

HB

157

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/7/99

FURTHER:

DATE TURNED
IN TO OFFICE: 5/14/99

Finance Committee considered

HOUSE BILL NO. 157

"An Act relating to absences from the state while serving on oceangoing vessels of the United States merchant marine for purposes of eligibility for permanent fund dividends; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Loren D. Leman</i>	✓	<i>(Loren D. Leman)</i>	✓		
<i>Wanda Conley</i>	✓	<i>Robert Kelly</i>	✓		
		<i>Al G. G. G.</i>	✓		
		<i>Gary White</i>		X	
Co-Chair: <i>Wanda Conley</i>	✓	Co-Chair:			
Co-Chair:		Co-Chair: <i>Scott Powell</i>	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
<i>Rev/Rev. Operations</i>	<i>4/16/99</i>	<i>0</i>	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

Bill Version: HB 157

(H) Publish Date: 4/16/99

**STATE OF ALASKA
1999 LEGISLATIVE SESSION**

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

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						
-----------------------------	--	--	--	--	--	--

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 or man-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 Nanci A. Jones, Director Phone 465-2323
 Division Permanent Fund Dividend Date/Time March 29, 1999
 Approved by Wilson L. Condon Date March 29, 1999
 Commissioner Wilson L. Condon
 Agency Department of Revenue

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COMMITTEE COPY

AMENDMENT

OFFERED IN SENATE FINANCE

moved SENATOR WILKEN

TO: HB 157

1 Page 1, lines 1-3:

2 Delete all material and insert

3 **““An Act relating, for purposes of eligibility for permanent fund**
4 **dividends, to absences from the state while serving on oceangoing**
5 **vessels of the United States merchant marine, and while serving in**
6 **the Peace Corps; and providing for an effective date.””**

7 Page 2, following line 21:

8 Insert a new paragraph to read:

9 **“(13) serving as a full-time volunteer in the**
10 **Peace Corps;”**

11 Page 2, line 22:

12 Delete “(13)”

13 Insert “(14)”

14 Page 2, line 23:

15 Delete “(5) – (12), or (14)”

16 Insert “(5) – (13), or (15)”

17 Page 2, line 25:

18 Delete “(14)”

19 Insert “(15)”

20 Page 2, line 28:

21 Delete "(1) – (13)"

22 Insert "(1) – (14)"

23 Page 2, line 31:

24 Delete "(3) – (13)"

25 Insert "(3) – (14)"

26 Page 3, line 2:

27 Delete "(1) – (13)"

28 Insert "(1) – (14)"

29 Page 3, line 3:

30 Delete "(a)(1) – (13)"

31 Insert "(a)(1) – (14)"

32 Page 3, line 11:

33 Delete "(a)(13)"

34 Insert "(a)(14)"

SIU's Alaskan Recruitment Program Wins National Award

A unique joint initiative between the Seafarers International Union and Alaskan-area private industry councils won national recognition last month for its success in providing jobs for young people from the nation's northernmost state.

The National Association of Private Industry Councils (NAPIC) honored the SIU and the Anchorage/Matanuska-Susitna Private Industry Council for their work in training, then employing, Alaskans aboard U.S.-flag commercial vessels. The presentation took place March 1 in Washington, D.C. at NAPIC's annual forum.

Initiated in 1997 as a way to lower unemployment rates in Alaska, the program has attracted recruits from all over the state. It is strongly backed by Alaska's

congressional delegation - Sens. Ted Stevens (R) and Frank Murkowski (R) and Rep. Don Young (R) - and its governor, Tony Knowles (D).

The union and council were declared one of two distinguished honorees by the association. Only an Oregon-based training and employment venture ranked higher among the approximately 600 entries and took the top prize.

"This means a lot to all of us involved in the program," SIU Anchorage Representative Harold Holten said after receiving the Theodore E. Small Workforce Partnership Designated Honoree Award on behalf of the union.

"Everyone involved has worked hard to promote this in Alaska and make it work. We could not have done it without the backing of the SIU, the shipping

companies who sail into Alaska, the fine people at the private industry council and, of course, Senators Stevens and Murkowski, Congressman Young and Governor Knowles as well as their staffs."

"It is hard to believe how far we have come in less than two years," noted Lynn Taylor, job partnership training program director for the city of Anchorage. "When Harold and (SIU Assistant Vice President) Bob Hall first presented this to us, we couldn't believe what was available. We had never heard of these opportunities in the merchant marine."

