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135

SENATE RULES
STANDING COMMITTEE
May 3, 1982
1:15 p.m.

Members Present: Senator Tim Kelly, Chairman
Senator Frank Ferguson
Senator Bob Ziegler

Members Absent: Senator Ed Dankworth
Senator Jalmar Kerttula

COMMITTEE CALENDAR

SB 135 "An Act relating to motor vehicles and carriers; and providing for an effective date."

WITNESS REGISTER

Shirley Willford
S. Alston, Fairbanks, Ak 99701
No Phone provided.
Position Statement: Testified on SB 135.

Timothy Gunderson
Alaska Truck Owner Operators Cooperative Association
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Position Statement: Testified on SB 135.

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Alaska Transportation Commission
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Position Statement: Testified on SB 135.

Steve Willford
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Position Statement: Testified on SB 135.

Jerry Colrud
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Position Statement: Testified on SB 135.

Ted Harris
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Position Statement: Testified on SB 135.

George Carter
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Position Statement: Testified on SB 135.

Douglas Carter
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Position Statement: Testified on SB 135.

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Position Statement: Testified on SB 135.

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Position Statement: Testified on SB 135.

Bob Keeffe
Alaska Owner/Operator
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Northern Tariff Research Limited
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479-3361
Position Statement: Testified on SB 135.

Glenn Kent
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Position Statement: Testified on SB 135.

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Position Statement: Testified on SB 135.

C. Robello
Owner/Operator
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Position Statement: Testified on SB 135.

T.J. Thrasher
Alaska Trucking Association
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Position Statement: Testified on SB 135.

John Crillard
Four Star Terminals
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Position Statement: Testified on SB 135.

Jim Doyle
Weaver Bros. Inc.
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Position Statement: Testified on SB 135.

Joe Gilbertson
Big State Equipment
2.5 Mile Farmer's Loop Road, Fairbanks, Ak 99701
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Position Statement: Testified on SB 135.

Senator Charlie Parr
Alaska State Legislature
Pouch V, Juneau, Ak 99811
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Position Statement: Testified on SB 135.

PREVIOUS ACTION

SB 135 Please refer to S. Finance Committee
04/28/82. Please refer to S. Transportation
Committee minutes 02/09/82.

ACTION NARRATIVE

Tape #
Recording
Number 0000

Senator Kelly, Chairman called the meeting to order at 1:15 p.m. with member Senators Ferguson, and Ziegler present. Senators Kerttula and Dankworth were absent. Senator Kelly brought SB 135 before the Committee for consideration and proceeded to explain the purpose of the meeting.

Number 0027

Senator Parr testified in support of the Alaska Transportation Commission. Owner/Operator situation has gotten worse and SB 135 is an attempt to alleviate some of these problems. This problem has arisen because private carriers without meeting the qualifications of the common carriers have been competing with them. That's section 3 of the bill. The... unfortunately, Mr. Chairman, there were two mistakes in the drafting of this bill and I do believe that the Committee members do have two proposed amendments. One of those was put in by the Legislative Affairs draftsmen and I haven't been able to find out why it was thrown in but that would be the words "construction contractor operators" on Page 1, Line 19. The other one was not the draftsmen mistake but ours in deleting the words "with or" when it comes to hauling with or without compensation. That makes the bill go broader than intended and that point has been

brought to our attention so I am asking the Committee to consider that amendment. Mr. Chairman, in order to spare your time and

also because I have a Committee meeting I'll stop here and answer any questions.

Number 0060

Senator Kelly: Senator, on the proposed amendment. Did you want both of the amendments made? The one that says "and construction contractor operators"?

Number 0061

Senator Parr: Yes, sir, that's a deletion actually.

Number 0062

Senator Kelly: You do want both of those amendments though on page 2.

Number 0063

Senator Parr: That's the one that allegedly the drafters put it in. We did not ask for it.

Number 0063

Senator Kelly: Senator Ferguson.

Number 0063

Senator Ferguson: I'll make the motion now, I know it's premature but I do have to leave and at this time. I move that we adopt Senator Parr's two amendments to what I hope will be a Committee Substitute.

Number 0069

Senator Kelly: Any objections, so done. Were there any questions for Senator Parr? Thanks Charlie.

Number 0070

Senator Parr: Thank you very much.

Number 0071

Senator Kelly: Let me call the attention of the Committee to the fact that we received a, I guess it was telexed today, a petition from these folks who are mainly in the Anchorage area approximately 170 names in favor of SB 135. We didn't have it copied because it is difficult to read, you can't read many of the names, but we do have this petition. Do we have the testimony sheet, Tim, Jane? Let me just say that we plan to go as long as we can today, that means till at least 3:00 p.m. We have everybody who has conflicting meetings at 3:00, Senator Parr has HESS Committee meeting and I want to attend that also. So we can go on till 3:00 p.m. and I would hope that everybody who testifies could keep it after you say all that you have come to say, could keep it

relatively brief, if possible. Okay, the first person to testify is Shirley Willford. Shirley.

Number 0086

Shirley Willford: Mr. Chairman and Senators, I can speak volumes on this issue so I just preferred to put my words in a statement because that might shorten that up a little. There are those here today that are going to try to make this a union problem. I am not going to leave the union out of my statement as in 1976 virtually every company was union. I became involved and active in owner/operators problems in 1976 as I am married to one of the good old boys. About that time I took a concerned interest in the fact that these revenues were diminishing while hours worked and miles driven were not. The diminished revenues were showing up on lease settlement sheets as back charges under the label of wages, benefits, sick leave, vacation pay and of course pensions, state and federal contributions, virtually the complete wage package. I began researching statutes and regulations under the Alaska Motor Carrier Act and labor statutes trying to determine how this was being legally accomplished. I was stunned to find that upon carrier representation the Alaska Transportation Commission had taken upon itself the authority to repeal ten regulations pertaining to vehicle leasing, however, 3AAAC64070 directed to driver compensation was seemingly intact. I would like to at this time direct your attention to Document 1, page 1 and 2. In 1979, three years after the wage package, charge backs had begun. A document surfaced in an attempt by the ATC to legalize and adopt an amendment to 3AAAC64070 including the driver's wages. Document 2, this document submitted by the ATC that again at carrier representation eleven to be exact 3AAAC64070, had been waived exempting the carriers from enforcement of the regulations for all of that time. I found no previous published documentation. I was personally affronted by the ATC explanation of their action, Document 2, Page 3, Paragraph 2, as my husband had never charged any company for one hour of labor that he didn't produce double the work. In fact, as some of the

opposing gentlemen here can attest to, there were many people here during the pipeline and I am sure there were many abuses in hours of labor per trip but I would like to ask. By what authority did ATC have the right to deal with a labor problem and penalize every driver in Alaska? By allowing this exemption it was a direct interference by a state agency with the personal right of collective bargaining. Federal law prevents the union from negotiating the lease for the truck yet ATC through the wage package directly into the lease this gives the carrier total control of the owner/operator. It became virtually impossible for the bargaining unit to negotiate wages and benefits the driver was forced to pay from his lease revenue. It put the owner/operators in the position of having to take from his own pocket to put in the other. With an increase in wages and benefits he would under law be forced to pay for more in state and federal contributions, union benefits and working dues which would far exceed the raise in wage even though he was not working more hours. We would... who would ever consider a strike for that prize. The carriers with the help of the ATC knowingly reduced the bargaining unit to nothing more than a means to guarantee employment status and seniority on the Board. In so doing our April 3 repaying of approximately 50 to 57% of the revenue as opposed to the normal 25%, as will be addressed by another witness for it also diminished the power of the owner/operators to negotiate a lease. I do not pretend to know how our State Legislature perceives an unpublished exemption of a state regulation under Alaska Statutes, directly interfering with collective bargaining but some of us call it collusion, some conspiracy, I call it unfair labor practice. June 2, 1980, six months after receiving many letters of objection on file at ATC, the Commission adopted the amendment to the amendment page 5, Document 1. Supposedly legalizing six years of fleecing the owner/operators of their wage and benefit package. Perhaps that is a strong word but it is difficult to address it by another as I challenge the legality and the morality of the underhanded way it was accomplished. The Alaska Motor Carrier Act clearly stated under 3AAAC64070

that driver compensation, Document 1, page 2, shall not be a consideration under the lease and I do question the motives and the judgement of the ATC. The repealing of all the regulations has created many more serious problems and financial impositions which I shall leave to other witnesses to define. Any owner/operator appearing before this Committee claiming they like the present program is either unaware of the changes in regulation, afraid in losing their job, or less than intelligent. The arrogant behavior and total disregard for the citizens of Alaska as opposed to big money interests by one of our state agencies which admits the owner/operator is literally a servant to the carriers, has forced them to return to the State Legislature and appeal to equal protection under the law and a regulation in the form of SB 135, hopefully preventing total financial disaster for all.

Number 0168

Senator Kelly: Thank you Shirley. Are there any questions? Pappy? Thank you very much.

Number 0170

Rep. Moss: No questions.

Number 0171

Senator Kelly: Tim Gunderson.

Number 0172

Tim Gunderson: Mr. Chairman and members of the Committee my name is Tim Gunderson, I am the President of the Alaska Truck Owner/Operator Cooperative Association and we are supporting SB 135 particularly in the first section that relates to owner/operators and we're one of those few groups in this day and age who are coming forward and asking to be regulated. There is good reason for asking to be regulated because by the absence of regulation today we are absolutely regulated beyond our ability to deal with the situation. Owner/operators, that is people who own and drive their own equipment presently, at the present time, cannot operate that equipment for anyone other than a common or contract carrier. It is against the law for an owner operator to take his truck and go out in the general public and offer to haul freight for a price. You must lease your equipment and operate through a common and contract carrier. The common and contract carrier is very very protected industry, protected by

chapter 10 of the Alaska Motor Freight Carrier Act and the Our problems basically revolve down to the single fact that we have nothing to say in our industry in regards to what the lease revenues are going to be, we all pay all of our own wages and benefits if we happened to be involved, or lease to companies that have union contracts for employees. We pay all of those costs, we pay all workman's compensation costs, we are the people who make the investments in the equipment, and we are responsible for all the maintenance of that equipment. We are responsible for all legalities of it. Some carriers even prorate the costs of their public liability insurance that they are required to pay by law and subtract from the owner operator's revenues. It basically boils down to a situation where the common and contract carrier using the owner/operators as able to enter into any kind of competitive practice if it so desires and pass any lose along to the owner/operator. At the time of the writing of the Act in the State of Alaska they were very few owner/operators, quite frankly, up until the advent of the pipeline there were very few owner/operators. As the pipeline began to unfold and lots of equipment was required, the availability of equipment soon ran out and the common and contract carriers began turning to owner/operators to supply that equipment need. At this time the majority of the leases were based strictly on lease of the equipment itself and the services of the driver were reflected separately. As time progressed on and the owner/operator became more and more of a participant in the field the ATC permitted the combining of the rentals for the truck and the services of the driver together. There wasn't anything wrong with that at the time, because the revenues being paid to the owner/operator were high enough to cover the labor costs and to maintain the equipment and provide the service. However, when the pipeline wound down there were many many carriers and very little work. All the carriers competing for this work began to file lower and lower tariffs and in return paying the owner/operator less and less for the use of his equipment and for his services. Ultimately it reached the point during the

highest period of inflation in this nation's history following the pipeline that the owner/operator was getting less and less and the cost of operating was going up and up. Finally it began to reach a point where a man was required to turn in less time than he was actually working in order to hide more money in the truck. It is a very complicated process, but definitely there are definite ways for an owner/operator to keep money out of state coffers and put it into the truck and hide it in that manner. In fact today if you expect to operate your piece of equipment under the present rates you are going to have to do that. It is not possible to receive the rates of pay that a driver would get and still have enough to operate the equipment. As a result owner operators went to the carriers and attempted to negotiate contracts. Some were successful, others were not. In most cases they were not. Some carriers absolutely refused to negotiate whatsoever, they simply write a lease, hand it to you, tell you to sign it, if you don't sign it you're down the road. We have examples of that here today to testify. We feel that because of the predominance of the owner/operator in the transportation industry now primarily the over the road freight the owner/operator now carries about 90% of that freight the other 10% being carried by company equipment with company drivers. That number as we estimate it is only over the road freight that I'm speaking of at this time amounts to approximately 500 owner/operators of that number 250 are underemployed and approximately 150 of that 250 is totally unemployed. This means that a man who has a \$100,000.00 investment in his piece of equipment is not only unable to work but is carrying the burden from 2 to \$4000.00 in truck payments and insurance is \$5000.00. Shop rents obviously a very difficult load to bear. Almost in direct proportion is a large influx of owner/operators from outside replacing the Alaskan owner/operator. Most Alaskan owner/operators up until September were long term residents who had lived in Alaska long periods of time, have entered this industry, have significant capital investments as well as homes and families. In the process of negotiating leases the carriers that chose not to negotiate over

the leases went outside and actively recruited owner/operators recognizing there is an economic problem there.

Number 266

Senator Kelly: Let me break in for a minute here, Tim. How did they actively recruit?

