

ALABAMA POLICE TRAINING CENTER

3144 HT INTERIM REPORT #2

best interest of the state of Alaska to be able to understand how this action by the railroad affects the people. These personnel actions seem to be restricted to the mechanical department. Referred to Alaska Railroad Transfer Report about an increase in rolling stock. Reducing forces in the mechanical department is creating a hazard to the employee health and safety and to the safety of the public. Without proper maintenance the chances for accidents increase considerably. Customarily in the fall we store locomotives, coaches and boxcars. This year locomotives are being stored without proper maintenance, in an unserviceable condition. During the slack time of the year would be the best time to do the maintenance on these cars.

Chairman Moss asked if maintenance that should be performed during the off-season is not being performed.

Trumble: No question about that.

Chairman Moss recognized Senator Josephson.

Senator Josephson asked if these actions by the railroad prejudice or jeopardize the state's operation, and if experienced employees would not return because of the way they have been treated.

Trumble: Being unemployed I would have to take another job. I have 10 years of experience in the railroad industry, and feel that I was an asset to the Alaska Railroad. If the state is not able to employ qualified railroad personnel it will be a disadvantage to the state.

Senator Fahrenkamp asked if in his opinion they would have locomotives and rail cars that are not properly maintained this winter and therefore will not be ready to go and could be detrimental to the safety of Alaskans. Mr. Trumble answered yes. Sen. Fahrenkamp asked if there would be enough time between the 5th of January and the beginning of the season for correcting this lack of maintenance.

Trumble: The condition of the rolling stock is extremely substandard. I cannot envision such total reversal of management policy that the opportunity would present itself to correct these deficiencies. Those deficiencies could not be corrected, in my opinion, in a six-month period. We have deficiencies of a major proportion which have existed for many years. I think the State of Alaska will find upon purchasing the railroad that the cost of enforcing laws will be surprisingly high. Senator Moss asked if he was speaking to OSHA. Mr. Trumble answered no, but to FRA laws.

Senator Moss asked for clarification that management policy appears to have been changed this year in that normally in the winter a lot of maintenance work is done which is not being done this year.

Trumble: To a certain degree, yes. In the past the work has not been

performed to maintain the equipment at a level at which it should be maintained according to the FRA standards. This year the lack of maintenance is considerably more obvious in that there are less employees to perform the maintenance. If you checked into it I'm sure you'd find that the overall number of mechanics in the repair facilities in Anchorage is reduced to the lowest point that it's been in the last ten years.

Chairman Moss asked if he had anything more to say on this.

Trumble: Yes, I'd like to address the RIF's that occurred in Fairbanks. Since that time we have examples of supervisory personnel who have been sent to Fairbanks from Anchorage expediting maintenance on locomotives with which they are unfamiliar. When the original RIF's occurred management intention was that the mechanical maintenance that had been performed in Fairbanks would be performed in Anchorage. If this is true then why must we send supervisory personnel to Fairbanks? Why have we created three positions in Fairbanks when four positions were RIFed. There have been different titles given to the positions. Perhaps the RIF was an action to circumvent the U.S. code. This work is being performed, but by different people.

Chairman Moss asked if they were under different classifications.

Trumble: Yes. They are at a lesser rate of pay and a lesser level of qualifications. It would be in the best interest of the state to have employees who were the best qualified and most competent.

Senator Josephson brought out the point that as a buyer you would want the seller to run the business as you would want it run. He asked if the state was going into a situation where we are buying something the owners lost interest in and aren't operating it right until the new owners take possession.

Chairman Moss answered that this is what the hearing is all about. He recognized Representative Abood.

Representative Abood asked where is the monitor from the state to make sure the federal government is running the railroad right, and do we have such an agency.

Chairman Moss recognized Mark Hickey.

Hickey: The transfer law does not have a formal mechanism where these kind of actions can be scrutinized and consented to by the state other than leases, capital expenditures, and the sale of real properties. The proper responsibility currently rests with the Commissioners of the Department of Commerce and Economic Development and the Department of Transportation and Public Facilities.

Representative Abood stated that they were remiss in the legislature by not setting forth an investigatory or monitoring organization to monitor these problems. We do not have a mechanism for doing that, is that correct?

Hickey: We do not have a formal mechanism. The temporary employee question is a problem. The layoff may be larger than the normal seasonal layoff. The state's obligation is with permanent employees only. The state agreed that the temporary employees on board at the date of transfer will be reemployed the next day with full benefits. The board has to resolve the question of what commitments they want to make to the temporary employees that were previously terminated.

Senator Faiks referred to the acquisition document - SB 73 in which there is a paragraph that states that everything must be as is, a caveat that states abuse of maintenance could render the agreement null and void.

Hickey: There is a section in there that states that the state is responsible for insuring that the railroad as depicted in the transfer report document as amended is the property that will be transferred. There is concern that we'll get the property that's in there. A deficiency in the railroad is the rolling stock. We are concerned about the safety situation. In the transfer report we had an agreement with the FRA that they would do a full safety assessment which was done this summer, and they are required to correct the deficiencies noted in that assessment.

Representative Abood asked if there was the possibility that the federal government could change classifications of individuals up until transfer. There's got to be something that tells the feds to run the railroad like we've always run it.

Hickey: Any personnel action of the railroad today has to be in accordance with collective bargaining agreements and federal rules and procedures. We have the kind of understanding with the FRA that there will not be these kinds of actions without us being briefed on it. If these are standard operating procedures such as seasonal layoffs which do vary from year to year that's one kind of action, if it's a major attempt at reclassification it's another.

Senator Josephson asked that since the state planned to have a more intensive maintenance program than the feds, and money has been allocated for that purpose, then would they want to hire those temporary employees back.

Hickey: That's correct.

Senator Josephson asked at what point can the state say to these employees that they'll be rehired, and is there any mechanism by which

they can go to the federal government and say that we want these people to stay on even if on a cost reimbursement basis, because in the long run it would benefit the state.

Hickey: To answer the first question, by November when the board has met they could give some kind of an answer. We anticipate people retiring, so we anticipate an even greater need for people. There are no guarantees that someone who was laid off in September will get reemployed next May.

Senator Josephson commented that the board would make the decision and he would assume the board would follow legislative intent. The railroad industry is a growth industry as far as we get the railroad up to a higher standard.

Hickey: I doubt you'd want to create a situation today where you'd want to tell the board that you have to rehire every single person who is a temporary employee of the railroad that's been laid off. You want to give the board discretion to do the hiring and firing.

Senator Fahrenkamp asked Mr. Hickey if he was able to see the financial statements to see how the railroad is doing revenue-wise.

Hickey: The railroad revenue-wise is doing better than last year due to Sea-Way traffic, but the cost is higher also so the profits aren't any higher.

Senator Fahrenkamp stated that since the RIF's were due to lack of revenue, she'd like to get in perspective what the difference is from last year, in order to know if this is a normal procedure in business, versus that this is a cut by the federal government to bare-bone it until the state takes over.

Hickey: In that context you'll want to look at the relationship of revenue costs versus revenue costs last year because you've got to deal with the net cash available for the two.

Chairman Moss thanked Mr. Hickey and recognized Mr. Allison, Mr. Polanchek and Mr. Blasingame.

Interim Tape #2, Side B

Allison: Introduced himself, Mr. Polanchek and Mr. Blasingame. The railroad administrator asked me to convey to you the degree of cooperation he has felt from the state in this process, which is impressive. It should be incumbent upon us to keep employees informed, admittedly we are somewhat late. The FRA in Washington has a strong interest in a successful, and that means that the railroad is successful post-transfer. There is no economic incentive for the federal government to cut maintenance expenses. That lessened expense is merely going to the revolving fund which is transferred to the state minus federal obligations.

We've been working in every way possible with the state to involve them in a current basis in decisions and we look forward to doing the same thing with the board once it's appointed.

Senator Josephson asked about the claim that maintenance is at a ten year low.

Polanchek: I would say that over the years maintenance has increased. Efforts to improve our roadbed and track structure have been intensified over the last five years. We've been investing more money in our roadbed, tunnels and bridges. One product of this increased maintenance is that the passenger trains now can operate at 59 miles per hour instead of 49. There's quite a difference between interchange and operational safety of rolling stock. Interchange has to do with the age of the equipment.

Senator Faiks commented that they know about the improvements in the track and roadbed, but what we want to hear about is the mechanical area. When the locomotives are being put away, are they being short-changed of the maintenance they need to start up again at the high volume season?

Polanchek: Our maintenance efforts are system-wide. In addressing the storing of locomotives, maintenance expenses can be deferred until spring. Any locomotive that is brought back will certainly be in compliance with federal standards. There is a process to put it in storage and a process to ready it for spring. What isn't done now will be done in the spring.

Senator Faiks asked why the system had changed - that maintenance that was normally done in the fall has been shortchanged. Mr. Polanchek expressed disagreement. Senator Faiks asked if there was a checklist used in storing the locomotive, where last year there were, say 25 operations performed before storage, and this year only fifteen? Can it be equated to numbers?

Polanchek: No. The same thing is being done this year to store the locomotive as last year.

Faiks: I'm confused then why the gentlemen feel very strongly that the process has been changed this year.

Polanchek: Any repair that doesn't necessarily have to be done in before storage can be deferred. We will make the repair.

Faiks: There has been a policy decision of the Alaska Railroad that the checklist for storage procedures has been changed from last year to this year.

Polanchek: No, actually this is only the second year that we've been able to take advantage of storage at the military base.

Faiks: You could almost say that additional procedures have been instituted in the railroad in storing locomotives over the last ten years, say?

Polanchek: That would be correct. In prior years with the shortage of warm storage, instead of being able to put them inside, we had to keep them outside.

Fahrenkamp: Are you deferring any more of the work this year than you did last year, or the year before?

Polanchek: I would say no.

Fahrenkamp: Can you explain to me the change in policy concerning maintenance in the Fairbanks area, and the thinking behind it?

Polanchek: The gradual change has been occurring over the last ten years. Anchorage has always been our primary maintenance facility for locomotives and all our rolling stock - repairs, overhaul, any major function would come to Anchorage. Fairbanks is gradually phasing out, it's more of a trouble-shooting operation, refuel, inspections, nothing really significant. It's only 700 miles from Anchorage to Fairbanks, which for a diesel locomotive is a short trip. The need for the type of skills and technicians that we had previously in Fairbanks has changed and it's become more of a service station where all we're doing is normal daily inspections. All of our locomotives are based in Anchorage, they go to Fairbanks and return to Anchorage. With the exception of this winter we'll probably have four or five locomotives in Fairbanks to cover the traffic of the coal mines. Major maintenance and servicing will be done in Anchorage.

Fahrenkamp: What's the thinking behind this?

Polanchek: It's more efficient and cost effective. Anchorage will be the major center, Fairbanks will be a service station.

Fahrenkamp: I'm still bothered by the idea of the service station. But if we had four people that had to go and the job descriptions have changed and there's three people there - has the work changed significantly that there's a need for another type of worker, and what happens if a wheel comes off?

Polanchek: We have changed the classification because of the type of work that's being done. Mr. Blasingame could explain this.

Blasingame: The decision to move the major function to the Anchorage area as being a management decision is the sort of thing we do on a regular basis. My job is to insure the

process we go through is done properly according to the federal regulations. It becomes an adverse action to the individuals that these changes affect because these classifications are being changed. They have an opportunity based on seniority and their present job classification that we would offer them a job in another location - that's a requirement by law. In the process that we go through by offering these people jobs in another location we can lower the grade of the individual or skill that's needed, in this case in Fairbanks. Two of the employees have the option to retire.

Fahrenkamp: Are you saying that to be transferred to Anchorage that their rate goes down.

Blasingame: As part of that protection those individual employees have both their grade and their pay protected for a minimum of two years in the federal sections. We do have to offer them a like position, and that's the reason they were offered that position in Anchorage. If there is an opening for which they are qualified which is an equal or lesser position we are required by federal regulations to offer those individuals those positions.

Fahrenkamp: If there are no openings?

Blasingame: They could be out on the street or they could bump another employee with lesser seniority.

Chairman Moss recognized Representative Abood.

Abood: I'm getting the perception that if you wish to play games with the classifications, reduce the number of people in Fairbanks or Anchorage, you'd have the right to do so. If you put all of these pieces of equipment into storage without maintenance now and wait till spring for this maintenance factor, then the state is going to have to pick up the tab. It seems that your operation is changing in this particular area up to the two year period start, otherwise why would we have this confrontation with the employees of the railroad when the state has nothing to do with it? It is strictly a federal government situation. I was in on this railroad transfer and if I'd have known this I'd have gone back to the date we paid the \$22 million that this would stay just like it is with oversight of the state until the two year period state. It seems the federal government is not acting in full faith up to this two year period, particularly in the case of the freight house. If we eliminate this, private industry might have to take it over.

Allison: Behind all this there seems to be the thinking that if the federal government gets rid of employees, or not properly maintain equipment, it will somehow be to their advantage. All money comes from the revolving fund which transfers to

the state minus any current obligations to the federal government. If we started cutting expenses in that way it would just add to the revolving fund. There is no economic incentive for us to do this in any case. Decisions like the change of classification employment in Fairbanks and the freighthouse which we decided not to give up in order that your board can review that, happen every year. This is a four employee issue of sizing the employee classifications and skills to jobs, otherwise we'd be wasting a more highly skilled individual on a job that doesn't require that.

Abood: Such as a gas station?

Allison: Right. It wasn't our understanding that's what you wanted us to do.

Faiks: Who's paying for the railroad transfer on your side?

Allison: From the revolving fund and the appropriating fund.

Faiks: Is the money coming out of the revolving fund hurting the ongoing operations of the railroad today? How would that money have been spent if the transfer wasn't going on?

Polanchek: We haven't spent very much money compared to you folks.

Faiks: Yes, I know. Hickey's expensive.

Polanchek: The railroad has always funded its own operating maintenance. We expect maintenance will be funded out of our revolving fund from operating revenue generated. The money that you're addressing for the transfer was put in two years ago by Senator Stevens as a one-time appropriation of \$7.6 million to be used by the railroad for maintenance and capital appropriations. Out of that appropriation \$1 million was earmarked for transfer related expenses. \$6.6 million was for maintenance. Up through this year we have expended all of those funds. The only funds available for the railroad is the money that we are able to generate internally.

Allison: There's another source of money on the federal side which is the other agencies - BLM, all the other agencies that are working on the transfer have funded it themselves.

Faiks: How are you going to pay for today's time?

Polanchek: Out of the operating fund.

Faiks: Is there a large sum of money being spent on this transfer that could have been spent on normal operations, maintenance and capital expenditures if we weren't going through this transfer?

Allison: It's the reverse. The purpose of the \$7.6 million special appropriation was in part to deal with one-time transfer costs. If the railroad wasn't sold they wouldn't have that money.

Faiks: The locomotives are being stored in a heated place. There's such a divergence of opinions from the workers and the management as to the locomotive storage. If because they get to be stored in the warmth, has there been a change in the storage procedures based on temperature?

Polanchek: No, because we stored them in the same place they were last year.

Faiks: What about three years ago?

Polanchek: Three years ago we didn't have storage available. The locomotives were kept running.

Faiks: What do you account for this wide margin of difference in opinion on the maintenance of these locomotives?

Polanchek: Some of the concern is because we've expended the \$7.6 million. We can't fund certain programs, and other things have to be set aside.

Faiks: That makes sense, if you were given one time only dollars. The state has a maintenance schedule that we want to project in the budget from here on out that would give you a healthy sum of money every year to keep that maintenance up to snuff. It makes sense that some of these programs were instituted under that one block of money.

Polanchek: In the locomotive area we know that the trucks on the locomotive need to be rebuilt. We took a portion of that money and had a truck rebuild program. Now that money is gone, and the program is over.

Faiks: What about safety rules and regulations? Are the citizens of Alaska going to be jeopardized because that program is shutting down, including the workers?

Polanchek: No. Under federal regulations there are specific things you are required to do to locomotives, and they will be maintained in accordance with the federal regulations.

Faiks: Last year we spent hours trying to save the temporary employees. There was no way the state could get into that labor problem without having control over the railroad. I believe we were able to get an extension on the two year federal temporary hire provision but we could not get the FRA to increase the number of permanent employees we were allowed to have. Is that right?

Blasingame: You're right. One of the problems we face is that the Alaska Railroad is part of the FRA, U.S. Dept. of Transportation which has a mandate for man hours. When we appoint an individual, they get a career service appointment, that's permanent, versus temporary. If you let that person go, it's an adverse action, you go through a reduction in force procedure, and they have certain rights and benefits under federal regulations. When a temporary comes on they know it's temporary, but we got a waiver from the Office of Personnel Management to extend those appointments because of the requirement that was placed on us by federal OMB to stay within a certain guideline. We're still under that mandate.

Faiks: We could not get David Stockman to give us a release so we could hire more permanent employees.

Blasingame: We're still in that process. We would bring temporary employees on for what we call a temporary term period. We could extend that term if we needed that employee and if the funds were available. When the funds run out, we have to let the individual go.

Chairman Moss stated recognized Mr. William Jachim, in Fairbanks.

Jachim: I was reduced to a locomotive servicer from a locomotive mechanic. We were told there were going to be 90-day inspections handled in Anchorage. We were told that we wouldn't be working out of our job descriptions. My job is a locomotive servicer and we still do repairs. In the past we had to have an inspector sign off a locomotive saying it was safe to be operated. Now we don't. In the past I couldn't move a locomotive because I was not a foreman. Now they're going to train us to move them. This is just a job I've always done that's been rewritten to a lower pay grade and different job title. We have now a permanent car foreman which is for the car repair section of our shop.

Moss: Any comments?

Polanchek: As far as a federally mandated inspection period, 90 days, 45 days, annual, certainly can be performed in Anchorage, it's simply a matter of rotating the locomotives so they can be inspected and receive the servicing or maintenance they need. As far as signing the daily inspection report no one on the railroad has ever told anyone it does not have to be signed. It's a federal requirement we must sign off on a daily locomotive inspection. What that entails is that a qualified employee make a visual walk-around of the locomotive - checking brakes, lube oil, fuel, etc. It must be done by a qualified person and that can be a locomotive engineer, it doesn't have to be a locomotive or mechanical department employee ..

Moss: Any other comments? Recognized Elmer Matlock in Fairbanks.

Matlock: Expressed agreement with Mr. Jachim.

Chairman Moss recessed the meeting until 1:30.

Interim Tape #3, Side A

Chairman Moss recognized Mr. Blasingame.

Blasingame: One point of clarification so the committee understands how the railroad operated under existing enabling legislation. We are required by law to live within the revenues which we can generate. The funds that the railroad has received from Congress in the past have been appropriations for the major capital improvements, but beyond that, all the decisions we make are based on the bottom line. We do not receive any operating subsidies whatsoever.

Moss: Could this be part of the reason that you're cutting off a few people?

Blasingame: Absolutely. We're required to live within these revenues. Those monies that we have presently have got to take us through the lean winter months. The temporaries that we've been talking about this morning were basically hired because of those funds that we had received a couple of years ago when the ARTA legislation had been passed. The \$7.6 million appropriation Sen. Stevens had acquired for the railroad were meant for capital improvements, they were allocated throughout the railroad for capital improvements which creates jobs, so people are hired for these jobs and they understand that it's just a temporary appointment.

Abood: Are we going to curtail services to Fairbanks during the winter months? Is that why the cutback is happening?

Polanchek: The normal wintertime operation is cutting down. The passenger service has been cut from daily trains to Fairbanks to weekly. Gravel operations will go until freezing. There will be a drop-off in service to Fairbanks.

Abood: Didn't we have the same type of curtailment last winter?

Polanchek: That's correct, but the projects funded by the \$6.6 million appropriation are coming to a close.

Abood: Now we're going to be living off the revenues we make, and we didn't have to for the past two years. Is there any deferred maintenance being taken care of in there?

Polanchek: You're correct, we're now back to running off what revenues we generate.

Abood: Did those people know that this was coming down?

Polanchek: Yes. They knew when they were hired they'd be on for a limited time as funds are available.

Abood: This was put into memo form?

Blasingame: That is correct. When they were hired we gave them a temporary appointment. It could be for a year or longer. Once the appointment goes beyond a year you're supposed to make it permanent. Unfortunately we were in a hiring freeze so we were unable to do that.

Moss: Does the railroad have less income than it had three years ago? It seems that we are delaying some of this maintenance until the state takes over. Don't we have income that comes in from the freight that would take care of the maintenance?

Polanchek: We use the money we generate for all operating and maintenance costs. Our revenues have increased but I would say our total available dollars for expenditures have probably decreased because of the lack of congressional appropriation for capital expenditures and major maintenance items. Our operating money has increased. When we get an appropriation from Congress those are for capital improvement items or major maintenance items. You have to go back about three years to see the changes that have taken place in our recording system.

Moss: Don't we have money that we've set up for routine maintenance? Don't we have something set aside in a regular fund?

Polanchek: No, it's not set aside in a particular fund. The departments will put together their budgets, projecting their maintenance requirements based upon a revenue forecast done by the marketing department.

Moss: What we're looking at is a difference between state fiscal year, and railroad fiscal year. Is that a problem?

Polanchek: No. From a railroad perspective it will not be difficult for us to project out our operating requirement for whatever fiscal year is adopted for the corporation.

Falks: I would like to ask the chief maintenance man some questions. I would like you to tell us the status of the maintenance over the last three or four years. There are some strong statements being made that the locomotives are not being as well cared for as they were in past years, and I would like you address that.

Moss: I'd appreciate it if you'd identify yourself for the record.

Sudall: I'm Mike Sudall, Chief Mechanical Officer with the Alaska

Railroad. As far as locomotives going into storage in worse condition than ever before, that's not true. Over the last year we have run better than a 90% availability on the locomotives, which is good for 56 locomotives.

Faiks: 90% of 56 locomotives have always been ready to go?

Sudall: Yes, that takes care of routine maintenance, mechanical problems, and so forth. When I first started the locomotives that were in storage could never have run without many dollars put into them. Since then we've retired many locomotives that couldn't be used. Last year was the first time we got indoor storage. Every locomotive that went in we tried to have ready for service when it came out in the spring. We intend to do that this year. As far as maintenance goes, it's quite adequate. The state of the art locomotives do not require some of the intense maintenance that was needed on older locomotives. We have revised maintenance schedules and practices. Our locomotives are well serviced, they run 60-70,000 miles per year. That is not very much use, and they run in a clean environment. We have initiated a truck program and traction motor overhaul program which again increases efficiency. The major portions of maintenance will be grouped in a more systematic way of maintaining the locomotive.

Abood: I understood these gentlemen say that this equipment will be put in storage in its present condition, and nothing will happen until spring. You stated that it will be worked on and ready for spring.

Sudall: The locomotives we put in storage we hope to have ready for spring at the time they go into storage.

Abood: That isn't what we heard. We heard they were going to go into storage and not fixed up until spring, one of the reasons for the cutbacks. If we're going to wait till spring, then that expense will be ours.

Polanchek: The reason we're storing them is because they don't need to be in service. We're not storing them because they need maintenance.

Abood: The question was regarding the RIF's. If we take over January 5th, then we're going to have to do the spring maintenance on those pieces of equipment. I understand they're in storage now with broken windows, etc.

Sudall: That may be true. As far as routine type slow maintenance, that is not cost-effective where anybody's going to absorb anything exorbitant. The intent is the same as last year, to have the locomotives that go into storage ready to come out for service. We do work on some to get them ready for storage.

- Abood: That wasn't what we heard here.
- Sudell: We did put some locomotives in there that we knew we couldn't get to until such a point in time. When we had other locomotives ready, we pulled those out, and completed the project on those. Our intent is to have those locomotives ready by spring.
- Abood: You remember the example of my son who owns trucks. If he didn't do any maintenance on them during the spring or now before he puts them into storage, he'd have a hell of a time trying to get it done during the spring when he had to go to work with them.
- Sudell: When they're in storage nothing's going to happen to them. They will be ready to run when they go in, when they come out all we do is put water and oil back in, check them over and fire them up, and do whatever federal inspection to bring them up to date and back in service.
- Abood: When you change a classification to something else, and that person goes away and gets another job, then that expertise is gone. We've got to hire some else at a higher wage.
- Blasingame: I understand what you're saying. We had those temporaries on in certain positions. I thought we clarified that most of those were working on the major maintenance projects that were funded throughout the appropriation, and they were laid off when that was exhausted.
- Faiks: For another point of clarification, Mr. Allison, on the economic incentive. If we did the maintenance today, or if we wait and did the maintenance in March, it's still the same pool of money?
- Allison: That's right. Anything that's spent today would come from the revolving fund.
- Faiks: Which will go to the state, intact, minus transfer expenses? That pool of money is going to come to us anyway, so you get no benefit at all for delaying maintenance?
- Moss: How much is in that fund now?
- Polanchek: Around \$7 million.
- Faiks: Federal law requires a minimum. Isn't that minimum about \$5 million?
- Blasingame: There is no federal law. There is an administrative requirement on the part of FRA.
- Faiks: What was it?

Blasingame: \$4.5 million.

Moss: Thanked the gentlemen for their testimony. Recognized Charles Schmidt.

Schmidt: I'm Charles Schmidt, General Chairman Local 75, Machinists Union. Work is being farmed out to outside organizations and other organizations in town when the railroad is laying off people, i.e. building locomotive power assemblies is done outside, not by Alaska labor. Other functions are performed out of town and by other companies in Anchorage that could be done in the Anchorage shop. Competitive bidding practices should be followed, and there should be preferential hire for Alaskans. If they have money to pay outside firms they should have money to pay present employees. A matter of concern is also whether the work is being charged to the proper account. Time cards are given to the foreman who turns in the proper account number. It would be possible that these accounts are being put into certain areas where work is not being done. This could be an attempt to put certain jobs down to make it look like a certain area's not profitable in order to justify shipping some...

Faiks: What you're suggesting is against the law. You're saying a supervisor or someone who is charged with correcting records is falsifying records. That's a felony.

Schmidt: I'm saying that most of the employees don't necessarily know the particular job account that their work is placed under.

Faiks: Is it necessary to know that?

Schmidt: I guess not.

Faiks: To accuse someone of the potential of falsifying records is a felony, it's very serious.

Schmidt: I didn't mean to accuse anybody. Another area I wanted to talk about is the RIF. This is not a seasonal thing. A RIF has to do with permanent employees. This is not what happens in the fall of the year.

Moss: It's not a seasonal thing?

Schmidt: No. In the past they've had temporary employees and they either terminate them or they were just temporarily laid off so they didn't have to go through the paperwork to hire them back.

Moss: What's the number of permanent-temporaries, or what?

