ALASKA LEGISLATURE COMMITTEE FILES 1963 1964 0672

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March 15, 1982

U.T.U. Brief on Senate Bill Number AS 23.30.420(a)

Background Information

The White Pass & Yukon Route Railroad, a Canadian owned corporation with home offices in White Horse, Yukon Territory, is the last operating common carrier three-foot wide narrow gauge railroad in North America. Built at the height of the Klondike Gold Rush in 1898, it runs 110 miles from tidewater at Skagway, Alaska, to Whitehorse in the Yukon Territory. Since 1970, American crews (who used to operate all trains on the railroad) run the 41 miles to Lake Bennett, B.C., the division point, and Canadian crews take the trains the balance of the distance to Whitehorse.

Though "modern" in some respects, such as diesel locomotives and a containerized freight handling system, the WP&YR contends with some of the worst terrain and climate conditions in the world. The Canadian side from Bennett to Whitehorse is flat with only a few grades; the U.S. division is the "trickiest part of the road".

Alaskan crews must drag their trains up 21 miles of 3.9% grade to reach the summit, and then contend with another mile and two short (but equally steep) grades before reaching Bennett. The return to Skagway presents the problem of controlling 60-car trains of lead-zinc ore concentrates on the steepest railroad grade in America.

The railroad is interspaced with high wooden trestles and cliff-like retaining walls which perch the track a thousand feet above the canyon floor for miles. Blizzards have dumped over four hundred inches on the summit of White Pass, and though there are "good" years, the railroad has been blocked sometimes for weeks on end. The worst storm shut down the road for 21 days.

The geography and weather create more than just management problems; they compound the dangers of railroading to the highest extent. Even on a well-maintained railroad, meeting safe operational standards is critical. Here it is very literally a matter of life and death. Avalanches and rock slides periodically wipe cars over the side, and derailments (which occur very frequently) could mean disaster at many locations. Such a disaster would even be environmental in its scope, since the prospect of tons of lead and zinc dumped into the Skagway River would certainly affect life in the water, and down to the sea.

Train crews have learned to take safety as more than just the title page in the rule book. After all, we're the ones out there in the middle of it. Five-man crews on the [illegible]YR exist primarily for safety, in spite of management's stand on this bill. Here are a few examples:

1. Ice building up between the wheels and the brake shoes can cause winter brake failures. The Company has refused to upgrade their equipment, and this leaves the crew to deal with problems out on the road.

2. Bridges and trestles on the road are not equipped with walkways. A train which is stretched across a bridge leaves no walking (or climbing) room at the edge. Therefore, a brakeman cannot walk from one end of the train to the other, and a second brakeman is needed to walk the other end in emergencies. This can be critical.

3. In winter months it often takes the combined strength of two men to set a good safe handbrake on a car, and the same force of two men to "knock-down" or remove the brake. On older cars with faulty handbrakes this applies all year, even with brake clubs.

4. The "sophisticated communications systems" (two-way radios) in use are continually in for repair and are prone to failure. The crews do not rely on them because of this safety hazard, and hand signals are regularly used in switching moves.

5. The primary job of the crew while underway is to watch for any hint of trouble on or around the train. The railroad is twisted like a piece of spaghetti with 16 < 24° curves, and there are documented cases of the fireman, riding on the left-hand side of the locomotive, spotting danger which was out of the engineer's line of sight and stopping the train. Similarly, brakemen ride at both ends and watch over the train for hotboxes, loads shifting or breaking loose, broken axles or wheels, dragged brake rigging, derailed cars, broken rails, fires, washouts, etc. Thus, the manning positions at the head-end with the engineer and fireman watching the track from the lead unit, a brakeman riding the "rear" or trailing unit watching over the train behind, and a conductor and rear-brakemen overseeing the train ahead of the caboose (and the track behind for signs of dragging brake rigging or derailed equipment) have been established for the safe opera-

tion of the train while underway. Dozens of documented cases exist of crew men at their positions spotting trouble which would have gone unseen by other crew members, and thus saving the Company thousands of dollars in repairs and wreck clean-up operations.

6. Most important to the crew members in the light of safety on the road is the grim fact that besides dealing with faulty locomotives, antiquated equipment, and track and bridge maintenance which barely meets the job at hand, employees have to deal with snowslides and cliffs over which a train's plunge would mean certain injury or death. The spector of a passenger train loaded with 400 tourists going through a rotten trestle, derailing high above "Dead Horse Gulch", or being hit by a rock slide (on top of the 1900-era wood-framed parlor cars with their old oil stoves) brings shudders to the men who actually are on board as well as to management. Crew members to deal with such accidents are essential. Even more frightening in the winter season are the snowslides. There has been an increase in winter passenger traffic over the last few years, and thus the crew is faced with the added burden of protecting travelers as well as themselves.

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1. White Pass and Yukon Ltd. of Vancouver is owned by Federal Industries, Ltd. of Winnepeg. The Canadian management is on an over-all cost-cutting spree at this time, and are trying to tighten up their operation. Part of this has included the postponement of track repairs--a major rail replacement program was knocked out to save money--and an attitude of "beat it 'til it dies" toward their locomotives, some of which are now 28 years old and in critical need of replacement or complete long-term overhaul. Because traffic is so heavy at this time, the Company can't take their engines out of service much more than stop-gap, repairs on the worst problems. Engine failures or malfunctions are a common occurance on the railroad. It is also worth noting that the average train length in 1969 was 30 cars, operated by five men. Today the same five men have to run trains that can be 100 cars long out of White Pass. This is actually more work for each man involved, with more weight to contend with, more cars to watch (and to walk when checking the train, or in emergencies), and definitely more hazardous.

2. Remarkable but true in light of the terrain and operational hazards on the WP&YR is the fact that White Pass does not legally have to comply with Federal laws concerning safety and operation. The reason: White Pass is "narrow gauge" instead of "standard gauge" (4' 8½" wide track), and as such the Company can usually sneak by under requirements and regulations which would close down a standard gauge road "outside". This appears to be an oversight by the Federal Railroad Administration, but is understandable since the little known and obscure White Pass is the last narrow gauge common carrier left in the U.S. Also, it is generally viewed as a Canadian company. The 24 miles within Alaska under jurisdiction of American law, usually slide by unnoticed.

3. Much of the freight equipment, passenger equipment and air brake equipment is antiquated and of museum vintage. Crews must deal with this as well as other problems, adding to operational hazards.

4. Because of all the previous factors, it is little wonder that the White Pass accident and safety record is atrocious. Summer travel has increased each year, and with it the number of accident reports. Employees must be extra alert at all times to prevent injury or death from faulty equipment, dangerous operational procedures, or management decisions affecting train movement. White Pass enjoys saying that they have "never lost a passenger's life" in their 80-year history. The men who ride the trains can only count the number of dead employees over the years, and knock on wood. The Company is playing Russian Roulette with human lives, and their <u>own</u> odds get worse by reducing the number of men on board a train who are available to deal with the expected--and unexpected--hazards of mountain railroading under the most extreme conditions.

<u>Statement of Position by the United Transportation Union</u>

We of the United Transportation Union, Local 1787 in Skagway, are adamently opposed to Senate Bill 849, a bill which will aid a non-resident Canadian corporation by eliminating Alaskan jobs on U.S. soil. This is by itself a dangerous international precedent, worthy of close attention--particularly in light of the proposed Alcan gasoline project.

Few people even know that there <u>is</u> a railroad in Southeast Alaska. Instead of repealing the present law, we propose a rider should be added that would exempt state owned railroads.

Lastly, very few individuals are aware of the delicate balance that exists in Skagway between labor and management. We feel that the introduction of this bill is an attempt by the Company to further drain our union treasury attending a battery of hearings in Juneau. The last time we had to testify it involved long hours and much expense--something which the Company can easily afford.

Given this situation, our membership has nothing except the present State law to protect us from the whims of a foreign corporation. Our only defense at present lies in "An Act relating to train crews" as set forth in State law. It would thus seem beyond comprehension for our own lawmakers--our own elected representatives--to vote to repeal the only security which we in Skagway have in these difficult days.

Corrigan L. Gates
Legislative Representative
United Transportation Union
Local 1747
Skagway, Alaska 99840

Sec. 23.10.405. Employment in underground mines. Employment in underground coal mines, underground lode mines, underground placer mines, in underground coal, lode or placer workings, or in all other underground mines or workings is injurious to health and dangerous to life and limb. (§ 43-2-1 ACLA 1949)

Cross references. — As to accident prevention, see AS 18.60.010 — 18.60.105.

Sec. 23.10.410. Limitation on period of employment in mines. (a) No person may be employed in an underground coal mine, underground lode mine, underground placer mine, underground coal, lode or placer workings, or other underground mine, or workings for more than eight hours in 24 hours, except on a day when a change of shift is made, excluding, however, an intermission of time for meals, or otherwise going to or from the place where the work is actually carried on, whether in going on or off shift, or in going to or returning from meals.

(b) It is the purpose of this section to limit the hours of employment in 24 hours to eight hours of actual labor at the face, or other place where the work or labor to be done is actually performed.

(c) In case of emergency, where life or property is in imminent danger, the period may be extended during the continuance of the emergency. (§ 43-2-2 ACLA 1949)

Sec. 23.10.415. Penalties. (a) A person who, whether as principal or agent, employs a person in violation of the provisions of AS 23.10.410 is guilty of a misdemeanor, and upon a first conviction is punishable by a fine of not less than $100 nor more than $500, or by imprisonment in a jail for not less than 60 days, nor more than six months, or by both.

(b) Upon a second conviction under AS 23.10.405 — 23.10.415, the punishment is imprisonment in a jail for not less than 60 days, nor more than one year. A second conviction under AS 23.10.405 — 23.10.415 means a conviction for a violation of AS 23.10.405 — 23.10.415 committed within a period of two years after a previous conviction for a violation of AS 23.10.405 — 23.10.415. Other convictions are first convictions. Each day's violation of the provisions of AS 23.10.405 — 23.10.415 is a separate offense. (§ 43-2-3 ACLA 1949)

Sec. 23.10.420. Train crews. (a) No person operating an Interstate Commerce Commission-regulated railroad offering passenger service in this state may operate a train or engine, outside of yard limits, regardless of the form of energy used for propulsion, unless it meets the following requirements:

(1) a passenger train shall have at least a minimum passenger crew, which shall consist of one locomotive engineer, one locomotive fireman (or helper), one conductor, one brakeman, and one flagman;

(2) a freight train shall have at least a minimum freight crew, which shall consist of one locomotive engineer, one locomotive fireman (or helper), one conductor, and two brakemen;

(3) a light engine without cars shall have at least a minimum light engine crew, which shall consist of one locomotive engineer, one locomotive fireman (or helper), and one conductor.

(b) Except for hostling movements and duties as negotiated for each railroad company, no person operating an Interstate Commerce Commission-regulated railroad offering passenger service in this state may operate an engine or locomotive, regardless of the form of energy used for propulsion, for switching cars or in transfer movements, unless every engine or locomotive is manned by a minimum crew consisting of one locomotive engineer, one locomotive fireman (or helper), one conductor, and two helpers.

(c) In this section "engine" includes connected, multiple units under single control.

(d) A person who violates a provision of this section may be fined up to $500 upon conviction. Each violation constitutes a separate offense. (§ 1 ch 150 SLA 1970)

Legislative history reports. — For report on ch. 150, SLA 1970 (CSHB 666 am S), see 1970 House Journal, p. 604.

Chapter 15. Employment Services.

Article
1. Vocational Rehabilitation (§§ 23.15.010 — 23.15.210)
2. Governor's Committee on Employment of Handicapped (§§ 23.15.220 — 23.15.320)
3. Employment Agencies (§§ 23.15.330 — 23.15.520)
4. Manpower Development and Training (§§ 23.15.610 — 23.15.617)
5. Work Incentive Program for Welfare Recipients (§ 23.15.650)

Article 1. Vocational Rehabilitation.

Section
10. Board of Vocational Rehabilitation
20. Powers and duties of board
30. Appointment of administrative officers
40. Division of vocational rehabilitation established
50. Director of vocational rehabilitation
60. Agreements under Social Security Act
70. Personnel policies
80. Eligibility for vocational rehabilitation service
90. Priority as to eligibility
100. Powers and duties
110. Extension of services outside state
120. Cooperation with federal government
130. Vocational rehabilitation small business enterprise revolving fund
140. [Repealed]
150. Receipt and disbursement of funds
160. Gifts
170. Maintenance not assignable
180. Hearings
190. Misuse of lists and records
200. Limitation on political activity
210. Definitions

BRIDGES: SKAGWAY, ALASKA TO WHITE PASS

BRIDGE NO.	LENGTH	HEIGHT
2-A	36'	6'
5-A	237.5'	48'
7-A	72'	34'
7-B	86.5'	32'
7-C	180.5'	30'
9-A	20'	24'
12-A	111'	52'
14-A	244.5'	56'
14-B	32'	3'
15-A	180'	34'
15-B	108.5'	11'
15-C	206.5'	56'
17-B	47.5'	8'
19-A	243'	110'

EXHIBIT "A"

U.S. Department
of Transportation

**Federal Railroad
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

302 Mead Building
421 S. W. 5th Avenue
Portland, OR 97204

March 25, 1983

Mr. C. H. Cochran
Manager Mechanical Department
White Pass and Yukon Corporation, Ltd.
Skagway, Alaska 99840

Dear Mr. Cochran:

Confirming our telephone conversation on March 24, 1983, the following safety regulations pertaining to the operation of the White Pass and Yukon Route in Alaska are listed in 49 CFR Parts 200 to 399.

Parts 209 - Railroad safety enforcement procedures.

216 - Special notice and emergency order procedures: railroad truck, locomotive and equipment.

225 - Railroad accidents/incidents: reports, classification, and investigations.

228 - Hours of service of railroad employees.

229 - Railroad locomotive safety standards.

231 - Railroad safety appliance standards.

232 - Railroad power brakes and drawbars.

These regulations are self-explanatory and if I can be of further assistance, please feel free to call my office.

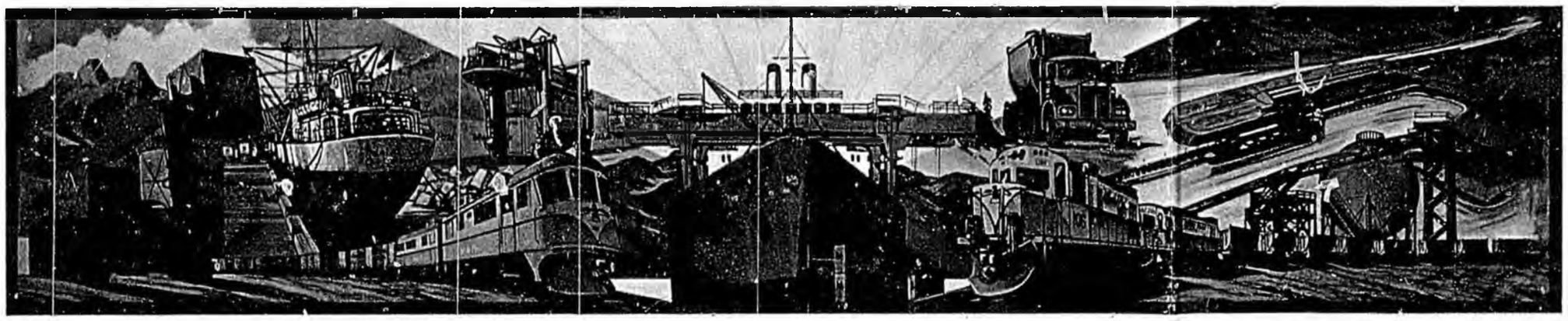
Sincerely,

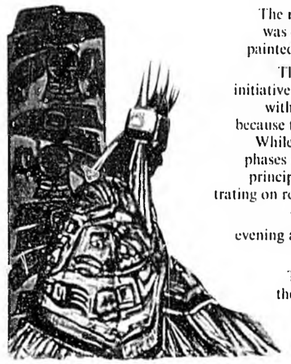
R. Mowatt-Larssen

R. Mowatt-Larssen
Regional Director of
Railroad Safety

EXHIBIT "B"

White Pass & Yukon Route Information





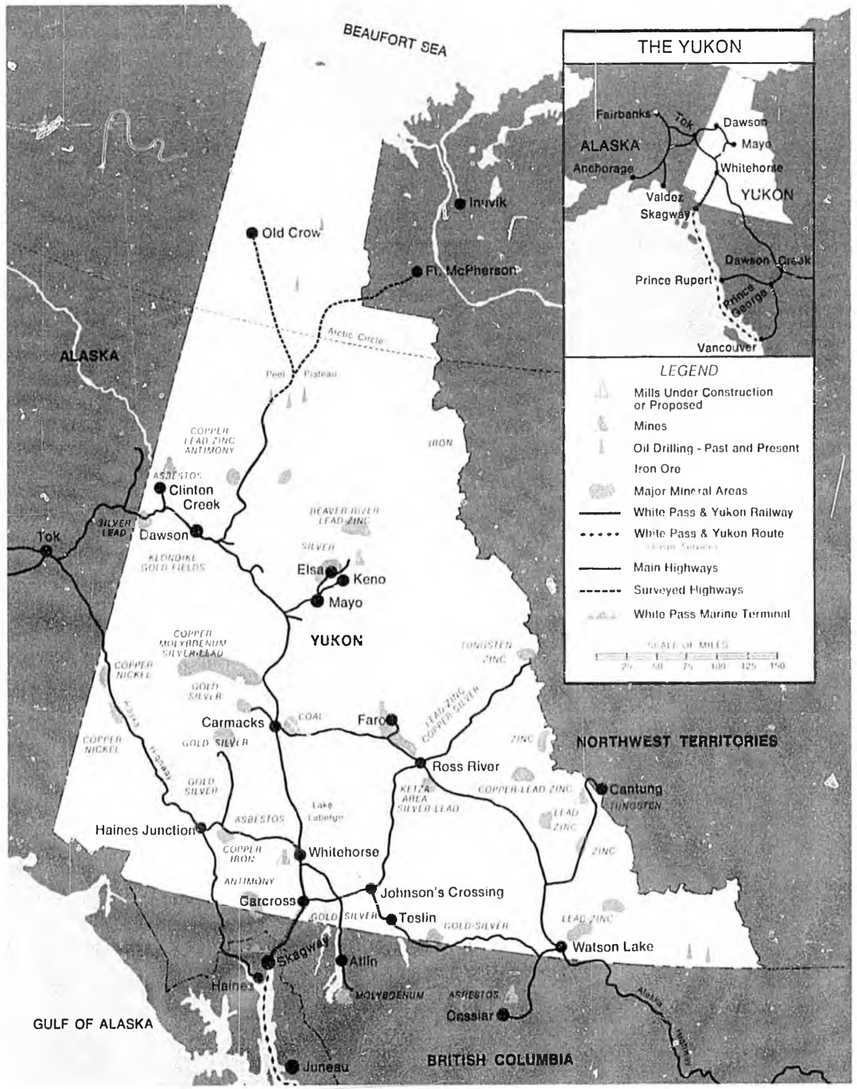
The mural reproduced on the front cover was conceived, researched, designed and painted by Charles Baker and Roy Minter.

They undertook the task on their own initiative, partly because they are enamoured with the history of the north, and par 'y because they both enjoy a creative challenge. While they worked closely together on all phases of the mural, Charles Baker was the principa' painter with Roy Minter concentrating on research, design and story continuity.

The mural represents 2,400 hours of evening and weekend work over a period of eighteen months.

The four panels hang on the walls of the passenger waiting room in the new railway depot at Skagway, Alaska.

The story in the mural is on the back cover.



The Story in the Mural

PANEL ONE (19'2½" x 4'). The crack of the broad axe shattered the silence of the valley that would be Skagway, as Captain William Moore and his son Bernard cut their logs for a wharf – a wharf to serve a gold rush that hadn't happened, but would happen soon if one believed the Captain's dreams; and the Chilkoot Indians wondered as they watched the wharf grow and listened to the Captain speak of a railroad that one day would ribbon north from Skagway to the land beyond the mountains.

Ten years passed before the Captain was proved right about the yellow metal. In 1897 the steamer Portland arrived in Seattle with a ton of Klondike gold, an event headlined in the July 17 edition of the Seattle Post-Intelligencer. Overnight the mad rush to the Klondike was underway. A gold-crazed horde surged north to the tip of Lynn Canal in anything that would float, and spread through the Skagway valley overrunning Captain Moore's land in their wild scramble for space to pitch their tents.

Ever-present and alive to opportunity was "Soapy" Smith, Skagway's frontier sharpie, who occupied his time in the shady business of duping the miners of their gold – and death in a Skagway gunfight would be his reward.

These were the boom days of Skagway, when the sourdoughs surged north to the Klondike through the Chilkoot Pass and the White Pass, two rugged notches in an awesome mountain barrier they would never forget.

PANEL TWO (20'10" x 4'). News of the Klondike Gold Rush reached London, England, in the summer of 1897 and with it came Captain Moore's dream of a railroad through the White Pass to the Yukon. Sensing opportunity, Close Bros., a British financial house, dispatched a survey party to assess the practicability of building a railway that would connect the Yukon with the sea. Sir Thomas Lancelot and Samuel H. Graves, with engineers E. C. Hawkins and John Hislop, decided, after a comprehensive examination, that a railway through the White Pass could not be built.

Then fate intervened.

Michael J. Heney, a young Canadian railway contractor, who had recently completed an independent survey of the White Pass was convinced that a railway could be built, and that he was the one to build it. Quite by chance, Heney met the Close Bros. group in Skagway's St. James Hotel bar, and, after arguing through the night, convinced Sir Thomas that the railway could be built – must be built – and he would build it if Close Bros. would provide the funds.

By early dawn, Sir Thomas was convinced.

In May, 1898, work started on what has been described as the toughest railway construction job ever undertaken. The grade crews blasted and hacked their way through the virgin granite, at times hanging by ropes to "double jack" blastholes into the sheer cliffs. With nothing but horses, black powder and men, the grade advanced against geography and the elements, and by June, 1899, construction had reached Lake Bennett – forty miles north of Skagway.

The railway was built by the most educated crews ever employed on a construction job. Klondike-bound and flat broke, many a doctor, lawyer, dentist or minister replenished his purse by swinging a White Pass pick on the grade.

PANEL THREE (25'9¼" x 4'). On July 29, 1900, after 27 months of toil, the "Golden Spike" was driven home at Carcross, Yukon, and within a few minutes a train was dispatched with the company's first load of through freight. Captain Moore's dream of 13 years had come true and the White Pass & Yukon Route was a going concern.

Within months the White Pass & Yukon Route's River Division was inaugurated. Using coastal steamers combined with White Pass rail and riverboat services, it was possible, by 1901, to travel from Seattle to Dawson City—first class—in only eight days.

Through World War I, the twenties and the thirties, the railroad kept rolling despite the depression and limited Yukon mining activity.

In the middle thirties, the White Pass developed a scheduled airline, the workhorses being the Ford Tri-Motor airplane and the Condor Biplane. In the early forties the airline was sold to a company formed by Grant McConachie which was later succeeded by Canadian Pacific Airlines.

During World War II the White Pass once again became involved in a northern human drama. Manpower, United States military establishments, and mountains of material required for the construction of the Alaska Highway, were transported from Skagway to Whitehorse. So great was the military demand on the company that the railway was operated by the United States Army for the duration of the war.

During April, 1943, the Earl of Athlone, Governor-General of Canada, in company with the commander of the American forces, inspected the White Pass railway, and White Pass-built airstrips which were used in the delivery of American-built bombers and fighters for the Soviet Union's war effort.

PANEL FOUR (20'7¼" x 4'). During the post-war years the White Pass & Yukon Route completely revised its freight-handling methods. It introduced the container concept of freight handling into world transportation thinking and, in 1955, launched the M.V. Clifford J. Rogers, the first vessel in the world built from the keel up as a container ship.

The moan of the diesel locomotive whistles replaced the shrill of the steam engines', and trucks took over from the historic riverboats. By late 1955 the company was operating a completely integrated ship-train-truck containerized transportation system, changing the living standards of the north.

Within ten years the M.V. Clifford J. Rogers was replaced by a sophisticated container-tanker ship christened M.V. Frank H. Brown, honouring the White Pass president who conceived the integrated container system and set it in motion. With the "Brown" came larger containers, the huge straddle carriers and new port facilities in Vancouver and Skagway.

The M.V. Klondike, a sister ship to the "Brown", was launched in 1969.

With the Yukon's mining development steadily increasing, new and heavier locomotives were placed in service, and special "tear-drop" containers to haul mine products to the sea. Today the company's Bulk Storage and Loading Terminal stores thousands of tons of metal concentrates for delivery to ocean-going ore carriers and the markets of the world.

Skagway, the Klondike Gold Rush boomtown, is the realization of an old man's dream—a dream come true.

May 25, 1983

Amendment for HB 154 (relating to train crew size)

Page 1, line 8

Following "AS 23.10.420":

Delete "is repealed." and insert the following:
" (a) is amended to read:
(a) No person operating an Interstate Commerce Commission-regulated narrow gauge railroad offering passenger service in this state may operate a train or engine, outside of yard limits, regardless of the form of energy used for propulsion, unless it meets the following requirements:
(1) a passenger train shall have at least a minimum passenger crew, which shall consist of one locomotive engineer, one locomotive fireman (or helper), one conductor, one brakeman, and one flagman;
(2) a freight train shall have at least a minimum freight crew which shall consist of one locomotive engineer, one locomotive fireman (or helper), one conductor, and two brakemen;
(3) a light engine without cars shall have at least a minimum light engine crew, which shall consist of one locomotive engineer, one locomotive fireman (or helper), and one conductor.
*Sec. 2 AS 23.10.420 (b) is amended to read:
(b) Except for hostling movements and duties as negotiated for each railroad company, no person operating an Interstate Commerce Commission-regulated narrow gauge railroad offering passenger service in this state may operate an engine or locomotive, regardless of the form of energy used for propulsion, for switching cars or in transfer movements, unless every engine or locomotive is manned by a minimum crew consisting of one locomotive engineer, one conductor, and one brakeman."

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UNITED TRANSPORTATION UNION
LOCAL 1787
SKAGWAY, ALASKA 99840

March 30, 1983

HOUSE BILL NO. 154

POSITION PAPER UPDATE

The United Transportation Union, Local 1787, takes the position that House Bill 154 is not in the best interests of the State of Alaska as the bill relates to Alaska's second and smaller railroad, the White Pass & Yukon Route. While H. B. 154 will essentially pave the way for state purchase of the Alaska Railroad, it does not address the unique situation presently facing the employees and passengers on the WP&YR. In addition:

1. All of the safety concerns identified in Attachment 1 are still extent. None have been addressed in the repeal of the state statute.
2. The WP&YR has not operated their railroad since October 8, 1982, and presently have made no sure plans for reopening this line. They presently hold all three American unions in Skagway in a "legal lockout", and the litigation related to that lockout is ongoing even now. Any blanket change of the train crew manning laws will aid and abet only the Company, and will give unnecessary assistance to them in their continued closure of the railroad. The Company has refused to sit down for bargaining and negotiations of any sort on the subject of re-opening the railroad. The passage of H. B. 154 will essentially give the Company even more ammunition to hold the employees, businesses, and citizens of Skagway hostage to foreign corporate whims without any assurance that even the passage of this bill would guarantee the opening of the railroad.

The members of United Transportation Union, Local 1787, want the railroad re-opened. This should be the primary issue before the State. If the WP&YR never intends to operate another train, this bill is meaningless to all concerned.

Larry Jacquot
General Chairman
United Transportation Union
Local 1787
Skagway, Alaska

SH:gc

POSITION PAPER OF THE UNITED TRANSPORTATION UNION

(1) The union has gone on public record saying that when their safety concerns are met (walkways on bridges, etc. See Attachment 1), they will themselves come to Juneau to assist in the orderly repeal of the train crew law. Thus far, the company has made no attempt to address these concerns, and with the closing of the railway and disclosures of their financial troubles, it is doubtful that they intend to do so.

(2) For thirteen years the state has been on public record saying that this law exists for safety;s sake. No change has been made to the physical railroad to upgrade it along the lines recommended by the union. For the state to back away from the long-held position without any accompanying change in the physical railroad would indeed leave the state open as party to any litigation which might emerge from injury suits occuring on the WP&YR.

(3) Due to the UTU's guarantee clause, the removal of the law will <u>not</u> affect the number of men who will work on the trains. The company is obliged to pay 18 men under contract, with or without the law. Therefore it is erroneous to accept the company's testimony that "the railroad will not reopen until this law is repealed". The law's repeal will give them no financial or bargaining "relief" whatsoever, and a recent court decision in favor of the union has upheld the guarantee clause as non-negotiable.

(4) While testifying that they want to remove state law barriers to allow for collective bargaining, and that the state "should not be involved in management-labor negotiations", the company has at the same time submitted to the state a

list of their own demands which must be complied with before they will reconsider opening the railroad. These include a reduction of 20% in wages and benefits, removal of all guarantee and penalty rules, reinstatement of managements rights rules, an hourly wage basis, removal of "costly and restrictive" items, etc. It would seem that on one hand they ask the state not to be involved; on the other, they ask that the state condone their demands.

(5) One reason for the interest in the repeal of this law has been the anticipated sale or takeover of the Alaska Railroad by the state. It has been argued that a "crew law" would burden the transfer. The standard guage Alaska Railroad under federal control reduced their crew size as safety and modernization measures allowed such action. A "state owned" Alaska Railroad would fall back under this crew statute unless the law was changed to apply to "narrow guage railroads" (i.e., the WP&YR). We contend this would satisfy both the Alaska Railroad transfer situation, and at the same time satisfy the needs arising from the unique safety situation on the steep curvatious White Pass & Yukon Route. It would also separate out the two railroads on this issue once and for all, making the matter crystal clear, and the law all that much easier to repeal when the concerns of the employees of the WP&YR and the state have been addressed.

UNITED TRANSPORTATION UNION

LOCAL 1787

SKAGWAY, ALASKA 99840

ATTACHMENT 1

BACKGROUND

The White Pass & Yukon Route Railroad, a Canadian-owned railroad with home offices in Whitehorse, Yukon Territory, is the last common carrier three-foot wide narrow gauge railroad in North America. Built at the height of the Klondike Gold Rush in 1898, it runs 110 miles from tidewater at Skagway, Alaska to Whitehorse in the Yukon Territory. A five-man train crew has been employed on the railroad on each train since 1898. In 1970 a state statute was placed on the books in the interest of safety for passengers and employees. Since 1970, American crews (who had operated all trains on the railroad since 1898) run only the 41 miles to Lake Bennett, B.C., the division point, and Canadian crews take the trains the balance of the distance to Whitehorse. The railroad suspended all operations on October 8, 1982 and no train has run since that date.

SAFETY FACTORS INVOLVED

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The geography and weather compound the dangers of railroading. Even on a well-maintained railroad, pursuing safe operational standards is critical. Here it is very literally a matter of life and death. Avalanches and rock slides periodically take cars over the side, and derailment (which occur frequently) could mean disaster at many locations.

Train crews have learned to place safety above all else. Five-man crews on the WP&YR exist primarily for safety, in spite of management's stand on this bill. Items of concern are as follows:

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6. Most important to the crew members in the light of safety on the road is that besides dealing with faulty locomotives, antiquated equipment and minimal track and bridge maintenance, employees have to deal with snowslides and cliffs over which a train's plunge would mean certain injury or death. The spector of a passenger train loaded with 400 tourists going through a damaged trestle, or derailing high above "Dead Horse Gulch", or being hit by a rock slide atop the 1900-era wood-roofed parlor cars with their old oil stoves brings shudders to the men who actually are on board as well as to management. Crew members to deal with such accidents are essential. Even more frightening in the winter season are the snowslides. THere was an increase in winter passenger traffic prior to the winter closure in 1982-1983. The crew faces the added burden of protecing travelers as well as themselves.

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UNITED TRANSPORTATION UNION
LOCAL 1787
SKAGWAY, ALASKA 99840

March 30, 1983

HOUSE BILL NO. 154

POSITION PAPER UPDATE

The United Transportation Union, Local 1787, takes the position that House Bill 154 is not in the best interests of the State of Alaska as the bill relates to Alaska's second and smaller railroad, the White Pass & Yukon Route. While H. B. 154 will essentially pave the way for state purchase of the Alaska Railroad, it does not address the unique situation presently facing the employees and passengers on the WP&YR. In addition:

1. All of the safety concerns identified in Attachment 1 are still extent. None have been addressed in the repeal of the state statute.
2. The WP&YR has not operated their railroad since October 8, 1982, and presently have made no sure plans for reopening this line. They presently hold all three American unions in Skagway in a "legal lockout", and the litigation related to that lockout is ongoing even now. Any blanket change of the train crew manning laws will aid and abet only the Company, and will give unnecessary assistance to them in their continued closure of the railroad. The Company has refused to sit down for bargaining and negotiations of any sort on the subject of re-opening the railroad. The passage of H. B. 154 will essentially give the Company even more ammunition to hold the employees, businesses, and citizens of Skagway hostage to foreign corporate whims without any assurance that even the passage of this bill would guarantee the opening of the railroad.

The members of United Transportation Union, Local 1787, want the railroad re-opened. This should be the primary issue before the State. If the WP&YR never intends to operate another train, this bill is meaningless to all concerned.

Larry Jacquot
General Chairman
United Transportation Union
Local 1787
Skagway, Alaska

SH:gc

POSITION PAPER OF THE UNITED TRANSPORTATION UNION

(1) The union has gone on public record saying that when their safety concerns are met (walkways on bridges, etc. See Attachment 1), they will themselves come to Juneau to assist in the orderly repeal of the train crew law. Thus far, the company has made no attempt to address these concerns, and with the closing of the railway and disclosures of their financial troubles, it is doubtful that they intend to do so.

(2) For thirteen years the state has been on public record saying that this law exists for safety;s sake. No change has been made to the physical railroad to upgrade it along the lines recommended by the union. For the state to back away from the long-held position without any accompanying change in the physical railroad would indeed leave the state open as party to any litigation which might emerge from injury suits occuring on the WP&YR.

(3) Due to the UTU's guarantee clause, the removal of the law will <u>not</u> affect the number of men who will work on the trains. The company is obliged to pay 18 men under contract, with or without the law. Therefore it is erroneous to accept the company's testimony that "the railroad will not reopen until this law is repealed". The law's repeal will give them no financial or bargaining "relief" whatsoever, and a recent court decision in favor of the union has upheld the guarantee clause as non-negotiable.

(4) While testifying that they want to remove state law barriers to allow for collective bargaining, and that the state "should not be involved in management-labor negotiations", the company has at the same time submitted to the state a

list of their own demands which must be complied with before they will reconsider opening the railroad. These include a reduction of 20% in wages and benefits, removal of all guarantee and penalty rules, reinstatement of managements rights rules, an hourly wage basis, removal of "costly and restrictive" items, etc. It would seem that on one hand they ask the state not to be involved; on the other, they ask that the state condone their demands.

(5) One reason for the interest in the repeal of this law has been the anticipated sale or takeover of the Alaska Railroad by the state. It has been argued that a "crew law" would burden the transfer. The standard guage Alaska Railroad under federal control reduced their crew size as safety and modernization measures allowed such action. A "state owned" Alaska Railroad would fall back under this crew statute unless the law was changed to apply to "narrow guage railroads" (i.e., the WP&YR). We contend this would satisfy both the Alaska Railroad transfer situation, and at the same time satisfy the needs arising from the unique safety situation on the steep curvatures White Pass & Yukon Route. It would also separate out the two railroads on this issue once and for all, making the matter crystal clear, and the law all that much easier to repeal when the concerns of the employees of the WP&YR and the state have been addressed.

UNITED TRANSPORTATION UNION

LOCAL 1787

SKAGWAY, ALASKA 99840

ATTACHMENT 1

BACKGROUND

The White Pass & Yukon Route Railroad, a Canadian-owned railroad with home offices in Whitehorse, Yukon Territory, is the last common carrier three-foot wide narrow gauge railroad in North America. Built at the height of the Klondike Gold Rush in 1898, it runs 110 miles from tidewater at Skagway, Alaska to Whitehorse in the Yukon Territory. A five-man train crew has been employed on the railroad on each train since 1898. In 1970 a state statute was placed on the books in the interest of safety for passengers and employees. Since 1970, American crews (who had operated all trains on the railroad since 1898) run only the 41 miles to Lake Bennett, B.C., the division point, and Canadian crews take the trains the balance of the distance to Whitehorse. The railroad suspended all operations on October 8, 1982 and no train has run since that date.

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March 28, 1983
Skagway, Alaska

We have had the opportunity to review the United Transportation Union's submission of 1982 stating their position for retaining the full crew law in Alaska.

This letter is our response to the United Transportation Union's position.

Five man train crews were not established out of safety concerns by either the crews on the trains or by the railroad carriers. Instead five man crews have been handed down from days of steam engines and before automatic air brakes. The UTU has very effectively used the safety issue to first implement the full crew law and now to stay its repeal.

The State of Alaska is the only state in the Union that retains the full crew law.

The Pacific & Arctic Railway & Navigation Company is the only railroad in the United States forced to retain five man train crews.

We quote from the Canadian Transport Commission Report of the inquiry into White Pass & Yukon Railway,

"As part of our work, we visited Juneau to speak with members of the Governor's staff. The State of Alaska is the last state in the Union to have a five man crew law. We asked that consideration be given to changing the law so that the crew would be reduced from five members to three members. During the summer months, when the train is hauling a heavy contingent of passengers, there is an argument to be made for the use of a fourth crew member. However, during most of the year when only freight is hauled, it would appear that three crew members are adequate. Three crew members are used on the Canadian side of the haul and, in our interviews with members of the train crews operating on the Canadian side, they told us of no difficulties operating trains with a three man crew."

The continual diversion of money from worthwhile improvements to the railway into the wages to pay for five man train crews for the 20.4 miles of railway operated in Alaska has in no small way contributed to the economic demise of the railway to its current state of full suspension of service.

Repeal of the five man crew law does not mean the immediate end of five man train crews on the Pacific & Arctic Railway & Navigation Comapny. In fact The size of train crews must be negotiated with the United Transportation Union after repeal of the law.

The bleating of poverty by the United Transportation Union is far from the reality of the issue at hand. The United Transportation Union's parent is the AFL-CIO, the National UTU Alone received $963,745 from its members since the start of 1981 for political action.

The railway burdened with the full crew law is the Pacific & Arctic Railway & Navigation Company operating between Skagway Mile 0 and White Pass Mile 20.4. White Pass is the International Boundary between Alaska and British Columbia, Canada.

As additional information, from White Pass the railway continues 32.2 miles to the British Columbia - Yukon Territory border at Mile 52.6 as the British Columbia Yukon Railway Company. From the B.C.-Yukon border the railway continues on as the British Yukon Railway Company terminating at Whitehorse, Yukon Mile 110.7. All three companies are operated as the White Pass & Yukon Route.

The Physical description of the Pacific & Arctic Rail & Navigation Company between Skagway & White Pass is a mountain railway located on side hill cuts.

Mile 0 to Mile 2 of PARN is the Skagway yard and is operated as a yard. Maximum grade is one per cent, that is a rise of one foot for every 100 feet of travel.

In 1938 and 1945 the route of PARN between Mile 2 and Mile 5 was relocated under emergency conditions as a result of the Skagway River floods to its present alignment and grade. Maximum grade between Mile 2 and Mile 5 is approximately one per cent. It must be pointed out that the only two 20 degree curves between Skagway and White Pass are a 284 foot long curve near Mile 2.5 and a 231 foot long curve near Mile 3.7. No other curve between Skagway and White Pass exceeds 16 degrees.

At Mile 5 the grade averaging 3.6 per cent begins its climb to the summit at White Pass on the original 1898 alignment. The grade is a side hill cut usually in solid granite rock. The granite has a compressive strength of 50 to 60,000 psi. Ordinary structural concrete has a compressive strength

Thus the granite shelf the railway is carved into is a very stable, extremely hard bed.

All the rail between Skagway and White Pass was replaced in 1971 with new rail. The new rail is in excellent condition. The old roadbed pitrun gravel was replaced with crushed rock ballast in 1970. The ties between Skagway and White Pass are kept in good condition with an annual tie replacement program. The ties are spaced 22 ties per 39 foot rail length meeting a standard for any main line railroad anywhere.

Each day a train is operated the railroad is checked ahead of the train by a maintenance of way track patrol. During the late spring there is a period of time about four weeks long that the trains are dispatched very early in the morning so that the trains can travel through the snow slide area at Mile 15 when the air temperature is still cold. Maintenance of way forces are kept on watch to monitor the track until the trains have safely passed through the snow slide area.

There has not been an increase in winter passenger traffic. The few winter passengers that do travel on the train are carried in a single combination passenger and baggage car with the train crew.

Every retainer wall between Skagway and White Pass was reinforced with vertical structural steel columns in 1969. The columns are anchored into solid rock with rock bolts. The structural steel reinforcement program on the retaining walls was designed by Mr. Charles Brawner, P.E., an engineer with a world wide reputation for rock and slope stability. We must point out that the Alaska Department of Transportation has retained Mr. Brawner on numerous occasions for consultant work on construction projects all over the State of Alaska including the Skagway-Carcross road and the Keystone Canyon project. Mr. Brawner is still retained by White Pass as a consultant and visits the railroad frequently.

Every bridge between Skagway and White Pass is inspected structurally each year by White Pass personnel usually accompanied by an outside consulting engineering firm. The steel bridges at 5A, 7A, 7C, 14A, and 19A are all brand new bridges rebuilt in 1969 by Mr. Jim Kirwen, P.E.,a highly respected structural engineer from Vancouver, B.C. Mr. Kirwen's latest bridge inspection was in August of 1982.

For a complete list of bridges between Skagway and White Pass please see EXHIBIT A.

Walkways have not been constructed on the bridges between Skagway and White Pass due to the problem of removing snow from the additional deck width. The handrails that would have to be constructed on the outside of the walkway would act as a small snowfence and compound the snow removal problem. Refuge bays are sometimes provided on long spans but there are no long bridge spans on the railway in Alaska.

There are three locations where the railway is located on very steep side slopes. These locations are Mile 7.1 to 7.6, Mile 15.5 to 15.9 and Mile 17.6. The railbed is cut into solid granite at all three locations. Retaining walls at all three locations are reinforced with structural steel columns and the bridges are all steel with the one excention of one wood trestle at Mile 7.35. These three areas of steep side slopes are very spectacular, they are photogenic for the tourists and impart a feeling of psychological hazard heightened by the slow train speed when in fact the railroad structure is perfectly safe and sound.

We quote from the CTC report,

"We accept that apart from the bridge at 15C, all bridges are in good or very good condition."

All the recommended repairs have been made to the bridge at 15C.

We quote from the CTC report concerning track,

"The condition of the track and right of way was assessed to be in good condition and to be well maintained. The condition of the track is undoubtedly satisfactory for the volume of traffic carried at the speeds at which trains are operated on this line."

The operation of trains on the Pacific & Arctic Railway & Navigation Company is performed with complete safety by adherence to the Uniform Code of Operating Rules prescribed by the Canadian Transport Commission, the White Pass Timetable and by experience gained by 82 years of operation.

The maximum speed for any train descending the grade between White Pass Mile 20.4 and the end of the grade at Mile 5 is 15 miles per hour. All bridges and tunnels are restricted to 10 miles per hour.

Train brakes are applied by the reduction of air pressure in the train brake line. White Pass operates its trains with 90 lbs of air brake pressure in the train line. This is 20 lbs more than the industry standard of 70 lbs in the train line and provides an increase in the force with which the brake shoes apply pressure to the wheel treads. To apply the brakes the engineman moves a brake lever, thereby reducing the train line pressure a small amount. The reduction of train line pressure activates the brake valve on each car and permits air to flow to the brake cylinder. The brake cylinder piston advances under pressure and, through a system of levers and linkages, the brake shoes apply pressure to the wheel treads.

