

HB

157

April 15th 1999

Good morning madame chair, members of the committee.

This is an honor for me to be testifying before you this morning.

My name is Harold Holten and I am the representative for the Seafarers International Union. Although I would like it clear that I'm here on behalf of all Merchant Seaman, who are denied their permanent fund dividend.

I was born in Ketchikan, raised in Ketchikan, Petersburg, and Juneau, upon my completion of 6 years in the Marine Corps, I came back to Alaska and became a state trooper for a short period of time. I was a Salmon tender captain for 15 years, before becoming a union rep.

The Seafarers opened an office in Anchorage, almost 2 years ago to the day. Our objective is to recruit Alaskans to go to our unlicensed apprenticeship program in Piney Point, Maryland, and give them an opportunity to obtain good paying jobs with good benefits when they complete the program.

I first became alerted to the fact that Merchant Seaman were being denied their permanent fund, by a Merchant Seaman from a different union. His name is Ross Perrine from Palmer, and he owns a home, has an Alaska drivers license, voter reg card, etc. he has been denied the fund since the inception. I went to one of our ships, and found that a boatswain on the Tote ship Northern Lights has also experienced the same problems. His name is John Glenn and he will be testifying this morning.

My recruiting effort has taken me around a lot of the state, and in my interviews with young people, I seem to have their interest in the program until the question of the Permanent Fund dividend comes up, then I am told they are no longer interested. I thought to myself and have shared this view, that these people seemed awfully shortsighted, until I really thought about it, this is probably the only steady money

they have ever seen, and are reluctant to let it go under any circumstance.

One of our recent graduates (Jessie Sharp) who will testify this morning, that already this year he has been denied the Permanent Fund dividend

These merchant seaman being denied, do not have a choice when they sail, as to whether they can sail in Alaska or not. Sailing is based on a seniority system, and believe it or not, our Alaska routes, are in high demand. The ones that have the Alaska routes Ross and John are denied because they are not physically in state a minimum of 180 days.

All of our Alaskans have been accepted to Piney Point because they are Alaska residents. I would hate to discourage good young people, (short sighted as they may be) from enjoying such a career opportunity.

Right now we have 18 Alaskans who have graduated from Piney Point, and we presently have 2 in school.

Besides the 18 graduates, we have created a Riding Maintenance gang. These merchant seaman go on oil tankers and do preventative maintenance. We hired 10 Riding gang a year ago, and all have done an outstanding job. When they have a year of sea time, they will be sent back to Piney Point and upgraded to Able bodied seaman. We will start training and working a new crew. This crew averages \$3,200.00 per month, with full benefits. Two of these Merchant Seaman have recently put money down on homes in the Wasilla arear. They also will be denied their Permanent Fund dividend.

An article in the Anch news last Monday the 12th did an article on our first native Alaskan. This has generated such a positive response it is hard for me to keep up with it. The first day generated about 20 phone calls, and yesterday I received 71 inquires. This has resulted in 6 tests being given yesterday, and 6 more scheduled on Friday. Plus 2 in Soldotna, 1 in Anchor Point, 2 in Kodiak, 2 in Ketchikan, and several from Willow. These numbers are candidates that are qualified.

In my estimation, we are not talking about any more than 200 Merchant Seaman over a ten year Period. (Although I hope for many more than that).

This concludes my statement, I urge you to support the HB 157

I thank the committee for their time.



Official Business

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HB157: Permanent Fund Dividend for Alaskan Merchant Mariners Sponsor Statement

This legislation is sought to enhance maritime job opportunities for Alaskans and, in particular, Alaskan youth.

I first learned of the need for this legislation when I spoke to several parties involved in Alaska's maritime transportation industry. I was advised of an effort launched to attract Alaskans to job opportunities in the U.S. Merchant Marine. This effort has been a unique and successful partnership between Alaska's three Private Industry Councils and the Seafarers International Union (SIU) that has contributed greatly to workforce and economic development in Alaska. This partnership on occasion is having difficulty recruiting as a result of an oversight in Alaska's Permanent Fund dividend program. Alaskans who make their living aboard deep-sea, U.S. flag vessels may often be working aboard these ships for over 180 days per year. This makes them ineligible for their dividend check because their desired profession requires them to be aboard ships. In many cases these Alaskans could be aboard the cargo or tank vessels serving Alaska – yet still be denied a Permanent Fund check.

Since the inception of this partnership in September 1997 to the present, 25 eligible Alaskan residents have successfully completed the SIU apprenticeship-training program and are now fully employed.

The average salary for those Alaskans newly employed through this program is \$32,000/year and all receive full family medical, dental, pension, education, and vacation coverage. As Alaskans committed to "local hire", we should not be upholding obstacles for employment opportunities for our youth.