Number 267

Tim Gunderson: Okay, to witness or testify that I actually saw advertising, I can't do that, however I do have people in our association who traveled outside that saw that material themselves. An example is that some of the truck stops in the Lower 48 have large lighted signs where they write messages to owner/operators telling them that such and such a company is hiring owner/operators or there is a need or a load over here or that type of thing. There was some advertising done in that manner according to the report stating that there was a need for owner/operators in Alaska and in some cases stating a rate. Well, to an owner/operator on the outside who operates with a piece of equipment maybe only 80% as expensive as an Alaskan piece of equipment because of the different circumstances that they run under. That is operating over the Interstate and over pavement and in a less harsh climate and without the extracts and requirements to carry more weight and so on. The rates that are being paid to the Alaskan owner/operator look very good to them. However, they don't understand the expense of living in Alaska, don't understand the expense of operating a truck in Alaska and being severe economic conditions of their own come here looking for a way out. Expecting to do well by the rates. It takes some time operating here in order to learn the true costs over the long haul in order to provide a piece of equipment to haul the freight. Also...

Number 295

Senator Kelly: Excuse me. Pappy?

Number 296

Rep. Pappy Moss: Mr. Gunderson, I have heard you mention the third axle. Can you use that third axle in Canada and the Lower 48 if you carried your equipment down that way and perhaps haul loads back to Alaska?

Number 298

Tim Gunderson: It would be very difficult to do that. In most cases, at least I believe in British Columbia, traveling through

British Columbia which you have to go through to get to the Lower 48, many times require us to take the tires right off the axle. Well that axle weighs 2,000 pounds added on to an already heavy type Alaskan tractor which makes it difficult to bring back across with a load from outside.

Number 305

Rep. Pappy Moss: Then, what you're saying is that it is not economical for you to use your three axle type of equipment to compete with any Lower 48 trucking organizations or truck owner/operators to bring stuff into the state. In other words, you are at an unfair disadvantage with Lower 48 truck operators, is that what you're saying.

Number 310

Tim Gunderson: That is definitely true. In order to haul profitably at the tariff rates and at the standards the carriers have set for us, we have to equip our equipment in an entirely different manner than is used outside. A common estimate of what it would cost to take an Alaska tractor and go to the states to be able to haul in any of the 48 states is approximately \$11,000.00 modification that would include shortening the tractor and getting rid of the fourth axle and reducing weight in every place possible. We, because of the steep grades and rough roads that we operate over we have to purchase heavier duty rear ends which weigh more and cost more, heavier transmissions that cost more, larger horsepower... there is... the list of reasons why Alaska equipment is not suitable in the Lower 48 can go on forever.

Number 324

Rep. Moss: Mr. Gunderson, what you're telling me is that you can't use your equipment down there. Is it required then for the Lower 48 type of equipment to be brought up to this same kind of configuration for them to be able to operate up here. In other words, what I'm saying is do they have to put on a third axle on up here in order to get these contractors to get these contracts that they are talking about.

Number 331

Tim Gunderson: No, as a matter of fact what's happening at the present.. right at the present time since this situation began to develop in about October. The carriers

are now, some of the carriers. I don't want to give all carriers a bad name here because it's not true. It's only a few carriers. They are leasing equipment from owner/operators that they previously refuse to lease from us. This is two axle equipment, equipment without sleepers, short wheel base, and that type of thing.

Number 341

Rep. Moss: I just want to get that on the record.

Number 342

Tim Gunderson: Our difficulty is that we are an absolute captive group of businessmen who have absolutely nothing to say about the amounts of money that we're paid the types of equipment that we are going to drive or the conditions under which they are going to be operated, when they are going to be operated. We're utterly dictated all the time yet we are the people who carry the largest capital interest in what we're doing. The owner/operator investment in equipment alone runs into the 100's of millions of dollars in this State. It's ... the owner/operator needs recognition as a integral part of the transportation system. It needs regulations that protect it from unfair and destructive competitive practices and that's what we have now. We have a very protected few individuals or private businesses with a profit motive who dictate to a large group of Alaska citizens how they are going to live their lives and how much money they are going to make. I have some fears about the Alaska Transportation Commission myself developing regulations. However, I have a lot more fear of a group of individuals with a profit motive dictating the circumstances under which we are going to work. That's why we are asking now to be recognized as a form of carrier. We don't want to enter out into competition with the common carriers in any way, shape or form. We don't want to be recognized as common carriers, we want to be recognized as owner/operators who lease their equipment to common and contract carriers for their use in the industry.

Number 362

Senator Kelly: Anything else? Are there any further questions.

Number 363

Rep. Moss: I have one more question, Mr.

Chairman. SB 135 in section 3, page 3, line 1. There is a deletion that the bill will do that is "leasee or bailee". Do you have any comments to make by that and the deletion of the words "leasee or bailee". Could you kind of explain what transpires there, if "leasee or bailee" is deleted from the statute.

Number 370

Tim Gunderson: I can give some information on that, however, owner/operators are not permitted to operate in private carriers. Therefore, it is by virtue of the fact that that's one class of carrier that I understand a little bit about, but as far as owner/operators or this Association making any statements about that. I would only see that what's there now is probably..... As far as I can see it, the way the law is written right now, if the regulations were enforced on the laws that exist as far as the private carriers go the problem would probably be solved.

Number 381

Rep. Moss: In other words, basically this particular section gives you no heartburn then.

Number 381

Tim Gunderson: No, I have basically have no opinion, I have a personal opinion that the Association would not make any statement either way other than the existing laws were enforced by the ATC regarding private carriers I believe the problem that now exists would probably go away.

Number 389

Senator Kelly: Any further questions? Thank you Tim.

Number 390

Senator Kelly: Just a couple points, if anybody has any suggestions or amendments to the legislation will they please bring them up while they testify. Secondly, I don't know if we are going to make it by 3:00 p.m. If we don't make it by 3:00 p.m. I'm presuming we can get the okay to use the room, we'll come back here at 5:00 p.m. tonight and go on until we do finish, Most of you have come a long way to testify here. Okay, the next one then would be Steve Willford, did you want to testify?

Number 398

Steve Willford: Mr. Chairman and Senators I came here because I support SB 135. My name is Steve Willford, I am an owner/operator

and I have lived in Alaska, I'm from Fairbanks and I have lived there for about 11 years. I would like to say that I believe that where this Senate Bill, first section deals with owner/operators coming from the outside. I would like to say that I feel that people from the down below should be welcome to work where they choose but I think when it affects people who have made Alaska their permanent home and it affects the economic situation in Fairbanks and all of Alaska that it can be detrimental. Also, I would like to say as an owner/operator we have been forced to live with whatever the companies choose to let us have they have chosen what amounts were to be paid and so forth. We have had no say in it and I think an owner/operator is forced to bear the brunt of the economic burden of the carrier during the transportation of the freight and they also are taking the risk of getting the load there and it seems that's almost too much to bear when the companies share very little, at least a small part in comparison to our portion of the transportation of that freight. I feel that, myself, I am just a small operator, I only have one truck and most owner/operators only operate one truck and I benefit only from the income that that one truck can generate, but it seems that each company can reap the benefits from a number of trucks, usually a large number of trucks and they really are taking a small share of the operation. I also feel that.... I've kind of... I'm one of the owner/operators that has stood up for my rights in this issue and because I have sacrificed my livelihood and I have been replaced by owner/operators from down below, or I should say most of which are from down below and that's the reason that I came to make my statements before this Committee. That's all I have to say.

Number 447

Senator Kelly: Okay, thank you Steve. Are there any questions? Thank you very much. I have a question of Tim Gunderson. Tim, is there any increase in the number of common carrier owned trucks and drivers they're putting on or is all the difference being taken up by owner/operators coming up from the outside?

Number 456

Tim Gunderson: I am not sure I completely

understand the question. Are you asking if there are new common carrier authorities being granted in Alaska?

Number 457

Senator Kelly: No, you said something to the effect that 90% of the freight was being hauled by owner/operators and the other 10% were being hauled by company trucks. Have there been any significant increase in the number of or percentage of, say, company trucks and company drivers.

Number 462

Tim Gunderson: No, I think that definitely the continuing increases in owner/operators.... Actually the rates are so low at this point that a company operation, that is company owned equipment, company drivers would have a difficult time competing in the (indisc.) although they are some that do.

Number 470

Senator Kelly: So, that when an Alaskan can no longer operate profitably and they park their rig, then that spot will normally be taken by an outside operator. Is that the message?

Number 472

Tim Gunderson: Oh, absolutely yes. just virtually for everyone that you can identify coming across the border across the Yukon River there's another lost Alaskan job that correlates to it.

Number 476

Senator Kelly: Okay, thank you. Jerry Colrud.

Number 481

Jerry Colrud: Mr. Chairman, Senators, Representatives, ladies and gentlemen, my name is Jerry Colrud, I would like to briefly tell you something about myself. 16 years ago I came to Alaska with my wife and six children and very broke. I settled in Healy in the spring of 1967 employed at Usibelli coal mine as a truck driver. I soon saw a need for a grocery store and started one. Since that time I have expanded some I now own and operate the grocery store, camp ground, a laundry mat, Jerry's Automotive, a propane delivery service and a school bus contract all located at Healy. I am a charter member of the Healy Valley Lions Club and I have worked my way up through all of the chairs and I am the zone chairman. Unfortunately, I met myself coming and going

and had to give up my zone chairmanship. This past fall I became a member of the Fairbanks Elks Lodge. Because trucks are and have been my first love, I sold a back load dumptruck operation, a wrecker service, and became an owner/operator. During these years I was embezzled forty thousand dollars in contracts in cancer in which it took four years to recover. Now for reasons already outlined and they'll be outlined further my previous testimony. Nothing has come nearer to my total undoing than this first love of mine. I and several other owner/operators are having trouble with the reconciliation of our weigh bills and paychecks. My wife has written to the K&M Saint Paul, Minnesota asking for an explanation. We feel that they still owe me several hundred dollars, I have no idea how much they really owe me, if in fact they do, I just there is no way that I can or she can figure out these weigh bills the way they are put together. They will not respond to my letters and the last time we sent a letter by registered mail they still, they signed for it acknowledging they received it, but still no response. You now Mr. Coghill told me many years ago, Jerry, if you want to succeed in business you better get involved in politics. Now right he is. Now not only am I on the receiving end of freight shipment but I am also actively engaged in transportation as an owner/operator. I strongly urge you to support SB 135. Thank you.

Number 529

Senator Kelly: Pappy.

Number 530

Rep. Moss: Thank you Mr. Chairman. Mr. Colrud, I'll ask you the same question I asked earlier. Does the deletion of "leasee or bailee" on page 3 of (SB)135, does that have any effect on your operation?

Number 534

Jerry Colrud: Yes, sir it does. I have a propane service....

Number 535

Rep. Moss: Would you explain that please.

Number 536

Jerry Colrud: I feel that at some later date I may decide to haul my own propane from Anchorage or Kenai actually to Healy and then on in by delivery trucks and out into the field. Section 3 of that bill really did bother me although it slipped clear by me

when I first read it. It just... something didn't ring there I didn't know what it was. Later on after someone else as a matter of fact pointed it out to me and then it really struck home. Now with the deletions that have been incurred I feel that it is satisfactory.

Number 548

Rep. Moss: Well, let me ask a question then. If perhaps it gives you a problem why can't you just raise your fee to what you get for your propane, for example, and compensate you for that. Is that illegal in your interpretation on this statute.

Number 552

Jerry Colrud: Yes sir, it is. It is my understanding that it is illegal for me to add freight costs into my wholesale costs therefore raising my retail prices. Once again competition just absolutely won't allow it.

Number 558

Rep. Moss: In other words, in your opinion that "leasee or bailee" should be left in the statutes as it reads now.

Number 561

Jerry Colrud: As it reads right now, yes sir.

Number 562

Rep. Moss: Thank you, Mr. Chairman.

Number 563

Senator Kelly: Ted Harris please.

Number 567

Ted Harris: Chairman, gentlemen, I have a brief written statement if you don't mind. I want to say before I start reading it that I strongly support SB 135 and I support new changes in the third section which puts back the stricken language. I have no quarrel with the private carriers I think they ought to be allowed and recover their transportation costs without causing them to go out of business. By changing and waiving regulations which all but negated union contracts it also made virtually impossible to negotiate a lease. The best example of that issue is the attempt by Weaver Bros. owner/operators in late 1976. Their trucks were laid off and setting idle for about 14 months. I didn't work for Weaver Bros. at the time but I do remember when this happened and I remember the question and arguments that were raised over this. The carriers simply offer a lease on a take it

or leave it basis. In other words, if you don't sign you don't have the job. You can't work your machinery. In February of 1979 the ICC adopted a vague ruling requiring all charge backs, this includes workman's comp, all your employer contributions to the federal tax laws and every chargeback they could think of must be clearly stated in the lease. The carriers have used that ruling to literally dump all operating costs on to the owner/operator. I have documents if you care to see them later on in my folder to show where I have been charged back everything you could think of with no bargaining power the carrier can do and make excessive demands such as extra axles, paying your own weigh tickets even though we don't load our own loads, all specifically directed at the owner/operator revenues. Many of our state legislators have shown concern about state oil revenues diminishing and costs of extra employees for ATC to administer and enforce this program, this SB 135. I can only ask that the state revenues increased as our revenues decreased. Did ATC delete their staff when they repealed all of our regulations.

Number 623

Senator Kelly: What are some of the chargebacks that you feel are not incurred in the production?

Number 626

Ted Harris: We are not covered in the law they have the freedom to charge an employee for workman's compensation. We are now charged, this is now charged back to the truck. All FICA and other employee contributions to the federal income tax package. In many cases all of their wages, all of their medical benefits are charged back to the carrier. (Indisc. for the next 15 seconds.) Thank you Mr. Chairman.