Under the program, young men and women who meet the requirements to enter training at the Paul Hall Center's Lundeborg School of Seamanship are recruited by local government and job training officials. Holten works with these groups to screen the recruits and ensure they meet the qualifications required by the U.S. Coast Guard to hold a merchant mariner's document.

Once approved, they begin learning the skills needed to sail aboard U.S.-flag commercial vessels through the Paul Hall Center's three-phase unlicensed apprentice program.

The first phase takes place at the center, located in Piney Point, Md., where the students receive hands-on and classroom training to learn basic seamanship skills. This part takes 12-weeks.

Under Phase II, the Alaskan recruits work aboard a U.S.-flag vessel whose itinerary includes



Displaying the awards presented to the SIU and the Anchorage Private Industry Council for their work in recruiting young Alaskans to the U.S. merchant marine are SIU Representative Harold Holten (left) and Lynn Taylor from the city of Anchorage.

ports in their home state. They sail for 90 days to learn about life at sea by working in all three unlicensed departments.

Phase III training returns to the Paul Hall Center where the students receive department-specific training. Upon graduation, they are shipped out to their first job aboard a U.S.-flag commercial vessel.

The success of the Alaskan effort has spawned a similar project in Hawaii. Lundeborg School Vice President Don Nolan stated the facility is willing to work with other councils and groups around the country interested in finding good, dependable employment for their young people.

However, the Alaskan recruit-

ment initiative was not the only project noticed by NAPIC in its award. It commended the riding gang program for Alaskan residents implemented by the SIU and local Alaskan governments last year. Like the unlicensed apprentice recruitment effort, this also is an ongoing project that is training Last Frontier state residents to work aboard SIU-contracted vessels that dock in Alaska.

This program has caught the attention of Rep. Young who addressed the first class of riding gang recruits on their graduation day last summer in Anchorage, where their training took place (see the July 1998 *Seafarers LOG*).

HB 157

SeaLand

Sea-Land Service, Inc.
1049 West 5th Avenue
Anchorage, Alaska 99501-1930
(907) 274-2671

April 14, 1999

Representative Brian Porter
Speaker of the House
State Capitol, Room 208
Juneau, Alaska 99801

SENT VIA FAX 907/465-3834

Dear Speaker Porter:

I am writing to you today to encourage you to support HB 157, "The Alaskan Merchant Mariners Permanent Fund Dividend Equity Act". This legislation is important to our ongoing efforts to recruit, train, and hire Alaskan residents for employment as officers and crew aboard our U.S.-flag vessels. For the past several years Sea-Land Service, Inc. has worked with other carriers and labor organizations to promote "local hire" of Alaskans aboard our vessels in the Alaska trade as well as on trading routes throughout the world.

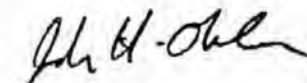
Sea-Land's commitment to hiring Alaskans is demonstrated in our efforts to offer apprenticeships aboard our vessels for the Seafarers International Union's unlicensed apprentice program and our active support of scholarships for Alaskan residents wishing to attend the California Maritime Academy. Although we are proud of our success in providing these opportunities to Alaskans, we are concerned that the current denial of annual Permanent Fund dividends to Alaskan merchant mariners who may be at sea for over 180 days per year is hampering our efforts to employ Alaskans.

This issue comes up during the recruitment process. Our representatives must inform interested individuals that they may not be eligible for the Permanent Fund dividend, of which most young Alaskans have grown quite accustomed to, if they go to sea. This is despite their being resident Alaskans and eligible on all other accounts. In addition, we are concerned that losing Permanent Fund eligibility status will create an added incentive for sea-going Alaskans to leave their home state and live outside.

This is a scenario that our organization wishes to avoid if at all possible. The seagoing jobs aboard our U.S.-flag vessels are high-skilled, family-wage positions that would aid in growing Alaska's economy. We are proud to make every effort to offer these positions to native Alaskans. Your assistance in passing HB 157 will help to assure our work is a success for all Alaskans.

Sincerely yours,

SEA-LAND SERVICE, INC.