Schmidt: There's a difference between a permanent-seasonal, someone

who comes back every year, like track labor, and the temporary who is hired for a certain length of time and can be terminated any time. As far as the action in Fairbanks - some of the employees are doing the same work as they were before, there's a crossing of craft guidelines there. I have some comments on employee unrest. I feel that it's greater. There's so many questions that employees have about the transfer. We need to have some kind of a meeting where employees could have their questions answered. There's a lot of turmoil. As far as the storing of locomotives there's no checklist that the employees follow. Management might have had one but as employees we were just told there were certain things to do. Fairbanks has not been phasing out over the last few years as stated. This last year there was a buildup in employees to do more maintenance and then there was this action to reduce that because they said it wasn't working out.

Moss: What you're saying is some of the work isn't being done that's supposed to be done?

Schmidt: We do have a layoff every fall, which is a mistake, because most of the work should be done in the wintertime. This year there has been a much greater layoff than what's been done in the past. There hasn't been the time to put these locomotives back in service.

Faiks: Do you have a labor agreement with the railroad?

Schmidt: Yes we do.

Faiks: And you have terms and conditions in that labor agreement?

Schmidt: Yes.

Faiks: Do you feel the railroad has violated any of those labor agreements?

Schmidt: Yes.

Faiks: Have you filed your grievance?

Schmidt: Yes.

Faiks: So you are in a grievance procedure now to adjudicate these kinds of things?

Schmidt: Yes, on certain issues.

Faiks: You are following that procedure?

Schmidt: Yes.

Abood: Would this also necessitate overtime in the spring?

Schmidt: Yes, in fact many of the locomotives will work overtime because we had so many of them working that we couldn't afford to keep them down for any length of time, we needed to put them right back in service so we could get the work done. They'd call for eight hours over time at a time. When a person works sixteen hours a day they're not very efficient. Profit doesn't mean anything, if management doesn't make wise decisions there's not going to be any profit.

Moss: He thanked Mr. Schmidt and recognized Clifford Proetz.

Proetz: I've been an employee of the Alaska Railroad for approximately ten years. I'm a machinist, locomotive mechanic, employed here in Anchorage. In that time I have been in various positions with the local unions such as president and local chairman. There are several things that have been stated in the past, one of which Sen. Faiks referred to there, about a statement that Mr. Schmidt had made about the illegality of controlling funds from one account to another. I realize that this is a dangerous statement but this happened and I know it for a fact. I have been told to leave my time cards empty so that the proper account can be put in. We can look at locomotives 2401 and 2401, scheduled at their purchase for a \$100,000.00 each renovation, which probably amounted to \$500,000.00 apiece. Excuse me, I'm a bit emotional. This has been a common occurrence, we would run out of funds in one account and other special accounts would be rifled for funds to finish the work in those projects.

Abcood: Relax, have a cup of coffee. You're among friends.

Proetz: I would like to point out the discussion about temporaries. In the past the temporaries had been furloughed. At this time they had been terminated, they are no longer employees of the federal employees. The game has changed 100%. We were led to believe that these people could be extended to the point where the state would take them under their jurisdiction, to be allowed to go through the transfer and become state employees.

Faiks: You will never be a state employee.

Proetz: An employee of the corporation. Last year we carried approximately four or five temporaries through the winter, this year it's been pared to one or two, there in labor and support positions. Mr. Hickey referred to planned actions taken by management. These planned actions, though they may be left to management, have failed in their obligation under federal law to consult and confer with the unions to inform them what's going on. This has been done in the past repeatedly, management pretty much ignores the unions.

Moss: Do you have in your possession a memorandum from Sept. 19, 1984 to Alaska Railroad Employees from Mark Hickey and William P. Loftus?

Proetz: The letter you're referring to is about our rights and privileges?

Moss: It's just an informational letter. I wonder if it's part of the data that you need.

Proetz: That was handed out at work. The second piece I haven't seen. To my knowledge none of the employees have.

Aboud: What was the date of that one?

Proetz: We received it two weeks ago.

Moss: The employees have two memorandums in their possession...

End of Side A

Interim tape #3, Side B

Proetz: The employees of the railroad have received this particular piece of information. Sen. Fahrenkamp asked about the ability of stored equipment to come on line next spring. I would like to bring up at this time a problem that the railroad experienced with Cunard, a cruise ship line. This year the railroad was informed that their service was substandard, if Cunard wasn't provided with better service, they would discontinue using the railroad to bring their passengers to Anchorage. The railroad replied the equipment would be updated. If you lay off all these employees how can you update these coaches and equipment in a period of four months. The equipment is so substandard the only way would be to buy new equipment to meet the deadline for Cunard. The program in Fairbanks had been on the increase before this action was taken. The program was to give the Fairbanks people the training they'd need to do 15 and 45 day inspections at their location, so the units that remained there over long periods of time would not have to be returned to Anchorage for inspections. This was in effect until the time of the termination of the mechanical department employees there. Last year was the first year we stored locomotives. Several of the locomotives that were stored required extensive maintenance. Last year the units were stored serviceable, but this year they have been stored in unuseable condition - they'd need heavy maintenance before going back into service. I gave you some federal cards on several units in Fairbanks. These are federally required cards which are supposed to be signed on a daily basis. If you note there's a period of almost two months on these cards with which they went without federal inspection, yet they want to reduce the work force in Anchorage. We've

been told there would be no more apprenticeships, which are essential in training Alaskans. Now we understand that all the journeymen being hired would come from outside. It's easier to bring them in from outside as temporaries than to train their own people.

Moss: Is that part of your contract?

Proetz: We have an apprenticeship agreement, but it doesn't guarantee that there will be apprentices. We merely have a guideline as a quota of how many apprentices to mechanics will be an acceptable level.

Chairman Moss thanked Mr. Proetz. Mr. Proetz stated he had more information. Chairman Moss pointed out that time was running short.

Proetz: About what transpired in Fairbanks. Management decided they'd create a new position in Fairbanks, a work leader. They didn't inform the union. Management found that they were in a supervisory vacuum. After laying off people in supervisory positions in Fairbanks they had to send supervisory people from Anchorage. As of January 1st the railroad is required to have bullet proof glass. This is quite an extensive program.

Chairman Moss thanked Mr. Proetz and recognized Jerry Valinske.

Valinske: Gerald Valinske, United Transportation Union. The United Transportation Union doesn't have the problem some of the other unions have. A lot of answers about the transfer were slow in coming. The state and transfer team have been helpful, FRA slower, and management has given us what I feel they've had available. As far as the issues the other organizations have, I don't know much about them. The transfer does have some rough edges. One of the biggest things holding us back is the board, and I'm confident the Governor is going to be making his appointments soon. They'll be able to start dealing with these issues and start giving the employees answers.

Moss: I appreciate your comments. We do have some rough edges, but I feel more comfortable than I did earlier. I hope what comes out of this session is that we'll have both the federal government and the state working together.

Faiks: I appreciate your coming here. Can you and Jack Burton's union take a lead in setting up a communication network with some of the other unions, so that they have as much information as you do?

Valinske: I'd be more than willing to do that. On August 17th when we met with management, FRA and the state transfer team a hotline was discussed so that an individual could get

specific answers. The organization endorsed that, hopefully they're pursuing that and will get it online soon.

Faiks: You're going to have to work together, so that turf battles between unions won't occur. If some of you have information, it's your duty as a railroader to share it.

Valinske: I have a lot of confidence in the other organizations. I'm more than happy to meet with their officers and work with them in the future.

Moss: Thank you Jerry. We have time for one more person in Fairbanks.

Matlock: This is Elmer Matlock. We have a fuel haul starting Sept. 1985. This is a good reason to keep our rolling equipment upgraded.

Moss: Is that fuel transfer out of MapCo.? Is it one of the same deals with the airport or into Anchorage?

Matlock: Yes. This fuel haul will be from Fairbanks to Anchorage.

Chairman Moss thanked all of the people in Fairbanks who participated and recognized Mr. Minton.

Minton: I'm Arthur Minton of the International Association of Machinists and Aerospace Workers. I'm here on behalf of the interest of the employees of the Alaska Railroad. There are some questions that haven't been answered with regard to the temporary employees whose jobs were terminated. Nobody has requested in this room today that those people be given a concrete job. The request was that these people be considered for preferential hiring. There has been no response to my knowledge to this request. I believe it's a moral obligation to the people who have the opportunity to make some policy as to what happens to those employees who were terminated.

Moss: I appreciate your comments, and I hope this will be considered.

Fahrenkamp: Is there a federal law that there has to be bullet-proof windows?

Hickey: There is a federal requirement for the glazing of windows. The state requested a waiver from the FRA because we feel that this is unnecessary. The waiver was denied. Starting in 1985 the railroad is going to have to comply.

Fahrenkamp: Who will prepare the agenda for the first board meeting?

Hickey: That's part of my job.

Fahrenkamp: As a personal favor to me, I would appreciate it if you would put this question of temporary hire to the board on the first agenda?

Hickey: That has been our intent. The board should have this put before them.

Fahrenkamp: I'm more confused than I was before the meeting. I think we set a very dangerous precedent. I for one don't feel qualified to be a labor mediation board. Mark's promise will help me a lot.

Chairman Moss thanked Mr. Hickey and everyone who was present today. He asked Mr. Hickey if there was the possibility of a board announcement by the 5th of October.

Hickey: That's correct.

Chairman Moss brought this portion of the meeting to a close.

The following testimony was submitted to Senator Moss at a later date, from Mr. John McDonnell, 505 W. 2nd Ave. #20, Anchorage, AK 99501.

Senator Moss,

A note of appreciation for your considerations and concerns regarding the transfer process of the Alaska Railroad. I only accidentally by way of passing by learned of your committee's meeting on October 2nd. I only heard 20 minutes of testimony in the morning session and the afternoon's comments were most revealing.

Not only am I a railroader myself, but I have been involved in such matters before. Formerly off the Milwaukee Railroad (1970-1980), which in 1979 declared bankruptcy and reorganized under the guise of abandoning over 2300 miles of track immediately. I have already seen one railroad inexorably and totally disrupt not only services and transportation corridors but devastate thousands of lives, careers and dignities as well. And through it all, I was struck by its finality. Once the train leaves, who calls it back? The inevitability of its own momentum. As trains go, so goes the responsibility.

Senator Moss, do not let the railroad get out of town without at least being held accountable for their actions. It is not an entity to itself. I'm sure you felt the vast discrepancy between management, worker and transfer peoples versions. It was notable to hear the testimony concerning these conflicting position and sensing the need for more vigorous determinations. Alas, I have learned, it could be four weeks before a transcript is available and as I'm sure you are aware, mountains of paperwork could materilize to

justify any position or performance in the meantime.

My only hesitation in voicing these concerns is that I am a "temporary" and if you get down to the vague and nonspecific descriptions of some 30-40% of the workforce from April to November despite "project and special monies availability." You will find we are "terminable at will" as well as for cause lack of work, or discipline. Therefore, I am reluctant to be heard, as I and many others on the property fear for their livelihoods. I realize there are no guarantees in life but if one stands up to be counted, the only thing to be counted is the fact he or she won't be returning.

But I do recognize your concern and would appreciate any comments you have concerning my thoughts.

I shall be terminated in a few weeks and despite the darkness I remain,

Respectfully yours,

John M. McDonell  
Brkmn, Alaska Railroad

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

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OFFICE OF THE COMMISSIONER

September 25, 1984

Mr. Jack Burton, President  
American Federation of  
Government Employees  
Local 183  
P. O. Box 3  
Anchorage, AK 99510

Dear Mr. Burton:

I am writing in response to your recent letters to Governor Sheffield, Commissioner Lyon and myself regarding the Alaska Railroad (ARR) freight house issue. On behalf of the Governor and Commissioner Lyon, we appreciate you taking the time to write voicing your concerns on this matter.

As you know, the Alaska Railroad remains federally-owned and operated by the Federal Railroad Administration until the actual transfer occurs, which we anticipate will be in late 1984. The State of Alaska has no official standing whereby it can change or alter these kinds of decisions while the Alaska Railroad remains under federal ownership.

There have been some similar issues involving decisions by current management that have been brought to our attention over the last few weeks. In discussing these with the ARR, we have reached an understanding that the State will be informed of all such activities prior to their initiation. In addition, it has been suggested to the ARR that these kinds of decisions should be carefully weighed during this transition period, and that it might be best to postpone such actions until after transfer, or at least until such time as the new Board of Directors for the Alaska Railroad Corporation has been appointed and begun its work.

The Alaska Railroad has recently informed us that because of the pending transfer and the imminent appointment of the Board of Directors, they have decided to postpone initiation of the proposed action on the freight house until early next year. This

Mr. Burton

-2-

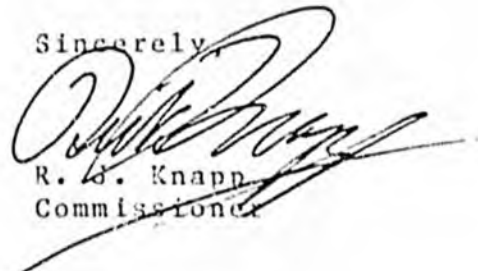
September 25, 1984

will allow the new Board ample opportunity to review the issue, and then make a decision on the relative merits of the proposal.

We appreciate the willingness of the ARR to wait and allow the new Board of Directors a chance to review this matter, once its official work has been initiated. It is worth noting that the Alaska State Legislature placed heavy emphasis on the railroad conducting its operations on a self-sustaining basis under state ownership. Accordingly, a key criteria in this review will be an assessment of the long-term economic implications of such a decision.

Thank you again for taking the time to write on this issue. We look forward to developing a good working relationship with all of the unions representing employees at the Alaska Railroad as we move toward state ownership.

Sincerely,



R. S. Knapp  
Commissioner

cc: The Honorable Bill Sheffield  
Governor  
Ben Harding, Special Staff Assistant  
Office of the Governor  
Mark S. Hickey, State Railroad Coordinator  
Alaska Railroad Transfer Team  
Richard Lyon, Commissioner  
Department of Commerce & Economic Development  
The Honorable H. Pappy Moss, Chairman  
Senate Transportation Committee  
Arnold T. Polanchek, Acting General Manager  
The Alaska Railroad  
John H. Riley, Administrator  
Federal Railroad Administration  
John Shively, Chief of Staff  
Office of the Governor

# ALASKA RAILROAD TRANSFER INFORMATION BULLETIN



## QUESTIONS AND ANSWERS FOR RAILROAD EMPLOYEES ABOUT TRANSFER OF THE ALASKA RAILROAD TO THE STATE OF ALASKA

Number One

August 1984

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Section 604 of ARTA contains employee transfer and protection provisions. In Section 604, Congress required that the State-owned Railroad establish arrangements to protect the employment interest of transferred employees. These arrangements require:

- Adoption of all collective bargaining agreements which are in effect on the date of transfer. These agreements are to continue in effect for the two-year period commencing on the date of transfer and are to be renegotiated during this period.
- Retention of all employees, other than officers who are defined in ARTA as five specific positions, who elect to transfer to the State-owned Railroad in their same positions for a two-year period commencing on the date of transfer. During that period, separation can only occur in cases of reassignment, separation for cause, resignation, retirement, or lack of work.
- Payment of wages at or above the base pay levels in effect on the date of transfer for a two-year period unless the parties agree otherwise.
- Priority reemployment based on seniority with the State-owned Railroad for any transferred employee who is separated for lack of work during the two-year period. Federal service is included in the computation of seniority for reemployment.
- During the two-year period, transferred employees will receive credit for annual and sick leave, seniority rights, and relocation and turnaround travel allowances which have been accrued during their period of Federal employment.
- COLA payments to transferred employees of an amount equivalent to the cost of living allowance to which they were entitled as Federal employees on the day before the date of transfer, provided that such payment shall not exceed the percentage of any transferred employee's base salary level provided by the United States as a cost of living allowance on the day before the date of transfer, unless the parties agree to the contrary.
- Health and life insurance programs for transferred employees substantially equivalent to the Federal health and life insurance programs available to employees on the day before the date of transfer.

Section 607 of ARTA contains the following provisions regarding the continuing Federal rights of Alaska Railroad employees and the treatment of their retirement rights and benefits:

- Employees who transfer to the State-owned Railroad and who are subject to the Civil Service retirement law who transfer without a break in service shall continue to be covered in the Federal Civil Service Retirement System unless the State-owned Railroad decides to provide retirement benefits that reflect prior Federal service and are substantially equivalent to that provided State employees.
- Employees of The Alaska Railroad who elect not to transfer to the State-owned Railroad shall be entitled to all of the rights and benefits available to them under Federal law as discontinued Federal employees.

### Railroad Lands

The Corporation Act places all Railroad lands transferred to the State under the direct control and ownership of the Corporation. The Corporation may generally lease its lands, but any exchange or sale of the entire interest in lands or lease in excess of 35 years is prohibited unless the Legislature approves the action by law. The Corporation may request the Department of Natural Resources to select Federal lands for Railroad use under Alaska's Statehood entitlement and may apply on its own behalf for other Federal land and property. The Corporation may request State lands for Railroad use. It can also exercise the power of eminent domain, but only with the Governor's approval.

### Financial Authority

All liabilities incurred by the Corporation must be satisfied from assets owned by the Corporation; but likewise, all revenue generated by the Corporation shall be retained and managed for use by the Railroad. With the Governor's approval, the Corporation may request direct appropriations from the Legislature. The Corporation may issue bonds with legislative approval, but the credit of the State cannot be pledged for their payment.

### Oversight and Accountability

As previously noted, both the Governor and Legislature have approval power over certain Railroad actions. Perhaps the most significant oversight mechanism is the provision that all Board members serve at the pleasure of the Governor. The Corporation Act attempts to establish a balance between the principles of managing the Railroad in a business-like manner, while ensuring accountability for the large amount of public funds and interest associated with operation of the new State-owned Railroad.

### Employee Protection

The employee provisions of ARTA set the framework by which ARR employee interests are to be protected. The basic premise is that the "status quo" for employee interests will be maintained for two years unless changes are negotiated sooner. Exceptions are allowed for separation for cause, resignation, retirement, or lack of work. Certain officers of the Railroad, as defined in ARTA, carry these protections for only a one-year period.

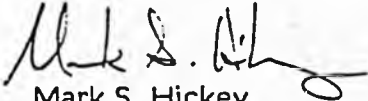
The Corporation Act is entirely consistent with the ARTA employee protection requirements and requires the Corporation to comply with these requirements. Although many of your questions regarding specific issues, such as personnel rules following transfer and new hire provisions, cannot be answered until the new Corporation begins its work, the Corporation Act does provide that Railroad employees are employees of the Corporation, not of the State, and as such, are exempt from the State Personnel Act and the Public Employment Relations Act.

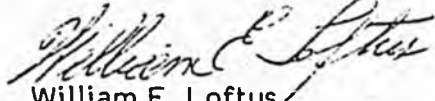
The Corporation Act also establishes a Railroad Labor Relations Agency consisting of three members appointed by the Governor. This agency is to function as an independent body and will perform normal labor relations oversight duties, such as investigating and settling complaints of unfair labor practices.

September 19, 1984

Memorandum

To: All Alaska Railroad Employees

From:   
Mark S. Hickey  
State Railroad Coordinator  
Department of Transportation  
and Public Facilities

  
William E. Loftus  
Executive Director  
Federal Railroad Administration

Subject: Alaska Railroad Transfer Information Bulletin

We are pleased to transmit to you the second issue of The Alaska Railroad Transfer Information Bulletin in response to questions you have presented.

This issue of the Information Bulletin contains information based on the best analysis presently available, relating to issues of concern to ARR employees in the areas of transfer procedure and employee protection period, benefits, leave, life and health insurance benefits, pay and positions, and other miscellaneous issues. We have tried to make the answers as clear and complete as possible. However, because the transfer process is complex and unique, some answers may be further explained as more information becomes available.

The Information Bulletin is an effort to explain the transfer process and employees' rights and benefits. The answers to these questions neither add to nor delete from your rights conferred by law. Answers provided in this bulletin represent the best efforts of the staffs of the Office of Personnel Management and Federal Railroad Administration as to Federal matters, and the Alaska Railroad Transfer Team as to issues relating to State action.

The effort to provide information to employees is continuing and more questions will be answered in the future. We appreciate your patience and cooperation as we work through this challenging period for The Alaska Railroad.

# ALASKA RAILROAD TRANSFER INFORMATION BULLETIN



## QUESTIONS AND ANSWERS FOR RAILROAD EMPLOYEES ABOUT TRANSFER OF THE ALASKA RAILROAD TO THE STATE OF ALASKA

No. 2

Sept. 1984

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### Key Contact for Non-Bargaining Unit Employees:

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Work phone: 267-1180

## QUESTIONS AND ANSWERS

The following questions have been submitted by employees. If your specific question has not been answered here, please feel free to submit it to Mr. James B. Blasingame, Chief of Administration, or to your bargaining unit representative as listed so that we may address it in future editions of this Bulletin as the transfer process permits and the information becomes available.

The answers provided here represent the best analysis available to date. They may be explained further as more information becomes available in the future. These answers neither add to nor delete from employees' rights and benefits which are conferred by law. Rather, they are an effort to explain those rights and benefits. Answers to questions relating to Federal rights and benefits have been provided by the staff of Federal Railroad Administration and the central office of the Office of Personnel Management. Answers to issues relating to State actions have been provided by the staff from Alaska Railroad Transfer Team.

### 1. Transfer Procedure & Protection Period:

1. Q. What will be the actual transfer date?

A. While the transfer date has yet to be officially set, FRA and the State are planning on a transfer date no later than January 5, 1985.

2. Q. Will there still be a two-year "transition" period?

A. ARTA provides for a two-year period beginning on the date of transfer during which numerous employee interests are protected. This does not mean that there will be a period of joint Federal/State ownership and control as suggested by the idea of a "transition period." Before the date of transfer, the ARR is owned and operated by the Federal Railroad Administration. After the date of transfer, the ARR will be owned by the State of Alaska and managed and operated by the Alaska Railroad Corporation.

3. Q. Will present pay and benefits be protected through the transition period?

A. The State has agreed to retain all transferring permanent employees, adopt all collective bargaining agreements, pay current pay scales, including cost of living adjustments, to continue the Federal Retirement System or provide a system substantially equivalent to that of State employees and to provide health and welfare coverage substantially equivalent to present programs. The basic principle is that these permanent employee interests will be maintained subject to the exceptions identified in ARTA for reassignment, separation for cause, resignation, retirement, or lack of work. These interests will be maintained for two years unless changes are negotiated with collective bargaining agents.

4. Q. Can employees be terminated during this period?

A. Yes, but only in accordance with the provisions of ARTA, existing collective bargaining agreements, and the personnel policies and rules in place at the time of termination.

5. Q. What mechanism will be used to effect the separation of permanent employees from Federal employment and their reemployment by the Alaska Railroad Corporation for those employees who elect to transfer?

A. The Office of Personnel Management has determined that the appropriate mechanism is reduction-in-force procedures. The required reduction-in-force notice will be issued with a concurrent offer of employment of the employee's same position from the Alaska Railroad Corporation. The RIF procedure will not require bumping and retreating for this process.

6. Q. Will a permanent employee be entitled to severance pay if he elects to resign?

A. No. The Office of Personnel Management has determined that job protection provisions provided by ARTA constitute comparable employment with the Alaska Railroad Corporation and, therefore, employees will not be entitled to severance pay.

7. Q. How long will permanent employees have to decide whether to retire, resign, or transfer to the State?

A. Employees must be given at least 30 calendar days' notice prior to the effective date of a reduction-in-force action. Employees would be required to make a written decision on the offer of employment by a designated date within the notice period.

8. Q. How will temporary employees be treated in the transfer process?

A. As a result of ARTA, all temporary employees employed as of the date of transfer will be separated from Federal service effective that date. The State has agreed to reemploy such personnel at transfer in accordance with the terms and conditions of their previous Federal appointment and, where appropriate, existing collective bargaining agreements.

9. Q. Will the Federal Government assist employees who wish to remain in Federal service with placement programs, priority hiring, or other special handling?

A. The Department of Transportation's Reemployment Priority List, Office of Personnel Management's Displaced Employee Program, and other priority placement process normally available through the local office of the Office of Personnel Management will be open to ARR employees separated from Federal service. The details of the available programs will be provided during the reduction-in-force process.

II. Benefits:

10. Q. Which retirement system will be used for current ARR employees?

A. The Civil Service Retirement System will be continued for all participating employees who transfer. Under an option provided by ARTA, the Board of Directors of the new ARR Corporation has a two-year period from date of transfer within which to decide whether or not to create a new system for transferring employees. If this option is exercised, such a system must be substantially equivalent to the retirement program maintained by the State for State employees and must reflect prior Federal service. Transferring employees and the Alaska Railroad Corporation will continue their contributions to the Civil Service Retirement System unless the Alaska Railroad Corporation decides to establish another system.

11. Q. Must an employee eligible for optional retirement decide to retire immediately upon transfer date, or will employees have the two-year protection period in which to decide?

A. Timing of the decision to retire depends upon the desires of the individual employee. Employees may exercise the right for optional retirement at any time they are eligible.

12. Q. If eligible to retire optionally within five years of transfer date, will those employees have the option to work for the Railroad under State ownership for that period and then retire under Federal retirement?

A. Yes. Timing of the decision to retire under the Federal retirement system depends on the eligibility and desires of the individual employee. For those transferring employees who are within five years of being eligible for optional retirement, ARTA provides that those employees may elect to remain in the Civil Service Retirement System even if the Alaska Railroad Corporation elects to create a new retirement system under the option provided by ARTA.

13. Q. Will there be a discontinued service retirement option available to qualified employees who choose not to transfer to the State?

A. Yes, up to and including the date of transfer.

14. Q. Does an employee eligible for discontinued service retirement at transfer have the two-year period in which to exercise the option to retire?

A. No. After the date of transfer, only transferred employees who are eligible and participating in the Civil Service Retirement System and whose employment with the Corporation is terminated (not for cause) shall be entitled to discontinued service retirement as provided by ARTA.

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A. In accordance with Federal regulations, those contributions remain in the Civil Service Retirement Fund.

17. Q. Under what circumstances may an employee receive a retirement contribution refund?

A. In accordance with Federal regulations, the employee who elects not to transfer to the Alaska Railroad Corporation and is not eligible to retire (optionally or discontinued service annuity) and does not elect to obtain other Federal employment may withdraw only those funds which the employee contributed to that system.

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A. If the employee transfers to another federal activity, both the annual and sick leave are transferred with the employee. Under Federal regulations, there is no provision for payment of accrued sick leave upon separation from service. If the employee elects not to transfer and is not eligible for retirement, that individual will receive a lump-sum payment for accrued annual leave.

20. Q. If an employee does transfer to the State, can he be paid for his accrued leave and then begin State service with a zero balance of leave?

A. No. Section 607(d) of ARTA provides: "(d) Any employee who transfers to the State-owned railroad under this title shall not be entitled to lump-sum payment for unused annual leave under section 5551 of title 5, United States Code, but shall be credited by the State with the unused annual leave balance at the time of transfer."

