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Alaska State Legislature

Senator Curt Menard



While in
Session:
P.O. Box V
Juneau, Alaska
99811
(907)465-2679

Interim:
165 E. Parks
Highway
Wasilla, Alaska
99687
(907)373-2878

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

FROM: Senator Curt Menard

DATE: April 9, 1991

RE: Request for hearing:
SS SB 37

A handwritten signature in cursive, appearing to read "Curt Menard".

Senate
District
E

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

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

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



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Senate
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SPONOR STATEMENT:

(csss)SB 37: "An Act relating to food and housing for construction workers at remote construction sites on certain state construction projects."

The legislation before you seeks to eliminate the deplorable living conditions that workers currently endure on remote state construction projects. The unsanitary living conditions have not only resulted in sickness for workers but environmental damage as well.

The Department of Transportation and Public Facilities, organized labor, and the Associated General Contractors have worked together and the bill version before you represents significant compromises on all sides in an effort to resolve the problem.

The provisions of the bill apply to state construction projects but contains a number of limiting factors:

- . The project must be at least 60 continuous days of active on-site work and require more than 15 contractor employees at peak employment periods.
- . A contractor, as an alternative to food and housing, may provide transportation as specified.
- . "Remote" is defined as more than 50 road miles or inaccessible by two-wheel drive from adequate commercial food and lodging facilities.

An added benefit of this proposed legislation is that it serves to encourage local hire. It is in the state's best interest, as well as the contractor's to hire workers from the area where the project is being built.

It is imperative that this bill be passed this session, our Alaskan workers should not be forced to spend two more construction seasons enduring deplorable living conditions on remote state construction projects. I appreciate your support of this legislation.

WE SUPPORT





APR 23 1991

THE ALLIANCE

4220 'B' Street, Suite 200 / Anchorage, Alaska 99503-5911 / (907) 563-2226 / FAX 561-8870

Randall Kowalko - President

Robert Gardner - Vice President Policy
ENSR Consulting & Engineering

Gordon Stevens - Vice President Events
Fluor Daniel Alaska

James Udellhoven - Vice President Admin.
Udellhoven Oilfield Systems

Lowell Humphrey - Secretary
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Craig Duncan - Treasurer
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Chuck Becker - Director
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Bill Bennett - Director
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Sally Ann Carey - Director
Crowley Maritime Corporation

David Dorsey - Director
Sea-Land Freight Services, Inc.

Jim Drake - Director
Ditch Witch of Alaska, Inc.

David Haugen - Director
Lynden, Inc.

Martin King - Director and
Fairbanks Chapter Chair
Irish Trucking

Raymond Latchem - Director
NORGASCO, Inc.

Joe Mathis - Director
NANA Development Corp.

William McLaughlin - Director
Cold Weather Contractors, Inc.

Val Molyneux - Director
Norcon, Inc.

Wesley Nason - Director
H.C. Price Construction Co.

Mary Shields - Director
Northwest Technical Services

Ross Thompson - Director
Peak Oilfield Services

Bill Frazer - Peninsula Chapter Chair
Walters & Olson, Inc.

William Webb - Staff
General Manager

Jennifer Johnston - Staff
Issue Advocacy Manager - ANWR

Barbara Webb - Staff
Administrative Assistant

Kathryn Huseman - Staff
Office Assistant

April 18, 1991

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

Dear Senator Pearce:

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

Sincerely yours,

William F. Webb
General Manager

cc: Public Policy Committee

Alaska Support Industry Alliance

... for responsible economic development

JAN 30 1991

LABORERS' INTERNATIONAL UNION
of NORTH AMERICA
LOCAL 341

2501 Commercial Drive
Anchorage, Alaska 99501
PHONE (907) 272-4571



MANO FREY
BUSINESS MANAGER
SECRETARY-TREASURER
ANDREW J. PIEKARSKI
PRESIDENT
VICE PRESIDENT
DON WEBER

FIELD REPRESENTATIVES:
ANDREW J. PIEKARSKI
WILLIAM "BILL" MCPHETER
MIKE GALLAGHER
ROBERT J. GLORIOSO

January 25, 1991

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

Dear Senator Pearce: *Drue*

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

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

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

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

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

Sincerely,

Mano Frey
Business Manager/Secretary-Treasurer

MF/dsr



Department of Transportation
and Public Facilities

POSITION PAPER

BILL NO: SSSB 37

APPROVED:

D. Bandy Simon

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

DATE: April 16, 1991

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

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

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

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

For Further Information contact Katy McHugh at 465-3900.