In an emergency or if the train line is broken for any reason the train air line is emptied and the brakes are applied full force in the fail safe condition.

In addition to the normal air brake system all White Pass cars are equipped with brake retainers that by Timetable rule must be set on all loaded cars before leaving White Pass to descend the grade to Skagway. Brake retainers are spring operated valves that retain approximately 30% of the brake cylinder pressure against the brake shoes at all times thereby keeping the full force of the 90 psi train brake pressure available for stopping if need be.

All White Pass locomotives are equipped with an independent air brake that is totally separate from the train brake and can be used in addition to the train brakes.

What is more important than the independent locomotive air brake is that every White Pass locomotive is equipped with dynamic brake. When a retarding force is desired the engineman moves a control lever, motor leads are reversed, causing the motors to operate as generators, exercising a drag or braking force on the train. The electrical current thus generated is dissipated as heat through cooling grids on the locomotive roof. Often full control of the train may be had by the retarding effect of the dynamic brake on the locomotive alone.

The grade between White Pass and Skagway is not a continuous grade. At Mile 18.5, Mile 14, Mile 8.5, and Mile 7.5 there are stretches of level grade where a train can be easily stopped.

Even the heaviest loaded PARN rail car weighs less than half of a standard gauge car. Yet more brake systems and forces applied to the brake shoes is the same - even higher on PARN due to the 90 psi train line pressure. The net result of this is that PARN cars have twice as much braking effort as do standard gauge cars in similar circumstances. This is one predominate reason narrow gauge were built in mountainous regions.

Snow and ice is kept off the brake shoe by the simple expediency of making periodic light brake applications to burn off the ice and snow by friction between the brake shoes and wheel tread.

The Pacific & Arctic Railway & Navigation Company has to comply with all safety appliance laws on motive power and freight and passenger car standards both in the U.S.and Canada.

Please see EXHIBIT B, a recent letter from the Regional Director of Railraod Safety of the U.S. Department of Transportation, Federal Railroad Administration.

The majority of locomotive failures in winter months are caused by snow in traction motors. All locomotives are inspected and work performed on them that is required to keep them running in a safe and good running condition. The number of employees on the crews will not prevent breakdowns.

The following table will show conclusively That PARN does not operate either long or heavy trains between White Pass and Skagway.

TABLE OF TRAIN LENGTHS SOUTHBOUND FROM WHITE PASS TO SKAGWAY

	20 cars or less	21 to 30	31 to 40	41 to 50	51 to 60	61 to 70	71 to 80
1979:	95	152	149	87	88	24	6
1980:	171	137	116	83	56	12	6
1981:	178	120	122	71	56	11	5

These figures do not include trains run with only passenger equipment either to or short of Bennett, B.C. and return to Skagway, AK. Such trains whe operated haul a maximum of fifteen (15) parlor cars.

May 1980: Train left White Pass with 63 loads and 7 emptys, 2639 Gross Tons, This was the heaviest train out of White Pass during this period.

June 1980: Train left White Pass with 68 loads and 16 emptys, 2[illegible]7 Gross Tons, This was the longest train out of White Pass during this period.

The following is a summary of accidents to train crewmen:
During the three year period 1979 - 1981, Trainmen, Enginemen, and Hostlers had 32 reported accidents. (13 in 1979, 11 in 1980, and 8 in 1981)

Five accidents occured in Canada, four of which occured on the ground. The remaining accident took place when an employee dismounted from a motionless car.

There were 26 accidents which took place in Alaska. Nineteen occurred in the yard limits. Five of the remaining eight do not list the rail location. The following is a synopsis of the three incidents that occurred on the "road":
1) Clifton siding - employee on ground moving a piece of MofW equipment.
2) White Pass - employee on ground injured finger setting retainers.
3) 19.5 mile - employee on ground fell through snow crust and injured groin.

During the three year period only one employee was injured from train movement. The accident report does not show the location on the track, but the train consisted of a locomotive pushing 18 passenger cars. The train stopped suddenly and the employee, who had been standing on the outside platform of Combo 214, was off balance and hit the end railing of the combo. An interesting side note to the above: The afore-mentioned employee accounts for 19% of the 32 accidents reported in the three year period.

A further note of interest was an accident report filed during August 1981. The employee concerned was assigned to a 5 man crew as a brakeman. His accident occured while riding in the back of the car inspector's pick-up.

There are very specific instructions governing the use of radios on the White Pass Railroad. All actions are governed by the principle when information is transmitted, and no acknowledgement is received, necessary action must be taken on the belief that the information was not received. The safest, most restrictive action must be taken. There is no alternative.

A very costly capital improvement project was just completed that will substantially upgrade all communications on the White Pass by providing microwave communications to and between all points on the railroad.

In the past three years about twenty-five of the older freight and tank cars have been upgraded, the frame (center sills) reinforced and A-B air equipment installed. All the passenger cars have been upgraded with the A-B air equipment and chemical toilets installed. All cars used to transport ore are equipped with the latest brake valves.

The hand brakes on the older cars are a direct wind up type. With the use of a brake club, one man can tighten the brake just as tight as it can go. The hand brake on the new cars (built 1969) have gear type hand brakes which are easy to operate without a brake club, in fact a club must not be used.

The reason we are going to great lengths to describe the physical characteristics and operational characteristics of the 20.4 miles of railway in Alaska burdened by the full crew law is to show that the number of trainmen on board the train has very little to do with the safe operation of the trian.

It is the observation of the Managers of the White Pass Railway that the five man crews are in fact counter productive when compared to the three man crews. The White Pass has had over 10 years experience now with five man crews operating between Skagway and Bennett, B.C. for 40 miles and three man train crews operating between Bennett and Whitehorse for 70 miles.

Often the three man train crews operated trains twice as long as the five man crews because two northbound trains are, on many days, combined into one train at Bennett. The three man train crews operate over the 27 miles of track between Bennett and Carcross that is 46.2% curves with a better safety record than do the five man train crews operating the 20.4 miles of track between White Pass and Skagway with 41.9% curves.

It is the observation, substantiated by 10 years of operation in a perfect side by side demonstration that the three man train crews are more alert and act in a more responsible manner than do five man train crews. This is due to the human nature aspect of five men trying to perform work enough for only three men - they each tend to "let the other guy do it" and consequently the job doesn't get done, the train isn't watched, the gauges aren't read, the man in the engine lets the man in the man in the caboose watch the train, while the man in the caboose is otherwise occupied thinking that his partner in the caboose and the man in the engine are "covering" for him.

We quote again from the CTC report:

"Agreements and full crew laws in the State of Alaska require five men on American crews between Skagway and Bennett: Canadian crews between Bennett and Whitehorse consist of only three men--an engineer, conductor and a single trainman. American crews include one additional trainman as well

as a fireman. White Pass trains average sixty to seventy cars per train. By comparison, coal trains operating through mountainous territory in the Canadian Rockies, average one hundred to a hundred and ten cars. The coal trains are approximately three times as heavy as White Pass trains and approximately twice as long. However, they are crewed by only four employees- an engineer, conductor, and two brakemen. Recently, agreement has been reached to reduce one of these bramenen. Alaska is the only state in the United States to enforce the full crew law and it does not apply in Canada."

For years the railroad unions have been kings of the hill imposing and defending work rules that could not logically be defended. Since the Conrail and United Transportation Union agreement of 1981 whereby 1,500 firemen and 3,300 brakemen were laid off by abolition of the full crew laws Alaska is the only state imposing a full crew law on only one railroad, the P & AR & N co.

The words of UTU president Jim Snyder in an interview after the Conrail settlement are especially poignant with rail service on the White Pass now suspended, "We had some hard decisions to make, D.O.T.,F.R.A., everyone let it be known they were going to sell off Conrail if we didn't cooperate. We had to give the railroad an opportunity to make a profit without a sale on the courthouse steps," he said, "In the long run, we've saved instead of lost jobs."

Sincerely,

M. P. Taylor
Manager, Rail &
Alaska Operations

BRIDGES: SKAGWAY, ALASKA TO WHITE PASS

BRIDGE NO.	LENGTH	HEIGHT
2-A	36'	6'
5-A	237.5'	48'
7-A	72'	34'
7-B	86.5'	32'
7-C	180.5'	30'
9-A	20'	24'
12-A	111'	52'
14-A	244.5'	56'
14-B	32'	3'
15-A	180'	34'
15-B	108.5'	11'
15-C	206.5'	56'
17-B	47.5'	8'
19-A	243'	110'

EXHIBIT "A"

U.S. Department
of Transportation

**Federal Railroad
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

302 Mead Building
421 S. W. 5th Avenue
Portland, OR 97204

March 25, 1983

Mr. C. H. Cochran
Manager, Mechanical Department
White Pass and Yukon Corporation, Ltd.
Skagway, Alaska 99840

Dear Mr. Cochran:

Confirming our telephone conversation on March 24, 1983, the following safety regulations pertaining to the operation of the White Pass and Yukon Route in Alaska are listed in 49 CFR Parts 200 to 399.

Parts 209 - Railroad safety enforcement procedures.

216 - Special notice and emergency order procedures: railroad truck, locomotive and equipment.

225 - Railroad accidents/incidents: reports, classification, and investigations.

228 - Hours of service of railroad employees.

229 - Railroad locomotive safety standards.

231 - Railroad safety appliance standards.

232 - Railroad power brakes and drawbars.

These regulations are self-explanatory and if I can be of further assistance, please feel free to call my office.

Sincerely,

R. Mowatt-Larssen
Regional Director of
Railroad Safety

EXHIBIT "B"

COMMITTEE REPORT

SENATE

FURTHER: LABOR & COMMERCE

4/19/83

Date: May 31, 1983

Mr. President:

The Committee on TRANSPORTATION has had HB 154

Relating to train crew size.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Johnstone No Rec

CHAIRMAN

THIS LAW SIMPLY REPEALS A CURRENT STATUTE WHICH MAY CAUSE THE STATE PROBLEMS IF IT EXERCISES ITS OPTION TO PURCHASE THE ALASKA RAILROAD. ALASKA IS THE ONLY STATE IN THE UNITED STATES TO ENFORCE THE FULL CREW LAW AND IT DOES NOT APPLY IN CANADA. CURRENTLY, THE WHITE PASS AND YUKON RAILROAD IS THE ONLY RAILROAD EFFECTED BY THIS STATUTE.

AGREEMENTS AND FULL CREW LAWS IN THE STATE OF ALASKA REQUIRE FIVE MEN ON AMERICAN CREWS BETWEEN SKAGWAY AND BENNETT: CANADIAN CREWS BETWEEN BENNETT AND WHITEHORSE CONSIST OF ONLY THREE MEN -- AN ENGINEER, CONDUCTOR, AND A SINGLE TRAINMAN. AMERICAN CREWS INCLUDE ONE ADDITIONAL TRAINMAN AS WELL AS A FIREMAN.

REPEAL OF THE FIVE MAN CREW LAW DOES NOT MEAN THE IMMEDIATE END OF FIVE MAN TRAIN CREWS ON THE WHITE PASS AND YUKON RAILROAD. IN FACT THE SIZE OF TRAIN CREWS MUST BE NEGOTIATED WITH THE UNITED TRANSPORTATION UNION AFTER REPEAL OF THE LAW. REPEALING THE STATUTE GETS THE STATE OF ALASKA OUT OF AN ONGOING LABOR DISPUTE. IT IS THE OBSERVATION OF THE MANAGERS OF THE WHITE PASS RAILWAY THAT THE FIVE MAN CREWS ARE IN FACT COUNTER PRODUCTIVE WHEN COMPARED TO THREE MAN CREWS.

HB 154 TITLE & SPONSOR SUMMARY 11:10 6/27/83 PAGE 1 OF

AMENDED TITLE:
AN ACT RELATING TO TRAIN CREW SIZE

PRIME SPONSOR: HOUSE RULES COMMITTEE.
CO-SPONSORS:
CURRENT STATUS: 6/24/83 PASSED (S)

HB 154 HOUSE ACTION 11:10 6/27/83 PAGE 2 OF

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/02/83	01	0158	FIRST READING -- COMMITTEE REPORTS
02/02/83	02	0159	F/NOTE EQUALS ZERO/ANALYSIS
02/02/83	03	0159	GOV TRANSMITTAL LETTER
03/11/83	04	0452	L&C -- DP03, NR02
03/23/83	05	0592	TRAN -- DP04, NR03
04/12/83	06	0825	SECOND READING
04/12/83	07	0827	AM01 NOT ADOPTED BY DIV 17-20-03
04/12/83	08	0827	ADVANCED TO 3RD READING BY UNAN CONSENT
04/12/83	09	0827	THIRD READING
04/12/83	10	0827	PASSED BY DIV 24-12-04
04/12/83	11	0827	NOTICE OF RECONSIDERATION GIVEN
04/13/83	12	0849	POSTPONED UNTIL 04/18/83 BY UNAN CONSENT
04/18/83	13	0906	FAILD TO RETN 2ND READNG BY DIV 18-21-01
04/18/83	14	0907	PASSED ON RECONSIDERATN BY DIV 26-13-01

HB 154 SENATE ACTION 11:11 6/27/83 PAGE 3 OF

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/19/83	1[illegible]	0740	FIRST READING -- COMMITTEE REPORTS
06/01/83	16	1160	TRAN -- DP03, NR01
06/22/83	17	1436	L&C -- DP02, NR02
06/24/83	18	1482	RLS - TAKEN UP IMMEDIATELY
06/24/83	19	1484	SECOND READING
06/24/83	20	1484	ADVANCED TO 3RD READING BY UNAN CONSENT
06/24/83	21	1485	THIRD READING
06/24/83	22	1485	PASSED BY DIV 16-04-00

APR 25 '83

BAILY AND MASON
LAWYERS
A PROFESSIONAL CORPORATION
510 L STREET, SUITE 312
ANCHORAGE, ALASKA 99501

DOUGLAS B. BAILY
JULIAN L. MASON III
MICHAEL J. FRANK
LEWIS F. GORDON

TELEPHONE
AREA CODE 907
276-4331

April 21, 1983

Jan Faiks
State Senator
Pouch V
Juneau, AK 99811 Mail Stop 3100

Dear Senator Faiks:

Recently the Anchorage Daily News reported that the Alaska Senate Transportation Committee will soon look at a House-pass measure that would reduce the number of train crew members to three on ICC regulated railroads. This House-pass measure (HB 154) intrigues me, because our firm has in the past represented members of the tourist industry who expressed interest in running a specially designed passenger bus or large van on the rails between Portage and Whittier. In looking into the feasibility of this business venture, we discovered that the ARR labor union contracts would require someone to drive the vehicle, someone to take tickets, and someone to offload. In addition, these "train crew" members would be paid for non-working time spent on the road commuting between their homes in Anchorage and Portage, since there is no formal depot in Portage, which would mean four additional paid labor hours per day. Obviously, the costs of labor alone meant pursuit of such a business venture would doom it to failure, and our clients decided to not pursue the venture.