Number 647

Senator Kelly: Next will be George Carter.

Number 652

George Carter: Mr. Chairman, Senator, George Carter a sixteen year owner/operator a year Alaskan owner/operator and in the prime period of income for an Alaskan owner/operator I have seen the monies go from over \$2,000.00 to the truck without any deductions down to \$1500.00 and less. It goes down progressively year by year beginning there in Alaska (indisc.) I was

appointed as one of three people to negotiate a new truck contract a year and a half ago to a company that I was leased to. At that time they were fairly receptive to negotiate with us after everybody parked their trucks. We have kept it to negotiate with them and they have refused to negotiate with people selectively. So they parked their equipment and we at that time after a week of talking to them they decided that they would negotiate. We negotiated and came to terms acceptable to us at the time. Everybody went back to work with their trucks, we had a new lease and we guaranteed that we would work that lease for a period of 6 months. At which time we would start negotiating a new lease. The time came for the start to negotiating the lease came and went. We tried to negotiate it into the lease, they refused to meet with us. Forty-five days went by, two months went by, and people who had their trucks there decided that it was time that they had something different so they parked their trucks again. This was in October and the carrier, the company selected to bring people from the outside and take our place. This time they have not settled anything yet. I feel that without this legislation we will never be able to negotiate a owner/operator lease at all.

Number 717

Sen. Kelly: Are there any questions for Mr. Carter, happy.

Number 720

Rep. Moss: Mr. Carter, have you got any idea about how many more operators, trucks to date, what are the number we are talking about.

Number 724

George Carter: I live at North Pole and work out of Fairbanks. The number of owner/operators that's in the state is what you're asking me.

Number 731

Rep. Moss: Yes sir, it is the same situation that you're in perhaps.

Number 002

Doug Carter: Chairman, Senator. (Indisc.).... you know I moved up here two years ago during the winter time which is... that's the running time and the money was fair. We went on through the winter time then there comes breakup. During breakup the

roads get bad, you have breakdowns, brake problems, tire problems, broken frames. During the summertime it is really rough. You don't get very many trips. During the summertime we tried to run real slow to keep to keep from tearing your equipment up and try to make up the money in the wintertime. It is very difficult in the wintertime when you come in for a load that the company keeps putting you off and they're.... at the end of the week then they give the freight away. So it makes it difficult in the wintertime too. And then when summertime comes back you're expenses are really high and the cost of extra axles is expensive and I go on outside are too heavy to compete outside the summertime. I feel that the outsiders are welcome to come up cause I was welcome when I come up but I equipped my truck to compete with other Alaskan natives. Tough enough to have it work and I feel that these people should be able to do the same thing. I just feel that they ought to compete with us they ought to be on the same basis as we are with the heavier equipment. I feel that SB 135 would help us in that respect.

Number 29

Senator Kelly: Doug, what happens if they come up with lighter trucks? What happens to their trucks? There must be a reason why you're spending all this additional money for heavier trucks, heavier axles.

Number 31

Doug Carter: Well, the rear ends are lighter rear ends and don't hold up as much. I had lighter rear ends and I was having constant trouble with them. They're breaking, rear ends are just not tough enough to handle the heavy load and the rougher roads.

Number 36

Senator Kelly: Are there any further questions?

Number 37

Rep. Moss: Just one question. (Indisc. but pertains to a question from Rep. Moss to Mr. Carter regarding weigh stations and third axles).

Number 42

Senator Kelly: If we don't finish here, the meeting at 5:00 p.m. will reconvene in the Butrovich Committee room which is down on the second floor in that part of the Capital. Jack? Bob Urbon? How about C.

Robello? Well, I going to come back, I just wanted to get somebody from Anchorage.

Number 46

C. Robello: Senator, first of all let me explain that I am here on another mission, now that I'm here I might as well say what I have to say it really doesn't pertain to this bill, I thought it did but we are owner/operators in another (indisc.) dirt haulers it has nothing to do with common carriers or contract carriers strictly. We are having problems with an awful lot of outside competition and permits being issued on a quick type of thing to a lot of people and (indisc.) undercut real bad on us in the City of Anchorage. This sob story with which I'm not real familiar with anything else that's aboard this bill. I just wanted to voice my opinion on these regulations and things. I think this bill is a very nice sort of thing but from what I've gathered there are an awful lot of laws in effect right now that there are no enforcement on that we are coming across on a daily basis such as signs on trucks and, like I said, these are little problems but they are problems that involve us very closely. We are basically... they are carriers, we have to call everything two letters and there are an awful lot of work that we give away in the Anchorage area or Mat-Su Borough or places we operate to people who have no licenses as a matter of fact they don't even have the classical licenses for their trucks and things like this. Now, when we are reporting things like this we report to ATC and I keep pretty close contact with the men in the field. Apparently, from what they have told me, there is only two agents in that area that have controlled from like I say this is what they have passed on from Seward to Mile 192 in the Glennallen area which they have not only discovered not only the dirt haulers, but the common carriers, the taxi cabs, the tow truck operators and everything else so they have their hands full and they're telling me that they're very undermanpowered and all we are is a police action to turn over to the Commission what their findings are. And do you accept that and the Commission has to go on further and delegate what has to be done with these people. So their hands are tied and its not helping us any at all and I'm not sure that

this is the right sequence either to come to or tell the story to maybe something can be done maybe we have to go somewhere else. I don't know but like I say as long as I'm down from Anchorage I'm only here for the day, I will voice my opinion on it and maybe we can get a suggestion or something what we can do to help our problem. I grant you, I can understand these common carriers have a problem with their tariffs and their wages and things but it's not the same problem that we have.

- Number 91 Senator Kelly: Mr. Robello, who on the Commission are you referring....
- Number 92 Mr. Robello: ATC , I am a contract carrier, I am an owner/operator plus I have other owner/operators working for me.
- Number 95 Senator Kelly: Okay. Are you going to move up front? Pappy?
- Number 96 Rep. Moss: What type of work are you doing?
- Number 97 Mr. Robello: We are strictly working by the hour for other carriers or contractors. They call us up and we deliver trucks and operators to their job and load materials for them, sand, gravel, asphalt, whatever the case may be but we are regulated by tariff, we are regulated by an awful lot of things and it is the statement of the municipality to drop everything.....(indisc.)..... we are advised, certified payroll and everything else and that's one reason that we have to keep really aware but we have other problems besides the people coming from outside we do have a problem with general contractors. Now they are under no licensing by the Alaska Transportation Commission at all. They can work for any firm they want they can rent trucks with operators to any other general contractor without any regulation whatsoever except the private carriers dicker on their trucks. But this is another bridge to cross somewhere else and we would like to find out what we have to do to start getting some of these things changed around. Getting a little backing as far as the laws that are in effect and be enforced cause we... it seems to me like the ones that are being... having the laws enforced on are the ones that have the permits and not and..... and

whatever and the ones that are getting away with it are the ones who don't have anything and it just seems like they go on and on and on and on. And I could go on and on and on too about the different little problems but these are basically are our main problems right now. We are wondering what we have to do for it...to get something... or make people aware that there is a problem, in that, in their end of it and not just with the private drivers and not just owner/operators but that we do have a problem also.

Number 121

Senator Kelly: Mr. Robello, maybe you could come down to my office after the hearing adjourns. We are trying to stick pretty close to SB 135 as we can, but I would be more than happy to talk outside of this hearing, so, we're down on the first floor as soon as we get out of here if you'll come down there we'll try to figure out something.

Number 127

Mr. Robello: Okay. Thank you very much.

Number 128

Senator Kelly: Mrs. Marion Fishell, did I pronounce that right?

Number 130

Mrs. Fishell: Perfect. I am Marion Fishell from Fairbanks, my husband is an owner/operator which means that I own half of that truck and I also have professional points of interest. Mr. Chairman, I have a hand written note from my husband and he gave me strict orders when I left home yesterday afternoon that this was to be read exactly like he wrote it. My husband was a line driver or operator for K&W Trucking Company. Beginning in August 07, 1979, for every month that I hauled one or more loads of the freight, K&W Trucking deducted from my money due to my truck 8 hours per month at \$22.00 per hour to be held in reserve for sick leave in case of sickness. Between August 7, 1979 and September 10th of 1982 my husband terminated from K&W. This consisted of 24 days at 8 hours a day at \$22.00 per hour for a total of \$4,224.00. When I asked for K&W to return my monies from the account that was never used..... my husband never used his sick leave account is what he's saying... they returned 1,232.00 this leaves a balance still owing of \$2,992.00 to be returned to me to my truck. As of this day

K&W has refused to pay the money back and they say it is in our truck lease that it will be returned. Also, as a condition of K&W's leasing a tractor, the owner/operator has to furnish 12 tie downs, chains, and 12 binders, the company used these to secure loads that we haul. When I terminated, the company then refused to return the chains and binders. The price at today's market is in excess of \$1,000.00. And that is signed by husband Leonard W. Fishell, I have one other short statement. As it shows there, my husband and I have Raven Trucking it is just because we have a name on our trucking account. My husband is an owner/operator and he does dispatch to common or contract carriers he does not work out on his own. As of today both my husband and I both approve of SB 135 with one exception. I am sure that I am not putting this into the right words but my husband and I would prefer to see the "with or" left in and the "leasee and the bailee" left in on the private carrier.

- Number 163 Senator Kelly: Hang on a second Mrs. Fishell. The "with or" , we're talking about section 3 on Page 2.
- Number 168 Rep. Moss: (Indisc. but pertains to a question he asked Mrs. Fishell)
- Number 170 Mrs. Fishell: It needs to... whatever you want to call them, or returned... we will fully support SB 135.
- Number 171 Senator Kelly: The amendment that we have already adopted has taken care of the "with or", but we haven't done anything about the "leasee or bailee" problem yet. Does anybody here that still hasn't... would still like to testify?
- Number 176 Mrs. Fishell: Mr. Chairman. Are we going to have time to address the pilot part today or shall we pass it.
- Number 179 Senator Kelly: We are not holding a hearing on that bill today. Any further questions. Very good. Larry Michou? Larry Michou, Executive Director of the Alaska Transportation Commission. I know you are here to testify later but I'd like just to ask you about this one area about the "leasee and bailee". Could you tell us what

that one does if you take this out .

Number 185

Larry Michou: Yes, Mr. Chairman, the question of "leasee or bailee" is terminology that is in the ICC for private carriage. I understand that it is in most of the Commissions of Private Carriage, and the conflict that comes up is that when we are trying to determine what is private carriage and what isn't the terms 'leasee and bailee' are very broad. Basically anyone that controls the load... moving it... can claim to be the bailee and therefore responsible for it but basically you have an example of a private carrier would be a local appliance store that delivers a stove or refrigerator and charges you ten dollars or fifteen for delivery. That is private carriage and it is incidental to the nature of business if you're selling appliances. What you find is buy-sell operations where the only time the carrier moved the commodity or the product is when he has already sold it. Actually he never buys it he just controls it during the time of transportation. Under the broadest terms of "leasee or bailee" that can be construed as private carriage. By the elimination of the term you're removing a small portion of the illegal private carriage operation, you're encouraged to eliminate.

Number 207

Senator Kelly: Does it do any great damage to the bill if we reinsert "leasee or bailee"?

Number 209

Larry Michou: No, not particularly. There are 12 basic descriptions, a couple if you will has been in the transportation business for many, many years. The AIC hearing officers have attempted to apply to the 12 conditions. The "leasee, bailee" is just a little vagueness on the edge. It was our attorney's opinion that the removal of "leasee, bailee" really would not effect any private carriers that are currently in business. Removal of "with", basically did away with private carriage to a large extent because no one could charge any transportation costs. Like I say, it would not really bother me with the other... it would be a little helpful in some of our more ticklish proceedings if it wasn't there, but I don't fear it would stop us by

any stretch of the imagination.

- Number 228 Rep. Moss: Just one question, Larry. Suppose I had a combine that I'm going to lease to somebody, for example, or rent out in Anchorage or in the Mat-Su Valley and I got to haul it from up in Delta down to the Mat-Su Valley and it's going to cost me a pretty penny. I am going to do the hauling, would this be a strict need of charging him a transportation cost to carry that down and bring it back if we took this leasee out. How would I get my transportation costs here and down that (indisc.).....using my combine thing.
- Number 229 Larry Michou: You are going to use your own truck?
- Number 230 Rep. Moss: It is my own truck, it is a private carrier and I haul other farm stuff for example, but I got a guy that wants to lease and I want to contract with him to use my combine in Mat-Su Valley but it's going to cost me about 700 or 800 miles transportation costs, twice perhaps, but I got to go down there and carry it down and then go down and get it back again. What happens, would I be violating any ATC regulation if I charge him a transportation fee for that my transportation costs? Now this is a problem that I have, that I see in there.
- Number 238 Larry Michou: Every time I give an off the top of my head opinion I get into trouble, but I would say probably not if it was part of the lease. In other words.....
- Number 241 Rep. Moss: You mean on the combine?
- Number 241 Larry Michou: Yes, in other words, if you're leasing to him F.O.B. if you will, delivered, F.O.B. Palmer and you included in that lease you'd be alright. What we would be getting at is if you had the truck and your neighbor had the combine and he was leasing to somebody else. So he leased it to you only during the time that you transported it. Then you would be in violation of the "leasee, bailee" rule. As long you're moving your own goods I don't think you have a problem.
- Number 249 Rep. Moss: What if I leased it to my farmer next door, or my neighbor next door so that

I could lease it to the guy in Mat-Su, you see.

