

SB

182

<TARGET><BILL>SB 182</BILL><SUBJECT>SB
182</SUBJECT><COMM>SFIN28</COMM></TARGET>

MARINE UNIT - TOP THREE EARNERS

TOP THREE EARNERS FOR THE MARINE UNITS

MMP	Regular Pay	Premium Pay	Other Pay	Total
Master 1	\$120,588.34	\$45,395.73	\$2,304.64	\$168,288.71
Master 2	\$111,179.90	\$54,632.78	\$2,304.64	\$168,117.32
Master 3	\$130,107.14	\$29,702.81	\$7,081.64	\$166,891.59

MEBA	Regular Pay	Premium Pay	Other Pay	Total
Chief Engineer	\$143,637.22	\$17,853.70	\$22,429.40	\$183,920.32
Chief Engineer	\$149,127.64	\$16,270.15	\$10,085.08	\$175,482.87
First Assistant	\$101,701.15	\$39,858.12	\$19,858.14	\$161,417.41

IBU	Regular Pay	Premium Pay	Other Pay	Total
PSWIC	\$74,455.05	\$34,928.34	\$13,039.60	\$138,608.89
Able Seaman	\$80,700.31	\$34,286.68	\$2,756.76	\$117,743.75
A/B Bosn	\$68,342.79	\$28,767.04	\$19,653.96	\$116,763.79

PSWIC - Passage Service Worker In Charge

SENATE FINANCE COMMITTEE REPORT

DATE: 3/5/14

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 182

SB 182 PUBLIC EMPLOYEE SALARY DIFFERENTIALS

"An Act relating to salary differences in collective bargaining agreements subject to the Public Employment Relations Act that are based on a difference in the cost of living outside the state and the cost of living in the state; and providing for an effective date."

and recommends:

- be replaced with CS SB 182 (FIN) Same Title New Title
- adopt previous CS _____ (_____) Same Title New Title
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DOT		✓		

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	OLSON			✓	✓
	Hoffman			✓	
	FAIRCLOUGH			✓	
	BISHOP			✓	
CO-CHAIR:	Kelly	✓			
CO-CHAIR:	Meyer			✓	

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version CSSB182
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) SB182CS(SFIN)-DOT-MVO-3-21-14 Dept. Affected DOT&PF
 Title Public Employee Salary Differentials Appropriation Alaska Marine Highway System
 Allocation Marine Vessel Operations
 Sponsor Senator Dyson
 Requester Senate Finance OMB Component Number 2604

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
			FY15	FY16	FY17	FY18	FY19
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	***	0.0	***	***	***	***	***

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1076	Marine Hwy (DGF)							
1007	I/A Rcpts (Other)							
1213	AHCC (UGF)							
TOTAL		***	0.0	***	***	***	***	***

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY14) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for the committee substitute.

Prepared by Connie McKenzie, Legislative Liaison
 Division Office of the Commissioner
 Approved by Mary P. Siroky, Director, Administrative Services
 Agency Department of Transportation and Public Facilities

Phone 465-4772
 Date/Time 3/21/14 4:30PM
 Date 3/21/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB182

Analysis

The proposed legislation prohibits collective bargaining agreements from including a cost of living differential for employees residing in Alaska after June 30, 2014. Currently members of the Marine Engineers Beneficial Association (MEBA), the International Organization of Masters and Mates and Pilots (MMP) and the Inlandboatmen's Union (IBU) receive a Cost of Living Differential (COLD) because they maintain a primary residency within the State of Alaska.

Savings will result when new staff are hired who are not paid COLD. The number of new staff hired in any given year is based on the number of vessels operating, number of weeks each vessel operates, the retirement of long term crew members and the promotion from one union to another. Given all these variables it is impossible to determine a precise savings.

Using averages and very rough estimates it may be possible for the Marine Highway System to save as much as \$850.0/year. Since the greatest number of new employees are hired in April and May it is difficult to determine if a savings of this magnitude will occur in FY2015.

The fiscal impact of this legislation cannot be accurately determined at this time.

Adopted
3/21/14
WORK DRAFT

WORK DRAFT

WORK DRAFT

28-LS1432(O)
Wayne
3/19/14

CS FOR SENATE BILL NO. 182(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR DYSON

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to salary differences in collective bargaining agreements subject to the**
2 **Public Employment Relations Act that are based on a difference in the cost of living**
3 **outside the state and the cost of living in the state; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 23.40.075 is amended by adding a new subsection to read:

6 (b) The parties may not enter into a collective bargaining agreement that
7 adjusts the amount of the salary paid to an employee who resides inside the state based
8 on a difference between the cost of living in the state and the cost of living outside the
9 state.

10 * **Sec. 2.** AS 23.40.210 is repealed and reenacted to read:

11 **Sec. 23.40.210. Agreement.** Upon the completion of negotiations between an
12 organization and a public employer, if a settlement is reached, the employer shall
13 reduce it to writing in the form of an agreement. The agreement may include a term
14 for which it will remain in effect, not to exceed three years. The agreement shall

1 include a grievance procedure that has binding arbitration as its final step. Either party
 2 to the agreement has a right of action to enforce the agreement by petition to the labor
 3 relations agency.

4 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
 5 read:

6 **TRANSITION: SALARY DIFFERENCES IN COLLECTIVE BARGAINING**
 7 **AGREEMENTS.** (a) Notwithstanding AS 23.40.075(b), as enacted by sec. 1 of this Act, and
 8 AS 23.40.210, as repealed and reenacted by sec. 2 of this Act, a person who is eligible on
 9 June 30, 2014, to receive a cost-of-living differential under AS 23.40.210(a) shall remain
 10 eligible on and after July 1, 2014, to receive a cost-of-living differential at the rate applicable
 11 to the person under the most recent collective bargaining agreement in effect before July 1,
 12 2014, for so long as the person would have been eligible to receive that cost-of-living
 13 differential under AS 23.40.210(a) if AS 23.40.075 and 23.40.210 were not amended by this
 14 Act.

15 (b) If a person entitled to receive a cost-of-living differential on and after July 1,
 16 2014, under (a) of this section transfers to a position in a different bargaining unit on or after
 17 July 1, 2014, the person is eligible to receive a cost-of-living differential at the rate that would
 18 have been applicable to the person under the most recent collective bargaining agreement in
 19 effect for that different bargaining unit before July 1, 2014, for so long as the person would
 20 have been eligible to receive that cost-of-living differential under AS 23.40.210(a) if
 21 AS 23.40.075 and 23.40.210 were not amended by this Act.

22 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 23 read:

24 **APPLICABILITY.** Sections 1 - 3 of this Act apply to collective bargaining
 25 agreements that are entered into on or after July 1, 2014.

26 * **Sec. 5.** This Act takes effect July 1, 2014.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Administration

CURTIS W. THAYER, COMMISSIONER

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March 24, 2014

The Honorable Kevin Meyer, Co-Chair
The Honorable Pete Kelly, Co-Chair
Senate Finance Standing Committee
Alaska State Capitol, Rm. 532
Juneau, AK 99801

Dear Senators:

Thank you for the opportunity to answer questions on Senator Dyson's SB 182, Public Employee Salary Differentials. Following are the questions raised during our testimony that we could not immediately address and the responses to those questions:

Q1: What is the vacancy rate for these marine units?

A1: AMHS will be hiring for 20 positions in the IBU this summer, out of 669 positions. Other vacancies are typically filled through internal promotion/transfer opportunities. There are six (out of 25) job classes (Junior Assistant Purser, A/B Bos'n, Able Seaman, Ordinary Seaman, Junior Engineer and Oiler) in the IBU for which AMHS is experiencing some difficulty filling.

There are currently 17 vacancies, out of 98 in the MMP, which is unusually high. This can be primarily attributed to a lack of required pilotage. AMHS has significantly increased their effort to encourage employees to take their pilotage exams.

There are currently 10 vacancies, out of 107 in the MEBA. These vacancies are filled by a combination of engineers who volunteer to work extra assignments and engineers who are dispatched from the west coast from the MEBA union halls.

Q2: What is the leave accrual for marine units?

A2: Please find below a chart that specifies the different leave accrual rates for the three marine units (MMP, MEBA and IBU):

Years of Service	IBU			MEBA		MMP ⁽³⁾	
	Annual	Sick	A-days	Personal	A-days ⁽²⁾	Annual	Sick
1-2	84	180	1460	188	2920	84	180
2-3	168	180	1824.8	250	2920	168	180
3-4	252	180	1824.8	318	2920	252	180
4-5	336 ⁽¹⁾	180	1824.8	390	2920	336	180
5-7	336	180	2190	468	2920	420	180
7-10	336	180	2555 ⁽⁵⁾	551	2920	504	180
	336 ⁽⁴⁾	180	2555 ⁽⁵⁾	638	2920	504 ⁽⁴⁾	180

⁽¹⁾ If hired before 2008 the accrual increases to 420 hours per year after 5 years of service.

⁽²⁾ Engineers working on the *M/V Aurora* and the *M/V Tustumena* must have 5 years of service with AMHS to be eligible for A-days. Engineers working on the *M/V Kennicott* do not have to meet a threshold before receiving A-days.

⁽³⁾ MMP members do not receive A-days. All members who have achieved seniority (12 months of service) receive \$ 57.86 bi-weekly in lieu of A-days.

⁽⁴⁾ If hired before 1985 the accrual increases to 588 hours per year after 10 years of service.

⁽⁵⁾ If hired before 1985 the accrual increases to one day of leave for one day of work after 9 years of service, this equates to 2920 hours.

Q3: What training does AMHS pay for and what are the employees training costs?

A3: The basic training required to apply for an entry level position on AMHS vessels cost approximately \$1000 (Merchant Marine Documents, Transportation Worker Identification Credential, and Basic Safety Training Certificate). This is low compared to the training requirements required for similar or lower paying state jobs (e.g. a college degree). All required training and some optional training after hire is paid for by the AMHS. For example, in 2013 the State of Alaska paid \$132,062.87 into license specific training for MMP and \$131,197.00 into license specific training for MEBA.

Q4: Have the marine units seen a decrease in wages in recent years?

A4: A 10-year review of annual cost of living increases negotiated for MMP/MEBA and IBU are listed below for your reference:

Year	CPI Increase	MMP/MEBA	IBU
2004	2.6%	7.0%	7.0%
2005	3.1%	6.0%	6.0%
2006	3.2%	6.0%	6.0%
2007	2.2%	3.0%	0.0%
2008	4.6%	\$2,381 Lump Sum	\$2,137 Lump Sum
2009	1.2%	5.0%	5.0%
2010	1.8%	4.0%	4.0%
2011	3.2%	0.0%	2.0%
2012	2.1%	0.0%	2.0%
2013	Unknown	0.0%	1.0%
TOTAL	24%	31% + \$2,381	33% + \$2,137

Q5: What goes into “other pay” for the top three earners in each marine unit?

A5: Attached is a detail breakout of the elements that went into the slide referenced showing the top three earners in each marine bargaining unit. Please reference “High Earners.pdf”.

Q6: Where do the marine unit employees live around the state?

A6: Below is a count of the marine unit employees that live in each community of Alaska:

City	MEBA	MMP	IBU	Total
ANCHOR POINT		1	1	2
ANCHORAGE	4	8	19	31
AUKE BAY	1	4	19	24
COFFMAN COVE	1		1	2
CORDOVA	4		7	11
CRAIG		1	11	12
DOUGLAS	5	2	12	19
EAGLE RIVER		2	2	4
FAIRBANKS			1	1
FRITZ CREEK			1	1
GLENNALLEN			1	1

The Honorable Kevin Meyer and Pete Kelly

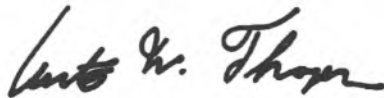
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March 24, 2014

GUSTAVUS	1		4	5
HAINES	4	1	29	34
HOMER	4	8	12	24
HOONAH			1	1
HYDABURG			2	2
JUNEAU	19	21	172	212
KAKE			1	1
KASILOF		1	3	4
KENAI	3			3
KETCHIKAN	11	20	169	200
KLAWOCK			4	4
KODIAK			1	1
METLAKATLA			16	16
NIKISKI			1	1
NINILCHIK	1		1	2
PALMER	1	2	6	9
PELICAN			1	1
PETERSBURG	1	2	11	14
SELDOVIA			1	1
SEWARD		1	10	11
SITKA	1	1	17	19
SKAGWAY			3	3
SOLDOTNA	2	1	10	13
STERLING			3	3
TALKEETNA	1			1
TENAKEE SPRINGS			2	2
THORNE BAY			3	3
WARD COVE	3	2	16	21
WASILLA	1	1	4	6
WHITTIER			1	1
WILLOW			1	1
WRANGELL	3	2	21	26
Total	71	81	601	753

I hope that the above questions have been answered to your satisfaction. Please feel free to contact me if there are any additional items needing clarification.

Sincerely,



Curtis W. Thayer
Commissioner

cc: Senate Finance Standing Committee members
Senator Fred Dyson

Top Three Earners - Marine Units

Earnings Type	MMP Empl 1	MMP Empl 2	MMP Empl 3	MEBA Empl 1*	MEBA Empl 2*	MEBA Empl 3*	IBU Empl 1**	IBU Empl 2**	IBU Empl 3**
Regular									
Regular gross	\$72,253.98	\$77,310.97	\$92,769.34	\$68,564.63	\$52,854.55	\$79,208.69	\$49,372.20	\$48,205.02	\$39,924.77
Holiday pay	\$5,790.84	\$6,305.64	\$6,305.64	\$4,749.00	\$4,646.52	\$3,804.72	\$4,502.76	\$3,259.16	\$2,322.60
Cost of living differential (COLD)	\$17,274.40	\$17,274.40	\$17,274.40	\$16,176.51	\$16,176.51	\$13,898.70		\$7,256.70	
Minimum guarantee		\$2,913.97	\$2,006.34				\$364.44	\$123.70	
Sick Leave	\$1,579.32	\$7,452.12					\$5,920.20		\$4,948.16
Annual Leave	\$23,689.80	\$17,197.20	\$11,751.42				\$2,060.73	\$6,418.56	
Personal Leave					\$26,082.46	\$9,726.18			
A Day Leave				\$54,147.08	\$49,367.60	\$8,961.56		\$15,437.17	\$21,147.26
Business Leave							\$12,234.72		
Total Regular Pay	\$120,588.34	\$128,454.30	\$130,107.14	\$143,637.22	\$149,127.64	\$115,599.85	\$74,455.05	\$80,700.31	\$68,342.79
Premium Pay									
Overtime	\$197.43	\$16,195.16	\$2,293.12	\$3,104.64	\$3,041.28	\$20,266.91	\$5,604.42	\$9,859.62	\$24,842.04
Holiday overtime	\$3,711.68	\$4,299.60	\$5,159.52	\$2,225.06	\$2,996.28	\$3,962.29	\$2,246.16	\$2,431.20	\$1,844.76
Holdover overtime***	\$40,933.82	\$429.96	\$18,524.11				\$26,577.60	\$15,546.50	\$976.32
Early call back		\$11,178.96						\$3,009.00	\$443.04
Yard overtime	\$552.80			\$5,626.35	\$2,255.60	\$9,907.12			
Nonwatch pay				\$5,757.35	\$6,703.67	\$1,748.56			
Travel pay****		\$5,254.70	\$3,726.06	\$1,101.30	\$1,273.32	\$3,674.24	\$500.16	\$3,440.36	\$660.88
Penalty pay				\$39.00		\$299.00			
Total Premium Pay	\$45,395.73	\$37,358.38	\$29,702.81	\$17,853.70	\$16,270.15	\$39,858.12	\$34,928.34	\$34,286.68	\$28,767.04
Other Pay									
Payment for elimination A days	\$1,504.36	\$1,504.36	\$1,504.36						
Uniform allowance	\$800.28	\$800.28	\$800.28	\$600.08	\$600.08	\$484.68	\$450.06	\$609.76	\$349.96
Leave cash-in			\$4,777.00	\$7,096.32		\$3,161.76	\$13,039.60		\$15,463.00
Per diem - taxable				\$8,585.00	\$4,997.81	\$1,425.00	\$7,650.00	\$1,275.00	\$2,125.00
Per diem - nontaxable				\$6,148.00	\$4,487.19	\$888.00	\$5,460.00	\$872.00	\$1,716.00
Lump sum in lieu of leave							\$2,625.84		
Total Other Pay	\$2,304.64	\$2,304.64	\$7,081.64	\$22,429.40	\$10,085.08	\$5,959.44	\$29,225.50	\$2,756.76	\$19,653.96
2012 Annual Salary	\$168,288.71	\$168,117.32	\$166,891.59	\$183,920.32	\$175,482.87	\$161,417.41	\$138,608.89	\$117,743.75	\$116,763.79
*Effective May 25, 2012 , at the union's request, the hourly rate was reduced by 11.7% and was converted to an employer pension contribution									
**COLD included in hourly rate									
***The majority of holdover overtime assignments are scheduled and planned. These assignments are filled by volunteers. If the regular relieving officer is ill or injured the officer on board is relieved within an few days unless he/she volunteers for a longer assignment. For MMP Empl 1, the vessel's scheduled hours exceeds the contractual limit which results in holdover overtime on a weekly basis.									
****Pay for time spent traveling, outside of work hours, to temporary work assignments									

Letters of
Opposition
(cont.)

Doniece Gott

From: Chris & Elisa Brooks <misterb@aptalaska.net>
Sent: Sunday, March 23, 2014 9:26 PM
To: Senate Finance Committee
Subject: SB 182 Comment

Members of the Alaska Senate Finance Committee,

I would like to voice my opposition to Senate Bill 182. By removing the COLD payment from future employees of the AMHS maritime unions you are taking money away from Alaskan families and businesses. The COLD payment provides a small incentive to live in the state of Alaska. If someone lives here they are going to have to pay for goods and services in the community they reside in. As well as some form of property tax whether it be land taxes or rental fees. If the financial incentive to become a resident of the state is not there, a prospective employee will choose to reside out of state. This can be seen from the oil industry to the fishing industry. Money being made in this state and not staying here. This is not what Alaska needs. Please do not allow this bill to move forward.

Thank you for your time and continuing hard work for the Alaskan people.

Christopher S Brooks

P.O. Box 558
Haines, AK
99827

Doniece Gott

From: Joy and Pete Paquet <paquetpp@aptalaska.net>
Sent: Monday, March 24, 2014 8:27 AM
To: Senate Finance Committee
Cc: Joy and Pete Paquet
Subject: sb182

Greetings and Salutations to all:

Comments regarding SB182.

Senator Fred Dyson stated, that he was approached by the State of Alaska Administration to introduce SB182? Is this a political move on his part? or in the best interest of Alaska, it's citizens and taxpayers?

1. Why is the State of Alaska (SOA), relying on a 6 year Old Study, from (2008) of COLD, between Anchorage and Seattle Wa. ?

2. 91% of IBUP Members (The Majority of AMHS) live in Alaska Why Doesn't the SOA ask IBUP Union how many live in or around Anchorage? IBUP union reps will know who and how many.

3. Why is SOA comparing Seattle Wa COLD to Anchorage Ak ? SOA should compare Seattle WA to an average of SE Alaska Communities for COLD?

Most IBUP Members live in Southeast Alaska Rural Communities, from Ketchikan to Skagway. Next to my local Haines Borough, with 63 employees, SOA is the next highest employer for residents that live here.

With my Value Reward card today, I was able to purchase a Gallon of Milk for \$6.59 cents and Regular Gas @\$4.40 cents a gallon.

4. To keep your children and Grandchildren close to you, in an Alaskan rural community would you advise them to work at the local supermarket ,AMHS or leave Alaska?

5. Is SOA acting in Good Faith in Negotiations, or is this a political move by having SB182 introduced during negotiations by all (3) AMHS Unions?

I ask that SB182 be tabled until it be determined that it is Legal, Ethical and and the information supplied is current and pertinent.

Respectfully,
Maria J. Paquet
Haines, Alaska

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 24, 2014 9:14 AM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: John Mayer [<mailto:jmayer49@hotmail.com>]
Sent: Sunday, March 23, 2014 17:33
To: Sen. Pete Kelly
Subject: SB 182

Dear Senator Kelly,

In the wake of reactions from my fellow mariners regarding SB 182's immediate impact, I believe there is a potentially detrimental long range effect which is being overlooked. The changes dated 3/19/14 to SB 182 address the immediate and most important concerns of current employees effectively "grandfathering" everybody, but what of mariners yet to be recruited?

It is my opinion that if SB 182 were to pass there will be far fewer qualified applicants to fill our ranks which are depleted by retirement or crew lured away by the more lucrative salaries offered by other maritime companies throughout the country. Even now these effects are being felt. I invite you to contact AMHS dispatchers for testimony regarding the increasing difficulty in recruiting and retaining qualified crew. Even during the slower winter season dispatchers struggle to find reliefs for crew scheduled to go home. I shudder to think what summer will bring when all our ships are in operation and our ranks are stretched to the limit.

We can all appreciate the efforts of the administrations to cut costs, but I feel they are applying the knife in a dangerous area. The North Pacific Ocean is not a place for half measures. Experience and training is a non-negotiable item in an often dangerous environment. The men and women of the AMHS obtain and maintain a tremendous amount of certification attesting to their dedication to their profession and to the people of Alaska. Passage of SB 182 would greatly reduce the AMHS as a desirable career choice for the maritime industry's brightest young officers and unlicensed crew. To fill our ranks we Alaskans MUST competitively recruit in the national maritime industry. Even Sen. Dyson recently conceded this point before the Finance Committee.

For those who believe AMHS employees are over paid and undeserving of the benefits currently

earned, I direct them to compare our pay and benefits to our maritime peers nationwide. I am confident they will find AMHS crew are compensated on a level equal to or less than others enjoy in regions with a far lower cost of living.

Passage of SB 182 could be likened to maintaining a house but completely neglecting the foundation. We Alaskans must gauge our commitment to our fleet, unique in the world and the lifeline to many fellow citizens. The men and women of your Alaska Marine Highway express their commitment to the people of Alaska each and everyday 24/7. They deserve that same level of commitment in return.

Very Respectfully,

John W. Mayer, Chief Mate
M/V Tustumena
AMHS

Doniece Gott

From: Brody McNeill <mcbrodyb12@icloud.com>
Sent: Saturday, March 22, 2014 3:12 PM
To: Senate Finance Committee
Subject: Amended SB 182 testimony

Senate finance committee

As it pertains to the amended SB 182, I appreciate the efforts of Commissioner Thayer to keep intact our COLD as is to secure our careers with the state. I also agree with Sen. Dyson that this is a step in the right direction. However, this legislation, if implemented, will have us working side by side with fellow Alaskans who do not make the same as us while doing the same job. Separate pay scales will create animosity and dissention among ranks due to the incredibly unfair wage disparity.

Passing legislation that schedules a pay cut for future employees does not benefit the state in regard to filling all the positions required to crew the AMHS fleet, especially in today's competitive maritime job market. A less than desirable contract will not attract sufficient numbers to fill the ranks of AMHS crew members who are soon to retire or move on to better contracts outside the state.

The administration is looking to reduce our pay by legislating our contract, which I have adamantly opposed. They have legitimized their strategy by demonstrating that they are within the law. Just because they are within the law does not mean they are justified morally. Their focus still remains on the cost differential and their six year old McDowell study which is not applicable to this this bill. In their upcoming presentation I highly doubt that they will be showing the economic loss to the AMHS employees and to the communities in which they reside. A reduction in pay bringing future employees back a decade is wrong no matter where they live and when they were hired.

Respectfully,

Brody McNeill

The Cost of Living in Alaska

Inflation rose modestly in 2012



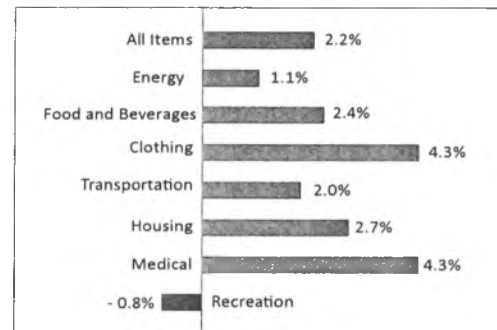
The overall cost of living in Anchorage rose a modest 2.2 percent between 2011 and 2012. This inflation rate was a full percentage point below the prior year's rate and the third-lowest in a decade.

The 10-year average was 2.7 percent, putting 2012's rate in the typical range. (See Exhibit 1.)

The Anchorage Consumer Price Index, which measures inflation and the changes in a variety of costs in the city, is probably the state's most important cost-of-living measure. It provides a long-term record of local price changes and a window into how the average consumer spends his or her money, known as the "market basket." (See exhibits 2 through 4.)

The Anchorage CPI is also the only cost-of-living index in Alaska, so it's often used as the de facto statewide inflation measure. In most cases, price changes in Anchorage don't differ radically from

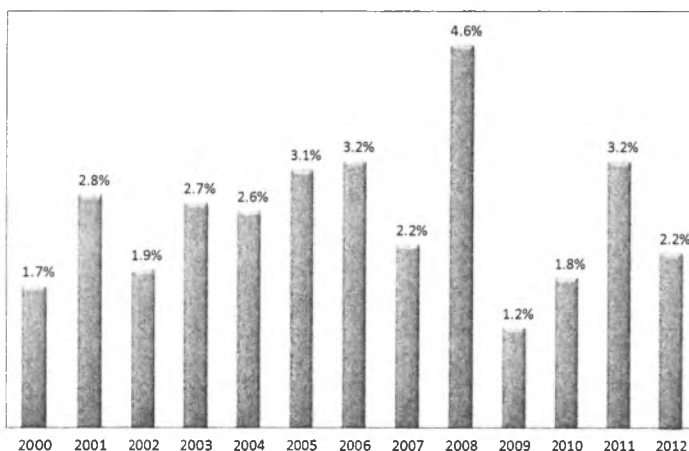
2 Most Costs Increase Anchorage CPI, 2012



Source: U.S. Dept. of Labor, Bureau of Labor Statistics

1 Inflation in Anchorage

Change in consumer price index, 2000 to 2012



Source: U.S. Department of Labor, Bureau of Labor Statistics

other communities in the state.

Other cost-of-living measures provide a closer look at other Alaska communities, however, allowing comparisons between places and giving a more complete picture of what it costs to live in the state. (See the sidebar on page 5.)

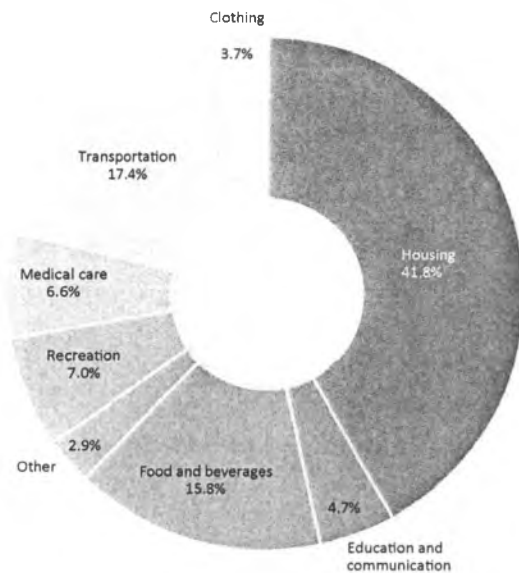
Energy adds volatility to the mix

Energy prices are typically responsible for the CPI's volatility from year to year, including in 2012, when energy costs rose just 1.1 percent after a 10.8 percent jump the year before. (See Exhibit 5.)

Over the past decade, Anchorage energy prices increased 108 percent compared to the roughly 30 percent rise in the overall index. Four of these years logged double-digit increases.

An interesting side note to the cost of energy in Anchorage is that most residents heat their homes with natural gas, unlike most Alaskans outside

3 Housing the Major Expense Anchorage CPI, 2012



Source: U.S. Department of Labor, Bureau of Labor Statistics

Southcentral. The index tracks changes in natural gas prices, labeled “utility-piped gas services,” as a subcategory of housing. Prices Anchorage consumers pay for natural gas are more complex than the costs of heating oil and gasoline, which track closely with the changes in the price of crude oil.

Like many utilities, the price of natural gas is regulated by the state and prices are indexed to natural gas prices in the Lower 48; some of the price is also indexed to oil prices. Other costs are also built into the price of natural gas, including seasonality and storage costs. Long-term and short-term contracts as well as spot purchases from gas suppliers add further complexity to the cost. As a result, the price for natural gas can change and sometimes dramatically, but the time frame can be quite different from oil.

Medical care’s meteoric rise

Although medical care as an expense is not large enough to push the overall index around much, its rise in Anchorage over time is hard to overlook. (See Exhibit 6.)

Two ways to measure cost of living

1. In a specific place over time

Anchorage is one of 26 cities — and the smallest — where the U.S. Bureau of Labor Statistics tracks changes in consumer prices. Because it’s the only CPI in Alaska, it’s often treated as the de facto statewide measure of inflation. Although there is a CPI for the U.S. and for a number of communities around the country, these indexes cannot be used to compare costs between locations.

BLS goes to great lengths and expense to produce the CPI through elaborate surveys of consumer spending habits. These surveys look at a “market basket” of items, and BLS gives them location-specific weights. The market basket, used in most cost-of-living indexes, is a sample of goods and services believed to best mimic the average consumer or a specific group of consumers. The market basket typically includes housing, food, transportation, medical care, and entertainment.

The inflation rate is used to adjust the value of the dollar over time. Workers, unions, employers, and many others also pay attention to the CPI because bargaining agreements and other wage rate negotiations often incorporate an adjustment for inflation. The CPI also plays a role in long-term real estate rental contracts, child support payments, and budgeting.

Most Alaskans are affected when the Permanent Fund Corporation uses the CPI to inflation-proof the fund, and nearly all senior citizens are affected when Social Security payments are adjusted each year using the CPI.

The Anchorage CPI is produced twice each year, for January to June and July to December. Information for the latter period and the annual average come out in January of the following year.

2. Differences between places

The other way to assess the cost of living is to look at cost differences between places. For example, is it more expensive to live in Barrow or in Fairbanks? A variety of studies and data sources this article uses compare the costs of living among Alaska communities and other places around the country.

These studies assume a certain consumption pattern and investigate how much more, or less, it might cost to maintain a specific standard of living elsewhere. Some of these data are more comprehensive than others, and because there can be several sources for the same areas, it’s important to weigh the strengths and weaknesses of the data sets, which each section of this article discusses for each source. Some may better suit a particular need, or in some cases it may work best to cobble together several sources.

Looking at ‘the average consumer’

All cost-of-living measures have their shortcomings. No two consumers spend their money alike, nor does any index accurately capture all the differences. For example, the average household in Nome may spend money differently from the average household in Sitka, and they may differ even more dramatically from a family in Los Angeles. An index may or may not take these differences into account, depending on how sophisticated it is.

Consumer spending habits are also continuously in flux. Technology advances, tastes change, and people react differently to changes in prices.

4 Costs in Anchorage and U.S.

Consumer Price Index, select expenses, 2000 to 2012 annual averages

ALL ITEMS				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	150.9	1.7%	172.2	3.4%
2001	155.2	2.8%	177.1	2.8%
2002	158.2	1.9%	179.9	1.6%
2003	162.5	2.7%	184	2.3%
2004	166.7	2.6%	188.9	2.7%
2005	171.8	3.1%	195.3	3.4%
2006	177.3	3.2%	201.6	3.2%
2007	181.2	2.2%	207.3	2.8%
2008	189.5	4.6%	215.3	3.8%
2009	191.7	1.2%	214.5	-0.4%
2010	195.1	1.8%	218.1	1.6%
2011	201.4	3.2%	224.9	3.2%
2012	205.9	2.2%	229.6	2.1%

ALL ITEMS MINUS HOUSING				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	156.1	1.7%	165.7	3.4%
2001	160.6	2.9%	169.7	2.4%
2002	162.2	1.0%	170.8	0.6%
2003	166.5	2.7%	174.6	2.2%
2004	171.7	3.1%	179.3	2.7%
2005	177.5	3.4%	186.1	3.8%
2006	182.9	3.0%	191.9	3.1%
2007	187.7	2.6%	196.6	2.5%
2008	198.0	5.5%	205.5	4.5%
2009	199.2	0.6%	203.3	-1.0%
2010	202.2	1.5%	208.6	2.6%
2011	209.2	3.4%	217.0	4.0%
2012	212.8	1.7%	221.4	2.0%

HOUSING				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	134.2	1.1%	169.6	3.5%
2001	139.0	3.6%	176.4	4.0%
2002	143.5	3.2%	180.3	2.2%
2003	146.8	2.3%	184.8	2.5%
2004	149.1	1.6%	189.5	2.5%
2005	153.1	2.7%	195.7	3.3%
2006	159.2	4.0%	203.2	3.8%
2007	163.5	2.7%	209.6	3.1%
2008	167.6	2.5%	216.3	2.2%
2009	173.7	3.7%	217.1	0.4%
2010	175.2	0.9%	216.3	-0.4%
2011	180.4	2.9%	219.1	1.3%
2012	185.2	2.7%	222.7	1.6%

TRANSPORTATION				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	150.5	4.7%	153.3	6.2%
2001	153.0	1.7%	154.3	0.7%
2002	151.5	-1.0%	152.9	-1.0%
2003	158.3	4.5%	157.6	3.1%
2004	162.7	2.8%	163.1	3.5%
2005	171.7	5.5%	173.9	6.6%
2006	178.6	4.0%	180.9	4.0%
2007	180.7	1.2%	184.7	2.1%
2008	199.7	10.5%	195.5	5.9%
2009	190.2	-4.8%	179.3	-8.3%
2010	198.6	4.4%	193.4	7.9%
2011	207.9	4.7%	212.4	9.8%
2012	212.1	2.0%	217.3	2.3%

FOOD AND BEVERAGES				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	151.7	2.2%	168.4	2.3%
2001	156.4	3.1%	173.6	3.1%
2002	157.9	1.0%	176.8	1.8%
2003	161.8	2.5%	180.5	2.1%
2004	168.9	4.4%	186.6	3.4%
2005	173.1	2.5%	191.2	2.5%
2006	176.2	1.8%	195.7	2.4%
2007	184.2	4.6%	203.3	3.9%
2008	192.3	4.4%	214.2	5.4%
2009	191.8	-0.2%	218.2	1.9%
2010	191.4	-0.2%	220.0	0.8%
2011	198.3	3.6%	227.9	3.6%
2012	203.1	2.4%	233.8	2.6%

MEDICAL CARE*				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	272.1	4.3%	260.8	4.1%
2001	282.9	4.0%	272.8	4.6%
2002	-	-	285.6	4.7%
2003	-	-	297.1	4.0%
2004	-	-	310.1	4.4%
2005	344.2	-	323.2	4.2%
2006	356.1	3.5%	336.2	4.0%
2007	367	3.0%	351.1	4.4%
2008	380.6	3.7%	364.1	3.7%
2009	397.0	4.3%	375.6	3.2%
2010	419.7	5.7%	388.4	3.4%
2011	442.0	5.3%	400.3	3.0%
2012	461.3	4.3%	414.9	3.6%

CLOTHING				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	124.5	-1.0%	129.6	-1.3%
2001	131.1	5.3%	127.3	-1.8%
2002	126.7	-3.4%	124.0	-2.6%
2003	123.2	-2.8%	120.9	-2.5%
2004	123.9	0.6%	120.4	-0.4%
2005	121.3	-2.1%	119.5	-0.1%
2006	126.9	4.6%	119.5	0
2007	123.4	-2.8%	119.0	-0.4%
2008	130.9	6.1%	118.9	-0.1%
2009	135.6	3.6%	120.1	1.0%
2010	139.7	3.0%	119.5	-0.5%
2011	142.8	2.2%	122.1	2.2%
2012	149.0	4.3%	126.3	3.4%

ENERGY				
Year	Anchorage average	% chg from previous yr	U.S. average	% chg from previous yr
2000	131	12.7%	124.6	16.9%
2001	143.2	9.3%	129.3	3.8%
2002	140.1	-2.2%	121.7	-5.9%
2003	149.9	7.0%	136.5	12.2%
2004	164.4	9.7%	151.4	10.9%
2005	185.4	12.8%	177.1	17.0%
2006	211.2	13.9%	196.9	11.2%
2007	232.2	9.9%	207.7	5.5%
2008	272.9	17.5%	236.7	13.9%
2009	251.5	-7.8%	193.1	-18.4%
2010	260.3	3.5%	211.4	9.5%
2011	288.5	10.8%	243.9	15.4%
2012	291.5	1.1%	246.1	0.9%

*No index was created for Anchorage medical care costs between 2002 and 2004.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Few other components of the CPI come close to matching the increases in health care prices. Since 2000, medical care costs in Anchorage have grown by 70 percent — nearly double the growth rate for the overall index.

For comparison, only energy prices are remotely in the same league as medical costs for their rate of increase, though by a distant second. Food and beverage prices have increased over the long term at about the same rate as the overall index, and housing costs have risen slower. (See Exhibit 6.)

Housing is the heavyweight

Housing is usually a household's largest expense, as shown in Exhibit 3, and has the largest weight in the CPI. That means housing has a powerful influence on the overall index — it's also the only component that can sharply diverge from national trends and give an area's index a local flavor.

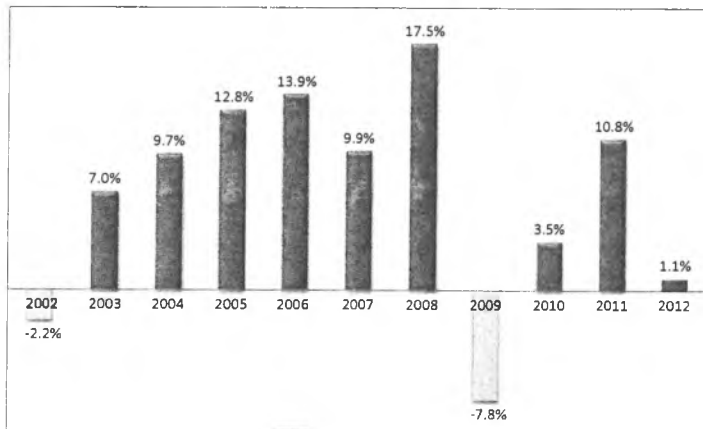
Most other goods and services that fill the CPI market basket are largely dictated by national or international trends. For example, price changes for gasoline, food, clothing, insurance, transportation, health care, and recreation are responses to national and global market conditions.

Between 2007 and 2012, Anchorage housing costs increased by 13.2 percent while the nation's rose 6.3 percent. In 2010, the nation's housing costs fell while Anchorage's increased by nearly 1 percent. These numbers reflect the difference between the tough national housing market of the past five years and Anchorage's relatively healthy market. In future years, this is likely to change as the U.S. housing market continues to recover.

Because of the strong weight housing carries, it is important to know its primary shortcoming. The CPI uses a housing cost configuration called "rental equivalency" that calculates ownership costs based on the current rental value of the same home on the open market. A housing market in flux can complicate this method, because rapidly changing housing prices or rentals can exaggerate the housing portion of the CPI. This is because many homeowners have long-term fixed interest rate mortgages, which reflect past housing market conditions. When a local housing market becomes

5 Energy Costs On a Wild Ride

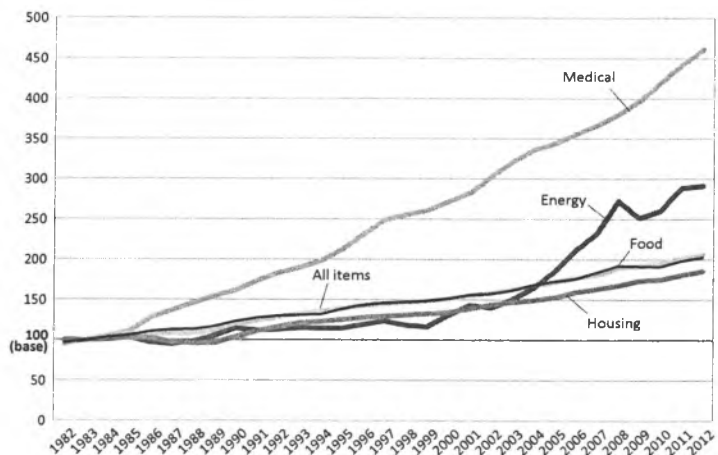
Anchorage CPI, 2002 to 2012



Source: U.S. Department of Labor, Bureau of Labor Statistics

6 Food Tracks With Overall Index

Basic living costs, Anchorage CPI, 2012



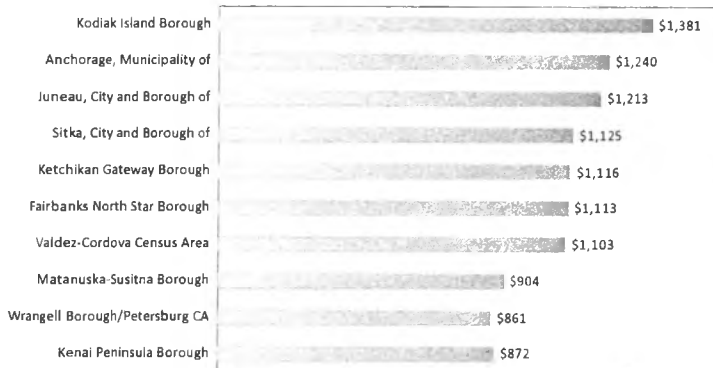
Source: U.S. Department of Labor, Bureau of Labor Statistics

overheated and prices rise rapidly, property owners with these fixed-rate mortgages are not affected, so the rate of inflation in such an environment would be overstated. In a down market, the reverse is also true.

To eliminate the influence of a fluctuating housing market on the CPI, the bureau produces an index that excludes housing: "CPI All Items Less Shelter." (See Exhibit 4.) Using the Less Shelter index

7 Rent Highest in Kodiak, Anchorage

Two-bedroom apartments, 2012



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Housing and Finance Corporation, 2012 Rental Market Survey

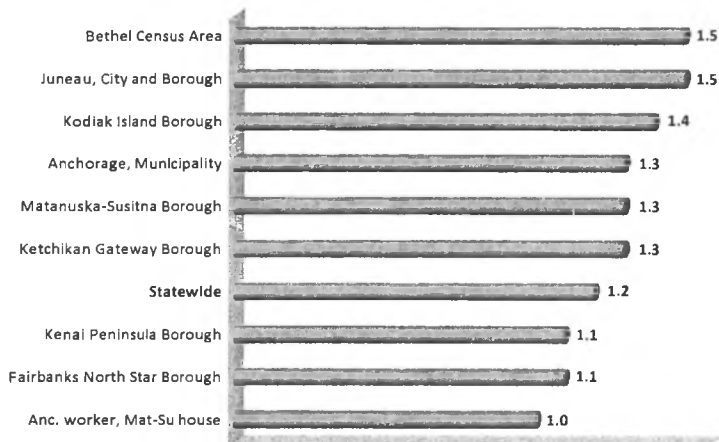
to compare Anchorage to the nation shows less difference between the two over the years.

Housing most expensive in Juneau, Anchorage, and Kodiak

Although the CPI is only produced for Anchorage, a variety of other surveys and studies measure the cost of living in other Alaska communities and make it possible to compare costs between areas.

9 Bethel, Juneau Homes Least Affordable

Paychecks needed to buy average house, 2012



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Housing Finance Corporation

8 Average House Prices

Single-family by area, 2012

Juneau, City and Borough	\$342,738
Anchorage, Municipality	\$340,053
Kodiak Island Borough	\$313,506
Statewide	\$295,362
Bethel	\$285,792
Ketchikan Gateway Borough	\$280,980
Matanuska-Susitna Borough	\$248,812
Kenai Peninsula Borough	\$243,474
Fairbanks North Star Borough	\$237,695

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis; and Alaska Housing Finance Corporation

However, they can't be compared to the Anchorage CPI. (See the sidebar on page 5 for an explanation of these sources.)

Because housing gobbles up such a large slice of a household's income, it tends to be a reliable indicator of an area's cost of living. Housing costs vary dramatically based on supply, vacancy rates, quality, the local economy, building costs, and demographics.

The Alaska Housing Finance Corporation contracts with the Alaska Department of Labor and Workforce Development each year to collect housing data for a number of communities around the state, shown in exhibits 7 and 8. As in past years, the surveys show rental rates and home prices are most expensive in Juneau, Anchorage, and Kodiak.

Rental costs vary considerably by area, the types of rentals available, and number of bedrooms. These details are available at the Alaska Housing Finance Corporation Web site: www.ahfc.us.

Housing affordability also takes earnings into account

The Alaska Housing Finance Corporation and the department also create an index that measures housing affordability in eight areas. Affordability takes earnings into account instead of just housing prices, as higher earnings can help offset higher housing costs.

10

Alaska Cities Expensive for Professional Households

Council for Community and Economic Research index,* first quarter 2013

Region and city	Total index	Groceries	Housing	Utilities	Transport.	Medical	Misc.
Alaska							
Anchorage	126.5	124.1	151.1	104.0	102.6	135.3	123.2
Fairbanks	135.4	130.0	135.3	221.0	109.6	144.0	119.1
Juneau	133.8	123.4	161.5	172.8	112.1	146.9	109.0
Kodiak	135.1	144.2	127.7	168.4	135.9	134.9	126.6
West							
Portland, OR	116.9	110.8	138.0	102.3	111.5	113.6	109.1
Honolulu, HI	171.0	158.0	262.6	157.2	125.7	112.4	129.5
San Francisco, CA	168.6	122.6	310.0	95.8	120.1	114.7	118.7
Los Angeles-Long Beach	130.5	104.9	197.5	106.4	108.9	110.2	104.0
Las Vegas, NV	99.4	108.4	97.1	85.6	94.3	102.4	103.6
Reno, NV	89.7	98.9	84.9	72.3	101.6	93.9	90.3
Seattle, WA	121.5	113.1	145.7	97.4	121.7	113.2	113.5
Spokane, WA	94.4	94.1	86.9	94.9	93.9	106.6	99.2
Tacoma, WA	106.5	99.6	96.6	108.4	110.3	110.0	115.1
Boise, ID	92.3	91.7	85.6	87.4	95.3	104.5	96.7
Bozeman, MT	100.9	102.7	107.0	88.5	87.9	104.6	103.5
Cheyenne, WY	94.5	107.8	88.4	101.0	84.2	93.6	96.2
Southwest/Mountain							
Salt Lake, UT	92.7	95.5	84.1	86.3	92.7	96.5	100.3
Phoenix, AZ	94.0	98.3	92.9	97.4	91.1	90.2	93.8
Denver, CO	103.2	99.9	113.4	99.8	89.2	102.5	102.6
Dallas, TX	94.9	99.4	78.7	108.6	100.7	94.7	100.1
Houston, TX	99.8	87.6	108.0	98.7	97.2	100.3	99.2
Midwest							
Cleveland, OH	102.2	109.3	95.7	100.8	102.7	100.8	105.0
Chicago, IL	114.8	106.3	129.3	97.4	130.9	90.2	109.0
Southeast							
Orlando, FL	110.8	106.0	134.6	97.6	11.5	93.4	99.7
Mobile, AL	92.9	105.9	77.9	111.7	95.1	84.3	94.2
Atlanta, GA	96.6	100.3	87.8	91.6	103.4	105.2	100.3
Atlantic New England							
New York City / Manhattan, NY	227.1	146.4	461.7	131.6	131.8	105.1	148.6
Boston, MA	140.5	125.2	176.7	147.2	108.6	125.0	129.0
Philadelphia, PA	121.9	122.2	140.5	126.5	106.5	98.1	114.0

*The average is represented by an index value of 100. Index numbers are a comparison to the average for all cities for which volunteers collected data.

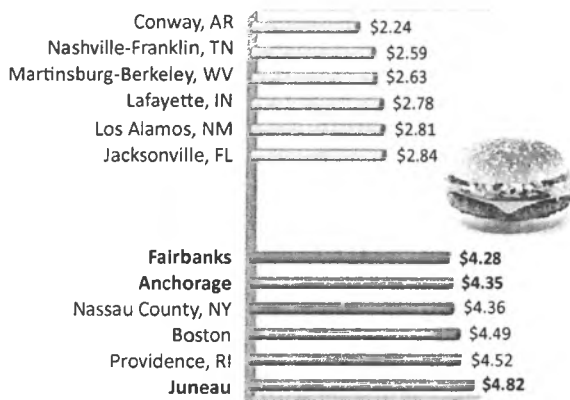
Source: The Council For Community And Economic Research

11 Beer and a Steak Highest in Kodiak Select items, first quarter 2013

	T-bone steak, 1 lb.	Dentist visit	Haircut	Veterinary exam, annual	6-pack, Heineken
Anchorage	\$11.79	\$125.40	\$18.00	\$59.40	\$10.39
Fairbanks	\$11.99	\$141.40	\$13.24	\$45.19	\$10.75
Juneau	\$10.49	\$151.25	\$19.00	\$70.00	\$9.49
Kodiak	\$12.15	\$130.00	\$27.00	\$71.00	\$10.49
Average, U.S. Cities	\$10.19	\$84.68	\$13.87	\$46.69	\$8.52
High U.S. City	\$14.74	\$151.25	\$27.00	\$100.00	\$13.39
Low U.S. City	\$7.72	\$54.25	\$7.00	\$26.67	\$6.74

Source: The Council For Community And Economic Research

12 The Quarter Pounder Index Spendiest in Juneau, 2013



Sources: The Council for Community and Economic Research; and Nerd Wallet, May 12, 2013

The resulting number represents how many average monthly paychecks it would take to qualify for a 30-year mortgage with an average interest rate and a 15 percent down payment. (See Exhibit 9.)

A single family home in the Matanuska-Susitna Borough purchased by Anchorage workers continues to be the most affordable, requiring just shy of one person's paycheck to qualify. This helps explain the huge daily flow of commuter traffic between the Mat-Su Borough and Anchorage.

Juneau, on the other hand, has high earnings but not high enough to offset its home prices, making Juneau's housing among the least affordable of the eight areas.

Alaska's cities are high cost

The Council for Community and Economic Research publishes detailed cost-of-living surveys in more than 300 U.S. cities each quarter and yearly. This index tracks costs for 59 specific items and classifies results in categories such as groceries, housing, utilities, transportation, health care, and miscellaneous goods and services. The average is set at 100.

The index's consumption pattern is styled after a professional or executive household in the top income quartile, with average expenditures of 14 percent on food, 27 percent for housing, 10 percent for utilities, 12 percent for transportation, 5 percent for health care, and 32 percent for miscellaneous goods and services.

As expected, the 2013 survey showed that costs of living in Anchorage, Fairbanks, Juneau, and Kodiak were well above the national average. (See Exhibit 10.)

Anchorage's cost index weighed in at 126.5, or 26.5 percent above the national average. The Fairbanks index registered 135.4, Juneau at 133.8, and Kodiak at 135.1.

Housing in Alaska cities wasn't the only component to drive up overall costs. Expenditures in most categories were above the U.S. city average, with Anchorage's utility costs as the single exception. Natural gas continues to contain costs for Anchorage consumers.

The biggest cost differentials in Alaska's marketplace were utilities, housing, and health care. Fairbanks registered the largest utilities index of all 307 cities at a whopping 221. Another standout was Juneau, with a housing index of 161.5.

High costs of living distinguish Alaska cities from most other places in the nation. Only eight other surveyed U.S. cities' costs trumped Alaska, and these were concentrated in California, New York, Boston, and Stamford, Conn. The most expensive place overall was Manhattan, topping the list at 221.5. The least expensive place to live was Harlingen, Texas, at 80.6.

Alaska's expensive burgers

Digging deeper into the Council for Community and Economic Research's raw data makes it possible to compare how much 59 individual items would cost in various places.

These items, which have very little weight in the overall index, include things such as a haircut, a visit to the dentist, a t-bone steak, and a six-pack of Heineken beer. (See Exhibit 11.) For example, it costs more to buy a t-bone steak and a six-pack in Alaska than it would in the Lower 48, but not much more. Dental visits, on the other hand, are considerably more expensive in Alaska.

The organization Nerd Wallet, a personal financial Web site, recently received considerable national attention when they used this data set to publish the Quarter Pounder Index, which compares prices around the nation for the McDonald's staple. (See Exhibit 12.) Three of Alaska's cities ranked near the top of the list of the nation's most

13 The Cost of Food and Other Select Items

By area, March 2013

Community	Food at home for a week*	Percent of Anchorage	Electricity 1,000 kwh	Heating oil (#1)/gallon	Unleaded gas/gallon	Propane per gallon	Lumber 2"X4"X8'
Anchorage	\$170.64	100%	\$145.35	\$3.79	\$3.86	\$3.83	\$3.43
Bethel	\$325.76	191%	\$379.15	\$6.80	\$7.13	\$10.12	\$6.11
Cordova	\$180.73	106%	\$326.41	\$4.69	\$4.68	\$4.30	\$5.72
Fairbanks	\$163.70	96%	\$224.82	\$4.10	\$3.94	\$3.94	\$3.78
Haines	\$217.31	127%	\$204.22	\$4.36	\$4.59	n/a	\$4.19
Homer	\$186.89	110%	\$199.69	\$3.87	\$4.25	\$4.50	\$3.99
Juneau	\$182.18	107%	\$128.18	\$4.32	\$3.96	\$4.15	\$3.39
Kenai-Soldotna	\$173.95	102%	\$196.90	\$3.62	\$4.15	\$4.13	\$3.06
Ketchikan	\$182.78	107%	\$112.80	\$4.32	\$4.19	\$3.71	\$3.58
Nome	\$308.53	181%	\$293.73	\$6.25	\$6.19	\$7.53	\$6.49
Palmer-Wasilla	\$163.10	96%	\$155.12	\$4.22	\$3.95	\$4.25	\$3.45
Portland, OR	\$146.03	86%	\$100.00	\$4.15	\$3.54	\$2.83	\$2.75
Sitka	\$208.46	122%	\$99.75	\$4.16	\$4.34	\$3.31	\$3.59
Tok	\$222.75	131%	\$328.20	\$4.45	\$4.25	\$3.47	\$4.55
Unalaska/Dutch Harbor	\$235.27	138%	\$334.27	\$4.49	\$4.80	\$5.91	\$6.64
Valdez	\$213.20	125%	\$290.50	\$4.25	\$4.51	\$3.87	\$4.82

*Weekly cost for a family of four with children ages 6-11.

Source: University of Alaska Fairbanks, Cooperative Extension Service

expensive Quarter Pounders, with the spendiest sandwich in Juneau at \$4.82.

Food costs the most in Bethel

Four times a year, the University of Alaska Fairbanks' Cooperative Extension Service surveys communities around the state to determine the cost of food at home for one week for a family of four with children between ages 6 and 11, based on a market basket of items with a minimum level of nutrition. (See Exhibit 13.) The survey also

Calculating index changes

Movements of the indexes from one period to another are usually expressed as percent changes rather than index points, because index points are affected by the level of the index in relation to its base period. The following example illustrates the computation of index points and percent changes.

Index Point Change

Anchorage CPI, 2012.....	205.9
Less CPI for previous period, Anchorage 2011.....	201.4
Equals index point change.....	4.5

Percent Change

Index point difference.....	4.5
Divided by the previous index.....	201.4
Equals.....	0.022

Results multiplied by 100.....	0.022 x 100
Equals percent change, Anchorage CPI 2011.....	2.2

How much would \$1,000 in 2000 buy in 2012?

The Anchorage CPI can answer the often-asked question, "How can I take a dollar amount from some earlier year and make it current with today's dollar value?" Use the simple equation below.

2012 Anchorage CPI (most recent, Exhibit 5).....	205.9
Divided by 2000 Anchorage CPI (also in Exhibit 5).....	150.9
Equals.....	1.364
Then multiply 1.364 (\$1,000 in the year 2000 dollars) = \$1,364 in current or 2012 dollars.	

See labor.alaska.gov/research/cpi/inflationcalc.htm for an inflation calculator. The calculator can also deflate dollars to an earlier year's value.

14 Rural Fuel Costs High

Price survey, January 2013

Community ¹	Heat. fuel #1, residential	Gasoline, regular	Method of transportation
Anvik	\$6.00	\$6.00	Barge
Arctic Village	\$10.00	\$10.00	Air
Atkasuk ²	\$1.40	\$4.10	Barge/Air
Barrow ³	—	\$6.20	Barge
Chenegua Bay	\$7.26	\$7.33	Barge
Cordova	\$4.31	\$4.64	Barge
Delta Junction	\$4.19	\$4.09	Truck
Dillingham	\$7.04	\$6.84	Barge
Emmonak	\$6.34	\$6.65	Barge
Fairbanks	\$4.12	\$3.65	Refinery/Truck
Glennallen	\$4.29	\$4.22	Truck
Gambell	\$7.01	\$7.58	Barge
Homer	\$3.97	\$3.80	Barge/Truck
Hoonah	\$4.63	\$4.20	Barge
Hooper Bay	\$7.09	\$6.98	Barge
Hughes	\$9.00	\$8.25	Air
Huslia	\$7.00	\$7.00	Barge
Juneau	\$4.27	\$3.63	Barge
Kodiak	\$4.09	\$3.60	Barge
Kotzebue	\$6.07	\$6.29	Barge
Nelson Lagoon	\$5.50	\$5.65	Barge
Nenana	\$4.18	\$4.18	Truck
Nondalton	\$6.55	\$7.27	Air
Pelican	\$5.24	\$5.09	Barge
Petersburg	\$4.13	\$3.67	Barge
Port Lions	\$5.56	\$5.35	Barge
Russian Mission	\$5.75	\$6.20	Barge
Unalaska	\$4.54	\$4.35	Barge
Valdez	\$4.25	\$4.26	Refinery/Barge

¹This is a partial list of the 100 communities surveyed.

²The North Slope Borough subsidizes heating fuel.

³Barrow uses natural gas as a source of heat.

Source: Department of Commerce, Community, and Economic Development, *Current Community Conditions: Fuel Prices Across Alaska, January 2013 Update*

tracks costs of fuel, utilities, and lumber.

The 2013 results show the most expensive groceries by far were in Bethel, at \$325.76 per week. The cheapest groceries in Alaska were in Palmer-Wasilla at \$163.10 per week, followed closely by Fairbanks and Anchorage. For comparison, the same market basket would have been \$146.03 in Portland.

The survey's strength is its geographic coverage; few others in the state cover so many communities. Its primary weakness is its limitation to food and a couple of other items, making it just a partial measurement of the cost of living. Another drawback is that the market basket items are identical everywhere, though buying habits can vary considerably by town.

According to the March 2013 study, a family of four would find the lowest food costs in urban Alaska: Palmer-Wasilla, Fairbanks, Anchorage, and Kenai-Soldotna. The highest food costs were in remote communities serviced mostly by air. The mid-range areas tended to be small places on a major transportation system such as the highways or the Alaska Marine Highway. These towns included Valdez, Tok, and Sitka.

Location isn't everything, though. The size of the market, the level of competition, and the relative closeness to larger urban areas are other determinants in the cost of food.

15 Geographic Cost Differentials

By community or area, 2008

Community / area	Community / area	Community / area	Community / area
Barrow	1.50	Anchorage (base area)	1.00
Bethel	1.53	Fairbanks	1.03
Cordova	1.13	Parks/Elliott/Steese Highways	1.00
Dillingham	1.37	Glennallen Region	0.97
Homer	1.01	Delta Junction/Tok Region	1.04
Ketchikan	1.04	Roadless Interior	1.31
Kotzebue	1.61	Juneau	1.11
Nome	1.39	Ketchikan/Sitka	1.09
Petersburg	1.05	Southeast Mid-Size Communities	1.05
Sitka	1.17	Southeast Small Communities	1.02
Unalaska/Dutch Harbor	1.58	Mat-Su	0.95
Valdez	1.08	Kenai Peninsula	1.01
		Prince William Sound	1.08
		Kodiak	1.12
		Arctic Region	1.48
		Bethel/Dillingham	1.49
		Aleutian Region	1.50
		Southwest Small Communities	1.44

Source: The McDowell Group for the State of Alaska

Heating fuel tops \$10

a gallon in Arctic Village

In January of 2013, the average price for heating oil in Alaska was \$5.86, compared to \$3.98 for the nation.

The Alaska Department of Commerce, Community, and Economic Development conducts a detailed semiannual survey of heating fuel and gasoline prices in 100 communities around the state. (See Exhibit 14.)

Between January of 2012 and January of 2013, overall heating fuel prices rose 3 percent and gasoline prices rose 2 percent. The highest price for fuel oil was \$10 per gallon in Arctic

16 Military Index

Cost of living, 2013

Location	Index
Anchorage	128
Barrow	156
Bethel	156
Clear Air Station	130
College	130
Cordova	138
Delta Junction	132
Fairbanks	130
Homer	136
Juneau	134
Kenai (includes Soldotna)	136
Ketchikan	142
King Salmon (incl Bristol Bay Borough)	136
Kodiak	138
Nome	156
Petersburg	142
Seward	132
Sitka	140
Spuce Cape	136
Tok	132
Unalaska	136
Valdez	138
Wainwright	156
Wasilla	124
Other	156

Note: The U.S. average is set at 100.
 Source: Department of Defense, OCONUS, effective January 2013

17 State Adjustment Factors

Corps of Engineers civil works projects, 2013

South Carolina	0.83	Indiana	1.00
Oklahoma	0.85	Maryland	1.00
Arkansas	0.87	Maine	1.02
North Carolina	0.87	Ohio	1.03
Louisiana	0.88	West Virginia	1.03
South Dakota	0.88	Michigan	1.04
Texas	0.88	Missouri	1.04
Georgia	0.89	New Hampshire	1.05
Alabama	0.89	Washington D.C.	1.05
Mississippi	0.90	Washington	1.06
Tennessee	0.90	Wisconsin	1.06
Wyoming	0.91	Nevada	1.07
North Dakota	0.92	Oregon	1.07
Florida	0.93	Pennsylvania	1.08
Kansas	0.94	Delaware	1.11
New Mexico	0.94	Minnesota	1.14
Utah	0.94	Illinois	1.15
Arizona	0.95	New York	1.15
Idaho	0.95	Rhode Island	1.15
Virginia	0.95	Hawaii	1.17
Nebraska	0.97	California	1.18
Iowa	0.98	Alaska	1.19
Montana	0.98	Connecticut	1.19
Vermont	0.98	Massachusetts	1.19
Colorado	0.99	New Jersey	1.19
Kentucky	0.99		

Note: The national average is set at 1.00.
 Source: U.S. Army Corps of Engineers, March 2013

Village, and the lowest was \$3.85 in Akutan.

A dated but thorough study

In 2009, the state released the 2008 Alaska Geographic Differential Study, which was primarily conducted to adjust state workers' salary levels by area. (See Exhibit 15.)

Although the study is somewhat dated, it remains the most comprehensive intrastate cost-of-living study and will likely remain in that position for a long time due to its detailed and broad coverage.

Unlike other surveys, this one created market baskets and weights for each community, making it useful for looking at the overall difference in cost of living between places as well as comparing items within specific categories.

Military has its own index

Another index with broad coverage is the Depart-

ment of Defense's index, called OCONUS, for all its overseas locations including Alaska and Hawaii. OCONUS, which is updated frequently, covered 25 areas in 2013. (See Exhibit 16.)

For the most part, the OCONUS results line up with other cost-of-living data in this article, but the major difference is its exclusion of housing.

Corps of Engineers tracks construction costs

The U.S. Army Corps of Engineers' involvement in civil works projects around the nation allows them to assemble a range of data on construction costs at the state level. The Corps has used these numbers to adjust construction costs on a state-by-state basis. (See Exhibit 17.)

Not surprisingly, construction is expensive in Alaska. Alaska shared the top place on the list with three other states and fell in closely with a number of other states.

Doniece Gott

From: Chief Purser, M/V LeConte (DOT sponsored) <amhs.lec.purser@alaska.gov>
Sent: Friday, March 21, 2014 7:45 PM
To: Senate Finance Committee
Subject: SB182 amended bill

This has been an interesting winter and spring. I have rarely been so focused on the political stage and that is a very apt term. I feel like a kid watching a very skilled magician. First, he gets my attention by threatening to cut someone in half, (cut my income by 20%) then while I am fixated on that he puts the person back and we are amazed and relieved that the threat is no longer there,(the amended bill that threatens to cut only new employee's wages by 20%). This is known in union negotiation terms as eating your children. Usually the opposing negotiation team asks that you eat your children and gives you a bit of incentive to make the meal more palatable and assuage any lingering guilt. They are hoping that you will have no qualms about betraying your future union brothers and sister. Now having the legislature pull this trick is a new wrinkle because there is no incentive for the union to do this other than the immense relief that it's not me losing 20% of my income. Just some future shmo who won't be able to spend that previous 20% of his income in the Alaskan community where he works. That is if he even lives in Alaska. Since the AMHS is now heavily recruiting from down south it is more likely that these entry level workers are never going to get beyond the entry level stage. They certainly won't be able to thrive on this wage in S.E. Alaska. They will not be able to save enough to start a family or purchase a home here. They will probably mimic the cannery or seasonal tourist workers who come up here for the summer, hoard their money and then head south to spend it. This bill is actually anti Alaskan hire, Anti Alaskan community, and Anti Alaskan Unions. Please vote for a healthy Alaska economy and reject this devious sleight of hand masquerading as fiscal responsibility.

Sincerely,
Steven Hamilton, Chief Purser AMHS



Inlandboatmen's Union of the Pacific

MARINE DIVISION -- INTERNATIONAL LONGSHORE & WAREHOUSE UNION
NATIONAL OFFICE • 1711 W NICKERSON ST, SUITE D • SEATTLE, WA 98119 • (206) 284-6001 • FAX (206) 284 5043



March 20, 2014

Greetings Commissioner Thayer,

As explained by President Cote, we do not believe that we are at an impasse in the negotiation process and that an agreement is still possible before our current contract expires on June 30, 2014. At this time we find it necessary to request additional negotiation dates for us to be able to present relevant counter-proposals. Please let us know as soon as possible the additional negotiation dates so we will be able to have our team assembled in a timely manner. Our team members have been dispatched back to work and need to be able to request leave.

In Solidarity,

Ricky Deising
Regional Director

REGIONAL OFFICES

PUGET SOUND
1711 W Nickerson, Ste. D
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FAX (206) 284 5043

REGION 37
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SOUTHERN CALIFORNIA
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FAX (310) 521-9094

ALASKA
PO Box 35514
Juneau, AK 99803
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FAX (907) 790-9646

KETCHIKAN
Post Office Box 6300
Ketchikan, AK 99901
(907) 225-6360
FAX (907) 225-8656

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 24, 2014 10:39 AM
To: Senate Finance Committee
Subject: FW: SB182

Public testimony

Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709

-----Original Message-----

From: Gregory Rasmussen [<mailto:gnmras@aptalaska.net>]
Sent: Saturday, March 22, 2014 09:39
To: Sen. Pete Kelly
Subject: SB182

Dear Senator,

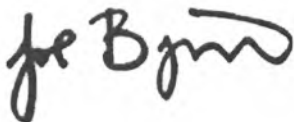
Please oppose the amended SB182. Why attack new hires to AMHS on grounds to reduce state spending? I have a son who has spent the last 2 1/2 years studying Marine Engineering at UAS and Seward AVTEC, getting his QMED/Oilers Endorsement. He is a kid trying to get a career underway and looking forward to working on the ships of AMHS. He just found out what your new amended proposals are on this bill. Why cut these new hires wages and justify it by saying the cost of living is the same as Seattle? You know that is just BS. This is an attack on labor pure and simple. Property, housing, building materials, groceries, fuel and all incidentals are all much higher in Southeast AK than the lower 48. Especially in the outlying towns from Juneau and Ketchikan where many of the crew live. The wages at AMHS are lower than that of Washington State Ferries, a pretty easy comparison. The vessels crews at AMHS have many regulatory levels of training, fees to pay, mandatory drug testing, and travel at their own cost. They operate these ships in some of the most treacherous waters in the world at the highest level of safety. I don't know what you paid for milk, but I just paid \$4.79 for one half gallon yesterday.

Respectfully,
Greg Rasmussen
Retired Chief Engineer, M/V Kennicott
Haines, AK

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 24, 2014 1:41 PM
To: Senate Finance Committee
Subject: FW: SB 182 (cont.)

Public testimony



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: John Mayer [<mailto:jmayer49@hotmail.com>]
Sent: Monday, March 24, 2014 13:30
To: Sen. Pete Kelly
Subject: SB 182 (cont.)

Dear Senator Kelly,

Knowing how terribly busy you must be I shall endeavor to be brief in my comments regarding SB 182. In the spirit of brevity I shall present my points in bullet form.....

- The AMHS salaries presented to the committee for review were the highest three and not a proper representation of the average AMHS employee for their respective unions. I believe those numbers were offered to promote disgust in the minds of the reader. Yes those numbers are undoubtedly correct, but they assist in illustrating a position in opposition to the point their publisher hoped to make. If you investigate the reasons for these very high earnings I am confident you will discover those individuals were required to work in great excess of a normal work schedule and subsequently paid much more in compensation. Why were they worked more than normal? It is a direct result of a shrinking employment pool. No relief equates to more expense for the State of Alaska in the form of OT and a greater burden to our ranks with much less time at home. Should SB 182 pass our ranks will shrink further and the high incomes which are now the exception will become the norm.
- Is it not possible to apply Federal cost of living differential values to the State of Alaska wage scales for maritime workers? The State of Alaska is in direct competition with the maritime industry nationwide. It is very simple....if Alaska will not pay competitive wages, then we will be out of the competition. This issue must be approached from a national perspective, not simply a Seattle/ NW vs Alaska recruiting arena. We are losing quality mariners to companies all over the country....not just Seattle.
- It was very disconcerting to hear Nicki Neil and Nancy Such from the Dept. of Administration testifying in favor of a bill which would have such tremendously negative

effects, yet they had seemingly little knowledge of the actual system they are trying to deconstruct. Apparently this entire process is nothing more than a bottom line to them. If bottom lines are all that matter then here is one which should be first on their list.....

By lowering the wages offered by the Marine Highway, we will attract very few to apply for the ever increasing positions opening up. The less sailors in our ranks will directly result in more and more overtime being paid to crew held over because of no reliefs. I contend it is less expensive and more efficient to fill our ranks with competitively paid crew than depleting our ranks and excessively working existing crew.

In summary the men and women of the Alaska Marine Highway System do not seek an excessive pay rate as some would lead you to believe. What we ask is to be compensated on an equivalent scale as our peers nationwide with consideration of the higher cost of living in Alaska.

Very Respectfully,

John W. Mayer, Chief Mate
M/V Tustumena
AMHS

Marine Engineers Beneficial Association Bargaining Unit Profile as of 6/30/2013

Bargaining Unit Established - 1875

Size:	107 PFT Bargaining Unit Members 107 Total Bargaining Unit Members	136 PFT Positions 136 Total Positions
Average Monthly Pay for Permanent Full-Time Members:	\$	6,102.39
Average Yearly Pay for Permanent Full-Time Members:	\$	73,228.68
Total Overtime for All Members:	\$	930,688.64
Total Gross Pay for All Members:	\$	10,041,962.60
Average Monthly Employer Benefits for Permanent Full-Time Members*:	\$	1,574.58
Average Yearly Employer Benefits for Permanent Full-Time Members*:	\$	18,894.96
Average Percent of Employer Benefits for All Members*:		36%
Average Age of All Members:		49
Average Years of State Service for Members in Retirement Plans:		6.31

PFT Bargaining Unit Member = The number of bargaining unit members in permanent full-time positions.

Total Bargaining Unit Members = Count of all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

PFT Positions = Permanent full-time positions assigned to the bargaining unit.

Total Positions = All positions assigned to the bargaining unit. Includes all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Average Monthly and Yearly Pay for Permanent Full-Time Members: Average monthly and annual pay rate of employees in permanent full-time positions. Pay includes regular compensation and geographical differential. Overtime is not included.

Total Overtime for All Members: Total overtime pay for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Total Gross Pay for All Members: Total gross pay for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.). This includes all compensation such as regular pay, overtime, shift differential, premium pay, geographic differential, and leave cash ins.

Average Monthly and Yearly Employer Benefits for Permanent Full-Time Members: Average monthly and yearly employer charges for retirement, health insurance, and SBS for bargaining unit members in permanent full-time positions only.

* MEBA retirement is not included in this calculation.

Average Percent of Employer Benefits for All Members: Calculated using the average monthly employer contribution and the average monthly base salary for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.). Depending on the position type, employer charges may include SBS, retirement, health insurance, unemployment, medicare, workers compensation, legal trust, terminal leave, basic life, injury leave, and leave cashin charges.

* MEBA retirement is not included in this calculation.

Average Age of All Members: Based on birth dates of all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Average Years of State Service for Members in Retirement Plans: Average years of service for those bargaining unit members participating in retirement plans.

Masters, Mates and Pilots Bargaining Unit Profile as of 6/30/2013

Bargaining Unit Established - 1880

Size:	98 PFT Bargaining Unit Members	133 PFT Positions
	98 Total Bargaining Unit Members	133 Total Positions
Average Monthly Pay for Permanent Full-Time Members:	\$	7,089.75
Average Yearly Pay for Permanent Full-Time Members:	\$	85,077.00
Total Overtime for All Members:	\$	1,265,645.76
Total Gross Pay for All Members:	\$	11,173,285.69
Average Monthly Employer Benefits for Permanent Full-Time Members:	\$	3,509.80
Average Yearly Employer Benefits for Permanent Full-Time Members:	\$	42,117.60
Average Percent of Employer Benefits for All Members:		60%
Average Age of All Members:		44
Average Years of State Service for Members in Retirement Plans:		11.39

PFT Bargaining Unit Member = The number of bargaining unit members in permanent full-time positions.

Total Bargaining Unit Members = Count of all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

PFT Positions = Permanent full-time positions assigned to the bargaining unit.

Total Positions = All positions assigned to the bargaining unit. Includes all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Average Monthly and Yearly Pay for Permanent Full-Time Members: Average monthly and annual pay rate of employees in permanent full-time positions. Pay includes regular compensation and geographical differential. Overtime is not included.

Total Overtime for All Members: Total overtime pay for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Total Gross Pay for All Members: Total gross pay for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.). This includes all compensation such as regular pay, overtime, shift differential, premium pay, geographic differential, and leave cash ins.

Average Monthly and Yearly Employer Benefits for Permanent Full-Time Members: Average monthly and yearly employer charges for retirement, health insurance, and SBS for bargaining unit members in permanent full-time positions only.

Average Percent of Employer Benefits for All Members: Calculated using the average monthly employer contribution and the average monthly base salary for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.). Depending on the position type, employer charges may include SBS, retirement, health insurance, unemployment, medicare, workers compensation, legal trust, terminal leave, basic life, injury leave, and leave cashin charges.

Average Age of All Members: Based on birth dates of all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Average Years of State Service for Members in Retirement Plans: Average years of service for those bargaining unit members participating in retirement plans.

Inlandboatmen Bargaining Unit Profile as of 6/30/2013

Bargaining Unit Established - 1962

Size:	669 PFT Bargaining Unit Members	916 PFT Positions
	669 Total Bargaining Unit Members	916 Total Positions
Average Monthly Pay for Permanent Full-Time Members:	\$	4,277.91
Average Yearly Pay for Permanent Full-Time Members:	\$	51,334.92
Total Overtime for All Members:	\$	4,224,236.99
Total Gross Pay for All Members:	\$	33,837,149.17
Average Monthly Employer Benefits for Permanent Full-Time Members:	\$	1,965.48
Average Yearly Employer Benefits for Permanent Full-Time Members:	\$	23,585.76
Average Percent of Employer Benefits for All Members:		54%
Average Age of All Members:		47
Average Years of State Service for Members in Retirement Plans:		6.88

PFT Bargaining Unit Member = The number of bargaining unit members in permanent full-time positions.

Total Bargaining Unit Members = Count of all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

PFT Positions = Permanent full-time positions assigned to the bargaining unit.

Total Positions = All positions assigned to the bargaining unit. Includes all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Average Monthly and Yearly Pay for Permanent Full-Time Members: Average monthly and annual pay rate of employees in permanent full-time positions. Pay includes regular compensation and geographical differential. Overtime is not included.

Total Overtime for All Members: Total overtime pay for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Total Gross Pay for All Members: Total gross pay for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.). This includes all compensation such as regular pay, overtime, shift differential, premium pay, geographic differential, and leave cash ins.

Average Monthly and Yearly Employer Benefits for Permanent Full-Time Members: Average monthly and yearly employer charges for retirement, health insurance, and SBS for bargaining unit members in permanent full-time positions only.

Average Percent of Employer Benefits for All Members: Calculated using the average monthly employer contribution and the average monthly base salary for all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.). Depending on the position type, employer charges may include SBS, retirement, health insurance, unemployment, medicare, workers compensation, legal trust, terminal leave, basic life, injury leave, and leave cashin charges.

Average Age of All Members: Based on birth dates of all bargaining unit members in all position types (permanent full-time, seasonal part-time, short term non-perm, etc.).

Average Years of State Service for Members in Retirement Plans: Average years of service for those bargaining unit members participating in retirement plans.

AMHS Data for COLD Fiscal Note

IBU

	EE Count	Average Hours
FY 2010	626	1984.71
FY 2011	643	1953.76
FY 2012	651	2010.80
FY 2013	658	2022.50
Average		1992.94

Average Cost Per Employee	Average Separations Per Year	Annual Cost Savings
\$9,247.25	75.25	\$695,855.26

MEBA & MMP

	MEBA		MMP	
	EE Count	Average Amount	EE Count	Average Amount
FY 2010	80	\$13,541.71	82	\$13,560.89
FY 2011	76	\$13,309.03	81	\$13,439.16
FY 2012	78	\$13,231.95	78	\$13,708.67
FY 2013	75	\$12,073.62	79	\$13,385.19
Average		\$13,039.08		\$13,523.48

	Average Cost Per Employee	Average Separations Per Year	Annual Cost Savings
MEBA	\$13,039.08	7	\$91,273.54
MMP	\$13,523.48	6.75	\$91,283.48

Separated EE Count

	MEBA	MMP	IBU
FY 2010	1	8	70
FY 2011	3	7	81
FY 2012	13	6	73
FY 2013	11	6	77
Average	7	6.75	75.25

TOTAL ANNUAL SAVINGS

\$878,412.29

offered by bill sponsor.

Doniece Gott

From: vern grant <vern2459@yahoo.com>
Sent: Friday, March 21, 2014 1:24 AM
To: Senate Finance Committee
Cc: vern2459@yahoo.com
Subject: SB182

To Whom it May Concern

I am a AMHS worker since 2008 and as such I am very shocked to hear that our state is trying to reduce our wages due to a COLA that has been in effect to this date. I have watched the KTUU News with Sen. Wielechowski questioning the commissioner on unfair labor practices. To hear the meeting with my own two ears was rather shocking to say the least..

From what I heard last, they were using the dishwasher's salary as a scapegoat to motivate this bill, their idea that no dishwasher is supposed to be making more than an educated person who has gone to college. But what YOU fail to see is that.....there are NO dishwashers. We are all Merchant Mariners with specific ongoing training, that makes ALL AMHS employees a vital aspect to the safety of the system. The titles we hold aboard ship are just the jobs we do as Merchant Mariners..... As a MM we do work hard for our salaries daily, to ensure that the safety and integrity of the AMHS is a viable means of transportation for the people that we serve 365 days a year. Our dedication to serve the AMHS requires us to be working for 7 days a week sometimes 14 or more if our replacement doesn't show up.....and all days are 12 hr shifts...and not to mention the time spent away from our loved ones and, our social life consists of mostly our own fellow workers as our closest friends we share our lives with during our long non-stop service to the AMHS. So with that being said I myself find this bill to be in bad judgment and an insult to those who have given up their family and social life to serve the people of this great state we once held in high esteem..... If this bill goes through it will impact a great deal of families and perhaps give rise to some seeking work elsewhere due to the low wages incurred by this bill. It would be very sad if this bill passes, the AMHS is for the people.....it serves after all without them what good is the AMHS? It's all about the passengers..... if we start to cut back on trained personnel to work these vessels then we ultimately put the lives of the passengers who travel on the AMHS in great jeopardy.....The cost of living in Alaska would seem to me to be a lot more than that of what we are using now as the defined cost of living in Seattle.....

I hope that you will reconsider the greater picture involved here before you start to reduce wages to those who have given a big part of their lives to serve this great state we live in

Sincerely

Mr. Vernon M. Grant

Feb 27, 2014

Mr Chairman, Senators of the committee,

My name is Casey Calhoun, I am a United States Merchant Mariner, an employee of the Alaskan Marine Highway, and a member of the Inlandboatman's Union.

I am opposed to Senate Bill 182. Previous testimony has referenced the McDowell report, as the basis for the claim that the cost of living between Anchorage and Seattle is virtually equal. Now the purpose of this report, done in 2008, was to identify differences in the cost of living among employees living in different areas of the state, not to determine the COLD between Anchorage and Seattle. All the data in the McDowell report on COLD between Anchorage and Seattle was developed and provided by another company, the Council of Community and Economic Research (C2ER). This data by C2ER in the McDowell report can be found on page 50 of the report. The COLD shown here is a 2% higher cost of living in Anchorage compared to Seattle.

However this is not the latest data available on COLD between ANC and SEA. On our state website there is a study that was done by our own Dept of Labor that also used COLD data from C2ER, this data was published into a short report that was completed in mid-2013. This data shows that as of the first quarter of 2013 the COLD between ANC and SEA is 4%. And those numbers are outdated still, the latest data from C2ER regarding COLD between the two cities now stands at 6% and that latest number was provided to me just yesterday by the SOA Dept of Labor.

The latest data should have been submitted to the record, not the outdated McDowell report that quite frankly has nothing to do with in and out of state wages but was rather a study to be primarily used for comparing in state communities to each other. Still, I would say this is a small error, a much larger error was Senate Bill 182 Section 1 Bravos attempt to circumvent the negation table and restrict our members right to collectively bargain this issue which is where this matter should be resolved, not legislatively.

Thank You.

Sincerely, Casey Calhoun

907-617-0673

Caseydean003@yahoo.com

ALASKA STATE SENATE



SENATOR FRED DYSON
SENATE DISTRICT F

Sponsor Statement for Senate Bill 182

“An Act relating to salary differences in collective bargaining agreements subject to the Public Employment Relations Act that are based on a difference in the cost of living outside the state and the cost of living in the state; and providing for an effective date.”

Currently, due to statute and collective bargaining agreement requirements, Marine Highway vessel employees residing within the State receive increased wages for their residency. These cost of living differential (COLD) payments result in significant costs to the State and increased conflict between the State and the three maritime unions due to on-going investigations of residency.

The COLD statute within the Public Employee Relations Act provides that the salaries paid, as of August, 1977, to employees residing outside the state remain unchanged until the difference between those salaries and the salaries paid employees residing in the state reflects the difference between the cost of living in Alaska and Seattle, Washington. Though at the time of passage this statute served a legitimate purpose, it is no longer necessary as there currently is not a cost of living difference between Seattle and Anchorage. But because this requirement is in law, the State of Alaska has paid approximately \$7.6 Million per year more than if this requirement was not in law.

Senate Bill 182 will take this requirement out of statute and prohibit the use of such a cost of living differential in future collective bargaining agreements with the three maritime public unions. The prohibition of bargaining on this item will trigger a rule in the collective bargaining agreements, which requires the parties to replace any rule that is held to be invalid by operation of law. This will not prohibit the State and maritime unions from bargaining other benefits for employees residing in the State.

Finally, SB 182 will only effect bargaining agreements settled after the effective date and allow current recipients of the COLD continue to receive their benefit until the current agreement expires.

Staff Contact: Joshua Banks, (907) 465-2199

During Session (January - May): Alaska State Capitol • Juneau, Alaska 99801 • (800) 342-2199 • (907) 465-2199 • (907) 465-4587 (fax)

During Interim (June-December): 12641 Old Glenn Highway Suite 201 • Eagle River, Alaska 99577 • (907) 694-6683 • (907) 694-1015 (fax)

senator.fred.dyson@akleg.gov • www.akrepublicans.org

ALASKA STATE SENATE



SENATOR FRED DYSON
SENATE DISTRICT F

Section Analysis – Senate Bill 182

“An Act relating to salary differences in collective bargaining agreements subject to the Public Employment Relations Act that are based on a difference in the cost of living outside the state and the cost of living in the state; and providing for an effective date.”

Section 1

AS 23.40.075

Adds a section to the items not subject to bargaining between the State and public Unions. Prohibits the parties of a collective bargaining agreement from adjusting the salary of an employee who resides in the state based on the difference of the cost of living in Alaska and the cost of living outside of the state.

Section 2

AS 23.40.210

Repeals entire section and reenacts it without the statutory requirement to provide a cost of living differential for employees living inside the state based on the difference in the cost of living in Alaska and Seattle, Washington from August 26, 1977. This section also deletes language that relates to how an employee can be eligible for a cost of living differential. All language that is being reenacted is currently in the law.

Section 3

Enacts transition language to deal with current employees receiving the cost of living differential. This section ensures that SB 182 will only effect bargaining agreements settled on or after the effective date so that current recipients of the differential will receive it until the current agreement expires.

Section 4

Establishes an immediate effective date under AS 01.10.070(c)

Staff Contact: Joshua Banks, (907) 465-2199

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SB 182
 Cost of Living Differential
 Background
 AS 23.40.210

- CBAs must include a pay plan designed to provide for a cost of living differential between employees residing in the state and employees residing outside the state
- The 1977 amendments targeted the marine units. The salaries paid to employees residing outside the state were to remain unchanged until the difference between those salaries and the salaries paid to employees residing in the state reflects the difference between the cost of living in Alaska and Seattle, WA. Essentially, in 1977 the cost of living in Alaska was much higher than Seattle.
- Subsequently, COLD was negotiated into the agreements. It provides a differential to those living in Alaska.
- Currently rates for:
 - MMP/MEBA range from \$453.80 to \$664.40 per pay period (since 2007) (1980 \$100/mo)
 - IBU additional \$4.06 to 5.14/hr
- The Geographic Differential Study conducted in 2008 indicates the cost of living in Seattle and Anchorage are about equal.

Note: When originally implemented Seattle was not decreased, within AK increased.

Bargaining Unit	Total Members	Alaska Residents	% of AK Residents	Estimated Cost*
Marine Engineers	104	74	71%	\$965.0
Masters, Mates & Pilots	99	76	77%	\$1,083.0
Inlandboatmen's	664	603	91%	\$5,640.0

*MEBA and MMP members receive COLD payments each pay period which total between \$11,800 and \$17,260 annually. IBU members receive an increased hourly rate which ranges from \$4.06 to \$5.14 per hour.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Law

CIVIL DIVISION

P.O. Box 110300
Juneau, Alaska 99811
Main: 907.465.3600
Fax: 907.465.2520

March 3, 2014

Honorable Senator Fred Dyson
Alaska State Senate
Alaska State Capitol, Room 121
Juneau, Alaska 99801-1182

Re: SB 182

Dear Senator Dyson:

We have received an inquiry from your office concerning whether consideration of the above bill which proposes certain changes to the Public Employment Relations, Act, AS 23.40.070 – AS 23.40.260, raises a question regarding unfair labor practices. We do not believe so for the following reasons.

First, this bill is a proposal to change the Public Employment Relations Act ("PERA") which governs public sector labor relations in Alaska. Until any such bill is passed and becomes law, public employers and unions continue to be required to apply the existing law. Thus, parties continue to apply the terms of existing collective bargaining agreements and their negotiations for successor agreements are regulated by the existing requirements of PERA which include to negotiate in good faith regarding mandatory subjects of collective bargaining. AS 23.40.110(a)(5). We understand that an issue was raised regarding certain existing state agreements with unions representing Alaska Marine Highway employees that contain provisions paying cost of living premiums to employees based on their status as state residents. Our understanding is that the state continues to pay those premiums as required under existing agreements and thus there would not appear to be any unfair labor practice issue. As the parties negotiate successor agreements, both a union and a public employer can propose changes to mandatory subjects of bargaining which are then negotiated by the parties. AS 23.40.250. Therefore, any mandatory subject of bargaining in an existing collective bargaining agreement is subject to re-negotiation by the parties when they negotiate new agreements to succeed agreements that expire. Thus, simply seeking to change the existing terms of a mandatory subject of bargaining in negotiations for a new agreement would not seem to raise an unfair labor practice issue.

Honorable Senator Fred Dyson
Re: SB 182

March 3, 2014
Page 2 of 2

Second, the Legislature sets the parameters for public sector collective bargaining. It can change the law at any time to include, for example, greater or fewer subjects of mandatory bargaining between public employers and unions. *See AS 23.40.075.* In consideration of such proposals, it is reasonable to assume that representatives of public sector management and unions would have opinions regarding the appropriateness of any such changes. It is not apparent that either an employer or a union would commit an unfair labor practice simply by seeking to be heard regarding the wisdom of such proposals. Of course, until the law changes, both employers and unions would be required to comply with the existing law.

If you need additional information on this matter, please contact the undersigned at 465-3600.

Sincerely,

MICHAEL C. GERAGHTY
ATTORNEY GENERAL

By:



William E. Milks
Assistant Attorney General

WEM/ajh

cc: Cori Mills, Legislative Liaison, Department of Law
Deborah Behr, Chief Assistant Attorney General, Department of Law
Heather Brakes, Legislative Director, Office of the Governor
Nicki Neal, Director of Division of Personnel and Labor Relations

AGREEMENT

between the

STATE OF ALASKA

operating the

**ALASKA MARINE
HIGHWAY SYSTEM**

and the

**INTERNATIONAL
ORGANIZATION OF
MASTERS, MATES,
AND PILOTS**

Pacific Maritime Region

July 1, 2011 – June 30, 2014

16.02 When changing from shipyard workweeks to running time workweeks, the hours concerned shall be combined only for the purpose of establishing minimum pay requirements within the regular pay period.

16.03 When a vessel is in maintenance/layup status, the Employer shall determine crew requirements. During all times a vessel is in layup or in a shipyard, the Master shall be the first crew member assigned and the last crew member removed, however the Employer may assign a Master or a Master and Mate(s) to a vessel and provide off vessel housing. If unlicensed crew are assigned to the vessel an additional appropriate level of Deck Officers shall be assigned to the vessel.

RULE 17 - PAY PLAN

17.01

(A) The pay rates listed below reflect the pay rates in effect on June 30, 2011 and shall remain in effect for the duration of this agreement.

JOB CLASSIFICATION	MONTHLY 182 Hours	BI MONTHLY 84 Hours	DAILY 12 Hours	STRAIGHT TIME HOURLY	OVERTIME HOURLY
MASTER/Vacation Relief Master (Hourly rate includes base pay, Masters pay of \$248.67	\$8694.14	\$4012.68	\$573.24	\$47.77	\$71.66
PILOT	\$7025.20	\$3242.40	\$463.20	\$38.60	\$57.90
CHIEF MATE/Vacation Relief C/M	\$7303.66	\$3370.92	\$481.56	\$40.13	\$60.20
SECOND MATE	\$6084.26	\$2808.12	\$401.16	\$33.43	\$50.15
THIRD MATE	\$6084.26	\$2808.12	\$401.16	\$33.43	\$50.15
THIRD MATE (TRAINEE)	\$5709.34	\$2635.08	\$376.44	\$31.37	\$47.06

Deck officers working in the positions of Chief Mate on the MV LeConte and the MV Aurora shall be ineligible for daily overtime.

If the legislature should fail to fund the provisions of 17.01 A - D above, the parties will immediately re-enter negotiations pursuant to as 23.40.070 - 260.

If an agreement is not reached within ten (10) working days thereafter, the parties shall be at impasse and both sides shall be free to take actions in accordance with as 23.40.070 - 260.

(B) **COST-OF-LIVING DIFFERENTIAL FOR ALASKA RESIDENTS**
Pursuant to AS 23.40.210, in addition to the basic wage schedule provided in Rule 17.01(A) above, those Deck Officers who are residents of

Alaska shall receive a cost-of-living differential for each pay period that they are in pay status, according to the following schedule:

<u>Job Classification</u>	<u>Per Two Week Pay Period</u>
Master	\$664.40
Pilot	559.19
Chief Mate	552.64
Second and Third Mates	483.78
Third Mate --Trainee	453.80

(C) The standard for qualification for COLD throughout the life of this contract shall be the standard which was in effect for qualification for COLD under the prior contract, unless those standards are modified by mutual agreement of the Employer and the Union.

17.02 It is agreed that the cost-of-living differential between Alaska and Seattle which is referred to in AS 23.40.210 shall be a mandatory subject for collective bargaining and shall not be changed, modified, adjusted, re-determined, or altered in any way by the State of Alaska unilaterally; and no change shall be made without the consent and Agreement of the Union.

Cost of Living Differential (COLD) payments are a geographical differential which reflects the difference in the cost of living in Alaska and Seattle, Washington.

An employee establishes eligibility for COLD payments by establishing and maintaining his or her primary place of abode within the State.

Proof of eligibility for COLD payments must be filed annually on a form provided by the AMHS. The Employer may require an employee to provide additional documentation to support claims of eligibility for COLD payments. It shall be the employee's obligation to notify the Employer when he or she relocates his or her principal place of abode in a manner which affects eligibility for COLD.

17.03 "A" Day Pay. All Deck Officers who achieve seniority in accordance with Rule 26.01 will receive a payment of \$57.86 per pay period that they are in pay status. This payment is for the elimination of "A" days.

17.04 Payroll Procedures

(A) Paychecks received at the Marine Highway office shall be considered timely if received by 12:00 midnight on payday.

(B) Mailed paychecks shall be considered timely if postmarked three days prior to payday. If the Employer must stop payment and reissue a

AGREEMENT

between the

STATE OF ALASKA

operating the

**ALASKA MARINE
HIGHWAY SYSTEM**

and the

**DISTRICT NO.1-PCD
MEBA (AFL-CIO)**

representing the

LICENSED ENGINEER OFFICERS

July 1, 2011- June 30, 2014

such dispute. In the event the initiating conditions of Rule 35 are not met the parties will meet and negotiate on this Rule.

**RULE 17
SOUTHEAST PAY PLAN**

17.01

(A) Basic Schedule - Chief Engineers, effective July 1, 2011:

<u>Monthly</u> (182 hours)	<u>Biweekly</u> (84 hours)	<u>Straight-Time</u> <u>Hourly</u>	<u>Overtime</u> <u>Hourly</u>
\$7,392.84	\$3,412.08	\$40.62	\$60.93 <i>(These amounts will be changed to reflect the wages in effect on 6/30/11)</i>

(B) Nonwatch Pay. In addition to the above, a Chief Engineer shall receive \$677.96 per pay period as nonwatch pay in lieu of all overtime, for vessel arrival and departure to port, repair and breakdown callout, while vessel is in operation, and he or she is in a work status.

(C) Basic Schedule - Assistant Engineers effective July 1, 2011:

<u>Monthly</u> <u>Job Classification</u>	<u>Biweekly</u> <u>(182 Hrs.)</u>	<u>(84 Hrs.)</u>	<u>Straight time</u>	<u>Overtime</u>
Firsts/Project Inspectors	\$6,368.18	\$2,939.16	\$34.99	\$52.49
Seconds	\$5,949.58	\$2,745.96	\$32.69	\$49.04
Thirds	\$5,581.94	\$2,576.28	\$30.67	\$46.01

(These amounts will be changed to reflect the wages in effect on 6/30/11).

The straight time hourly rate in effect on 6/30/11 for Firsts/Project Inspectors will increase by \$1.25 on 7/1/11. The straight time hourly rate in effect on 6/30/12 for Firsts/Project Inspectors will increase by \$1.25 on 7/1/12. The straight time hourly rate in effect on 6/30/13 for Firsts/Project Inspectors will increase by \$1.24 on 7/1/13. The straight time hourly rate in effect on 6/30/11 for Thirds will increase by \$0.50 on 7/1/11. The straight time hourly rate in effect on 6/30/12 for Thirds will increase by \$0.50 on 7/1/12. The straight time hourly rate in effect on 6/30/13 for Thirds will increase by \$0.50 on 7/1/13.

17.02 COST-OF-LIVING DIFFERENTIAL FOR ALASKA RESIDENTS.

(A) Pursuant to AS 23.40.210, as part of the basic pay provided in 17.01 and for pension purposes effective April 1, 1988, but not to be included in computing an hourly wage rate, those Engineers who are residents of Alaska shall receive a cost-of-living differential for each pay period they are in pay status according to the following schedule:

CHIEF ENGINEERS

\$601.02 Per Pay Period in Pay Status

ASSISTANT ENGINEERS

<u>Job Classification</u>	<u>Per Pay Period in Pay Status</u>
Firsts	\$518.10
Seconds	\$483.78
Thirds	\$453.80

(B) Cost of Living Differential (COLD) payments are a geographical differential which reflects the difference in the cost of living in Alaska and Seattle, Washington.

An employee establishes eligibility for COLD payments by establishing and maintaining his or her primary place of abode within the State.

An employee working in a pay period in which the employee has also worked in a classification covered by another labor agreement will have COLD payments subtracted from the COLD due under Rule 17.02. The total COLD compensation received from the two work assignments, combined, in the same pay period may not exceed the total amount that the employee could have otherwise received under Rule 17.02.

Proof of eligibility for COLD payments must be filed annually on a form provided by the AMHS. The Employer may require an employee to provide additional documentation to support claims of eligibility for COLD payments. It shall be the employee's obligation to notify the Employer when he or she relocates his or her principal place of abode in a manner which affects eligibility for COLD.

17.03 One Chief Engineer aboard each vessel shall be designated as the "Lead Chief," and shall be responsible for additional duties as prescribed by the Employer and shall be compensated for these additional duties at the rate of one hundred dollars (\$100.00) per pay period.

17.04 Overpayment(s) discovered after one (1) year from the time the overpayment was made shall be forgiven by the Employer, unless the overpayment was the result of employee fraud, deception or negligence.

17.05 The straight time hourly rate of pay and Nonwatch in effect on June 30, 2011 shall not increase.

17.06 PAY PROBLEMS Any dispute by an employee alleging an error in his or her paycheck shall be brought to the attention of the Employer on the Employee "Notice of Pay Problem" (NOPP) forms. Filing of the NOPP does not waive the filing requirements of the grievance procedure as set out in Rule 14.

17.07 PAY PROCEDURES.

(A) Method of Receiving Payment:

(1) Employees may elect in writing to receive their pay at the DOT Technical Services office in Juneau, Alaska. In the event an employee is on vacation or for other reasons will not be in work status for a period longer than one work period, it shall be the employee's responsibility to make paycheck delivery arrangements prior to departure.

(2) Employees may elect in writing to have their paychecks mailed to their homes or banks.

Collective Bargaining Agreement

Between the

STATE OF ALASKA



and the

**INLANDBOATMEN'S UNION of the PACIFIC
ALASKA REGION**



2011-2014

16.08 If a vessel is scheduled to leave service for any reason, as much notice as possible will be given to the crew members. Such notice shall include the date and place of lay-up.

16.09 Displaced Regularly Assigned Employees shall accept available assignments to their assigned out- of-service vessel before being temporarily assigned to in-service vessel.

RULE 17 - PAY PLAN

17.01 This Agreement includes a pay plan providing a cost-of-living differential between employees living in the State and those living outside the state in accordance with AS 23.40.210.

Cost of Living Differential (COLD) payments are a geographical differential which reflects the difference in the cost of living in Alaska and Seattle, Washington. An employee establishes eligibility for COLD payments by establishing and maintaining their principal place of abode within the State.

Proof of eligibility for COLD payments must be filed annually on a form provided by the AMHS. The Employer may require an employee to provide additional documentation to support claims of eligibility for COLD payments. It shall be the employee's obligation to notify the Employer when they relocate their principal place of abode in a manner which affects eligibility for COLD.

(A) Salaries for Alaska residents, effective July 1, 2011:

CLASSIFICATION	STRAIGHT-TIME	OVERTIME
	HOURLY	HOURLY
Chief Purser	\$ 29.77	\$ 44.66
Senior Assistant Purser	\$ 26.41	\$ 39.62
Junior Assistant Purser	\$ 22.61	\$33.92
A/B Bos'n	\$ 26.59	\$ 39.89
Able Seaman	\$ 24.34	\$ 36.51
Ordinary Seaman	\$ 22.80	\$ 34.20
Ordinary Seaman-Porter	\$ 22.80	\$ 34.20
Watchman-Porter	\$ 22.80	\$ 34.20
Junior Engineer	\$ 27.56	\$ 41.34
Oiler	\$ 25.27	\$ 37.91
Wiper	\$ 22.98	\$ 34.47
Chief Steward	\$ 29.77	\$ 44.66
Second Steward	\$ 26.41	\$ 39.62
Storekeeper	\$ 25.49	\$ 38.42
Chief Cook	\$ 27.12	\$ 40.68
Second Cook	\$ 23.85	\$ 35.78

Assistant Second Cook	\$ 22.61	\$ 33.92
Bartender	\$ 22.61	\$ 33.92
Headwaiter	\$ 22.61	\$ 33.92
Head Bedroom Steward	\$ 22.61	\$ 33.92
Mess Steward	\$ 22.52	\$ 33.78
Cashier/Gift Shop Operator	\$ 22.52	\$ 33.78
Officer's B/R	\$ 22.35	\$ 33.78
Waiter/Waitress	\$ 22.35	\$ 33.78
Steward	\$ 22.35	\$ 33.53

(B) Salary schedule for employees residing outside Alaska, effective July 1, 2011:

CLASSIFICATION	STRAIGHT-TIME HOURLY	OVERTIME HOURLY
Chief Purser	\$ 24.63	\$ 36.95
Senior Assistant Purser	\$ 21.56	\$ 32.34
Junior Assistant Purser	\$ 18.44	\$ 27.66
A/B Bos'n	\$ 21.73	\$ 32.60
Able Seaman	\$ 19.86	\$ 29.79
Ordinary Seaman	\$ 18.60	\$ 27.90
Ordinary Seaman-Porter	\$ 18.60	\$ 27.90
Watchman-Porter	\$ 18.60	\$ 27.90
Junior Engineer	\$ 22.51	\$ 33.77
Oiler	\$ 20.63	\$ 30.95
Wiper	\$ 18.76	\$ 28.14
Chief Steward	\$ 24.63	\$ 36.95
Second Steward	\$ 21.56	\$ 32.34
Storekeeper	\$ 20.86	\$ 31.29
Chief Cook	\$ 22.11	\$ 33.17
Second Cook	\$ 19.44	\$ 29.16
Assistant Second Cook	\$ 18.44	\$ 27.66
Bartender	\$ 18.44	\$ 27.66
Headwaiter	\$ 18.44	\$ 27.66
Head Bedroom Steward	\$ 18.44	\$ 27.66
Mess Steward	\$ 18.36	\$ 27.54
Cashier/Gift Shop Operator	\$ 18.36	\$ 27.54
Officer's B/R	\$ 18.36	\$ 27.54
Waiter/Waitress	\$ 18.29	\$ 27.44

Steward

\$ 18.29

\$ 27.44

(D) Effective July 1, 2012, the straight time hourly rate of pay (in effect June 30, 2012) for all classifications shall be increased by two percent (2%).

(E) Effective July 1, 2013, the straight time hourly rate of pay (in effect June 30, 2013) for all classifications shall be increased by one percent (1%).

17.02 Probationary employees who are working in one (1) of the Steward entry-level classifications shall be paid at 90 percent of the hourly rates established for that classification. Beginning with the first pay period in the month following when the employee completes the probationary period, the employee shall receive 100 percent of the hourly rates established for that classification.

17.03

(A) Upon request, one (1) Sailor's draw may be granted to an employee, of up to 50 percent gross straight-time wages earned at the time of the draw, not to exceed one thousand dollars (\$1,000.00).

(B) Upon request in shipyard, one (1) Sailor's draw per week may be granted to an employee of up to 50 percent gross straight-time wages earned at the time of the draw, not to exceed five hundred dollars (\$500.00).

(C) In an emergency situation, one (1) Sailor's draw per pay period of up to 50 percent gross straight-time wages earned at the time of the draw, not to exceed one thousand dollars (\$1,000.00) may be approved by Alaska Marine Highway System personnel staff with proper verification. An approved draw may be issued by a Purser on a vessel or by Juneau Central Office, Alaska Marine Highway System.

17.04 An employee's vacation and sick leave will be totaled on the employee's time sheet copy at least once every quarter.

17.05 Premium pay shall not be paid in addition to any premium pay (pyramiding of premium pay is prohibited).

17.06 An employee who establishes eligibility for vacation under Rule 23.01(B), will seven (7) years after establishing such eligibility, begin receiving an annual lump sum payment equal to eighty-four (84) times that employee's straight-time hourly rate.

17.07 In the event that work performed places the employee in one (1) or more classifications when so directed by the Employer, the Employer agrees to pay such employee according to the highest-rated classification worked, provided that when the employee works more than one-half (1/2) of their regular workday at the higher-rated classification at the direction of the Employer, they shall be paid at

Alaska Statutes Pertaining to Senate Bill 182

Sec. 23.40.075. Items not subject to bargaining.

The parties may not negotiate terms contrary to the

- (1) reemployment rights for injured state employees under AS 39.25.158;
- (2) reemployment rights of the organized militia under AS 26.05.075 ;
- (3) authority of the Department of Health and Social Services under AS 47.27.035 to assign Alaska temporary assistance program participants to a work activity considered appropriate by the Department of Health and Social Services;
- (4) authority for agencies to create temporary positions under AS 47.27.055(c); or
- (5) provisions contained in a contract under AS 14.40.210 (a)(4).

Sec. 23.40.210. Agreement; cost-of-living differential.

(a) Upon the completion of negotiations between an organization and a public employer, if a settlement is reached, the employer shall reduce it to writing in the form of an agreement. The agreement may include a term for which it will remain in effect, not to exceed three years. The agreement shall include a pay plan designed to provide for a cost-of-living differential between the salaries paid employees residing in the state and employees residing outside the state. The plan shall provide that the salaries paid, as of August 26, 1977, to employees residing outside the state shall remain unchanged until the difference between those salaries and the salaries paid employees residing in the state reflects the difference between the cost of living in Alaska and living in Seattle, Washington. The agreement shall include a grievance procedure which shall have binding arbitration as its final step. Either party to the agreement has a right of action to enforce the agreement by petition to the labor relations agency.

(b) An employee is eligible for the cost-of-living differential under (a) of this section only if the individual is a state resident. The required presence of an employee at a work station where room and board are provided or reimbursed by the employer may not be considered to be physical presence in the state or physical absence from the state for purposes of determining eligibility for the cost-of-living differential.

(c) The commissioner of administration may adopt regulations under AS 44.62 (Administrative Procedure Act) to clarify and implement the criteria for establishing and maintaining eligibility for the cost-of-living differential.

(d) An agreement entered into under AS 23.40.070 - 23.40.260 must require compliance with the eligibility criteria for receiving the cost-of-living differential contained in this section and the regulations adopted by the commissioner under (c) of this section.

(e) In this section, "state resident" means an individual who is physically present in the state with the intent to remain permanently in the state under the requirements of AS 01.10.055 or, if the individual is not physically present in the state, intends to return to the state and remain permanently in the state under the requirements of AS 01.10.055 and is absent only temporarily for reasons allowed under AS 43.23.008 or a successor statute.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Transportation and
Public Facilities

OFFICE OF THE COMMISSIONER
Patrick J. Kemp, P.E., Commissioner

3132 Channel Drive
P.O. Box 112500
Juneau, Alaska 99811-2500
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dol.state.ak.us

July 18, 2013

Senator Fred Dyson
12641 Old Glenn Highway
Suite 201
Eagle River, AK 99577

Dear Senator Dyson:

Thank you for your June 27, 2013 letter asking about the state costs per person on the various modes of transportation. You specifically asked that we keep this at the "10,000 foot view" and not become too detailed. I trust you will find we have kept this analysis suitably factual.

Each borough or census area in the state was identified as benefiting from one or more of the three major transportation systems: the Alaska Marine Highway System, the Rural Aviation System and the state highway system. We elected to not include the International Airport System as it is self-financed from revenue generation.

Judgments were made as to the degree of benefits of each system to each borough or census area. For example, Nome, Juneau, Sitka, Kodiak and other larger areas have an extensive road system, even though they do not connect to the continental highway system. The populace therefore was included as benefitting from roads. Further, while areas such as the Kenai Peninsula do include an AMHS ferry terminal, this system is not of significant routine benefit to the residents of that borough. Each of these judgments can be questioned, but overall I believe we have applied a consistent logic.

Based on the above selections, we then calculated the cost per person by dividing the number of citizens benefiting from each mode into the net cost (after revenue of all types is accounted). This yields a cost per capita, per system as follows:

System	Number of Primary Users	Net Cost to State	Cost Per Capita
Highways	674,012	\$28,545,600	\$42
Rural Aviation	206,480	\$42,944,300	\$166
AMHS (Ferries)	107,525	\$118,812,900	\$1,105
All Systems	732,298	\$181,642,200	\$248

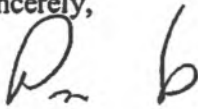
"Keep Alaska Moving through service and infrastructure."

On the capital side, we did not prepare a similar analysis. In part because:

- Capital programs vary in amount from year to year.
- The capital program involves a variety of federal money, which is often specific to certain types of work, such as specific ferry money, or airport runway safety area funding.
- Capital costs are focused on long-term assets; such accounting would have to go back decades to fairly capture costs to some elements of each mode, making an analysis very time intensive.

Please let me know if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Kemp".

Patrick J. Kemp, P.E.
Commissioner
Department of Transportation and Public Facilities

2012 Population Served by State Transportation Modes

Estimated 2012 Population Served By:	14.7%	28.2%	92.0%	100.0%	
<u>Borough/Census Area</u>	<u>Population</u>	<u>AMHS</u>	<u>Rural Aviation</u>	<u>Highways</u>	<u>Int'l Air</u>
Alentians East Borough	3,227	AMHS	RA		IAS
Aleutians West CA	5,881	AMHS	RA		IAS
Anchorage Municipality	298,842			Hwy	IAS
Bethel CA	17,600		RA		IAS
Bristol Bay Borough	987		RA		IAS
Denali Borough	1,871		RA	Hwy	IAS
Dillingham CA	4,988		RA		IAS
Fairbanks North Star Borough	100,343			Hwy	IAS
Haines Borough	2,620	AMHS	RA	Hwy	IAS
Hoonah-Angoon CA	2,210	AMHS	RA		IAS
Juneau City and Borough	32,832	AMHS		Hwy	IAS
Kenai Peninsula Borough	56,756		RA	Hwy	IAS
Ketchikan Gateway Borough	13,938	AMHS	RA	Hwy	IAS
Kodiak Island Borough	14,041	AMHS	RA	Hwy	IAS
Lake and Peninsula Borough	1,673		RA		IAS
Matanuska-Susitna Borough	93,801			Hwy	IAS
Nome CA	9,869		RA	Hwy	IAS
North Slope Borough	9,727		RA	Hwy	IAS
Northwest Arctic Borough	7,716		RA		IAS
Petersburg CA	3,937	AMHS	RA	Hwy	IAS
POW-Hyder CA	5,771	AMHS	RA	Hwy	IAS
Sitka City and Borough	9,084	AMHS	RA	Hwy	IAS
Skagway Municipality	961	AMHS	RA	Hwy	IAS
SE Fairbanks CA	7,218		RA	Hwy	IAS
Valdez-Cordova CA	9,953	AMHS	RA	Hwy	IAS
Wade Hampton CA	7,700		RA		IAS
Wrangell City and Borough	2,448	AMHS	RA	Hwy	IAS
Yakutat City and Borough	622	AMHS	RA		IAS
Yukon-Koyukuk CA	5,682		RA		IAS
Population Served by Mode:	732,298	107,525	206,480	674,012	
State Net Costs Per Mode:	\$ 181,642,200	\$ 118,812,900	\$ 34,283,700	\$ 28,545,600	
Modal Cost Per Capita:	248.04	\$ 1,104.98	\$ 166.04	\$ 42.35	

Highways: Communities on connected (or extensive isolated) road system, or include NHS routes if not connected.

Rural Aviation: Communities served by a state-owned rural or certified airport

IAS: Assumed all communities benefit as they travel through two state managed International airports.

AMHS: Communities served by AMHS service.

*Alaska Population Estimates by Borough, Census Area, City and Census Designated Place (CDP), 2010-2012**

Alaska Department of Labor and Workforce Development: <http://labor.state.ak.us/research/pop/census.htm>

FY2012 Transportation Revenues and Expenditures

<u>Category</u>	<u>Revenue</u>	<u>Expense</u>	<u>Difference</u>
Alaska Marine Highway System	\$ 53,684.2	\$ 172,497.1	\$ (118,812.9)
International Airports	\$ 97,508.5	\$ 75,676.3	\$ 21,832.2
Highways	\$ 88,699.5	\$ 114,231.5	\$ (25,532.0)
Whittier Access & Tunnel**	\$ 3,724.4	\$ 6,738.0	\$ (3,013.6)
Rural Aviation	\$ 8,660.6	\$ 42,944.3	\$ (34,283.7)
Total	\$ 252,277.2	\$ 412,087.2	\$ (159,810.0)

(28,545.6)

**Includes operating expenditures only except where specifically noted.*

**Numbers are in thousands*

For use in the attached letter, the cost of Whittier Tunnel was combined with the Highway costs.

***Includes Whittier Capital PJ#51841-Actual FY2012 expenditures & revenue collections are equal.*

Prepared for Commissioner Kemp, 04/08/2013, updated 04/11/2013

Letters
of
Opposition

From: Janet Ward <alaskaj Janet@hotmail.com>
Date: February 26, 2014 at 3:36:24 PM AKST
To: "sen.fred.dyson@akleg.gov" <sen.fred.dyson@akleg.gov>
Cc: Janet Ward <alaskaj Janet@hotmail.com>
Subject: SB182

It has come to my attention that there is a proposed bill (SB182) that will do away with COLD. This may sound reasonable to people who live in the Anchorage area, however, for those of us who live in the smaller, and or more, remote areas of the state, it is a great injustice.

We choose to live in the less populated areas of Alaska because of the states uniqueness and wonderful qualities. One is to avoid the more harried way of life and crime that comes from larger communities. We do this at a cost. Living away from the larger cities without roads and less access to big box stores is a cost. Housing, fuel, food, gas, electricity, and yes, even a day of pleasure, is expensive. We do, however, support our local economies. Our dollar stays in state to pay for these things we DO NOT take for granted. We often take day trips instate or even a weekend of camping to others communities within the state. ALASKANS SUPPORT ALASKANS.

This bill is ANTI ALASKAN and does not support Alaskas' infrastructure. It would generate a workforce from out of state. This would cause a few concerns for me, the first being the Alaska dollar would be taken out of state to pay for their living expenses as well their leisure activities. The second, it would draw less qualified people, therefore in my opinion, would mean on board safety concerns. That would mean either the state pays to send these candidates to classes on safety at sea or require them to go on their own nickel. The cost would be profound for the state or the recruit.

Many Alaska Marine Highway employees have been involved in the local fisheries or Alaska sports fishing for years. They know how fast the waters can change and many of the dangers of working or playing in our ever changing weather. They are aware of things being out of place or not stowed properly, boat etiquette, and taught from a young age the importance of boat safety.

I have been an Alaska resident for 16 years and an AMHS employee for 3 1/2 years. Living in Alaska has come at a cost for me but one I am willing to pay. Working on the AMHS has also come at a cost, which I have been willing to pay. I can't just take a day off sick, or go to a loved ones event without losing, not just a day of work, but ONE, TWO or sometimes, SIX weeks of work. Then we have RIF. Will I work this winter??? How many boats are down? I give a lot to my job and my employer.

I feel rather used when my employer then wants to take away from me. The state positions have given themselves raises but wants to take away ALL of my benefits. I AM INSULTED.

In closing, I feel this bill (SB182) should be referred to finance before moving forward. I do not feel that there has been enough research to make a reasonable decision. How much would this bill cost the state? How much will it cost the Alaskan people? Are we willing to lose future generations because of such a bill?

Good afternoon senator Dyson,

I'm a 30 year resident of Wrangell, and an employee of AMHS since 2004.

I am very concerned about senate bill 182 and the dire results that could impact my family and others if the misconception that the cost of living is anywhere near that of Seattle or Anchorage and if this passes and this bill drops the COLD added to our wages.

The study in 2008 reflects old information and hardly relates to most of the AMHS employees; over 80 percent of them live in Southeast communities where the cost of living is substantially higher. City taxes, city utilities, cost of building and maintaining homes, groceries and gasoline are, in conversations with family and friends in the lower 48, about 20% more. That's a lot.

Wrangell's gas prices finally dropped below \$4.90 just a few months ago. Our city tax is at 7%, which is high, but because we depend so much on public services because we are so remote, it is necessary to maintain a good quality of life for residents. It costs more to live on islands and isolated communities, period.

The Alaska Marine Highway has an unmatched high standard in safety and service. And yet, annually when our ships go in yards for yearly maintenance most employees are displaced and their income is often times drastically reduced for many months in what is considered R.I.F., reduction in force. Many employees, myself included, have secondary jobs for these times, but most of us still suffer financially during those months. Reducing our wages even more would compound that. That is not good for us, and it's not good for the city or the state.

As I mentioned before I have been employed by AMHS for ten years, but it has just been the last 4 years I have not been eligible for the medical sliding scale for reduced income. Our wages are not increased or based on a step scale like other state employees, but instead negotiated by our Union. We sometimes have to wait 4 or more years for a raise. There are many times we barely keep up with the cost of living, and many periods, we fall below.

The last census revealed that Wrangell is the fastest growing town in Southeast Alaska. To date there are about 40 people who work on the ships that reside in Wrangell. Wrangell's economy has rebounded from many economic droughts, but I watched for over 15 years as hardship and little to no development took its toll on our town. Losing wages and service for AMHS would be another set back for Wrangell and other Southeast communities, where instead more forward development and progress for quality of living is possible and needs to be maintained.

Our elected officials must insist that Bill 182 be dropped or at least deferred until current and correct studies can be conducted before the rug is pulled out from under so many residents and state employees.

Regards,
Elizabeth Bunes
AMHS Chief Purse
Wrangell, Alaska

Hello.

My name is Nicholas Bartlett. I am an IBU member working for the Alaska Marine Highway System. It has been brought to the attention of all IBU members that this legislation will negate the cost of living differential. This is a very important part of our wage. The state asks a lot from us and we have to be highly vetted thru coast guard licensing and training.

We are not entry level employees. We do not work for McDonalds. We are highly trained and licensed. And our pay should show it. I say no to SB 182 as do the rest of my ship mates.

Thank you
Nicholas Bartlett

To whom it may concern,

My name is Robert Arnold, citizen of 'this great land' I also am in service to the state of Alaska and work for AMHS. I strongly oppose any dissolution of Cost of living allowance. Expenses to live in Ketchikan are high and any reduction in pay would affect our state economies and municipalities.

Thank you
Before you consider,
Sincerely Robert Arnold

Dear Sen. Egan,

Hello. My Mike Atkins, I am a longtime Alaska resident, I live in Gustavus, Alaska, and am employed by the Alaska Marine Highway System.

It has just come to my attention that a proposed senate bill is currently before The State Affairs Committee, and if passed, would result in serious negative effects for myself, my family, and hundreds of other State Ferry workers who live in Southeast Alaska. The Bill I speak of is SB 182 and I urge you to vote against this bill.

SB 182 seeks to do away with a cost of living allowance that all State of Alaska ferry workers receive if they are Alaska residents. This cost of living allowance is based on a model that compared the difference between the cost of living in the City of Seattle, WA and the City of Anchorage, AK. and was put in place to compensate for the high cost of living, work related expenses, and for the sometimes unusual working conditions that Alaskan Ferry workers often have to deal with. Sen. Fred Dyson from Eagle River, Alaska, whom is the sponsor of SB 182, is basing this bill on a 6 year old study from the McDowell Research Group which shows that the cost of living for both these cities is essentially the same and wants to enact SB 182 as a way to eliminate COLA for state ferry employees. The problem with this, however, is that the cost of living in Juneau or Ketchikan or Petersburg or any of the other small rural communities were the majority of the state ferry workers actually live and work, still continue to struggle with high costs of living and expenses associated with being employed by AMHS. At the very least, this bill needs more research in to the accuracy of living costs outside of Anchorage which is where most of AMHS employees live.

For these AMHS workers, COLA is currently in place to help to offer compensation for the many out of pocket expenses that a State Ferry Worker must pay in order to just make it to work at a port of call or to attend mandatory training sessions. These expenses include travel, lodging, loss of wages due to weather related problems, and unforeseen layovers, and changes in a port of call. I personally spend over \$600 a month just getting to and from my port of call. The State of Alaska has a long history of Alaskan preference in hiring and this bill would effectively eliminate that for the AMHS fleet. If this bill passes, State ferry workers would be paid the same as out of state workers. This would result in a substantial loss of income for the majority of State ferry workers and would especially impact those of us who live in outlining areas. As a result, sailors would then be encouraged to find employment elsewhere, thus leading to skilled workers in the labor pool being diminished, which in turn would raise serious safety concerns aboard the AMHS fleet.

My many duties as a sailor aboard the AMHS include dealing with emergency situations, security duties, ensuring the safety of crew and passengers, and providing passengers a positive experience to insure that they continue to keep riding the ferry. I am paid between \$23 and \$27 an hour and believe that this is a fair wage. This wage, at the very least, helps me to maintain a middle class life for my family and to also be able to provide for my children's (Kona, 9 years and Aurora, 3 years) future. AMHS employees don't get automatic annual increases in pay like other state employees and because of the seniority system; even full time workers are not guaranteed work. If this bill passes, I could see my pay decrease by up to \$5 an hour which would be devastating to me and my dependents and would most likely result in our having to give up on our rural Alaska life and having to move on to greener pastures with better opportunities.

The Alaska Marine Highway System and SE Alaska in general always seems to be one of the perennial favorite things for the State of Alaska's chopping block. Why do the state representatives, especially those not from SE Alaska, always have such a problem with the State's Ferry System?

If SB 182 passes, you need to know that you are taking money out of my pocket, my community's pocket, and the State of Alaska as a whole.

Please don't vote to pass SB 182 and please talk to your colleagues in the legislature and urge them to do the same.

Thank you for your time.

Sincerely,

Mike Atkins

AMHS

February 27, 2104

To Whom It May Concern,

SB 182, a bill that will take-away COLD, has come to my attention.

I am an employee of the Alaska Marine Highway System and work onboard ship. I have been employed by the AMHS for 11 years.

I own property and a home and live in Tenakee Springs.

The price of living in a small community is already escalating due to the increased energy costs.

Heating fuel is over \$4.60 per gallon.

Electricity is .61 cents per kw.

Any groceries purchased at our store have an added .70 cents per pound added for air freight cost.

To fly one way from Tenakee Springs into Juneau costs \$135.00, whether I am headed to work out in the fleet or seeing a doctor or conducting other business/personal appointments.

If SB 182 goes through it will have a negative financial impact on my income and standard of living.

It will also impact all of the employees of the AMHS system, especially those that live in smaller bush communities on Prince of Wales Island, Metlakatla, Wrangell, Petersburg, Gustavus, Haines and Skagway.

We are there 365 days a year providing safe transportation to the citizens and communities of the Alaska coastline. Please consider and support the hundreds of employees working for the AMHS by NOT supporting SB 182.

Respectfully,

Ms. Beret M. Barnes
P.O. Box 502
Tenakee Springs, AK 99841
(907) 736-2226

Wayne Carnes
8170 N. Douglas Hwy
Juneau, AK
907-500-8113

Date: 2/27/2014

Senator Dyson

I was unable to make my testimony today so I'm sending in these written comments to be entered into the official record.

I'm a lifelong resident of Alaska and a 27yr employee of the AMHS - now working as Captain and Training Master on the FAIRWEATHER.

AMHS currently has a problem with recruitment and retention. We spend significant resources finding and training new officers only to have the young talent leave our fleet and State for better jobs in the Lower 48. Today I found a

job posting for a Second Mate position in the Gulf of Mexico that pays over twice what AMHS pays – plus it included a \$5,000 signing bonus. This bill is only going to make our problem worse.

Additionally, COLD is part of the Masters, Mates, and Pilots negotiated contract and has been part of negotiations for many years. It is a significant portion of my pay and I rely on it to help pay for groceries, housing, fuel, and my son's future education.

If SB 182 passes it is a pay cut only to the mariners that live in Alaska. Please support your fellow Alaskans by voting NO on SB 182.

Respectfully,
Wayne Carnes

To whom it may concern,

I am writing to voice my concern with the upcoming Senate Bill 182. I would be there in person to testify but I am at work on the M/V Malaspina. I have been a Southeast Alaskan Resident my whole life and know first hand the service AMHS provides SE. I have also been an employee of AMHS since 2001 which has allowed me the chance to provide the same service to my fellow Alaskans.

It is my understanding that if passed, SB 182 will negatively effect the wage of every Alaskan that earns a Cost Of Living Allowance/Cost Of Living Differential (COLA / COLD). That means that every employee of Alaska Marine Highway that lives in the great state of ALASKA is going to suffer a wage decrease. If the purpose of SB 182 is to negatively effect Alaskan citizens then it will most likely succeed, if SB 182 is allowed to pass.

I am writing you for your support, **Do Not Let SB 182 Pass**. Please support Alaska and Alaska Marine Highway employees, **Do Not Let SB 182 Pass**.

Thank you,

Robert J. Provost II
2 A/E
M/V Malaspina
M.E.B.A

February 26th, 2014

Senator Egan,

I am writing you in regards to SB 182. Currently I am employed by AMHS aboard the M/V Taku as a Third Assistant Engineer.

This bill would effectively cut my wages by 14%. For me, that is \$812 a month (before taxes).

The Sponsor Statement from Senator Dyson says there is no cost of living differential between Anchorage, AK and Seattle, WA. According to Money.CNN.com's Cost of Living Calculator, as of today 2/26/14, if you make \$100,000 a year in Seattle, WA you would need to earn \$106,545 to be comparable in Anchorage, AK and in Juneau it's \$114,137 to be comparable. Juneau is where a majority of people who work on the ferry live, raise families, and contribute to the local economy with their cost of living differential payments.

I urge you to please vote against this bill, as it might save the State of Alaska some money, but it would definitely reduce the amount of money spent in towns across Alaska where AMHS Employees reside.

Thank you for your time.

Tom Robinson
Third Assistant Engineer
M/V Taku

Senators and Representatives,

Am writing you to comment on SB 182, Sen Dyson sponsor.

Sponsor statement claims that "cost of living difference does not exist any more between Anchorage and Seattle". And as such that the "COLD" difference should be done away with in the state maritime contracts. This statement is fundamentally flawed. And as such does not take into account the "COLD" between Southeast Alaska and Seattle which does exist and a majority of the AMHS employees work

Just for openers there is a 20% fuel surcharge on all freight shipped via barge to Ketchikan. Not to mention the freight charge itself.

I can buy wood pellets in Seattle for \$4.09 per bag. In Ketchikan the price is \$7.50 per bag not including tax? Where on earth did Sen Dyson get his numbers? On what report did Dysons staff rely on for this statement?

Furthermore, why would this bill only use Seattle as a COLD comparison?

I question the economic validity of this statement regarding Anchorage and Seattle COL being the same?

A "majority" of the maritime workers for amhs live in **Southeast**, not Anchorage or Seattle, where a COLD does exist and is substansual! Can Sen Dyson provide any information on the COLD between Southeast and Seattle.

Can Dyson staff provide a breakdown of # employees in SE as related to all other areas? I think that is the only way to get a true picture of who you are going to effect with this ill advised legislation.

Please hold this bill until it can be proven that a "COLD" no longer exists in this state.

Additionally, consider the potential consequences if this type of logic is applied to retired state employee in state residents. I would think that you cannot change Statute only for the maritime unions without affecting the COLD in the retirement programs? Has that been addressed?

Gary R Zaugg
AB unlimited, IBU, MV Taku.
Ketchikan.

I oppose this bill . it should be sent to finance . The cost of living in Ketchikan is considerably more expensive than Seattle . I work for the AMHS , I am paid less now than people who work elsewhere in similar jobs .
Thank you ,
Dave Alderson
P. o. Box 5745
Ketchikan, AK 99901

Mr. Micciche, my name is Aaron Isenhour I live in Anchor Point Alaska and married to the daughter of Emmitt and Mary Trimble.
I have been an Alaskan since I was born. The only time I left the state was to be a full time student at the California Maritime Academy. I currently work as a licensed deck officer(the conning officer) on the Alaska Marine Highway vessels. One of the reasons why I left a higher paying job in the oil industry was to work in the state of Alaska and the fact that Alaska was a right to work state and that there are benefits FOR ALASKA Residents ONLY such as Cost of Living assistance (COLA) something that one of your colleagues Fred Dyson is trying to take away from Alaskans who work for the State of Alaska. The COLA not only helps people who live in state but it is also a tool for the state to recruit more qualified merchant mariners to come to and work here something that the Alaska Marine Highway System desperately needs and will be even harder to keep its current employees that live in Alaska and are eligible for COLA. The licensed deck officers on the Marine Highway are highly trained and are in demand nation wide for the U.S. Merchant marine jobs, taking away COLA only hurts Alaska residents who work for the state. So I urge you to look at the details of Senate Bill 182 and not support the removal of COLA

Thank you very much for your time

Aaron Isenhour
907-435-7821

(I would call in tomorrow to testify on the public comment period but I will be taking a USCG Pilot exam)

Hope to meet you in the future

Hello Sen. Dyson,

I am writing to you about my concerns about ballot 182.

My name is Dell Casidsid I've worked for AMHS since 1999 I've worked my way up to Senior Purser. I've been married for the past 9 years. My concern is that I've built my livelihood around the wages I've been earning for the past 15 years and I've lived my life around the wages that I've been earning now if this bill is passed it will be like going backwards and the progress and all this training I've done to upgrade to a better position to better my life financially will be taken away. I believe there is 650+ IBU members & 100-200 other MMP and MEBA members that if this bill is passed would change their lives financially and also set them back as well. Please understand our concerns.

Thanks, Dell L Casidsid

Hi my name is Dawn M Nelson, I live in Nikiski and have for over 30 years, I work out of Homer on the Alaska Marine Highway, where I have worked for almost 23 years as an AB Unlimited. We (IBU members) do not have a 2/2 or week on/week off schedule...we come to work and sometimes are at sea for months on end. The ship was in Homer this morning and I ran up to the Leg. office to speak my opinion on SB 182, there was no time for our voices so I want to let you know by email how I feel. By passing this bill many AK families will be hurt financially and may end up relocating out of state. The AMHS has in the past been a proud Alaskan tradition, serving all the communities along the coastline. The M/V Tustumena, where I work, ALONE serves 13 villages and towns and over 20,000 people residing there. These are the people that make Alaska what it is, we take them to the mainland for shopping or vacations, we haul tourists that flock up in the summer to see our beautiful state and we haul freight, companies and families back and forth to fishing camps, construction sites and home. In the month of Feb, we have hauled at least 5 semi-vans on each trip to Kodiak...and back to Homer from Kodiak. We provide the Safeway store with all their stock, as their semi-van goes with us back and forth, full then empty, then refilled for all of Kodiak Island. I could go on and on about the school teams we haul, the construction companies, the fishing, the Coast Guard families moving back and forth... all make up the lifeblood of Alaska and are a very important part of building Alaska. My job is in jeopardy, and so is all the professional crew I work with from the pot washer up to the Capt! As it's been said, the dishwasher isn't JUST a dishwasher...all of us have to be firefighters, rescue providers, crowd controllers and security police...with all the Coast Guard certifications and licenses, classes and tests we take to be competent in our jobs (and most classes paid out of our OWN pocket!) by cutting our wages I know for a fact that many of the crew would look elsewhere for work where they would be paid worthy of their training. Please keep these things in mind as you decide on this bill, MANY Alaskans lives are depending on you! I also want to urge all of you to come ride the ferry sometime, see the conditions we endure in the winter and what the town folks have to say about us that serve them.... Thank you, Dawn M Nelson

My name is Matthew G Wilkens of 39043 Cannonball Circle, Homer, AK. I represent my self. My background is as a former port captain for AMHS and a current ship master for AMHS.

After reading Senator Dyson's statement for Senate Bill 182, and listening to the words of the committee members, and the testimony of the department of Administration people, I feel there is a lack of understanding of the history of COLD.

While it is true that COLD statute began in 1977, it is not as benevolent as the State would like to make it appear. In 1977 the unions representing the AMHS seafarers were adamantly opposed to the COLD statute, and took the State to task over it. Why you might ask? Because the state refused to fund it.

The state prevailed and the COLD statute moved forward. It was "funded" through the normal negotiated cost of living raises of the three unions. It took ten years for these small negotiated cost of living raises to become what

"COLD" is today. During the time the employees were funding their own Cost of Living differential, the in-state members were receiving these cost of living adjustments as "COLD", while the out of state employees received no increases for cost of living. The out of state employee's actually helped subsidize their in state peers COLD by giving up their small cost of living increases all those years.

When the "COLD" was at a percent required by statute than AMHS personnel both in state and out of state were able to receive their negotiated cost of living /salary increase raises as well. During the process of creating this "COLD" funding, all other state employees continued to receive their cost of living raises they negotiated, their salary increases they negotiated and their step/merit increases that were legislated. This was given to all other state employees whether they worked in the state or outside.

To reiterate COLD was not a separate amount funded by the state, it was the cost of living increase's taken from the members, both in and out of state, to allow the state to "provide an incentive" for people to work in the state.

Taking away the current COLD is the equivalent of taking away over ten years of negotiated cost of living increase's, the equivalent of taking away over ten years of step and merit increases from other state employees, the equivalent of taking back the raises the legislators have voted for themselves for ten years. I am not sure what the correct term is here, but the only one that comes to mind is robbery.

I was hired from out of state when I started working on the ships. Many seagoing employees are because the state doesn't have sufficient numbers in state to run a shipping company of the stature that it does run, even if it is a reluctant owner. One of the significant reasons I chose to move to Alaska was because of the Cost of Living Differential. Without the current COLD there is less incentive to remain in Homer where the cost is high. There is less incentive to stay in Alaska, as the cost is high. As state workers move out of state those state dollars move out with them.

We are currently in the beginning stages of a hiring crisis. There are more open jobs than we can attract applicants for. This is a simple matter of economics. There are better paying jobs in the maritime industry available today in different parts of the country, than what Alaska is offering. There are jobs in the Gulf of Mexico that pay a master thirty percent more in base wages than Alaska pays, and they pay travel expense's, sign on bonus's and paid training. The same holds true for mates, engineers and deckhands. We have lost a percentage of current employees to this, we will lose more. Trying to strip employees of COLD will be yet another incentive to seek employment elsewhere.

There should be no discussion of COLD that doesn't start with incorporating the current COLD back into all AMHS employees wages, and moving forward from there. Remember COLD was the negotiated increases, not a benevolent payment from the state. The state is no more paying 7.6 million that it doesn't "need" to pay than it is paying the millions in merit and step increases to other state employees that it doesn't "need" to pay.

I would also like to agree for the record with Senator Wielechowski's comment that introducing this bill has the appearance of an unfair labor practice during an active negotiation.

Thank you for the opportunity to testify on behalf of SB 182 proposing the elimination of negotiated benefits of Alaska Marine Highway marine employees.

In addition to my testimony on SB 182 I would also like to put some perspective into the mix as far as AMHS marine employees. The State of Alaska elected to run a shipping company utilizing passenger/ro ro ships and ocean going vessels. These jobs require federally licensed and regulated mariners. At the current time these personnel are in high demand in the maritime industry and the State of Alaska will need to come to grips with that. This may not be the time to try to strip the unions of their negotiated benefits and rights. One might even consider the practicality of running a fleet of 11 ships and then only providing a budget for 6. Frankly this seems to be more a legislative/management issue than a labor cost issue.

The State is trying to negotiate these jobs as if they were just another state job. If the State of Alaska wishes to create a department of Transportation, they do so. They get to decide how many people will work there and what their qualifications are. With the maritime industry the State of Alaska doesn't have that ability, as the positions, requirements, licensing, work hours, etc are federally mandated in US Code. The state of Alaska is competing with

the entire maritime industry for personnel, and is currently significantly below the industry standard, which is why there is difficulty attracting new personnel and retaining experienced personnel. Thank you again. Matt Wilkens

Dear Senator Dyson,

My name is John W. (Jack) Slaght and I'm a Chief Engineer with AMHS. I'm writing to oppose the passage of SB 182. I'm representing MEBA, myself and AMHS employees who live in Petersburg, Alaska. I disagree with the premise that the cost of living in SE Alaska towns and cities is the same as it is in Seattle. We pay considerably more for gasoline, groceries, transportation, housing and so on than do folks living in Puget Sound outlying area towns and cities. We typically pay 50 cents to a dollar more for gasoline compared to Seattle, Bellingham, Yakima and other locations. My Yakima resident sister enjoys a much lower cost of living than I do. The McDowell Group Cost of Living Survey referenced, dates back to 2008. That is more than five years ago!

My wife and I live in Petersburg, Alaska and we own a home. We buy locally and love Alaska. I've worked for AMHS since 1996 and have lived in Petersburg since 1993. I see SB 182 as an attack against AMHS employees and it comes at a time when the IBU, MM & P and MEBA are in contract negotiations with SOA negotiators for a new three year contract. This resembles an unfair labor practice. As an alternate negotiator with MEBA, I'm aware of the threats that have been made by SOA negotiators to take many things away from us, including a major perk--the pass privilege. I don't believe that SOA negotiators have been acting in good faith since they've only offered to damage us and have offered nothing we would benefit from.

I visited the Petersburg LIO this morning, hoping to testify on SB 182. The testimonial session ended before I could speak. I overheard some discussion regarding SB 182 and was interested in what was discussed involving a possible elimination of the COLD pay for AMHS employees and the resulting "pot of money" being rolled over into an hourly wage increase. I wonder if the intent could be to sell that transfer of money as a fat wage increase for AMHS employees via the newspapers and television media. If so, that would be a gross misrepresentation of the truth and I hope that my suspicion is unwarranted.

I've contacted Senator Bert Stedman's office and also talked to Petersburg's Mayor, Mark Jensen, regarding SB 182. We discussed what its passage would mean to AMHS employees, their families and the Alaska communities they live in. It's understood that this approximate 10% wage reduction would have negative impacts reaching beyond the AMHS employees. In testimony to the legislature this morning, MEBA, MM & P and IBU union representatives and others observed that SB 182 would punish AMHS employees who live in Alaska exclusively and not out of state employees. I don't see how this Bill will aid in recruitment and retention of talented merchant mariners who wish to live in Alaska in the future.

Lastly, I must say that there is a current shortage of licensed deck officers and engineers to operate AMHS vessels when the fleet is operating in summer. For example: last summer, First Assistant Engineer Joel Beraldi (M/V Taku) was held over for something like nine weeks without a relief. First Assistant Engineer Mathew Galle (M/V Matanuska) was held over with no relief for 12 weeks! There are better opportunities (offshore) these days and the best marine engineering talent seems to be going in that direction. When AMHS licensed dispatcher, Gene Christian, recently went on a recruiting mission to California Maritime Academy to speak to graduating seniors, he had 14 M & P positions to fill. Gene was only able to find two interested individuals since many offshore merchant mariner jobs are paying better wages than does AMHS today. In my case, I spent years working as a journey level diesel and heavy equipment mechanic, worked at a Caterpillar dealership as a Caterpillar mechanic and was also a journey level automotive and automatic transmission technician before joining the U.S. Merchant Marine. I also developed a fierce work ethic many years ago when employed as a west coast logger, timber faller and mining construction worker. If the current administration succeeds in beating us up regarding our earnings, benefits, etc., I'll be prepared to leave AMHS and start shipping offshore where there are currently great opportunities. I'll take with me many years of knowledge, experience, professionalism and a strong work ethic. I'm skilled at planning vessel overhauls, acting as a ship's repair officer in communicating with AMHS Management, the American Bureau of Shipping, U.S. Coast Guard, outside parts suppliers, and shipyard management during overhauls. Since I hold a "big" license (Chief

Engineer) with an unlimited horsepower rating and also a Group 1 National shipping card, I can be very competitive in getting MEBA offshore jobs that pay big money and not worry about an administration hostile to organized labor and ferry workers.

Having to present this bold truth saddens me because I love Alaska and have given my heart and soul in helping AMHS meet it's mission statement for the past 17 years: "To Provide Safe, Reliable Transportation to the Public". I seriously wonder if the current administration and the more conservative members of the Alaska Legislature have abandoned the AMHS mission statement in an effort to beat up ferry workers.

I've cc'd Petersburg Mayor Mark Jensen, Senator Bert Stedman and U.S. Senator Lisa Murkowski because I know them as friends and also know them to be effective voices of reason, who care about the welfare of their constituents.

I appreciate the opportunity to offer my testimony on SB 182, which I oppose without reservation.

Regards,
Jack Slaght, Chief Engineer, M/V Malaspina Petersburg, Alaska

Senate Affairs Committee Members
Senator Micciche

My Name is Adrian Isenhour, and I live in Homer Alaska. I work for the Alaska Marine Highway System as a Licensed Marine Engineer. I have been with AMHS since I graduated from the California Maritime Academy in 2010(part time and full time). I am writing to you out of concern about Senate Bill 182, and what effect it will have on myself and other Alaska Residents who work for AMHS.

This bill, which I am sure you have heard about, will get rid of Cost of Living Differential payments for Alaska Marine Highway Employees. This bill only affects residents of Alaska. The COLD payments are the only incentive that I know of to keep the mariners that work for the Marine Highway living in the state. According to the description of the bill, it will prohibit the use of Cost of living differential payments, which to me sounds like any type of alternative boost for Alaska residents working for AMHS would be illegal as well.

The major push for this bill from what I saw in the Senate Affairs committee Meeting video from 2/25/14, was that the cost of living in Anchorage is now the same as it is in Seattle. It is also mentioned that AMHS workers, (except for the 3 day boat workers) are not required to live in any specific city. What I would like to add is that using Anchorage as a City in which you compare with Seattle when referring to AMHS employees seems irrelevant. Anchorage is not a port that the Marine Highway travels to, and most of the AMHS employees do not live there. The employees of AMHS mostly live in the communities that the ferries travel to and from. Employees are not required to live in a specific place, but we are required to get onto the vessels in specific ports. The Change ports in SE Alaska are Ketchikan and Juneau, and most of the AMHS employees work on the 8 of the 11 vessels that operate in SE. If you don't live in your change port you do a lot of traveling, 52 trips if your 1x1, 26 if your 2x2 and 13 if your 4x4. Although Anchorage might have the lowest cost of living, most of us are not traveling 26 or 52 times a year to and from Anchorage and Juneau (or Ketchikan). So it seemed odd to use the cost of living in anchorage as the city to compare with Seattle when referring to the AMHS and its employees. When most of them live in South East Alaska where the cost of living is much higher than Anchorage and Seattle.

Though there are a few people like me, who work 2x2 and do not live in the change port and end up traveling a lot. I work 13 two week trips each year, which means 26 trips from Homer to my assigned change port of Juneau. I have to pay for my travel, which I do because I am from Homer and I like living here. I did not want to move to Juneau when I got my full time job, because the assigned change port can change. The assigned change port for a given position is not set in stone and can change depending on the vessels schedule and if you or your opposite is the more senior member. I recently switched to a vessel that works 4x4, but now my change port is Ketchikan. So moving to your change port can mean moving around a lot if you especially if you change vessels or if your opposite does. For me, the COLD payments make up for the high travel costs, and allow me to live in Homer and work in SE where most of the vessels are.

Eliminating the COLD will be a pretty substantial pay cut to a lot of Alaska Residents, and only to Alaska Residents. All three of the unions are currently in negotiations for contracts that are up in July of this year. So my understanding is that this bill, which if it passes now would eliminate the COLD payments in July when our current contracts are up. This would be a pretty sudden pay cut that is coming for a lot of Alaska Residents. I think that there could be a large amount of employees that would not be able to handle such a pay cut and might have to look for work elsewhere.

For these reasons, I ask for you to not support SB 182, as it would have a very negative affect on Alaska Residents.

Adrian J. Isenhour
2nd Asst. Engineer
907 399 5606
ajisenhour@hotmail.com

i had hoped to testify today concerning SB 182, but although I had been on hold for an hour and forty minutes, I did not have the opportunity to do so. Hopefully my comments will still make it to the committee members.

I am greatly concerned about the effect that this bill would have if passed. As a member of the Inland Boatmen's Union, I, along with many others, would experience an 18% cut in wages. That would make it very difficult to justify keeping my job. We all aware that Alaska in an expensive place to live. In Southeast Alaska the communities are so isolated from each other that everything from fuel, to housing, to food is substantially higher in price than most places in the lower 48. I live in Sitka. If a ferry is not headed to Juneau when I need to work, I have to pay to fly. I often have to spend a night at a hotel for early morning crew changes, I have to dole out money to keep my credentials current. So not only do I have the inherent costs of living in Alaska but on top of that, this is not a job without substantial costs as well.

A couple of things concerned me when listening to the testimony today. It seemed as though some thought the loss in pay would be made up some within negotiations. My understanding of the negotiations is that the Administration is taking a hard stance on NO raises, not even allowing the language concerning raises over the next three years to be 0-0-0. With that stance, I do not expect that the lost wages would ever be regained.

When you think of the positions on the ships you need to not think of them in the same terms as you would think of similar jobs on shore. Most of us do not get to go home every night. We need Coast Guard credentials and need to maintain those credentials. Working on the ship takes you away from friends and family and is physically hard on the body, being from 12 hour days on steel decks, broken sleep, constant vibration, and noise, as well as a myriad of other conditions, depending on the job. These are some of the things that came into my mind when listening to questions concerning how much some employees are paid or about vacation time. If you haven't worked on the ships, it is hard to understand how different it can be from a land based job.

Senate Bill 182 just affects marine employs. It simply isn't fair to put that much burden on one group of people. Negotiations between the unions and the state are going poorly with more and more being taken from us. We are not the enemy. We are hard working Alaskans that just want to be treated fairly and make a decent wage for the work that we do.

I respectfully ask that you please vote against Senate Bill 182.

I thank you all for your service and for the opportunity to share my perspective.

Ann Griswold
Sitka, AK

Dear Senator Dyson,

I have been an Alaska State Employee for 15 years now. Originally I took a job on the Marine Highway with the intention of a short summer job on the ferries, then to return to the offshore shipping industry. Well, I am still here, and have rooted in and embraced the Alaskan life. I now have children, attending elementary school in Talkeetna. Our family is active in all the community has to offer, including, skiing, hockey, hiking, boating, fishing, camping and much more. I feel grateful to be able to raise my family in rural Alaska.

This is being threatened by SB182. Pulling COLD out of my wages would make working for the state and possibly living in the state, a poor choice for my family's future. Over the years the rate of pay for the public sector Marine Engineer jobs in Alaska has slowly fallen behind those of the industry. I have stayed with the AMHS as an employee despite this, as it was convenient to work just a few hours drive from home. If any more disparity of industry wages to state wages were to occur, I am sure that I would not be the only one looking for work elsewhere.

The Maritime Unions are currently in contract negotiations with the state. SB182 should be addressed at the negotiating table as opposed to wasting everyone's time with this bill proposal.

Please vote NO on SB182

Thank You,

James Burnside

17881 E Winterset Dr, Talkeetna

907-841-5738

To whom this may concern ,

I'm writing this letter in response for the attempt to introduce the SB 182 and want to express my deepest concern , if this bill becomes law .

I understand ,that in these days everything gets tight with finances and we need to save money or make cuts . That applies to everybody even to the biggest and maybe richest State in the Union .But I believe there are different ways of making funds available other then trying to take away a significant amount of income (about 15% or more) from hard working Alaska residents , who are trying to make a living in our beautiful State , especialy ,when the cost of living (witch to my understanding was designed for this reason) is already significant higher then in the rest of the country and the trend shows , that will not change in the near future .

If this bill passes , it would mean for a lot of Alaskans to tighten up their belts even more , find an other lower paying job or even move out of the State , simply because they can't afford to live here anymore .

I'll ask you hereby to do everything in your power to make sure this bill will not become reality .

I thank you for your time and consideration

Sincerely

Matthias Volkmann

AB for the AMHS

P.O.Box 5354

Ketchikan ,Ak
99901

Dear Senator:

I live in Haines and work for the Alaska Marine Highway. My family lives from paycheck to paycheck as I am the only wage earner. I make \$23 an hour. It's taken me 7 years to get to this pay scale. Taking away the COLD payment will cost me approximately \$4 an hour or \$672 per month. I cannot afford this cut in pay and live in Haines comfortably. The prices here in Haines are astronomical.

Trust me; the cost of living here is much more than in Seattle, WA. The vast majority of AMHS employees live in Southeast Alaska and most of us are just squeaking by. The economy and cost of living here is a lot worse than in Anchorage, too. The price of gasoline here is \$4.43 per gallon. I live 26 miles out of town. A round trip eats up a lot of gas. Heating fuel is \$4.22 per gallon. The loss of that pay will make buying heating fuel for my home a virtual impossibility. The economy is bad enough in Southeast Alaska without getting the rug pulled out from underneath me by my own State government.

I don't care what the Cost of Living rate in Anchorage is. My cost of living right here is what concerns me.

I understand and can appreciate your concerns due to the costs of the on-going investigations of residency; but why must I pay the consequences? I'm not trying to defraud the State! Can you guarantee that the State Labor Relations negotiators will agree to a raise in our on-going contract negotiations (IBU) to cover this loss?

Unless you can, I most vehemently OPPOSE Senate Bill 182 and I urge you to vote AGAINST SB 182.

Thank you for your consideration.

Respectfully,

Adrienne Milos

Haines, AK

The honorable SEN Dyson

This Bill penalizes me for being an Alaska resident.

I have been an AMHS crew member for 18 years, first as part of the IBU and for the last 10 years with MEBA. And An Alaska Resident since 1985!!

First of all, there is no comparison between the maritime unions' COLD (Cost of Living Differential) payment and the geographical COLA within the regular state of Alaska unions. The two are completely different and unrelated to each other, and SB182 is specific only to the maritime unions' COLD payment, which is what I would like to address in my remarks.

The COLD payments that SB182 proposes to do away with were instituted by a law passed in 1977 to reward Alaska Marine Highway employees who chose to live in Alaska, thus keeping Alaska wages within Alaska. By removing the COLD payment from the three maritime unions, this bill, while making no difference in the wages for non-Alaska residents, will be penalizing the AMHS employees who do reside within Alaska. These employees -- Alaska residents -- are your neighbors, your friends, your constituents, maybe even your family members. These employees live in Alaska, bank in Alaska, buy vehicles in Alaska, shop in Alaska, buy homes in Alaska, recreate in Alaska, pay property and local sales taxes in Alaska, and purchase the bulk of their goods in Alaska. If this bill passes, it removes any incentive for the three maritime union employees to live in Alaska. The fact is, a large number of these maritime union employees work two weeks on/two weeks off, which affords us the opportunity to live in the lower 48 and commute back and forth for our assigned work schedules (unlike most other state employees who work a more traditional Monday through Friday schedule). As we move out of the state, it will result in the filling of some other states' coffers, funded by Alaska wages.

The study cited for justifying the bill compares the cost of living between Seattle and Anchorage. It is my opinion that the study is flawed. This bill assumes that if we didn't live in Anchorage, we would live in Seattle. However, that's not the case. There are far cheaper places to live in the lower 48 than Seattle, which would make leaving Alaska far more appealing than staying. SB 182 is an insult to the Alaska residents who work for the Marine

Highways. It's further a slap in the face to us marine highway workers who **choose** to live in Alaska and contribute to this great state that we love.

For me personally, my wife and I are both state of Alaska employees. My wife is eligible for early retirement but has chosen to work a few more years. Should SB182 pass, it will most certainly encourage us to rethink her early retirement and relocate to a place with a much lower cost of living. We currently live in Wasilla, and I commute to Juneau for my work every two weeks. Living out of state, I can still commute every two weeks to my job with AMHS. The AMHS DOES NOT Pay for my commuting costs to and from work. Throughout my 18 years of AMHS employment while living in Alaska, I have always disliked those who live in the lower 48 and took their money out of Alaska that was earned within the state. But if SB182 passes, I will certainly become one of those people whom I disliked. There will be no financial incentive for me to stay within the state of Alaska borders; instead, there will be incentive for me to leave.

I Urge you to reconsider this bill and remove it.

Thank you for your interest. And feel free to contact me at any of the addresses below.

Chris Olson

Chief Engineer Alaska State Ferry LeConte

907-723-2411

thebigtiny2001@yahoo.com

David Gardner

MEBA

Chief Engineer

My first assignment for the Alaska Marine Highway was in 2004. I served the last 6 years as a Chief Engineer on the Fast Ferry Chenega based in Cordova, AK. There are no accommodations provided on board the M/V Chenega and as a permanent bid holder my accommodations in Cordova are paid out of my pocket without reimbursement from the SOA. As a Maritime SOA employee, I do not receive Geographic differential pay for Cordova, which is 11% for non-Maritime SOA employees. As a non-Alaska resident, I also did not receive COLD payments for the first 5 years I worked the vessel in Cordova.

SB182 COLD issue is a very personal and emotionally charged issue for those within the Maritime unions.

That being said, we need to set aside personal emotion and take a hard look at the facts. The main facts have yet to be presented at the SB182 hearings, and you won't hear anyone from DOA offering these facts. The DOA testimonies referenced the 2008 McDowell Group cost-of-living survey which concluded that there is no longer a major cost-of-living difference between Seattle and Anchorage compared to 30 years ago.

Using the McDowell Group survey, the DOA Labor Relations then implemented changes to Non-maritime Unions "Geographic Differential Pay" rates. The Maritime Unions COLD IS directly related to the Non-maritime Unions "Geographic Differential pay."

There is a provision for Non-Alaskan employees in the "Geographic Differential pay" rule, and is referenced at the bottom of the community list as "Outside Alaska."

Prior to 2010, the "Outside Alaska" line was -13% lower than the Anchorage base. In 2010, "Outside Alaska" was changed to 0%.

AS.23.40.210 calls for a COLD between Alaska and Seattle, WA. There is no longer a COLD between Anchorage(base) and Seattle as there was in 1977.

Facts for Non-maritime employees regarding COLD/Geographic differential changes in 2010:

1. No Alaskan's saw a pay cut.
2. Those living "outside Alaska" received a 13% pay increase and were brought up equal to the Anchorage base.
3. Some employees received Geographic differential raises in 2010, including the SE communities of Juneau and Sitka at +5%. No Maritime employees received these raises.

The Maritime employees deserve to be treated fairly.

Respectfully,
David Gardner

Hello,

I am employed with the Alaska Marine Highway System, (IBU) since 1989. Then the (MEBA) since 1997. I've lived in Juneau since 1988. I've always bought local, everything from trucks to musical instruments. I've dedicated my career and my life to the State of Alaska. I have 10 more years then I can retire. I find that by taking the COLD away is another way the State has rewarded its dedicated employees. Why? It's not amazing that someone was just sitting in an State office building somewhere justifying their job by attacking their fellow State employees. I bet they go home every night to the family's while us Ferry workers are busy stuck out on a ship for weeks at a time. Missing most special days that they really should be spending with their loved ones. I choose this career and new the sacrifices and accepted it. Why does that State have to punish us for our dedication as public servants.

Sincerely,

Thomas J Wallender
6014 Pine Street
Juneau, AK 99801
(907) 209-2508
First Assistant Engineer
Alaska Marine Highway System
M/V LeConte DOT/PF

March 3rd, 2014

The Honorable Fred Dyson

State Senate

Alaska State Capitol

Juneau, Alaska 99801-1182

Dear Senator Dyson:

I am writing to speak against SB 182 which will amend Alaska Statute 23.40.075. I view this bill as not adhering to labor law, and that it attempts to perform negotiation through legislation.

The DOA Labor Relations implemented changes to the Non-maritime Unions Geographic Differential Pay rates by referencing the 2008 McDowell Group survey. The Maritime Unions Cost Of Living Differential (COLD) is directly related to the Non-maritime Unions Geographic Differential Pay.

There is a provision for Non-Alaskan employees in the "Geographic Differential pay" rule, and is referenced at the bottom of the community list as "Outside Alaska." Prior to 2010, the "Outside Alaska" line was -13% lower than the Anchorage base. In 2010, "Outside Alaska" was changed to 0%.

No Alaskan's saw a pay cut.
Those living "outside Alaska" received a 13% pay increase.

SB 182 penalizes me for being an Alaskan resident; it is a 10% wage cut.

I understand that there I will not have the opportunity to testify before the Committee. Please have my written testimony included in the State Affairs Committee packet on SB 182.

Sincerely yours,

George M. Poor Jr.

Chief Engineer

Alaska Marine Highway System

DOT & PF

Senator Dyson,

Please vote no on SB182. This issue can be readily resolved in negotiations happening right now. Our contract (MEBA) to have a survey between Alaska and Seattle. Not Anchorage and Seattle. Please remember your fellow countrymen. Please vote no.

John Nelson

Good morning, my name is josh chevalier. I am a professional mariner and have worked for the AMHS for 10 years this march.

First off I would like to speak to the economics impacts of this bill. For myself this is as you have heard an immediate 10% pay cut. That is an enormous Immediate impact on my families finances. My wife and myself both grew up in Sitka and have struggled to stay here despite the high cost of living. Without resorting to hyperbole, this bill might very well be the final straw driving us out.

This leads to the other economic consequences of this bill. School enrollment numbers as well as myself and others bringing their wages home into our communities supporting local businesses and filling local tax coffers.

The statement by the administration that Anchorage and Seattle are "about the same" is inaccurate at best and purposefully misleading at worst. The study cited is 6 years old and predates the large increases in prices seen in 2008, 2009 and 2010. A quick google search finds a study put out by the state, dated august of last year showing this increase. One can also search cost of living comparisons and find all sorts of information. According to cnn money anchorage is 6.5% more expensive than Seattle, and the numbers compound from there. Simply put the most expensive place in Washington is 6.5% cheaper than the least expensive place in Alaska.

Secondly I would like to speak to the timing of this legislation. We are currently in wage negotiations with the state of Alaska. If the COLD language needs to be addressed and cleaned up, it seems to me that the proper venue for that is through good faith negotiations and not an end run to the legislature, summarily cutting wages for highly skilled alaska residents. Residents who are taxpayers, property owners, constituents and neighbors. And according to the language in the contract, not only is this a questionable ethical tactic, it may be illegal.

Not only will this bill have disastrous economic impacts for myself personally, but it will lead to broad unintended consequences in both local communities and the ability to hire and retain qualified marine professionals.

Please vote no on sb 182.

Thank you

Senator Dyson,

As a first class ship pilot employed by the Alaska Marine Highway, I have reached the highest levels in the many,

many qualifications required to do my job. I am already substantially underpaid for someone with my qualifications by industry standards. I have remained loyal to marine highway in hopes that their compensation package for licensed ship pilots and masters would catch up to industry standards. You seem to be intent on accomplishing just the opposite. If my overall compensation was further reduced in any way I could no longer justify the many sacrifices I make to do the job that I do. There are employers who would offer a person with my skills, qualifications and experience 150% what I make working for the state... As well as a much more pleasant work setting and less hostile employer. There are many others in the same position as me.

I urge you to stop pursuing the destruction of Alaska marine highway, because that is exactly what you are threatening to accomplish.

Sincerely,
Sam Abell

Mr. Dyson,

I find it kind of odd that you would go after the Cost of Living of AMHS employees instead of digging deeper into the problems with the AMHS. You might not be aware that not all employees live in Anchorage or the "Valley". You are not going to tell me that it is more expensive to live in Cordova or on Prince of Wales than Seattle.

So let's dig deeper into this financial problem. Why does the scheduling people have departures from ports at 5 minutes or 15 minutes after the hour? That's just an easy hour of OT paid. Why do we arrive at 45 minutes til the hour? Just an easy hour of OT paid. Why do they give IBU a separate call out for every port even though it falls within the same hour? IBU even brags that they can get 7 hours OT in a four hour period. Why are we running high speed craft (fast ferries) that burn 6000 gallons of fuel per day? Why do we pay fast ferry employees per diem? Why do fast ferry employees get paid more and are basically useless in the conventional fleet. Why do we run two ferries on Prince William Sound when it was historically serviced by one smaller ferry? Why do we run the Tustumena to Dutch Harbor twice a month with an empty car deck? Why do we service Kodiak and Seldovia so much in the winter when the car deck is never full? Why do we have so many Port Captains. When I started 18 years ago, we had ONE. Now we have more than I can count. Why do we give money to a union school out of state that the majority of the membership doesn't use? Why, why why. It appears all you want to do is take the easy way out without looking at the root causes of waste in this system.

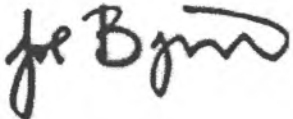
You knew this financial problem was coming but you just kept spending more and more. What'd we do when oil was \$17 a barrel? Now it's over \$100 and you can't pay the bills. Amazing. If you cut the COLD, be prepared for a mass exodus of AMHS employees. Then what will you say when you don't have enough employees to man the vessels to USCG requirements?

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 05, 2014 5:19 PM
To: Senate Finance Committee
Subject: FW: NO SB 182

Importance: High

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Ady Milos [<mailto:ady.m@libertea.us>]

Sent: Wednesday, March 05, 2014 17:05

To: Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Kevin Meyer; Sen. Lyman Hoffman; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Lesil McGuire; Sen. Johnny Ellis; Donny.Olson@akleg.gov; Sen. Pete Kelly; Sen. Berta Gardner; Sen. Dennis Egan; Sen. Click Bishop

Subject: NO SB 182

Importance: High

Dear Senator,

I live in Haines and work for the Alaska Marine Highway. My family lives from paycheck to paycheck as I am the only wage earner. I make \$23 an hour. It's taken me 7 years to get to this pay scale. Taking away the COLD payment will cost me approximately \$4 an hour or \$672 per month. I cannot afford this cut in pay and live in Haines comfortably. The prices here in Haines are astronomical.

Trust me; the cost of living here is much more than in Seattle, WA. The vast majority of AMHS employees live in Southeast Alaska and most of us are just squeaking by. The economy and cost of living here is a lot worse than in Anchorage, too. The price of gasoline here is \$4.43 per gallon. I live 26 miles out of town. A round trip eats up a lot of gas. Heating fuel is \$4.22 per gallon. The loss of that pay will make buying heating fuel for my home a virtual impossibility. The economy is bad enough in Southeast Alaska without getting the rug pulled out from underneath me by my own State government.

I don't care what the Cost of Living rate in Anchorage is. My cost of living right here is what concerns me.

I understand and can appreciate your concerns due to the costs of the on-going investigations of residency; but why must I pay the consequences? I'm not trying to defraud the State! Can you guarantee that the State Labor Relations negotiators will agree to a raise in our on-going contract negotiations (IBU) to cover this loss?

Unless you can, I most vehemently OPPOSE Senate Bill 182 and I urge you to vote AGAINST SB 182.

Thank you for your consideration.

Respectfully,

Adrienne Milos

Haines, AK

Doniece Gott

From: Jack Slaght <jackslaght@gmail.com>
Sent: Wednesday, March 05, 2014 5:22 PM
To: Senate Finance Committee; Sen. Bert Stedman; Mark Jensen; Senator Murkowski
Subject: SB 182

Dear Senators,

I'm a MEBA licensed marine engineering officer employed by AMHS. I'm a Chief Engineer aboard the M/V Malaspina.

As a SE Alaska resident who lives in Petersburg, Alaska, I disagree with the premise that the cost of living is the same in Petersburg and other SE AK towns as it is in the Puget Sound area. Our housing, gasoline, groceries and air transportation is more costly than it is in Puget Sound outlying areas. The McDowell Group study that is being referenced dates back to 2008 and I do not consider it current enough to be used as a basis for elimination of the COLD pay for AMHS employees who live in many parts of Alaska.

I emailed Senator Dyson last week regarding SB 182 and cc'd Petersburg Mayor Mark Jensen, Senator Bert Stedman and U.S. Senator Lisa Murkowski since I know them, have emailed their offices on occasion and consider all three elected officials to be moderate and reasoned individuals who care about the welfare of their constituents. Since MEBA engineers have suffered a pay reduction as of July, 2012 that amounts to 10.6% of our pay being withheld to "make us whole" with our MEBA retirement, an additional 10% to 13% loss of pay would result in over 20% pay loss for MEBA engineers residing in Alaska compared to what we earned before July, 2012. The State of Alaska is not responsible for the 10.6% loss. It involves a MEBA retirement fund that got into trouble after 2008 / 2009. MEBA engineers employed by AMHS are not in PERS. The MEBA retirement is in lieu of PERS and SOA has not payed into our MEBA retirement. Additionally, less money is now being paid into our SBS and MPB retirement accounts as a percentage of our adjusted pay. AMHS MEBA engineers are all troubled by this.

In my case, I'm a seasoned licensed marine engineering officer and have worked for AMHS since 1996. I became licensed and began working as a MEBA engineer in 2000. Prior to working for SOA, I was a journey level diesel mechanic skilled at working on logging equipment, construction machinery and I worked for a Caterpillar dealership as a mechanic as well. I also worked as an automatic transmission technician and there's no ship's machinery that I cannot diagnose and repair. I developed a fierce work ethic many years ago when I was a west coast logger and timber faller. I still have that work ethic and am skilled at my duties as a ship's repair officer who oversees the planned maintenance and machinery repairs aboard AMHS vessels. I'm also skilled at communicating with AMHS shore side management, the U.S. Coast Guard, the American Bureau of Shipping, outside vendors and parts suppliers and shipyard management folks. I've planned shipyard overhauls for the M/V Matanuska and worked in league with shore side port engineering staff, shipyard management and outside vendors to achieve our repair goals for the vessel.

Now that you have an idea of who I am, I must advise you that I'm prepared to do one of two things if AMHS vessel employees who reside in Alaska lose their COLD pay. I will either move out of Alaska and find a place to live with a lower cost of living or I will leave AMHS and ship offshore with Matson Lines, American President Lines, Maersk Sealand or other shipping companies as a MEBA engineer. I'll be taking with me many years of knowledge and wisdom that an employer would normally find most valuable in a Chief Engineer. If I stay employed by AMHS and live elsewhere, my earnings will not stay in Alaska nor will they help support local businesses in Petersburg. My options for finding good if not better shipping jobs elsewhere are excellent since I have a "big" Chief Engineer's license with an unlimited horsepower rating and hold a Group 1 National Shipping Card with MEBA.

Since 1996, I've given my heart and soul to my work aboard AMHS vessels and have worked at all times to uphold AMHS's mission statement: "To Provide Safe, Reliable Transportation to the Public". I believe in that promise and have taken pride in my work and in having been able to keep aging passenger vessels operating safely and reliably with my engineering crews. However, if SOA is successful in beating up on AMHS employees with respect to their wages, benefits or retirement, I expect that there would be a number of experienced senior licensed deck officers and engineers who will go elsewhere for employment, since there are currently excellent opportunities in the offshore shipping world that pay very good incomes. Reduction in pay or benefits will likely result in recruitment and retention problems for AMHS. It's been my observation that the most competent and motivated employees go where the best income opportunities exist. That's a hard fact of life.

As an avid reader of history, politics and economics it pains me to see what's happening in government at the highest levels. I often wonder if certain elected officials understand what a Plutocracy is or grasp what an oligarchy would mean to the common folks in a society. I would ask all who read this email to ask themselves if a Plutocracy is really the right form of government for America and for Alaska. In Alaska, a Plutocracy could be where very wealthy interests are now influencing policy and taxation. A subsequent assault against State of Alaska employees in terms of their earnings, benefits and perhaps collective bargaining rights, would fall into line with what Nobel Prize winning economist Joseph Stiglitz has been saying about the gradual disappearance of America's middle class. Professor Stiglitz teaches economics at Columbia University. Economist Richard Wolff and Professor Noem Chomsky have also been warning of the gradual disappearance of America's middle class at the hands of leaders who actually work for the wealthy and powerful interests and against the remaining middle class. I know that per capita, Alaska has a significant number of state and federal employees. They vote.

I'm grateful that the State of Alaska Constitution guarantees Alaska citizens the right to speak freely on any subject. At this stage of my life, I have no delusions about changing the minds or influencing the thoughts of any fanatics regarding political philosophy or strategy or environmental issues. Especially when there is money and power involved. It is my wish that perhaps two or three moderate and reasoned elected officials would at least consider what I've said to be true and would actually care about the welfare of Alaska's citizens and communities instead of helping the extremely wealthy become even wealthier at the expense of the citizens. I stand opposed to the passage of SB 182.

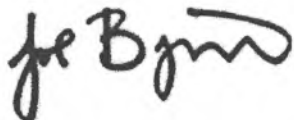
Thank You & Regards,

Jack Slaght Petersburg, Alaska

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 05, 2014 11:27 AM
To: Senate Finance Committee
Subject: FW: Subject: Alaska Strong-vote against Senate bill 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly

907-456-3709



From: cindy morgan [<mailto:nagromnyc@yahoo.com>]

Sent: Tuesday, March 04, 2014 19:01

To: Sen. Fred Dyson; Sen. Bill Wielechowski; Sen. Charlie Huggins; Sen. Hollis French; Sen. Kevin Meyer; Sen. Lyman Hoffman; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Donny Olson; Sen. Pete Kelly; Sen. Berta Gardner; Sen. Dennis Egan; Sen. Click Bishop; nagromnyc@yahoo.com

Subject: Subject: Alaska Strong-vote against Senate bill 182

My name is Cindy Morgan. I am in my fourth year at the Alaska Marine Highway. I am a member of the Inlandboatman's Union of the Pacific and currently hold a bid position as a Purser. I am living in an RV in Juneau which presently doesn't have heat. I was just recently awarded my COLA pay and am still unable to afford housing in Juneau.

The basis of COLA was to counteract the difference between the cost of living in Seattle and that of Anchorage. I lived in Seattle in a 2 bedroom apartment for \$725. You cannot get a 2 bedroom apartment in Juneau for less than \$1200.00, a difference of \$525.00. The majority of those of us that work on the ferry live in the home ports of Juneau, Ketchikan, Homer, Valdez or Cordova. There is not direct ferry service to the city of Anchorage, obviously. To have a comparison of living rates to that city and to Seattle to base the COLA on and then to say the cost of living in both cities are now the same is ridiculous. The solution is not to do away with COLA but to have specific guidelines that need to be met such as being a registered voter in Alaska.

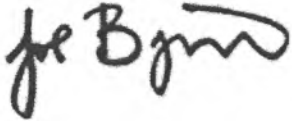
I, as well as my fellow coworkers would find doing away with COLA a major hardship as would anyone forced to take an approximate \$18,000 pay cut. I ask that you please add this letter to the many others in the package which are against the passing of Senate bill 182 and I urge you to think of us fellow Alaskans and reconsider Senate bill 182

Respectfully yours,
Cindy Morgan

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 05, 2014 2:39 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: Ann Griswold [<mailto:anngriswold@gmail.com>]
Sent: Wednesday, March 05, 2014 14:30
To: Sen. Kevin Meyer; Sen. Pete Kelly
Subject: SB 182

Dear Senator,

I understand that you are on the committee that will be voting on Senate Bill 182. This bill is completely unfair to the employees of the Marine Highway. I realize the state needs to control expenses but taking it from hard working Alaskan's is not the way to do it. How would you like an 18% pay cut?

There are many expenses in getting a job with the Marine Highway and retaining it. You want good quality employees out here. We are in charge of the safety of everyone that travels by ship. Each and every person that works on the ships has credentials through the Coast Guard that they are obligated to keep current. You are dependent on good, competent captains and mates to operate the ship safely, the engineers to keep it running smoothly, the deckhands to aid in the operation of the ship and the stewards to look out for passenger comfort and safety. These proposed cuts would make it difficult and much less desirable to work on the Marine Highway vessels and could easily take away a good portion of the skilled and experienced labor that is so necessary for safe operation.

What other highway in Alaska covers any of its operating cost? The Marine Highway is a crucial part of the transportation for much of the state. Even if many of your constituents do not work in the system, some do. Even more have at one point or another depended on it for transportation.

Although the Marine Highway currently offers a decent waged job, it is not extravagant pay. My annual income is way below the median income for Alaska as a whole. It is different from a land based job. It is a job that can be hard on families and friendships. It is physically hard on the body. Even the more mundane jobs aboard the vessels entail long hours, many are on their feet, on hard steel decks, 12 hours a day with noise and vibration a constant issue.

I also understand that you were a signee to a letter to Governor Parnell, dated February 26th of this year. In that letter it called our passes an "extravagant benefit" and I believe there may be some confusion here. Some of our passes just get us to and from work on a "space available basis" When traveling on a "deadhead pass", the

travel is completely work related and is limited to just the employee. When we travel for personal reasons we are limited to space available, which costs the state absolutely nothing, this is unsold space. If the ship is full, we sit on the beach and wait for another opportunity. When we do get to travel on these passes we purchase staterooms and food, so the state is actually making money from our travel, not an expense at all. Usually my use of a trip pass is just to bring a car with me when I go to work. It keeps the expenses of working for the Marine Highway down a bit, if I am able to camp the night before an early morning crew change rather than paying for hotel rooms. Again, these jobs can be costly.

As I understand it, many legislatures put their vehicles on the ferry. I believe that these do not go "stand-by" but are ticketed and then reimbursed by the state. This means that these vehicles can boot paying passengers off. Although I believe it to be a justifiable expense, it can be a true expense to the state, where our passes are not. Just to clarify.

Please support middle class jobs and living wages in the state of Alaska by voting against this bill.

I am not a constituent of yours, but I am an Alaskan and you do have a large piece of my future in your hands.

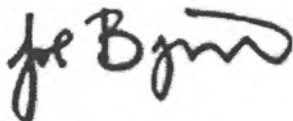
Thank you for your time and consideration.

Ann Griswold
Sitka, AK

Doniece Gott

From: Sen. Pete Kelly
Sent: Thursday, March 06, 2014 11:32 AM
To: Senate Finance Committee
Subject: FW: Opposition to SB182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: jaympearson . [mailto:jaympearson@gmail.com]
Sent: Thursday, March 06, 2014 10:40
To: Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson
Cc: Sen. Peter Micciche; Rep. Mike Chenault; Rep. Paul Seaton
Subject: Opposition to SB182

Dear Senators:

Thank you for taking the time to read my email opposing SB182. My name is James Pearson. I live in Homer Alaska with my wife Rebekah and my two children Hazel and Berend. I work for the Alaska Marine Highway and currently hold the position of Second Mate Relief Oceans. Before I was awarded this new job title I sailed mainly on the M/V Tustumena as Third Mate. I have been in State service for 12 years. I love serving our communities throughout South Central Alaska and the folks from Prince William Sound west to Dutch Harbor love the service the Marine Highway provides.

Senate Bill 182 is an attack on Marine Highway employees. This bill strips our COLD from each and every crew member who reside in Alaska. For me this will represent a 14.6% decrease in total gross wages for the year. My COLD as Second and Third Mate is \$483.78 every two weeks as long as I am in "pay status". The Marine Highway uses the Bi-Weekly method and we have 26 pay periods per year. My annual Cost of Living Differential is \$12,578.28. This money is crucial to me and my family to survive in the change port of Homer. Homer is extremely expensive to live as is most, if not all, the rest of the State. The comparison and argument that Seattle and Anchorage have the same cost of living is flawed in so many ways. We all know Anchorage is probably the cheapest place to live in Alaska but we also know the first miles out of town the prices start to rise. And Anchorage is not a change port for any Marine Highway employee nor do any Marine Highway ships call on Anchorage as a stop. Homer, Valdez, Juneau and Ketchikan are the Marine Highway's change ports. Not all crew live in these ports where the crew change out occurs, but most live close enough to either drive, fly, or "deadhead" on a AMHS ship to get to work.

A clear history into the COLD that was instituted into our contracts and placed into Alaska Statute in 1977 is needed before this committee takes action to move SB182 forward. Below is a well researched and written history of COLD prepared by Captain Matthew Wilkens.

"In 1977, the Alaska legislature amended AS 23.40.210. Although the 1977 amendment required that all state collective bargaining agreements include cost-of-living wage differentials, it was clearly targeted at the three AMHS unions, since their bargaining agreements were the only ones involving state employees that did not already include cost-of-living adjustments. As amended, AS 23.40.210 provides that:

Upon the completion of negotiations between [a labor] organization and a public employer, if a settlement is reached, the employer shall reduce it to writing in the form of an agreement.... The agreement shall include a pay plan designed to provide for a cost of living differential between the salaries paid employees residing in the State and employees residing outside the State. The plan shall provide that the salaries paid, as of August 26, 1977, to employees residing outside the State shall remain unchanged until the difference between those salaries and the salaries paid employees residing in the State reflects the difference between the cost of living in Alaska and living in Seattle, Washington....

AS 23.40.210 (emphasis added). The Alaska House Finance Committee's "letter of intent" concerning the 1977 amendment confirms that its primary purpose was to

[626 F.Supp. 1276]

introduce cost-of-living wage differentials for AMHS employees:

It is the intent of the House Finance Committee in passing the 1977 amendment to provide for a cost-of-living pay differential between Alaska Marine Highway employees who live in Alaska and those who live outside the state. The purpose of the bill is to encourage employees of the Marine Highway System to live in Alaska. It is not intended to mandate a pay raise or benefits increase for resident Ferry system employees. Rather, the differential should be implemented over a period of time through the collective bargaining process. For example, if the cost of living in Ketchikan is 15% higher than in Seattle, and a 6% increase were negotiated, the 6% raise — and subsequent raises — should apply only to Alaska residents until the cost-of-living differential is established. ...

1977 State of Alaska House Journal 461.

As the amendment's legislative history indicates, the main reason for introducing cost-of-living differentials was to "encourage [AMHS] employees ... to live in Alaska." According to the defendants, prior to the passage of the 1977 amendment, AMHS employees who remained or became Alaska residents were making a conscious and substantial sacrifice, given how much greater purchasing power their wages would have if they moved to Washington or other states.

State officials testified in affidavits that there are advantages to having Alaska residents employed on AMHS. They assert that crew members from southeast Alaska are acutely aware of the importance of ferry service in supplying necessities to their communities, and therefore may be more committed than other employees to providing high-quality, dependable service, and less likely to endorse strikes that interrupt service. They also maintain that since AMHS employees represent Alaska to nonresident visitors and tourists, it is desirable from a public relations and tourism standpoint that at least some of these employees be Alaska residents with a demonstrated commitment to the state. The defendants contend that since there is a value to having at least some Alaska residents as AMHS employees, the State should be permitted to alleviate conditions that discourage AMHS employees from remaining or becoming Alaska residents. They maintain that AS 23.40.210's cost-of-living differentials enable Alaska to compete on an even footing with Washington and other states to be the residence-state of AMHS employees."

Like I stated before I love living in Alaska. I do not want to move nor do I want to find another job. But if SB182 ends up becoming law I will be forced to find work on ships elsewhere. Marine Highway Deck Officers are not even paid right now at industry standards. This is why recruitment is so difficult for our Ketchikan Central Office (KCO). Masters Mates and Pilots is about 12-14 mates short and our dispatcher cannot get Merchant Marine Academy graduates to live in Alaska and work for the Marine Highway. Pay is much higher for the same Merchant Marine License (i.e. Third Mate, Second Mate, Chief Mate and Masters of unlimited tonnage) in the other U.S Flagged sectors. The big push for Academy graduates is into the oil industry. The oil industry is becoming a boom for US licensed Deck Officers as newer and bigger ships are constantly being turned out. The demand is very high right now for the credentials I possess. AMHS has in fact lost at least 3

experienced Deck Officers to the oil industry in the last 5 months. This is well before SB182 was even a thought by Senator Fred Dyson. SB182, if passed, will make the decision for AMHS Deck Officers an easy one-Drill Ships and Rig Tenders for companies that pay for all the travel, training and even are offering big signing bonuses.

I ask that you read the history of our negotiated COLD carefully. I ask that you fully understand how introducing SB182 during the time we are in contract negotiations is fundamentally flawed and should constitute an Unfair Labor Practice. It seems to be a short handed attempt by our Administration to "Legislate" our contracts to an end savings of 7.6 million dollars-all on the backs of hard working, dedicated ALASKAN employees.

Thank you for your time and dedication to this great State,

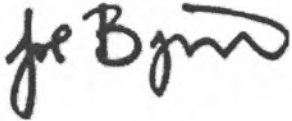
James Pearson
950 Rosebud Ct.
Homer Alaska 99603

907-350-4522

Doniece Gott

From: Sen. Pete Kelly
Sent: Thursday, March 06, 2014 8:23 AM
To: Senate Finance Committee
Subject: FW: Please oppose SB 182.

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Ken Burch [<mailto:threecats@gci.net>]
Sent: Wednesday, March 05, 2014 22:56
To: Sen. Pete Kelly
Subject: Please oppose SB 182.

If passed, SB 182 would remove the COLD(Cost of Living Differential)for in-state Alaska Marine Highway employees. For most stewards(the majority of AMHS crew are stewards)this would be a 4\$/hour pay cut-which would be a cut in our gross wages of over 660\$ a month, or over over \$7800 a year. For those raising kids or taking care of elderly parents, this would be an intolerable burden. Many of those would have to quit, or(if they aren't doing this already, as many are)would have to take a second job just to hold their ground. And the loss of income we would experience if SB 182 passes, multiplied by the hundreds, would damage the economies of cities, towns, and villages throughout the state.

SB 182 hurts communities in Southeast and Southcentral Alaska in particular, but its impact will be felt in communities all over the state(there are even AMHS crewmembers who live in Fairbanks and commute hundreds of miles, often at their own expense, to get to their jobs).

The in-state crew members on AMHS vessels work hard serving the people. We are responsible for not only taking care of our passengers needs while they ride the vessels, but their safety in the event of maritime emergencies. We are constantly taking part in training programs, often at our own expense, to maintain and improve our expertise and skills. We've done nothing to deserve a massive pay cut, especially at a time when the state is still in recession. Making life harder for us doesn't make it easier for anyone else.

Please consider this information, and then please vote against SB 182.

Thank you for your time in reading this message.

-Ken Burch (steward, Columbia "A" crew, Alaska Marine Highway System).

threecats@gci.net

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 12, 2014 3:23 PM
To: Senate Finance Committee
Subject: FW: SB 182

Importance: High

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Bruce Dixon [<mailto:bdixon97ta@hotmail.com>]

Sent: Wednesday, March 12, 2014 13:55

To: Sen. Fred Dyson; Sen. Peter Micciche; Sen. Bill Wielechowski; Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Kevin Meyer; Sen. Lyman Hoffman; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Donny Olson; Sen. Pete Kelly; Sen. Berta Gardner; Sen. Dennis Egan; Sen. Click Bishop

Subject: SB 182

Importance: High

Regarding SB 182

3-12-14

Please take a moment to review the significance of those who dedicate their lives to working on the sea.

As merchant marines, we spend upwards of half of our lives providing services to those who need to travel on the Northwest Coast. We lose significant events due to our choice to provide this service. We incur significant injuries and risk losing our lives on occasion. We accept the losses that come with the lifestyle of a mariner.

I am well aware that this State has significant challenges regarding funding services for the citizens. However, this is not a situation comparable to a land based transportation mode. Merchant mariners are extensively trained to respond to shipboard emergencies including medical, fire and shipboard security.

If I am expected to endure the many added challenges of spending my life working on the sea I expect that there will a reasonable compensation. There are many who are considering changing their employers due to the perceived threats by the State to reduce compensation for the Marine Highway employees.

Do you as lawmakers really want to risk lowering the bar of professionalism delivered on the Marine Highway as you dismantle the incentives to attract the best mariners?

I work as a cook on the ferry and I bring over thirty years experience working in and around food services. I expect fair compensation and I deliver a quality service. I have lived on and around the ocean in Alaska almost all my life. I appreciate the opportunity to offer my talents and share them with others.

Please consider this and the other letters as you make the decisions that make our State the absolute travel destination in the Nation.

Thank You,

Bruce D. Dixon

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 12, 2014 12:13 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony

Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709

-----Original Message-----

From: Bert Stammerjohan [<mailto:bstamerion@gmail.com>]
Sent: Wednesday, March 12, 2014 12:07
To: Sen. Pete Kelly; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman; Sen. Kevin Meyer
Subject: SB 182

Senator Stevens,
I would like to point out some history regarding the 2008 McDowell study.

That being said, we need to set aside personal emotion and take a hard look at the facts. The main facts were never presented at the SB182 hearing today, and you won't hear anyone from DOA offering these facts. The DOA testimonies referenced the 2008 McDowell Group cost-of-living survey which concluded that there is no longer a major cost-of-living difference between Seattle and Anchorage compared to 30 years ago.

Using the McDowell Group survey, the DOA Labor Relations then implemented changes to Non-maritime Unions "Geographic Differential Pay" rates. The Maritime Unions COLD IS directly related to the Non-maritime Unions "Geographic Differential pay."

There is a provision for Non-Alaskan employees in the "Geographic Differential pay" rule, and is referenced at the bottom of the community list as "Outside Alaska."

Prior to 2010, the "Outside Alaska" line was -13% lower than the Anchorage base. In 2010, "Outside Alaska" was changed to 0%.

AS.23.40.210 calls for a COLD between Alaska and Seattle, WA. There is no longer a COLD between Anchorage(base) and Seattle as there was in 1977.

Facts for Non-maritime employees regarding COLD changes in 2010:

1. No Alaskan's saw a pay cut.
2. Those living "outside Alaska" received a 13% pay increase.

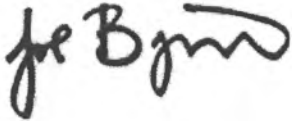
With this in mind, I am wondering why the Alaska government is attacking Alaskan Employee's wages. The hourly rate paid to AMHS employees is less than what is paid by other employers in the industry. The COLD amount is what makes Alaska competitive. If COLD is to be eliminated, I ask that that amount be added to the hourly rate and not penalize employees unfairly.

Respectfully,
Bert Stammerjohan
Chief Engineer, FVF Chenega
Cordova, Alaska

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 12, 2014 11:30 AM
To: Senate Finance Committee
Subject: FW: Senate Bill 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: James McCarron [<mailto:jportmccarron@gmail.com>]
Sent: Wednesday, March 12, 2014 10:36
To: Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Senator.Donny.Olsen@akleg.gov; Sen. Lyman Hoffman
Subject: Senate Bill 182

Dear Senator,

I urge you dismiss Senate Bill 182.

My name is James McCarron and I am presently a Chief Engineer with the Alaska Marine Highway System. I am represented by the Marine Engineers Beneficial Association (MEBA) and I reside in Homer AK.

As you are aware SB 182 will remove the Cost of Living Differential (COLD) payment from the salary of the Alaska Marine Highway Employees who reside in Alaska.

I will attempt to be brief but that may be difficult because there are many potential repercussions and aspects of this bill that I believe are wrong.

First of all, SB 182 is based on an eight year old study that basically compares the cost of living between Anchorage and the rest of the State of Alaska. This study also states that the Cost of Living Differential between Anchorage and Seattle WA is negligible. That is all fine and good, but our COLD payment is not based on the cost of living in Anchorage. The Statute upon which it is based, AS 23.40.210, never mentions Anchorage. The AK Marine Highway has designated "Change Ports". These are the Alaska Cities where we, as employees, are required to report for duty, and where most of us live. These cities are Ketchikan, Juneau, Cordova, Valdez, and Homer. Not Anchorage. The study shows that the cost of living differential is greater in some of these communities. As with many studies that I have read the data can be skewed to read what the reader wants or the researcher wants it to read. I believe that for these reasons, this issue deserves a more comprehensive study in relation to the AK Marine Highway employees specifically, not simply State of AK workers in general as the study states. We are the only portion of the state workforce that is being affected by this bill.

Secondly, there has been talk about rolling this COLD payment into our negotiated wages. I would support this 100%, but until this is accomplished the COLD must stay intact. Because, let's face it, these are our wages and they have been for many many years. In fact, you would be hard pressed to find a Marine Highway employee that was hired before the COLD took effect. Every present employee, AK resident and non-AK resident, knew, accepted and now rely on this wage.

As a passenger vessel operation we are held to the strictest standards of the US Coast Guard and the American Bureau of Shipping (ABS) as well as compliance with the International Maritime Organization (IMO). It is

becoming increasingly difficult to obtain and maintain the documents that we as Merchant Mariners are required to possess. By industry standards the AK Marine Highway salaries are mid-range at best. What we should be talking about is raising the wages. There are private sector jobs that are luring the "best and brightest" away from the Marine Highway. We all know the SOA is a reluctant shipping company but the facts are the facts, and the SOA has to realize what needs to be done to maintain a safe and reliable service.

Finally, on a personal basis, I live and have raised five children in Homer AK. I am proud to be an AK resident and proud of the work I do with the Marine Highway. This bill will continue to erode the essential work of the AK Marine Highway System. It will also negate any incentive for the younger Mariners to live and work in the SOA. Let's continue Alaska's proud maritime heritage not destroy it!

I urge you to consider all of the factors here before you make your decision.

Thank you for your service to our state.

Sincerely,

James McCarron

Chief Engineer

Alaska Marine Highway System

JUNEAU CENTRAL LABOR COUNCIL

American Federation of Labor and Congress of Industrial Organizations



Alaska Public Employees Association/AFT
Alaska State Employees Association/AFSCME Local 52
General Teamsters Local 959, State of Alaska
Inland Boatmen's Union of the Pacific, Alaska Region
International Brotherhood of Electrical Workers Local 1547
International Longshore and Warehouse Union Local 200
International Union of Operating Engineers Local 302
Juneau Career Fire Fighters Association Local 4304, IAFF

Laborers International Union of North America Local 942
Marine Engineers Beneficial Association, District 1
Masters, Mates & Pilots, Pacific Maritime Region
Pacific Northwest Regional Council of Carpenters Local 1281
Plumbers & Pipefitters Local 262
Public Employees Local 71
Public Safety Employees Association/AFSCME Local 803
University of Alaska Federation of Teachers/AFT Local 2404

"Doing Alaska's Work, Living Alaska's Lives, Making Alaska a Great Place to Live"

12 March 2014

The Honorable State Senator Pete Kelly and
The Honorable State Senator Kevin Meyer, Co-Chairs,
STATE OF ALASKA, State Senate Finance Committee
Room 520, Capitol
Juneau, Alaska 99801

RE: Opposition to SB 182

Dear Honorable Co-Chairs Kelly & Meyer, and Honorable Members of the State Senate Finance Committee:

On behalf of the Juneau Central Labor Council, AFL-CIO, and its approximately 5,000 affiliated local union members, I write to urge your opposition to SB 182, a bill that would materially harm and generally insult those employees of the Alaska Marine Highway System who are Alaska residents.

The Cost-of-Living Differential (COLD) provisions of the labor agreements between the state of Alaska and the three (3) maritime unions, Inland Boatmen's Union (IBU), Marine Engineers Beneficial Association (MEBA) and Masters Mates & Pilots (MMP) is an element of wage compensation that recognizes the increased cost-of-living incurred by living in Alaska and that rewards employees for establishing and maintaining Alaska residency during their state employment. COLD is essentially an "Alaskan hire" program, and should be encouraged, strengthened and even expanded, rather than restricted or diminished.

In addition, the COLD provisions of the maritime unions' contracts have historically and traditionally been articulated through the negotiation processes between state of Alaska and the three involved unions, and we strongly urge that the State Legislature continue its long-standing and appropriate practice of reviewing and implementing by legislation the monetary products of negotiations, but not otherwise involving itself in the negotiating process.

Thank you for consideration of this request.

Cordially,


Pete Ford, President
Juneau CLC, AFL-CIO

cc: All Members of the Senate Finance Committee
All Affiliated Unions of the Juneau CLC

3/11/2014

Dear Senator

I am asking you to please oppose SB 182. The proposed pay cuts will be devastating to me and my family. I work for the AMHS and live in the remote community of Gustavus. My travel expenses to and from work cost upwards of \$600.00 month. I signed up for my job because of the money. Not for the fact that I spend more time with my co-workers than I do with my family, or the fact that I have to maintain a gargantuan pile of Coast Guard Credentials. Or the fact that, while at work, I am on call 24 hours a day but do not get compensated for it.

Or the fact that;

- I am regularly being bumped by workers that may have more seniority but do not have anywhere close to the skills and qualifications that I bring to the system from previous work experience.
- Having been subject to cases of discrimination aboard the ship
- It has taken me 5 years to get 2.5 years of time with the AMHS due to its seniority system. The current amount of pay has not been enough. My family has been eligible to receive Denali kid care and heating assistance at the current pay scale. I'm going on 5 years of part time work
- I lose my health insurance if I do not work in a month
- I have to fly on light aircraft to and from work. The added danger and stress of having to go in bad weather and knowing that if I don't make it to Juneau I will lose an entire weeks pay which has happened 3 times this winter.
- Not getting support from the State that I am employed with. And the stress of that State continually trying to take away my benefits. How about a pat on the back instead. The Governor has a saying, Alaska Strong!
- Subject to random drug tests
- Responsible for the lives of passengers on AMHS vessels. Perform rigorous weekly fire and abandon ship drills to train for emergency's
- Vessel quarters are very cramped and noisy. Located beneath the car deck on many vessels with large trucks driving over your head and chains being dragged across the ceiling making it impossible to get a decent night's sleep.
- Subject to health hazards such as; constant loud noise, paint fumes, diesel smell, low overheads, tripping hazards, lack of exercise, and unhealthy choices of food. Most workers are overweight.
- For at least 6 months during the winter I do not have any kind of work schedule. AMHS dispatch can call any time of the day or week to assign me a job. This winter I have gone over a month without a call and I have also been asked to work 2 weeks in a row. There's no consistency. I have to be ready to go at a moment's notice.

There is much more to this job than wiping down tables and making beds. We are not working for Motel 6. We are trained professional Alaskans that work for the State of Alaska.

Thank You for your time.

Larry Platt (AMHS Crewmember)

P.O. Box 277

Gustavus Ak. 99826

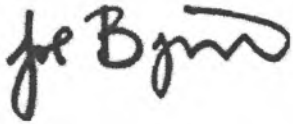
Phone 907-697-2877

Email choganoochy@yahoo.com

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 11, 2014 12:33 PM
To: Senate Finance Committee
Subject: FW: Senate Bill 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Provost, Robert J (DOT) [<mailto:rob.provost.ii@alaska.gov>]

Sent: Tuesday, March 11, 2014 12:17

To: Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman; Sen. Fred Dyson; Sen. Peter Micciche; Sen. Bill Wielechowski; Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Berta Gardner; Sen. Dennis Egan

Cc: rawb32@hotmail.com

Subject: Senate Bill 182

To whom it may concern,

I am writing to voice my opposition to the upcoming Senate Bill 182. I have been a Southeast Alaskan Resident my entire life and know first hand the service AMHS provides. I have also been an employee of AMHS since 2001 which has allowed me the chance to provide the same service to my fellow Alaskans.

It is my understanding that if passed, SB 182 will negatively effect the wage of every Alaskan that earns a Cost Of Living Allowance/Cost Of Living Differential (COLA / COLD). That means every employee of Alaska Marine Highway that lives in the great state of ALASKA is going to suffer a wage decrease. If the purpose of SB 182 is to negatively effect Alaskan citizens then it will most likely succeed. I urge you to support your fellow Alaskans and the Alaska Marine Highway by not allowing SB 182 to proceed any further.

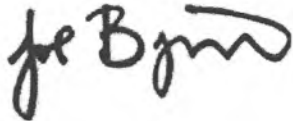
Thank you,

Robert J. Provost II
2 A/E
M/V Malaspina
M.E.B.A

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 11, 2014 9:45 AM
To: Senate Finance Committee
Subject: FW: SB 182 - in opposition

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Marcia [<mailto:glaciergeal@gmail.com>]
Sent: Monday, March 10, 2014 19:34
To: Sen. Pete Kelly
Subject: SB 182 - in opposition

March 10, 2014

The Honorable Senator Pete Kelly

Dear Senator Kelly,

I am writing in OPPOSITION to Senate Bill 182, currently in the Senate Finance Committee, which would result in a huge wage loss for Alaska residents who work on our state's ferry system. I am the wife of one of those hard-working crewmembers. Why would our great state choose to enact a PAY CUT ONLY FOR ALASKA RESIDENTS, while leaving non-residents' pay status quo?

With contract negotiations currently underway, this undermines the unions' bargaining power, as they will be forced to accept a quick contract agreement to avoid the pay cut before the bill goes into effect. Perhaps that is one intention of the bill; however, it hardly meets the definition of bargaining in good faith.

SB 182 is a slap in the face to every Alaskan resident who keeps the ferries running, from oilers and engineers, to deckhands and stewards, to mates and captains, many of whom will be left with no choice but to move down south in order to afford to keep their Alaska jobs. What an irony in the face of "Alaska hire".

Thank you for considering my comments, and thank you for your hard work and dedication to our state.

Sincerely,

Marcia Olson

3060 N Lazy Eight Ct, #2-142

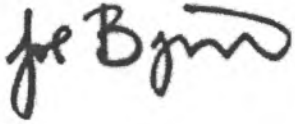
Wasilla, AK 99654

Phone 907-723-1803 - glaciergal@gmail.com

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 11, 2014 9:46 AM
To: Senate Finance Committee
Subject: FW: Concerning SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Daniel Currit [<mailto:luciendc@gmail.com>]
Sent: Monday, March 10, 2014 19:15
To: Sen. Dennis Egan
Cc: Sen. Bill Wielechowski
Subject: Concerning SB 182

Hello,

My name is Daniel Currit, I am a state employee with AMHS.

I am sending this email to implore you to vote no on Senate Bill 182. The sponsor statement for the bill claims that the COLD statute should no longer be law because it is, in essence, obsolete. It states that there is currently no difference between the cost of living in Seattle and the cost of living in Anchorage. It does not consider or even state the fact that a great many of AMHS employees do not reside in or even near Anchorage. A great portion of AMHS employees live in the smaller communities throughout Southeast Alaska.

When I was first hired with AMHS, I had my place of residence in Thorne Bay on Prince of Wales Island, outside of Ketchikan. Gas prices were regularly over a dollar more than in Ketchikan. In order to get to work, I had to drive over 60 miles and pay to take a ferry for 3 hours into Ketchikan just so I could start work.

I personally know many other AMHS employees who do not reside in Anchorage or even Juneau. The cost of living in these outlying areas is significantly higher than in Anchorage. Fuel, groceries and housing are all considerably and consistently higher in price.

If this bill is passed, all of us will be missing out on over \$600 a month. The fact that such a bill is being voted on during the negotiation of our union contract has not gone unnoticed and is decidedly underhanded and harmful to the best interests of AMHS employees and their families.

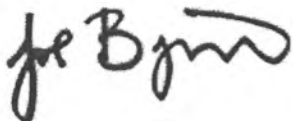
Thank you for your time and considering my concerns for the financial stability of my fellow AMHS workers.

Sincerely,
Daniel Currit

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 11, 2014 9:36 AM
To: Senate Finance Committee
Subject: FW: SB 182 Concern

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Matthias Volkmann [<mailto:matzev66@hotmail.com>]

Sent: Tuesday, March 11, 2014 00:22

To: Sen. Peter Micciche; Sen. Bill Wielechowski; Sen. Gary Stevens; senator.charly.huggins@akleg.gov; Sen. Hollis French; Sen. Kevin Meyer; Sen. Lyman Hoffman; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Donny Olson; Sen. Pete Kelly; Sen. Berta Gardner; Sen. Dennis Egan; Sen. Click Bishop

Subject: SB 182 Concern

Dear Senator ,

I'm writing this letter in response for the attempt to introduce the SB 182 and want to express my deepest concern , if this bill becomes law .

I understand ,that in these days everything gets tight with finances and we need to save money or make cuts . That applies to everybody even to the biggest and maybe richest State in the Union .But I believe there are different ways of making funds available other then trying to take away a significant amount of income (about 15% or more) from hard working Alaska residents , who are trying to make a living in our beautiful State , especially ,when the cost of living (which to my understanding was designed for this reason) is already significant higher then in the rest of the country and the trend shows , that will not change in the near future .Senator Dyson is stating , that the cost of living in Alaska (Anchorage) is no longer higher then in Seattle ,which might be true ,but the majority of the AMHS employees living in S/E Alaska where prices and as well the cost of living significant higher are then in the Anchorage Bowl area .

If this bill passes , it would mean for a lot of Alaskans to tighten up their belts even more , find an second job or even move out of the State , simply because they can't afford to live here anymore .I'll ask you hereby to do everything in your power to make sure this bill will not become reality .

I thank you for your time and consideration

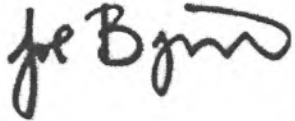
Matthias Volkmann

Able Body Seaman
M/V Taku

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 10, 2014 4:39 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Gene McDonagh [<mailto:genemcdonagh@kpunet.net>]
Sent: Monday, March 10, 2014 11:51
To: Sen. Pete Kelly
Subject: SB 182

Senator Kelly,

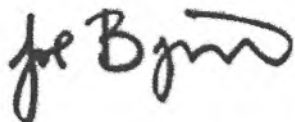
I respectfully urge you to vote no on SB 182 if and when it comes to the floor for a vote.
It has not become any cheaper to live and serve in the great state of Alaska. The bread that I paid 1.99 a loaf for years now costs 4.99 , last years permanent fund dividend did not even fill my heating oil tank once ...and it's a small tank ...300 hundred gallons@ 4.69 a gallon... Anyway,you get the point....Please vote no on SB 182..

Respectfully,
Shannon McDonagh
907-225-6841
907-617-2048

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 10, 2014 4:38 PM
To: Senate Finance Committee
Subject: FW: I Oppose SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: chris olson [<mailto:thebigtiny2001@yahoo.com>]
Sent: Monday, March 10, 2014 13:14
To: Sen. Pete Kelly
Subject: I Oppose SB 182

Dear Senator PETE Kelly

I Oppose Senate Bill 182 I think it is Bad idea to penalize Alaskan residents for living in Alaska. Please Stop senate Bill 182.

Please Contact me at this e mail if you need more information.

Thank you

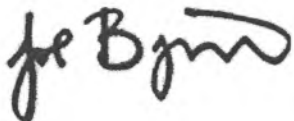
Chris Olson

Alaskan Resident and 18 year AMHS Engineer

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 10, 2014 4:38 PM
To: Senate Finance Committee
Subject: FW: SAY NO TO SB 182, SAY YES TO ALASKAN WORKERS

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly

907-456-3709



From: mike atkins [<mailto:homeshorecafe@gmail.com>]
Sent: Monday, March 10, 2014 15:27
To: Sen. Pete Kelly
Subject: SAY NO TO SB 182, SAY YES TO ALASKAN WORKERS

Dear Sen. Kelly,

Hello. My Mike Atkins, I am a longtime Alaska resident, I live in Gustavus, Alaska, am employed by the Alaska Marine Highway System and am a member of IBU.

It has just come to my attention that a proposed senate bill, that was before The State Affairs Committee and is now being reviewed by the State finance committee, if passed, would result in serious negative effects for myself, my family, and hundreds of other State Ferry workers who live throughout Alaska. The bill I speak of is SB 182 and I urge you not to pass it.

SB 182 seeks to do away with a cost of living allowance that all State of Alaska ferry workers receive if they are Alaska residents. This cost of living differential (COLD) is based on a decades old model that compared the difference between the cost of living in the City of Seattle, WA and the City of Anchorage, AK. and was put in place to compensate for the high cost of living, work related expenses, and for the sometimes unusual working conditions that Alaskan Ferry workers often have to deal with. Sen. Fred Dyson from Eagle River, Alaska, whom is the sponsor of SB 182, is basing this bill on 6 year old study from the McDowell Research Group which shows that the cost of living for both these cities is now essentially the same and wants to enact SB 182 as a way to eliminate COLD for state ferry employees. The problem with this, however, is that the cost of living in Juneau or Ketchikan or Petersburg or any of the other small rural communities were the majority of the state ferry workers actually live and work has not changed.

Many AMHS employees still continue to struggle with high costs of living and expenses associated with being employed by AMHS. For these AMHS workers, COLD is in place to help to offer compensation for the many out of pocket expenses that a State Ferry Worker must pay in order to just make it to and from work at a port of call or to attend mandatory training sessions. These expenses can include air travel, lodging, loss of wages due to weather related problems, unforeseen layovers, and changes in a port of call. I personally spend over

\$600 a month just getting to and from my port of call so I can work. Also, The State of Alaska has a long history of Alaskan preference in hiring and this bill would effectively eliminate that for the AMHS fleet. If this bill passes, State ferry workers would be paid the same as out of state workers. This would result in a substantial loss of income for the majority of State ferry workers and would especially impact those of us who live in outlining areas. As a result, sailors would then be encouraged to find employment elsewhere, thus leading to skilled workers in the labor pool being diminished, which in turn would raise serious safety concerns aboard the AMHS fleet.

My many duties as a sailor aboard the AMHS fleet include dealing with emergency situations, security duties, ensuring the safety of crew and passengers, and providing passengers a positive experience to insure that they continue to keep riding the ferry. I am paid between \$23 and \$27 an hour and believe that this is a fair wage. This wage, at the very least, helps me to maintain a middle class life for my family and to also be able to provide for my children's (Kona, 9 years and Aurora, 3 years) future. AMHS employees don't get automatic annual increases in pay like other state employees and because of the seniority system; even full time crewmembers are not always guaranteed work. There are also periods of seasonal layoffs that employees have to plan for. If this bill passes, I could see my pay decrease by up to 10 to 15 percent which would be devastating to me and my dependents. This would most likely result in our having to give up on our rural Alaska life and having to move on to greener pastures with better opportunities and better wages.

If SB 182 passes, you need to know that you are taking money out of my pocket, my community's pocket, and the State of Alaska as a whole. Please don't penalize me just because I am an Alaska resident.

Say no SB 182 and please talk to your colleagues and urge them to do the same.

Thank you for your time.

Sincerely,

Mike Atkins

AMHS

Doniece Gott

From: Sen. Pete Kelly
Sent: Monday, March 10, 2014 4:38 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Mary Dahle [<mailto:marydahle@hotmail.com>]
Sent: Monday, March 10, 2014 16:28
To: Sen. Pete Kelly
Subject: SB 182

Dear Senator Kelly,

I am writing in opposition to SB 182. To me this topic does not belong in legislative discussions nor in state statutes. It is a contract topic and the State DOA has a very capable full time staff devoted to negotiating contracts.

The claim that bonuses are given to in-state IBU employees is not true. A historical perspective reveals the two-tiered wage system for the IBU was introduced to protect Alaskan residents while SAVING the state money. In 1980 State IBU residents were given no extra money, instead the meager "cost of living" increases were withheld from those living out of state until the non-Alaskans were paid 20% less.

Several times since then, sure that hordes of scoundrel sailors were defrauding the treasury, the state has created positions to look for violators. The expense of these positions far exceeds any lost revenue. In the 1990's there was just such a "witch hunt". Three full time people were hired for three years. I ran the numbers at the time. To cover the cost of those positions, they would have had to find that 1/3 of all AMHS workers (or about 250 people) were lying about their place of residence for a number of years. In the end there were no IBU members found to be out of state residence receiving full wages.

The claim that COLD payments are unique to the maritime unions is also false. Various forms of Cost of Living Differentials exist throughout the State. For many (other) state workers, the pays scale one is put on is dependent on where one works. Depending on the region where they work, other state employees are given 3% to 50% more per hour than their counterparts in Anchorage. Cost of living differentials are common in other state of Alaska contracts and federal contracts.

I understand that somehow my job is coveted by others, but if that's the case, we're hiring next month. Come join us and give up your annual step increases, forget wine with dinner, or your child's concert next week or their birthday or first game, tell your spouse to fix the drain themselves or wait a week or two until you come home for them to take a shower, and no you can't pick up the dog's prescription at lunch....

Obviously there are some perks to working on the AMHS vessels or no one would fill the positions, but if the contracts were as padded as a few vocal folk purport, there would be a substantial wait list of good applicants for hiring. Instead the number of Alaskan applicants has been so low that the AMHS is permitted to recruit nationwide for entry level jobs. Sadly we haven't seen 2000 applicants per year since the 1980's. In the last few years, even with recruiting, we have been lucky to get a couple hundred interested parties, and of those, the State has been able to hire far fewer.

Please stop SB 182.

Thank You

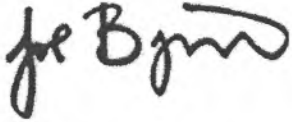
A faithful servant of the people of this great land as an AMHS vessel employee

Mary Dahle

Doniece Gott

From: Sen. Pete Kelly
Sent: Saturday, March 08, 2014 3:06 PM
To: Senate Finance Committee
Subject: FW: SB 182 Senate Finance Committee

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Brody McNeill [<mailto:mcbrodyb12@icloud.com>]
Sent: Friday, March 07, 2014 13:58
To: Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman
Cc: Sen. Fred Dyson; Sen. Cathy Giessel; Sen. John Coghill
Subject: SB 182 Senate Finance Committee

To the members of the Senate Finance Committee

I have many issues with SB 182.

I have written to several of your colleagues down there in Juneau earlier regarding the hostile nature in which the administration is conducting our Alaska Marine Highway contract negotiations. Though sympathetic to my concerns many informed me that they are not able to directly get involved in those negotiations. Now it appears with the introduction of SB 182 you are all indeed involved with our negotiations. Our collective bargaining agreements should be conducted between the unions and the administration only and this bill interferes and disrupts that process. How are our union representatives to negotiate a contract in good faith if they are purposely interrupted from their responsibilities to the members they represent?

SB 182 represents a substantial pay cut to Alaskan workers while creating a situation where workers living outside the state stand to gain. This can happen by reducing all wages to out of state rates. Then our collective bargaining units fight for increases on that reduced level, this effectively cuts Alaskan pay and raises out of state pay. Make no mistake, the intention of this bill is to cut our pay, period! To remain willfully incognisant of this is to be irresponsible at best and dishonest at worst. I hope it is not the intention of the senate finance committee to share the malicious intent under which this bill was conceived.

One senator expressed that she did not view this as a pay cut for Alaskan workers but simply puts the issue of COLD entirely into the arena of collective bargaining. COLD is already in the arena of collective bargaining as is everything in all of the marine union agreements.

I would like to invite any senator to board any ship in the fleet and look any of us in the eye and state that SB 182 was not intended to undermine our negotiating process and that the bill is not intended to cut our pay.

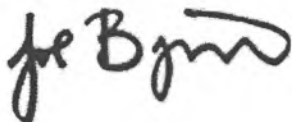
Of course I argue from my standpoint and my best interest, that of a state employee. However it is my intention to convince the senate finance committee that we here in the Alaska Marine Highway System deserve everything we work hard for. I also strongly emphasize that no matter how attractive a pay cut to Alaskans might be, this is an unethical and unfair way to do it. Labor negotiations should stay where they belong, at the negotiation table, not in the senate.

Thank You
Sincerely
Brody McNeill

Doniece Gott

From: Sen. Pete Kelly
Sent: Saturday, March 08, 2014 2:48 PM
To: Senate Finance Committee
Subject: FW: COLD Pay and the Lives of Your Constituents.

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly

907-456-3709



From: Tom Loughead [<mailto:tloughead@gmail.com>]

Sent: Saturday, March 08, 2014 11:28

To: Sen. Bill Wielechowski; Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman; Sen. Fred Dyson; Sen. Peter Micciche; Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Berta Gardner; Sen. Dennis Egan

Subject: Fwd: COLD Pay and the Lives of Your Constituents.

Hello, my name is Tom Loughead. I am a resident of the valley in Juneau, Alaska and for the past five and a half years I have proudly served as an engineer for the Alaska Marine Highway System. Right now, however, I am nervous for the future of my life, the ferry system, and the communities that the AMHS employees live in.

A bill is in legislative committee that seeks to end the Cost of Living wages that in-state residents receive for working for AMHS. We've built our lives around the expectation of making the dollar amount tied to our jobs and as such a lot of people are depending on that to be able to make house payments, car payments, to pay their bills, feed and clothe their families, and so on. Because of this, this bill has a lot of us scared and concerned because such a sudden and drastic reduction in our pay would have devastating consequences. We would suddenly find ourselves struggling to make ends meet which would have repercussions in the area as every penny we made would have to be saved and as such local businesses would also lose out.

COLD itself was done by the state as a way to attract people to Alaska. It also does not factor into our retirement which has ended up saving the state a large amount of money. All other state employees had their cost of living adjustments factored directly into their wages, ours were done separately. As such, to suggest that we should have our COLD pay slashed as a matter of "fairness" is massively disingenuous. How would you like to have your last few voted pay increases slashed as a "matter of fairness?" To wake up one day and have almost 25% of your pay cut? That is exactly what the finance committee is suggesting.

The state also argues that the cost of living difference between Anchorage and Seattle is now negligible and as such COLD is no longer needed. While that sounds great for Anchorage that their costs have dropped so much, the vast majority of AMHS employees do not live in Anchorage. We live in Ketchikan, Juneau, Craig, Haines, Wrangell, and so on. Our housing costs are much higher, food costs more, and so on. Because of this, the claim that COLD is no longer needed due to Anchorage being comparable to Seattle is massively fallacious and logically unsound unless the state is willing to move all of us to Anchorage and cover the costs of flying all of its employees to work.

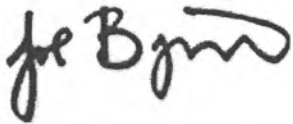
I understand that the State of Alaska is having financial issues and is looking to create savings wherever it can but this is not the way to do it as it would greatly impact the lives of many Alaskans, and not just AMHS employees. The amount that this costs the state is a drop in the bucket compared to the massive amount of money lost elsewhere. For instance, the state constantly defers maintenance on the ferries themselves that then ends up costing drastically more down the line as the damage increases. What ever happened to the Alaska class ferry project? How much money was lost designing a ferry only for the Governor to scrap it in favor of an idea designed solely just to pad Vigor's pocketbooks? How many millions were thrown at the Susitna dam before actually making sure the land was there? Destroying the lives of your employees just to free up an ultimately minor amount of cash is an awful way to go about fixing our budget issues when the true problems lie elsewhere.

Thank you for your time and have a good day.

Doniece Gott

From: Sen. Pete Kelly
Sent: Thursday, March 06, 2014 3:31 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: Laura Stidd [<mailto:stiddski@gmail.com>]
Sent: Thursday, March 06, 2014 14:04
To: Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman; Sen. Bill Wielechowski; Sen. Fred Dyson; Sen. Peter Micciche; Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Pete Kelly; Sen. Berta Gardner; Sen. Dennis Egan
Subject: SB 182

I oppose SB 182. I am a hard worker for the Alaska state ferry system and I can not afford to take any pay cuts. This shouldn't even be an option. I already have to pay double everything to live in Alaska and only make about a dollar more an hour as an able seaman than if I worked for the Washington state ferries where I would pay substantially less to live. Again I oppose SB 182 100%

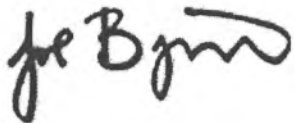
Sincerely,
Laura D Stidd

An injury to one is an injury to all.

Doniece Gott

From: Sen. Pete Kelly
Sent: Friday, March 07, 2014 9:25 AM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Sam Abell [<mailto:abellsam@hotmail.com>]

Sent: Thursday, March 06, 2014 18:32

To: Sen. Bill Wielechowski; Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman; Sen. Fred Dyson; Sen. Peter Micciche; Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Berta Gardner; Sen. Dennis Egan

Subject: SB 182

Dear Senators,

My name is Sam Abell. I am a chief mate and first class ship pilot employed by Alaska Marine Highway.

As a first class ship pilot working for the state, I already earn a wage substantially below the industry standard for ship pilots.

The cost of living differential that is part of our salary is not a special bonus gifted to us. It is a fundamental part of our salary. Historically it was negotiated for us by the state in place of wage increases that we otherwise would have received.

This bill is also being used as a strong arm tactic by the state as contractual negotiations are currently underway with the unions this bill effects.

I understand the state has budget issues. SB 182 is not the answer. This would be a devastating blow to many Alaskans and Alaskan communities. It is also an unfair tactic being used by the state to force labor unions into accepting otherwise unacceptable collective bargaining agreements.

I moved my family here to take this job 8 years ago. I could no longer continue to make the sacrifices that I do in order to do this job if this bill were to effect my take home pay, or maybe I could--- but I'd have to move my family to Washington in order to do it.

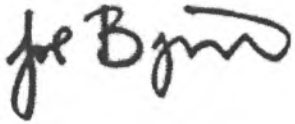
Please stop this bill.

Sincerely
Sam Abell
Alaskan by choice

Doniece Gott

From: Sen. Pete Kelly
Sent: Friday, March 07, 2014 10:48 AM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: Kari Anderson [<mailto:captainkarialaska@gmail.com>]
Sent: Friday, March 07, 2014 10:28
To: Sen. Pete Kelly
Subject: SB 182

To Whom It May Concern-

I would like to express my strong opinion against Senate Bill 182.

Eliminating the COLD pay for State of Alaska employees is not the answer to achieving fiscal success for our state.

I am employed by the Alaska Marine Highway as an Able Seaman. Depending on the ship I am dispatched on- I make between \$24 and \$26 an hour. Some individuals might consider that a "high wage" but I would like to tell you some of my responsibilities and job requirements as an Able Seaman (AB).

- I regularly steer 400 foot ferries through narrow channels like the Sergius, Seymour and Wrangell Narrows.
- I lash down vehicles and container vans and inhale large amounts of exhaust
- I beat ice off frozen decks, and handle large, frozen, wet lines in the winter
- I am a member of the primary response team in the event of a shipboard fire
- I am in charge of the emergency lifeboats in the event of an abandon ship.

In order to work in my current position I had to accumulate 1,080 days of sea time, and take over 10 weeks of maritime classes and online instruction. There is an extreme amount of risk associated with my job. If I steer an incorrect course or miss a helm command from the captain- I can cause millions of dollars in damage to the ship, cause an oil spill, and potentially injure hundreds of passengers.

Is this a person who deserves a 20% pay cut?

I invite you to come sail with me! Please see what I do, examine my responsibilities, watch the hours I spend away from my family, and the holidays I spend away from home. I want to you admire how proficient I am at my job, and ask yourself how difficult it will be to replace someone like me?

I'm proud to be a part of the Alaska Marine Highway. My father worked on the Tustumena in the 1970's. There is an amazing tradition associated with state ferries, and I will be sad to leave the State and find work elsewhere... but unfortunately I cannot afford a 20% pay cut.

I would like to strongly recommend that you vote against Senate Bill 182, and instead focus on finding other efficiencies to focus on. Maybe a consultant could evaluate the routes and the timing of sailings to provide more fuel efficiency? Perhaps the some of regular trips could be reduced to maximize ridership, and eliminate days where we sail with under 4 passengers?

Thank you for your time and service to our State.

Sincerely-

Kari Anderson

Alaska Marine Highway Employee #302222

Able Seaman Unlimited

Letters
of
Opposition
(Cont.)

Doniece Gott

From: neal.pedersen@aol.com
Sent: Monday, March 17, 2014 5:27 PM
To: Senate Finance Committee

Sent from Windows Mail

Please save our COLD I spend all my money in Ketchikan it is good for everyone in this town. We are Alaskans and proud to be. Hello my name is Neal Pedersen I work hard for 23 dollars per hour call anytime 907-220-7498.

Doniece Gott

From: cindy morgan <nagromnyc@yahoo.com>
Sent: Monday, March 17, 2014 7:23 PM
To: Senate Finance Committee
Subject: please vote against SB182

Mar 4

My name is Cindy Morgan. I am in my fourth year at the Alaska Marine Highway. I am a member of the Inlandboatman's Union of the Pacific and currently hold a bid position as a Purser. I am living in an RV in Juneau which presently doesn't have heat. I was just recently awarded my COLA pay and am still unable to afford housing in Juneau.

The basis of COLA was to counteract the difference between the cost of living in Seattle and that of Anchorage. I lived in Seattle in a 2 bedroom apartment for \$725. You cannot get a 2 bedroom apartment in Juneau for less than \$1200.00, a difference of \$525.00. The majority of those of us that work on the ferry live in the home ports of Juneau, Ketchikan, Homer, Valdez or Cordova. There is not direct ferry service to the city of Anchorage, obviously. To have a comparison of living rates to that city and to Seattle to base the COLA on and then to say the cost of living in both cities are now the same is ridiculous. The solution is not to do away with COLA but to have specific guidelines that need to be met such as being a registered voter in Alaska.

I, as well as my fellow coworkers would find doing away with COLA a major hardship as would anyone forced to take an approximate \$18,000 pay cut. I ask that you please add this letter to the many others in the package which are against the passing of Senate bill 182 and I urge you to think of us fellow Alaskans and reconsider Senate bill 182

Respectfully yours,
Cindy Morgan

Doniece Gott

From: Myra Callahan <myraakamzpurl@yahoo.com>
Sent: Monday, March 17, 2014 7:39 PM
To: Senate Finance Committee
Subject: Please vote no on SB 182

Please... Vote NO! on SB 182. This bill will negatively impact my employment and greatly diminish my standard of living which is only average at best as it is. As an honest dependable and reliable worker, I feel it is unfair to unjustly cut my salary at a time when the rest of the country is trying to raise it's standards of living the State of Alaska is attacking long time and future employees of the Alaska Marine Highway System. This is wrong on so many levels. The employees on the AMH are responsible for following the training qualifications of the Safety of Life at Sea requirements, which requires great and intensive training... most of which comes out of our pockets. Additionally, employees on the ferry system willingly leave their homes in order to perform duties which require great dependability, and stamina. I cannot agree with the fallacy that it doesn't cost any more to live here than it does down south. This should be investigated more thoroughly, and by somebody that actually lives down in Southeast Alaska... Many of our employees live in outlying areas, and are quite good and dependable workers... they often are required to fly by air or take the POW ferry at their own expense to go to work... sometimes requiring overnight travel. I am not referring to per diem qualified travel, but regular employees who travel from POW and Annette Bay on a regular basis to go to work. More can be said, but at this time I request that you vote no on this bill that also harm the economy of the local communities affected! Thank you. I welcome any and all responses.

Doniece Gott

From: Brody McNeill <mcbrodyb12@icloud.com>
Sent: Monday, March 17, 2014 11:17 PM
To: Senate Finance Committee
Cc: Sen. Cathy Giessel; Sen. Fred Dyson
Subject: SB 182 Testimony

To the Senate Finance Committee

SB 182

This bill is intended to cut Alaskan resident AMHS pay. It is the administration's intent to punish Alaskan workers for living here.

I find it interesting that the study used to float this bill is based on the McDowell Alaska Geographic Differential Study (2008). Link below:

http://www.legis.state.ak.us/basis/get_documents.asp?session=28&docid=17717

In this study the cost of living differential between Anchorage and Seattle wasn't even its primary focus. Instead, its purpose was to clarify the differences in cost of living from the communities WITHIN the state. The study even clearly states that they did no research in Seattle and within its 150 pages Seattle was barely mentioned. Where it is mentioned on page 47 you will see what I would describe as a disclaimer and then referencing ACCRA Cost Of Living Index (I included the link and access key below). I paid for this information and if the link does not work then you would need to pay the 7 dollars to confirm . Please let me know if you cannot access the link.

<http://c2c.coli.org/compare.asp?action=dataview&c>

The access key to retrieve the information is 9CFJ47TLV1.

ACCRA Cost Of Living Index clearly shows that Anchorages' cost of living is indeed higher than that of Seattle. Also on page 50 of the McDowell study, the very study this bill references, even shows Anchorage higher than Seattle. I am merely using the information that SB 182 was based on to show that the cost of living between Anchorage and Seattle are NOT the same. Of course we all know that and I'm including the authors of this bill of also possessing that common knowledge. Could anyone on the senate finance committee please explain any flaws in my logic?

This is incredibly irresponsible and dishonest. I would expect a level of integrity much higher from the sponsors of this bill. I am extremely disappointed to say the least.

Please file SB 182 where it belongs, in the waste basket! Thank You.

Respectfully,

Brody McNeill

Doniece Gott

From: Kimberly <backinmet@yahoo.com>
Sent: Monday, March 17, 2014 3:12 PM
To: Senate Finance Committee
Subject: SB 182

Dear Senate Finance Committee members:

Thank you for your kind attention to my concerns.

My Name is Kimberly Nathan,

I have been an AMHS Steward and in the past a relief wiper and watchman as well since 2006.

Passage of SB 182 will have a devastating affect on my life as the cost of living in my Southeast home of Metlakatla Alaska is not anywhere near as inexpensive as Seattle or Anchorage.

Just catching a floatplane to get to work and back is an out of pocket expense hopping from island to Island-the cost of living differential is necessary for those of us living and working in Alaska.

I urge committee members to represent us with a true picture of just what living and working in this State entails.

Thank You Committee members

Truly

Kimberly Nathan

Doniece Gott

From: sandy lampert <meema_one@yahoo.com>
Sent: Monday, March 17, 2014 2:32 PM
To: Senate Finance Committee
Subject: AMHS

This letter concerns what the politicians are trying to do to the AMHS employees. The person that stated it is no more expensive to live in Alaska than Oregon or Washington, is wrong. When I go to Oregon, I buy many items to send home, and still save money. I live 41 miles from Homer, my home port. Housing is just as much, if not more than Anchorage. Food is more, gas is more. MR. Dyson is so out of touch with the real world of merchant mariners and what we do for the people of Alaska, that **DEPEND** on the ship's to bring them produce, equipment and many different types of products and materials, Have any of the decision-makers ever been on Ferry to Dutch? If any where for that matter. It is a beautiful, but dangerous ride. And the crew and mates keep us safe and floating because of the training **WE PAY FOR**. We are trained and sanctioned by the USCG. We are required to train every week, rain or shine, calm or rough seas. We are hard working, dedicated mariners. I challenge you to get on the Tustumena and try to do what we do. Then maybe you will understand what being a Merchant Mariner is all about.

SANDRA LAMPERT, AMHS Employee
Sent from Yahoo Mail on Android

Doniece Gott

From: Joseph Byrnes
Sent: Thursday, March 13, 2014 1:55 PM
To: Senate Finance Committee
Subject: FW: Please Read



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: meagan nye [<mailto:meaganenye@yahoo.com>]
Sent: Thursday, March 13, 2014 12:37
To: Sen. Pete Kelly
Subject: Please Read

Dear Senator Kelly,

My name is Meagan Nye and I am twenty nine years old and a member of the Inland Boatman's Union. Having spent the last eight years employed by AMHS as part of the unlicensed engine room department, I write to you today with my concerns regarding SB 182 which would reduce my wage by five dollars an hour. Let me preface my arguments by stating that I am not a rich woman and I've worked extremely hard to achieve my middle class status. With the scars from numerous burns, cuts, and abrasions, my body can attest to that fact. There are people in this state who believe the employees of AMHS don't deserve their current wages and benefits (which are below maritime standards). It is a sentiment that I cannot comprehend and I suspect it stems from a lack of knowledge about what we actually do as merchant mariners. Aside from our specific jobs as oilers, junior engineers, able bodied seamen, pursers, cooks, and so on, we are first responders in medical emergencies and trained in fighting shipboard fires and marine rescue. There are no police officers that work aboard our ships and when nefarious conduct arises during a voyage it is our responsibility to deal with those situations until we reach port. Aside from the myriad dangers and responsibilities we have at work are the sacrifices we make in our personal lives. Imagine writing out all of the holidays on scraps of paper and drawing half of them out of a hat. Thanksgiving, Christmas, New Year's, the Fourth of July, etc. Those holidays that are drawn out are the ones I am absent from every year. Even if I'm lucky enough to be scheduled at home on Christmas, if the crew member assigned to relieve me calls in sick I'm required to remain on the ship or I will be terminated. It happens to crew members all the time. Along with the holidays, I've missed two of my brothers' high school graduations and countless birthdays, baby showers, and community events. Try dating when you're away from home 7 months out of the year. That's a tough one. Despite the drawbacks to my job there have always been many positive aspects. Serving the people and communities of Alaska is something that I take great pride in doing. Unfortunately, with SB 182 on the line, my mortgage and my livelihood are in great peril. I can't even imagine how scary it is for my coworkers with spouses and children. I ask you to consider how the passing of bill 182 will hurt the 600+ workers of Alaska Marine Highway.

Respectfully yours,

Meagan E. Nye
Oiler, M/V LeConte

Doniece Gott

From: Tony Tengs <ttengs@ak.net>
Sent: Monday, March 17, 2014 11:21 AM
To: Senate Finance Committee
Subject: Senate Bill 182

To the Senate Finance Committee:

I wish to go on record as being one of many seriously concerned and opposed to SB 182. I am a life-long tax-paying Alaskan of 60 years who has worked for the Alaska Marine Highway for 20 years. The prospect of having my income reduced by approximately 20% all of a sudden, to help make up for short-fall in State revenue miss-management, makes me appreciate the 2nd amendment.

(Please note that the previous is a rhetorical statement.) And please do not indulge this cruel folly one minute longer!