It seems to me, however, that the Senate Transportation Committee may wish to investigate the potential of this kind of operation and reduce now the number of train crew members that might be needed in the event that the State of Alaska gets authority over ARR's operations between Portage and Whittier.

Very truly yours,

BAILY & MASON

Michael J. Frank

MJF/nw

cc: Senate Transportation Committee
Chairman, Pappy H. Moss

Yukon
Office of the Government Leader
P.O. Box 2703, Whitehorse, Yukon Y1A 2C6

3753-2

March 21, 1983.

Mr. J. O'Hara,
Secretariat Railway
Transport Committee,
Canadian Transport Commission,
15 Eddy Street,
Les Terrasses de la Chaudiere,
Hull, P.Q.
KIA ON9.

Dear Mr. O'Hara,

The White Pass Corporation has been the backbone of the Yukon transportation system for over 80 years. Over this time, it has provided an integrated multimodal service for both the supply of inbound goods and the export of mineral products. As such, the indefinite suspension of the operation of the railway and marine components in October, 1982 has been a serious blow to our economy.

The Government of Yukon is very concerned about the detrimental impacts this situation will have on the economic and social structure of the Territory. Major concerns have already arisen with respect to:

a) transportation for hauling general freight - These costs are increasing rapidly and serious concerns are being raised about the impact on Yukon consumers.

b) the number of tourists who travel to Yukon via Skagway - We are anticipating a significant decline in the number of travellers over the next few years.

.../2

c) transportation cost differentials for road versus rail - The Cyprus Anvil Mining Company maintains that railway transportation is more costly than road transport, thereby acting as a major deterrant to reopening their mine in Faro, the territory's largest mine.

d) increases in transportation costs for the United Keno Hill Mine - United Keno Hill Mine will now have to transport their concentrate from Elsa, Yukon to Butte, Montana entirely by truck. This will significantly increase transportation costs and could delay the re-opening of the mine for a significant period.

The Government of Yukon strongly believes that the Territory requires an efficient transportation system which will meet our present transportation needs while supporting attainment of our long-term social & economy goals. Traditionally, our Government and the Federal Government have strongly supported the White Pass Railway as a key component in the development of an efficient transportation system and, to this end, have provided major financial assistance to the railway in 1981. However, changing transportation technology and the evolution of the White Pass Railway from an all purpose carrier to a resource transportation system has brought into question the advisability of continuing to use the present rail system.

With these problems in mind, the Governments of Yukon and Canada must come to grips with the question of how the present and future transportation needs of Yukon are going to be addressed. For these reasons, the Government of Yukon, on behalf of our residents and businesses, are requesting that the Canadian Transport Commission convene an inquiry under Section 81 of the National Transportation Act. This inquiry would inquire into all aspects of Yukon's transportation systems for the purpose of:

1) assessing the alternative transportation systems in Yukon in light of existing and future transportation requirements;

2) determining the net benefits (both private & public) to Yukon from each alternative; and

3) making recommendations on the types of options open to government in order to ensure that Yukon is served by the most effective transportation system.

.../3

Mr. J. O'Hara
March 21, 1983.

Furthermore, the Government of Yukon would request that the Canadian Transport Commission appoint to the Board of Inquiry individuals of the same high calibre and dedication displayed during the 1979 inquiry. In addition, while recognizing the absolute authority of the Commission to choose the inquiry staff, my government would be interested in assigning a representative to serve as part of the secretariat during the inquiry.

If the Commission does indeed initiate an inquiry as requested, the Government of Yukon can and will, at your request, supply our suggested terms of reference for the inquiry.

I look forward to hearing from you on this issue in the near future.

Sincerely yours,

for C.W. Pearson.

HB 154

White Pass & Yukon Route
PACIFIC AND ARCTIC RAILWAY AND NAVIGATION COMPANY
BRITISH COLUMBIA-YUKON RAILWAY COMPANY
THE BRITISH YUKON RAILWAY COMPANY
THE BRITISH YUKON NAVIGATION COMPANY, LIMITED

Skagway, Alaska
February 24, 1983

State of Alaska
Juneau, Alaska

In response to a request as to why the White Pass & Yukon Route could not operate a Skagway, Alaska to Fraser, B.C. excursion passenger train, profitably, for the tourist season of 1983, I offer the following information for your consideration.

Due to the fact we have on going negotiations with our labor organizations any information or suggestions contained in this communication is not intended to prejudice our negotiations.

Rail passenger operations, 1983, Fraser Turn.

Assumptions:

1. Passengers - All 1983 budget Fraser Turn passengers plus one-half of 1983 budget Bennett Turn passengers.

2. Passenger rate - 1982 rate $50.00 (U.S.) less commission of approximately 13.5% less bus portion of round trip cost - $14.00 (U.S.).

3. Trains - Average of one train per day. Two train days will be offset by some days without trains to be run from May 24, 1983 to September 21, 1983.

Box 435, Skagway, Alaska, 99840, Telephone 983-2214, Telex No. 030545339

4. Manpower - Current contract column, on attached work sheet, reflects minimum union requirements under current contracts including twenty-five Local 213 Canadian union workers for Canadian maintenance of way work. Figures in the Fraser turn column on the work sheet reflect assumed concessions by the Canadian trainmen. All union employees are paid based on a 173 hour month.

   Fraser Turn proposal column, on work sheet, reflects required personnel to operate and maintain train with only 3 people required on Canadian track. All union employees are paid based on a 173 hour month.

   No overtime work is forecast.

   Both forecasts assume no Seattle Passenger Operation.

   Fraser Turn column reflects a 20% reduction in salary and benefit levels to be obtained from the unions.

5. Supplies Parts and Services - Includes all fuel and utilities necessary for operation of trains and buildings.

   Based on actual experience in summer 1982.

   Includes tie and rail replacement necessary to maintain roadbed in safe manner.

6. Injuries and Sick Leave - Reflects minimum deductible on 1 rail accident of $100,000 plus sick leave allowance.

7. Depreciation - 1983 budgeted rail depreciation of assets.

8. Initial Startup - Estimate of all costs required to put rail back into operation.

9. Property Taxes - 1983 budgeted taxes.

10. Insurance - 1983 budgeted insurance

11. Finance - Reflects interest rate of 12% on money required to offset cash loss.

12. Administration - Reflects costs for managing rail line including accounting, legal, computer, marketing and credit services.

13. Foreign Exchange - U.S. dollar conversion to Canadian dollars at 23% exchange rate.

14. Haines Road Haul - Reflects cost of transporting gasoline over Haines road as a result of unavailability of pipeline use. Included in cost of transportation are terminalling cost in Haines as well as lost revenue from pipeline and Haines Terminal for Skagway operation as these volumes would be incremental.

15. It is assumed that all unions would agree to the elimination of all guarantee and penalty rules and further to agree to improve work rules and the reinstatement of management rights and rules.

If the Rail Division is to have a viable operation and return to its supportive role in the communities, Yukon Territory and State of Alaska which it serves we must have improved employment agreements. Without improved agreements we are not competitive.

We currently have five agreements, for a 110 mile railroad, as follows:

1. United Transportation Union #1787. Alaska Train, Engineemen and Hostlers.

2. Teamsters Union Local 959, Skagway Longshore Unit No. 1, covering our General Freight Dock and Bulk Terminal operation.

3. Teamsters Union Local 959, Skagway Railway agreement covering our Rail, Maintenance of Way Dept., Bridge and Building Dept., Locomotive Mechanical and related Depts., Rail Car Repair Shop, Communication Dept., Pipeline and related functions, Chevron Agency facilities and clerical staff.

4. Teamsters Union Local No. 213, Canadian Trainmen, Enginemen and Hostlers.

5. Teamsters Union Local 213, Canadian Maintenance of Way, Bridge and Building, heavy duty operators and catering employees.

No other railroad in the world of our size and gauge is burdened with five labor agreements and at least five governmental jurisdictions.

To return to a competitive position, profitability, and a valuable employer we suggest we must have concessions from those involved, where applicable, as follows, but not limited to those set out below:

A. Support in repealing the State of Alaska full crew law and then agreeing to amend our agreements without undue delay.

B. An average reduction of 20% in wages and benefit levels.

C. Removal of all guarantee and penalty rules from all agreements.

D. Remove all restrictive work rules.

E. Reinstatement of managements rights rules.

F. All wages to be based on an hourly basis and for actual time worked.

G. There are numerous items in all contracts that are costly and restrictive; yet do not affect a large number of employees. These items must be eliminated.

Unfortunately minor corrections would not solve our competitive problems -- it takes more than just rearranging the deck chairs on a sinking ship to assure survival.

There has been considerable howling and screaming but it isn't fair to let it stand in the way of fairness. We could easily avoid criticism by saying or doing nothing.

Our decisions may be unpopular but necessary for the survival of the Rail Division.

I would suggest now is the time for all concerned to recognize the problem is a real life one and only through cooperation and good faith negotiations can be resolved successfully.

Sincerely,

M.P. Taylor
Manager
Rail & Alaska Operations

(1) Attachment

HOUSE TRANSPORTATION COMMITTEE

CHAIR PERSON	✓BETTE CATO	D-VALDEZ
VICE-CHAIR PERSON	✓MIKE MILLER	R-FBNKS
MEMBER	✓MITCH ABOOD	R
"	✓RANDY PHILLIPS	R
"	✓BARBARA LACHER	R
"	✓ALDERHEID HERRMANN	D
"	✓MIKE SZYMANSKI	D
"	✓JACK McBRIDE	D
"	✓MIKE DAVIS	D

I am M. P. Taylor, Manager, Rail & Alaska Operations, resident of Skagway, for the 20 mile narrow gauge. RR

After 85 years - Now in a non-competitive position

73 " - of successful operation without this legislation.

Only railroad in the 50 states - EXEMPTION should not apply to international RR.

Applies to only 20 miles - ARR not effected, Law stems back to turn of the century steam days. ARR only 3-person crews.

Top speed on grades in the 20 miles this law regulates, is 15 MPH, with all bridges, walls etc, reduced to 10 MPH

Belongs on bargaining table. Law does not allow free flexibility in union-management negotiations.

This law was not born out of safety. It was thoroughly studied by two federal governments, namely:

Three United States Presidential Commissions

One Canadian Royal Commission

(Alaska Human Rights Commission - Cantrell)

Today the RR industry on the Eastern seaboard is making a remarkable comeback because they are permitted to be competitive. Such consist rules are freely negotiated between management and labor. Two men, No caboose, 15 Cars. (Display and quote from "Modern Railroads" magazine article.

We are inspected and regulated by the US Federal Railroad Administration, and the Canadian Transport Commission. We must comply with the same safety and operating regulations as any standard gauge transcontinental RR. The only difference being, we; we only, still have to comply with the law under discussion. I hasten to point out that the FRA & CTC regulations now reflect reduced consist crew size is left strictly to management-labor negotiations.

Our RR is 110 miles long. In this 110 miles we are regulated by eight jurisdictional bodies - one for each 14 miles. In Alaska it is one for each 5 miles. A very difficult task to say the least.

We have management-labor negotiated crew consist on the Canadian portion of the RR. It is working successfully and is now a fact of life.

We have hauled passengers for 85 years without a fatality. In recent years in excess of 50 thousand annually and they still want to come - in fact they are calling every day expressing disappointment that the trip is not available for '83.

(Last fatality to a T&E was in 1947)

(F.E.L.A.)

Our earnings, except for most of our passenger business, are all in Canadian dollars. With the exchange rate we must earn $1.23 Canadian for every dollar paid out in Alaska. This in itself is burden enough.

When a management-labor issue is regarded as a State issue, questions are inevitable. Crew consist should be a management-labor issue. We have a drain here with no ultimate plug. We need jointly (management-labor) to return to a competitive position and at the same time put a stopper in the drain. It just won't work any other way.

has
Last year the law was amended to permit a 3 man yard crew. Nothing changed on the property because there has been no management-labor negotiation.

A short while ago I recall one of our State airlines asked the State for assistance in determining crew consist. They were turned down and that is the way it should be.

With today's technology the continental RR's all, without exception, operate without STATE laws governing crew consist. Look at the changes taking place daily on the flight decks of our largest aircrafts in respect crew consist.

Frankly, we are no longer competitive. We have been a good Corporate citizen in Skagway - our objective is to get our 156 furloughed Skagway employees back to work at the earliest possible time. But we need your help.

We must have a window - a window of Hope - if we are to return to a competitive position. Our employees need the same window.

Honorable members of the Committee, I ask you to help provide a small portion of this window of Hope by lifting this unnecessary burden from our shoulders by repealing this law.

I would be pleased to answer any questions to the best of my ability.

Simply put, the RR will not re-open until a number of things happen, and repeal of this law is one of those things. The RR has been losing money for years ... $4 million base in 1979! We're just not competitive under the present structure.

This is White Pass

Historic Beginnings

Few companies can have started life facing longer odds against success than White Pass.

The year was 1898. The company had been formed to build a rail link across the coastal mountains between Skagway, Alaska, and Whitehorse in the Yukon Territory. Over this route would flow the eager flood tide of men and materials bound for the newly-discovered goldfields of the Klondike.

Even by today's engineering standards it was a formidable task. The projected route was 178 km (110 miles) long, crossing the White Pass at an altitude of 884 m (2,900 feet). The rail line — and the men who built it — would have to withstand metal-fracturing temperatures, deep snows, driving winds, even avalanches. The only resources available were manpower, black powder and hand tools.

Nevertheless on July 29, 1900, the last spike was driven home.

It was an historic achievement. But to White Pass it was something more: it gave the company and its people a sense of can-do capability which is still one of the most important characteristics of White Pass today.

It was also a beginning. Even in those early days, the company recognized the need for, and pioneered the concept of, a co-ordinated intermodal transportation system. In succession, White Pass inaugurated stagecoach and riverboat services which interlocked with its rail facilities.

In the 1930's the company even experimented with an air service carrying mail and passengers among the larger centres of population: Skagway, Dawson, Mayo, Whitehorse, but it was an idea ahead of its time. White Pass began freight and bus service on the Alaska Highway in October of 1945. In 1955 White Pass pioneered the concept of containerization with the launching of the "Clifford J. Rogers", the world's first ship built specifically to handle containers.

These were the foundations on which the companies known as White Pass & Yukon Route built today's far-reaching and versatile rail, road and marine transportation services and pipeline system. The principles that applied then are equally valid today: to design and operate a service to meet the needs of our market; to innovate in the search for greater efficiency and cost-effectiveness for our customers; to maintain the closest possible working and personal relationship with the people and industries we serve; and always to accept a challenge.