- Number 251 Larry Michou: That would be, in the transportation portion, would be a violation of you remove the "leasee".
- Number 253 Senator Kelly: If we put "leasee and bailee" back in we don't have to worry about it?
- Number 254 Larry Michou: No, we wouldn't, if... as long as they get the other twelve definitions. That's a very common wording that our hearing officers are constantly having to consider when we make an accusation against someone or when they are considering what is private versus common carriage. Like I say, the suggestion was.... is, how do we remove some of the more flagrant violations in private carriage? In our opinion that was one of most real problems.
- Number 260 Rep. Moss: In other words, if the equipment belonged to me though and I hauled with my private carrier truck I could charge transportation costs no problem.
- Number 262 Larry Michou: Right, so I understand it. We would not, you know, as part of the lease as part of the like I say, there are people who would lease it only long enough to carry it. See, normally you would have a delivery cost if you would use a common carrier in the case that you don't have a truck but there are some very interesting scams that are developing in covering transportation.
- Number 267 Rep. Moss: Let me ask you a question. Now let's say that we are a fuel distributor in a particular area in the state and we haul our own fuel with our own private trucks. Under this if the "leasee, bailee" is out of it can I charge transportation costs on that fuel as I deliver it to my retailer, retailer outlets?
- Number 274 Larry Michou: It is our opinion that you could as long as you meet the standard terms of distributor and again that's one of the things though that you have to buy the fuel and store it in some manner that you are calling yourself out to the public as a fuel distributor, that you use home delivery or

delivery to as part of your business, that there is a risk involved, i.e. if you don't sell the fuel you have to do something with it and all those sort of things. I would say that you could go ahead and deliver the fuel.

- Number 281 Rep. Moss: And add the transportation costs on it?
- Number 283 Larry Michou: Yes sir, as long as the "with" has been removed as was the amendment. With the "with".
- Number 284 Rep. Moss: The word "with" then cleared up the "leasee bailee" part that's in there.
- Number 285 Larry Michou: It doesn't really clean up the "leasee bailee" but it makes the "leasee bailee" a minor part of the change.
- Number 286 Senator Kelly: Are you going to be around for the remainder of the hearing?
- Number 287 Larry Michou: Yes, sir.
- Number 288 Senator Kelly: I think that we have the general drift of where the owner/operators are coming from, maybe we should call on somebody else now and see what they have to say. Between Jim Doyle, John Orchard, and Russ Painter, who would like to testify first. Russ, could you identify yourself for the record please?
- Number 294 Russ Painter: Mr. Chairman, Senators, my name is Russ Painter, I represent Lynden Transporting. I would like to go on record, let the record reflect that our company is in opposition to the bill, SB 135 that the hearing is on today. I perhaps have... could be qualified as one of the old owner/operators. I was born and raised in Seward. I owned and operated my own trucking business toward twenty years in that town. I have been in Anchorage and I have been connected with the transportation industry for all of that time. I would like the record to reflect that this company does not come to this Legislature to settle any labor problems nor do we come to this Legislature to settle any negotiations that we have with our owner/operators. Our company right now employs approximately 70 owner/operators

between the Anchorage and Fairbanks terminals. Our owner/operators, I would say on the general average other than the Fairbanks area right now would average between \$10 and \$14,000.00 per month. With wages and their trucks to a tune of an average of \$100 to \$120,000.00 a year. A little less in Anchorage but a little less rigorous roads to travel on. Apparently the... I sympathize with the owner/operators that are out of work today, I sympathize with their position that they have placed themselves in. The labor contracts that the state operated under in the pipeline. They created this problem and they are continuing to create it. I'd be happy to answer any questions that the Committee might have, but we see no basis for control or regulation of the owner/operators today. We have leases that we have signed with our owner drivers who are employees of Lynden Transport, they are filed with the ATC, we have complied with all the ICC regulations and we will continue to do so. We will continue to negotiate the rates that we pay these drivers, with the drivers, and we will continue to negotiate our labor contracts with the union. Thank you.

Number 333

Senator Kelly: Mr. Painter, just one question. You referred to... you didn't bring labor problems to the Legislature to have settled, is that an indication that we are in fact getting into a labor problem here, some time?

Number 337

Russ Painter: The true facts are that the people that we see that are represented here as owner/operators are with companies that are on strike today or have asked for decertification of the elections. So what I'm saying is in the Fairbanks area there are several companies that have either gone non-union or are in the process of decertifying now. One other point that I would like to make that Lyden Transport along with the thousands of other trucking firms in the United States is profit motivated and our first quarter reports for 1982 will reflect that profit. We are proud of what we do and we're proud of what we do with our own brokerage. March was the largest month the company has experienced and we have had approximately 400 loads from

Fairbanks to Prudhoe Bay without incident.

Number 353

Senator Kelly: Is Lynden a union shop?

Number 354

Russ Painter: Yes, we are a union contractor, right now we have not had a contract since June 30, 1980. We are actively pursuing that contract and negotiating with the union.

Number 357

Senator Kelly: Thank you.

Number 358

Rep. Moss: Mr. Painter, percentage wise on your owner/operator versus your company truck, do you have the percentages there that would.... like maybe say, 70% are owner/operators and 30% company operated? Do you see what I'm saying. Are you all owner/operated contracts.

Number 362

Russ Painter: No, we are not. We have a mix on our Board in Fairbanks and Anchorage both. In Fairbanks we have approximately eight company drivers who drive company trucks out of a board of about 44 people and in Anchorage we have 7 or 8 that drive out of the 35 man board. They do not drive their own trucks they drive trucks that we do lease.

Number 371

Senator Kelly: Thank you, Mr. Painter. Mr. Jim Doyle?

Number 375

Jim Doyle: I am Jim Doyle, I operate and own Weaver Bros. I have since November 1978. I didn't have anything to do with the Weaver Bros prior to that. I would like to go on record that I am not in favor of this House bill, SB 135. I think that we do need more time to work with this. Some of the statements that were made here today I do not agree with, they were not properly stated as far as some of the carriers were concerned anyway. I think that the Alaska Transportation Commission is over worked right now with approximately 400 certified carriers in the State of Alaska. The figure on owner/operators in the State of Alaska runs closer to 1500 rather than 500. Quite a few things in here that needs to be clarified. Most of our owner/operators average take-home is \$180,000.00 a year, we run most of the owner/operators totally all owner/operators in our Fairbanks terminal.

Anchorage terminal on the line board is all owner/operators, the Kenai area we run our company trucks, approximately three company trucks in the Kenai area over the haul road. The rest are all owner/operators. We employ 50 owner/operators at the present time. We are a union shop and I think the owner/operators who work do come and negotiate with them to negotiate with our Labor Union 959. We do discuss the contract with the owner/operators and we have proof that it is on the record, as a matter of fact some of the meetings that were negotiated with the owner/operators on wages and truck rental charges. We are regulated by the ATC and ICC, this one thing that is in here in SB 135 would give the owner/operators some operating authority. ICC was afraid I would give 80 to 90% of the freight going north is interstate commerce strike, and I think that we need more time on this we made a lot of negotiations and discussion. Time is running short and we have many questions.

Number 422

Senator Kelly: Is there a large difference in the way that some of the other terminals are being managed?

Number 423

Jim Doyle: I'm sure that there is a large difference between, especially between the non-union carriers and the union carriers, I think that is where the biggest difference in the freight rates are. Very possibly the difference in where the owner/operators are paid. I can't say for sure on that. I know that our owner/operators are among the highest paid in the state.

Number 432

Rep. Moss: You heard some testimony previously and some discussion on rear axles and transportation from the Lower 48 up here. Do you have any difficulty on your transportation... your use of your trucks between the Lower 48 and Alaska, you know, third axle stuff and so on.

Number 438

Jim Doyle: Yes, I do. I think that maybe did cause some confusion there. First of all, a lot of the trucks are too heavy for the southern states but they don't go down there anyway. Technically trucks coming from the southern United States are not equipped to run in Alaska. We need the extra axles for

heavier loads, we need heavier more expensive equipment, and we don't need all the chrome, the T.V's, the poddy chairs and stuff like that that are in a lot of the trucks, but they're in there. Basically the trucks in the United States don't have the type of equipment it takes to run in the cold country up here. It doesn't matter if the owner/operator is buying that truck or the owner of a company is buying the truck it is still the same problem with the truck.

Number 453

Rep. Moss: Do you very many recent owner/operators going to work for you?

Number 455

Jim Doyle: We have hired on maybe in the last three months..... approximately 10 new owner/operators, we have hired strictly Alaskan, we haven't brought anyone up from outside, they all have been Alaskans.

Number 461

Rep. Moss: Well, that's what I was getting at Mr. Doyle. Thank you, Mr. Chairman.

Number 462

Senator Kelly: Has your company actively recruited outside?

Number 463

Jim Doyle: No, we have not. Not even once.

Number 464

Senator Kelly: Are you aware of companies, Alaskan companies that have recruited outside?

Number 465

Jim Doyle: Only by rumor, I couldn't say, I've never seen any of it.

Number 467

Senator Kelly: John Orchard?

Number 469

John Orchard: My name is John Orchard, I am with 4-Star Terminals which is based in Anchorage and we run a mix of owner/operator and company trucks. 4-Star Terminals would like to go on the record as opposing SB 135. Not because we want to see outsiders come to Alaska and make money and not because we want old time Alaskans to starve to death but I feel, 4-Star Terminals feels that this bill deals with the effect of one of the causes of the problems. To me, the cause of the problem started with the ICC Motor Carrier Act of 1980, and as you will note from Mr. Doyle's statement that 70 to 90% of the freight that moves in the State of

Alaska, that your rig moves from outside and your drilling mud and your chemicals going to the North Slope. We are speaking primarily of North Slope freight is ICC freight which is regulated by the ICC. The Motor Carrier Act of 1980 has brought to the State of Alaska many new carriers in the last year and a half to two years with brand new ICC authorities and thereby those new carriers bringing people from outside and where it officially kept the rate structure that we long time carriers operate under is low. You combine that with another cost of a number of carriers, old time Alaska carriers that have gone on strike and I think if you took a poll of the owner/operators represented here are union and we are working for carriers who are presently on strike. A carrier who holds on strike has to get his owner/operators from someplace and so there you have two major problems. The ICC has allowed competition to come in. Price, volume or marketplace is determined by supply and demand and so you get new people who will haul for less because for whatever reason they brought in people for whatever reason you get the strike situation and we have a problem with the rate structure and therefore that problem is not only based by your motor carriers, your common carriers which ranks 4th themselves in trying to support the oil fields have problems passed down to their employees. Like Mr. Doyle with Lynden, you have a negotiations problem. So therefore I don't feel that this bill addresses those major problems the industry faces today. I feel like that we need more time to examine the ramifications of the price fixing or the... this is going to effect a lot of us in a lot of different way and I am not sure that this will solve the problems of those issues that I have brought up.

Number 533

Senator Kelly: The 1980 Motor Carriers Act.....

Number 534

John Orchard: The Motor Carrier Act of 1980 from Washington D.C. has allowed many new carriers nationwide. We got new carriers in the State of Alaska who three years ago did not have the authority to operate and haul freight in the State of Alaska. This bill is not going to stop that.

Number 545 Senator Kelly: Any question from the Committee? Thank you. Mr. Orchard. T.J. Thrasher, did you want to testify now or do you want...

Number 549 T.J. Thrasher: No, I'll wait until later.

Number 540 Senator Kelly: Okay, Bob Keeffer. Mr. Keeffer would you identify yourself for the record.

Number 552 Bob Keeffer: K, double "e", double "f", e. Mr. Chairman, Senators, my name is Bob Keeffer. I am not a newcomer to the trucking industry. I have been in it since 1947. I came to Alaska in 1974 and in 1975 I joined the class that is commonly called owner/operators. The last three people who that sat in this chair who have a beautiful opportunity for debate but I am not here to debate I am here to state facts. Number 1 being when I first came here I had the foresight to having been in the industry long to check to find out who had grandfather rights in this state for operating authority. It boiled down to three carriers. Three of which I kept badgering until, you know, as the old saying goes, the squeaky wheel gets the grease. And I got on with one of those three carriers which was Arctic Motor Freight. The problems are being outlined in this room today are not our recent problem they have been going on for years. And to exemplify this, I went to work for Arctic Motor Freight, who folded in 1976 owing me thousands of dollars in which time those permits were picked up by (Indisc.) and when they went down the tubes they're bills were paid. At which time, the same permits were picked up by Bishop Trucking which reverted back to Arctic Motor Freight. After a year or so Bishell pulled it up and I was left holding the bag for thousands of dollars. Recently, I worked for K&W Motor Freight, and 50, 60, 80 or 100 dollars at a time....I'm getting right back in the same box. I would like to know why the ATC sanctions the transferring, the selling, or the giving away of these permits when there are outstanding debts owed against them. We have no protection whatsoever, I took this problem to the Fairbanks office of the ATC, and I spoke with Mr. Nuttel, who I believe is the Commissioner up there. I was told

that there is nothing in the ATC regulations to protect the owner/operator. The shipper and the carrier are protected but not the owner/operator. I have documents available to back up my claims of the monies due me under the permits. K&W now owns the original Arctic Motor Freight permits, when they bought those permits those permits were separated. Bishell kept the tanker rates and it is still operating under those permits. I have an \$11,000.00 investment in those permits but I don't have a prayer of collecting on it and this is the second time and now it is going on the third time under these same permits, that I am back in this box.

