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FISCAL NOTE

Revision Date: April 29, 1991
 Title: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects, and providing for an effective date.
 Sponsor: Menard, Rodey, Collins
 Requestor: Menard
 Department Affected: DOT&PF
 BRU: Statewide Engineering & Operations Standards
 Component: Eng. & Oper. Standards
 Component Serial Number: 547

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	3.0	0	0	0	0	0
CONTRACTUAL	15.0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	18.0	0	0	0	0	0

CAPITAL	400.0	400.0	400.0	400.0	400.0	400.0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUNDS	418.0	400.0	400.0	400.0	400.0	400.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None.

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jeffery C. Ottesen, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 29, 1991

Approved by Commissioner: 

Phone: 465-3900

Frank G. Turpin

Agency: Department of Transportation and Public Facilities

Date: April 29, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

ANALYSIS (cont. from page 1):

Regulations

There will be approximately \$18.0 in one-time administrative costs in FY 1992 due to the costs of implement regulations; these funds will be used for legal support, advertising, public hearings and travel to public hearings. Of this amount, \$15.0 is for contractual items (legal costs \$12.0, transcriptions \$2.0, advertising \$1.0) and \$3.0 is for travel and per diem to meetings.

Operating Costs

Administrative costs of establishing new contract specifications and having them reviewed by the Attorney General's office, regional staff and federal agencies will be borne by existing operating budgets.

Opportunity Costs: Federal-Aid Capital Programs

While not a new cost requiring an appropriation the bill has the effect of raising costs on certain federal-aid highway and aviation projects and thereby reducing buying power. This cost is essentially an opportunity cost to the program. It is estimated at \$2.0 to 3.0 million annually and will result in the delay of some projects as the schedule for highway and airport improvements will stretch out accordingly. It does appear as a cost on the fiscal note.

Capital Costs: General Funded Capital Programs

For the GF capital budget, we assumed that, on average, about \$4 million dollars of general funded construction would be defined as "remote" each year, and that the cost of a camp would contribute about 10% additional expense to these projects. This amount would vary with the size of the state's capital budget and the portion of the budget that is allocated to remote projects.

FISCAL NOTE

Revision Date: 4/5/91 Department Affected: DOT&PF
 Title: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date. BRU: Statewide Engineering & Operations Standards
 Sponsor: Menard, Rodey, Collins Component: Eng. & Oper. Standards
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PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None.

ANALYSIS: (Attach a separate page if necessary)

See Attachment.

Prepared by: Jeffery C. Ottesen, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 16, 1991

Approved by Commissioner: 

Phone: 465-3900

Frank/G. Turpin

Agency: Department of Transportation and Public Facilities

Date: April 16, 1991

Distribution By Preparer: Legislative Finance, Legislative Sponsor, Requestor, OMB, Impacted Agency(ies).

ANALYSIS--(cont. from page 1):

Regulations

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Alaska State Legislature

N
Senator Curt Menard



While in
Session:
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Juneau, Alaska
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Senate
District
E

TO: Senator Drue Pearce
Chair - Senate Labor and
Commerce Committee

FROM: Senator Curt Menard *Curt*

DATE: April 9, 1991

RE: Request for hearing:
SS SB 37

I am the prime sponsor of SS SB 37 "An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects."

This bill is now in Senate Labor and Commerce and I am writing to request that it be scheduled for hearing at your earliest possible convenience.

If you have any questions, please contact my staff member Iola Young. Thank you for your consideration of my request.

WE SUPPORT



Red. SB 37
SB 33
Furber's bill -
the one that triggered
SOS last year -
lets get both sides of
the argument.

Does Alliance have a
position on the bill?

DOIRF - last year's position
Paper?
etc.

7-LS0373J
Cramer
4/25/91

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 37 ()

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS MENARD, Rodey, Collins

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to food and housing for construction workers at remote construction sites
2 on certain state construction projects; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 36.90 is amended by adding a new section to read:

5 Sec. 36.90.110. FOOD AND HOUSING AT REMOTE STATE CONSTRUCTION
6 SITES. (a) Except as provided in (b) and (c) of this section, the state shall require that a
7 contractor provide food and housing to an employee of the contractor working on a state
8 construction project at a remote construction site. The contractor may not consider the cost of
9 the food and housing in setting wages for the employee or in meeting wage requirements under
10 AS 23.10.065 or AS 36.05.

