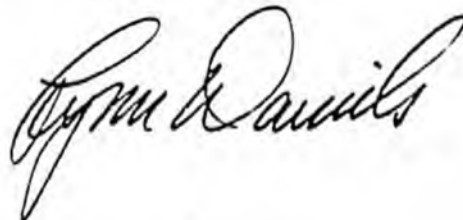
*Daniels ltr. -  
 - MEBA control of engineer hiring -*

Although the local M.E.B.A. representative enjoys touting their "Alaska hiring hall" the facts show, that very little engineering work is going to Alaskans.

In light of the state's current fiscal crisis, this issue deserves immediate attention to address both the fiscal responsibility and fairness to the experienced Alaska Marine Highway System workers seeking career advancement.

I would appreciate your consideration on this matter and would welcome an opportunity to meet and further elaborate on the inequities of this labor contract.

Respectfully,

A handwritten signature in cursive script that reads "Lynn Daniels". The signature is fluid and stylized, with the first letters of "Lynn" and "Daniels" being prominent.

Lynn Daniels

### **RULE 3. PREFERENTIAL HIRING AND USE OF INFORMATION**

**3.01** The Employer recognizes the Union as the normal source of obtaining new Engineer Officers. The Union recognizes the Employer's legitimate interest in local hire. Accordingly, when dispatching Engineers to the Employer, the Union will, in all instances, observe the following order of preference:

1. Group I Alaskan residents
2. Others in Group I
3. Group II Alaskan residents
4. Others in Group II

Within each of the above categories the order of dispatch shall be according to the date that the individual last registered with the Union (i.e., the individual with the earliest date and time is the first offered the dispatch from the appropriate group).

**3.02** Recognizing the passenger-carrying capacity and unique operational requirements of the Employer's vessels, the Union agrees, at all times, to accept applications and immediately register for work those employees who have at least three (3) years experience in the engine rooms of the Employer's vessels, have the required license, possess a lifeboatman's certification and have been certified by the Port Engineer and a Chief Engineer of the Employer as being capable of safely taking over a watch as a licensed Engineer. Individuals who meet the above criteria and subsequently terminate their employment with the Alaska Marine Highway System, lose all rights in this subsection if such rights were gained solely as a result of Alaska Marine Highway System employment. The Employer will promptly notify the Union of such termination, and will furnish the Union a copy of the terminating Personnel Action form containing the pertinent information.

**3.03** Due to geographic considerations, no Alaskan resident shall be required to physically be present in any Union hiring hall or facility in order to be eligible for dispatch to the Employer.

**3.04** When called upon to do so, the Union agrees to furnish the Employer with qualified, competent and satisfactory personnel for any clas-

sification covered by this Agreement. The Employer retains the right to reject personnel referred for employment, including the right to reject a previously employed Engineer Officer for cause. Such rejection shall be subject to the grievance procedure.

**3.05** In the event that the Union is not able to provide Engineer Officers on demand, the Employer may hire from other sources. The period of such hire may not exceed two (2) working weeks.

**3.06** The Employer, in addition to its unrestricted right of selection of Chief and First Assistant Engineer, shall have the right to keep in continuous employment within its fleet any licensed Marine Engineer who desires to continue full-time employment with the Alaska Marine Highway System for assignment to any rating providing he or she continues to tender the dues uniformly required to maintain his or her membership in good standing in the Association. Continuous employment shall not be deemed to have been broken if the Engineer is on a mutually approved leave of absence.

**3.07** It is recognized that the parties have a commitment to Affirmative Action where underutilization of individuals in particular sex and race/ethnicity categories is documented.

**3.08** Preemployment physicals may be required by the Employer.

**3.09** The Union agrees that all nonpublic personnel information provided to it by the Employer shall be used only for purposes related to the execution of the Agreement; and that the Union shall be responsible for the protection and security of information provided.

**3.10** In the event that an Engineer Officer is denied employment or discharged for medical reasons and there is conflict between the Employer's medical doctor and the Association's medical examiner, the parties shall refer the matter to a third doctor mutually agreed upon by both parties whose decision shall be final and binding.