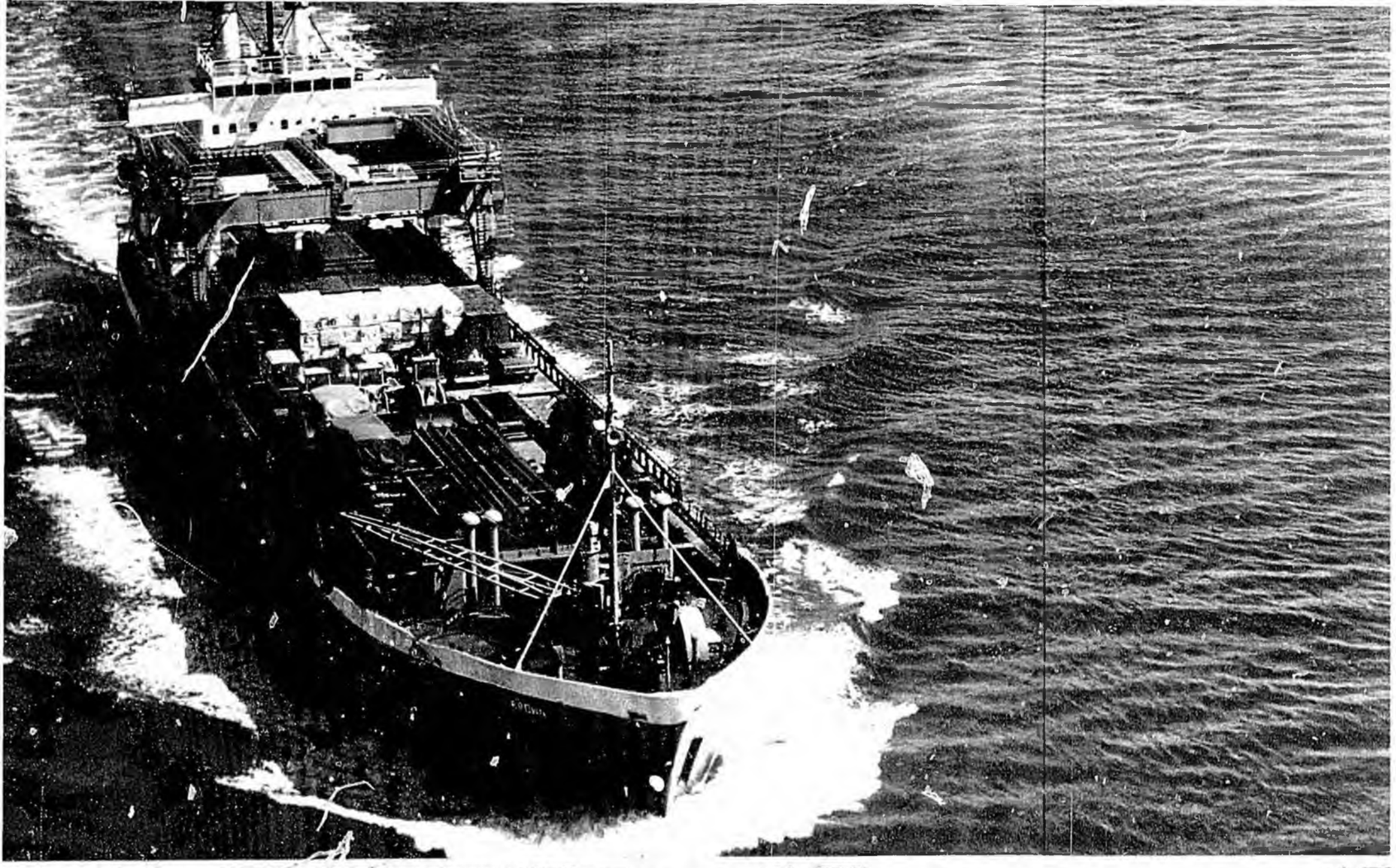
At White Pass we are justifiably proud of our past. But our commitment is to the future.

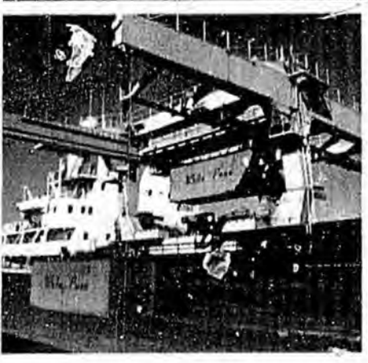
And Present Strengths

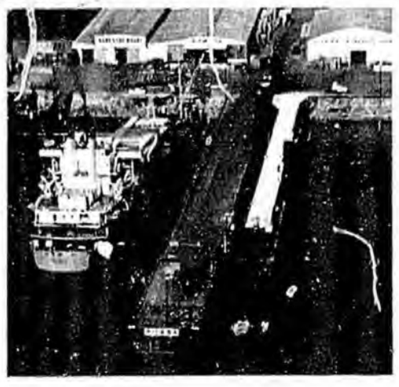
In the 80 years since the company's formation, it has grown to become a corporation of major stature. The White Pass and Yukon Corporation Limited is now a group of wholly-owned and inter-related companies whose activities touch many different aspects of life from the Arctic Ocean to the 49th parallel. . . in the Yukon, the Northwest Territories, British Columbia, Alberta and Alaska.

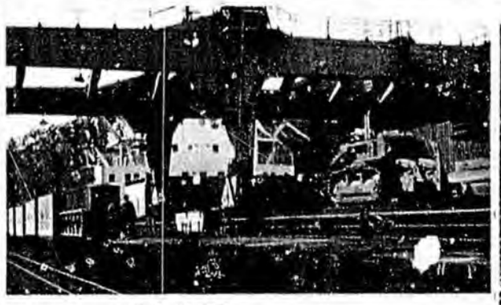
Through these companies, White Pass operates a complex multi-modal transportation system via road, rail, ocean, and pipeline, spanning international boundaries and covering thousands of route miles. White Pass operates a modern bulk terminal facility for the export of bulk mineral concentrates, has a mining and exploration division and markets petroleum products, tires, batteries and accessories.

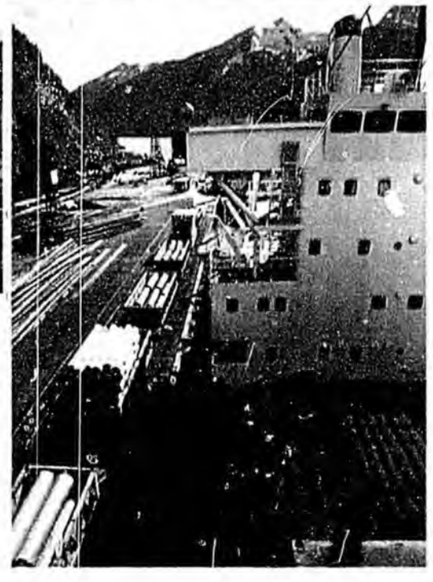
Each of these companies and their divisions is staffed by specialists, not only in their own field of activity but also in the unique service needs of those who live in, operate in, and ship to or from the north. These men and women can call upon the highly sophisticated support systems of a major corporation, but the strength of White Pass remains what it has always been: individual knowledge, personal enterprise, familiarity with the north country, and a desire to serve.











Between Vancouver, British Columbia, and Skagway, Alaska, stretch 1352 km (840 miles) of ocean highway. This is the route of the White Pass Marine Division. Even with the development of the northern highways, this marine link remains the most cost-efficient route for cargo bound to and from the north.

The introduction of containerization in 1955 made this transportation system even more efficient for White Pass customers. The "M.V. Clifford J. Rogers" served this route for a decade. The experience gained from this vessel led to the design and construction of the two modern 7000 t vessels which replaced it: the "M.V. Frank H. Brown" and the "M.V. Klondike". They were custom-built to offer shippers at both ends of the system maximum versatility, speed of cargo handling, and fast, all-weather passage.

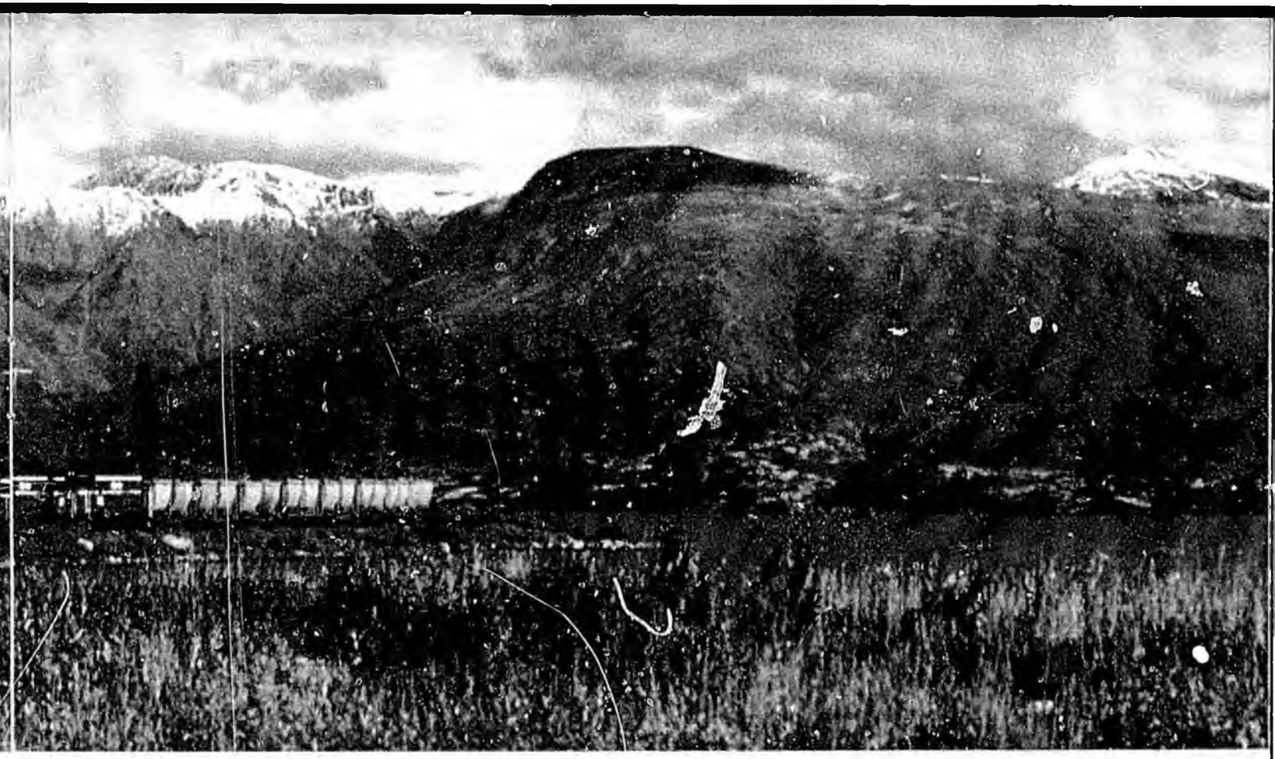
Both ships are combination cellular container-tanker vessels equipped with travelling gantry cranes for rapid self loading/unloading. In addition to their individual capacities of 270 containers, trays, racks and bulk units, both offer unobstructed deck space for the handling of non-containerized cargo. They are also tanker ships: the "M.V. Frank H. Brown" has a tank capacity of 4.2 million litres (920,000 imperial gallons) of fuel oils, while the "M.V. Klondike" can accommodate 2.8 million litres (620,000 imperial gallons) of fuel oils plus 900 t (1,000 tons) of bulk cement in custom-built pressure-unloading tanks.

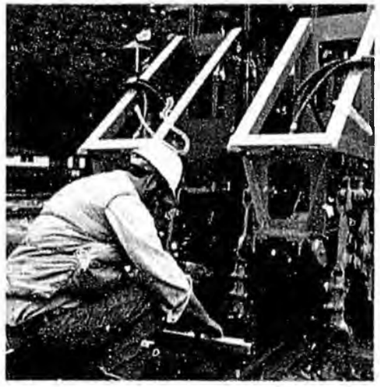
Each vessel is capable of a cruising speed of 13 knots, which brings Skagway and Vancouver about 65 hours close.

The Marine Division's southern terminal is adjacent to Pier 94 in North Vancouver, a spacious 3.2 ha (eight-acre) site served by railhead and trucking facilities. Freight can be containerized; or handled directly onto the vessel. For the convenience of shippers who wish to containerize their own cargo, the division offers a container pick-up and delivery service to the customer's premises: this permits door-to-door service from virtually any point of origin in North America to the North.

Another feature of this terminal is its capability to handle bulk chemicals from rail car to container through the use of an under-track hopper and conveyor system.

The sophistication of cargo-handling at both terminals, coupled with the purpose-built efficiency of the White Pass vessels, makes the ocean route north a quick and competitive system for shippers of all types of cargo.





Rail Division

It is no exaggeration to call the 178 km (110.7 miles) of narrow gauge railway between Skagway and Whitehorse an essential connection between the Yukon and the outside world. Over this railbed travel more than 550 000 t (600,000 tons) of freight and some 65,000 passengers a year. Northbound move the manufactured goods, foodstuffs, construction materials, industrial equipment, machinery and gas and jet fuels which are so necessary to the homes, mines and industries of the north country. Southbound, White Pass trains carry the economic wealth of the north: its asbestos, silver, lead, zinc and copper concentrates bound for markets throughout North America and around the world.

Dependability is the keynote of this service. Despite some of the steepest rail grades in the world, and heavy snowfalls in the White Pass, the rail division has a record of continuous service of which we are particularly proud.

The rolling stock serving the route is a reflection of the company's ability to respond to user demands. It includes no fewer than 22 diesel-electric locomotives, 306 freight cars, 37 tank cars and 34 passenger coaches. The containerization of much of the freight travelling via the White Pass route allows for fast, efficient handling between marine, rail and truck modes.

This total service package delivers goods on-site and on time to meet the most critical operating and construction deadlines.

The frequency of White Pass rail service also ensures minimal delays in the movement of goods. Between Skagway and Whitehorse, trains operate daily in each direction in summer and five days per week or more as traffic requires in winter.

In addition, tourist trains are operated in the summer months to serve passengers arriving by cruise ship and Alaska State Ferries. The railroad has been in the tourist business from the early 1900's to the present with the company's office in Seattle, Washington providing passenger services and planning for Rail Excursions and Alaska Cruise-Tours. Although the original White Pass steam locomotives have long since been retired to museums, the original turn-of-the-century parlour cars still operate on this line to give those who travel to the north country a link with the past. Some of the original steam engines are preserved along the rail line at Skagway, Bennett, Carcross, and at Whitehorse one of the last steam engines used on the railroad has been rebuilt and will see service in the summer months in the operation of a tourist train.