John H. Ohle
General Manager, Alaska

cc: Representative Jerry Sanders, FAX# 907/465-3476
Alaska Chamber of Commerce, FAX# 907/463-5515

ALASKA STATE AFL-CIO

2501 Commercial Drive · Anchorage, Alaska 99501 · 907-258-6284 · Fax 274-0570

MANO FREY
Executive President



BRUCE LUDWIG
Secretary / Treasurer

April 18, 1999

RE: House Bill 157

Representative Jerry Sanders
State of Alaska
P. O. Box V
Juneau, AK 99811

Dear Representative Sanders,

This bill will rectify and in justice to those Alaskan, men and women who have been denied a Permanent Fund Dividend, being solely because they were out of state due to careers as merchant mariners. The most ironic travesty is Alaskan mariners not being eligible for the Permanent Fund Dividend. A nationally acclaimed program was begun by the Seafarers International Union to recruit Alaskans into a training program ultimately resulting in a career as a merchant mariner. On one hand, the Seafarers Union recruits and trains for life long high paying jobs and on other hand, the state is denying the same people the Permanent Fund Dividend because they are at sea or out of state. We hold hardy support this legislation and thank you for your support.

Sincerely,

Mano Frey
Executive President

MF/lf

Anchors Away

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

Story by MIKE DUNHAM
Daily News reporter

Photos by ERIK HILL
Anchorage Daily News



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



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 says those smells again. At this time 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

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 cross the 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 561-4938.

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.



Apostleship of the Sea

Sally Bostwick, Ship Visitor
1586 Thuja Avenue
Anchorage, Alaska 99507
phone (907)349-3471
email sbostwick@anchor.net

Rep. Jerry Sanders
Ref: HB 157
Attn: Eddie Burke
Fax-907 - 465 - 3478
Rep. Sanders and House Committee:

I am acting port chaplain in Anchorage and have frequent contact with the seafarers. As a representative of the Apostleship of the Sea, a vatican designated outreach to seafarers, also a member of the North American Ministry to Mariners, and as an Alaska resident I am particularly concerned with the inequity in Alaskan seafarer eligibility for Alaska permanent fund dividends. Those Alaskan seafarers are currently penalized from residency eligibility because of extended absences from the state while serving on ships. The maritime industry does not afford the mariner the luxury of selecting routes or duration at sea. Most seafarers are shipboard for 8 to 9 month, enduring family separation and frequently dangerous weather and work situation. During these extended absences the seafarer is aboard ship. The seafarer does not establish another residence. For the most part, a seafarer is in port 24 hours during off and on-loading only. Hence, the only residence of the merchant seafarer is his/her Alaskan home or the ship stateroom

As you are aware waterborne shipping is the most economical and safe means of transport for the many goods we need in the state. Those people engaged in this industry support the local economy through delivery of goods/materials. Their in current questioned eligibility for PFD is an economic injustice. At the same time family members in residence in the state support the local economy and services through property taxes and "buy Alaska". The seafaring industry is critical to the state and participation of Alaska mariners in PFD is justified. Absences from their

Alaskan homes for the seafarers are one of the negative factors in their chosen careers. Nevertheless, if Alaska goods and goods for Alaska receive appropriate distribution we as a maritime state depend on these seafarers. Today, Alaska youth are becoming more interested in maritime careers. Penalties associated with lack of seafarer eligibility for PFD will discourage young seafarers and even jeopardize Alaskan consumers with increased transportation costs.

Therefore, inclusion of Alaskan seafarers/mariners eligibility for PFD is strongly endorsed.. This position is supported by the Apostleship of the Sea and the Archdiocesan sponsor for the Apostleship.

Thank you....

Sally Bostwick
 Sally Bostwick
 Apostleship of the Sea
 Archdiocese of Anchorage

Fr. Archdiocese Fr. Crowley



Official Business

Alaska State Legislature

REPRESENTATIVE
JERRY SANDERS
District 19

Anchorage
716 W 4th Ave, #610
Anchorage, AK 99501
Phone (907) 269-0199
Fax (907) 269-0197

Juneau
State Capitol Room 414
Juneau, AK 99801-1182
Phone (907) 465-4945
Fax (907) 465-3476

COMMITTEES:
Co-Chair Resources
Labor and Commerce
Transportation

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

SENATE FINANCE COMMITTEE

SIGN-IN

HB 157-PFD ALLOWABLE ABSENCES

NAME: Maureen A. Jones Sub./Bill No: 157
Co./Dept./Title: PFD Division Phone: 2323
Address: 11th Floor SOB Zip: 99801

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

SENATE FINANCE COMMITTEE

SIGN-IN

HB 157-PFD ALLOWABLE ABSENCES

NAME: Deborah Vogt / Nanci Jones Subject/Bill No: HB 157
Co./Dept./Title: Perm Fund Dividend Division Phone: 2323
Address: 11th Floor SOB Zip: 99801

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions