

January 3, 2005

Mr. Mark Torgerson
Hearing Examiner
Alaska Labor Relations Agency
POB 107026
Anchorage, Alaska 99510-7026

Dear Mr. Torgerson;

As you may know, the State has been in negotiations with the three maritime unions seeking a full agreement for operation of the fast ferry *M/V Fairweather*. The vessel is currently operating under the residual terms of an interim agreement that expired on June 30, 2004. The parties have met many times and voluntarily submitted to mediation conducted by the FMCS on September 30 and October 1st. The mediation was fruitless. We have met 17 times since the failed mediation and now conclude that further bargaining is futile and will not lead to an agreement. Consequently, the State has declared that the bargaining has reached impasse.

While we do not admit that employees assigned to the *M/V Fairweather* are Class Two (AS 23.40.200(a)(2)), this Agency in 1978 determined that ferry employees were Class Two and that appears to be the controlling authority (See, D & O 20). Therefore, if D & O 20 is controlling, the parties must submit to mediation in order to attempt resolution of the deadlock. While we believe that the earlier mediation satisfies the requirements of Section 200(a)(2), it is entirely likely that there would be some sort of adjudication and resulting delay to settle that question. Consequently, while we do not believe it to be legally necessary, the State desires an additional attempt at a mediated resolution in satisfaction of Section 200(a)(2). We have determined that the FMCS can provide a mediator on January 6-7. The State will make itself available on that date. The unions are unwilling to commit to those dates.

By this letter, the State petitions the Agency to assert its authority under AS 23.40.190 and order mediation. We respectfully request that you order the parties to submit to mediation conducted by the FMCS on January 6-7, or in the alternative, order the parties to submit to mediation before a mediator of the ALRA's designation at the earliest possible time.

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We urge haste inasmuch as it is imperative that the State be able to modify the operating conditions of *M/V Fairweather* as soon as possible. The interim agreement under which it is currently operating was crafted to cover a period of intense training and initial operations and requires that two full crews be paid for a 7/12s schedule week on – week off. That operational tempo is dramatically uneconomical in the winter season, and the State must take steps to reduce the operating costs of the vessel. If the State is unable to move to the reduced schedule, it is the State's intention to cease operation of the vessel on January 25, 2005. Cessation of the uneconomic operation will result in the layoff of virtually the entire specially trained crew of the vessel, a result the State would sincerely hope to avoid.

The State respectfully requests your immediate and favorable consideration of this petition to compel mediation. If we may answer any questions or provide further information, please do not hesitate to contact Nancy Sutch of my staff at 465-3794.

Sincerely,

/ s /

Art Chance
Director

cc:
IOMM&P
MEBA
IBU

James F. Clark
Chief of Staff
Office of the Governor

Ray Matiashowski
Commissioner
Department of Administration

Mike Barton
Commissioner
Department of Transportation and Public Facilities