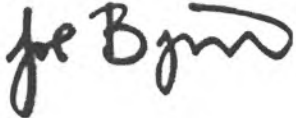
Tony Tengs
139 W. 2nd St.
Juneau, Alaska 99801

907-586-2462

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 18, 2014 11:17 AM
To: Senate Finance Committee
Subject: FW: Senate Bill 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Klay Strand [<mailto:klay19871@gmail.com>]
Sent: Tuesday, March 18, 2014 08:55
To: Sen. Pete Kelly; Sen. Anna Fairclough; Sen. Kevin Meyer; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman
Subject: Senate Bill 182

To my State Senate Finance Committee Senators,

I am writing this letter to oppose SB-182. I am an employee for the Alaska Marine Highway System and a member of the Inland Boatmen's Union, Pacific Region. I have been an employee of the state since 2009. This is the first job I have had since I graduated a vocational school based in Astoria, OR. I could not be happier with my choice for this job, regardless of our already sub-par pay compared to other maritime companies. It provides me a flexible schedule to live as close to a normal life as any mariner can. Although there comes a breaking point where the benefit of schedule and other benefits nullify when the pay is not enough to enjoy one's life. I moved up to Juneau, Alaska from Oregon because of the pay difference and to experience Alaska. I was shocked and still am shocked at how outrageously expensive to live here. Housing is so outrageous that I could probably afford a massive and luxurious home elsewhere in the United States compared to an equally priced 2 bedroom small lot home in Juneau, AK. Of course to most Senators and Legislators that live in or around Southeast Alaska I don't even need to mention the cost of living.

The COLD payment we receive is almost the biggest incentive for highly skilled and qualified employees that AMHS employs to stay with the company and move from their native states to Alaska, bringing their money, children and commitment to the state. Take away this incentive and I'm sure the state is going to have a hard time filling spots on their already hard to fill roster for mariners to keep the ferry system running. These vessels for their age are in amazing shape because of these skilled workers who run these ferries and as history suggests, when you don't treat your employees well and with fair pay you start noticing a decline in proper running equipment and added costs to emergency repairs. We the employees (that stick around if this bill passes) and the State of Alaska does not want that.

Understandably the State has to keep their budget in line and positive. But there is always a better way than what seems like a direct shot to your employer's wallet. A wallet that is already thin and is constantly looking at the much higher earnings of other mariners in our industry. The ferry system is an amazing system that provides great support for communities that it serves and for the traveling tourists who want the best view of Alaska. It

saddens me to see over history, even though I have been here a short while, how many times the ferry system is under attack from its owners, with what feels to me like the positives are not being reviewed, only the dollar signs on paper that also seem inflated. Also to finish up I feel it is ironic that this legislative session so many bills are being proposed to cut spending and slash programs right after a new major oil tax was passed and a budget deficit that followed, even though my understanding of the states history is that a budget deficit rarely seems to happen in the great State of Alaska. Please stop picking on for the most part unnoticed yet highly important programs of the state, like AMHS. Its not the ferry systems fault. And in particular to SB-182, although it may be my imagination, but this bill feels like a personal attack to the ferry system and its very hard and dedicated workers for a short fall in the states ability to properly manage its income, and for what seems like an inability to really see the importance and pride this ferry system brings to Alaska.

May you please rethink this bill that if passed is not only going to very negatively affect a chunk of the states employees, but also in the long run is going to greatly affect the State itself and its nationally renowned state ferry system.

With Respect,

Klay Strand

Dear Alaska State Senators,

March 12, 2014

My name is Teresa Gilbert. I have been in Alaska since 1980. My grandparents were Pioneers of this great state. In August it will be 30 years that I have been employed by the Alaska Marine Highway System. I am whole heartedly **opposed** to SB 182.

This will affect me (and many others) decision to stay in this state, seek other employment or move south. I am a single person purchasing a home in Juneau. I purchased my car here locally. It is very difficult for me to believe someone even introduced this bill. Can you imagine taking a pay cut of \$600.00 to \$700.00 a month? I can't. If someone decided to cut your pay what would you do?

When I purchased my home I set a budget on what I could afford for mortgage payments, insurance, home fuel and property taxes. This cut will devastate me.

I don't know if you all totally understand what we do on our vessels. We are our own little city and take care of our passengers in many ways. If an emergency occurs we are there, fire, we suite up, we do everything from CPR to putting a band aid on a child's scratch, we have searched and found vessels in distress; we pay to keep our documents current as well as taking classes to keep updated.

I would challenge anyone of you to wash pots and pans on the Columbia in the summer for 12 hours a day, seven to fourteen days straight and then tell us that person does not deserve the pay.

You may have learned that in 1977, C.O.L.D was negotiated into our contract instead of merit and other raises.

I don't know what else to say but plead with you not to pass this bill.

Thank you for taking the time to read this.

Regards,

Teresa Gilbert

Po Box 32672

Physical: 8790 Duran Street

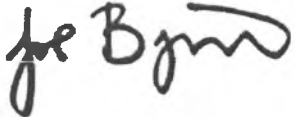
Juneau, AK. 99803

907-789-6975

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 18, 2014 12:29 PM
To: Senate Finance Committee
Subject: FW: upcoming hearing SB-182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Bill M [mailto:will_haro@hotmail.com]
Sent: Monday, March 17, 2014 12:06
To: Sen. Pete Kelly
Subject: upcoming hearing SB-182

Senator Kelly,

My name is William H. Meck and I am an Alaska Marine Highway employee as an Ordinary Seaman Porter for the fleet.

I have been working in the maritime industry since I was 16 years old giving me 24 years of experience. The documentation I carry to sail aboard our vessels contains nearly 30 separate certifications that I am required to renew and maintain every 2-5 years. From hazardous cargo to firefighting and crowd management. "COLD" was given to Alaska residents in lieu of wage increases over a decade. The service we provide to the state keeps us gone from our families 50% of the time as we work week on week off. That's half of our children's birthdays, recitals and graduations. At the end of the day we don't just punch out and go home, we continue to live aboard these vessels in good faith that our own government who is our employer will take care of us as we represent them as the first line of hospitality that new residents and visitors meet and the people that take care of the perishable items the smaller communities like Kake, Hoonah and Angoon need to make living affordable for them. If SB-182 goes into effect I will be making \$18 per hour. This will give me a rough take home net of \$2,200- \$2,400 per month and put my family in a very tight position of finances.

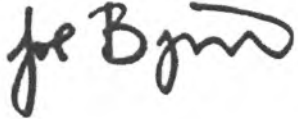
Please vote no on this subject and feel free to share this letter with your constituents.

William H. Meck
Ketchikan, AK 99901
(907)821-1460

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 18, 2014 1:21 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Myra Callahan [<mailto:myraakamzpurl@yahoo.com>]
Sent: Sunday, March 16, 2014 20:14
To: Sen. Pete Kelly
Subject: SB 182

Please note that as a responsible citizen of the State of Alaska, and an employee of the same, specifically the AMH Ferry system, I hereby voice my opposition to SB 182. During times of vast economic stress... it does not make sense to penalize the honest and hard working citizens of this great State for the time they spend away from families in service to the State. This bill denies that there is a disparity between the cost of living here in Alaska... and overlooks the costs of transportation, the shipping when we order things.... and do not have access to the many many cost saving services provided in the 'lower 48.' It does indeed cost more to live here... just look at the price of gas. Additionally, much of the work on the ferries requires training unique to the Safety of Life at Seas Act... which is set in place to save the lives of people in time of danger at sea. Most of this training comes out of our own pockets. It is not true that ferry work is the same as other State of Alaska employment for this very reason... that of being trained to save lives. To dispirit the people by diminishing their livelihood is unfair. It also negatively impacts the economic structure that depends upon the people that live here. It should also be noted that the bill was put forth by somebody that is not in touch with our living in Southeast Alaska... not that all ferry workers live in Southeast, but most of us do.

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 18, 2014 1:57 PM
To: Senate Finance Committee
Subject: FW: SB182

Public testimony

Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709

-----Original Message-----

From: Gregory Rasmussen [<mailto:gnmras@aptalaska.net>]
Sent: Saturday, March 15, 2014 15:02
To: Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman
Subject: SB182

Dear Senators,

Please oppose Senate Bill 182. This bill is nothing but an attack to our AMHS vessel crew members. First of all it goes outside the labor negotiating process. The COLD was mandated by the legislature in 1978 in order to try and force union membership to reside inside the State of Alaska. The COLD was not funded but the process took 10 years to come about through negotiated pay raises to employees residing in the State of Alaska. While union members residing outside the state, their industry pay levels stayed the same. Now this bill would remove all those negotiated pay raises. Current pay levels now are well below national industry levels. Our vessels' crews operate the AMHS ships with the highest levels of safety in the industry in some of the most severe and dangerous waters in the world. Please oppose this Bill.

Greg Rasmussen
Retired Chief Engineer, MV Kennicott
Haines, AK

Doniece Gott

From: Sen. Pete Kelly
Sent: Tuesday, March 18, 2014 2:23 PM
To: Senate Finance Committee
Subject: FW: bill 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: erick st clair [<mailto:stclairster@gmail.com>]

Sent: Saturday, March 15, 2014 14:52

To: Sen. Bill Wielechowski; Sen. Pete Kelly; Sen. Kevin Meyer; Sen. Anna Fairclough; Sen. Mike Dunleavy; Sen. Click Bishop; Sen. Donny Olson; Sen. Lyman Hoffman; Sen. Fred Dyson; Sen. Peter Micciche; Sen. Gary Stevens; Sen. Charlie Huggins; Sen. Hollis French; Sen. Bert Stedman; Sen. Lesil McGuire; Sen. Cathy Giessel; Sen. Johnny Ellis; Sen. John Coghill; Sen. Berta Gardner; Sen. Dennis Egan

Subject: bill 182

Hello, my name is Erick St.Clair, I have lived in Alaska almost 30 years and of those I have worked almost 15 on the ferries. I have been a steward and worked my way up into the Engine room where I am ready to get my 3rd Engineers License.

I am against bill 182, if this bill passes it will effect all the rural communities serviced by the ferries, the people who live there and will change how the ferry system will run in the future in a detrimental way. This bill would discourage in State workers especially the lower paying positions who are the backbone of the system.

I guarantee Haines and other rural communities do not have a comparable cost of living to Washington State, which by the way has a higher wage for ferry workers without the COLD than the State of Alaska pays with COLD right now.

A raise not given is not comparable to taking away wages already given, taking away 25% of my wages is not the same as a high ranking official not getting an unexpected raise this year, and as a side note the wages stated in the papers for these individuals are approximately double what I make.

When I go to work I live on a ship 24/7, I share a small room and bathroom with another person. I get no overtime unless I work over twelve hours, I get no overtime unless I work over seven days...this is not comparable to any other State worker. I sleep on a small bunk that has a 3 inch plastic coated mattress, these are the same ones used in the jail system, I have to wear shoes in the shower as with so many people using them you can catch athletes foot easily without precautions, this is not comparable to other State workers.

My qualifications to work this job are a merchant mariner document, a twics card, a State ID, cpr/first aid card, basic fire fighting/advanced shipboard firefighting, Basic Safety Training certificate, ship orientation certificate, security awareness certificate, drug and alcohol testing, physicals, STCW certificate, MES certificate....to keep this letter short I won't list all the requirements I have to have to hold this job, is this comparable to other State workers? Half the time I have to fly to work on my own dime as my change port is Juneau and my work schedule requires this.

My Union has been informed by the State that if this bill is approved we will have a small window to accept a contract or this bill will be implemented, this bill is being used to to gain leverage in our contract negotiations, why was this bill sponsored at this time? Why is Fred Dyson from Eagle River concerned about this, I don't think the ferry system is a big concern of the residents of Eagle River, it is a big concern of the residents of Southeast and Southwest Alaska, we can't drive to Anchorage in an hour to go to the Hospital or to go grocery shopping and maybe take in a movie, and no, I don't drink lattes Mr. Dyson.

In conclusion I am against bill 182, I think this bill was sponsored for the wrong reason in the first place and I believe the logic stated is flawed. This bill will adversely effect many Alaskan workers and the communities they live in and lead to a non local hire system in the future. The State of Alaska negotiated for COLD/COLA in the beginning in lieu of certain raises and pay upgrades, now they are threatening to take it away during contract negotiations, coincidence?AMHS wages are the lowest in the industry even with the COLD payment, what do you think will happen if it is implemented.

I thank you for your time and attention

Sincerely; Erick St.Clair

3/11/14

To Whom It May Concern:

I oppose Senate Bill 182.

COLA encourages mariners to invest state earned dollars within the state. Ferry workers come from all over the country and around the world. Most of us have chosen to make our homes here and many live in smaller communities with limited year round income. This contributes to the economic stability of Craig, Hydaburg, Thorne Bay, Ketchikan, Metlakatla, Juneau, Sitka, Hoonah, Haines, Skagway, Wrangell, Petersburg, Cordova, Whittier, Valdez, Homer, Soldotna, Palmer, Wasilla, North Pole, Kenai, Kodiak, Talkeetna and finally Fairbanks and Anchorage. We buy homes, cars, groceries, send our children to school; use the medical facilities, pay sales tax, property tax, and vote.

Alaska has more coastline than any other state in the union. And it is right that the state maintain an interest and presence in those waters. We ferry folk work from Metlakatla to Dutch Harbor, and spend a lot of time and money going to and from work. We maintain exhaustive USCG, state, and federal credentials. We are away from our families. And unlike many state employees we don't enjoy merit increases and are not able to give ourselves a raise. We can't erect a building in our hometown out of which to work.

There have always been workers within the petroleum, fishing, and tourism industries who export dollars earned from Alaska's natural resources and spend it in other states and countries. I have worked with shipmates who have made the decision to relocate and do without COLA. The cost of living is cheaper: goods, services, and transportation are more readily available outside. If COLA is discontinued I believe many other employees and retirees will move out of state taking their check cards with them.

The current legislative body should consider wages from the state that are spent in the state a long term investment in the people and their communities. It helps maintain a stable population that can afford to educate, feed their families, work, and finally retire here.

I have lived in Alaska since 1961, attended school here; worked the slime line, a trap line, the pipeline and finally the Alaska Marine Highway since 1978. I have experienced the dark side of Alaska's boom and bust economy and believe maintaining a well paid, well educated, stable workforce in Alaska is of benefit to all.

Sondra Costales
Ketchikan, AK

Doniece Gott

From: driftwoodlane11144 <driftwoodlane11144@gmail.com>
Sent: Tuesday, March 18, 2014 3:25 PM
To: Senate Finance Committee
Subject: No on 182

This proposed pay cut is not in the best interest of Alaska. Passage of 182 will negatively affect loan payments, purchases of goods and services, sales taxes, etc. within many families & communities. Thank you, Sondra Costales Sent from my iPhone

Doniece Gott

From: generationlawngnome@hushmail.com
Sent: Tuesday, March 18, 2014 10:19 PM
To: Senate Finance Committee
Subject: SB 182 and COLA pay

To Whom This Concerns:

A few years ago, our family invested in Alaska and in our future. We struggled as a family to support my husband to begin his career working on the ferries. We looked into the pros and cons for the different paths he could have taken. One of the big considerations was how much we love Alaska, but it IS expensive in SE Alaska where the only Ports of Call are. COLA was one of the main factors that we depended on when making a decision. If we were to live outside the Port of Call area, we would be responsible for the flight to and from Juneau or Ketchikan. So even with the argument that Anchorage has the same cost of living as Seattle, ferry workers cost of living shouldn't be based off of Anchorage. Our cost of living should be based off of Juneau and Ketchikan.

We live in Ketchikan, AK. We are now are one of the highest taxed places in Alaska. Our housing is expensive, our food is becoming a major expense and we have to pay for shipping that is not included in many items. The lack of real competition outside our town for services such as medical, eye care, etc increases our costs for those services. Visiting family, going on school trips, or seeking professional classes costs us more for the travel. This is just some of the difference of costs in SE Alaska. It is not the same as Seattle or Anchorage.

Being a ferry worker isn't for everyone and each one of those workers have sacrificed something. If the SB 182 goes through, it will lower our standard of living even more and make it harder on those who work on the ferry. It will negatively impact the communities around SE Alaska and it will affect the local businesses as many of their customers are those ferry workers. Actually, we know of several people talking about leaving Alaska and seeking work elsewhere if this goes through. If you lower the staff on the ferries, the State will end up paying more for overtime for to those that step up to cover those unfilled positions. Not to mention the money the State has put into the hiring and training for those new workers or the money they spent on the ones that quit who already had experience. The State stands to lose a whole lot more if this goes through.

I thank you for your time and consideration in this matter. I hope that you are able to see the long term effects of such a drastic pay cut will have on those throughout Alaska.

Sincerely,

Amanda Mitchell

Sent using Hushmail

Doniece Gott

From: Sen. Pete Kelly
Sent: Wednesday, March 19, 2014 12:38 PM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes

Staff for Senator Pete Kelly
907-456-3709



From: Jim Foster [<mailto:jf4488@yahoo.com>]
Sent: Wednesday, March 19, 2014 12:01
To: Sen. Click Bishop; Sen. Anna Fairclough; Sen. Bert Stedman; Sen. Berta Gardner; Sen. Bill Wielechowski; Sen. Cathy Giessel; Sen. Charlie Huggins; Sen. Fred Dyson; Sen. Gary Stevens; Sen. Hollis French; Sen. John Coghill; Sen. Kevin Meyer; Sen. Lesil McGuire; Sen. Lyman Hoffman; Sen. Mike Dunleavy; Sen. Pete Kelly; Sen. Peter Micciche
Cc: melissa.griffiths@juneauempire.com; charles.westmoreland@juneauempire.com
Subject: SB 182

Dear Senator,

I would like to voice my opposition to Senate bill 182. My name is James Foster and I've work for AMHS for 12 years and reside in Juneau. This bill would cut the wages of hard working Alaskans that spend locally. Since I started with AMHS in 2001 the cumulative inflation is 35.8% according to the Bureau of Labor Statistics. Our wages have not kept up with inflation which makes this bill doubly regressive. The most obvious reason to not pass this bill is there is no language to bring our wages back to current levels if this bill passes. The logical choice would be to increase non-resident wages to in state wage levels. The current cost of living difference between Anchorage and Seattle is 13.7%. The difference between Juneau and Seattle is 14.1% (<http://money.cnn.com/calculator/pf/cost-of-living/>). The cost of living index shows a 29.5% higher cost of living in Alaska in general compared to Washington state (http://www.missourieconomy.org/indicators/cost_of_living/index.stm). Since most of our state maritime employees live state wide this would be a more accurate comparison to calculate our COLD. To claim Alaskans no longer need a COLD is disingenuous. Trying to make ends meet is difficult enough without an unwarranted 20% pay cut.

AMHS already has a major problem recruiting and retaining maritime employees. Alaska is ranked 42nd on the list of the worst places to make a living, ranked best to worst (<http://www.money-rates.com/research-center/best-states-to-make-a-living/2013-complete-list.htm>). We have lost employees in all maritime unions to better wages, ease of living, and employer/employee relationships offered elsewhere. AMHS will be hard pressed to keep all the ferries running in the summer season. Cutting wages by 20% will exacerbate the shortage of employees costing the state significant overtime wages. According to the states own data which agrees with my personnel wages, deck hand sailors, my particular job, make less than painters, construction workers, fire fighters, meter readers, roofers, and carpenters in that order. (<http://live.laborstats.alaska.gov/occ/alloccsw.cfm>). Please consider shelving ill advised bill 182.

Thank-you for your consideration,
James E Foster

Doniece Gott

From: CP Michael S. Queen <pursermike@starband.net>
Sent: Wednesday, March 19, 2014 4:08 PM
To: Senate Finance Committee
Subject: SB 182

Honorable Senators,

I write to you today frantic with apprehension and fearful for my family's future.

While my wife and I use Thorne Bay as our postal address, we actually live just outside the village of Kasaan, at Lot 10 Block 1 of the Kavilco Subdivision, some twenty five miles away from the now deeply economically depressed logging community of Thorne Bay. Kasaan does not have a full-service post office. Located on Prince of Wales Island, Kasaan is a very tiny village, of extremely limited resources. It is safe to say that there is little-to-no career opportunity in the village. Kasaan has no grocery store, no gas station, no ATM, no services so taken for granted by the majority of Alaskans. It is a fifty mile round trip mostly on an old logging road to get groceries, hardware or supplies, fix a flat tire, fill propane bottles, check the mail, etc. I am sure you get the picture.

Ten years ago, after over two years of job-seeking, the Alaska Marine Highway System took a chance on a 50 year old man and hired me as an entry level Steward. Part of the deal was that I would have to leave my home and family for a minimum of half the year... traveling back and forth to Ketchikan on my own dime to be dispatched for work. Since then, I have labored diligently, working my way up the ranks. I've never taken a day of annual leave and, save for a few weeks with a broken heel, never called in sick. My wife and I are building our home from a raw chunk of hemlock second-growth out-of-pocket on my income, and have many years to go before it is finished. We have to budget even the fuel for the truck that affords us a store run to Thorne Bay a couple of times a month. I face the reality of working into my seventies to garner a full PERS pension.

Born in Juneau, Alaska Territory I have witnessed the decades of struggle for Alaska Hire and watched as so many people with Outside addresses came into the country and left without their paychecks so much as touching an Alaskan bank. There is a fundamental reason Alaska Hire legislation incorporated the reality of the higher cost of goods and services in the vast majority of Alaska's communities and villages.

Now, S.B. 182 is introduced with the explanation that "a study" dated half a dozen years ago has declared there is no difference between the Seattle economy and the economy of Alaska. Surely, you who shop and trade here in the State know that to be a fallacy. It is pure politically-motivated sophistry. Pursuant to this "study," S.B. 182 would open the door for my wages to be reduced out of hand by some 20.8%.

Senator Dyson claims it is about “fairness” and bringing the ferry workers “into line” with others. Why are those of us sacrifice so much of our face-time with our families, hazarding the storms and seas of the North Pacific so that the only toll-road (what other highway in the State collects direct revenue in the way the AMHS does?) in the State can continue year-around to serve their fellow citizens from Dutch Harbor to Metlakatla... why are we being singled out for such devastating financial assault? How, by any stretch of the imagination, can such an assault be considered “fair?”

How many Alaskans, indeed how many American working families anywhere could sustain an immediate 20.8% reduction in their income? Could any of you?

Please, please oppose the passage of S.B. 182 .

michael s. queen

PO Box 19470

Thorne Bay, Alaska 99919-0470

Phone: (907) 254-2387

Primary Email: pursermike@starband.net

Secondary Email: michael.queen@alaska.gov

“The cure for anything is salt water: sweat, tears, or the sea.”

Isak Dinesen

Doniece Gott

From: Kurt Weichhand <slug99603@yahoo.com>
Sent: Wednesday, March 19, 2014 4:11 PM
To: Senate Finance Committee
Subject: SB 182 testimony

Senate Finance Committee,

My name is Kurt Weichhand and I have been proud to work in the deck department of the Alaska Marine Highway for the past three years.

I am writing to you today to express my dismay and disgust that SB 182 is even being considered. The ferry service in Alaska is a huge part of all coastal communities. We are the life line of these towns, providing a much needed link to the road system for thousands of people. We do this in a safe affordable way.

When I started working on AMHS I left a well paying job in Prince William Sound because I wanted the adventure and pride associated with working on the ferries. We, as deck crew, are already paid below industry standards. Now there is talk of lowering our wages to the Seattle/ Anchorage cost of living? A very small percentage of my co workers live in the municipality of Anchorage, most are from coastal communities throughout the state that have a significantly higher cost of living. Not only would a wage cut be devastating to their pocketbook, there would be a huge exodus of qualified personnel from the ferry service leaving for better paying jobs.

As a merchant Mariner, we are required to have a huge list of US coast Guard training and certifications. These classes and requirements are paid for out of our own pockets, which can be very expensive as we have to pay travel, housing and tuition expenses. Most ratings require set amounts of sea days, which makes it impossible for new hire to acquire them.

As the experienced mariners leave, the state will have to scramble to find qualified new hires. Maintenance on the ships and the safety training that is in place will be lost.

Please look at other ways to save money in our states tight budget. The members of the Inland Boatsmen Union is already the lowest paid state employees on the payroll.

Thank you for considering this matter.

Kurt Weichhand
5655 Scenic Pl
Homer, Alaska 99603
907-399-4090

Doniece Gott

From: Katherine Gregoratos <kgregoratos@gmail.com>
Sent: Wednesday, March 19, 2014 8:56 PM
To: Senate Finance Committee
Subject: Please oppose Senate Bill 182

Dear Senator,

Thank you for all your fine work to help Alaskans! SB182 needs to be opposed for the following reasons:

I have spent considerable time and money since December 2013 applying for a job with AMHS. I have attended many training sessions, borrowing money to pay for my own travel so that I will be able to upgrade to the Purser position this fall. The Purser position involves emergency medical care for any passengers or employees who may need care while traveling on the ferry. This is an important position requiring a medical background and attention to detail.

I have been a small business owner in Alaska for the past 20 years giving away much of my time and services to charity. Currently I am an on call AMHS employee until such time as I have the qualifications to bid for a permanent position. I have worked a total of 7 weeks on the ferries and have spent 6 weeks in training this year. I have spent another 4 weeks travel time in order to attend the trainings and to travel to Juneau for each week of work I have been offered because I live in Sitka and we have minimal ferry service.

The current salary is sufficient for me to have a decent life and to meet my goals. If, however you vote for a pay cut, I will be hard pressed to be able to repay the lenders who so graciously allowed me to obtain this job & the required training. I may be forced to return back to the private sector depriving the state of the benefit of my years of higher education, experience and wisdom. Instead they will have to give minimal training to a non medical person to respond to life threatening emergencies at sea.

There are many others like me just beginning to work for AMHS. Please oppose SB 182 so that we may repay our debts and move forward with a decent "living" wage as the rest of the state employees have. We have done our homework and made many sacrifices to arrive at this position. Please do not punish us by giving us a pay cut our first year in the job.

Additionally, SB182 needs to be opposed for the following reasons:

1. it punishes in state workers & encourages Ferry workers to relocate to the lower 48 where the cost of living is considerably less

2. it destroys any hope of the ferry workers purchasing needed supplies (i.e. food, home furnishings) in Alaska & encourages them to disembark in Bellingham & spend their \$ in Washington
3. AMHS employees who are highly trained in regard to the safety of their passengers as well as in homeland security need to be given the same respect (decent wages) as all the other AK state employees.....unless of course you'd prefer improperly trained workers (lets save the \$?) piloting the ferries, working on their engines, being in charge in the event of a ferry accident/tsunami wreckage etc.
4. perhaps decreasing the COLA % per year would be easier on everyone?
5. increase taxes on the wealthiest i.e. the oil companies and use that \$ to ensure fair wages for all Alaskans

5. see comments written below:

Daniel Nore · Boatswains Mate at Alaska Marine Highway, Boatswain

The state gave away 2 billion in oil tax income to create incentives to create alaskan jobs. The oil companies have not met their end of the bargain and now Parnell's admin is cutting alaskan wages to meet his new budget. So lets get this straight. State gives oil companies 2 billion to make jobs, oil companies pocket money no new jobs, state cuts alaskan jobs, wages, school budget cuts, etc. How is this good for Alaska. Make sure you know who you're voting for this fall.

Facts for AK Politicians

What is missing from this story, and the collective knowledge of our legislators, is how COLD came about. COLD, the cost of living differential paid AMHS employees was required by statute, but not funded directly. It came from a decade of raises the unions negotiated, and was redirected into a COLD payment. During this same period all other state employees had their raises incorporated into their wages. If the good Senator would like to bring the AMHS personnel in line with other state employees, he would first have to give them back their negotiated raises. Imagine the fury that would come out if the raises the legislators gave themselves over a decade were just taken away. Imagine if a state workers step and merit increases for a decade were taken away. When you see this in the light of day you will realize this is just another attack on labor, perhaps to cover the costs of their hundreds of millions spent last year on surveys and billions on tax give away.

Thank you for your attention to this matter.

With Kind Regards & Gratitude,
Katherine Gregoratos

Doniece Gott

From: Linda Wilson <lindason48@gmail.com>
Sent: Thursday, March 20, 2014 5:36 AM
To: Senate Finance Committee
Subject: OPPOSE SB 182

For the Record:

I strongly oppose SB 182 and I urge you to consider the impact that this bill will have on working Alaskans. This will deeply affect the livelihood of our families. Our children will pay the price. Some of us could lose our homes. It cost much more to live here than the lower 48 yet with this bill we would earn less than out of state workers. This would be a massive cut in pay. Surely there must be another way?

Sincerely

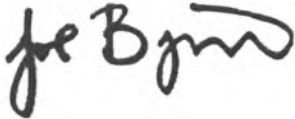
Linda
S Wilson

Merchant Mariner for the Alaska Marine Highway System

Doniece Gott

From: Sen. Pete Kelly
Sent: Thursday, March 20, 2014 8:21 AM
To: Senate Finance Committee
Subject: FW: SB 182

Public testimony



Joe Byrnes
Staff for Senator Pete Kelly
907-456-3709



From: Linda Wilson [<mailto:lindason48@gmail.com>]
Sent: Thursday, March 20, 2014 05:28
To: Sen. Pete Kelly
Subject: SB 182

I urge you to consider the impact that this bill will have on working Alaskans. This will deeply affect the livelihood of our families. Our children will pay the price. I could lose my home. It cost much more to live here than the lower 48 yet with this bill we would earn less than out of state workers. This would be a massive cut in pay. Surely there must be another way? Could you afford this kind of pay cut? Please have a heart and oppose this bill. Another way can be found I am sure of it.

Sincerely

--
Linda

March 16, 2013

Dear State Representative:

I beseech you to listen as you read my words here on the question of COLA for AMHS employees. For me, COLA is vital; as I believe for all the Alaskan AMHS workers. I know and believe we too are crucial to the state's economic growth as we give \$ back to local economy. Especially, when we (AMHS) employees have to travel to an AMHS dispatch job; as many in S.E. Alaska must travel to Ketchikan (or Juneau) for dispatch port/crew change. COLA subsidizes the ability to pay for winter oil or electricity, which has quadrupled in my area. Consequently, gas prices go up > raises the food Home life will be genuinely affected, as I have a full house including grandkids! For me/ the priority here is to clarify my AMHS job, and the pay.

There is a major difference between the AMHS maritime union employee based and the State's public work sector onshore.

AMHS (ferries) are the roads in S.E. Alaska! That is "especially heartfelt" in winter, when there are no planes flying > AMHS still goes thru the thick of it. (There are hardly any days when AMHS shuts down due to weather).

To further exemplify the differences of an AMHS job vs. state onshore job: how many public office employees are required to lift 50lbs (or more) as part of their job? The maritime field is a physical labor industry. As such- we are required to have various certificates to be qualified to work by the U.S. Coast Guard (even for a steward position). And- each employee personally pays for these! Whereas, the other state public union base are only office personnel. Each maritime job is not just one specific job duty, but a facet of the day-to-day operations; i.e. it is not unusual for physical activity of stores (taking on food, etc. on pallets & storing away) /or laundry (whether clean or dirty....always a task which must be done for the whole). Why? Part of the customer service industry. Plus- other tasks may be vacuuming & garbage pickup.

Again/ these credentials are always updated, for safety requirement of all involved, and again paid by the AMHS employee!

AMHS union employees work and work hard, actually- in earning their living money.

Another **REAL IMPORTANT ISSUE**: as an AMHS union employee I work 84 hrs in one week (than I have to wait one whole week before next dispatch). Hence > my pay of \$23/hr x 84 hrs = (2) weeks (work)!!! Plus, I cannot go home at night as a regular onshore state office employee. I must sleep onship nightly with someone I do not know, (same cabin). And- I will remain "on- call for boat emergencies" (fire/abandon ship) (or/a missing passenger) (or a code green: bomb/or something unknown.)

For the record/ I worked hard to get the certificates required to get this job: (lifeboat, cpr, food card, TAMS card, computer trng., industrial cleaning trng., +more). It's a job where you need to keep-on-toes while you work, as well as your offschedule time. Must be alert!

On a strategic note for this AMHS job role: it really is a matter of life and death, when we must depend on each other in a real emergency. And- the maritime field does have them. But- you never see AMHS in the newspaper i.e.> Captain/or crew left the ship without the passengers. International incidents which only bring our awareness up. AMHS has also on several occasions assisted SOS calls from other local fishing vessels (or such).

Please. Please understand the maritime job is quite different from the sit-in-office, state onshore job. AMHS hours are really all hours of the work week, until relieved at crew change.

Take into consideration the on-call duty. Take into consideration our personal endeavors to maintain the certificates to keep our AMHS job. Take into consideration the hours as shown for an actual work week.

Please take time to try to understand wholly the AMHS job/hours.

I just don't understand why you want to penalize the Alaska resident here by trying to take our COLA as an AMHS employee. Why bring our pay down to level of a non-resident that does not contribute back to local economy as a resident. You will really hurt your fellow Alaskan if you take the COLA.

As the last earmark (as stated before) we work hard for the gross \$966/week = to a net income of approx.. \$650/per week. Can you live on that? Honestly, I have to clip coupons to *make ends meet*:

Claudja M Boyd Cashier/AMHS Job

Claudja M Boyd
PO Box 23533; Ketchikan, Alaska 99901

P.S. AS a grown-up I have household bills: mortgage, car payment, ^{store} all water/sewer bill, utility bill, TV bill, phone bill, cell bill, & auto insurance.

A.M.H.S. - Our net pay covers the essentials left over play money is for "food bill."
So- YES! I need the COLA!