IV. Life Insurance and Health Benefits:

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Efforts are nearing completion to finalize a proposal for presentation to the ARR Corporation Board of Directors and the Federal Railroad Administration to comply with the requirements of ARTA on this subject.

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24. Q. Will there still be an "A" and "B" pay plan as there currently is in the White Collar pay plan?

A. To the extent that the existing collective bargaining agreements adopted by the ARR Corporation address this issue, they will apply.

25. Q. Will COLA for GS equivalent employees be rolled into the base rate? Will COLA be subject to Federal income tax?

A. ARTA provides that the State has agreed to pay..."an amount equivalent to the cost-of-living allowance to which they are entitled as Federal employees on the day before the date of transfer, in accordance with the provisions of subparagraph (D) of this paragraph;..." ARTA further provides that payment of COLA to transferred employees ..."shall not exceed the percentage of any transferred employee's base salary level provided by the United States as a cost-of-living allowance on the day before the date of transfer, unless the parties agree to the contrary." Research is still ongoing as to whether COLA is required to be part of total pay or provided as separate compensation.

Taxation of such COLA payments is subject to Federal tax laws and regulation which currently provide no special treatment for such income.

VI. Miscellaneous Questions:

26. Q. Will turnaround leave still be honored?

A. Yes. One of the requirements of Section 604 of ARTA is that the State has provided "...for credit during the two-year period commencing on the date of transfer for accrued annual and sick leave, seniority rights, and relocation and turnaround travel allowances which have been accrued during their period of Federal employment (except for officers of The Alaska Railroad, who shall receive such credit for one year following the date of transfer):"

27. Q. Will the State be eligible to sell the Railroad to a privately owned corporation after the transition period?

A. Although there is no prohibition contained in ARTA on sale or transfer of the Railroad after acquisition by the State, any such sale or transfer would have to conform with relevant ARTA requirements. Further, there are no current plans for any such transfer of the ARR after acquisition by the State. The State's attention is presently focused on the transfer process and the issues that must be resolved before transfer can take place.

28. Q. Is there still the possibility of an employee corporation buying the Railroad?

A. Such arrangements are not precluded by either ARTA or legislation enacted by the State. However, the transfer process must be completed prior to consideration by the State of any such disposition of the Railroad.

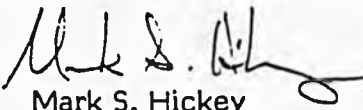
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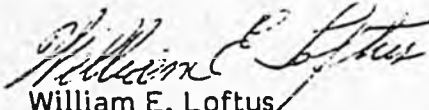
A. The Office of Personnel Management's interpretation of ARTA is that transfer rights and benefits are contingent upon continuity of employment without an actual break in service between Federal and Alaska Railroad Corporation employment. Therefore, while the Corporation has the discretion to hire a former Railroad employee at a later date, the Corporation is not required to extend ARTA transfer rights.

September 19, 1984

Memorandum

To: All Alaska Railroad Employees

From:   
Mark S. Hickey  
State Railroad Coordinator  
Department of Transportation  
and Public Facilities

  
William E. Loftus  
Executive Director  
Federal Railroad Administration

Subject: Alaska Railroad Transfer Information Bulletin

We are pleased to transmit to you the second issue of The Alaska Railroad Transfer Information Bulletin in response to questions you have presented.

This issue of the Information Bulletin contains information based on the best analysis presently available, relating to issues of concern to ARR employees in the areas of transfer procedure and employee protection period, benefits, leave, life and health insurance benefits, pay and positions and other miscellaneous issues. We have tried to make the answers as clear and complete as possible. However, because the transfer process is complex and unique, some answers may be further explained as more information becomes available.

The Information Bulletin is an effort to explain the transfer process and employees' rights and benefits. The answers to these questions neither add to nor delete from your rights conferred by law. Answers provided in this bulletin represent the best efforts of the staffs of the Office of Personnel Management and Federal Railroad Administration as to Federal matters, and the Alaska Railroad Transfer Team as to issues relating to State action.

The effort to provide information to employees is continuing and more questions will be answered in the future. We appreciate your patience and cooperation as we work through this challenging period for The Alaska Railroad.

# ALASKA RAILROAD TRANSFER INFORMATION BULLETIN



## QUESTIONS AND ANSWERS FOR RAILROAD EMPLOYEES ABOUT TRANSFER OF THE ALASKA RAILROAD TO THE STATE OF ALASKA

No. 2

Sept. 1984

### Key Contacts for Collective Bargaining Unit Employees:

Mr. Jack Burton, President  
American Federation of Government Employees  
Local 183  
P. O. Box 9  
Moose Pass, Alaska 99631  
Home phone: 288-3644

Alternate: Karen Hutton, Work phone: 265-2664

Mr. Randy Cazac, General Chairman  
Train Dispatchers Unit  
American Train Dispatchers Association  
P. O. Box 11-2007  
Anchorage, Alaska 99511  
Work phone: 265-2647

Mr. Dave Kepl, General Chairman  
Agent-Telegraphers Unit  
American Train Dispatchers Association  
910 Chugach Way  
Anchorage, Alaska 99503  
Work phone: 265-2646  
Home phone: 563-4289

Mr. Leonard Black, General Chairman  
Brotherhood of Railway Carmen of U.S. & Canada  
Far North Lodge 67  
P. O. Box 3781  
Anchorage, Alaska 99510  
Work phone: 265-2470  
Home phone: 272-9695

Mr. Charles Schmidt, General Chairman  
Int'l. Assoc. of Machinists & Aerospace Workers  
Anchorage Lodge No. 1735  
P. O. Box 757  
Anchorage, Alaska 99510  
Work phone: 265-2679

Mr. Michael Olson, General Chairman  
United Transportation Union  
Lodge 1626  
1110 West 82nd Avenue  
Anchorage, Alaska 99502  
Home phone: 344-5323

### Key Contact for Non-Bargaining Unit Employees:

Mr. James B. Blasingame  
Chief, Administration Department  
Pouch 7-2111  
Anchorage, Alaska 99510  
Work phone: 265-2663

## QUESTIONS AND ANSWERS

The following questions have been submitted by employees. If your specific question has not been answered here, please feel free to submit it to Mr. James B. Blasingame, Chief of Administration, or to your bargaining unit representative as listed so that we may address it in future editions of this Bulletin as the transfer process permits and the information becomes available.

The answers provided here represent the best analysis available to date. They may be explained further as more information becomes available in the future. These answers neither add to nor delete from employees' rights and benefits which are conferred by law. Rather, they are an effort to explain those rights and benefits. Answers to questions relating to Federal rights and benefits have been provided by the staff of Federal Railroad Administration and the central office of the Office of Personnel Management. Answers to issues relating to State actions have been provided by the staff from Alaska Railroad Transfer Team.

### 1. Transfer Procedure & Protection Period:

#### 1. Q. What will be the actual transfer date?

A. While the transfer date has yet to be officially set, FRA and the State are planning on a transfer date no later than January 5, 1985.

#### 2. Q. Will there still be a two-year "transition" period?

A. ARTA provides for a two-year period beginning on the date of transfer during which numerous employee interests are protected. This does not mean that there will be a period of joint Federal/State ownership and control as suggested by the idea of a "transition period." Before the date of transfer, the ARR is owned and operated by the Federal Railroad Administration. After the date of transfer, the ARR will be owned by the State of Alaska and managed and operated by the Alaska Railroad Corporation.

#### 3. Q. Will present pay and benefits be protected through the transition period?

A. The State has agreed to retain all transferring permanent employees, adopt all collective bargaining agreements, pay current pay scales, including cost of living adjustments, to continue the Federal Retirement System or provide a system substantially equivalent to that of State employees and to provide health and welfare coverage substantially equivalent to present programs. The basic principle is that these permanent employee interests will be maintained subject to the exceptions identified in ARTA for reassignment, separation for cause, resignation, retirement, or lack of work. These interests will be maintained for two years unless changes are negotiated with collective bargaining agents.

4. Q. Can employees be terminated during this period?
- A. Yes, but only in accordance with the provisions of ARTA, existing collective bargaining agreements, and the personnel policies and rules in place at the time of termination.
5. Q. What mechanism will be used to effect the separation of permanent employees from Federal employment and their reemployment by the Alaska Railroad Corporation for those employees who elect to transfer?
- A. The Office of Personnel Management has determined that the appropriate mechanism is reduction-in-force procedures. The required reduction-in-force notice will be issued with a concurrent offer of employment of the employee's same position from the Alaska Railroad Corporation. The RIF procedure will not require bumping and retreating for this process.
6. Q. Will a permanent employee be entitled to severance pay if he elects to resign?
- A. No. The Office of Personnel Management has determined that job protection provisions provided by ARTA constitute comparable employment with the Alaska Railroad Corporation and, therefore, employees will not be entitled to severance pay.
7. Q. How long will permanent employees have to decide whether to retire, resign, or transfer to the State?
- A. Employees must be given at least 30 calendar days' notice prior to the effective date of a reduction-in-force action. Employees would be required to make a written decision on the offer of employment by a designated date within the notice period.
8. Q. How will temporary employees be treated in the transfer process?
- A. As a result of ARTA, all temporary employees employed as of the date of transfer will be separated from Federal service effective that date. The State has agreed to reemploy such personnel at transfer in accordance with the terms and conditions of their previous Federal appointment and, where appropriate, existing collective bargaining agreements.
9. Q. Will the Federal Government assist employees who wish to remain in Federal service with placement programs, priority hiring, or other special handling?
- A. Yes. The Department of Transportation's Reemployment Priority List, the Office of Personnel Management's Displaced Employee Program, and any other priority placement process normally available through the local office of the Office of Personnel Management will be open to ARR employees separated from Federal service. The details of the available programs will be provided during the reduction-in-force process.

II. Benefits:

10. Q. Which retirement system will be used for current ARR employees?

A. The Civil Service Retirement System will be continued for all participating employees who transfer. Under an option provided by ARTA, the Board of Directors of the new ARR Corporation has a two-year period from date of transfer within which to decide whether or not to create a new system for transferring employees. If this option is exercised, such a system must be substantially equivalent to the retirement program maintained by the State for State employees and must reflect prior Federal service. Transferring employees and the Alaska Railroad Corporation will continue their contributions to the Civil Service Retirement System unless the Alaska Railroad Corporation decides to establish another system.

11. Q. Must an employee eligible for optional retirement decide to retire immediately upon transfer date, or will employees have the two-year protection period in which to decide?

A. Timing of the decision to retire depends upon the desires of the individual employee. Employees may exercise the right for optional retirement at any time they are eligible.

12. Q. If eligible to retire optionally within five years of transfer date, will those employees have the option to work for the Railroad under State ownership for that period and then retire under Federal retirement?

A. Yes. Timing of the decision to retire under the Federal retirement system depends on the eligibility and desires of the individual employee. For those transferring employees who are within five years of being eligible for optional retirement, ARTA provides that those employees may elect to remain in the Civil Service Retirement System even if the Alaska Railroad Corporation elects to create a new retirement system under the option provided by ARTA.

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# MEMORANDUM

## State of Alaska Department of Transportation & Public Facilities


TO: See Distribution

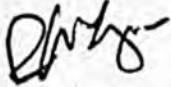
DATE: September 10, 1984

FILE NO:

TELEPHONE NO: 465-3900

SUBJECT: Alaska Railroad  
Transfer Project -  
Transition Work Plan

FROM:   
R. J. Knapp  
Commissioner  
DOT&PF

  
Richard Lyon  
Commissioner  
DC&ED

Attached for your review and information is a final draft of the Transition Work Plan for the Alaska Railroad Transfer Project. This document depicts all of the major work tasks that need to be accomplished in the period before or immediately following actual transfer.

Due to the time constraints of the transfer schedule and the complex nature of many of these work efforts, a considerable amount of this work has already been initiated, or in some cases, actually completed. Attachment A to the Overview depicts the overall organization for management of this project. Attachment B provides a general schedule with indications for major milestones and work deadlines.

As can be seen by a quick perusal of the remaining attachments to the Overview, the dynamic nature of much of this work effort requires a flexible and changing work plan. It should also be noted that many of the major work areas or "components" have already been scoped out with considerable detail reflecting the importance and priority of that particular area. Some of the other components have not yet been addressed with the same level of specificity, either because they are of a lower priority or not as time-sensitive as other tasks.

A quick review of the Work Plan Overview should provide policy-makers with a thorough and current understanding of the Alaska Railroad Transfer Project. We would recommend that everyone take the time to review at least that section in order to better understand the schedule and complexity of this new step about to be taken by the State.

If there are any questions regarding this material, or if anyone would like a more detailed briefing on this project, please feel free to call us or Mark Hickey, the State Railroad Coordinator. Thank you for your attention to this matter.

