

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9901 HOUSE LABOR & COMMERCE

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STATUS OF PRIOR AUDIT RECOMMENDATIONS

In the prior sunset review of the Board of Marine Pilots (BMP) issued in 1994, ten audit recommendations were made relating to sunset extension date, board operations, and industry regulatory responsibilities. Included in this sunset review, we followed-up on the current status of those prior audit recommendations.

Prior Audit Recommendation No. 1

The legislature should extend BMP termination date to June 30, 1998.

This recommendation was implemented. The legislature extended the board's termination date one year beyond the suggested date to June 30, 1999. Most likely this was because BMP was not extended until it was into its one-year wrap-up period. Our recommendation regarding this year's sunset extension is set out in the Report Conclusions section.

Prior Audit Recommendation No. 2

Statutes and regulations should be revised and strictly enforced to adequately protect the best interest of the State.

This recommendation was partially implemented. Three problems were identified in our 1994 review that led to this recommendation. These three problems involved:

1. Access to pilotage training. Legislation was adopted in 1995 (SB 130, enrolled as Chapter 74, SLA 95) which addressed, in part, the training problems. Under the revised statute local pilotage associations are required to submit training programs to BMP for review and approval. Local associations were also required to lay out guidelines for apprenticeship programs. We continue to have concerns about the length of the current apprenticeship program and recommend a review of the training statutes and regulations to determine if the progress from apprentice through deputy pilot to pilot can be shortened without compromising the quality of training programs.
2. Dispatch of pilots. No evidence came to our attention that pilot associations were operating their dispatch systems in any manner other than in an efficient, equitable, and nondiscriminatory way as required by statute. The easing of the problems caused by intense competition in the Western Region seems to have alleviated this problem. Except for the exemption issue discussed further in the Findings and Recommendation section, we were not aware of any situation where pilotage of a vessel was not consistently dispatched where required.

3. Proportionality of discipline. Our prior audit recommendation also discussed our concerns regarding allegations of pilot misconduct by the Division of Occupational Licensing and whether BMP levied appropriate sanctions that were proportional to the infraction involved. It appears that BMP has, over the past four years, steadily improved and gotten more consistent in handling misconduct on the part of marine pilots. It appears much of the credit for the improvement in the consistency of disciplinary process resulted from the settling of the acrimonious debate between competing piloting organizations which was going on at the time of our last review.

Prior Audit Recommendation No. 3

The legislature should remove the responsibility of setting tariffs from BMP.

This recommendation has been partially implemented – the role of BMP in setting tariffs has been changed. The aforementioned 1995 legislation, SB 130 (Chapter 74, SLA 95), reduced the role of BMP in setting tariffs. Rather than setting the tariffs, now BMP acts as an arbitrator of tariff disputes and provides guidelines to pilots and shippers for reviewing disputes. To date, this system appears to be working well.

Prior Audit Recommendation No. 4

The examination process for marine pilots needs to be revised.

This recommendation has been partially implemented. There were two subsections to the prior recommendation:

1. The written examination should be more objective. The written examination has been worked on extensively to achieve the goal of objectivity. The pilot associations have worked with BMP on questions designed to remove the objections that led to the above recommendation. The quality of the written examinations has improved to the point where there is little discussion about failings due to slanted examinations. The previous conflict of interest of examination proctors seems to have been resolved by the improvement in the examinations and their administration.
2. The oral examination, as it is presently structured, should be eliminated. The oral examination is still in place. The 1995 revision to the statutes left statutory requirement for such an examination at AS 08.62.093 untouched. The major problem identified with the oral examination as a part of the licensing process is that it would not likely withstand legal challenge if an applicant was denied licensure based on its outcome. From pilots and BMP board members we interviewed, there appears to be some sentiment to get rid of the examination.

Others we spoke with feel it has value because it may be the only chance that BMP members have to meet with new licensees. Those opposed describe it as a general get-together where the board and the applicant do get to know each other, but that it serves no real purpose in the licensing process. In the recent memory of past board members only one person, in 1990, failed the oral examination. It appears to us that the oral examination is not being used to unduly exclude prospective licensees from approval.

The oral examinations are time-consuming for BMP members. Some feel it important that the board have some personal contact with new entrants. There has been an effort to standardize the questions in the oral examinations to ensure they could not be challenged on conflict of interest or other grounds.

Prior Audit Recommendation No. 5

The statutory criteria for appointment and regional representation of members to BMP should be refined and strictly adhered to by the Office of the Governor during the selection and appointment process.

This recommendation has been implemented. From our discussions with industry members there appears to be satisfaction with the composition of BMP. Some individuals in the industry would like to see BMP expand the board by one pilot and one public member, but this is tempered by a desire not to increase costs which generate higher licensing fees.

Currently, both of BMP's public members are from Anchorage. Statutes permit both public members to be from the same region. This decision was guided by a firm resolve to avoid conflict of interest charges that had plagued BMP in the past. Public members are subject to the provisions of AS 08.01.025 which prohibits the individual from being a licensed member of the regulated occupation, be associated by legal contract with a licensed member of the regulated occupation, or have a direct financial interest in the regulated occupation. Current public members are in compliance with this requirement.

The 1995 revision by specifying that agents and pilots be appointed from different pilotage regions rather than judicial districts (as provided for previously in the law) has also contributed to better board balance.

The requirement that only one pilot and one agent from each region be represented has been followed by the Office of the Governor in the course of making appointments. There has been a major effort to eliminate the conflict concerns that were a major focus of the last sunset review in 1994.

Prior Audit Recommendation No. 6

The Department of Commerce and Economic Development should continue to work with the Office of the Governor, Office of Management and Budget (OMB) in establishing fee levels for occupational licensees that are more reflective of the actual regulatory cost of the occupation.

This recommendation is still in the process of being implemented. This continues to be a widespread issue for all boards and professions regulated by the Division of Occupational Licensing (OL). We have addressed this issue in another audit report, titled *Occupational Fee Setting Policies and Regulatory Costs*, (Audit Control Number 08-4567-97).

Licensed pilots are up for renewal at the end of 1998. License renewal fees are less than charged during the last renewal period in 1996, reflecting reduced operating costs on the part of BMP.

Prior Audit Recommendation No. 7

OL should continue its efforts to adequately provide public notice of board meetings and application deadlines for examinations.

This recommendation has been implemented. In recent years, OL staff has provided adequate public notice of BMP board meetings and application deadlines for examinations.

Prior Audit Recommendation No. 8

OL should request statutory changes to AS 08.01.050 and AS 08.01.070 to clarify responsibilities for the taking of board meeting minutes and production of an annual report.

This recommendation has been implemented. The 1995 legislation clarified the role of marine pilot coordinator in statute. In addition, OL provides administrative assistance to many boards and commissions, including the Board of Marine Pilots. OL staff helps during BMP meetings, including taking minutes. These minutes are submitted to the board for approval at the subsequent meeting. The board prepares the annual report. Concern has been expressed by pilots about improving the database from which BMP operates. This is discussed further in Recommendation No. 1 of our current review.

Prior Audit Recommendation No. 9

OL should develop and implement written policies and procedures for reporting potential violations of the Executive Branch Ethics Act to the Department of Law.

This recommendation has been implemented. The chairman of BMP has requested continuing assistance from the Department of Law to brief board members on the Ethics Act and its requirements. Board members seem to be well aware of their responsibilities in the area of ethics. Nothing came to our attention during the course of this review that suggests executive branch ethics requirements were allegedly violated.

Prior Audit Recommendation No.10

OL should, in conjunction with the Equal Employment Opportunity Office, review the licensure application for each professional occupation to assure that personal questions of a potential discriminatory nature are essential for prudent licensure.

This recommendation has been implemented. There is no information requested on the application form regarding sex or physical features. There is no photo required of applicants.

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AUDITOR COMMENTS

In the course of this review, we noted three additional areas of concern related to the operational issues faced by the Board of Marine Pilots (BMP). Two of these issues were among the multiplicity of concerns addressed in the last sunset review and the 1995 statutory revisions. We present the following discussion here to further inform the legislature about progress and the current status of issues involved.

Competition

BMP's efforts to regulate and/or limit competition between and within pilotage regions were the centerpiece of its activities in the previous audit period. After the decision was reached that neither BMP nor the Alaska Public Utilities Commission would engage in rating-setting in the traditional manner, the 1995 Alaska legislature passed the procedure set out at AS 08.62.046 which provided a mechanism for adjudicating disputes between pilot associations and shippers. BMP is only required to intervene when there are objections to rate changes. This seems to have had the effect of smoothing out negotiations in those areas where competition was previously creating problems.

Concerns about some of the counter-productive aspects of competition¹ between rival pilot organizations in certain regions of the State posed a critical regulatory problem to BMP at the time of our last review. Concerns about competition were never a serious issue in Region 2 (Southcentral). The competition in Region 3 (Western) between the Western Alaska Pilots Association and the Alaska Marine Pilots has been eliminated by the two groups becoming one and the Southwest Alaska Pilots Association withdrawing from competition in the region.

This action eliminated the bidding for clients at Dutch Harbor and other locations that had proved so much of a concern to BMP and has lessened the intrusions into pilotage waters by vessels without a pilot. The problems of weather and distance in this region will continue to create problems in providing service to this region, but the greater stability of pilotage services that has been achieved should have some positive effect.

There are still two groups competing in Region 1 (Southeast), the Southeast Alaska Pilot Association and the Alaska Coastwise Pilot Association. The great increase in cruise ship traffic during the period 1997-98 has provided sufficient business for both, and they have been able to negotiate contracts that provide stability that did not exist when both groups were strongly competing for a more limited number of clients.

¹ One analyst of the industry, testifying before the legislature in 1995, attributed many failings of the State's marine pilot activities to the "quasi-competitive" system that had evolved in certain regions of the State. In his view the pressure of market competition allowed shippers to play off different pilot groups against each other, which led to many of the problems he had identified. In his view this was particularly bad in Southeast and the Aleutians where there were competing pilot associations.

The result of reaching a greater consensus among pilots on competition has been to dramatically lessen the legal battles between pilots and pilot associations that previously took up so much of BMP's time. The reduction in legal activity has resulted in a reduction in costs due to fewer meetings and less time from the Department of Law being required. It was announced at the July 16, 1998 BMP teleconference that there was an expectation fees could be reduced.

Training

It is a general consensus of the pilots and those who employ them that training programs have improved in recent years, with BMP given credit as a positive force in that improvement.

A major problem in the past was securing ship time for trainees. It is still a problem primarily due to the nature of pilotage in Alaska where large ships are involved in a limited number of trips compared to traffic in other pilotage areas. The problem is not just the number of trips, but also securing time on the larger vessels to attain an unlimited tonnage endorsement.

The problem is most acute in the Southeastern Region where the preponderance of large cruise ships makes it difficult for pilots who do not have unlimited licenses to secure trips. The problem is not as acute in other regions because there is a better mix of ship sizes.

Recruitment to pilot ranks is a long process throughout the profession and short apprenticeships, while not unknown, are not common. The requirements for a federal license alone require a minimum of 36 months. Pilot association requirements throughout the U.S. can run up to ten years or more.

Recruitment in Alaska has been able to keep pace with the rapid growth in cruise ships and fisheries associated vessels while handling the regular traffic of oil tank vessels, container ships, and others. In the 1995 BMP Annual Report, the average age of marine pilots was reported as 54 years. A review undertaken by the BMP coordinator in September 1998 showed the average age as 53-1/2 years, a good indicator of stability and the ability of the training programs to fill the ranks.

In Alaska, an individual can become a deputy marine pilot by serving an apprenticeship of at least four years in the pilotage region for which a license is sought. They must also serve 3 years as a deputy marine pilot to qualify for a marine pilot license (AS 08.61.100 (3)). Thus, Alaskan requirements are not dramatically different from other states at this time.

Continued Proficiency Efforts

Alaska marine pilots and deputy marine pilots must renew their licenses every two years and must submit documentation that they have met the continuing education requirements in the statutes (12 AC 56.83). Evaluation of their performance under this requirement is not required by statute. Once the training program leading to marine pilot is completed, no evaluation process to determine competency is required. Peer pressure within the pilot

associations is the only system available until disciplinary action is undertaken by BMP in accordance with AS 08.01.075.

The problem with the present system is that it is difficult to intervene before an incident leading to disciplinary action occurs. This is different from many systems, such as aviation, where airline pilots and air traffic controllers have their skills evaluated on an ongoing basis. In the case of marine pilots, often complaints from users are the first indication that the pilot association or BMP may have that there is a problem.

BMP has recently issued a request for proposals (RFP) for a Simulator Based Marine Pilot Performance Evaluation System. In the RFP (Number 99-0046), it is stated, "*The Board of Marine Pilots is not satisfied with the current system and is seeking to prevent future mishaps through development of a performance evaluation system.*" The RFP points out that the State has not implemented regulations that require Alaska marine pilots to have their performance as a marine pilot evaluated because no facility offers such an evaluation service.

The RFP requires the development and successful testing of a training and evaluation system over a three-year period. The system shall incorporate Bridge Resource Management (BRM) and Automatic Radar Plotting Aids (ARPA) training. BRM is not available in Alaska due to the lack of a marine training simulator in the State. ARPA training has been available in Seward at the Alaska Vocational Education Training Center (AVTEC).

The RFP is an ambitious effort to take the next step in BMP's legislative mandate to "*provide for the maintenance of efficient and competent pilotage service*" in Alaskan waters. There is a good deal of discussion among pilots about relying on simulators to determine competency, but strong opposition to the program did not come forth in the interviews with pilots. It is possible that there has not been sufficient discussion over the summer as most pilots have been very busy on the ships.

The existing statutes appear to provide sufficient authority to BMP to implement the program. The STAR Center in Dania, Florida has been chosen to implement the program. As far as can be determined, Alaska and BMP are on the leading edge in recertification efforts for marine pilots with this program. No other state or jurisdiction could be found with anything similar.

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ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analyses of board activities relate to the public need factors defined in the "sunset" law, Alaska Statute 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

The extent to which the board, commission, or program has operated in the public interest.

During the period covered by this review (July 1, 1993 to June 30, 1998) the Board of Marine Pilots (BMP) has substantially improved its performance at operating in the public interest compared to the previous review period (1990-93). The issues of competition versus monopoly, training, and tariff-setting have not been totally resolved, but there is a great deal more consensus between BMP, marine pilots, and shippers that are subject to the board's oversight. There is a greater acceptance of BMP's rulings, and this has almost eliminated the continual legal confrontations that hampered the board's activities from 1990 to 1994. This has enabled BMP to concentrate more on the public safety aspects of its mandate. The board was able to work with the pilot associations in reaching satisfactory solutions to the controversial issue of whether tariffs should and could be set by BMP or whether pilotage fees should be set by the competitive market.

The regulation and licensing of qualified marine pilots benefit the public's safety and welfare. The steady increase in tourist passenger ships in recent years has made BMP's role increasingly more important. The board provides reasonable assurance that the individuals licensed to pilot passenger and cargo ships in Alaskan waters are qualified to do so. Extension of the board will take it through a period that, prospectively, appears to be one of intensive activity. BMP has begun improving training and continuing education of Alaska marine pilots. The board has successfully worked with the pilot associations in resolving many of the problems identified in the 1994 audit and has contributed to improving marine safety in Alaskan waters.

The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The 1995 amendments to the State's marine pilot statutes changed P's role in setting how much pilot organizations could charge for services. The approach developed, as set out at AS 08.62.046, allows local pilot organizations flexibility to negotiate rates with shippers operating out of their local ports. The process allows for competition between organizations

where it might exist, while giving shippers an avenue of appeal and review when they believe rates may be excessively high in regions of the State where there is no competition.

BMP has carried out the intent behind this amendment, although the current semi-competitive environment is significantly different from the situation that existed at the time of the 1995 amendments. See the Auditor Comments section for our discussion regarding the current competitive situation related to marine piloting in the State. The board is also carrying out the legislative directives related to training and licensing qualifications, which were also an important part of the 1995 amendments.

The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

As discussed in the Background Information section, in 1995 the legislature made substantive revisions to the marine pilot statutes. According to testimony before legislative committees considering the amending legislation, the measure that was adopted was a result of negotiations between the administration officials, BMP members, pilots, and shippers. Since those amendments, there has been a general reluctance in the marine pilotage community to "reopen" the marine pilot statutes to further revision. BMP has reflected this general reluctance, with limited inclination to seek further statutory change in recent years.

The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

BMP through the work of marine pilot coordinator has published notices of all examinations, meetings, and prospective regulation changes. Public notice was solicited during BMP's most recent regulatory writing project. Additionally, a period of time for public comment was available at each BMP meeting.

The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

As noted previously, each board meeting agenda allots time for public comment. The public has been encouraged to use these public comment periods to express concerns and obtain information from the board. The public comment period for regulation changes also assures that the public has the opportunity to participate in the regulatory process.

The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the Office of the Ombudsman have been processed and resolved.

Complaints and concerns regarding decisions and activities of the board, as well as complaints about the performance of licensed marine pilots were handled and resolved in an appropriate and timely manner consistent with its priority and the limitations of Division of Occupational Licensing staff. No complaints were filed with the Office of the Ombudsman in recent years regarding the operations of the board specifically, or marine pilots in general.

The extent to which the board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Over the past three fiscal years, the board has certified three individuals as marine pilots and six individuals as deputy marine pilots.

The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find any evidence that BMP was not complying with state personnel practices, including affirmative action, in qualifying applicants or in hiring the marine pilot coordinator. Each time BMP has denied an applicant a license the reason has been based on experience requirements and not personal attributes of the applicant.

The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

See the discussion presented both in the Findings and Recommendations section and the Auditor Comments section of this report.

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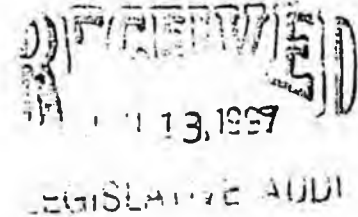
TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND
ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

January 11, 1999

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Mr. Merle Jenson
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Dear Mr. Jenson,

This letter is in response to your request for comments regarding the Preliminary Audit Report of the Board of Marine Pilots dated November 18, 1998.

Recommendation No. 1

The Board of Marine Pilots (BMP) should work with the pilot associations, the U.S. Coast Guard (USCG), the shippers, and other maritime interests to develop a database against which the competency of both trainees and licensed pilots can be better measured.

Currently the Board has a regulation in place that requires pilot associations to submit pilot activity reports on a quarterly basis. These reports provide the information necessary to identify shipping trends; however, since the reports are submitted on paper and for each individual pilot, it would be extremely labor intensive to compile the information into a useable database. The Board has recently adopted a regulation that will require the pilot associations to submit their quarterly reports in an electronic format so that they may be placed directly in a database maintained by the Marine Pilot Coordinator (MPC). Upon compilation of sufficient data the database will provide a means for identifying marine traffic trends. This will greatly aid the Board in establishing training requirements that are accurate and attainable.

The preliminary audit also states that a lack of performance norms for pilots is hampering the Board's efforts to implement a new simulator-based performance evaluation system. To the Board's knowledge a database of human factors or performance norms for marine pilots does not exist; however, the lack of such a database is not hampering the Board's effort to establish a simulator-based performance evaluation system. In fact, despite the lack of such a database, four of the most respected marine simulator facilities in the country submitted proposals to develop a simulator-based performance evaluation system for State of Alaska Marine Pilots. Upon its implementation, this system will be the first in the world to evaluate the performance of marine pilots. If the developed system proves effective, the Board expects the concept to expand to other jurisdictions, perhaps eventually becoming a universal requirement of licensure. During

the development and use of a simulator-based performance evaluation system, the human factors involved in marine piloting will be identified and performance norms will be established.

Recommendation No. 2

BMP should consult the Department of Law regarding the practicality of enforcing the current piloting exemption statutes. After such consultation, the board should develop proposed statutory changes for the consideration of the legislature.

The Board would be pleased to work with the Department of Law and the Legislature to develop any future amendments to the Act.

Prior Audit Recommendation No. 2

Statutes and regulations should be revised and strictly enforced to adequately protect the best interest of the State.

1. Access to pilotage training . . . We continue to have concerns about the length of the current apprenticeship program and recommend a review of the training statutes and regulations to determine if the progress from apprentice through Deputy Marine Pilot to Pilot can be shortened without compromising the quality of training programs.

The statement above seems to be in conflict with the "Training" portion of the Auditor's Comments. The last paragraph on page 26 under the subtitle "Training" notes that an individual can become a deputy marine pilot by serving a four year apprenticeship, and then serve another three years as a deputy marine pilot to become a marine pilot. The last sentence of the paragraph states, "Thus, Alaskan requirements are not dramatically different from other states at this time."

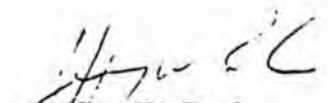
The process from trainee to marine pilot takes five to six years for applicants that meet the stated statutory requirements of AS 08.62.093(b)(1)-(5), that is two-three years as a trainee and another three years as a deputy marine pilot to be eligible for advancement to marine pilot. It is worth noting that the deputy marine pilot apprenticeship program was established for otherwise highly qualified candidates who were unable to meet one or more of the statutorily required experience requirements listed in AS 08.62.093(b)(1)-(5). Thus, it does not seem unreasonable that the apprenticeship program should take seven years. Even at seven years, the program is only one to two years longer than the usual program, and as stated in the auditor comments, even then it is not dramatically different in duration than other states. The Board and the pilot associations

January 11, 1999

consider the minimum four-year experience requirement established in statute for the deputy marine pilot apprenticeship program to be appropriate.

I hope the comments above add to your understanding of the Marine Pilot Program and will assist you in drafting your final report. I would like to thank your section for conducting a comprehensive, accurate and equitable audit. Please contact Peter Christensen, the Marine Pilot Coordinator in Occupational Licensing at 2548, if you have any additional questions.

Sincerely,



Jeffrey W. Bush
Deputy Commissioner

FY97 Annual Report

**Marine Pilots,
Board of**

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Alaska Board of Marine Pilots Members

	<u>Term Expires</u>
Jeff Bush Chairperson (Commissioner's Designee) Department of Commerce and Economic Development P.O. Box 110806 Juneau, Alaska 99811-0806 465-2500 465-2974 fax	Indefinite
Captain Mike O'Hara (Pilot) P.O. Box 1443 Palmer, Alaska 99645 745-3518	June 1, 1997
Michael C. Spence (Pilot) P.O. Box 7981 Ketchikan, Alaska 99901 225-7245	June 1, 1999
Bob Berto (Vessel Agent) P.O. Box 8080 Ketchikan, Alaska 99901 225-6157	June 1, 1998
Bernie Smith (Vessel Agent) Tesoro Alaska Petroleum Company P.O. Box 196272 Anchorage, Alaska 99519 561-5521 561-8218 (fax)	June 1, 2000
David Stewart (Public) 500 L Street, Suite 401 Anchorage, AK 99501 258-4338	June 1, 2000
Barbara Huff Tuckness (Public) Director Government and Leg. Affairs General Teamsters Local 959 520 East 34th Anchorage, AK 99501 565-8236	June 1, 1999

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Alaska Board of Marine Pilots

Fiscal Year 97

Narrative Summary

Over the course of the fiscal year, the Board of Marine Pilots (Board) held three regular meetings and one teleconference. The October and February meetings were held in Anchorage. The April meeting was held in Juneau. The teleconference was held in December and had sites in Ketchikan, Juneau, Anchorage and Unalaska to facilitate access of all interested parties. Examinations were conducted by the Board during the October, February and April meetings.

Board examinations led to the initial licensing of two Deputy Marine Pilots and the reactivation of another Deputy Marine Pilot license. In addition to the new licenses above, nine pilots successfully examined for thirteen extensions of route. The Board designated six pilots as training pilots and issued tonnage upgrades to four pilots. Three candidates received Federal pilotage endorsements for their region and passed the Core Examination thus qualifying to begin their State pilot training. The close of the fiscal year arrives with five pilot trainees, ten pilot observers working on obtaining their Federal pilotage endorsements and two pilots in a pilot apprenticeship program.

Meetings of the Board were dominated by discussion of proposed regulations and their eventual adoption, two rate hearings, and public comment. To better serve the public and avoid litigation, the Board continues in its effort to promulgate clear, specific, enforceable regulations. This past year the Board worked to clarify application requirements, increase examination availability, update training requirements, and specify pilot availability. New and amended regulations were public noticed November 12, 1996. A supplemental notice was issued January 16, 1997. The Board adopted the regulatory package of ten plus pages April 29, 1997. The Board's efforts in this area continue as they have already identified several regulatory proposals for FY98.

With the assistance of the Department's Hearing Officer the Board held two rate hearings regarding proposed pilotage rates. At issue was whether the rates proposed by the pilot associations, and objected to by industry, were reasonable. Pre-hearing conferences were conducted at the February meeting and the hearings themselves were conducted two days later at the same meeting. The Board adopted their decisions in the two cases at the following meeting in April. One association's rates were found to be unreasonable and were shortly revamped and renoticed for public comment. Those rates are now in effect. In the other hearing, the association's rates were found reasonable in part and unreasonable in part. That association chose to drop the unreasonable portion of their rate schedule and leave the remaining rates in place.

Other than the proposed regulations, public comment to the Board centered around three topics: training costs; yachts; and pilot stations/pilotage boundaries. The Board has received many comments from trainees regarding the "costs" of training. These costs include: a trainee's lost work income due to maintaining availability for training; general living expenses; expenses directly related to training, such as transportation to and from training opportunities; and the cost realized while waiting for the implementation of new regulations to overcome outdated requirements. By law, "the Board shall provide for the maintenance of an efficient and competent pilotage service. . . to assure the protection of shipping, the safety of human life and property, and the protection of the marine environment." So the Board is justifiably interested in the cost of training and its effect (if any) on an association's ability to recruit trainees and the ability of the trainees to complete the training.

To date, the Board has not received any actual figures of costs incurred by trainees. This is due in part because not many trainees have actually progressed from start to finish through the new training requirements. It will be some time before the average cost of training is known. The Board is concerned with the delay a trainee incurs when the current training requirements cannot be met due to shifting vessel traffic patterns. Although it continues to address the issue, so far, the Board has been unable to promulgate regulations that keep the training requirements suitably specific, while allowing sufficient flexibility to account for changing traffic patterns, and without creating a discretionary waiver system to be administered by the Board.

Comments on the "yacht" issue centered on enforcement and compliance. All pleasure craft were previously exempt from compulsory pilotage requirements. In 1995 the legislature amended AS 08.62.180 and the exemption to pilotage requirements for pleasure craft of foreign registry was limited to those vessels of less than 300 GT. All pleasure craft of United States registry remained exempt from compulsory pilotage. Not one non-exempt yacht has voluntarily complied with the law. Most, but not all, have reluctantly complied when informed of the law by the Marine Pilot Coordinator (MPC).

For their part, the Yacht owners find this statute unpalatable for a number of reasons. First and foremost of their complaints is the cost. Pleasure craft in general, and yachts in particular, like to "cruise". Cruising in luxurious surroundings, without the constraints of a destination, schedule or itinerary, is the hallmark of yacht enjoyment. Cruising in this manner can become very expensive when also paying for the services of a pilot. Pilots are required whenever and wherever a vessel is in pilotage waters. This means that vessels cruising in Prince William Sound, Southeast and other areas of Alaska require a pilot full time aboard the yacht. Depending on the amount of travel per day, two pilots may be required. In addition to the cost, yacht owners argue that they don't need a pilot because they already employ competent, licensed crew to navigate their yacht.

Furthermore, they resent having to invite a pilot into their home away from home. They have complete control over their crew and passengers. They can hire or fire the crew, and invite and discharge their guests as they please. They control their environment. When compelled to take on a pilot they are forced to invite into their home and what is essentially a "family" situation, someone they don't know and may not like, for an extended stay, someone over which they have no control. In their minds, to pay, and pay handsomely, for the privilege of this inconvenience is adding insult to injury.

Since the yacht owners are very reluctant to comply voluntarily, the problem becomes one of enforcement. Unfortunately, enforcement of this statute is very difficult. The main issues for enforcement are notification, uniform application of the law and enforcement tools. To enforce any law, enforcement officers must first be aware of an infraction. Unlike commercial shipping, yachts often do not use vessel agents to provide for their needs in port, eliminating one potential informant. They are not required to give notice of arrival to the U.S. Coast Guard either. Without some way to be cognizant of all (or at least most) yachts entering pilotage waters, the only yachts subject to enforcement are those yachts which have already entered illegally and are subsequently observed by a pilot or the MPC. Enforcement of the pilotage statute only on the yachts that have the misfortune to be noticed brings charges of selective enforcement.

If enforcement of a statute is to be effective, the penalty for non-compliance must significantly outweigh the cost of compliance. Currently, the master or owner of a vessel required to employ a licensed State pilot is guilty of a criminal misdemeanor. Upon conviction the owner or master may be punished by a fine of not less than \$5,000 nor more than \$15,000 for the first offense and not less than \$10,000 nor more than \$30,000 for the second offense. At these levels, even maximum fines are likely to be less than the cost of compliance for a yacht, at least until the second offense, and depending on circumstances, perhaps even then. The current system encourages non-compliance with the law, especially when the chances of detection, and therefore, enforcement, are remote. While a notification system for yachts remains a problem, Federal pilotage law offers an example of an enforcement system that is more efficient. In contrast to a criminal violation, violation of Federal pilotage law provides for a civil penalty of \$10,000, and the vessel is liable in rem for the penalty. Agency enforcement through the mechanism of civil penalties frees the agency of the substantial burden inherent in preparing criminal cases for an already overburdened court system. Placing the vessel liable in rem for the penalty subjects the vessel to arrest or seizure. The inconvenience and cost of tying up a vessel is substantially more than the actual civil penalty and presents a good incentive towards compliance.

Over the past year the Board received considerable comment regarding the establishment of a pilot pickup point at Kingsmill Point in Chatham Strait, Southeast, Alaska. Pilot pickup points differ from pilot stations in that they are not promulgated in regulation. They are however authorized by regulation. A pickup point is simply a place where the vessel representative and the pilot have agreed to accomplish the transfer to or from the ship. The regulation authorizing pilot pickup points was probably established to provide an alternative to pilot stations in the event of heavy weather or when commerce is entering an area in which a pilot station was not previously established. Kingsmill Point is sixty miles inland of the compulsory pilotage boundary, but occurs roughly 110 miles before the first pilot station at Point Retreat. When the discussion of this issue began, it had become known that one association intended to use it regularly this summer on a trial basis. The discussion rapidly digressed somewhat into subsidiary matters such as the boundaries of pilotage waters and the philosophical scheme that led to the establishment of the current pilot stations and where pilot stations should be established in the future.

The reasons are obscured by the passage of time, but historically Chatham Strait has always been exempt from compulsory pilotage, even though it is inside of the compulsory pilotage boundary. Normally pilot stations are established so that they facilitate boarding a pilot aboard a vessel

before entering or as soon as practical after entering pilotage waters. The other rationale used to establish pilot stations is that they are placed where they can be reached. That is, in places that are served by other reliable modes of transportation, and where hopefully it will not normally be a life threatening evolution for the pilot to board the ship.

The Board is concerned about the potential for abuse inherent in the regulations authorizing the establishment of pilot pickup points. This issue will continue to be addressed by the Board during the coming year. It remains to be seen whether a simple regulation amendment will be adopted or whether the entire pilot station system will come under review.

FISCAL YEAR 97

Board/Commission: Marine Pilots

Authority for Licensure: Check the appropriate method in which licenses are issued (not including examination), and cite the specific statutory authority.

Credentials AS 08. _____
 Reciprocity AS 08. _____
 Comity AS 08. _____
 Endorsement AS 08. _____

Licenses*: List each category and the number of current/active licenses within each category. Category should be subdivided into licenses issued by examination or credential if applicable.

A. Category: Current/Active	New - Issued During FY 97	As of 6/30/97	Notes
1. Marine Pilot Designations	0	66	
2. Deputy Marine Pilots	2	7	
3. Agents	0	5	
4.			
5.			
TOTAL	2	78	
B. Category: Current/Inactive (not lapsed)**			
1.			
2.			
3.			
TOTAL			
C. Category: Permits/ Endorsements, etc.			
1. Tonnage Upgrades	3		
2. Training Pilot Endorsements	1		
3. Extension of Route	13		
4.			
5.			
TOTAL	17		
D. Other statistics applicable to a specific board			

*Whenever the word *license* is used, it may also refer to registrations, certificates, endorsements, which are issued as applicable.

**Note some professions do not have inactive status.

Expiration Date of Licenses for this program: If the expiration date is different for each category, indicate the category after each date.

CATEGORY	EXPIRATION DATE
Marine Pilots	12/31/98
Deputy Marine Pilots	12/31/98
Vessel Agents	12/31/98

Examination: List each examination separately indicating the licensure category (such as RN, LPN, Dentist, Dental Hygienist), the total number of examinees, number passed and failed.

Exam Statute Authority: AS 08.62.040(a)(2)

Category	Date	Total Candidates	No. Passed	No. Failed
Extension of Route	10/15/96	2	2	0
Extension of Route	02/05/97	5	5	0
Core Examination	02/05/97	1	1	0
Regional Examination	02/05/97	1	1	0
Extension of Route	04/29/97	6	6	0
Core Examination	04/29/97	2	2	0
Regional Examination	04/29/97	2	2	0

Meetings: List Date(s) and Location(s)

1. October 15-16, 1996 - Anchorage
2. February 5-7, 1997 - Anchorage
3. April 29-30, 1997 - Juneau
- 4.

Teleconferences: List Date(s) and Site(s)

1. December 5, 1996 - Ketchikan, Juneau, Anchorage, Unalaska
- 2.
- 3.
- 4.

Name of Individual completing form: Peter Christensen

Date: July 25, 1997

(Use additional pages if necessary)

BOARD OF MARINE PILOTS
ANNUAL REGULATIONS REPORT
FY 97

1. Regulations projects pending at the end of FY 96 Status

A. None

B.

C.

2. New projects started in FY 97 Status

*A. Training requirements, application review, etc.

A. Adopted - pending final review by
Department of Law

B.

C.

3. Number of regulations hearings held in FY 97: 2

(*Indicates a regulations project that is pending at the end of FY 97)

Alaska Board of Marine Pilot's

FY98 Goals & Objectives

1. Automate the random selection of test questions and test generation. The software for this project has been purchased and the MPC has begun loading the test questions in the system.
2. Review all test questions and answers for content, applicability and accuracy.
3. Award a contract to design and implement the Board's marine simulator project. The simulator is to simulate region specific Alaskan ports and it to be used as a training and evaluative tool. It is intended to replace many if not all of the Board's current continuing education requirements.
4. Develop a computer database to receive the pilot association's quarterly reports. This project will facilitate the Board's analysis of marine commerce traffic patterns, and assist in the Board's efforts to keep the training requirements in line with the needs of the system.
5. Develop regulations and amend current regulations to further clarify their application and meaning. The Board has already identified several proposed areas to be refined in the regulations, including: the term definition section, compulsory pilotage areas, pilot stations and pickup points, and training requirements.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
OCCUPATIONAL LICENSING

BUDGET REPORT FOR THE BOARD OF MARINE PILOTS

As of October 2, 1997

Marine Pilots (In Thousands)		FISCAL YEAR 1994	FISCAL YEAR 1995	FISCAL YEAR 1996	FISCAL YEAR 1997
PERSONAL SERVICES EXPENSES (71000)	Direct		81.4	74.6	76.1
	Indirect		3.5	2.7	2.8
Total:		\$74.7	\$84.9	\$77.3	\$78.9
Personal service expenses are employee salaries and benefits. In Fiscal Year 1994 the Division began using detailed time sheets to record actual time spent on the various licensing areas.					
TRAVEL EXPENSES (72000)	Direct		25.5	18.9	11.6
	Indirect		0.1	0.0	0.1
Total:		\$24.9	\$25.6	\$18.9	\$11.7
Travel expenses include transportation, food and lodging for board meetings, complaint investigations, disciplinary hearings and national meetings.					
CONTRACTUAL SERVICES EXPENSES (73000)	Direct		116.9	99.2	36.3
	Indirect		1	0.6	1.2
Total:		\$61.8	\$117.9	\$99.8	\$37.5
Contractual services are services purchased from sources outside the Division and include telephone calls, postage, expert witnesses and Department of Law legal work, and other costs.					
SUPPLIES EXPENSES (74000)	Direct		1.2	1.1	0.6
	Indirect		0.1	0.1	0.2
Total:		\$0.6	\$1.3	\$1.2	\$0.8
Supply expenses include paper, envelopes, cassette tapes, and other office supplies.					
EQUIPMENT EXPENSES(75000)	Direct		0	0.0	0.2
	Indirect		0.1	0.1	0.6
Total:		\$0.5	\$0.1	\$0.1	\$0.8
Equipment expenses include purchase and repair of computers, software, copy machines, telephones and other office equipment.					
Total Direct:		\$0.0	\$225.0	\$193.8	\$124.8
Total Indirect:		\$0.0	\$4.8	\$3.5	\$4.9
TOTAL EXPENSES:		\$162.5	\$229.8	\$197.3	\$129.7
TOTAL REVENUE:		\$6.0	\$286.9	\$31.5	\$352.1
BALANCE (Revenue - Expenses) :		(\$156.5)	\$37.1	(\$165.8)	\$222.4

This chart shows the figures in the state accounting system on the day the chart was prepared.