11 (b) Before the award of a state construction contract, the state shall estimate the length
12 of active, on-site workdays required to complete the project, and the number of contractor
13 employees required at peak employment periods. If the estimate indicates that the project will
14 require fewer than 60 continuous calendar days of active on-site work or fewer than 15 contractor

1 employees at peak employment periods, the project is exempt from the requirement to provide
2 food and housing set out in (a) of this section.

3 (c) A contractor who provides adequate transportation to employees is exempt from the
4 requirement to provide food and housing set out in (a) of this section for those employees for
5 whom the transportation is provided. Transportation is adequate under this subsection if it

6 (1) transports the employee from the departure point to the work site in 60
7 minutes or less or if the employer pays wages to the employee for time spent travelling to the
8 work site in excess of 60 minutes; return transportation shall be provided on the same basis;

9 (2) is available each workday at times reasonably close to the beginning and
10 ending of each work shift;

11 (3) begins from and returns to a departure point that is central to either a location
12 where commercially available food and lodging establishments exist or which is the domicile of
13 the employee; and

14 (4) meets applicable transportation safety standards.

15 (d) Unless a state construction contract is exempt under (b) or (c) of this section, the
16 specifications for the contract must contain a provision setting out the requirement for providing
17 food and housing at remote construction sites and the optional provisions for transportation
18 services. When this provision is required in a contract, the contract must designate the site and
19 include relevant permits for the housing.

20 (e) The Department of Transportation and Public Facilities shall implement this section
21 by regulation.

22 (f) In this section,

23 (1) "domicile" means the principal place of residence of an individual during the
24 90 days before employment on the state construction project;

25 (2) "remote" means a work site that is either more than 50 road miles from or
26 inaccessible by two-wheel drive vehicles from a location that has commercial food and lodging
27 establishments adequate to accommodate the work force of the state construction project;

28 (3) "state construction" means the on-site field surveying, erection, rehabilitation,
29 alteration, extension, or repair, including painting or redecorating, of buildings, highways, or
30 other improvements to real property, under contract for the state.

31 * Sec. 2. This Act does not apply to a contract for a state construction project that was entered into

1 before September 1, 1991.

2 * Sec. 3. This Act takes effect September 1, 1991.



Department of Transportation
and Public Facilities

POSITION PAPER

BILL NO: SSSB 37

APPROVED:

Randy Simon

TITLE: An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date.

DATE: April 16, 1991

This bill represents a compromise between the department and labor unions regarding a statutory provision for camps on remote construction projects. While we are not enthusiastic about this bill, neither do we oppose it. Our position is neutral.

As background, camps were at one time required thru negotiated labor agreements. With the rise of non-union contractors, the cost of camps made union contractors less competitive, and in order to ensure union contractors could secure projects this provision was eliminated by negotiations. At remote projects unsanitary living conditions occurred as employees camped wherever they could find a site, without regard for trash disposal and basic sanitary requirements. In 1990, in response to the problem, the department adopted a contractual requirement for a contractor furnished campground at remote projects. Under this arrangement, the employee must provide the tent or camper and cook his/her own meals; the contractor provides, free of charge, a full-service camp site complete with power, water and a central lavatory, shower and laundry facility.

While we believe that mandatory campgrounds are a cost effective solution, union representatives have continued to stress their preference for contractor furnished housing and meals. Aside from the policy question of whether camps or campgrounds are appropriate, the original version of the bill was unworkable for practical reasons.

The sponsor substitute has effectively addressed the impracticalities. The requirement for camps will not apply to small or short duration projects. There is also a clear point of decision before the project is let, making it clear to all bidders as to what is required contractually. Finally, a contractor may weigh the cost of a camp

For Further Information contact Katy McHugh at 465-3900.

BILL NO: SSSB 37

TITLE: - An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects; and providing for an effective date.

DATE: April 16, 1990

against the cost of compensated transportation time in order to make the most economical decision.