Attachment

DISTRIBUTION LIST

The Honorable Bill Sheffield  
Governor  
John Shively, Chief of Staff  
Office of the Governor  
Norman Gorsuch, Attorney General  
Department of Law  
John Katz, Special Counsel  
Office of the Governor  
Washington, D.C.  
Pete McDowell, Director  
Office of Management and Budget  
Office of the Governor  
Jim Robison, Commissioner  
Department of Labor  
Lisa Rudd, Commissioner  
Department of Administration  
Robert Sundberg, Commissioner  
Department of Public Safety  
Esther Wunnicke, Commissioner  
Department of Natural Resources  
The Honorable H. Pappy Moss, Chairman  
Senate Transportation Committee  
The Honorable Bette Cato, Chairman  
House Transportation Committee  
Ben Harding, Special Staff Assistant  
Office of the Governor  
Mark S. Hickey, State Railroad Coordinator  
Alaska Railroad Transfer Team  
Dave Haugen, Deputy Commissioner  
Central Region, DOT&PF  
Glen Glenzer, Deputy Commissioner  
Northern Region, DOT&PF  
Warren Sparks, Deputy Commissioner  
Statewide Planning, DOT&PF

## ALASKA RAILROAD TRANSFER PROJECT

### TRANSITION WORK PLAN

#### OVERVIEW

##### I. Introduction.

On July 5, 1984, Governor Sheffield signed into law an Act establishing the Alaska Railroad Corporation to own and operate the Alaska Railroad (ARR) upon transfer. That event was followed on July 12, 1984, by an exchange of documents between the Governor and John Riley, Administrator of the Federal Railroad Administration (FRA), which provided Secretary Dole's certification that the State of Alaska has agreed to meet all of the conditions of the federal Alaska Railroad Transfer Act of 1982 (ARTA).

The certification ceremony was in direct response to state acquisition legislation enacted and signed into law earlier this year, and is the last major milestone before actual transfer can occur. It represents the culmination of over three years of work by state and federal officials, which formally started on July 17, 1981, when Senate Bill 1500 was introduced in the United States Congress to authorize transfer of the ARR to the State of Alaska.

Under the terms and conditions of ARTA, certification by Secretary Dole means that the State has agreed to meet the following specific conditions:

- (1) to continue operations of the ARR as a rail carrier in intrastate and interstate commerce;
- (2) to assume all rights, liabilities and obligations of the Alaska Railroad on the date of transfer, except for tort claims and legal liabilities which occurred during federal ownership;
- (3) to protect the retirement benefits and other employee interests of all permanent employees for a two-year period following the date of transfer;
- (4) to allow representatives of the Secretary of Transportation adequate access to railroad employees' records when needed in relation to the period of federal ownership; and
- (5) to compensate the United States for the \$22.271 million which has been determined by the United States Railway Association to be the railroad's fair market value.

ARTA requires actual transfer of ownership and responsibility to occur as soon as practical after certification. The State has agreed to set the specific date by October 12, 1984, and if at all possible, to achieve the transfer by the end of this calendar year. Establishment of the transfer date is contingent, in part, on how quickly we can complete the support work necessary to achieve a smooth and orderly transfer of operations; on how long it takes to make proper board appointments; and on how long a period of time is needed for the board to become familiar with their new responsibilities.

*DATE OF TRANSFER 10-12-84  
1-5-85  
-G...*

The State's Alaska Railroad Corporation Act (Corporation Act) provides for the establishment of the Alaska Railroad Corporation (ARC) as an independent, public corporation within the Department of Commerce and Economic Development (DC&ED) to operate and manage the railroad upon transfer to state ownership. The corporation is to be managed by a seven-person Board of Directors, consisting of the Commissioners of Commerce and Economic Development and Transportation and Public Facilities, plus five public members. The new corporation is charged with carrying out its management responsibilities on a self-sustaining basis according to sound business management practices.

*Appointment of Board  
1-5-85  
-G...*

Given these time considerations and the complexity of the overall project, there is a considerable amount of work to be performed within a short period of time. The Alaska Railroad Transfer Team (Transfer Team), which was created by Governor Sheffield in February 1983 to coordinate and direct this project, has been charged with the following mission during the transition period: (1) to ensure a smooth and orderly transfer of operations from federal to state ownership; and (2) to assist with the establishment of the new corporation as it assumes its new duties.

This document has been prepared to provide policy-makers a detailed overview of project activities during this period. There are several additional documents attached to the Overview as Attachment C, which more fully depict the project's organization and schedule, while also providing a more in-depth explanation of individual work tasks.

## II. Project Organization.

With passage and enactment of the Corporation Act, the Commissioners of Commerce and Economic Development and Transportation and Public Facilities now share lead responsibility for policy direction of the Alaska Railroad Transfer Project. In order to minimize disruption of project activities, it has been decided to leave the core staff of the Alaska Railroad Transfer Team in the Department of Transportation and Public Facilities (DOT&PF) reporting directly to the DOT&PF Commissioner for performance of their duties. In turn, policy decisions and project direction will be provided on a coordinated basis by the two commissioners.

The Transfer Team, working under the direction of the State Railroad Coordinator, has responsibility for coordination and direction of project activities by all state agencies pertaining to the ARR during the transition period. The Transfer Team also has the responsibility to provide all coordination and interface with federal officials at the ARR and FRA during this period. In addition to the core staff within DOT&PF, the Transfer Team consists of additional resources from the Office of the Attorney General (AG), the Department of Administration (DOA), the Department of Natural Resources (DNR), the Office of Management and Budget (OMB), the Department of Labor (DOL), and the Department of Public Safety (DPS), along with additional outside counsel and consulting expertise as needed.

Attachment A to this document depicts the project's organizational arrangement and highlights each agency's primary responsibilities in the project. It is essential that this organizational arrangement is followed during the transition period in order to ensure timely and responsive performance of work tasks, while also minimizing the potential for conflicting direction to federal officials at the ARR and FRA.

### III. Project Schedule.

The project schedule for the transition period extends from the date of certification to a period of time beyond actual transfer. There is no need at this point to specify the end for this period since it will vary depending on the task to be performed. For example, the re-negotiation of all collective bargaining agreements, an effort for which planning needs to begin shortly, will probably not be finished until well after transfer. 2- States

The most important milestone at this juncture is the actual date of transfer. Although it has not been officially established as yet, we are working for planning purposes with a date of no later than January 1, 1985. Both the federal and state transfer laws include numerous specific requirements which must be addressed and completed before that date. As a result, all such tasks are identified in the Work Plan as "Immediate/Pre-Transfer," which classifies it as a task with highest priority for staff attention.

There are other tasks, such as budget preparation and capital planning, that need to be initiated pre-transfer because of external scheduling considerations such as the upcoming legislative session, but will continue well beyond transfer as a corporation responsibility. These are identified as "Pre-Transfer/Ongoing," and usually carry secondary priority for attention by the Transfer Team.

Finally, there is another category of tasks which cannot be initiated before the new corporation assumes a legal existence and do

not have to be underway before transfer. These items are designated as "Corporation/Post-Transfer," and carry the lowest priority for staff attention.

Another important milestone during the next month or two is the projected time period for when board appointments for the new corporation will be completed and the new board can begin its work. Although there is some indication that this may be expedited, it is currently anticipated that the first board meeting will not occur prior to October 1, 1984.

*Minuted  
of Board  
Meeting  
Board Meeting*

Attachment B presents the current schedule for this project, with particular attention focused on the transition period. It is important to reiterate that the specific milestones depicted on this chart are not definitive, but are only Transfer Team estimates for purposes of project planning.

IV. Work Task Components.

This portion of the Overview provides an explanation of the individual work tasks by major topic or "component" area. For purposes of this part of the project, all work has been divided into the following four broad components: (1) Property Transfer Issues; (2) Employee/Personnel Issues; (3) Financial/Administrative Issues; and (4) Corporate Development Issues. Although there is some duplication and overlap between these major components, particularly in the corporate development area, this structure ensures that all work tasks are identified and addressed in a timely manner consistent with the overall transfer schedule.

Each topic or component area is divided into a brief background section that outlines the basic issue, a specific list of work tasks and assigned priorities, and a final section which discusses relevant schedule and deadline considerations. Attachment C provides a more detailed explanation of the individual components and major work tasks identified below.

*July 15 - Sept 15  
Preparation of  
transfer documents  
= = =  
12.15 - Oct. 31  
Final Review of  
documents  
= = =  
Resolution of Unresolved  
Issues Sept - Nov 15  
= = =  
Final Preparation  
of documents  
Oct. 1 - Dec. 1  
= = =*

A. Property Transfer Issues.

Background: This area includes all of the work necessary to obtain acceptable transfer documents for conveyance of the ARR's real and personal property at transfer; to resolve by negotiation or adjudication the ANSCA "3(e)" Native claims against railroad lands; and to ensure proper title recording in coordination with the DNR throughout the transition period. Additional work needs include monitoring of the ongoing cadastral survey work by the Bureau of Land Management (BLM) and resolution of record transfers and the disposition of railroad archives.

*Preparation of State's 3(e) Issues  
July 12 - Oct 15*

*Adjudication by BLM of "3(e)" Issues  
Oct. 15 - Jan. 14 '85*

*Negotiation of "3(e)" Issues*

Work Tasks: Specific tasks in this area are as follows:

- Review and acceptance of BLM/FRA conveyance documents (Immediate/Pre-Transfer).
- Resolve outstanding real property issues with the BLM, the Departments of Defense and Agriculture, and the National Park Service (Immediate/Pre-Transfer).
- Prepare and obtain an acceptable bill of sale for transfer of all personal property (Immediate/Pre-Transfer).
- Continue negotiations with affected Native Village and Regional Corporations (Immediate/Pre-Transfer -- Ongoing).
- Prepare state filings and participate in the "3(e)" adjudication process (Immediate/Pre-Transfer -- Ongoing).
- Monitor ongoing BLM cadastral survey of all ARR real property (Pre-Transfer/Ongoing).
- Locate, catalog and procure railroad records other than personnel records and resolve other ARR archival issues (Pre-Transfer/Ongoing).
- Resolve miscellaneous personalty matters such as the GSA motor vehicle fleet and ARR Seattle Office (Pre-Transfer/Ongoing).
- Coordinate work by corporation and DNR to record real property conveyance transfer and establish a land record management system (Pre-Transfer/Ongoing).
- Coordinate work by corporation and DNR to resolve overlapping title issues. (Corporation/Post-Transfer).

Schedule: As indicated by the priority assignments, almost all of these efforts have to occur or at least begin during the pre-transfer period. A considerable amount of this work is well underway and on schedule. Although there is no statutory deadline for the preparation of the real and personal property conveyance documents, ARTA requires that they must be basically finished in order for actual transfer to occur. Accordingly, the federal government is on schedule to have these documents completed in draft form by early September, which should allow sufficient time for the State to complete its in-depth review process.

In the area of Native claims against railroad lands, the State is required to have its "3(e)" submissions filed with the BLM by October 15, 1984, and ARTA establishes that final administrative adjudication of these claims must occur by January 14, 1985, unless resolved sooner by negotiation.

B. Employee/Personnel Issues.

July 12 - Aug. 1  
Resolution of Federal  
questions by OPM

Sept. 1 - 30  
Presentation of Answers  
to employees

July 12 - Oct. 15  
Address Employee  
Benefit Issues

Oct. 15 - Nov. 1  
Present Solutions

ARRC Board  
Nov. 1 - Dec. 15  
Implement Solutions

Sept. 1 - Dec. 1  
Establishment of  
Railroad Labor Relations  
Agency

Oct. 15 - Dec. 15 (approx)  
Monitor Federal  
Education-In-Terms  
Process

Sept 15 - Dec. 15 (approx)  
assist w/new hire issues

Oct. 1 - Dec. 1  
Assist w/Adoption  
of CB Agreements  
- Personnel Rules  
by Board

Background: The Transfer Team must ensure that the employee protection provisions of ARTA are met, and that all personnel/administrative functions are transferred to the new corporation in an orderly manner. To accomplish this mission, employee benefit systems must be designed and implemented for transferring employees. Assistance must also be given to the corporation on the issue of new hires after transfer. Other work areas include ensuring that employee records are available to the new corporation, and providing assistance for transition-related labor relations activities. Finally, the Railroad Labor Relations Agency must be established in order to properly serve its mission after transfer.

Work Tasks: The major tasks in this work area are as follows:

- Monitor determinations by the U.S. Office of Personnel Management (OPM) of federal personnel questions that arise under ARTA (Immediate/Pre-Transfer).
- Ensure that non-retirement benefits (i.e., health insurance programs; annual/sick leave requirements; etc.) are provided to transferring employees by appropriate systems established prior to transfer (Immediate/Pre-Transfer).
- Ensure that retirement benefits are provided to transferring employees in systems selected and/or established prior to transfer (Immediate/Pre-Transfer).
- Resolve the status of ARR recipients of workers compensation benefits (Immediate/Pre-Transfer).
- Coordinate establishment of the Railroad Labor Relations Agency as required by the Corporation Act (Immediate/Pre-Transfer).
- Address personnel questions pertaining to new hires following transfer (Immediate/Pre-Transfer -- Ongoing).
- Provide ongoing communications with railroad employees during the transition period (Pre-Transfer/Ongoing).

- Assist with the labor relations function as required (Pre-Transfer/Ongoing).
- Ensure that appropriate employee personnel records are available to the corporation prior to transfer (Pre-Transfer/Ongoing).
- Assist corporation management with establishment of personnel rules prior to transfer as required by the Corporation Act (Pre-Transfer/Ongoing).
- Ensure that the corporation's EEO program is coordinated with the State's overall EEO program (Pre-Transfer/Ongoing).
- Assist corporation management with other personnel-related corporate development tasks as assigned (Corporation/Post-Transfer).

Schedule: A majority of these tasks have a high priority and require completion before transfer can occur. Many of these work efforts are already underway and are scheduled for completion in the October-to-November time frame. In many cases, implementation of the work products from these tasks will require board endorsement.

C. Financial/Administrative Issues.

Background: The Transfer Team must ensure that ARR financial assets are transferred to the State-owned railroad in accordance with the provisions of ARTA, and that the financial operations of the railroad are transferred without disruption. In order to accomplish these goals, the Transfer Team must provide a pre-transfer audit and assist with the development of financial planning and accounting systems for the new corporation. Short-term and long-range program and capital improvement plans also need to be developed, and procurement and contracting functions must be continued without disruption. One final important task involves the monitoring of current Revolving Fund activities and negotiation with the FRA regarding final disposition of this account.