More importantly, this award winning training and placement program would have an improved ability to recruit Alaskan youth for quality training and high skill/family wage employment.

Another case I am familiar with is a ten-year Alaskan resident who sails aboard tankers in the TAPS trade. He has consistently been denied the Permanent Fund dividend since his work as a merchant seaman is not considered an allowable absence. This determination is not a question of his residency.

Passage of this bill will give these limited number of people their rightful claim to the Permanent Fund dividend.

Endorsement: Alaska State Chamber of Commerce

Subject: Hb157
Date: Thu, 25 Mar 1999 10:23:06 -0900
From: Edward Burke <Edward_Burke@legis.state.ak.us>
Organization: Alaska State Legislature
To: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>

Barbara,

Please accept this e-mail as formal notice that Representative Sanders wish to have HB157 Schedule for a hearing. The earliest date possible after Easter break.

I will provide all documents as you request.

Thank you very much.

Eddie Burke
Legislative Staff
Representative Sanders

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Story by MIKE DUNHAM
Daily News reporter

Photos by ERIK HILL
Anchorage Daily News

Anchors Away

St. Marys teen leaves village,
becomes first Alaska Native
to sail as merchant mariner



Music swelled at Chris Ledlow's bon voyage party. Fiddle, guitar, dobro and one electric keyboard manned by two players joined two dozen voices in polkas, hymns and Hank Williams songs. In the middle of the living room floor sat a hat full of cash collected from the guests, a little spending money for the trip. From the kitchen wafted the smells of wild fish and game accompanied by a pungent hint of seal oil.

It will be awhile before Ledlow savors those smells again. At this writing, he is on his way to the Seafarers International Union's Harry Lundeborg School of Seamanship in Piney Point, Md. Over the next few weeks, he plans to complete his training as a merchant mariner — a commercial sailor licensed to work on large cargo ships. By summer, the soft-spoken, square-shouldered and resolutely cheerful 19-year-old should be in the engine room of an oceangoing vessel somewhere out on the seven seas. Ledlow, from the Yukon River village of St. Marys, is among the

"My whole family's really enthusiastic about what I'm doing. Except my grandmother. I think she's a little worried."

— Chris Ledlow of St. Marys,
on becoming a merchant mariner

first Alaskans to complete the merchant marine employment program offered by the union. Upon graduation, he'll be placed in a job making about \$30,000 a year, eligible for rapid additional training and advancement up the wage scale.

Please see Page E-4, MARINER



Above, future merchant mariner Chris Ledlow chats with his grandmother Marie Tyson, center, and his cousin Susie Mike Tyson before boarding his flight to the East Coast. At left, Ledlow gets a hug from Mike Tyson watches Wednesday evening at Anchorage International Airport.

Merchant mariners in high demand

The Seafarers International Union opened an Anchorage office two years ago. According to the union's Anchorage representative, Harold Holten, there's a rising demand for qualified sailors as more big ships come on-line.

"We can take as many into the merchant marine employment program as will apply," he said.

To date, 28 Alaskans have entered in the program, and 18 have graduated. Applicants must be at least 18, have eighth-grade level

scores in reading and math, be drug-free and have no felony convictions. The national cut-off age is 25, but an exception is made for Alaskans. Individuals wanting to know more about the program should call Holten at 561-4988.

MARINER: Teen joins up

Continued from Page E-1

That's not a bad start for a teenager from the Bush. As he approached the end of high school, Ledlow realized that job options in rural Alaska would be limited. In St. Marys, he might work at the airport, in the volatile fishing industry, change tires like he did at his father's mechanic shop, or work at one of the local grocery stores, which he also did for a while.

"I was at a point I wasn't really sure what to do," he said. "I was working at a cannery in Dillingham when one of the merchant mariners there talked to me about this program and let me know how to get in touch with them."

A few weeks after he called the union's Anchorage office, Ledlow found himself in Piney Point learning basics of shipboard terms and procedures, nautical history, math, first aid and how to use a lifeboat.

He also was learning new things about himself. The school is run along military lines. Students wear uniforms, march to meals, learn to reply with a snappy "Yes, sir" or "No, sir."

"I didn't know what to think," Ledlow said. "A few years ago, I told myself that I would never be military, never wear a uniform and never do dishes. In three months, I did all three and didn't mind."

The first land-based phase of training was followed by hands-on experience at sea. Ledlow was assigned to the *Greatland*, one of the large container ships making weekly runs between Tacoma, Wash., and Anchorage.