While we are neutral toward the bill, we must point out the opportunity costs. Camps will in essence add to a contractor's overhead thus raising the cost of remote projects. As we operate with a fixed amount of federal money for airport and highway improvements, we will lose some purchasing power. On state-funded projects, remote projects will also require an incrementally larger appropriation. Estimates of these costs are found in our Fiscal Note.

Finally, we would like to offer a nominal amendment. The Association of General Contractors has requested that it be made explicit that when a camp is required, the state take steps to provide the site and secure necessary permits. It has always been our intent that we do so, because it removes the possibility of "sweetheart" deals regarding a site and prevents undue delays while the contractor seeks permits; we endorse a statutory requirement. Recommended is the following:

Section 1, paragraph (d) Unless a state construction contract is exempt under (b) or (c) of this section, the specifications for the contract must contain a provision setting out the requirement for providing food and housing at remote construction sites and the optional provisions for transportation services. When this provision is required the contract must include a designated site and relevant permits for the placement of contractor furnished housing.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

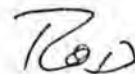
FACSIMILE TRANSMITTAL SHEET
FAX NO. (907) 586-8365TO: Gov. Mourant / Sen. Pearce's PHONE: 465-3844FROM: Katy McHugh / DOTPF PHONE: 465-3900NUMBER OF PAGES INCLUDING THIS COVER SHEET: 9

COMMENTS:

Rod - Enclosed is FN + PP from last year (SB 533 + HS 430 were same bill originally.) Also, for your or the Senator's information, if you want more background, is a briefing paper prepared for the Governor last Spring. Call if you need more info
 vatu

DRUR -

KATIE McHUGH SAYS
 EVEN THOUGH 1 YR OLD,
 STILL REFLECT
 ADMINISTRATION'S POSITION.



Department of Transportation and Public Facilities

POSITION PAPER

Bill No: HB 430

Approved: Mark S. Hickey *MSH*
Commissioner

Title: An Act requiring that overtime wages at twice the regular rate of pay be paid for certain work days and work ...
... and relating to food and housing for construction workers at remote construction sites."

Date: 2/6/90

The department is concerned that the cost of complying with this proposed legislation will significantly increase the cost of constructing highway, aviation and other public facilities in remote areas of the state.

Section 2 of the bill provides that contractors shall furnish food and housing to an employee working at sites inaccessible by two-wheel drive vehicles or 50 road miles or more from commercially available food and housing. The department is concerned that all construction workers, be they employed by the state or the contractors, have reasonable and adequate living circumstances while working on department construction projects. Toward this end, we have prepared a new standard for remote projects (though accessible by road). It requires that the contractor provide, at no cost to employees, full-service campgrounds including water, power, showers, laundry and waste disposal. We believe this new standard would save a substantial amount of money compared to "camps" and result in other benefits when compared to the standard proposed in the bill.

The campground standard contemplated by the department was one of four possible solutions to correct the problems associated with workers living in unsanctioned campgrounds (see "Policy Proposal for Accommodations on Remote Projects, October 1989," attached). Notably, the selected standard solves all health and sanitary conditions raised as a concern, and was well received by the Department of Environmental Conservation. It has three additional attributes worth mentioning when compared to the solution proposed in this bill.

- It requires that a worker provide a vehicle or trailer for his/her housing. This serves to hinder out-of-state workers from flying into the state with only their luggage and working for extended periods. Notably, this bill would largely affect federally funded projects to which no in-state hiring preferences can be applied.
- By coordinating with other agencies, the campgrounds created by the department's new standard could become permanent facilities adding to the state's tourism and recreational base.

For More Information Contact Catherine M. Hugh at 465-3900

- The department's standard results in significant savings when compared to the requirements of the bill. For DOT&PF highway and aviation projects the requirements set forth in this bill are estimated to cost 5 times the cost of the campground standard (2.4% vs. 12% of the aggregate construction cost). The consequences of the higher standard would be to raise the overhead cost of capital projects and subtract from the buying power of capital funds.

The department intends to implement the campground policy discussed. It is contemplated to be in force on the following projects in the coming year.

