

**SB**

**170**

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 170  
 (S) Publish Date: 4/17/01

Revision Date/Time (Note if correction): 04/12/2001 12:30p.m. Dept. Affected: DCED  
 Title: Wage and Hour protections for employees of BRU: ARRC  
the Alaska Railroad Component: \_\_\_\_\_  
 Sponsor: Senate Labor and Commerce by request  
 Requester: Senate Labor and Commerce Component Number: \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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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)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

Senate Bill 170 does not impact the state's budget because the Alaska Railroad does not require any state funding to operate. Alaska Railroad employees are paid for through corporate revenues. They are not covered by state public employee contracts, nor do they receive state-funded pensions and benefits. Approximately 545 of the Alaska Railroad's employees are represented by five unions that negotiate contracts with the corporation.

Prepared by: Wendy Lindskoog, Director External Affairs Phone (907)265-2498  
 Division: Alaska Railroad Corporation Date/Time 04/12/2001 12:30p.m.  
 Approved by: Commissioner Deborah B. Sedwick Date 4/12/2001  
 Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

# ALASKA RAILROAD CORPORATION



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510  
327 W. Ship Creek Avenue, Anchorage, Alaska 99501

Senate Bill 170  
Senate Labor and Commerce Committee by request

## Sponsor Statement

Senate Bill 170 serves a dual purpose. It provides Alaska Railroad Corporation (ARRC) employees minimum wage and overtime protection by clarifying that the ARRC is regulated by Alaska's Wage and Hour Act (AWHA). SB 170 also enables locomotive engineers, conductors and brakemen, represented by the United Transportation Union (UTU), to opt out of the Wage and Hour Act if ARRC management and UTU members mutually agree to do so in a collective bargaining agreement.

The ARRC is exempt from the Fair Labor Standards Act, the federal law governing minimum wage and overtime, by virtue of an exemption in that act for employees of rail carriers. If the ARRC is regulated by Alaska's Wage and Hour Act, then ARRC employees will enjoy the wage and hour protections available to virtually all other employees.

Clarifying ARRC's status under the AWHA not only protects ARRC employees, it provides clear guidance to ARRC management with regard to employee relations. It also protects the ARRC from liability for unintentional violations of employee rights.

The exemption for UTU members provided by SB 170 would not leave UTU members unprotected with regard to hours worked. Unlike most other Alaska Railroad employees, UTU members are protected by the federal Hours of Service Act (HOSA). This Act prevents excessive or unreasonable work hours by limiting the number of hours employees can work to 12 consecutive hours without a required rest period. (American Train Dispatcher's Association are also covered by the HOSA, as are a few Transportation Communication Union members.)

The UTU exemption is mutually beneficial to the ARRC's operation and the UTU members. It would allow ARRC management and UTU representatives to negotiate an agreement allowing UTU employees to be paid on a basis other than an hourly basis (for example, a salary basis or a day rate). This arrangement would enhance UTU member retirement benefits. In exchange, the ARRC would eventually be able to operate trains with a two-person crew, mirroring railroad industry standards and contributing positively to the ARRC's bottom line.

# ALASKA RAILROAD CORPORATION



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327 W. Ship Creek Avenue, Anchorage, Alaska 99501

March 30, 2001

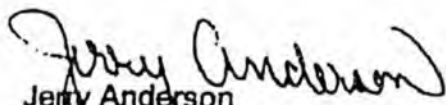
The Honorable Randy Phillips  
Chair  
Senate Labor and Commerce Committee  
State Capitol, Room 103  
Juneau, AK 99801-1182

Dear Senator Phillips:

On behalf of the Alaska Railroad Corporation and its employees, thank you for agreeing to support Senate Labor and Commerce Committee sponsorship of Senate Bill 170. We realize time is running very short until the end of session. With that in mind, we respectfully request a hearing for SB 170 by the Labor and Commerce Committee as soon as your scheduling permits.

We look forward to working with you on this issue.

Sincerely,

  
Jerry Anderson  
Acting President and CEO

**ALASKA PUBLIC EMPLOYEES ASSOCIATION/AFT(AFL-CIO)**

State Headquarters/Juneau Field Office  
211 Fourth Street, Suite 306, Juneau, Alaska 99801  
Telephone (907) 586-2834, (800) 478-9921, Fax 469-4880

March 30, 2001

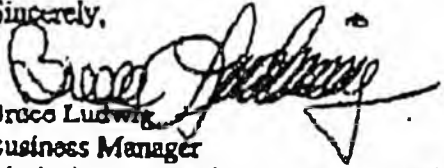
Senator Randy Phillips  
Alaska State Capitol, Room 103  
Juneau, AK 99801-1182

Dear Senator Phillips:

I am writing to let you know that Alaska Public Employees Association/AFT supports the legislation being proposed by the Alaska Railroad and the United Transportation Union which will clarify that employees of the corporation are covered by Alaska's Wage and Hour Act and which will also allow the train and engine men on the Railroad, represented by the United Transportation Union to opt out of the Wage and Hour Act if the parties mutually agree to do so in a collective bargaining agreement. I understand that the UTU employees are negotiating to work as excepted salaried employees. I also understand that the UTU employees are subject to the federal Hours of Service Act so there is no danger of excessive or unreasonable work hours for the employees involved.