Comprehensive terminal facilities at Skagway and Whitehorse are designed to speed the flow of materials between our customers and their markets. At Skagway the general cargo dock offers 305 m (1,000 ft.) of dock length and a depth of 9 m (30 feet) at low tide. This facility is fully equipped with straddle carriers, forklifts and boom cranes, rail trackage and pipeline facilities.

At Whitehorse, railhead facilities include a passenger station, freight terminal and bulk transfer terminal as well as industrial sidings to the petroleum tank farm and team track. The location of these facilities, close to both the downtown and industrial areas, provides rapid movement of freight by truck to both retail and industrial customers.

Support systems and materials handling equipment at Whitehorse include straddle carriers, forklifts, front-end loaders, pick-up and delivery units and highway tractor-trailer units. Containers are transferred between flat cars and trucks or consolidated in the Freight Terminal for local pick-up and delivery. The terminal offers efficient cross-docking warehouse facilities and covered storage of some 1400 m² (15,000 square feet); outside storage and handling of approximately 4.3 ha (10.5 acres); bulk storage sheds; and a temperature-controlled room for handling commodities requiring protection from heat or cold.

The Utah Transfer Terminal for Cyprus Anvil Mine concentrates is located about five miles south of Whitehorse, conveniently adjacent to the Alaska Highway. Served by two gantry cranes, this facility is used almost exclusively to transfer ore concentrate containers from truck trailer to rail car. Other heavy lifts are handled and much of the site is available for future development as required.

Skagway Bulk Terminal

With the development of the mineral industry of the Yukon in the late 1960's, White Pass undertook to construct a modern deep sea bulk ore handling terminal at Skagway, Alaska.

Skagway is located near the northern end of the Lynn Canal approximately 840 nautical miles north of Vancouver, B.C., and 178 km (110 miles) south of Whitehorse, Yukon Territory. It is the closest tidewater port for the mineral rich central and western Yukon and is the tidewater terminal for the White Pass rail and marine divisions. The entire entrance waterway and port are open year-round and provide good existing channel widths and depths. Skagway has an established longshore work force experienced in all phases of cargo handling.

This ore handling facility at Skagway was completed in 1969 and was built specifically to handle the annual tonnage of lead-zinc concentrates produced by Cyprus Anvil Mine in the central Yukon and moved by the White Pass transportation system from the mill site 563 km (350 miles) to Skagway.

This terminal has storage capability in excess of 90 000 t (100,000 tons) under 1 ha (2.5 acres) of covered storage. Covered concentrate containers on rail cars are unloaded inside the shed by a specially designed rotary dump crane. Ship loading is accomplished at rates up to 1 360 t (1,500 tons) per hour by means of a series of inter-connected conveyor belts to a fixed ship loader. Front-end loaders in the shed stockpile the concentrate and move it to the conveyor feeders for ship loading. Ship surveying and concentrate surveying facilities exist in the port.

The berth at the terminal has a 457 m (1,500 foot) dock face, 12.8 m (42 feet) of water depth at low tide and can accommodate vessels in excess of 35,000 dwt.

There are 6 ha (15 acres) available in the immediate port area for development of additional bulk storage or general cargo facilities.

Highway Contract Division

In over 35 years of operation in the Yukon the White Pass Highway Division has become a leader in northern highway and off-highway transportation. The Highway Division operated in the north when there were more roads on the drafting table than on the ground and this Division's rigs and drivers have come to know today's 4000 km (2,500 miles) of Yukon highways with an intimacy unmatched by any other company.

More than 200 specialized trailers and 60 diesel tractors are on the move 24 hours a day, year-round. This fleet averages 800 000 km (half a million miles) each month carrying general truckload and L.T.L. freight, bulk petroleum products, chemicals and products of the Yukon's mines.

Of particular interest are the company's pioneering efforts in serving the Yukon mining industry by utilizing two-way haul equipment and special containers designed to maximize payload, prevent concentrate loss and minimize moisture contamination. Approximately 450 000 t (500,000 tons) annually of lead-zinc concentrate are moved 386 km (240 miles) from Cyprus Anvil Mine to Whitehorse utilizing lightweight covered aluminum containers with payloads of up to 39.5 t (43.5 tons) per truck unit.

The high value lead-silver concentrates from United Keno Hill Mines at Elsa, 457 km (284 miles) to the north of Whitehorse, is shipped in reinforced vinyl bags, loaded into our trays at the mine and transported via our Highway, Rail and Marine route to Vancouver.

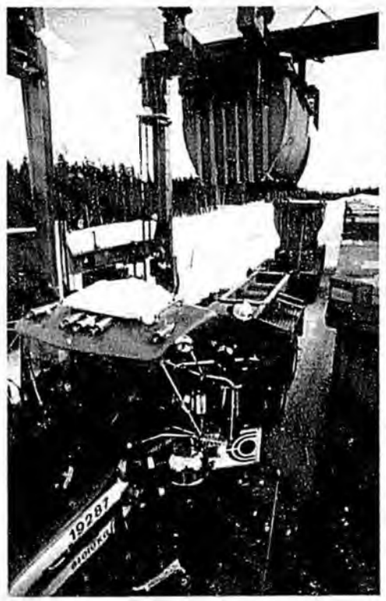
Asbestos is trucked in our containers from Brinco Mining Limited located in northern B.C. to Whitehorse a distance of 575 km (357 miles) then transferred to the rail and ocean for furtherance to Vancouver.

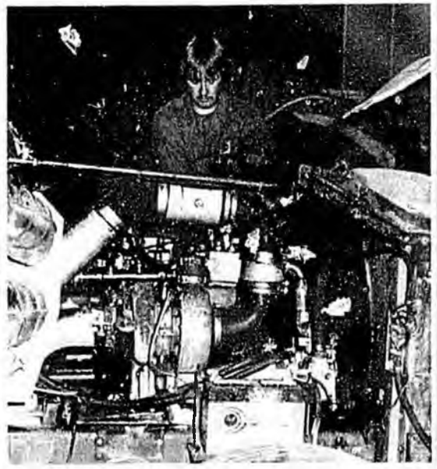
Also handled is the copper concentrates from the Whitehorse Copper Mines Ltd. in Whitehorse. The concentrate is loaded in bulk into our trays which are lined and covered with plastic then transported to rail-head and on to Vancouver via rail and ship.

White Pass applies the same critical standards of operating efficiency to all phases of its highway operation. The division's petroleum tanker fleet, for example, is now utilizing 52 000 L (11,500 gallons) capacity equipment to deliver bulk petroleum products from the company's storage facilities at Whitehorse to service stations, mines, and to any point in Yukon and northern British Columbia.

Maintenance is a major factor in the harsh north and it is one of the keys to the year-round reliability of the White Pass trucking operations. The company maintains a modern maintenance, dispatch and administrative complex in Whitehorse which integrates the planning, paperwork and scheduling for the division's widespread and diversified operations.

With its history of long and successful operation in the north, its expertise and equipment, and its record of all-weather capability, the Highway Contract Division has the ability to handle any type of haulage contract.





Highway General Freight Division

Operating over an extensive network of routes throughout Alberta, British Columbia, Yukon and the Northwest Territories, this versatile and experienced division offers its clients a high level of northern expertise, qualified people, a reputation for service, and a quality fleet which is equipped to handle a wide variety of transportation projects.

The Freight Division runs scheduled and non-scheduled L.T.L. and truckload service between all major communities and on all major highways. Freight terminals are located at Whitehorse, Vancouver, Edmonton, Grande Prairie, Prince George, Dawson Creek, Fort St. John, Fort Nelson, Watson Lake, Faro, Mayo and Dawson City.

Interline connections at Edmonton and Vancouver give customers access to eastern and central Canadian markets and to the lower 48 states.

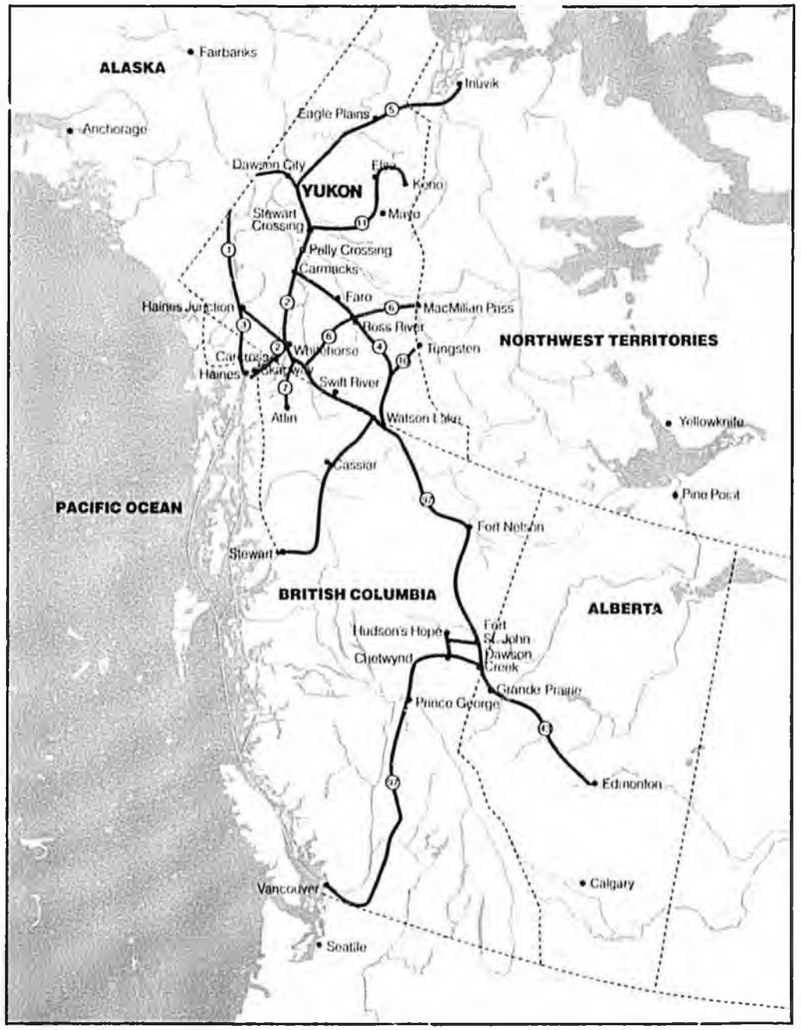
All Freight Division branch operations offer a complete range of pick-up and delivery services.

Branch operations are staffed by fully qualified and experienced transportation people, capable of handling all transportation enquiries and solving the most complex problems involving the movement of materials. The offices are equipped with teletype or telex systems, offering customers simultaneous communication with all branches.

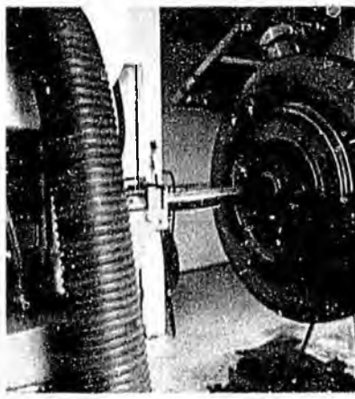
Versatility is a key factor in the Highway General Freight Division's services. Operations include reefer service for perishables, dry and heated vans for general merchandise, flat decks and lowboy trailers for construction equipment, oilfield supplies, pipe and other commodities requiring open top stake and rack equipment.

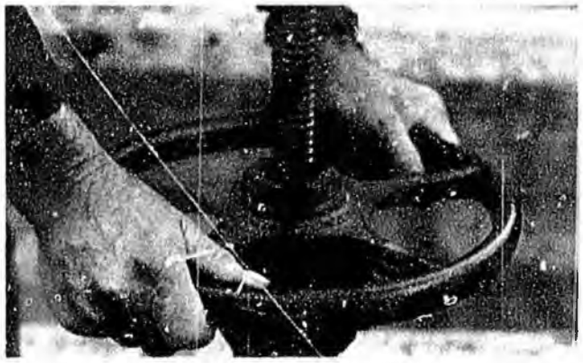
White Pass Systems Map

Marine Routes
Railway
Highway Routes




Standard





Petroleum Division

Just as the Marine, Rail and Highway Divisions of White Pass are primary transporters of goods to the north, the company's Petroleum Division, as distributors of Chevron Canada Limited Products, provides an uninterrupted flow of heating oil, gasoline, diesel fuel, aviation fuel, lubricating oil and greases to the Yukon.

From Vancouver, these vital products are shipped year-round to Skagway, Alaska, via private barge and White Pass ships. There, they are off-loaded into storage tanks and from storage at Skagway, the gas oils are pumped to Whitehorse as required through a four-inch diameter pipeline. The gasoline, aviation and jet fuels move by rail car over the White Pass rail system to storage facilities at Whitehorse which, together with the Skagway storage capacity, provides White Pass customers with a highly reliable source of supply, whatever conditions prevail, plus assured continuity of reserves and in addition to the complete supply of bulk fuels and lubricants White Pass Petroleum Services carry a complete line of tires, batteries and accessories from a wide variety of suppliers.

From their facilities at Whitehorse the products are moved by a fleet of tankers or transport to airports, mines and other industrial and retail users, including more than 30 Chevron service stations throughout the Yukon Territory and northern British Columbia.

In addition to its Whitehorse facilities, White Pass also maintains storage and distribution centres for petroleum products and automotive supplies at Watson Lake, Ross River, Faro, Mayo and Dawson City. These centres operate on a wholesale basis, meeting the needs of service stations and other businesses for gasoline, diesel fuel, aviation gasolines, jet fuel and lubricants; as well as a wide range of automotive products including tires, batteries, accessories and a selection of industrial rubber products including belting and hosing.

This busy division also operates a Bandag retreading centre and a barrel reconditioning plant in Whitehorse for the convenience of all types of industry in the Yukon.

Because of the unusual climatic conditions and the broad range of regional needs which exist in the Yukon, the Petroleum Division makes available representatives based in Whitehorse to assist customers on special technical problems concerning fuels and lubricants. This service is supported by the resources and expertise of Chevron Canada Limited personnel and facilities.

The special considerations of weather and distance in the north country demand that petroleum products be in continual and ample supply.

White Pass meets the demand.

The White Pass and Yukon Corporation Limited

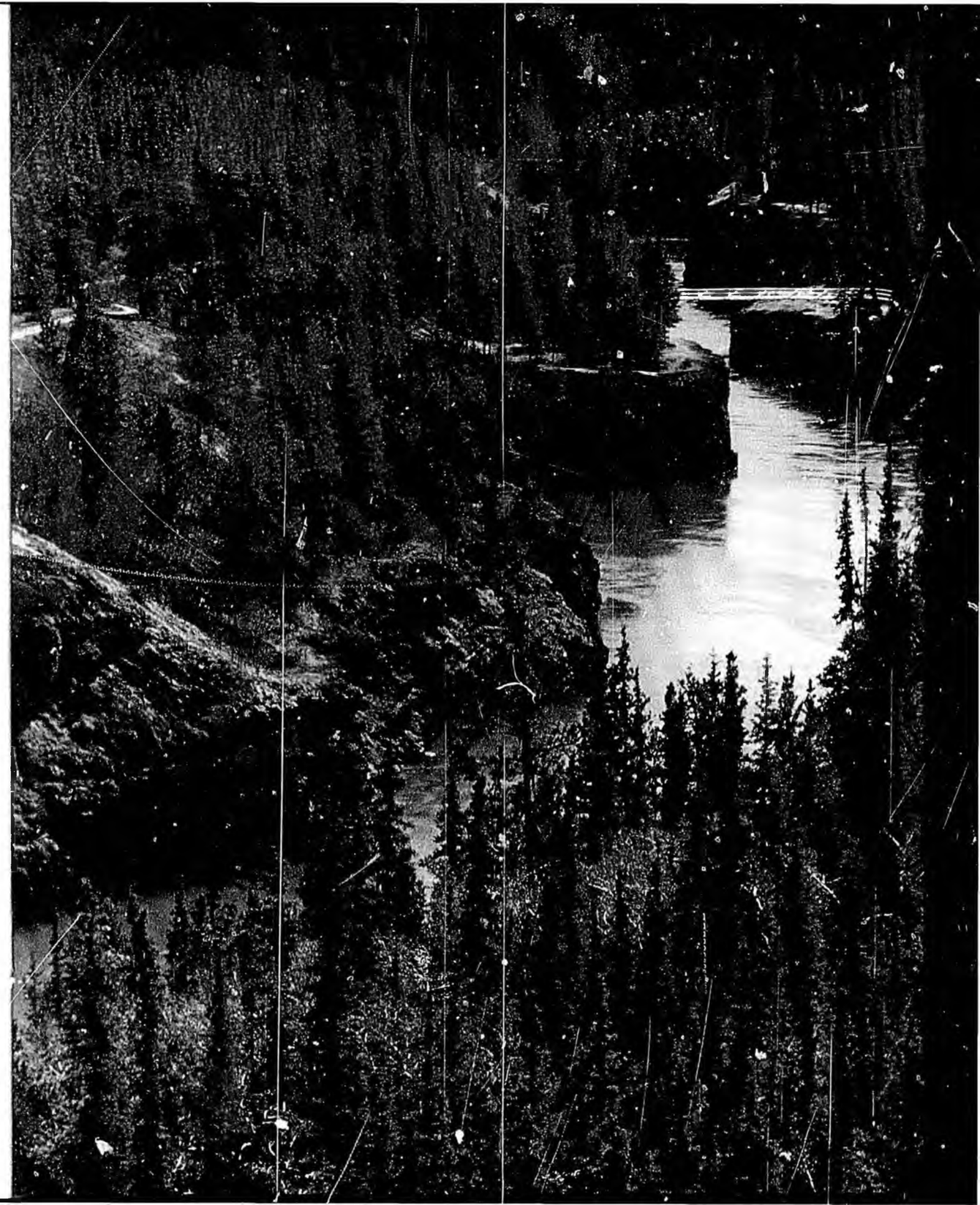
White Pass and the Future: Changing Times

In over three-quarters of a century of operation, the White Pass and Yukon Corporation Limited has established an enviable record of growth, service and diversification. It has developed existing lines of business and ventured into new areas of enterprise. It has served existing markets and developed new ones. It has become an integral part of the communities and economies it serves.

But a corporation, of itself, can achieve none of these things. The accomplishment belongs to the people of White Pass — the cooks and engineers, dispatchers and accountants, secretaries and mechanics, truck drivers and telephone operators, salesmen and ship's captains, crewmen and storekeepers, technicians and heavy equipment operators. And more.

In the final analysis ... *this* is White Pass.

White Pass was born in the north. Our headquarters is here. And we believe the economy of the north country will continue to grow. For this reason, our services and facilities are designed not only to meet current needs but also to accommodate inevitable future expansion. We are proud of our past. But we look forward to tomorrow.



The White Pass and Yukon Corporation Limited

P.O. Box 4070
Whitehorse, Yukon
Y1A 3T1
Telephone: (403) 668-7611
Telex: 036-8-210

HB

169

Dept. of Transportation & Public Facilities

Position Paper

BILL NO: H.B. 169

APPROVED: R.J. Knapp
Commissioner

TITLE: "An act relating to Local Service Roads & Trails"

DATE: 04/04/84

This proposed legislation apparently is to fund those projects that are requested but beyond the funding level of the current LSR&T program as contained in the DOT&PF CIP. The 10 million dollars proposed for the program in this bill could undoubtedly be well spent on LSR&T projects. The funding needs for viable projects far exceed this amount of funds. However, a more desirable annual level of funding of the LSR&T program is approximately seven million dollars. This level of funding and the firm expectation of constant funding in future years is necessary to maintain adequate planning for local governments and communities within the unorganized borough to meet their transportation needs.

Last year, the LSR&T Program was reestablished by the legislature as an ongoing program to be funded at a level commensurate to past practices.

Due to the fact LSR&T funding was reduced in the CIP, some additional funding from other sources is warranted to maintain a functional program.

The Department acknowledges that funds exceeding a budget level of $7 million per year could be utilized for projects without a significant increase of additional overhead costs. However, if not held in check, the LSR&T Program could easily expand beyond the function for which it was established. This program was created primarily to administer projects that were considered difficult if administered through the complex Highway Department structure.

The Department recommends that in the future, a desirable funding level of $7 million be utilized for the LSR&T Program, with the sole funding source being the Departments CIP.

For additional information contact:
Charles D. Karella, State LSR&T Engineer
Phone No. (907) 789-6237

FISCAL NOTE

Revision Date: April 4, 1984

REQUEST

Bill/Resolution No.: HB 169

Title: Local Service Roads & Trails

Sponsor: Herrmann, Koponen, etc.

Requestor:

Date of Request:

FISCAL DETAIL

Agency Affected: DOT&PF

Program Category Affected:

BRU, Program or Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING				54.4	58.8	63.5
CAPITAL		0.0	0.0			
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		0.0	0.0	54.4	58.8	63.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by the sponsor.

ANALYSIS: Attach a separate page for analysis

Prepared By: Charles Karella Phone: 789-6237

Division: Standards and Technical Services Date: 4/4/84

Approved by Commissioner: Date: 4-4-84

Agency: Transportation and Public Facilities

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

HB 169 (cont'd)

IV. ANALYSIS

DOT&PF Direct Project Costs

Insignificant increase in overhead costs is anticipated. No new positions required.

On Going Maintenance Costs

In addition to several miles of boardwalk, foot trails, and bike trails that will be constructed by the end of fiscal year 86, approximately thirty five miles of new roads will be built. The state will required to maintain at least five miles of the thirty five miles of road at an annual cost of $8,000 per mile in FY 83 costs. Future years are inflated by 8%. The remaining thirty miles of new roads will be maintained by local communities and funded through state Revenue Sharing. Boardwalks and trails are maintained by the local communities without state assistance.

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

Date: 2/14/83

2/7/83

Mr. Speaker:

The Committee on TRANSPORTATION has had HB 169

An act making an appropriation to the Department of Transportation and Public Facilities for allocations for local service roads and trails; and providing for an effective date.

under consideration and reports it back as follows:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[X] AND attaches a "Letter of Intent" [X] New Fiscal Note [ ] Zero Fiscal Note Attached

[ ] reports it back without recommendation

[X] referred to the Finance Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

Butch Con.
CHAIRMAN

H 60

CSSB 438 (L&C), (cont'd)

the board to fill out the term to which the member was appointed, regardless of new sections added by this bill. Provides Act takes effect immediately.

Sections of the Senate-passed version are taken out by House L&C, and they include 1) an amendment to current law that would have allowed for one public member on the board; 2) a registrant requesting renewal of a certificate to give evidence of the registrant's continued competence as a professional architect, engineer, or land surveyor; and 3) section allowing existing board members to serve out their term, regardless of appointment of a public member.

Appropriation (local service rds. & trls.)

HOUSE BILL NO. 169, (see pages 150;189, 1983 report). Reported back to the House April 6 by Finance recommending it be replaced with a Finance substitute and as follows: Bettisworth (V-Chair), Grussendorf, Zharoff, Hurlbert, Ward and Fritz recommend it do pass. Martin, Furnace and Duncan had no recommendation. A letter of intent was attached. To Rules. The letter states:

> "It is the intent of the House Finance Committee that the Local Service Roads and Trails (LSR&T), program not be discontinued as recommended by the previous Commissioner o the Department of Transportation and Public Facilities, (DOT/PF).
>
> The LSR&T program is vital to local governments and provides very important benefits to communities in the rural and urban areas of Alaska.
>
> The House Finance Committee intends that the Department of Transportation and Public Facilities support continued operation of this vital program and request continued funding for its operations in subsequent fiscal years."

The Finance substitute appropriates $0.5 million to the Dept. of Transportation and Public Facilities for allocations for local service roads and trails. Provides Act takes effect immediately.

History: Introduced 2/7/83 by Reps. Herrmann, Koponen, Zharoff, Cato and McBride, and appropriated $10 million to the Dept. of Transportation and Public Facilities for the local service roads and trails program (identical to SB 7). Reported out of Transportation 2/14 with a do pass recommendation and a letter of intent:

> It is the intent of the House Transportation Committee that the Local Service Roads and Trails (LSR&T), program not be discontinued as recommended by the previous Commissioner of the Department of Transportation and Public Facilities, (DOT/PF).
>
> The LSR&T program is vital to local governments and provides very important benefits to communities in the rural and urban areas of Alaska.
>
> The House Transportation Committee intends the DOT/PF support continued operation of this vital program and request continued funding for it's operations in subsequent fiscal years.

Alaska State Legislature

House of Representatives

Rep. Bette Cato, Chairman

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 9981
(907) 465-4858

DATE: 27 MARCH

TO: AL ADAMS, CHAIRMAN BC
HOUSE FINANCE COMMITTEE

FROM: Bette Cato, Chairman
House Transportation Committee

RE: HB 169 - appropriations bill for Local Service Roads and Trails

Per our phone conversation this morning, the House Transportation Committee requests that House Bill 169 be moved out of the House Finance Committee with a reduced appropriation of $6.5 million.

Please find enclosed back-up material addressing HB 169 and recent correspondence from the Department of Transportation regarding LSR&T allocations for FY 1985.

Thanks so much for your time and assistance.

Enclosure

Alaska State Legislature

House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

LETTER OF INTENT
TO ACCOMPANY
HOUSE BILL 169

It is the intent of the House Transportation Committee that the Local Service Roads and Trails (LSR&T), program not be discontinued as recommended by the previous Commissioner of the Department of Transportation and Public Facilities, (DOT/PF).

The LSR&T program is vital to local governments and provides very important benefits to communities in the rural and urban areas of Alaska.

The House Transportation Committee intends the DOT/PF support continued operation of this vital program and request continued funding for it's operations in subsequent fiscal years.

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John J. Simpson, Director
Standards and Technical Services
Division

DATE: March 14, 1984

FILE NO: 2519

TELEPHONE NO: 789-6237

FROM: Charles D. Karella
Statewide LSR&T Engineer
DC & M Standards

SUBJECT: LSR&T Allocation
F.Y. 1985

The LSR&T Program was allocated $7 million to re-establish the program. We were assured by the LBRC last spring, that this funding reflected on on-going program and that future funding would not be a problem.

During the House Transportation Committee hearing on SB 332, March 7, 1984, I suggested that it was not necessary to seek other sources of funding beyond the CIP, such as, SB 332. It would be simpler to manage the program at a solid level of funding. I told the Committee that the Governor's office assured me that they would not cut the LSR&T Program from the CIP budget and the Department would continue to have an adequately funded program in the future.

Since we are involved with all local governments and the legislature, I believe in all fairness, that the $6 million annual funding level is bare bones and to drop below that will only jeopardize the integrity of the program but increase the cost of management per project constructed.

I feel if the DOT&PF does not want to chance the loss of the little rapport it now has with the legislature, we should leave the five million intact or even increase it.

I believe we will not only lose face with the legislature but also with the local governments who have been going in circles since January 1982 because of the following:

1. We began to phase out the program.
2. Then we established the LSR&T Program as a viable continuous program at a funding level of $7 million per year.
3. Then we reduced the funds to bare bones level of $6 million per year.
4. Now we have reduced the funding an additional 30%.

The attached comments from the Regions reflect an additional $6 million that could be used in unorganized boroughs alone. A like amount could easily be utilized for additional local government projects which were requested, but were beyond our funding level of $6 million per year.

If requested during the hearing tomorrow on HB 558, I will give the Committee a copy of this memo. (With your concurrence of course).

Attachment

mdh

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: C. D. Karella
Statewide LSR&T Engineer

DATE: March 13, 1984

FILE NO:

TELEPHONE NO: 364-4222

FROM: Ole Bartness
LSR&T Manager
Southeast Region

SUBJECT: Funding LSR&T Projects
FY 85 and Future

In regard to your question regarding the effect on the Southeast Region LSR&T Program with funding in the amount of 3.5 million dollars statewide, I offer the following:

Historically, the Southeast Region has received approximately 10 percent of the statewide appropriation. Based on that percentage, this would amount to $350,000 for this region. Of this amount, approximately $150,000 would be for the unorganized borough and could fund three to six projects, depending upon how tight we pull the drawstrings.

At the present time, there is an unencumbered balance of $100,000 remaining for the unorganized borough in Southeast, and there would have been a zero balance long ago if the home rule cities were still included in the unorganized borough.

In what remains in the unorganized borough of the Southeast Region, some immediate future project priorities have been identified as follows:

Location	Description	Estimated Cost
Metlakatla	Roads & Parking	140,000
Elfin Cove	Boardwalk Repair	50,000
Kupreanof	Trail & Boardwalk	30,000
Angoon	Road to Emergency Helipad	90,000
Clark Bay	Road or Boardwalk	Unknown
Port Protection	Boardwalk/Trail	Unknown
Hyder	Roads	30,000
Edna Bay	Trails/Boardwalks	30,000
Tenakee	Trails, Bridges	Unknown
Hollis	Road Renovation	Unknown

Although there are some unknowns, it would not be out of line to estimate the above projects at a total cost of $500,000.

Communities we have never heard from before are now contacting us for assistance. This appears to be a result of the State Land Lotteries which designated road and trail easements, but no access or minimal access was provided. In any event, these communities have needs, but we could furnish very little support with a $3.5 million LSR&T appropriation.

OB:hn