Glenn Highway, MP 135 North (Nelchina Slide)
Richardson Highway, MP 79 North

As substitute language we would encourage the following language for consideration to be inserted at line (10), page 5.:

(c) An employer or contractor, at sites accessible by two-wheel drive vehicle, but more than 50 road miles from a place that has adequate, commercially-available food and housing, shall be considered as satisfying the requirements to provide food and housing under (a) of this section by providing a full-service campground. A full-service campground is adequate under this section if it

- (1) has gravel, well drained surfacing at each camp space;*
- (2) provides power and potable water connections at each camp space;*
- (3) has common toilets, lavatories, showers, laundry with hot and cold water; and*
- (4) trash containers and holding tank discharge system is provided.*

Proposed paragraphs (c) thru (f) to be re-lettered to (d) thru (g).

We would also comment that the bill as written would all but eliminate the ability to use small contracts on remote locations without very large transportation or camp costs. This would impact trail and wilderness recreational facilities, hatchery renovation projects and similar smaller undertakings. We would propose that a dollar threshold be included below which projects would be exempt.

MEMORANDUM**State of Alaska**Department of Transportation & Public Facilities
Office of the Commissioner**TO:** The Honorable Steve Cowper
Governor**DATE:** March 29, 1990**THRU:** Garrey M. Peska
Chief of Staff**FILE NO:****FROM:** Mark S. Hickey *M&H*
Commissioner**TELEPHONE NO:** 465-3900**SUBJECT:** Camps at
Public Construction
Projects

This memo is submitted in view of the March 20, 1989, decision memorandum prepared by the Department of Labor. It describes why we think the option recommended by DOL should be rejected in favor of the solution already developed and implemented by this department.

Origin of the Issue

There is no question why camps are no longer part of the Alaskan construction industry for projects on the road system. In the early 1980's, as open shop contractors began to participate on public works projects, they gained a competitive advantage in bidding as they did not have to incur the cost of camps. Prior to open shop public works contractors, labor agreements included the requirement for full service camps for construction workers. This included the provision of room and meal service. Recognizing that the camp provision made union contractors uncompetitive, such contractors were able to get these provisions eliminated from the contracts through labor negotiations. Thus the issue at hand is an attempt to gain in statute what was lost at the bargaining table.

Further, the discussion thus far has strived to paint this department as the cause of the the loss of camps. This is fundamentally incorrect. The department did require that camps be provided for department staff at construction sites but dropped this requirement when camps were no longer required as part of labor agreements.

The absence of camps has resulted in some problems, such as the long-term crowding of public campgrounds with laborers and unauthorized camping and trespass in gravel pits and other areas with attendant sanitation problems from litter and human waste. However, many contractors now provide campgrounds for their employees and have found that they are an effective way to resolve the problems listed above. Thus the problem is not found on every remote job, but some action is necessary to ensure that crowding of public campgrounds, trespass, and unsanitary situations are avoided in all instances.

The Honorable Steve Cowper

Page 2

March 29, 1990

As an aside, contractors have informed us that some people camping illegally near construction sites are "would-be" workers hoping to get hired. Regardless of the outcome, these individuals will not benefit from the proposed change.

Legislative Proposals

The House Labor and Commerce Committee is sponsoring a bill (CS HB 430) which would require that full service camps be included on all public works projects (including municipal projects) if they are more than 50 road miles or otherwise inaccessible from a community with commercially-available food and housing. This bill parallels the recommendations in Commissioner Sampson's decision memorandum.

Department Action

Recognizing that there is a need for reasonable accommodations, the department undertook an analysis of what options could be considered and what they might cost. This analysis evaluated 4 options ranging from mandating minimum service campgrounds to full-service camps with meal service. The four options have a high degree of cost variability (see "Policy Proposal for Accommodations on Remote Projects, November 1989," attached). This draft policy paper was circulated to DOL at that time, though a written response was never received.

In the absence of any criticism during the review process, we elected to select the full service campground option as it fully resolves the trespass and sanitation problems at a modest cost increase to the capital budget. We feel that mandating full service campgrounds (a gravel surface, power, water, trash and dump station services, showers, toilets, lavatories and laundry facilities) would resolve all of the sanitary problems cited as the justification for the camps.

Notably, the selected standard solves all health and sanitary conditions raised as a concern and was well received by the Department of Environmental Conservation.

We have recently taken action to apply this provision to the bidding requirements of remote projects, thus in large measure, the problem has been solved without legislation or regulation.

It has three additional attributes worth mentioning when compared to the solution advocated by DOL.

- It requires that a worker provide camping equipment, including a tent, vehicle or trailer for his/her housing. This serves to hinder out-of-state workers from flying into the state with only their luggage and working for extended periods. Notably, this bill would largely affect federally funded projects to which no in-state hiring preferences can be applied.

The Honorable Steve Cowper

Page 3

March 29, 1990

- By coordinating with other agencies (such as DNR) the campgrounds created by this new provision could become permanent facilities adding to the state's tourism and recreational base.
- The department's standard results in significant savings when compared to the requirements of the bill. For DOT&PF highway and aviation projects, the requirements set forth in this bill are estimated to cost 4 times the cost of the campground standard (2.9% vs. 12% of the aggregate construction cost). The consequences of the higher standard would be to raise the overhead cost of capital projects and subtract from the buying power of capital funds.

Other Considerations

It has been suggested to us that requiring workers to provide their own camping facilities is an undue financial burden. We do not agree. Most Alaskans camp for recreational purposes and camping equipment is widely owned. Nor does it have to be overly expensive. While a large, modern, recreational vehicle can cost many thousands of dollars, a person of lesser means can adequately get by with a camping tent, or a pickup truck with canopy.

Some contractors who now provide campgrounds for their work force have talked about how much their workers like the idea of their family being welcome to join them in the campground. Unlike camps, which are ill-suited to a family staying with the workers, the campground concept may add to a more stable family environment for construction workers.

Criteria Issue

Another facet of this issue is when it would be invoked. For the department's contract requirement, we elected to waive the campground requirement for small projects (less than 15 workers or less than \$500,000), those of short duration (less than 60 days) and those located within 50 miles of a community capable of housing the work force in commercial facilities.

CS HB 430 includes a comparable 50 mile radius, but allows that if the contractor furnishes transportation that takes not longer than 30 minutes he may be exempt from the camp requirement. Realistically, given the maximum 55 mph limit on highways, this exemption is meaningless for projects on the road system.

CS HB 430 would also apply to every public works project including those of municipalities. It technically would even apply to small construction projects undertaken by Fish and Game and DNR at remote locations (e.g. fish by-pass structures, trail work, cabin refurbishment). The application of the camp requirement in CS HB 430 to very small projects in remote areas could be catastrophic, in terms of cost impacts, making it completely impractical to undertake these types of projects.

The Honorable Steve Cowper

Page 4

March 29, 1990

Labor's memorandum incorrectly asserts our criteria would eliminate most public works projects. Although it is correct that our criteria will only apply to certain projects, we believe it will cover those projects where adequate housing in remote locations is not otherwise available. Labor apparently believes full camp facilities should be guaranteed in all cases. This is unrealistic, unnecessary, and completely ignores the cost impact on meeting the state's capital needs. It's particularly disappointing to see Labor's criticism in this area since, to date, they haven't provided a single suggestion either formally or informally to moderate the problems with our criteria.

For projects not on the road system, the department's policy does leave open the option of requiring camps; though we find that contractors provide them already without a specific contract requirement if warranted.

Comparison to DOT&PF Employees

It has been mentioned in the hearings and in the DOL memorandum that our own people receive better care. It is true that, by labor agreements, we must pay per diem for staff in travel status under some circumstances. However, we strive to hire our inspectors from communities near our projects which eliminate the cost of travel and per diem charges. Further, except for project engineers, our inspectors are paid substantially less per hour than are most construction workers.

We find it ironic that employees must pay their own lodging and meal costs for projects within 50 miles of a community but then receive fully paid accommodations beyond the 50 mile threshold. We think providing a full-service campground is in many ways preferable to commercial housing, in terms of cost, privacy and the ancillary benefits it provides. In fact, we would fully expect to find workers voluntarily camping at projects inside the 50 mile radius as a means of reducing their costs.