Number 643

Senator Kelly: Mr. Keeffer, how does it happen that they owe you this kind of money when they went belly up?

Number 645

Bob Keeffer: In our lease agreements there is a payday specified, a wage check one week and a truck check next week. I assume the reason is that by the time they turn in their bill and in turn, paid for those bills in calls for this lapse of time. But we when I would get a truck I would notice that there would be one load missing from that truck check. I would go to the office and find out why and they would say, well there was a little discrepancy and we have to check it. On your next truck check you should get it but by the next time truck check there are two loads missing and on and on and on. This is how we wind up in the bucket and then when the company goes down the tubes we don't have a prayer of redeeming it. I had a law suit started under a class action or a bankruptcy, Chapter 11. Two days after that law suit was filed the company withdrew the class action Chapter 11 and went (indisc.....) and why I don't know.

Number 682

Senator Kelly: Then obviously, you took this problem to the ATC. Did you take it to the ATC when Arctic Freight went bankrupt in 1976?

Number 686

Bob Keeffer: Yes, I did.

Number 687

Senator Kelly: And what was their reaction to this?

Number 688

Bob Keeffer: That the ATC regulations protect the shipper, they protect the carrier, they do not actually protect the man who is actually carrying that freight from point A to point B. There is not one stipulation in there to protect the man that is carrying it. Senator Moss picked up on another thing that I had here. The Alaskar owner/operator is in a geographical box. It has been brought to your attention that we have to have specialized equipment to haul this freight in this area these trucks have got to be sold in this state. In other words, if I were to turn in my tractor for a new one which I had done, the only place they could sell that tractor without doing rather expensive modification is to sell right here in the state. In this way, we are restricted. If we were outside, trucking in the Lower 48, if we didn't like the way a company was handling our truck contracts we could whip over to another one. There are not that many of them up here. Personally, I am in a larger box than some of these other fellow because in nine weeks I'll be 58 years old and I don't have time to start over. I can't start over. SB 135 would be a start at protecting the owner/operators in the State. We need legislative support and we need it now. Thank you for your time.

Number 000

Tape 2, Side A begins with Rep. Moss: Okay, the lease check is on the equipment and the paycheck is on the drivers. It would be interesting to know, did they withhold the lease check or the paycheck? Now the reason that I ask the question is do you have any other recourse that you can take? For example, a labor lien if you fail to get your driver's check.

Number 005

Bob Keeffer: Again, Senator, the last three people that sat in this chair rejected a labor problem. This is not a labor problem it is an equipment problem. Most of us are union members, the union will back us one hundred percent in receiving our paychecks. In other words, what we have coming labor wise. They have nothing to do, they cannot do anything with our truck checks. They cannot get involved, no way.

Number 013

Rep. Moss: Well, that answers my question on the separateness of the two. We have no

problems with we're addressing the problems right now.....

Number 015

Bob Keeffer: That's correct.

Number 016

Senator Kelly: Thank you, Mr. Keeffer.

Number 017

Bob Keeffer: Thank you.

Number 018

Senator Kelly: Larry, how can that happen that you can transfer permits if there is money owing under the new permits? Is there no protection for the owner/operator?

Number 019

Larry Michou: To my knowledge, no sir. It is my understanding from..... I am not speaking for the Commission but it is my understanding of another case of a carrier who had financial difficulties with the transfer, his permit as, it would be an error. It is the same situation that it has been determined that the Transportation Commission is not to look at the financial status of the transfer or in the sense of what is owed to the debtors. Unfortunatley or fortunatley, whichever side you want to look at the owner/operators are considered just like any other accounts receivable to these... or excuse me, accounts payable to the firm that's transferring the permit. Under (indisc.) that other rights in other portion of the law is not a matter of consideration at the time of transfer. Before the 5:00 hearing I'd be glad to check with our legal counsel as to exactly why that is because that is what we've been told is that the debtor does not have a position on the Commission to do the transfer. I'd be glad to find out why.

Number 034

Senator Kelly: Then this bill does not effect that particular point?

Number 035

Larry Michou: This Act, SB 135? No, sir. Well, that would be part of the thing that we would have to work out, possibility in regulations you could, because you would have a carrier, then they would be a carrier and they would have a position for the admission as a carrier. Possibly through regulatory process we might come up with one but I would say of the top of my head probably this really doesn't get to that problem of the formula of transferring

permits with money owing.

Number 040

Senator Kelly: It just seems to me, you know, you take your chances sometimes and if you're working for a company that goes belly up you should be able to go back to that company. But it just seems to me that before you issue those permits to another company there should be some protection here for the owner/operators that are owed money. You are going to check on that?

Number 045

Larry Michou: Yes sir, I certainly will Senator.

Number 046

Senator Kelly: We are going to recess the Rules meeting then until 5:00 p.m. in the Butrovich Room which again is on the second floor by the Senate chambers and we will continue to hear testimony at that time. Thank you very much. Oh, I'm sorry. We are going to call the meeting back to order. There is one gentlemen that has to take off at 3:00 so, Mr. Clifford if you could please.

Number 051

Dave Glover: My name is Dave Glover and I've been in Alaska all my life, I've been an owner/operator and now I am what would be classed, as I suppose, as a private carrier in the fuel oil distributorship business in Delta and Tok Junction both. And there is(sic) no rules, or no laws protecting the owner/operators. And I can say this for a fact because I worked for a common carrier in the past and he did not go broke or from what I'm aware of did not lose money. He restructured..... I was there as a company driver and the company restructured their company to go all owner/operators. I bought a truck, built a maintenance facility and worked there for about a year and he decided that he did not need owner/operators anymore cause they cost him too much money. I had a written contract and also a verbal contract. About two months after my termination there we went into Court and in the Supreme or the Superior Court of Alaska and the judge told us, "Well, there is not much we can do because there are no rules, no laws, nothing to help and protect an owner/operator". It is a real drastic problem cause we're just an owner/operator who is a slave or servant to the common carriers. You can go up and

down the road everyday and I feel the owner/operators do a very good job for the carriers. And like I say, personal experience, I have been an owner/operator and I'm not right now, I am a private carrier and it is a bad situation because there is nothing. There is things to protect the carrier but nothing to protect the owner/operator, not one thing. And that was, like I say, I can speak from experience and spend thousands of dollars to try and get my fair shake out of a carrier. And now I am in the next higher court and it is yet to be seen what will happen. And this is a real, like I say, real drastic problem. There needs to be something. and I support the SB 135 and in section I support the amendments because I am a private carrier in a fuel oil distributorship.

- Number 079 Senator Kelly: Pappy?
- Number 080 Rep. Moss: One question, Mr. Glover do you support the deletion of the "leasee bailee" portion.
- Number 081 David Glover: Yes, that needs to be in there, you bet.
- Number 082 Rep. Moss: You mean you support the deletion of it?
- Number 083 David Glover: No not the deletion of it. No, I do not support that.
- Number 084 Rep. Moss: I didn't know, I just wanted to make that clear and make sure I understood you properly. Now, why do not support the deletion of it?
- Number 085 David Glover: Because it is a.... you'll say you're an equipment rental outfit and you rent equipment to Palmer, Prudhoe Bay, Tok where ever. You don't have to but most people deliver their own rental equipment and you have to be able to deliver. And you need something for deliveries, you can't drive up and down the road for nothing.
- Number 087 Rep. Moss: Okay, now the change, add the reinsertion of the "with" or without the portion of that section 3. That took care of the problem that you may have had that fuel distributors had.

Number 090 David Glover: Right, because we have to be able to haul our own product. There is no way around it. We can't have common carriers hauling off our own product.

Number 091 Rep. Moss: Thank you, Mr. Chairman.

Number 092 Senator Kelly: Anybody else? Okay, thank you very much. We'll recess until 5:00 p.m.

Number 093 Senator Kelly: I'd like to call the meeting back to order at 5:00 p.m. in the Butrovich Room. George Rouse?

Number 097 Rep. Moss: Mr. Chairman, I am going to have to bail out pretty quick.

Number 098 Senator Kelly: Pappy.... The House is supposed to go into session so if you hear a bell ring and you see Pappy leave that means they're back on the floor. Mr. Rouse?

Number 099 George Rouse: Yes, my name is George Rouse, I'm with Northern Tariff Research, senior partner in the firm. It has been in existence for 14 years, I have around 25 years of experience in the transportation industry. I would like to testify before the Committee on public interest that I am neither basically for or against. Either hardy and the Senate hearings, however, perhaps I can enlighten the committee a little bit about the history of the trucking industry and how the situation got to be where it is at today. Basically, here in Alaska you have a very captive owner/operator situation because of the trucking companies requirements you have to purchase equipment that can't go outside and compete in the other markets. The truckers down below, the owner/operators can come to Alaska and compete in the market up here because however their equipment isn't quite designed for it it just falls apart faster. The situation in the Interior is such that we have basically four outside domicile companies. We have Sealand which is from the east coast, Totem which is from the east coast. In the Interior interstate movement you have 80% of the freight moved by two trucking companies. K&W organization domiciled in Minnesota and you have Lynden domiciled in Seattle. Even though they do operate under Alaska corporations that would

merely be for tax advantages as being an Alaskan corporation. However, most of the money ends up in the bank coffers outside. These companies can hire and fire the owner/operators at will. They ask for protection from the Legislature through the Alaska Transportation Commission, but yet when the owner/operators stand up and want protection also as another entity in the transportation industry they're are the same ones who stand before the Commission and oppose any other entries into it. On the one hand they want protection from the State, or protection by the State on the other hand they don't want the people that have by far the majority of the investment. They don't want to afford them any protection at all.

Number 137

Senator Kelly: Pappy.

Number 138

Rep. Moss: Question, you used the expression, hire and fire, at will. Maybe a little explanation of contracts to me would help me to understand. How can you hire or fire a contractor who had a solid contract with you?

Number 140

George Rouse: It is very, very easy. I think anyone in the room can attest to that. Under the Interstate Commerce Act they can terminate a contract in thirty days, however, that isn't a reality. Legally it exists but in reality they can terminate a contract at will.

Number 146

Rep. Moss: How do they do that if they have a written contract with them?

Number 147

George Rouse: I think that some of the gentlemen attested to that, that I know one gentlemen that stated that he didn't want to sign an appendix to his contract and they said unhook from the load and go elsewhere. But I think what has happened in the State of Alaska, I am like I said, I am neither thrilled.

Number 151

Rep. Moss: Let me get into this, the addendum.

Number 152

George Rouse: Good, good, here is your call.

Number 153

Rep. Moss: Oh, hell. The one question that I need to know is that on the addendum. In

other words, they would terminate because they wouldn't sign that part of it. It seems to me like if you had a good solid contract that you got started you wouldn't have to.... I mean hell... you got to renegotiate again or something before they can terminate a contract.

Number 157 George Rouse: Well, it is their contract, they present the contract to you. You either take what they offer or you don't take anything. I mean you....

Number 160 Rep. Moss: In other words, you have.....

Number 161 George Rouse: Those are not negotiated contracts necessarily, they're are typed up by the trucking company and presented to the owner/operator.

Number 162 Rep. Moss: Thank you. Excuse me Mr. Chairman, I have got to run I think.

Number 162 Senator Kelly: I hope that you do something. It is not Pappy's fault anyway.

Number 163 George Rouse: But anyway the situation in Alaska, I don't think it comes down to a matter of who is right or who is wrong. When the Act, when the Legislature, years ago, created the Alaska Transportation Commission they weren't aware that down the road there would be a group, a rather large group of owner/operators. That has only come about basically because of the Trans-Alaska Pipeline. It seems very unfair to me, and I think the general public of Alaska, that the Legislature can protect one special interest group and refuse to protect the other special interest group. Basically trucking companies, and I have studied many, many of them through the course of 14 years owning a tariff research company. The common carriers that these people are hauling for are truckload carriers. You have two groups of common carriers in reality. One is an LTL that holds out to the general public such as Sea Land, Totem. Down below you have big trucking companies, PIE Consolidated, IML. They hold out to LTL freight. The people that we are talking about here generally hold out for truckload freight. The companies that I heard earlier give testimony. And most of these companies that

these people haul for are strictly truckload companies. They don't get into LTL freight. So that they...they're investment is minimal compared to what the individual trucker has to invest. At their discretion, they can either terminate or make life miserable for you, and generally send him down the road at will. What is happening up... basically in the industry in the Interior is that with added competition for freight the trucking companies are finding that it is more favorable to get rid of some of the people that they have had that are longtime Alaska residents who have established homes, have families there that spend their money in Alaska and they have no social conscience as far as his well being goes. Their companies are profit motivated, it doesn't really bother them if he's employed or unemployed. They're basically concerned with showing a profit. They can bring truckers from outside, they don't even have to solicit truckers. All that.... every trucking company up here receives numerous phone calls everyday from the outside. Truckers that want to come up and go to work. The economy down below is very sluggish, there is an over supply of owner/operators in the nation down below. The problem that these people have described to the Commission, or to the Committee now is just the tip of the iceberg. By fall it will be many, many times worse than it is now unless the Legislature takes it upon themselves to protect its citizens. In lieu of protecting the special interest of the very few trucking companies. The amount of money that we're talking about to the economy to the Interior is great. The trucking industry is one of the major industries in the Interior. I would estimate that \$20 to \$25 million a year is earned by the independent operators up there. Probably an equal amount is owned by the trucking companies. I have found many cases in studying tariffs and knowing what the owner/operator gets while the trucking companies at least 50 to 60% off of every load that the owner/operator hauls. The owner/operator has virtually no knowledge of what the trucking gets for the service. If it is an interstate movement it is moved on an interstate freight bill. He would have to be a Philadelphia lawyer to try to understand what is going on. The trucking

companies purposely keep that information away from you. It would not be to their advantage to let you know. I think that the legislative body in Alaska has an obligation to protect the citizen as well, and these people are citizens of the community as a very special interest group of trucking companies, common carriers who apparently show, and as a whole, not just here but elsewhere in the nation, this type of common carrier, the truckload common carrier that uses owner/operators is not really too morally conscious of how they treat the owner/operators. There are many, many cases where they just let them go broke while they're getting fat. So I think that the Legislature should take a strong look at a problem that does exist in the community, or in the Interior. It goes far beyond the what I have heard here today I think that within a very short period yet this summer we will see such an influx of trucks coming from outside... that problem by the time the Legislature convenes next year, it will be too late for these people and many, many other Alaska residents that have tried to establish a decent livelihood for their family.

Number 251

Senator Kelly: Mr. Rouse let me break in for a minute. Something you said jogged my mind. You said that the owner/operator industry really expanded during the pipeline. Was that because current companies didn't have the capital or didn't want to use the capital to go out and buy their own rigs and...

Number 255

George Rouse: Okay, truckload freight it is much more advantageous for a trucking company to use an owner/operator. During the pipeline they could have easily raised the capital to buy the trucks themselves but they wouldn't have made as much money. In all cases throughout the country where you see truckload freight the common carrier prefers to use an owner/operator. The only... in reality the only one's that choose to buy their own trucks are the ones that are in the LTL freight business, less than truckload where they are shipping small packages. But the revenue is so high there compared to a truckload movement that they

can well afford to have their own trucks.

Number 269

Senator Kelly: I am sure you all know Senator Fahrenkamp from Fairbanks. Bettye is not on the Committee but she has a special interest in the legislation and wanted to come by. Anything else?

Number 271

George Rouse: That's about it, other than I would really like to stress on the Legislature that they do have a very serious problem with the owner/operators. They're a good sized body in the economy. The money that they make they spend it in their home towns versus the money that the trucking companies literally go outside. I don't like to see a disruption of the transportation industry and I think that we are about to see a big disruption of it in the very near future, not because, I certainly think that it is because of labor disputes. If anything it is the lack of responsibility towards the community the trucking companies are showing. Yea, that's all that I've got to say.

Number 286

Senator Kelly: Glenn Kent, he's not here. David Glover.

Number 288

From Participants: He gave his testimony earlier.

Number 293

Senator Kelly: Ted Maklin from Fairbanks. Doug Windge.

Number 297

Doug Windge: My name is Doug Windge and I am from Fairbanks and Mr. Chairman and Senator Fahrenkamp. Please let the record reflect I strongly support SB 135. My reasoning is jobs for Alaskans. We gave limited entry to the fisherman, and now it is time to give something to the resident owner/operator. I spend my money in Alaska which helps support our economy. Those coming in from the Lower 48 only destroy our economy our industry and our families. I had just finished my year as Exalted Ruler of the Elks Lodge #1551 and I have been deeply involved in community service work such as youth activities and senior citizens and Special Olympics. If I am forced out of business by the influx of owner/operators from the Lower 48 then I suffer, my family suffers and my families involvement in our community becomes badly

impaired. I have heard it said that we need more time on this bill. More time means more owner/operators from the Lower 48 and less jobs for Alaskans. I was hoping that Mr. Doyle would be here because I had couple of things that I wanted to say. I will say them anyway. Mr. Doyle said a couple of things that I would like to expound on. One, he said a lot of us are out on strike but what he failed to say was that we had parked our trucks before the hostlers went out on strike. We are honoring their picket line, we are not on strike.

Number 330

Senator Kelly: Who are the hostlers?

Number 331

Doug Windge: Hostlers are the ones that move the freight in within fifty miles of the terminal. In other words, if it is a hostler then it is fifty miles within Anchorage, he has all the freight within that. Anything beyond that becomes a line-driver the same as Fairbanks. So they're the ones that went out on strike because of an equipment lease dispute and while we were in that problem the hostlers went out on strike, we honor their picket line. That's why we are not on strike. and the second is if he is paying his owner/operators why did his number one driver quit because he couldn't make it with what he was being paid. I had hoped that he would be here so he could answer that one. When the Alaska Carriers cut their rates to compete with the companies bringing outsiders the owner/operators takes the blunt. If they cut \$4.00 a hundred weight it costs the company \$1.00 and the owner/operator \$3.00. We desperately need the support of our elected officials in settling this matter. Thank you.

Number 355

Senator Kelly: Duane Powell, please.

Number 359

Duane Powell: Mr. Chairman, Senator Fahrenkamp, I have here a letter that would probably go along with the one that you introduced during the start of the hearing. I would like to read it. It is from Fairbanks not Anchorage it is dated 1 May to the Senate Rules Committee, gentlemen, we as longtime residents, voters, and owner/operators and truckdrivers in Alaska ask for the support of the you and your colleagues in passing of CCSB 135. This

legislation is necessary if we as longtime residents, taxpayers and property owner and owner/operators are to stay in business as owner/operators. The influx of owner/operators from the Lower 48 that are willing to work cheaper, live in their trucks and who send all of their money down to their families in the Lower 48 has had a devastating effect on our industry. Without passage of this bill our financial is doomed. And we will no doubt lose the investments we now have in homes and equipment that we have acquired over the past 20 years. Some of us have as many as 35 years invested in Alaska, our property and equipment. Signed Jim Lane, Leonard Fishell and Carol Barber. Now, Mr. Windge just already covered something on those lease cancellations judge before our strike so I won't go into that. And I think Mr. Chairman, you asked, I believe it was the gentlemen from the ATC, how permits, operate permits or authority could be transferred with money owed to people that operated previously under these conditions. Those permits are not simply transferred they are sold and for a pretty good price most of them. I think this will probably be a matter of public record if it was looked into. Where does this money go, those people, such as Mr. Keffer still have money coming to them and don't see any of it. This is why we need some sort of protection. If we don't get it I don't quite know what we are going to do. I think that myself and my family, we have only been up here 7 years. We have tried to make a definite investment in Alaska. The way it looks now it may have been a wrong thing to do. And not only as an owner/operator but with my wife we have a pilot company. We have the same problems there. The companies more or less set the rates and tell you if you don't want to work for those, and these by the way are rates that are paid by the shippers not the company. So in making off the freight and they also make money off of us. And I think along with CSSB 135 and some of the existing regulations that we now have, if they were enforced a little more we might have half a chance. Thank you.

Number 428

Senator Kelly: Thank you. Bettye?

- Number 429 Senator Fahrenkamp: One question there. As I understand it there the pilot cars have come across the Canadian border, is coming into Alaska and pilot the load to wherever he's going but Alaskan drivers can't go across the border you have to stop there.
- Number 432 Duane Powell: We don't cross the border. We are not allowed according to Canadian regulations.
- Number 435 Senator Kelly: Thank you. Mr. Sandre or Sands.
- Number 437 Mel Sandre: I don't think that I can add anything. I just think that I strongly urge you to support SB 135. Thank you.
- Number 441 Senator Kelly: Next is Joe Gilbertson.
- Number 443 Joe Gilbertson: Thank you, Mr. Chairman, Senator Fahrenkamp. I am, at this point, retired as an owner/operator in Alaska and went into business for myself and currently I'm running Big State Equipment Company and competing in that market as a private carrier. There is numerous reason that I done what I did and that primarily was because the Alaska Transportation Commission refused to enforce the laws, the rules and regulations as written. I myself and Sea Land petitioned the Alaska Transportation Commission to quit giving away (indisc.) 070 where by the carrier had a net cost and they would subtract all costs out of the owner/operator. So, two years ago I became an owner/operator and have since retired. I believe myself that if the ATC would have enforced 070 as it is written we wouldn't be here today but all these carriers have been looking for a net cost and absolute net cost. They first asked the owner/operator to let him deduct the wages, then the owner/operator supplied the trailer, then the owner/operator supplied the fuel, then the owner/operator supplied the tie-down equipment. It's gotten down to they know exactly what it is going to cost them and they take anywhere from 40%, 25% to 40% right off the top. They have effectively, the carriers themselves have effectively become nothing more than brokers and at the same time made the owner/operators contract carriers. Now the Commission would never

recognize that but that's what the carriers have made our owner/operators. Absolutely nothing but contract carriers. And I myself support the owner/operators in their efforts. I think that it is a shame that they have to go to this body to get some relief. But one of the things that we must remember is the owner/operators are operating today under an antiquated set of rules that was written back shortly after statehood. Let me tell you about statehood, when we became a state in 1959 we had two owner/operators in the State and that can be documented. Since that time because the carriers have seen that it is advantageous to go that way, they feel that the owner/operators is nothing but a tool to use and abuse. They have went today 90 some percent owner/operators supply everything. Even workman's compensation, cargo insurance, they are being charged all of it. I feel myself that it is time that somebody stepped in and done something or at least call for a full investigation into what's happening out there in the transportation community. As far as SB 135, I support it in context, section 1 and 2. Section 3, I have a problem with it. Like I stated earlier, I give up and quit and retired as an owner/operator because I didn't want to be maneuvered anymore. I feel that section 3 might allow them, regulated carriers, to maneuver me as a private carrier in as much as I have the Tesoro distributorship in Fairbanks Alaska and Tesoro is not too competitive right now in the Fairbanks area because they have to compete with the North Pole refinery and they are the only ones that don't draw their product from the North Pole refinery so I have to compete from the Prudhoe Bay and the Arctic coast region mostly. I'd like to see section 3 just deleted from the bill when the owner/operators came down here and asked for some relief. With their needs they were primarily looking for limited entry or permitted leases or whatever. I don't know how section 3 got tacked on there and it looks to me like it is something that is just riding piggyback through on a owner/operators bill.

Number 536

Senator Kelly: Can someone answer this. Was section 3 part of the original bill that was

introduced?

Number 537

Bill Zybach: Yes, sir it was. To specifically address the question of unfair competition between common carriers and private carriers. Specifically, in situations where private carriers were acting as common carriers without the responsibility or liabilities that common carriers have.

Number 543

Senator Kelly: Bill Zybach is Charlie Parr's administrative assistant.

Number 548

Joe Gilbertson: Yea, I've talked to Bill on that. However, in light of something else as a private carrier even if that's what I was classified after this bill passes, if in fact it does pass, I still as a private carrier can't compete, can't use owner/operators. The law just don't allow that. I feel that if the owner/operators are saying they feel that it is unfair that they have to compete with the private carriers then they ought to be able to lease to the private carriers because effectively I think the market would regulate itself a lot better. If I was running owner/operators and treat them right I would be sure that some of these regulated carriers would have to treat them right to compete for them too. I only have one other thing that I'd like to say. I have.... this is not a labor issue involved here as far as I am concerned. I have always had good repore with labor and as far as the owner/operators I have always had good repore with the owner/operators. I don't think I have an ounce of problem with labor or the owner/operators. Thank you.

Number 571

Senator Kelly: Thank you, Mr. Gilbertson. Is there anyone who hasn't testified that would like to testify now. T.J.? Would you identify yourself for the record please.

Number 575

T.J. Thrasher: My name is T.J. Thrasher, I am Managing Director of the Alaska Trucking Association. We represent about 425 trucking firms and allied trucking firms in the State of Alaska and we do not support this bill. Now, the reason that we don't support is not that we don't recognize that there is a problem in the Interior region. However, this bill is not going to correct that

problem by any means. Within this bill it has called for the owner/operator only to have permit or authority to operate if public convenience and necessity demands it. If this bill goes into effect, those people who are not working and who are not out of work are not going to qualify. If they are attempting to limit entry into that then later on down the road whenever the owner/operator demand is greater then possibly they could become included in that. Now, perhaps there was an intent to make this kind of like a grandfathering type deal but that is not addressed within this bill. Additionally, I'd like to point out that there are approximately 1200 owner/operators statewide that this will effect. And I believe that these figures can be backed by the Transportation Commission. We are talking about approximately, I've heard figures of 100, 147, 143. We are attempting to correct a situation in a isolated area of Fairbanks from those who chose not to work for one or more common carriers and there are 400 common carriers in the State of Alaska. So what we are attempting to do is to correct a situation by legislation that will effect a very small portion of these people.

Number 622

Senator Kelly: Let's get back to your point for a minute. On the grandfather rights, and explain that to me again. If in fact we don't grandfather existing owner/operators, if somebody is not operating as an owner/operator, Joe Gilbertson ever wanted to go back to an owner/operator, you are saying that under the terms of this bill that he can't do it.

Number 630

T.J. Thrasher: That is exactly the way I understand the interpretation of public convenience and necessity simply means demand for services. If there are already, however you are going to go about permitting these whatever standards you are going to assess. I think that those that are wanting this badly had better look into this. Now, unless that can be done by another regulation, then those that are not now qualified as owner/operators I don't know they are going to get in. That's my basic question. Where we are not in the

owner/operators as a whole the 1200 want to be regulated then certainly they should be. We are only asking you to listen and get input from those who are working as owner/operators throughout the State of Alaska and not just well the ones in Fairbanks or the Anchorage area. We are talking about a big portion of these we've already talked about... a big portion of the transportation community. And we are only asking that you do get input from the rest of the owner/operators and that some provision, some clarity is, you know, is either in the bill itself or whatever means you intend to but public convenience and necessity is a term that the common carrier deals with everyday and deals with quite heavily. The owner/operator has never had to deal with that.

Number 663

Senator Kelly: Bill, do you know what Charlie had in mind on that?

Number 665

Bill Zybach: We have an outline of the intent of the legislation which Charlie felt when we originally did this together. The specific intent is have to have the ATC and we have discussed this with the ATC. Essentially grandfathering would be everyone who is in the State as an operator at this time would be able to get a permit. Then above and beyond that any new entries into the market would have to meet the requirements of need and public convenience and necessity....

Number 677

Senator Kelly: Two questions..... Who do you classify as an owner/operator in the State right now? Do you have to have been an owner/operator in the past two years or if you're working today.

Number 682

Bill Zybach: No, anyone who has operated in the recent past.

Number 684

Senator Kelly: How recent?

Number 685

Bill Zybach: The past two years. The period of time was to be determined by the ATC.

Number 687

Senator Kelly: I'm surprised that it is still... we're going to leave it up to the ATC instead of putting it into the legislation.

Number 690 Bill Zybach: Frankly, the reason that it wasn't put into the legislation because of the format that we used to introduce the legislation. It was introduced as amendments and we, we're interested, Charlie is interested in having that grandfather clause and introduced however in the time frame and in the manner in which we introduced the amendments. Specifically these were originally intended for 586 we just didn't think it was appropriate.

Number 702 Senator Kelly: Tim, does your association have a position on that grandfather clause thing?

Number 704 Tim Gunderson: We definitely do. We had earlier in the session... we had sent a number of documents to all legislators in effect to be complete and what we considered to be recognized in the Administrative Code. In that Administrative Code we didn't understand the difference between the statute and the Administrative Code. You know that proposal, we called it the Transportation Subcontractors Proposal, and we asked that all person operating as an owner/operator during the period of time between 1976 until present.

Number 720 Senator Kelly: The question would be, how would the ATC know who each of these people are, would they be registered or do they have to get a special license or.....

Number 724 Tim Gunderson: Yes in that you would have to fill out an application and in the process of the application you would be required to meet certain criteria. One of those criteria, in terms of grandfathering, would be to provide proof that you operated as an owner/operator during that period of time. What would be considered proof, I believe acceptable to the ATC would be (indisc.) sheets showing that you were the owner of the truck and that the monies were coming to you. A definite demonstration of the fact that you did function as an owner/operator during that period.

Number 000 CHANGE TAPE TO #3 SIDE A. Bill Zybach:..... to provide services if there were not, if it were determined through the

hearing process that they were not that type of truckers then no permits would be issued. If they weren't adequate truckers those new permits would not be issued.

Number 004

T.J. Thrasher: I have a... Mr. Chairman and Senators, I think that is one of the problems that is bothering the Trucking Association. Not only the common carrier and private carrier we also represent owner/operators. We have 49 owner/operators who are a part of our association. The problem is that this has gone so quickly this is the very first public hearing, we have not been privy to any of these letters of intent nor have we been privy to the amendments, the background for them, in fact, input has not been solicited. And not that we know everything, we simply know that if we are talking about 1500 or 1200 people and what will affect them then we feel that it is critical that the intent be made known. And that we don't represent a small.....

Number 013

Senator Kelly: There was no hearing on this in Finance Committee.

Number 014

T.J. Thrasher: No, there wasn't.

Number 015

Bill Zybach: Yes, there was.

Number 015

Senator Fahrenkamp: Finance, sure was.

Number 016

T.J. Thrasher: There was not a public hearing, these were to be introduced as part of 586 and we did not have those.

ber 016

From the Audience in unison: There was... yes.. there was.

017

Bill Zybach: Excuse me, T.J., I gave them to you personally. Well, the trucking association didn't, you gave them to me, like you gave me the amendments today at 1:00 p.m.

Number 019

Senator Kelly: Okay, it is hazardous to say. How much more.... Let me ask Larry Michou from ATC. About that grandfather clause, Larry, where would you get your authority as the grandfather clause from the legislation. From reading the legislation, I don't see

where there is any authority in there for a grandfather clause.

Number 025

Larry Michou: Well, we have discussed it and it appears that under the grandfather clause that exists for all the carriers from the ATC were put in to effect. And the fact that when a new legislative process goes into effect giving us licensure or limiting it or whatever it is. We would have the authority to issue regulation that would offer grandfathering existing owner/operators. Now, how far we go back, how we determine who gets covered and who doesn't, of course, would be determined through the legislative process. You know, to sit here now and say that we are going to cover everybody back to 1976 we really can't do because we haven't... it would be in the regulation process how we determine who gets grandfathered and is working. That is one of the things that is supposed to be the problem is finding what would be covered, you could cover everybody who owns a truck, or would you cover everybody that's under contract or everybody who has been contract for a year or two years, whatever.

Number 039

Senator Kelly: We are probably better off sticking something in the legislation that will at least give them some guidelines as to what we want to see. Obviously, they got trouble.

Number 041

T.J. Thrasher: How do you say, you know... What we would like to see is that it be referred back to the Senate Transportation Committee or the Senate Labor & Commerce so that proper public hearing can be made and that input can be, and the amendments to word will not. As it stands, it is not going to correct, this piece of legislation is not going correct the problem and that's is our point. Not that we debate the problem.

Number 046

Senator Kelly: Okay, normally we don't refer something back from the Rules Committee and you know this is a pretty fair public hearing in itself and I don't think you're going to get much more into it if you take it back to another Committee then it will receive today. I mean, we have several owner/operators, we have a couple of other

major trucking firms, we have the Executive Director of the Alaska Transportation Commission here. I think we have a pretty good cross section, so... Any questions. Thanks, T.J.

Number 052

Senator Fahrenkamp: This will still going to the House for further hearing. I'd like to see as good a bill as possible.

Number 055

Senator Kelly: Now, is there anyone here that spoke before that wanted to speak again. Now if we could please keep it very brief the second time around. Ted Harris, I believe. Right?

Number 057

Ted Harris: Yes, my name is Ted Harris and I have here a (indisc.) book that was given to me by ATC. It 'sist the, it's not totally up to date but it is very recent, it lists all the common carriers and all the contract carriers in the State of Alaska. I can count 156 common carriers, many of which have authority such as Hildre Sand and Gravel Company in Juneau, Alaska. I have here Motor in Safety Lane, all they do is use towing vehicles. Impound and tow disabled vehicles and so on and so forth. I have Arctic Lighterage Company, which, you know what a lighter is, it transfers from ship to dock by lighter boat out of Seattle, Washington. I believe that although Mrs. Thrasher does represent possibly 400 carriers in the State. She misrepresented the fact that many of them are not engaged in transporting any kind of ICC freight, many of them are not engaged in transporting ATC freight. In other words, LTL shipments between Anchorage and Fairbanks. They're only concerned with transporting wrecked vehicles, transferring as in your harbor, cargo from ship to shore and so on and so forth like this. I can't see why she would qualify herself as representing 400 common carriers and in fact there are only 18 to 25 engaged, actively engaged in transporting the type of product that we have been talking about.

Number 079

Senator Kelly: Is there any body else? Tim?

Number 080

Tim Gunderson: Mr. Chairman, Senator Fahrenkamp. Again, I am Tim Gunderson. I was surprised at some of the testimony, especially from the particular carriers that

were here. I find it rather strange that those of the carriers that we have had probably the least problem with and who are probably being put, who would prefer to treat their owner/operators better than they are able to today. They're finding themselves in difficult situation competing against what we consider, we consider, a unscrupulous common carrier. One who utilizes the type of tactics that you have heard through the testimony here and in complete domination and control of its owner/operators. Inevitably, that type of control of a segment of people when you are in a competitive industry, causes the other persons engaged in that same industry to have to get on to that level in order for there to be supply a to the industry. In regards to the inferences that this is a labor issue, I think there has been enough testimony here to demonstrate that that's untrue. An owner/operator would be an absolute fool to strike himself when he pays his own wages out of revenues over which he has no control of the amounts. In fact what you find is that you have a union and you have a common carrier who meet together, negotiate a wage package which the owner/operator is going to pay. To infer that an owner/operator would strike in order to increase his wages, increase his payments into the various FICA, unemployment funds and workman's compensation is utterly ludicrous in my opinion. In situations where carriers have a mixed fleet as you heard described earlier, where they have Hershell company trucks with hired driver and owner/operators with their own equipment, you'll invariably find that the company truck is the truck that carries the highest paying revenue and the owner/operator is inevitably given the least paying revenue. Thereby giving... retaining the largest portion of the profits possible for the carrier itself. The owner/operator has utterly no control over the loads that he is going to carry. Only insomuch as the common carrier desires to allow him to have. There would be a lot more owner/operators to speak on this behalf. Many of those who are working would be afraid to step in to these chambers and testify in front of you because when they got home within a short period of time they would not be working. The

carriers, especially the unscrupulous carriers do not tolerate resistance in any way, shape or form. Owner/operators provide the entire capital investments demonstrated to you. They further pay all labor costs, all their repair costs, in many cases, the dispatcher in the company. His wages, whatever his labor cost is, is prorated, divided up amongst the owner/operators and subtracted from their revenues. In times even the light bill and the office space rent in these carriers was prorated and subtracted from the owner/operators. So that, in essence, all you had was a carrier who had a licensed monopoly to control a large volume of people and a large volume of investments of other people. We feel very strongly that SB 135 needs to go forward rapidly. As was expressed before, by the fall of this coming year we'll be in desperate condition. More and more owner/operators will go. I personally believe that the trucking Association represented here would like nothing better than to stall this bill back in.... nowing the shortness of the session. I think it is fairly common knowledge that this bill has c... forward out of a lot of energy from the owner/operators because of the desperation of the situation. To delay this bill or shove it back into another Committee with reaching such a close end to this legislative would spell doom to approximately half of the Alaskan owner/operators who have lived here for long years and have strong investments. I think that is about all I have to say.

Number 139

Senator Kelly: Thanks, Tim. She had her hand up first.

Number 141

Anonymous: I'll be very short. Mr. Chairman, I want to say one thing. If this just happens to be just an Interior Fairbanks problem, I'm kind of wondering, I think Senator Dankworth kind of felt this same way. Our people out of Anchorage that are owner/operators in about two and a half hours time brought about 259 messages into his office. You might like to check with him. Thank you.

Number 147

Senator Kelly: Yes, Shirley.

Number 148

Shirley Willford: Mr. Chairman, Bettye. Senator. One thing I would like to point out and this was brought up the other day. Mrs. Thrasher spoke that she represents some owner/operators. Basically she cannot speak for those owner/operators, it is true and one of them has been to our hearings and spoke very strongly. Ben Rule, his name is on her list, they belong to the Trucking Association so that they can have privy to the magazine that tells them what is going on in the industry. Basically this is why she has a lot of owner/operators on her list. She cannot represent them, he was hoping at the last hearing..... so he could bring this up but he isn't here today so I am speaking for him.

Number 163

Senator Kelly: Would you identify yourself again for the record, please.

Number 164

Jerry Colrud: Jerry Colrud. Mr. Chairman, one thing that was brought up earlier concerning figures like \$180,000.00 net profit. I don't ... \$120,000.00 and these ridiculous numbers sound like big money. I am not qualified to speak on this. We do have people in the room who are qualified to allude to this in at least some depth that I would like to have you ask for.... this is totally ridiculous. The cost of running that truck is astronomical.

Number 173

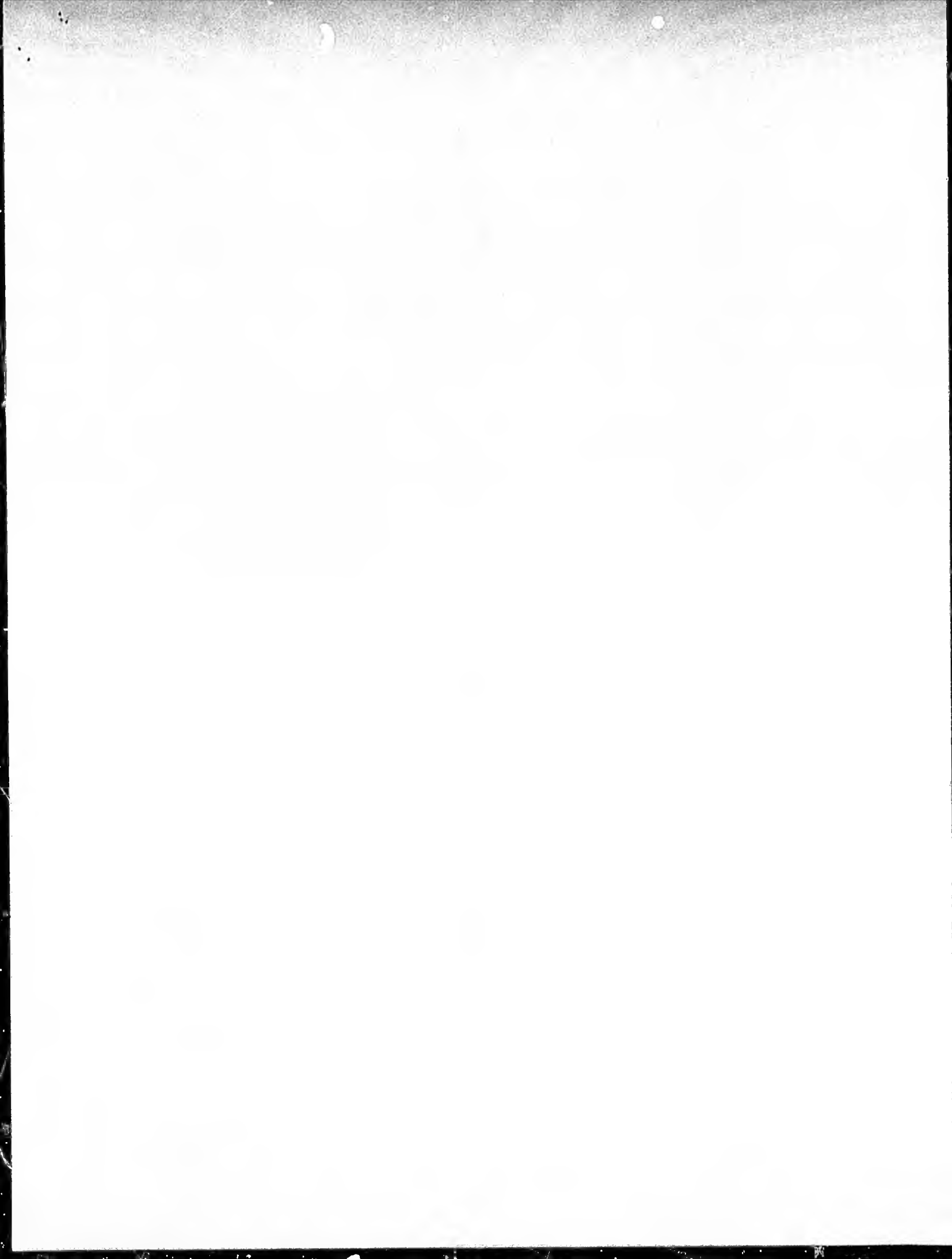
Senator Kelly: I think Jerry, that we all sort of understand that that was a gross figure. It might have been misstated in itself and nonetheless you would have to really get into it to determine what would have to come out of that figure before you take any food home.

Number 176

Jerry Colrud: Okay, my main point was, I wanted to make sure that you understood that and secondly I too subscribe to the Carriers Association for the very purpose that she just mentioned and what the rates were and what's going on. I am probably on her list, even though I have cancelled my subscription. Thank you.

Number 180

T.J. Thrasher: I need to make one thing clear. We are not the Alaska Carriers and we don't publish tariffs. So it is the Alaska Trucking Association that you are getting



that. So that's another association. That's the Rate and Tariff Association, that's all I wanted to clear up.

Number 185

Senator Kelly: What the Rules Committee will do then is with the concurrence of the membership is to develop a CS with the amendments we have already taken, handled today. I hope you could take a real quick look at it if you, maybe we could get a grandfather clause. It wouldn't take too long for it to say what they want to see in 1976 and that would give the ATC some guidance because if you don't have that, you know, there is no big fight going on at ATC about who gets in or who gets out and the regulations will take forever and (indisc.). Okay so will it that, when we get the CS we will schedule it for a floor vote and hopefully get it over to the House tomorrow for concurrence. I want to thank you all for coming. How many of you from... that are here from Fairbanks have ever come down and testified in front of the Legislature before. You have been down here before. The rest of you had. How many have not ever been to testify before a

Number 198

Senator Fahrenkamp: It is not so bad now is it?

Number 199

Senator Kelly: I think that shows an indication of just how strongly they feel on this issue.

Number 200

Senator Fahrenkamp: Hey, I gotta go home.

Number 201

Senator Kelly: Thank you for coming in and the Rules Committee is adjourned at 6:03.

COMMITTEE TAPE LOG 1982

tape no. A page 1

committee: Senate Rules Committee date 5/3/82 to _____

bill numbers: SB135 | | | | |

other information: Members Present: Kelly, chair, Ferg. Dankworth
Sen Ziegler

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	000	Kelly	Meeting comes to order 1:15 Intro. CS for SB135
	027	Pan	Testified in support of ATC Situation has gotten worse 135 is an attempt to alleviate some of these problems
	141	Kelly	Did you want both of these amendments made
	149	Ferg.	Move to adopt Pan's amendment No objection, Passed
	165	Kelly	Introduces petition
	195 thru 260	Welford	Moves through background District interfering by state to ATC
	336	Kelly	Excuse witness
	346		Tom Gunderson, Pres AK Truck Supports 1st section SB135 Were asking to be regulated Common contract carriers can provide services and compete with Yours statistics regarding overhead
	4:55		

COMMITTEE TAPE LOG 1982

tape no. A pg 2

committee: _____ date _____ to _____

bill numbers:

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other information:

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	478	Kelly	Question How are they advertising?
	481	Munderson	Bill boards & other methods
	513	Moss	can you use 3 axle vehicles?
	520	Munderson	No
	525	Moss	You are at a disadvantage
	530	Munderson	Yes we are. We need to upgrade our equipment.
	545	Moss	Don't outside trucking firms have to upgrade their equipment?
	553	Munderson	
	599	Moss	-Comment on amendment
	615	Moss Mund.	Does this give you heartburn -I think
	622	Kelly	Submit amendments when you can
632	Steve Welford		I support SB 135, but doesn't want outside people to jeopardize his future employment
675		Kelly	Are there any questions?
689		Kelly	Mund.

COMMITTEE TAPE LOG 1982

tape no. A pg 3

committee: _____ date _____ to _____

bill numbers: [] [] [] [] [] [] [] [] [] []

other information:

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
705	Jerry	Cauldron	Outlines background. Might support of 135
742		Moss	Does this have an effect on your business? Lease or Lease as amend.
750		Cauldron	Yes
		Moss	You can't legally raise other costs to
		Cauldron	Yes, I think it's illegal ^{over your head.}
769	Ted	Harris	Strongly supports SB 135
806		Kelly	What are the charge backs
810			Fed. employer taxes. FICA & health insurance are charged to our trucks.
825	George	Carter	Tried to negotiate new lease but no go.
862		Moss	Asks question
003	Doug	Carter	SIDE 2 -
	60	Kelly	Question Why do you upgrade up
	87	Moss	Question

COMMITTEE TAPE LOG 1982

tape no. A 129

committee: _____

date _____ to _____

bill numbers:

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other information:

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	108	C. Robillo	Dirt haulers have similar problems
	210	Moss	Question
	215	Robillo	Response. hourly rates
	266	Mary Ann	Fischer Husband has a \$4000 sick leave account and has fun given back only \$1,000 Put amendments in. Supports SB 135 in present form
350?	Larry	Michon	- ATC - leave & Bailie -
420		Moss	Question
		Michon	Answer
455		Kelly	
465		Michon	
470		Moss	Question
494		Kelly	Introduces
500	Buss	Parlier	Jordan Trans. in opposition to SB 135. We aren't here to settle union problems or negotiate any contracts. See
			no reason to regulate some operators
	547	Kelly	are was are in fact getting into labor

COMMITTEE TAPE LOG 1982

tape no. pg 5

committee: _____

date _____ to _____

bill numbers:

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other information: _____

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	555	Painter	Yes, we think so.
	570	Kelly	Union or non union
	573	Painter	Union
	578	Mass	
590	Jim	Doyle	Weaver Bros. Owner Oppose SB15 Need more time to work with lang. Not all points have been stated. We are a union shop
	637	Kelly	Is there a large difference between ^{managers} managers
		Doyle	Paid more
	647	Mass	Question
	651	Doyle	
	667	Mass	We hire Alaskans Do you advertise for out of state workers
681	John	Brichard	Oppose SB 135 4 star Terminal Cause of problem ^{Motor Carrier Act (1982)} Bill does not solve problems
733		Kelly	Question
746	Bob	Keefe	Outlines background. Speaks of grandfather rights. Why does ATC sanction transfers of permits with debts & not protect owner operator

COMMITTEE TAPE LOG 1982

tape no. _____ pg 6

date _____ to _____

committee: _____

bill numbers: _____

other information:

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
807		Keefe	
811		Kelly	Why do they owe you money?
813		Keefe	They need some time. My truck checks are always short.
836		Kelly	What did ATC say.
840		Keefe	Let's protect everyone but carriers. Supports SB135.
880		Moss	Question of clarification.
		Keefe	This is an equipment problem.
912	Harry	Machon	No protection for carriers.
970		Kelly	Recess till 5:00 in Baton Rouge.
002	Dave	Clifford	Nothing to protect owner carriers. Support SB135 and supports amendments.
		Kelly	
	56	Moss	Asks question of Clifford.
		Kelly	Recess meeting till 5:00 at 3:00 pm.
000		Kelly	Reconvenes 5:07 Members Present
		Kelly	
		Moss	
022	George	Rouse	1
	80	Moss	He is a free at will, How.

COMMITTEE TAPE LOG 1982

tape no. pg 7

committee: _____ date _____ to _____

bill numbers:

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other information:

Sen Fahrenkamp

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	100	Moss	Appendix
		Rouse	Investment is minimal to company but not owner operators
	173	Rouse	Disparities between private carriers & owner operated vehicles
	249	Kelly	asks question
		Rouse	More advantageous to use owner operator.
	270	1 Kelly	Introduces Sen. Fahrenkamp
	278	Rouse	Not labor dispute, but problems will develop
	278		
305	Doug	Rudso	Strongly support SB135. Supports jobs for Alaskans. Need more time.
377	Bwayne	Powell	Introduces letter to Committee along with CC SB135 if enforced would be good.
	446	Fahrenkamp	
450	Mel	Sands	Strongly urge you to support SB138.
460			Carriers have become business Support in (or) not sec 1 not Sec 3

COMMITTEE TAPE LOG 1982

tape no. _____

committee: _____

date _____ to pg 8

bill numbers:

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other information: _____

Date/Time	Tape Meter No.	Bill	Significant Information (Witness, Action)
	522		Sec 3 might allow private carriers to manipulate me
			Sec 3 deleted
	540	3yback	- Sen Paris
	556		This is not a labor problem.
568	T.J. Thrasher		Alaska Trucking Assoc. Do not support SB 135 We recognize problems in Intern
	599	Kelly	Question
	601	Thrasher 3yback	They qualify only under owner operation Have ATC grandfather current carriers.
		Kelly	Who classifies?
	625	3yback	Anyone who operated 2 yrs
	633	Kelly	Why does ATC decide
	638	3yback	Was not appropriate.
	655	Kelly	How does ATC know who's qualified
	660	Murderison	W
	004	Kelly	Side A Tape 3 Question
	020	Thrasher	Our input has not been solicited
	043	3yback	Yes there was a hearing.
	061	Marchon	Grandfathering will be determined by regulation
	115	Thrasher	Referred to Com. or Trans Committee for further testimony

Date _____

SENATE RULES COMMITTEE HEARINGS

WITNESS SIGN-UP SHEET

Name	Address/Phone	Representing	Do you wish to testify?
✓ Shirley Willford	1 Alston Fairbanks	Owner Operators	yes
✓ Shirley A. Willford			
✓ ^{Gardner} Shirley A. Willford	704 Selcha Fairbanks, AK	Alaska Truck Owner-Operators Cooperative Association	yes
LARRY MICHOU	^{A.T.C.} Suite 1000 338 DECALI ANCHORAGE, AK.	ALASKA TRANSPORTATION COMMISSION	YES
✓ Alvin Willford	S.E. Box 50333 FAIRBANKS, AK	ALASKA OWNER OPERATORS	YES
✓ Jerry Colrud	Box 34 Healy AK 99743	Alaska Truck owner Cooperative Association	yes
✓ Ted W Harris	512 Box 71140 FAIRBANKS AK	ALASKA TRUCK OWNER OPERATORS CO-OP ASSN	yes
✓ George Carter	PO Box 55121 North Pole AK	Owner/Operators	Yes
✓ DOUGLAS CARTER	North Pole AK	Owner/Operator	YES
✓ Jack Whipple	1248 Zurich Dr Anch AK 99507	owner/operator	yes
✓ BOB URBON	501 ERSEG ST FBKS AK 99701	OWNER/OPERATOR	YES
✓ Mike Urban Urban	AK Box 3071 Ihka ak 9 1	1/2 owner RAVEN TR Professional Piloting	yes
✓ Bob Keefe	Fairbanks, AK	Alaska Owner Operator	yes
✓ Gordon Rouse	Fairbanks AK 479 3361	Northern Tundra Research LTL	yes
✓ GLENH KOOT	ANCHORAGE AK 349-2413	GETE CONSULTING	
✓ David Glover	^{Glover} Doty Jct AK FBKS AK	Pilot/Fuelers	yes
✓ ^{Waklin} David Glover		owner/operator	YES
✓ Doug Widge	SR Box 60378-A FBKS AK 99701 488-2143	OWNER/OPERATOR	Yes
✓ Duane F. Powell	1307 19 th AVE. 456 FBKS AK 99701 2155	O/C No Country Pilotserv	Yes
✓ Mel Sandwe	51 BOX 60584 488-2366 Fairbanks AK 99701	OWNER/OPERATOR	Yes
✓ A. Russell Painter	3027 RAUPPIE DR Anch. 99501	Independent TRUCKING	Yes ^{against}
✓ C. Robello	1000 E 5321 Anch 99507	Owner OPERATOR	YES