Thank you for your attention to this matter.

Sincerely,

  
Bruce Ludwig  
Business Manager  
Alaska Public Employees Association/AFT

cc:  
United Transportation Union (fax 279-7118)  
Ann Courtney, Alaska Railroad (fax 265-2443)  
Charles A. Dumagan (fax 563-7322)

Mar-28-01 03:56P John Henry

1-307-279-7118

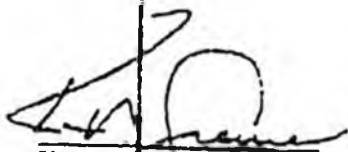
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March 28, 2001

American Train Dispatchers Department/BLE  
Alaska Railroad Corporation System  
P.O. Box 671490  
Chugiak Alaska 99567

The Alaska Legislature,

The A.T.D.D/BLE supports the amendment to AS 42.40.710 proposed by the United Transportation Union Local 1626 and the Alaska Railroad Corporation that states in part UTU employees are exempt from the AWHIA when mutually agreed to in a collective bargaining agreement.



K. H. Olsen  
General Chairman  
American Train Dispatchers Department/BLE

Mar-28-01 03:57P John Henry

1-907-279-7118

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# Alaska Railroad Workers Local 183

A.F.G.E./AFL-CIO

P.O. BOX 100035

Anchorage, Alaska 99510-0035

Phone (907) 272-8316

Fax (907) 274-5244

To: Alaska Legislation

March 23, 2001

From: Ed Rivera  
President ARW

Subject: U.T.U. Wage Proposal

Dear Legislators

I would like to state that the ARW has looked over the proposed changes to AS 42.40.710, and met with the UTU attorney to discuss this issue. After consideration I have found nothing that would impact any of my members or any negative issues associated with this proposal. The ARW therefore supports the change in the law as it is outlined by the UTU. Thank you for your support in this important piece of legislation.

Sincerely

Ed Rivera  
President ARW

Michael L. Weatherell  
General Chairman

John T. Manning  
Vice Chairman



Jefferson "Lee" Davis  
Vice Chairman

Darren M. Rupo  
Secretary

555 West Northern Lights #203  
Anchorage, AK 99503

Phone 907-279-7117 Fax 907-279-7118  
Email utu1626@pci.net

## **United Transportation Union**

Local 1626

### **General Committee of Adjustment GO-ARR**

The Alaska Railroad Corporation

#### MEMORANDUM

**TO:** Alaska Legislature

**FROM:** Mike Weatherell, General Chairman  
United Transportation Union  
Alaska Railroad

**DATE:** March 2, 2001

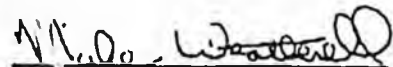
**RE:** Proposed Changes to AS 42.40.710.

I am General Chairman of the United Transportation Union Local 1626. The UTU represents conductors, engineers, firemen, and brakemen on the Alaska Railroad. We fully support the proposed amendment to AS 42.40.710, which would clarify that the Alaska Railroad is subject to Alaska's Wage and Hour Act and which would also provide a conditional exemption that could apply to our bargaining unit under special circumstances.

Historically, train and enginemen have been paid by the mile. That changed after the Alaska Railroad was purchased by the state. For a variety of reasons, both the Railroad and our members would like to return to a compensation system similar to the one we had. In order to do so, we have to be exempt from Alaska's wage and hour law. To protect both parties, we have provided that the exemption only applies when the agreement is "mutual" and when the agreement is codified into a bona fide collective bargaining agreement. That way, neither party can force an agreement on the other. In the absence of an agreement, Alaska's Wage and Hour Act would apply as it does now. There is also no danger to the public safety. Our members are subject to the federal Hours of Service Act which already governs the number of hours our members can be on the road, rest periods between shifts, etc. This is a win-win proposal for all concerned and I hope you can join us in supporting its passage.

I have worked closely with the other employee groups on the Alaska Railroad. It is my belief and understanding that all represented employees support the passage of this amendment to AS 42.40. Again, we urge your assistance and support.

Date: 5/5/01

  
Mik Weatherell, General Chairman  
United Transportation Union  
Alaska Railroad