Cost Issue

The difference in cost between a full-service camp and a campground is significant. We reviewed actual camp costs with Alyeska, APA and contractors. From this we estimate a 12% burden to remote projects if a full camp is required. In contrast, the full-service campground would add about 3%. With the CS HB 430 proposal, in the next 6 years the state highway program would incur a cost burden of at least \$ 24 million and probably given the broad criteria. This is approximately equal to the cost of one-fifth of the state's annual highway construction program.

Whether camps or campgrounds, the cost of this issue subtracts from the purchasing power of capital budgets. The state vitally needs to efficiently use the capital budget if we are to improve safety, increase capacity and improve transportation. Our federal-aid funds are not free as many would suggest. The state has a fixed annual amount to spend. There is a real, reasonable opportunity cost by choosing to buy camps instead of more asphalt.

The Honorable Steve Cowper

Page 5

March 29, 1990

Given the deteriorating condition of our transportation facilities, the lack of general funds to meet our capital needs, and the real threat of major federal funding decreases on the near-term horizon, the added unnecessary cost of full camps cannot be justified. Especially when you consider the department is moving administratively to address the most serious condition problems.

Key Agency Views, Interest Groups

Our information is that the Associated General Contractors, Alaska Chapter, and the Highway Users Federation of Alaska are very troubled by the camp recommendations of CS HB 430.

Though we would concur with Labor that the Alaska AFL-CIO would prefer CS HB430, the representatives that met with us were very encouraged and appreciative of DOT&PF's proposal, as a major step in the right direction.

Recommendation

The provision of CS HB 430 pertaining to camps is overly expensive, unnecessary, and would impose extreme complications on small projects. The justification for this bill is the need to provide safe and sanitary facilities for workers on public construction. We have already accomplished this at far less cost than would be incurred under the bill.

The department's solution has additional benefits including adding to campgrounds, reducing the prospect of outside workers, and making remote projects easier for workers with families to hire on.

We would recommend that the administration endorse our administrative solution and not support the camps provision in CS HB 430.

cc: Don W. Collinsworth, Commissioner, Department of Fish and Game
Lennie Gorsuch, Commissioner, Department of Natural Resources
Dennis D. Kelso, Commissioner, Department of Environmental
Conservation
Jim Sampson, Commissioner, Department of Labor
Ron Clarke, Special Staff Assistant, Officer of the Governor
W. Keith Gerken, Deputy Commissioner, Operations, DOT&PF
Regional Directors, DOT&PF

**STATE OF ALASKA
1990 LEGISLATIVE SESSION**

**BILL VERSION: SB 533
PUBLISH DATE: 3/22/90 (6-2338A)**

REQUEST: FISCAL NOTE

Revision Date: Agency Affected: DOT&PF
 Title: An Act relating to food and housing workers of remote construction sites on public construction projects; and providing for and effective date. BRU: Design & Construction
 Sponsor: Labor and Commerce Committee Components:
 Requestor: Labor and Commerce Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	60	60	60	60	60	60
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	60	60	60	60	60	60
CAPITAL	240	240	240	240	240	240
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	300	300	300	300	300	300
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	300	300	300	300	300	300

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: The fiscal note is based on assuming an average of \$0.5 million per year of general fund dollars are spent on maintenance projects which would be affected and another \$2.0 million in general fund capital projects. To these amounts an average camp cost of 12% was applied. In addition, on federal-aid highway and aviation work, based upon the proposed program for the next six years a cost of \$4.0 million per year is anticipated. This would subtract from the buying power of our capital budget, but would not add new costs.

Prepared by: Jeffery C. Ottesen
 Division: Engineering and Operations Standards
 Approved by Commissioner: *Mark S. Hill*
 Agency: Department of Transportation and Public Facilities

Phone: 465-2960
 Date: April 4, 1990
 Date: *4/4/90*

Distribution (by preparer):
 Legislative Finance
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 Impacted Agency(ies)

REMOTE SITE - NON WORK RELATED INJURIES

An employee was injured while swinging on a tree swing for recreation after dinner with 3 other guys. He was swinging on a rope swing and came back hit the tree and fell to the ground. The initial diagnosis of injury was a severe compression fracture superior half of L4 vertebral body. Surgery was performed and a strut graft across L3-4 and posterior fusion with a steffee plate, with complete reduction of the fracture.