BILL NO: SSSB 37

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

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

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

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

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

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NUMBER: C555B 37

FISCAL NOTE

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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

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

POSITIONS

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

Estimate of current year impact: None.

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Jeffery C. Ottesen, Director

Phone: 465-2951

Division: Engineering and Operations Standards

Date: April 29, 1991

Approved by Commissioner: 

Phone: 465-3900

Agency: Department of Transportation and Public Facilities

Date: April 29, 1991

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

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

BILL NUMBER: C555B 37

ANALYSIS (cont. from page 1):**Regulations**

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

Operating Costs

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

Opportunity Costs: Federal-Aid Capital Programs

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

Capital Costs: General Funded Capital Programs

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

SENATE BILL 37

Testimony by

Don Rouleau, Business Agent

for

Alaska District Council of Laborers

* Camps were always included in the construction of the state's remote construction projects until it was discovered by a few non-union outside contractors that they could underbid Alaskan union contractors on jobs by deleting the costs of providing food and housing for their workers.

* Unfortunately, for construction workers non-union and union alike, the union contractors demanded that the contractual provisions be removed from the construction labor agreements. The unions reluctantly agreed. The contractors were then put on an even footing with the outside non-union contractors.

* The result has been a continual degradation of living conditions where there are no facilities within a reasonable distance to the jobsites. Union and non-union workers alike have been living in tents, visqueene lean-tos, the back seats of cars, and some have even built their own teepees. The lucky individuals who can afford a camper or motorhome have been fortunate enough to live off the ground and are staying dry.

* Unsanitary conditions have been the normal living environment for quite a few. Those who have campers have dug shallow holes and put their sewer hoses into barrels with holes punched into them to leach out both their grey and sewer water. Sometimes they let their sewer drain onto the ground or just drive down the road and put the hose into the ditch to empty it. Those less fortunate individuals who live in their cars and tents have been using any place that's convenient to relieve themselves.

* Imagine yourself working 12 hours a day to come home to a tent that has no facilities nearby. You've been working seven 12's for weeks and you haven't had a shower for almost as many. You then pull out the cookstove and warm up some soup and try to make a sandwich for something to eat before you fall asleep in the same clothes you woke up in that morning. You then wake up early around 4 am to make something for breakfast and something to take to the jobsite for lunch. Now imagine this in the rain, or the snow that sometimes falls in the latter part of the construction season.

* How long would you last under those conditions?

* If you had to work to support your family and you couldn't leave the job for fear of losing your home to the bank because you couldn't make your payments, you would have to stick it out even if it meant getting sick and living in misery.

* One of the big problems we've found is that the average construction worker can't afford to buy a camper to stay dry and warm. That worker finds a big flaw in the system because he can't afford not to work. If he refuses the job that is offered to him that day, he doesn't know if he'll get another that season. The poorer workers are discriminated against because of their financial status.

* Some people have claimed that this bill will work against local hire because it will be easier for outside workers to come up and be fed and housed by the contractor. The exact opposite is true - the more people a contractor hires near the actual jobsite, the less he will have to provide food and housing for.

* Furthermore, contractors who come up from outside and successfully bid on a job tell a lot of their people to get up to Alaska early and they often drive up in their campers ready to go to work. The the leave with out spending much of their money inside Alaska.

* The draft CS you have before you is the result of a few years of negotiations with DOTPF and the AGC. I hope you will find it in your hearts to alleviate the deplorable working conditions remote construction workers have to live with at the job site.