Some bills are not received and entered in the system for several months after the expense occurs.

Direct costs are expenditures which can be specifically attributed to distinct occupations. Indirect costs are collective expenses which are shared equally by all division license holders on a per capita basis.

Fiscal Years for Alaska's state government begin July 1 and end June 30.

Figures are in thousands of dollars and are rounded to the nearest hundred. For example, \$1.3 means \$1,300.00.

FY97 Indirect includes a portion of \$73,195.31 of expenses not allocated to specific project codes.

Alaska Board of Marine Pilots

Fiscal Year 1998

Annual Report

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Present Goals and Objectives	8

**Alaska Board of Marine Pilots
Members**

	<u>Term Expires</u>
Jeff Bush Chairperson (Commissioner's Designee) Department of Commerce and Economic Development P.O. Box 110806 Juneau, Alaska 99811-0806 465-2500 465-2974 fax	Indefinite
Captain Peter S. Garay (Pilot/Southwest) P.O. Box 2653 Homer, Alaska 99603 581-1240	June 1, 2001
Michael C. Spence (Pilot/Southeast) P.O. Box 7981 Ketchikan, Alaska 99901 225-7245	June 1, 1999
Bob Berto (Vessel Agent/Manager) P.O. Box 8080 Ketchikan, Alaska 99901 225-6157	June 1, 1998
Bernie Smith (Vessel Agent/Manager) Tesoro Alaska Petroleum Company P.O. Box 196272 Anchorage, Alaska 99519 561-5521	June 1, 2000
Michael White (Public) Law Offices of Friedman, Rubin & White 1227 West 9 th Avenue, Suite 201 Anchorage, AK 99501 258-0704	June 1, 2000
Barbara Huff Tuckness (Public) Director Government and Leg. Affairs General Teamsters Local 959 520 East 34 th Avenue Anchorage, AK 99501 565-8236	June 1, 1999

Staff Persons:

Pete Christensen
Marine Pilot Coordinator
P.O. Box 110806
Juneau, Alaska 99811-0806
465-2548 (w), 465-2974 (fax)

Gayle Horetski
Assistant Attorney General
P.O. Box 110300
Juneau, Alaska 99811-0300
465-4123

Ken Truitt
Assistant Attorney General
P.O. Box 110300
Juneau, Alaska 99811-0300
465-4132

Alaska Board of Marine Pilots

Fiscal Year 98

Narrative Summary

Over the course of the fiscal year, the Board of Marine Pilots (Board) held three regular meetings and one teleconference. The teleconference was held in August and utilized sites in Ketchikan, Juneau, Anchorage and Unalaska to facilitate access of all interested parties. The Board's October and January meetings were held in Anchorage. The April meeting of the Board was held in Juneau. The Board administered examinations during all its meetings including the teleconference.

The Board chose to administer examinations during a summer teleconference to allow trainees an opportunity to examine during the summer months. Previously, since the Board rarely convened between April and October, trainees that did not complete their training in time to meet the application deadline for the April meeting had a long wait until the October meeting. Administering examinations during a summer teleconference meeting was very well received and will probably be continued in the future.

Board examinations led to the initial licensing of two Deputy Marine Pilots and two Deputy Marine Pilots were issued an upgrade to a Marine Pilot license. In addition to the new licenses above, seven pilots successfully examined for ten extensions of route. The Board designated two pilots as training pilots and issued tonnage upgrades to three pilots. Three candidates received Federal pilotage endorsements for their region and passed the Core Examination thus qualifying to begin their State pilot training. The close of the fiscal year arrives with five pilot trainees, five pilot observers working on obtaining their Federal pilotage endorsements and two pilots in pilot apprenticeship programs.

The Board's focus was split between several special projects and its usual business of regulation refinement, hearings, and public comment. The special project that took the lion share of the Board's time was the drafting, adoption and promulgation of an RFP to solicit proposals to develop a Simulator Based Marine Pilot Performance Evaluation System. The RFP was released June 2, 1998. Another special project was the development of regulations to implement an annual peer review of pilots. As envisioned, the peer review will be while the assessed pilot is on the job and will be conducted by an Alaska marine pilot with an endorsement as a training pilot. While successful completion of the Simulator Based Marine Pilot Performance Evaluation System will ultimately be required for renewal of a marine pilot's state license, the annual peer review is envisioned as an opportunity to offer constructive comment about a pilot's

performance. Development of regulations to implement the peer review program will continue in FY 1999.

To better serve the public and avoid litigation, the Board continues in its effort to promulgate clear, specific, enforceable regulations. This past year the Board worked to clarify and update training requirements, further define compulsory pilotage waters, exclusions from compulsory pilotage waters, pilot stations, and consolidate and update regulatory definitions. New and amended regulations were public noticed February 12, 1998. After taking written and oral public comment, the Board adopted the twenty-five page regulatory package on April 26, 1998. The Board's efforts in this area continue as they have already identified regulatory proposals for consideration in FY99.

The Board held two rate hearings regarding proposed pilotage rates. At issue was whether the rates proposed by the pilot associations, and objected to by industry, were reasonable. The hearings were conducted during the Board's January meeting. The Board adopted their decisions at the same meeting. In one hearing, the association's rates were found to be unreasonable and were subsequently revised and re-noticed for public comment. Those rates are now in effect. In the other hearing, the pilot association formally withdrew their proposed rates, thus eliminating the need to conduct a hearing.

Public comment to the Board centered on the intent, content and development of the special projects and the package of new and amended regulations the Board developed and adopted. Some comment was also heard regarding the three topics that dominated last year's discussions: training costs; yachts; and pilot stations/pilotage boundaries. These topics were discussed at length in last year's annual report. The regulation package adopted by the Board addressed many of the concerns voiced in the comments regarding the pilot stations/pilotage boundaries. The issue of training costs, while still often brought to the Board's attention, still suffers from a lack of specificity. No one has been able to sufficiently specify the problem or put forth a solution that could be implemented at the Board level. Likewise, many of the solutions proposed during public comment to solve the yacht enforcement dilemma are beyond the scope of the Board's authority. Additionally, neither the public comment, nor the Board has been able to reach even a consensus on a recommended direction that the solution should take.

The Board listed five goals and objectives for FY98. While not all the goals were reached, substantial progress was made toward reaching all of the goals. A recap of the goals and their current status follows:

- ◆ The first goal was to automate selection of test questions and test generation. Significant progress has been made in this project and the Marine Pilot Coordinator continues to input test questions as they are received, following their review and correction by a regional designee. The automated software is being used to create tests in the subject areas that have been completed. The examining board has expressed its satisfaction with the tests created with the performance of the automated software.

- ◆ The second goal was to review all test questions and answers for content, applicability and accuracy. As mentioned above, this goal is ongoing as the questions are being input into the automated software.
- ◆ The third goal was to award a contract to design and implement the Board's Simulator Based Marine Pilot Performance Evaluation System. As mentioned earlier, the Board promulgated an RFP for this project June 2, 1998. The RFP for this project was more difficult to develop than anticipated, mostly because the system envisioned will be the first of its kind in the world. The extra time taken during the development of the RFP was well spent and should payoff in development of a better product.
- ◆ The fourth goal was to develop a computer database to receive the pilot association's quarterly reports. The regulation to implement this goal was included in the regulation package the Board adopted in April. The marine pilot coordinator already has the selected database software installed upon his computer and the pilot associations are making preparations to be able to comply with the new regulation. One association is already submitting their reports by e-mail and they have been easily downloaded into the database.
- ◆ The fifth and last goal was to continue to amend and clarify the Board's regulations. The Board continues to work toward this goal as evident by the regulation package they adopted this April.

Expiration Dates of Licenses in this Program:

LICENSE CATEGORY	EXPIRATION DATE
Marine Pilot	12/31/98
Deputy Marine Pilot	12/31/98
Vessel Agent	12/31/98

Examinations:

(List each examination administration separately. Subdivide if more than one exam is given in an administration.)

EXAM TYPE	DATE	CANDIDATES	NO. PASSED	NO. FAILED
Core	08/21/97	1	1	0
Regional	08/21/97	2	2	0
Extension of Route	08/21/97	2	2	0
Core	10/29/97	1	0	1
Extension of Route	10/29/97	3	1	2
Extension of Route	01/29/98	2	2	0
Extension of Route	04/01/98	3	2	1
Core	05/11/98	1	1	0
Core	05/19/98	1	1	0

Board Meetings:

DATE	LOCATION (indicate if teleconferenced)
1. August 21, 1997	- Teleconference
2. October 29-30, 1997	- Anchorage, Alaska
3. January 29-30, 1998	- Anchorage, Alaska
4. April 1-2, 1998	- Juneau, Alaska

Name of Individual Completing Form: Peter D. Christensen

Date: June 29, 1998

Alaska Board of Marine Pilot's

FY99 Goals & Objectives

1. Continue to input test questions into the automated software to enable the random selection of test questions and test generation. This project is approximately 50% complete.
2. Continue to review all test questions and answers for content, applicability and accuracy as they are input into the automated test software.
3. Following receipt of proposals, award a contract to design and implement the Board's Simulator Based Marine Pilot Performance Evaluation System. The marine pilot coordinator will be the project administrator once the contract has been awarded.
4. Develop and implement regulations that require an annual peer review program that provides constructive criticism regarding each marine pilot's performance.
5. Develop regulations and amend current regulations to further clarify their application and meaning.

Alaska Marine Pilots
P.O. Box 920226
Dutch Harbor, AK 99692
(907) 581-1240

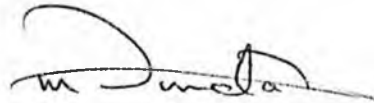
JAN 29 1999

To: Representative Norm Rokeberg
Chairman
House Labor and Commerce Committee

Re: HB 32

Date: January 29, 1999

Alaska Marine Pilots of Dutch Harbor supports the extension of the Alaska Marine Pilot Board to June 30, 2004. We would appreciate the committees support and passage of HB 32. We would like HB 32 passed with no amendments. Thank you.



Captain Tom Dundas
President-AMP



Alaska Coastwise Pilots Association
P.O. Box 23367
Ketchikan, Alaska 99901-8367

**Marine Pilots
Dispatch Service**

Telephone: (907) 228-7245
Fax: (907) 247-4368

MEMORANDUM

DATE: January 28, 1999

TO: Rep. Norm Rokeberg, Chairman
House Labor and Commerce Committee

FROM: Capt. Jeff Baken, President
Alaska Coastwise Pilots Association

RE: Testimony on HB 32-Extension of the Board of Marine Pilots

JAN 28 1999

Chairman Rokeberg and Committee Members:

I am Capt. Jeff Baken, a resident of Ketchikan and President of the Alaska Coastwise Pilots Association.

The Alaska Coastwise Pilots Association is one of two marine pilot groups working in Southeast Alaska. We currently have 15 members who work primarily as cruise ship pilots, although we do pilot other commercial vessels on an as needed basis year-round.

Our organization supports HB 32, the extension of the Board of Marine Pilots, in its current form. Although the relationship between our organization and the Board was somewhat contentious earlier in the 1990's, the past few years have seen a much improved working relationship between all the involved parties, which was noted in the Nov. 18, 1998, Legislative Audit on the Board. (Pg. 26, 1st paragraph.)

The Alaska Coastwise Pilots Association is satisfied that the Board of Marine Pilots is working properly and following its mandates, and we support its continuation as outlined in HB 32.

Thank you for the opportunity to testify, and I'd be happy to answer any questions.



Alaska Steamship Association

234 Gold Street • Juneau, Alaska 99801
(907) 586-3107 • Fax (907) 586-1001

January 29, 1999

Representative Norm Rokeberg
Chairman, House Labor and Commerce Committee
Alaska State Legislature
Juneau, Alaska

Re: *House Bill 32; An Act extending the termination date of the Board of Marine Pilots*

Dear Representative Rokeberg:

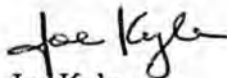
The Alaska Steamship Association (ASA) is pleased to endorse HB - 32. The association represents the collective interests of the majority of foreign flag, marine transportation companies operating in the waters of the State of Alaska, and their Alaska based agents. The membership includes all the Northwest Cruise Ship Association, Tesoro, Marathon Oil Company, American President Lines, Alaska Maritime Agencies, Cruise Line Agencies of Alaska, Southeast Stevedoring, North Star Maritime Services, and ANP Shipping.