This claim is still open and the employee is still receiving compensation. The long process of rehabilitation has not worked for either the employee or the employer/carrier and the claim remains open. This claim is almost 3 years old.

Three experienced men drove out to the blasting site in their private vehicle after work hours to watch and film the pit shot. One employee and his family lived in the camp as homeguards and the other two men lived in the bunkhouse. They were below the site on another road watching when the blast occurred and created a land slide. The three men were in the direct path of the mud slide. All three men were caught in the slide, two were killed and a third man was not seriously injured.

One employee's claim will remain open for up to 21 more years because of his minor dependents.

An employee injured his knee after a friend in a private vehicle backed up and hit the injured employee after work hours. The employee required surgery and was on time loss for a long period of time. There is a road connecting the camp with a town but the road was impassable at the time thus making the camp site remote. This claim is less than a year old.

An employee was sleeping in his room when another employee burst into his room and began fighting with the employee. The sleeping employee's arm went out through a window and severed the ulnar nerve in his right arm. The employee has virtually no use of his arm, his fingers are clawing and has to learn to write with his left hand. He is in the process of rehabilitation but it will be years before there is significant reinnervation of his arm, if ever. Medical costs will also be significant through the medical portion of the claim.

The employee has been and is still on time loss for a year now. It is undetermined when medical stability will be reached.

An employee was severely burned when he threw a flammable liquid on an open fire while helping his father burn trash at his personal trailer site after work. The fire exploded and he was engulfed in flames. His father was also burned trying to save his son. Both men were employees at the camp site. He was medivaced to Seattle to Harborview Medical Center. He suffered 2nd and 3rd degree burns over 80% of his body. He will be having skin grafts for the next 2 to 3 years.

This claim has cost nearly \$500,000. to date and is expected to exceed a \$1,000,000. This accident is less than a year old.

REINLAND



APR 23 1991

THE ALLIANCE

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April 18, 1991

Honorable Drue Pearce
Alaska State Senate
Post Office Box "V"
Juneau, Alaska 99811

Dear Senator Pearce:

Our Public Policy Committee has reviewed sponsor substitute for Senate Bill 37 and have no objection or suggested changes to this bill in its current form.

Sincerely yours,

William F. Webb
General Manager

cc: Public Policy Committee

Alaska Support Industry Alliance

... for responsible economic development

JAN 30 1991

LABORERS' INTERNATIONAL UNION
of NORTH AMERICA
LOCAL 341

2501 Commercial Drive
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January 25, 1991

The Honorable Drue Pearce
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Senator ~~Pearce~~: *Drue*

I would like to enlist your help on a humanitarian issue. Currently, there are many people working on our state's road construction jobs who are living in very unhealthy and unsanitary conditions. Sometimes these individuals have the luxury of living in their campers (usually without hookups), but most of them are living in squalor. When I say squalor, I mean visqueen lean-tos, tents, the back seats of cars, the front seats of pickups, and sometimes inside a nice, dry culvert.

The state used to provide for food and housing in the bid specifications. That is not the situation any longer. The outside NON-union contractors found they could underbid conscientious Alaskan contractors by cutting out decent living and working conditions on their bids. Then the Alaskan contractors followed suit to remain competitive. Since then, the DOTPF, at least under the last administration, has taken a negative position because the cost would cut into the actual physical construction dollars.

Dignity in the workplace has taken a setback to well before Alaska's statehood. People are getting sick because they don't have potable water, housing, laundry facilities, showers, or warm food. One laborer told me that he would come home to his visqueen tent after twelve hours on a muddy road job, make a sandwich out of stale bread, and fall asleep in the same clothes we worked in the day before. Then he'd wake up, drink a cup of cold instant coffee, and go to work with another stale sandwich for lunch. He was working a twelve-hour shift seven days a week.

Put yourself into this individual's position and ask yourself, "How long would I last on a job like this?"

I would appreciate it very much if you would add your name as a sponsor to Senate Bill 37 so that we may hopefully rectify this terrible situation.

Sincerely,

Mano Frey
Business Manager/Secretary-Treasurer

MF/dsr