Work Tasks: The major tasks in this work area are as follows:

- Design and manage the pre-transfer audit of the ARR's financial condition and accounting system (Immediate/Pre-Transfer).
- Monitor Revolving Fund activity and negotiate final disposition of this account with the FRA (Immediate/Pre-Transfer).

July 12 - Sept. 23  
sign & Contract  
Pre-transfer Audit

Oct 1 - Mar. 1985  
Perform Audit

July 12 - Nov. 1  
Monitor + Negotiate  
Disposition of ARR  
Revolving Fund

• Aug. 15 - Nov. 1

Assist w/ Preparation of FY '86 Budget Submittals

-- Assist the corporation with the development of railroad program and capital improvement plans, including any relevant FY'86 budget submittals (Immediate/Pre-Transfer -- Ongoing).

• Sep. 1 - Nov. 1

Address Accounting/Contracting Transfer Issues

-- Assist in development of alternative plans for immediate post-transfer accounting operations (Immediate/Pre-Transfer -- Ongoing).

• Nov. 1-15

Present Solutions to FRC Board

-- Ensure that contracting and procurement systems are not disrupted by the transfer (Pre-Transfer/Ongoing).

-- Ensure coordination between the corporation and state data processing activities (Pre-Transfer/Ongoing).

• Nov. 15 - Dec. 15 (approx)

Implement Solution

-- Ensure that supply and property management activities are transferred without disruption (Pre-Transfer/Ongoing).

Aug 15 - Oct 15

Prepare Risk Mgmt. Options Presentation

-- Prepare risk management plan for corporation's review and action (Pre-Transfer/Ongoing).

-- Assist the corporation with the development of new contracting and procurement systems consistent with the Corporation Act (Corporation/Post-Transfer).

-- Assist the corporation with the development of a new accounting system consistent with the Corporation Act (Corporation/Post-Transfer).

-- Assist with work by the corporation to review and modify personal property inventory and management systems, including re-marking of all personalty (Corporation/Post-Transfer).

-- Monitor Whittier shuttle operations and other possible commuter rail proposals as needed (Corporation/Post-Transfer).

Schedule: A few of these tasks have an immediate priority because of the transfer relationship. Others such as those with respect to budget preparation also carry an immediate priority because of the timing for the State's FY'86 budget cycle. Most of the remaining tasks should be initiated before transfer, but will continue beyond as a corporation responsibility (i.e., accounting and procurement system issues). The current schedule for the pre-transfer audit is to advertise for the work in September, with an award by the end of October.

D. Corporate Development Issues.

Background: Enactment of the Corporation Act is only the first step in the process required to properly establish the new corporation. There are a considerable number of tasks to ensure that a correct and properly functioning entity is in place prior to the date of transfer. Timing in this area is particularly acute considering the abbreviated time frame provided by the federal transfer law. The corporate development work during the pretransfer period can be categorized into the following two areas: (1) activity required by ARTA which the corporation must address in order to satisfy all of the transfer conditions; and (2) legal and organizational work central to the establishment and initial functioning of the new corporation as a legal entity within the State. Although a considerable amount of this work will eventually be taken over by the new Board of Directors and performed by corporation personnel, the Transfer Team has the primary responsibility to oversee and direct performance of this work prior to corporate assumption of these responsibilities.

Work Tasks: The following specific work tasks in this area are as follows:

Aug. 1 - Sept. 30  
Solicitation & Review  
of Candidates for  
ARTA Board of Directors  
Sept 30 - Oct. 15  
Appointment of Board  
Sept. 1 - Nov. 15  
Preparation & Delivery  
of Briefing Materials  
Aug. 15 - Oct. 31  
Initiation of Board  
Activity  
Oct 15 - Nov 15 (approx)  
Board Transition/  
Orientation Period  
Sept 15 - Oct. 15  
Verification & Establishment  
of Transfer Date  
Oct. 15 - Dec. 1  
Obtain Fee Certificate  
of Public Convenience  
& Necessity

- Assist with the review and selection process for board appointees, including preparation of briefing materials and technical research as assigned to support work by the Office of the Governor (Immediate/Pre-Transfer).
- Assess legal requirements which must be met to properly establish this entity in a timely fashion (Immediate/Pre-Transfer).
- Prepare briefing books, articles of incorporation, interim by-laws and other materials as needed for first set of board meetings (Immediate/Pre-Transfer).
- Prepare an in-depth overview and sectional analysis of the Corporation Act for presentation to the Board of Directors (Immediate/Pre-Transfer).
- Obtain certificate of public convenience and necessity from the Interstate Commerce Commission as required by ARTA (Immediate/Pre-Transfer).
- Assist board with executive official searches as required (Pre-Transfer/Ongoing).

July 1 - Summer '85

• Coordinate  
OSHA/Building Code  
Compliance Surveys

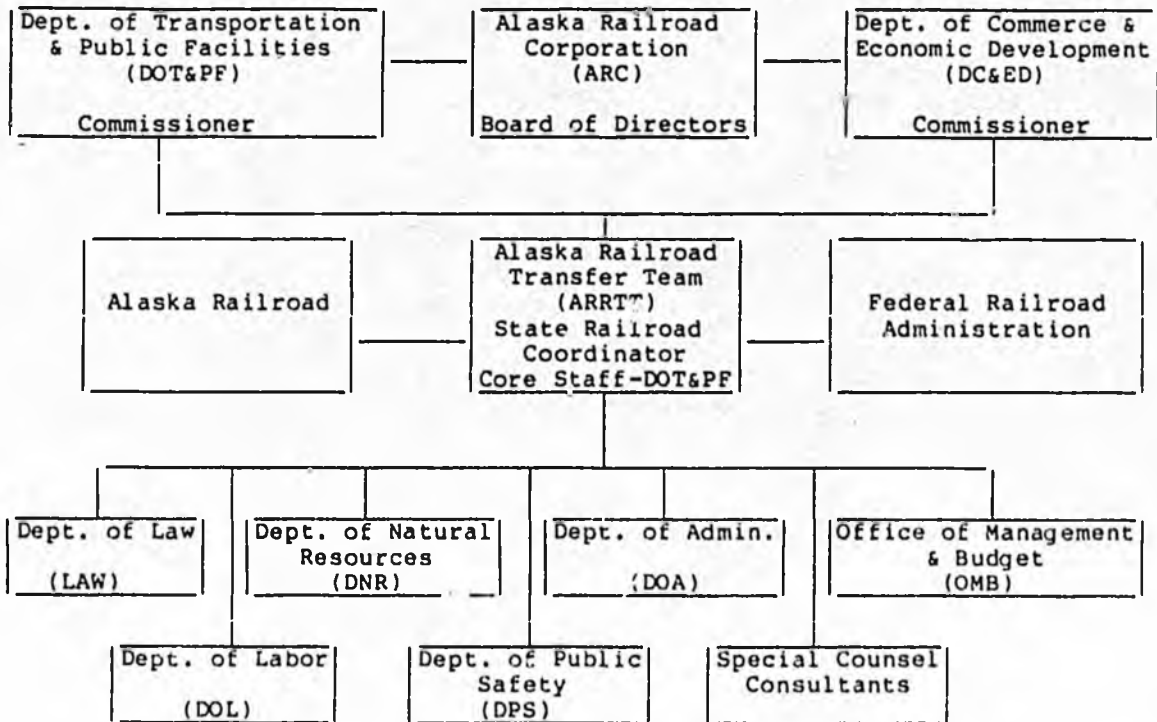
- Prepare briefing papers on individual railroad issues which summarize current situation and provide recommendations for further action or analysis (Pre-Transfer/Ongoing).

Dec. 8 - Jan. 5 '85  
Actual Date of  
Transfer

- Coordinate review and approval of products from other three Work Plan components which require board knowledge and action (Pre-Transfer/Ongoing).
- Coordinate initiation of OSHA and building code compliance surveys and planning work (Pre-Transfer/Ongoing).
- Identify functions performed by the railroad security section and coordinate their ongoing roles with state and local law enforcement agencies as required (Pre-Transfer/Ongoing).
- Coordinate initiation of valuation study work necessary to support Interstate Commerce Commission rate-making filings (Corporation/Post-Transfer).
- Coordinate interagency liaison for the new corporation with other state agencies and federal groups as needed (Corporation/Post-Transfer).
- Coordinate initiation of planning efforts to explore privatization options, with particular emphasis on lease arrangements (Corporation/Post-Transfer).

Schedule: Several of the first tasks need to be completed prior to the first official board meeting, which for planning purposes is scheduled for early October. Several of the other tasks must be accomplished prior to the date of transfer, which again for planning purposes is scheduled for no later than January 1, 1985. The remaining tasks will carry over beyond transfer and will eventually become a corporation responsibility, although it is recommended that several of these be initiated before actual transfer.

ALASKA RAILROAD PROJECT  
TRANSITION WORK PLAN  
PROJECT ORGANIZATION

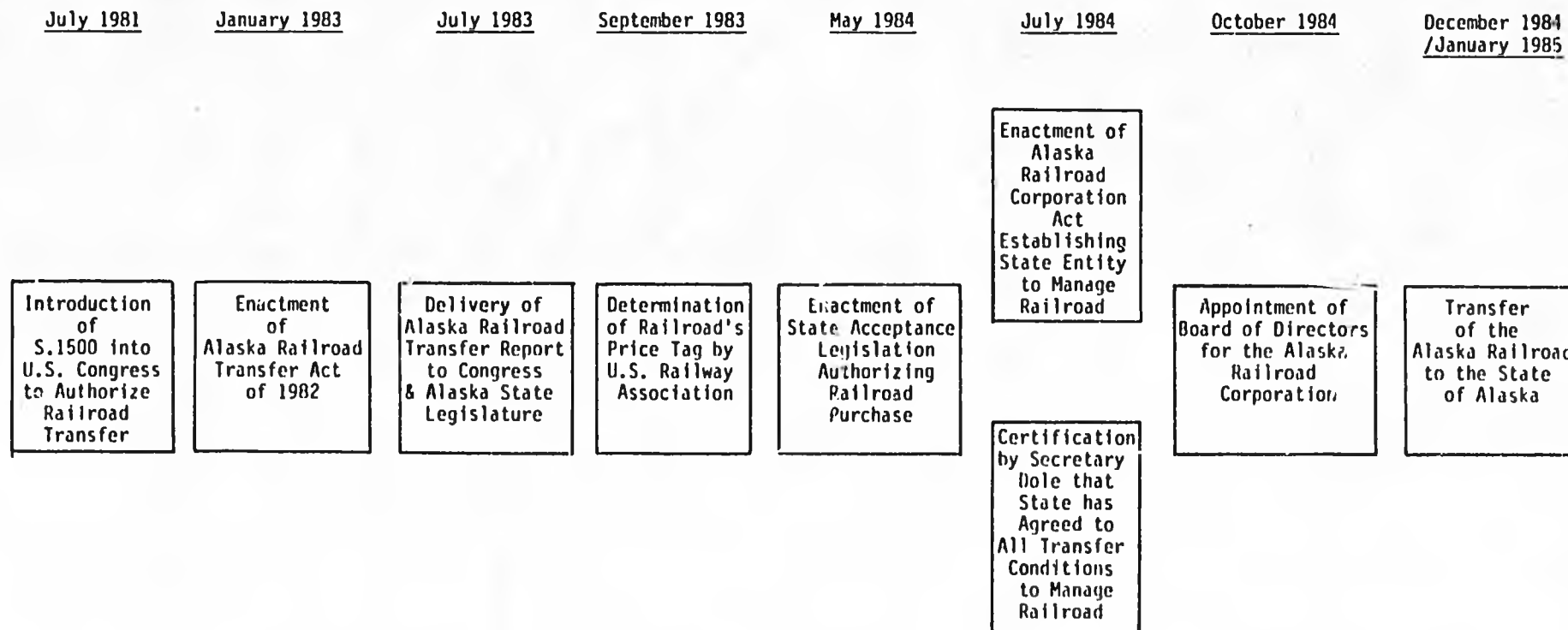


PRIMARY RESPONSIBILITIES

- DOT&PF
  - Joint Lead Agency
  - Parent Agency for ARRTT
- DC&ED
  - Joint Lead Agency
  - Parent Agency for ARC
  - Administrative Coordination of FY'85 Financial Matters
- ARRTT
  - Overall Project Direction
  - Interface With the ARR and FRA
  - Management of FY'85 Financial Matters
- DOA
  - Technical Assistance on Employee/Personnel Issues
  - Technical Assistance on Financial/Administrative Issues
  - Project Management of Pre-Transfer Audit
- DPS
  - Survey of Life and Safety Code Issues at ARR
- DOL
  - Survey of OSHA and Mechanical/Boiler System Issues at ARR
- Special Counsel/Consulting Asst.
  - Special Legal Assistance ("3(e)" work; ICC issues)
  - Capital Planning and Land Appraisal Assistance
- Law
  - Coordination of Project Legal Work
- DNR
  - Technical Review of Real Property Conveyance Documents.
  - Related Title Work and Monitoring of Cadastral Survey
- OMB
  - Technical Assistance on FY'86 Budget Preparations
  - Technical Assistance on Performance of Pre-Transfer Audit

ALASKA RAILROAD TRANSFER PROJECT  
 TRANSITION WORK PLAN  
 PROJECT SCHEDULE

°Schedule of Major Milestones



°Transition Period Schedule

ATTACHMENT B (Cont'd)