The Board of Marine Pilots has performed a valuable function for state licensed pilots, the maritime industry, and the public since its last extension. ASA appreciates the fact that committee has scheduled HB - 32 for a hearing this early in the session, and hopes that you can move it promptly — without amendment.

The public, pilots, and industry are currently being well served by the Board and the Marine Pilot Statutes (AS 08.62). Stability and cooperative working relationships are the norm. Any amendment that changes any aspect of HB - 32, other than the extension date, would likely disrupt the current harmony we enjoy.

Once again, thank you for your attention to HB -32.

Sincerely,


Joe Kyle

Captain John Cox, President •  • James Fernie, Treasurer • Dan Blackmore, Secretary

HB

61

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 22, 1999

FURTHER REFERRALS:

Date of Committee Action: 29 March 1999

The LABOR AND COMMERCE Committee considered:

HB 61

HOUSE BILL NO. 61

OVERTIME WAGE EXEMPTION AIRLINE EMPLOYEES

"An Act relating to an exemption from the requirement for payment for overtime under a voluntary written agreement for certain employees in the airline industry; and providing for an effective date."

recommends it be replaced the same title
 with the following committee substitute _____ a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) LABOR _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Ann Kelly</i>	✓			
<i>Bob [unclear]</i>	✓			
<i>Wm. Harris</i>	✓			
<i>[unclear]</i>	✓			
<i>Dennis Sanderson</i>			✓	
<i>[unclear]</i>	✓			

CHAIR'S SIGNATURE _____

Ann Kelly

3-29-99

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM

REPRESENTATIVE ANDREW HALCRO

District 12

STATE CAPITOL, ROOM 418
JUNEAU, AK 99801-1182
(907) 465-4939
FAX (907) 465-2418
1-800-465-4939

INTERIM
716 WEST 4TH
ANCHORAGE, AK 99501
(907) 269-0244
FAX (907) 269-0248

MEMORANDUM

TO: Representative Norm Rokeberg
Chairman, Labor and Commerce Committee

FROM: Representative Andrew Halcro *AH*

RE: HB 61

DATE: March 19, 1999

MAR 19 1999

I would appreciate your scheduling a committee hearing on HB 61, "*An act relating to an exemption from the requirement for payment for overtime under a voluntary agreement for certain employees in the airline industry; and providing for an effective date.*"

Attached for your review are the following materials for inclusion in the committee packet:

- Sponsor Statement
- Affected Statutes
- Copy of HB 61
- Proposed Sponsor Substitute *
- Resolution of Support - Alaska Air Carriers Association

I would also like to request that this hearing be teleconferenced to Anchorage. Thank you for your consideration of this request. If you have any questions or would like additional information, please contact Jonathon Lack of my staff.

*Note from L+C!

See WORK draft CS attached LS0335\G

ALASKA STATE LEGISLATURE

CO-CHAIR
COMMUNITY AND REGIONAL AFFAIRS

VICE-CHAIR
LABOR AND COMMERCE
TRANSPORTATION

SPECIAL COMMITTEE
ECONOMIC DEVELOPMENT AND TOURISM

REPRESENTATIVE ANDREW HALCRO

District 12

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FAX (907) 269-0248

HB 61 SPONSOR STATEMENT REPRESENTATIVE ANDREW HALCRO

HB 61 was introduced at the request of an ad hoc group of employees from United Airlines during the last session as HB 389. Support for the bill broadened to include the entire commercial airline industry in Alaska. The Alaska Air Carriers Association, its individual constituent members and their employees are asking the legislature to pass this legislation. Management and employees support the bill.

HB 61 is intended to allow airline employees to trade workdays with each other without invoking overtime pay requirements. Under strict interpretation of current statute, a substitute employee who works a shift for another employee must be paid overtime if the substitute employee already worked 8 hours in the same work day or 40 hours in the same work week. Consequently, shift trading can only occur when the substitute employee has a day off from his or her regular shift. This situation narrows the available pool of substitute workers and makes it impossible or very difficult to trade shifts.

Airline employees in Alaska are vexed under Alaska's statute (AS 23.10.160) because we are the only Western state that has a daily overtime requirement. This bill gives Alaskan employees of airlines the same treatment as their counterparts in the other Western states.

Shift trading among employees in the airline industry is a very common practice. Usually it is done informally with tacit approval of the employer. HB 61 will legitimize the practice that has become the custom in the industry. Without it, employer airlines could violate the law if they allow their employees to trade shifts.

There is no problem with the present law as long as the Department of Labor does not enforce the overtime statutes. However, neither the legislature, nor the Governor, should be party to any practice which condones arbitrary enforcement. Either we must tell the employees of the airline industry in Alaska that they can no longer trade shifts, or we must provide a mechanism for them to do it legally.

WORK DRAFT

WORK DRAFT

WORK DRAFT

1-LS0335G
Cramer
3/19/99

HALCRO
3/19

CS FOR HOUSE BILL NO. 61()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HALCRO

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an exemption from the requirement for payment for overtime
2 under a voluntary agreement for certain employees in the airline industry; and
3 providing for an effective date."

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

5 * Section 1. AS 23.10.060(d) is amended by adding a new paragraph to read:

6 (18) work performed by an employee under a voluntary agreement
7 addressing the trading of work shifts among employees if

8 (A) the employee is employed by an air carrier subject to
9 subchapter II of the Railway Labor Act (45 U.S.C. 181-188) and the hours are
10 voluntarily worked by the employee under a shift trading practice under which
11 the employee has the opportunity, in the same or other work weeks, to reduce
12 hours worked by voluntarily offering a shift for trade or reassignment; and

13 (B) the trading agreement is not a flexible work hour plan
14 entered into under (13) or (14) of this subsection.



WORK DRAFT

WORK DRAFT

1-LS0335\G

1

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

WORK DRAFT

WORK DRAFT

1-LS03351G

1

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

1-LS0335D
Cramer
2/26/99

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 61
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - FIRST SESSION**

BY REPRESENTATIVE HALCRO

Introduced:
Referred:

A BILL

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1

* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 61

Revision Date/Time (Note if correction): _____
 Title: Overtime Wage Exemption
Airline Employees
 Sponsor: Representative Halcro
 Requester: House L&C

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: Wage & Hour Administration
COMPONENT SERIAL NO. 345

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
----------------	--	--	--	--	--	--

CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

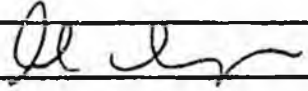
POSITIONS:

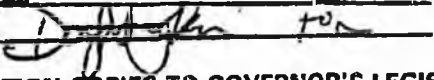
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

This bill would allow an exemption from the requirement for payment of overtime when a voluntary written agreement is in place between certain employees and their employers in the airline industry. There is no anticipated fiscal impact.

Prepared by: Alan W. Dwyer, Director  Phone: 465-4855
 Division: Labor Standards & Safety Date/Time: 3/25/99 11:20 AM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor  Date: 3/25/99

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Revisor's notes. — Paragraph (15) was enacted as (14). Renumbered in 1996.

Cross references. — For legislative purpose in enacting paragraph (13), see § 1, ch. 13, SLA 1993 in the Temporary and Special Acts.

Effect of amendments. — The 1993 amendment, effective May 8, 1993, added paragraph (13).

The first 1996 amendment, effective May 23, 1996, added paragraph (14).

The second 1996 amendment, effective July 1, 1997, added paragraph (15).

The 1997 amendment, effective May 9, 1997, added paragraph (16).

NOTES TO DECISIONS

Employees covered by and exempt from Fair Labor Standards Act. — AS 23.10.050 — 23.10.150 apply to both employees covered by the Fair Labor Standards Act, 29 U.S.C. §§ 201-219, and those who are, because of insufficient connections to interstate commerce, exempt from the Fair Labor Standards Act. *Webster v. Bechtel, Inc.*, 621 P.2d 890 (Alaska 1980).

Helicopter pilot not classified as professional. — A commercial helicopter pilot is not a professional for purposes of the Alaska Wage and Hour Act. *Dayhoff v. Temsco Helicopters, Inc.*, 648 P.2d 1367 (Alaska 1993).

Prisoners excluded from operation of chapter. — See *McGinnis v. Stevens*, 543 P.2d 1221 (Alaska 1975).

Restaurant managers. — Partial summary judgment for plaintiffs was improper where superior court was obliged to consider district manager's testimony that restaurant managers such as plaintiffs spent less

than 10 percent of their time performing tasks otherwise performed by hourly employees; a genuine issue of material fact existed as to whether plaintiffs spent more than 20 percent of their time on duties not directly and closely related to management of the restaurant. *American Restaurant Group v. Clark*, 889 P.2d 595 (Alaska 1995).

Retail manager not exempt. — Although the retail store manager supervised employees and made more than \$600 per week, he was not exempt from the Alaska Wage and Hour Act since he spent more than 20% of his time in retail sales, an activity normally performed by nonmanagerial employees. *Grimes v. Kinney Shoe Corp.*, 902 F. Supp. 1070 (D. Alaska 1995).

Applied in *Alaska Int'l Indus., Inc. v. Musarra*, 602 P.2d 1240 (Alaska 1979).

Cited in *Dresser Indus., Inc. v. Alaska Dept of Labor*, 633 P.2d 998 (Alaska 1981), cert. denied, 455 U.S. 1019, 102 S. Ct. 1716, 72 L. Ed. 2d 137 (1982).

Collateral references. — Who is employed in "executive or administrative capacity" within exemptions from minimum wage and maximum hours provisions of Fair Labor Standards Act. 40 ALR2d 332; 124 ALR Fed. 1; 131 ALR Fed. 1.

Who is employed in "professional capacity," within

exemption, under 29 USCS § 213(a)(1), from minimum wage and maximum hours provisions of Fair Labor Standards Act. 77 ALR Fed. 681.

Employee training time as exempt from minimum wage and overtime requirements of Fair Labor Standards Act. 80 ALR Fed. 246.

Sec. 23.10.060. Payment for overtime. (a) An employer who employs employees engaged in commerce or other business, or in the production of goods or materials in the state may not employ an employee for a workweek longer than 40 hours or for more than eight hours a day. This section does not apply to the employment of a person acting in a supervisory capacity.

(b) If an employer finds it necessary to employ an employee in excess of 40 hours a week or eight hours a day, compensation for the overtime at the rate of one and one-half times the regular rate of pay shall be paid.

(c) This section is considered included in all contracts of employment.

(d) This section does not apply with respect to

(1) an employee employed by an employer employing less than four employees in the regular course of business, as "regular course of business" is defined by regulations of the commissioner;

(2) an employee employed in handling, packing, storing, pasteurizing, drying, preparing in their raw or natural state, or canning agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products;

(3) an employee of an employer engaged in small mining operations where not more than 12 employees are employed if the employee is employed not in excess of 12 hours a day or 56 hours a week during a period or periods of not more than 14 workweeks in the aggregate in a calendar year during the mining season, as the season is defined by the commissioner;

(4) an employee engaged in agriculture;

- (5) an employee employed in connection with the publication of a weekly, semiweekly, or daily newspaper with a circulation of less than 1,000;
- (6) a switchboard operator employed in a public telephone exchange that has fewer than 750 stations;
- (7) an employee in an otherwise exempted employment or proprietor in a retail or service establishment engaged in handling telegraphic, telephone, or radio messages for the public under an agency or contract arrangement with a telegraph or communications company where the telegraph message or communications revenue of the agency does not exceed \$500 a month;
- (8) an employee employed as a seaman;
- (9) an employee employed in planting or tending trees, cruising, or surveying, or bucking, or felling timber, or in preparing or transporting logs or other forestry products to the mill, processing plant, railroad, or other transportation terminal if the number of employees employed by the employer in the forestry or lumbering operations does not exceed 12;
- (10) an individual employed as an outside buyer of poultry, eggs, cream, or milk in their raw or natural state;
- (11) casual employees as may be liberally defined by regulations of the commissioner;
- (12) an employee of a hospital whose employment includes the provision of medical services;
- (13) work performed by an employee under a flexible work hour plan if the plan is included as part of a collective bargaining agreement;
- (14) work performed by an employee under a voluntary flexible work hour plan if
 - (A) the employee and the employer have signed a written agreement and the written agreement has been filed with the department; and
 - (B) the department has issued a certificate approving the plan that states the work is for 40 hours a week and not more than 10 hours a day; for work over 40 hours a week or 10 hours a day under a flexible work hour plan not included as part of a collective bargaining agreement, compensation at the rate of one and one-half times the regular rate of pay shall be paid for the overtime;
- (15) an individual employed as a line haul truck driver for a trip that exceeds 100 road miles one way if the compensation system under which the truck driver is paid includes overtime pay for work in excess of 40 hours a week or for more than eight hours a day and the compensation system requires a rate of pay comparable to the rate of pay required by this section;
- (16) an individual employed as a community health aide by a local or regional health organization as those terms are defined in AS 18.28.100;
- (17) work performed by a mechanic primarily engaged in the servicing of automobiles, light trucks, and motor homes if the mechanic
 - (A) is employed as a flat-rate mechanic by a nonmanufacturing establishment primarily engaged in the business of selling or servicing motor vehicles;
 - (B) has signed a written agreement with the employer that specifies the mechanic's flat hourly rate of pay and the automotive manual or manuals on which the flat rate is to be based;
 - (C) is compensated for all hours worked in any capacity for that employer up to and including eight hours a day and 40 hours a week at an hourly rate that is not less than the greater of
 - (i) 75 percent of the flat hourly rate of pay agreed upon by the employer and employee under (B) of this paragraph; or
 - (ii) twice the state minimum wage; and
 - (D) is compensated for all hours worked in any capacity for that employer in excess of eight hours a day or 40 hours a week at one and one-half times the rate described in (C) of this paragraph;

(e) The minimum amount due an employee under (d)(17)(C) and (D) of this section shall be figured on a weekly basis. (§ 3 ch 171 SLA 1959; am § 1 ch 3 SLA 1962; am § 1 ch 243 SLA 1970; am § 1 ch 45 SLA 1972; am § 33 ch 127 SLA 1974; am § 1 ch 31 SLA 1980; am § 3 ch 47 SLA 1983; am § 1 ch 160 SLA 1990; am § 1 ch 103 SLA 1992; am § 5 ch 13 SLA 1993; am §§ 1, 2 ch 123 SLA 1998)

Revisor's notes. — The paragraphs of (d) of this section were renumbered in 1990 and 1996 to reflect the deletion of repealed paragraphs.

Effect of amendments. — The 1992 amendment, effective September 18, 1992, in subsection (d), added paragraph (16) and made stylistic changes.

The 1993 amendment, effective May 8, 1993 repealed former paragraph (d)(7).

The 1998 amendment, effective September 21, 1998, added paragraph (d)(17) and subsection (e).

Opinions of attorney general. — The Fair Labor Standards Act, 29 U.S.C. §§ 201-219 does not expressly preempt the AS 23.10.050 — 23.10.150 on the question of whether airline employees are excluded from the mandatory overtime directive of this section. April 15, 1980, Op. Att'y Gen.

In the case of pilots, flight crews, and other interstate air carrier employees whose activities are directly and substantially related to the transportation activities of the carrier, and who are covered by a valid existing collective bargaining agreement or agreements with the carrier, the state is precluded from applying its overtime laws due to the preemptive nature of the Railway Labor Act, 45 U.S.C. §§ 151-158. April 15, 1980, Op. Att'y Gen.

In instances where no collective bargaining agree-

ments apply, crews of interstate air carriers are nonetheless beyond the jurisdiction of state overtime law because of certain commerce clause implications. April 15, 1980, Op. Att'y Gen.

Nonflight personnel of interstate carriers who are not covered by valid existing collective bargaining agreements are not exempt from state law, and as to those individuals the provisions of state overtime law apply. April 15, 1980, Op. Att'y Gen.

Air carriers operating solely intrastate would not seem to fall under the exclusionary scope of either the Railway Labor Act, 45 U.S.C. §§ 151-188, or of the commerce clause absent unusual fact situations. Accordingly, the protections of AS 23.10.050 — 23.10.150 dealing with overtime extend to those individuals. April 15, 1980, Op. Att'y Gen.

An administrative regulation which would require an employer to include underground travel time as part of the "workweek" for calculating wages and overtime under this section might raise the issue of federal preemption but would survive such a challenge, since Congress did not intend to preclude state regulation and there is no actual conflict between such a regulation and federal law. February 22, 1969 Op. Att'y Gen.

NOTES TO DECISIONS

Article not void. — The Alaska Wage and Hour Act merely requires higher minimum and overtime pay than the Fair Labor Standards Act, 29 U.S.C. §§ 201-219. Although compliance with both is more expensive than compliance with the federal act, it is not, in any sense, impossible so as to make the Alaska law void. *Webster v. Bechtel, Inc.*, 621 P.2d 890 (Alaska 1980).

Or preempted. — Since, under the Alaska Wage and Hour Act, the number of hours required for the overtime rate is less than that under the Fair Labor Standards Act, the Alaska act provides for a lower maximum workweek within the meaning of 29 U.S.C. § 218(a) and consequently, comes within the express saving clause so as not to be preempted by the federal law. *Webster v. Bechtel, Inc.*, 621 P.2d 890 (Alaska 1980).

Article compatible with Federal Aviation Act. — This article provides for mandatory overtime compensation, not the regulation of maximum hours, and it is therefore neither preempted by, nor in direct conflict with, the Federal Aviation Act. *Dayhoff v. Temsco Helicopters, Inc.*, 848 P.2d 1367 (Alaska 1993).

Purpose of the overtime statutes are to compensate those who labored in excess of the statutory maximum number of hours for the wear and tear of extra work and to spread employment through inducing employers to shorten hours because of the pressure of extra cost. *Janes v. Otis Eng'g Corp.*, 757 P.2d 50 (Alaska 1988).

State not bound to federal regulatory definitions. — See *Dresser Indus., Inc. v. Alaska Dep't of Labor*, 633 P.2d 998 (Alaska 1981), cert. denied, 455

U.S. 1019, 102 S. Ct. 1716, 72 L. Ed. 2d 137 (1982).

Definition of "supervisory" in the Alaska Administrative Code, that the term as used in this section means a person who directs the activities of other employees and who does not perform duties which are regularly performed by the employees supervised except for brief periods of time not to exceed more than eight hours in the supervisor's workweek, is reasonable and not arbitrary. *Alaska Int'l Indus., Inc. v. Musarra*, 602 P.2d 1240 (Alaska 1979).

Bookkeeper in separate company held to be employee. — An employee of a real estate company who handled the bookkeeping for a storage company was considered to be an employee of the storage company since the relationship was of a permanent nature, the bookkeeper received a flat management fee regardless of profits, and since bookkeeping is an integral part of a business. *Bobich v. Stewart*, 843 P.2d 1232 (Alaska 1992).

Partner considered as employee. — Where a partnership agreement provides regular compensation, untied to profits, for a partner's services, such a compensated partner shall be considered to be both an owner and an employee. To do otherwise would permit employers to defeat the Alaska Wage and Hour Act's remedial purposes by simply calling paid employees "partners." *Bobich v. Stewart*, 843 P.2d 1232 (Alaska 1992).

Procedural issues. — In an action by long haul truck drivers claiming overtime compensation, where there was a genuine issue of fact as to whether driving times relied upon by the employer in calculating compensation were inaccurate, and whether the em-



MAR 26 1999

Fax Cover Sheet

7 Pages, Including
this cover

Date 3/26/99

To Rep. Norman Rokeberg

Company/Dept State Capital - LCC

FaxNumber 907-465-2040

Subject H.B. 101 - Trade days

Return Fax 907-248-1695

Comments Hello Again Mr. Rokeberg,

Hopefully we can get this
passed this time around.
Talk to you Monday at the
hearing. Michelle
Buckmaster

United Airlines

Anchorage

ANCFF

26 March, 1999

Honorable Norman Rokeberg:
Capital Building
Juneau, AK

RE: HB 61

Dear Rep. Rokeberg:

For the past two years, airline employees throughout the State of Alaska have been working diligently on legislation to allow "trade days" for airline employees under Alaska law.

During this year's session Representative Halcro introduced in the State House of Representatives HB 61. This legislation is similar to legislation introduced last session by Representative Cowdery that would allow airline employees to trade workdays with each other without invoking overtime pay requirements.

Trading days allows individual workers the freedom to schedule specific time off or to make extra earnings VOLUNTARILY and BY THEIR OWN CHOICE. It becomes a "win-win" situation for all involved.

There are more than 6500 workers employed by airlines in Alaska who will all be effected positively by this legislation. The employees will be allowed flexibility in work hours and the airlines will receive happier, more productive employees.

In the past year, the states of Washington and Hawaii passed bills similar to Representative Halcro's proposal. I very much hope that the Alaskan Legislature will follow their lead and pass HB 61.

The attached list of employees from various airlines doing business in Alaska is a sample of the support there is for this bill.

If you have any questions or comments, please feel free to call me at 907-276-4364

Sincerely,



Michelle Buckmaster
Customer Service Representative
United Airlines, Anchorage



Fax Cover Sheet
3 Pages, Including
this cover
Date 3/30/99

To Paula Smedley

Company/Dept State Capitol, Court reporter

FaxNumber 907-465-2267

Subject H.B. 61

Return Fax 907-248-1695

Comments Paula I hope I did not
for you were in to bed.
Have any questions call me
W/ until 1:30p 248-2622
H-276-0364

*Michelle
Buckmaster*

United Airlines

Anchorage

ANCFF

Mr. Chairman, members of the committee, my name is Michelle Buckmaster I am a Customer Service Representative for United Airlines in Anchorage, AK. I am here on behalf of numerous airline employees who are from various Airlines here in the state of Alaska. I would like to thank you for giving me the opportunity to give my testimony, unfortunately there may not be too many people here today because of the short notice of this hearing, so I am speaking on behalf of quite a few people. I am here in regards to HB 61, which I hope will be passed through legislation this year. As you are aware the states of Washington and Hawaii passed a similar bill last year.

In May 1997 United Airlines informed the employees in Alaska that because of Labor Laws in our state "the trade policy" in company regulations would no longer pertain to us. The trade policy is a significant benefit to us as employees as well as all airline employees in Alaska.

The airline industry is an industry that spends 24 hours a day, 7 days a week, 52 weeks a year in promoting and supporting the economic growth of our state through tourism, conventions, sporting events and numerous other activities. The trade policy is a valuable benefit and tool to its employees who would otherwise miss-out on precious time with family, observance of religious holidays, educational opportunities, summer vacations and extra income for those who require it.

In an industry where competition is always a priority, we have come together to make a change that will benefit and create a "win-win" situation for all airline employees.

Over the past two years employees from several air carriers have worked together to encourage the implementation of this bill. As you are aware last year you received numerous phone calls and letters from concerned airline employees, this still holds true today and the support is here. I faxed you last Friday March 26, 1999 a petition I had sent to airlines to have signed in support of this bill. That should tell you what support we have and continue to have. Doug Orcott, Ramp Serviceman Alaska Airlines, let me remind you the largest airline in the state of Alaska, unfortunately could not make it today due to a previous engagement in Washington, D.C. Mr. Orcott reassured me of the full support from Alaska Airlines. Mr. Orcott testified last year. There has been a great deal of grassroots support for this legislation.

I would like to remind you that this is on a **volunteer** basis by the employees, **making their own choice**. This will not invoke overtime pay requirements. This will give individual workers the freedom to schedule specific time off or to make extra earnings **without invoking overtime pay**. Therefore you will have happier, more productive, more dedicated employees in a highly traveled state.

For example: Employee A works forty (40) hours a week with Friday/Sat off. Employee A would like to have someone work for him Thurs. so he can have a long weekend to go fishing. Employee B works twenty (20) hours a week with Wed/Thurs. off. Employee B would like to work for Employee A on Thurs. to get the extra hours and money, however he only receives straight time pay. If the company needs him to work extra hours on one of his days off or on his regular days in and he is eligible for overtime then he would receive the applicable overtime rate.

In retrospect:

Employee B needs an extra day off Sat. he is running the Mayors Marathon here in Anchorage. Employee A will work that Sat. for him voluntarily and only receives straight time pay even-though he exceeds his forty hours in his work week and/or over eight (8) hours in a day. However if the company needs him to work overtime on his days off or regular days in, and he is eligible for the overtime then he is entitled to it. As you see this does not hurt anyone, the company or the employee. Both get there needs met.

In closing, Mr. Chairman, members of the committee we understand and respect that the labor laws are here to protect us. However, this particular law which may be a protection in your eyes has eliminated a benefit in ours. Therefore, I am here on behalf of these employees to request the amendment we have brought before you not only be passed, but be passed in a timely manner so that this valuable benefit may be re-implemented as soon as possible.

I am here again to support HB 61 along with several other airline employees. Thank you again for your time. If you have any questions don't hesitate to contact me. Michelle Buckmaster

Alaska Airlines

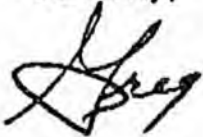
March 29, 1999

Representative Andrew Halcrow
State Capitol Building
Juneau, AK 99801

Dear Representative Halcrow:

I write in strong support of Bill HP61. This legislation makes sense for management and labor alike. It is completely bipartisan in nature and the type of common sense legislation that shows how beneficial the role of government can be in improving all our lives.

Sincerely,



Greg Witter
Director
Corporate & Government Affairs

**THE FOLLOWING PAGES MAY
NOT FILM LEGIBLY BECAUSE OF
THE POOR QUALITY OF THE ORIGINAL**

ERA Aviation

TO: THE HOUSE OF LABOR AND THE COMMERCE COMMITTEE:

WE THE UNDERSIGNED WOULD LIKE TO ADD AN AMENDMENT TO THE ALASKA STATE LAW. IT WOULD STATE AS FOLLOWS, EXEMPTIONS: THE PROVISIONS OF AS 23.10.060; THIS SECTION DOES NOT APPLY WITH RESPECT TO:

AN EMPLOYEE EMPLOYED IN THE AIRLINE INDUSTRY WHICH INCLUDES CUSTOMER SERVICE REPRESENTATIVES, WHEREBY THE EMPLOYEE HAS SIGNED A WRITTEN AGREEMENT AND THE WRITTEN AGREEMENT HAS BEEN FILED WITH THE EMPLOYER. THIS AGREEMENT ALLOWS THE EMPLOYEE TO TRADE HIS OR HER SHIFTS, HOURS, AND OR DAYS WHICH MAY EXCEED THE 8HR. OR 10HR. DAY, AND OR 40 HOUR WEEK. ALL TRADES WILL BE PAID STRAIGHT TIME PAY.

THANK YOU FOR YOUR CONSIDERATION ON THIS VERY IMPORTANT MATTER.

SIGNED:

Kevin Estep

Eric Ball

John Beltrick

Michelle Noble

Margaret Paley

Wendy Sarden

C. Taylor

3/20/99

TO: THE HOUSE OF LABOR AND THE COMMERCE COMMITTEE:

WE THE UNDERSIGNED WOULD LIKE TO ADD AN AMENDMENT TO THE ALASKA STATE LAW. IT WOULD STATE AS FOLLOWS; EXEMPTIONS: THE PROVISIONS OF AS 23.10.060; THIS SECTION DOES NOT APPLY WITH RESPECT TO:

AN EMPLOYEE EMPLOYED IN THE AIRLINE INDUSTRY WHICH INCLUDES CUSTOMER SERVICE REPRESENTATIVES, WHEREBY THE EMPLOYEE HAS SIGNED A WRITTEN STATEMENT AND THE WRITTEN AGREEMENT HAS BEEN FILED WITH THE EMPLOYER. THIS AGREEMENT ALLOWS THE EMPLOYEE TO TRADE HIS OR HER SHIFTS, HOURS, AND OR DAYS WHICH MAY EXCEED THE 8HR. OR 10HR. DAY, AND OR 40 HOUR WEEK. ALL TRADES WILL BE PAID STRAIGHT TIME PAY.

THANK YOU FOR YOUR CONSIDERATION ON THIS VERY IMPORTANT MATTER.

SIGNED:

Richard Bahora 3-25-99

MANUEL PORRAS

~~Manuel~~

Paula McGuire 3-25-99

Jane Mitchell 3/26/99

Lilly Henry 3/26/99

Chrissy York-miller 3/26/99

United Airlines -
Counter

United Airlines - Air Freight

TO: THE HOUSE OF LABOR AND THE COMMERCE COMMITTEE:

WE THE UNDERSIGNED WOULD LIKE TO ADD AN AMENDMENT TO THE ALASKA STATE LAW. IT WOULD STATE AS FOLLOWS; EXEMPTIONS: THE PROVISIONS OF AS 23.10.060; THIS SECTION DOES NOT APPLY WITH RESPECT TO:

AN EMPLOYEE EMPLOYED IN THE AIRLINE INDUSTRY WHICH INCLUDES CUSTOMER SERVICE REPRESENTATIVES, WHEREBY THE EMPLOYEE HAS SIGNED A WRITTEN STATEMENT AND THE WRITTEN AGREEMENT HAS BEEN FILED WITH THE EMPLOYER. THIS AGREEMENT ALLOWS THE EMPLOYEE TO TRADE HIS OR HER SHIFTS, HOURS, AND OR DAYS WHICH MAY EXCEED THE 8HR. OR 10HR. DAY, AND OR 40 HOUR WEEK. ALL TRADES WILL BE PAID STRAIGHT TIME PAY.

THANK YOU FOR YOUR CONSIDERATION ON THIS VERY IMPORTANT MATTER.

SIGNED:

[Signature] 3/25/99

[Signature] 26 MAR 99

[Signature] 26 MAR 99

[Signature] 26 MAR 99

[Signature] 3/26/99

[Signature] 3/26/99

[Signature] 3/26/99

Delta Airlines

TO: THE HOUSE OF LABOR AND THE COMMERCE COMMITTEE:

WE THE UNDERSIGNED WOULD LIKE TO ADD AN AMENDMENT TO THE ALASKA STATE LAW. IT WOULD STATE AS FOLLOWS; EXEMPTIONS; THE PROVISIONS OF AS 23.10.060; THIS SECTION DOES NOT APPLY WITH RESPECT TO:

AN EMPLOYEE EMPLOYED IN THE AIRLINE INDUSTRY WHICH INCLUDES CUSTOMER SERVICE REPRESENTATIVES, WHEREBY THE EMPLOYEE HAS SIGNED A WRITTEN AGREEMENT AND THE WRITTEN AGREEMENT HAS BEEN FILED WITH THE EMPLOYER. THIS AGREEMENT ALLOWS THE EMPLOYEE TO TRADE HIS OR HER EXCESS HOURS, AND OR DAYS WHICH MAY EXCEED THE 8HR. OR 10HR. DAY, AND OR 10 HOUR WEEK. ALL TRADES WILL BE PAID STRAIGHT TIME PAY.

THANK YOU FOR YOUR CONSIDERATION ON THIS VERY IMPORTANT MATTER.

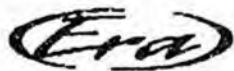
SIGNED:

Jack Suptak
Tom Larson
Michael Whiskamp

Ivan Overman
Sandy Glasgow
Janet G. Trummond
Alice M. Pearson

3/26/99

JA



Era Aviation, Inc.
6160 Carl Brady Drive
Anchorage, Alaska
99502

MAR 29 1999

March 27, 1999

The Honorable Andrew Halcro
Alaska House of Representatives
State Capitol
Juneau AK 99801-1182

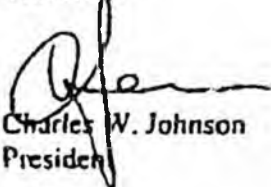
Dear Representative Halcro:

The proposed Committee Substitute for House Bill 61 is tremendously helpful to Era Aviation. I urge other members of the Legislature to support this legislation.

In Era Aviation's specific situation, HB61 will formalize a shift-trade practice which our customer service agents and flight crews currently prefer. The unique nature of airline operations makes shift-trading a desirable practice. HB61 will remove this practice from a gray area of Wage and Hour regulation.

If Era Aviation can be of any assistance in further describing HB61's impact on our operations, please call me at 907/266-8393.

Sincerely,



Charles W. Johnson
President

CWJ.kk



ALASKA AIR CARRIERS ASSOCIATION

929 E. 81st, Suite 108
Anchorage, Alaska 99518
(907) 277-0071 Fax (907) 277-0072

February 3, 1999

Representative Andrew Halcro
Alaska State Legislature
Pouch V
State Capitol
Juneau, AK 99811

Re: HB61 Airline Employees "Trade Days"

Dear Representative Halcro,

The Alaska Air Carriers Association offers full support for HB61. It is our belief this legislation would allow airline employees to continue utilizing a work scheduling system that is mutually beneficial to both employees and employers. Allowing employees to trade workdays with each other without invoking overtime pay requirements has served the industry well for many years.

Thank you for your assistance in helping to keep a healthy work environment in place for airline employees.

Sincerely,

Kimberly S. Ross
Executive Director

Cc: AACAA Resolution

- AIR MADURA
- ALASKA AIRLINES
- ALASKA'S LAKE CLARK AIR & AIR
- ALASKA AVIATION TECHNOLOGY
- ALASKA BUSH CARRIER
- ALASKA CARGO SERVICE
- ALASKA CENTRAL EXPRESS
- ALASKA FLYERS
- ALASKA SEAPLANE SERVICES
- ALASKAN ADVENTURES
- ARCTIC AIR ALASKA
- ARCTIC CIRCLE AIR
- ARCTIC TRANSPORTATION SERVICES
- BAKER AVIATION
- BEAR AIR
- BERING AIR
- BRAVE AIR
- BRANCH RIVER AIR SERVICE
- BRISTOL BAY AIR SERVICE
- C AIR
- COASTAL HELICOPTERS
- CPA AIR SERVICE
- CAPE STARBUCK AIR SERVICE
- CLEARWATER AIR
- CRAIG AIR
- EGLI AIR MAIL
- ERA AVIATION
- EVERGREEN HELICOPTERS
- F S AIR SERVICE
- FISHING & FLYING
- FLY NORTH
- 40 MILE AIR
- FRESHWATER ADVENTURES
- FRONTIER FLYING SERVICE
- GOLDEN FLOWER AIR
- GRANT AVIATION
- HAGLAND AVIATION
- MAINE AIRWAYS
- HIGH ADVENTURE AIR CHARTER
- HOLIDAY AIR MAIL
- HOOPER AIR
- HUGHES FLOATPLANE SERVICE
- ILLIUMA AIR TAXI
- INLET AIR
- JAPAN AIRLINES
- JIM AIR
- KACHEMAK AIR SERVICE
- KATSIKIAH
- LAKE & PENINSULA AIRLINES
- LAKE CLARK AIR
- LARRY'S FLYING SERVICE
- LEADING EDGE AVIATION
- LYNDEN AIR CARGO
- MCNILEY AIR SERVICE
- NORDIC AIR
- NOB SEARCH & RESCUE
- NORTHERN AIR CARGO
- NORTHERN AIR FUEL
- NORTHERN PIONEER HELICOPTERS
- OLSON AIR SERVICE
- PENINSULA AIRWAYS
- POLAR EXPRESS
- PROTECH AIR
- RUST'S FLYING SERVICE
- SEABORNE AVIATION
- GEARWIK AIR
- SKAGWAY AIR SERVICE
- SKY BREAKING ALASKA
- SOUTHCENTRAL AIR
- SPEERNAK AIRWAYS
- SUNRISE AVIATION
- TALON AIR SERVICE
- TAMARACK FLYING SERVICE
- TANANA AIR SERVICE
- TACHIAN AIR SERVICE
- TATNOUK FLYING SERVICE
- TUCKER AVIATION
- ULTIMATE OUTLETTERS
- UMAT ENTERPRISES
- VILLAGE AVIATION
- WANDLLOWS AIR VENTURES
- WARD AIR
- WINGS
- WINGS OF ALASKA
- WHANGELL MOUNTAIN AIR
- WRIGHT AIR SERVICE





ALASKA AIR CARRIERS ASSOCIATION

929 E. 81st, Suite 108
Anchorage, Alaska 99518
(907) 277-0071 Fax (907) 277-0072

Alaska Air Carriers Association Resolution 99-1

RESOLUTION SUPPORTING HB 61, EXEMPTION OF OVERTIME PAY FOR CERTAIN AIRLINE EMPLOYEES

Whereas the concept of "trade days" as spelled out in HB61, "Overtime Pay for Airline Employees Bill", would be beneficial to the airline employees by providing a better work environment and;

Whereas this better work environment would also benefit the airline industry in Anchorage and;

Whereas a strong and healthy airline industry is important to the growth and stability of the Alaskan economy;

Whereas under the concept of trading shifts, the employee is afforded a far more flexible schedule while the company does not incur overtime expenses;

However, most employees affected by this rule are on flexible work-hour plans (4-10's). The bill excludes these employees from any benefit.

Therefore, the Alaska Air Carriers Association would like the term "flexible work-hour employees" included in the bill language.

Therefore, be it resolved that the Alaska Air Carriers Association supports the concept of flexible trade days for airline employees as outlined in HB61.

- AIR MADONA
- ALASKA AIRLINES
- ALASKA S LAKE C/ AIRK/ IN/ A AIR
- ALASKA AVIATION/ TOXICOLOGY
- ALASKA BUSH CARRIER
- ALASKA CARGO SERVICE
- ALASKA CENTRAL EXPRESS
- ALASKA FLYERS
- ALASKA GEARLANE SERVICES
- ALASKAN ADVENTURES
- ARCTIC AIR ALASKA
- ARCTIC CIRCLE AIR
- ARCTIC TRANSPORTATION SERVICES
- BAKER AVIATION
- BEAR AIR
- BERING AIR
- BRAN AIR
- BRAUCH RIVER AIR SERVICE
- BIRCHLIP BAY AIR SERVICE
- C AIR
- COASTAL HELICOPTERS
- CJA AIR SERVICE
- CARD SOUTH AIR SERVICE
- CLEARWATER AIR
- CRAIG AIR
- COLLIAM HAIL
- FOIA AVIATION
- EVINGREEN HELICOPTERS
- F S AIR SER
- FISHING & FLYING
- FLY NORTH
- FOUR MILE AIR
- FRESHWATER ADVENTURE
- FRONTIER FLYING SERVICE
- GOLDEN PIONEER AIR
- GRANT AVIATION
- HADELAND AVIATION
- HAWKES AIRWAYS
- HIGH ADVENTURE AIR CHARTER
- HUCKLEBERRY AIR INC.
- ICE BRAK
- HUGHES FLOATHANE SERVICE
- ILIAMNA AIR TAXI
- INLET AIR
- JAPAN AIRLINES
- JIM AIR
- KACHEMAR AIR SERVICE
- KATMAI AIR
- KARE & PENINSULA AIRLINES
- KAY CLARK AIR
- KAY'S FLYING SERVICE
- LEADING EDGE AVIATION
- LINDSEY AIR CARGO
- MERIDLEY AIR SERVICE
- NORDIC AIR
- NSD SEARCH & RESCUE
- NORTHERN AIR CARGO
- NORTHERN AIR FUEL
- NORTHERN PIONEER HELICOPTERS
- OLSON AIR SERVICE
- PENINSULA AIRWAYS
- POLAR EXPRESS
- PROMECH AIR
- RUSSELL FLYING SERVICE
- SEAGUINE AVIATION
- SEAHAWK AIR
- SKAGWAY AIR SERVICE
- SKY TREKKING ALASKA
- SOUTHCENTRAL AIR
- SPLINAK AIRWAYS
- SUNRISE AVIATION
- TALON AIR SERVICE
- TAMAHACK FLYING SERVICE
- TANANA AIR SERVICE
- TAQUAN AIR SERVICE
- TATCHEUR FLYING SERVICE
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- ULTIMATE OUTITTERS
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- VILLAGE AVIATION
- WARREN LOWS AIR VENTURES
- WARD AIR
- WINGS
- WINGS OF ALASKA
- WRANGELL MOUNTAIN AIR
- WRIGHT AIR SERVICE

April 10, 1998

Honorable Norman Rokeberg
Capital Building
Juneau, AK

RE: HB389

Dear Rep. Rokeberg:

For several months, many individual airline employees have been working at getting "trade days" allowed for airline employees under Alaska law.

Representative John Cowdery has sponsored HB389 in order to help these employees. The airline industry operates twenty four hours per day, 365 days per year. In order for employees to be able to spend more time with their families, or to plan time off from shift work to spend with their children during school breaks, trading days is an extremely valuable tool.

Trading days allows individual workers the freedom to either schedule specific time off, or to make extra earnings, **AT THEIR OWN CHOICE**. It is a win-win situation for all involved. The employees get the flexibility of work hours, and the companies get happier, more productive employees.

The State of Washington recently passed a law similar to HB389. I very much hope that the Alaskan legislature will follow their lead and pass this bill, thus allowing airline workers more individual freedom in their job.

There are over 6500 airline employees in the State of Alaska which will be positively affected by this legislation.

The attached list of names is but a small representative sampling of the airline employees which support this legislation.

If you have any questions or comments, you may call Michelle Buckmaster at (907) 248-2625.

Sincerely,

Michelle Buckmaster
Customer Service Representative
United Airlines

3-14-5878

H-276-4364

Michelle O'Hone

Post-It™ brand fax transmittal memo 7671		# of pages	8
To	John Cowdery	From	Michelle Buckmaster
Co.	State Capitol	Co.	United Airlines
Dept.	House	Phone #	248-2625
Fax #	907-465-2069	Fax #	243-1483

3-18-2022



February 27, 1998

Representative John Cowdery
House of Representatives
Attn: House Labor and Commerce
Juneau, Alaska 99801-1182

Rule: HB 389, Exemption Overtime Pay Certain Airline Employees

Dear Representative Cowdery,

PenAir supports the "Overtime Pay for Airline Employees bill" for employees to trade shifts for their own benefit, which is not allowed with the current rule. We support this bill, however, most of our affected employees have elected to work the flexible work hour plans (4-10's).

We believe this bill should include flexible hours. Employers should be allowed to approve employee trade requests without being penalized. Employees should be allowed the ability to take a day off without losing the income they could make by simply trading a work day.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Harding", is written over a faint, larger version of the signature.

Richard E. Harding
General Manager
VP of Operations

7.22, 1998

Janiece M. Buck
12901 Ridgeview, Anchorage, Alaska 99516 - Dist 18

To the Alaska Legislature,

The airline industry is a 365 day a year operation. United Airlines is committed 365 days a year, to providing complete customer service and meeting the needs of its employees. We are uniquely situated with special needs concerning work shifts and hours worked.

I strongly support in Alaska Dept. favor allowing for employee work hours, trades and not penalize us by demanding time and 1/2 wage if employees agree in writing to straight time and shift trades. I fully support the United personnel who are endeavouring to coordinate with you to meet United's hourly needs. Please consider us!

Sincerely,
Janiece M. Buck

Jan 26, 1998

To Whom It May Concern,

I have been a United employee since June 26, 1986. Most of this time has been spent in Alaska, however from 1994-1997 I worked for United in Minneapolis. The state of Minnesota allows flexibility in a non-traditional type of employment. For that period of time I enjoyed creating a schedule that worked for both me and United. I was able to adjust my schedule to allow me to spend ^{as} much time with my children as possible; and then work as many hours as needed to support myself and family. I enjoyed several different types of flexible schedules... week on week off, 2 or 3 long hour days, with several days off in between, as well as traditional schedules.

I am now ~~an~~ a single mother and this type of flexibility is crucial to mine and my children's personal needs and well being. The ability to arrange my personal schedule is an important benefit that I was able to create and sustain while in Minnesota. ~~to~~ Losing this benefit since returning to my home state of Alaska has had a huge negative impact on my life. United should continue to pay overtime when I am required to stay... however...

when I choose to change my schedule
to enhance my paycheck and personal
life - I feel this should be possible
within a "365" - 24 hour clock" job.

Sincerely,
Leslie Labrenz

Leslie Labrenz
1006 7th Ave
Fairbanks, AK
99701

Dist 31

To whom it may concern;

The following is my opinion on the past and present trade policy at United Airlines. I was hired in June in 1995, as a part-time employee. The trade policy at the time was outstanding, since fulltime wasn't available it allowed me to pick up the extra hours and income I needed. I am a single parent trying to raise my daughter and the trades were so completely helpful. It also allowed for people to give up their hours so they could go out of state or if they just needed the day off. We could sign up for overtime hours but they were so few and I was lucky if I got called to work OT maybe once a week.

The current trade policy is very difficult, I had to go full-time and that makes my home-life hard, especially on my daughter. Most of the shifts are 10hrs and can only trade with other 10hr people. When a trade takes place it has to be repaid w/in that week. I work an 8hr shift and it is so hard to find someone to work for me. I am looking at going back to part-time

and binding a second job. I believe that the old trade policy should be reinstated. If you & the person doing the trade both agree to one giving up their house and the other cooking them, then what is the problem? I could understand if management was trying to force us to work for straight time but we agreed to it, wanted it, looked forward to it.

Thank you for
your time &
consideration

Teresa Kennedy
Jenae James
emp file # 208083
Feb. 25, 1998

DIST 16

1604 Juneau DE Apt A
Anch, AK 99501
507 274 7515

Jan 26, 98

To whom it may concern:

The current trade policy in place at United Airlines is affecting both parttime and full time. As a parttime employee I can only trade with parttime employees which limits my trading ability.

In the past we were able to have unlimited trades based on approval with our supervisor.

We are an Airline that operates 24 hrs. a day 365 days per year.

In the past we were able to work extra hours and make more money, with the current policy in effect we are hampered on working trades due to the 40 hr. work week limitations.

Thank You,

Dist 17

Sharon Bishop
9830 Chelatna Cr #1
Anch, AK 99515

January 19, 1998

To Whom it May Concern:

I have been employed by UA for over 14 years, 9 of which have been in Alaska.

The flexible trade policy we had in the past, allowed employees who wanted extra hours to work the hours of those who desired the time off, which enabled them to pursue other interests such as college or raising a family.

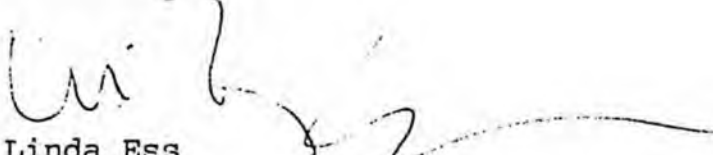
Early in my career, I needed as many extra hours as I could get to make ends meet financially. Overtime hours were (and can still be) scarce, the only way to supplement my income without being forced to find a second job was through trades.

Today, I have a young family and prefer not to work as many hours so that I can raise my child myself without needing to use a daycare. But because of the current, extremely restrictive trade policy, I'm finding it difficult to trade with other employees even though they would like to work my hours--because of the guidelines set by the State of Alaska.

The personal situations of every employee vary. Please give us back the flexibility to work extra hours as needed to better our personal as well as professional lives.

Thank You.

Sincerely,



Linda Ess

7023 Henderson Ln
Anchorage, AK 99507

Dist 19

1-22-98

To Whom It May Concern,

I am in full support of altering our current trade policy at United Quiltes. The ability to do shift and/or day trades both one way and two way (out of same pay period) has always been an added benefit to working here. This allowed us as employees to earn extra money on an overtime/straight time basis when normal overtime is unavailable, while at the same time helping out fellow workers who need time off but was unable to secure it. Although I myself have not suffered because of the policy change the majority of employees have for reasons ranging from extra income due to low pay wages being lost, to missing family or children functions because they couldn't get off work and no one could work for them because it was over 8 hours or 40 hours in a week.

I would like this policy changed back.

Sincerely

Patricia J. Kneppel

File # 88817

Co Security 6-25-84

Dist 27

address HC5 Box 6719-AA

Palmer AK 99645-9610

907-746-7667

January 19, 1998

To Whom It May Concern:

I have been employed for United Airlines for 8 years 6 months, and have worked in two different stations with many different changes. One of these recent changes I have seen and felt was our trade policy here in Alaska.

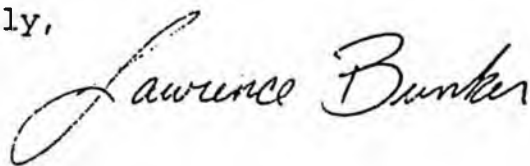
The old trade policy in Anchorage was where any employee can trade with any other employee as needed, when needed, to further our other ambitions outside of work. I found no problems with that old policy.

Trying to further my career with United, I have found it difficult to help others to persue their goals, and tend to their families needs because of our local trade policy.

Our future goals as Alaskan residents are being slowed because of this policy. We now ask you, in all of your Political Power to please help amend our current policy, and to return to our flexible work schedule which enables us to work more than our 8 hours per day to further our goals and aspirations in this wonderful State of Alaska.

Thank you for your time and consideration in this matter.

Sincerely,



Lawrence Bunker

8031 Fairwood Circle
Anch AK 99518

Dist 10