This part of the course lets students get a feel for different jobs and find out what they are most comfortable with. Ledlow spent time working on deck and in the galley, but discovered that what he really liked was the

engine room. The regime of wiping down giant machines, dismantling, cleaning and re-assembling parts, reading gauges and standing watch struck a chord in the kid who grew up watching his dad fix cars and outboard motors.

"I was down there for a month, but it seemed like two weeks," he said.

The *Greatland's* schedule put him in Anchorage every Sunday, where he could spend time with family and take his grandmother to church.

Grandma — Marie Tyson — is a well-respected tradition-bearer from the lower Yukon. William Tyson Elementary School is named for her late husband. It was at her house that the bon voyage party took place. She told callers she was inviting "just a few people. Not a big crowd." But guests' cars filled both sides of the street for a block, and a mountain of shoes marked the entry.

"Actually, it's *not* crowded compared to her usual get-togethers," said Rose Tyson, Ledlow's aunt. "Let's just say you can see the floor."

Every man in the room was familiar with boats and water. Most had done commercial or subsistence fishing at some time in their lives. But while no special credentials are needed to be a hand on a fishing boat, you need to have the right papers and certifications to work on a big ocean-going vessel.

When Ledlow completes his next few weeks of training, he'll be the first Alaska Native to earn those papers through this program. The room filled with a sense of respect and hope for the young man as friends and kin sang the Lord's Prayer in Yup'ik.

"We're all so proud of Chris," Rose Tyson said, "and we always have been. He's never been in any trouble. We've never had to worry about him getting into drugs

or anything like that."

"My whole family's really enthusiastic about what I'm doing," Ledlow said. "Except my grandmother. I think she's a little worried."

In his final phase of training, Ledlow will get specialty training in his area of interest — the engine room. He'll graduate with the designation of "unlicensed apprentice" and immediately go to work making about \$30,000 a year. After four months on the job, he'll be able to upgrade to "able-bodied seaman." Advanced ratings to "bosun" or "first mate" could follow.

School costs are largely covered by the companies that contract with the union for men and women to run their ships. In Ledlow's case, he also received assistance through the state's Jobs Training Partnership Act office.

Ledlow said the idea of travel and a flexible work schedule appealed to him. Union members typically work four months on, two off. That's plenty of time to reconnect with family in Alaska, even if his ship doesn't call on Anchorage every Sunday.

Anchorage union representative Harold Holten is betting it won't.

"Of the 18 Alaskans who've graduated from this program so far, not one is working on an Alaska ship," he said. "And this one won't either. I can see that glitter in his eye."

Ledlow grinned at that, and his eyes did seem to glitter. But he admitted to already missing one thing from home — Grandma's salmon.

"I had salmon down there in Maryland," he said. "It wasn't the same. I couldn't taste the fish."

■ Daily News arts editor Mike Dunham can be reached by e-mail at mdunham@adn.com.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 157

Revision Date/Time (Note if correction)	<u>March 29, 1999</u>	Dept. Affected	<u>Revenue</u>
Title	<u>PFD Allowable Absences</u>	BRU	<u>Revenue Operations</u>
		Component	<u>Permanent Fund Dividend</u>
Sponsor	<u>Rep. Sanders</u>		
Requester	<u>House State Affairs</u>	Component Serial No.	<u>981</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY99) cost: 0.0

POSITIONS

Full-time	0					
Part-time	0					
Temporary	0					

ANALYSIS: *(Attach a separate page if necessary)*

This bill adds an allowable absence while serving on ocean-going vessels of the United States merchant marine for purposes of eligibility for Permanent Fund dividends. As a result of this amendment, all other allowable absences in this section are renumbered.

We do not expect these provisions to have a fiscal effect on the Permanent Fund Dividend Program.

Prepared by	<u>Nanci A. Jones, Director</u>	
Division	<u>Permanent Fund Dividend</u>	Phone <u>465-2323</u>
Approved by		Date/Time <u>March 29, 1999</u>
Commissioner		Date <u>March 29, 1999</u>
Agency	<u>Department of Revenue</u>	

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Subject: Re: fiscal notes
Date: Thu, 25 Mar 1999 10:52:16 -0900
From: Barbara Cotting <Barbara_Cotting@legis.state.ak.us>
Organization: Alaska State Legislature
To: Shari Kochman <shari_kochman@gov.state.ak.us>

Shari Kochman wrote:

> thanks for getting these in so early.
> will take care of them.
>
> Barbara Cotting wrote:
> >
> > I have scheduled the following bills for hearing in House State Affairs
> > on Tuesday, March 30, and need fiscal notes:
> >
> > HB 141 Preferential Voting Elections
> >
> > HB 153 State Employee Annual Leave Admin
> > HB 157 PFD Allowable Absences Revenue
> >
> > Barbara