	July 1984	August	September	October	November	December	January 1985
<b>°Project Development</b>							
-Establishment of Project Organization	<u>12</u>	<u>15</u>					
-Funding Arrangements		<u>1</u>	<u>1</u>				
-Scoping of Work Plan	<u>15</u>			<u>15</u>			
<b>°Property Transfer Issues</b>							
-Preparation of Transfer Documents	<u>12</u>			<u>15</u>			
-State Review of Documents		<u>15</u>		<u>31</u>			
-Negotiation of Unresolved Issues			<u>1</u>		<u>15</u>		
-Final Preparation & Delivery of Documents				<u>1</u>		<u>1</u>	
-Preparation of State's "3(e)" Filing	<u>12</u>			<u>15</u>			
-Adjudication by BLM of "3(e)" Issue				<u>15</u>			<u>14</u>
-Negotiation of "3(e)" Issue	<u>12</u>					<u>15</u>	
<b>°Employee/Personnel Issues</b>							
-Resolution of Federal Questions by OPM	<u>12</u>		<u>1</u>				
-Presentation of Answers to Employees			<u>1</u>	<u>30</u>			

ATTACHMENT B (Cont'd)

	July 1984	August	September	October	November	December	January 1985
-Address Employee Benefit Issues	<u>12</u>			<u>15</u>			
-Present Solutions to ARC Board				<u>15</u>	<u>1</u>		
-Implement Solutions					<u>1</u>	<u>15*</u>	
-Establishment of Railroad Labor Relations Agency			<u>1</u>			<u>1</u>	
-Monitor Federal Reduction-In-Force Process				<u>15</u>		<u>15*</u>	
-Assist with New Hire Issue			<u>15</u>			<u>15*</u>	
-Assist with Adoption of CB Agreements & Personnel Rules by Board				<u>1</u>		<u>1</u>	
°Financial/Administrative Issues							
-Design and Contract i.e-Transfer Audit	<u>12</u>		<u>30</u>				
-Perform Audit				<u>1</u>			<u>March 1, 1985</u>
-Monitor & Negotiate Disposition of ARR Revolving Fund	<u>12</u>				<u>1</u>		

\* Note: This is an approximate date that will have to correspond to the actual transfer date once set.

	July 1984	August	September	October	November	December	January 1985
-Assist with Preparation of FY '86 Budget Submittals		15					1
-Address Accounting/ Contracting Transfer Issues			1				1
-Present Solutions to ARC Board						1	15
-Implement Solution						15	15*
-Prepare Risk Management Options Presentation		15			15		
°Corporate Development Issues							
-Solicitation & Review of Candidates for ARC Board of Directors		1		30			
-Appointment of Board				30 (Anywhere Between)	15		
-Preparation & Delivery of Briefing Materials			1				15
-Initiation of Board Activity				30 (Anywhere Between)	31		
-Board Transition/ Orientation Period					15		15*
-Negotiation & Establishment of Transfer Date			15		15		

\* Note: This is an approximate date that will have to correspond to the actual transfer date once set.

ATTACHMENT B (Cont'd)

July 1984      August      September      October      November      December      January 1985

-Obtain ICC Certificate  
of Public Convenience  
& Necessity

15 \_\_\_\_\_ 1

-Coordinate OSHA/Building  
Code Compliance Surveys

1 \_\_\_\_\_ Summer 1985

-Article Date of  
Transfer

8 (Anywhere 5  
Between)

ALASKA RAILROAD TRANSFER  
REAL/PERSONAL PROPERTY ISSUES

DRAFT WORK PLAN

1.0 Task: Review BLM/FRA conveyance documents to assure proper conveyance of all interests granted under ARTA.

Priority: 1

Resource Team: Braden, Kluis, Hickey, McGee, O'Leary, H. Rice, Akres

1.1 Establish procedure for State acceptance of title conveyance documents.

1.1.1 Real Property

1.1.2 Personal Property

1.2 Work with ARC & DNR to establish proper recording of real property conveyance documents.

1.3 Establish procedure for State review of conveyance documents.

1.3.1 Real Property

1.3.2 Personal Property

1.4 Identify and verify Federal interests being conveyed.

1.4.1 Identify lands not identified in Exhibit 1 of Transfer Report that meet criteria for rail property.

2.0 Task: Resolve remaining real property issues with interested Federal agencies.

Priority: 1

Resource Team: Hickey, Rogers, O'Leary, McGee, Braden

2.1 BLM

2.2 Department of Defense

2.3 Department of Agriculture, U.S. Forest Service

2.4 National Park Service

3.0 Task: Prepare and obtain acceptable bill of sale for transfer of all personal property.

Priority: 1

Resource Team: O'Leary, Hickey, McGee

3.1 Draft Document

3.2 Negotiate acceptance with FRA

3.3 Ensure proper delivery to corporation

3.4 Resolve miscellaneous personalty matters

4.0 Task: Continue negotiations with affected Native Village and Regional corporations with respect to ANCSA claims against railroad lands.

Priority: 1

Resource Team: Hickey, Rogers, Walsh, Kavasharov

- 4.1 Toghettele Village Corporation
- 4.2 Eklutna Village Corporation
- 4.3 Knikatu Village Corporation
- 4.4 Deloycheet Village Corporation
- 4.5 Tanana Village Corporation
- 4.6 Cook Inlet Regional Corporation
- 4.7 Ahtna Regional Corporation
- 4.8 Chugach Natives, Inc.
- 4.9 Doyon, Ltd. Regional Corporation

5.0 Task: Prepare State filing and participate in the 3(e) process for adjudication of Native claims against railroad lands.

Priority: 1

Resource Team: Kavasharov, Rogers, Hickey

5.1 Prepare filing

5.2 Present oral findings and necessary follow-up work with BLM

5.3 Prepare appeal work if appropriate

6.0 Task: Ensure performance of cadastral survey of all real property interests to be conveyed under ARTA.

Priority: 2

Resource Team: Rice, Duren, Braden, McGee, O'Leary, Hickey

- 6.1 Monitor coordination of survey activities with review of conveyance documents.
- 6.2 Monitor coordination of survey activities with resolution of remaining real property issues with interested Federal agencies.
- 6.3 Monitor coordination of survey activities with activities relating to Native claims against railroad lands.

7.0 Task: Ensure proper disposition of all railroad records in accordance with ARTA. Coordinate archives and records management activities.

Priority: 2

Resource Team: McKinney, McAlister, Braden, Blasingame

- 7.1 Develop project plan
- 7.2 Select Steering committee
- 7.3 Select and obtain staff for project
- 7.4 Monitor staff work
- 7.5 Coordinate with steering committee
- 7.6 Coordinate with land transfer activities
- 7.7 Coordinate with personnel transfer activities

8.0 Task: Coordinate work by corporation and DNR to record real property conveyance at transfer and establish a land record management system.

Priority:

Resource Team:

(Tasks yet to be identified.)

9.0 Task: Coordinate work by corporation and DNR to resolve overlapping title issues.

Priority:

Resource Team:

(Tasks yet to be identified.)

ARR TRANSFER  
Personnel Issues  
REVISED WORK PLAN

7-24-84

1.0 Task: Monitor determination of Federal Personnel questions.

Resource Team: Stan, Mark, Jack, Wendy, Al, Jim B.

- 1.1 Participate with FRA in formulation of questions addressed to OPM.
- 1.2 Participate with FRA and OPM in process of providing answers to questions addressed to OPM.
- 1.3 Memorialize agreements on how continuing issues are to be handled.
- 1.4 Assure that answers are properly implemented.

2.0 Task: Assure that non-retirement benefits (e.g. life and health insurance, etc.) are provided to transferring employees, permanent and temporary as required, by systems established prior to transfer.

Resource Team: Al, Wendy, Don

- 2.1 Assess present RR non-retirement benefit package.
- 2.2 Assess availability of equivalent programs.
- 2.3 ARRC contracts with benefit provider and otherwise implement benefit package.
- 2.4 Establish necessary administrative procedures within RR personnel office.
- 2.5 Coordinate these programs for transferring employees with programs for new hires.
- 2.6 Coordinate with collective bargaining process.
- 2.7 Coordinate with establishment of Personnel Rules.

3.0 Task: Assure that retirement benefits are provided to transferring employees in systems selected and/or established prior to transfer.

Resource Team: Al, Wendy, Don, Mark

- 3.1 Complete actuarial work and explain calculations in a narrative report.
- 3.2 Complete MOU with OPM on retirement.
- 3.3 Implement MOU according to procedures it establishes.
- 3.4 Establish necessary administrative procedures through RR personnel office.
- 3.5 Appeals
- 3.6 Coordinate with programs for new hires.
- 3.7 Coordinate with collective bargaining process.
- 3.8 Prepare analysis package for action by ARRC management.

4.0 Task: Assess the legal independence of RR employees from the State after transfer.

5.0 Task: Provide on-going communications with RR employees during the transition process.

Resource Team: Stan, Jim B., Wendy, Jack

- 5.1 Establish a positive, affirmative communications process.
- 5.2 Coordinate with Federal RIF procedure.
- 5.3 Coordinate with Labor Relations activities.
- 5.4 Designate person to answer personnel questions after transfer.

6.0 Task: Assist with pre-transfer labor relations functions.

Resource Team: Al, Don, Wendy, Mark

- 6.1 Review all collective bargaining agreements.
- 6.2 Prepare procedure for adoption of agreements as required by State law and ARTA.
- 6.3 Implement procedure to adopt Agreements.
- 6.4 Review RR Labor Relations Files.
- 6.5 Establish procedures (ground rules) for contract negotiations as required by ARCA.
- 6.6 Assist with renegotiation of collective bargaining agreements.
- 6.7 Assess labor relations needs with respect to nonrepresented employees.
- 6.8 Assist with establishment of ongoing labor relation functions.
- 6.9 Coordinate with records management activities.

7.0 Task: Coordinate establishment of the RR Labor Relations Agency prior to transfer as required by Section 42.40.730 of ARCCA.

7.1 Assist Governor's Office as needed in organizing RR Labor Relations Agency.

7.2 Assess legal position of RR Labor Relations Agency.

7.3 Assist RR Labor Relations Agency with establishment tasks and administrative matters as needed.

7.3.1 Assist RRLRA in definition of its mission.

- 8.0 Task: Assure that appropriate employee personnel records are available to the ARRC prior to transfer.

Resource Team: Don, Al, Wendy

- 8.1 Railroad updates all files prior to transfer to ARRC in time for record transfer to take place before ownership transfer.
- 8.2 Make legal determination of what ARRC is entitled to receive.
- 8.2.1 Legal assessment of Privacy Act liability.
- 8.2.2 Legal assessment of procedure required to support records transfer.
- 8.2.3 Other relevant legal considerations.
- 8.3 Coordinate with agreements with OPM for post transfer needs.
- 8.3.1 *Assure access to Fed records in case of state owned record destruction*
- 8.4 Assure timely delivery of appropriate information to ARRC.

- 9.0 Task: Assist ARRC management with establishment of personnel rules prior to transfer as required by Section 10(b) of ARCA.
- 9.1 Draft a package analyzing alternative personnel rules and related systems for presentation to ARRC management.
- 9.2 Legal review of draft personnel rules.
- 9.3 ARRC management selects desired alternative.
- 9.4 Assist with implementation of alternative selection.
- 9.5 Coordinate selection and implementation of personnel rule system with union leadership.
- 9.6 Coordinate selection and implementation of personnel rules system with collective bargaining process.

10.0 Task: Address personnel questions pertaining to new hires following transfer.

10.1 Non-retirement benefits.

10.2 Retirement benefits.

10.3 Assist ARRC management in establishment of wages and salary for new hires not covered by collective bargaining agreements.

10.4 Coordinate with establishment of personnel rules.

11.0 Task: Assure that the EEO program of the State-owned RR is coordinated with the State's overall EEO program.

11.1 Review current RR EEO programs and practices.

11.2 Assess requirements to be met by ARRC with respect to EEO.

11.2.1 Legal requirements.

11.2.2 Policy requirements.

11.3 Provide interface for the activities of the Division of EEO in the Department of Administration with ARRC preparation of EEO plan.

11.4 Determine action needed, if any, by ARRC management.

11.4.1 Assist ARRC management with Adoption of EEO plan.

11.4.2 Assist ARRC management with Implementation of EEO plan.

12.0 Task: Assess the status of recipients of Worker's Compensation benefits with respect to transfer.

12.1 Assess eligibility for transfer of employees receiving worker's compensation benefits.

12.1.1 Make legal determination as to which employees are to be extended the employment offer required by ARTA.

12.1.2 Assure that any offer required is made and acceptance or rejection completed.

12.2 Coordinate with activities related to determination of liabilities, revolving fund, etc.

13.0 Task: Assist ARRC management with personnel related corporate development tasks as assigned.

- 14.0 Task: Coordinate the above tasks and others that arise in the personnel aspects of the transfer process.
  
- 14.1 Assist Project Coordinator with assignment of resources.
  
- 14.2 Assist resource teams as needed in the following:
  - 14.2.1 Ascertaining policy direction.
  
  - 14.2.2 Interface with activities of other resource teams.
  
  - 14.2.3 Assessing timelines.
  
  - 14.2.4 Defining work products needed or desirable to accomplish tasks.
  
  - 14.2.5 Locating and providing special expertise not available on the resource team.
  
- 14.3 Assure that work tasks are completed in a timely manner.
  
- 14.4 Coordinate personnel group activities of transfer process with other activities such as financial matters, corporate development matters, lands matters, etc.