

AGREEMENT

BETWEEN THE
STATE OF ALASKA

OPERATING

**ALASKA MARINE
HIGHWAY SYSTEM**

AND

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

Pacific Maritime Region

Contract Effective Dates:

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RULE 1 - SCOPE

1.01 The Rules contained herein constitute an Agreement between the STATE OF ALASKA, hereinafter referred to as the Employer, and the INTERNATIONAL ORGANIZATION OF MASTERS, MATES, AND PILOTS, UNITED INLAND GROUP, PACIFIC MARITIME REGION, representing the Deck Officers as classified within this Agreement, hereinafter referred to as the Union, governing wages, hours and conditions of employment on the Employer's ferries and any other waterborne carrier owned, operated, chartered or leased for operation by the Alaska Marine Highway System.

1.02 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that this Agreement is the entire Agreement and includes all collective negotiations during its term. It is mutually understood that there is no desire on the part of the Union to dictate the business policies of the Employer but when the Employer contemplates a change in policy affecting the welfare of the Deck Officer, proper and reasonable notice shall be given to the Union.

1.03 Any additions, deletions or changes which are negotiated during the life of this Agreement shall be in the form of an amendment or addendum and shall become part of this Agreement.

1.04 Contingent on legislative action as required by rules 37.02 and 37.03, commencing in calendar year 2005 the State of Alaska shall have the ability to contract for passenger and vehicle service only for the following ports: Angoon, Gustavus, Kake, Hoonah, Tenakee and Pelican without regard to MMP jurisdiction. For the express purpose of providing the Union an opportunity to comment, the Employer shall provide all information regarding the contracting for passenger and vehicle service of these ports to the Union as soon as known. The Union shall have 30 days from the date of receiving this information to review and submit suggestions for alternative service.

RULE 2 - RECOGNITION

2.01 The Employer recognizes the Union as the exclusive representative of all Deck Officers as classified herein, and as the sole collective bargaining agent for the purpose of acting for the Deck Officers in negotiating wages, hours, conditions of employment and interpreting this Agreement, and adjusting disputes.

RULE 3 - INITIAL APPOINTMENTS AND USE OF INFORMATION

3.01 The Employer may employ from any source it chooses, including the Union, but shall give first preference to applicants who are qualified and are residents of Alaska. The Union, in supplying any personnel, shall recognize this preference.

3.02 The Employer recognizes that the Union is a normal source of obtaining new Deck Officers. If called upon to do so, the Union agrees to furnish the Employer qualified and satisfactory personnel for any classification covered by this Agreement.

3.03 The Employer may reject any applicant for a position who it feels is unsatisfactory. If the Union feels that any rejection of an applicant, who is a current employee of the Employer, has

been made without valid reason, the Union shall have the right to review the case in behalf of the applicant.

3.04 Pre-employment physicals may be required.

3.05 The Union agrees that all nonpublic personnel information provided to it by the Employer shall be used only for purposes related to the execution of the Agreement; and that the Union shall be responsible for the protection and security of information provided.

RULE 4 - DEFINITIONS

4.01 DECK OFFICERS.

(A) Regularly Assigned Deck Officer. A Deck Officer who is regularly assigned to a specific position on board a given vessel. A Regularly Assigned Deck Officer who is temporarily assigned to a Third Mate Trainee position on a Puget Sound route vessel shall continue to be considered a Regularly Assigned Deck Officer.

(B) Vacation Relief Deck Officer. A Deck Officer who has been assigned to relieve Regularly Assigned Deck Officers and who has been so designated in writing by the Employer in accordance with Rule 23.03.

(C) Extra Relief Deck Officer. A Deck Officer who is placed on the printed schedule by the Scheduling Committee to fill temporary vacancies, i.e., illness, injury, leaves of absence, etc.

The Scheduling Committee shall determine a limited pool of Extra Relief Deck Officers whose number shall be set by the Scheduling Committee.

The Extra Relief Deck Officer shall receive all benefits of a Regularly Assigned Deck Officer, except;

Rule 25 Minimum Guarantee shall not apply.

Contributions to the Health and Welfare Plan shall be made to the Trust on behalf of the Extra Relief Deck Officer effective the calendar month following the month the Extra Relief Deck Officer works at least 84 hours.

(D) Temporary Relief Deck Officer. A Deck Officer who is not scheduled by the Scheduling Committee and may be employed to fill temporary vacancies only in the event that no Extra Relief Deck Officer is available.

A Temporary Relief Deck Officer shall receive wages and benefits of an Extra Relief Deck Officer, except;

Travel Pay.

Rule 25 Minimum Guarantee

Contributions to the Health and Welfare Plan shall be made to the Trust on behalf of the Temporary Relief Deck Officer effective the calendar month following the month the Temporary Relief Deck Officer works at least 84 hours.

4.02 REGULARLY ASSIGNED POSITIONS. Specific positions aboard a given vessel and crew ("A" or "B") which are filled in accordance with Rule 26 of this Agreement, and the positions of Deck Officers who have been designated Vacation Relief Deck Officers.

4.03 SYSTEMS.

(A) Southeast System. Includes all vessels using Juneau and/or Ketchikan as change ports.

(B) Southwest System. Includes all vessels using Homer or Cordova as change ports.

4.04 ASSIGNED TIME OFF.

Assigned time off shall include the Deck Officer's scheduled week, or weeks, off while on sea watches, the Deck Officer's scheduled two (2) consecutive days off while at a shipyard or tie-up terminal as provided for in Rule 16.01, and vacation.

4.05 Workweek means a fixed and regularly recurring period of 168 hours that is seven consecutive 24-hour periods; it may begin on any day of the week and need not coincide with the calendar week; an individual employee's workweek is the statutory or contract number of hours that the employee is to regularly work during that period; the workweek may not be artificially adjusted for the purpose of avoiding the payment of overtime.

4.06 Workday means a fixed and regularly recurring period of 24 consecutive hours.

(A) Twelve (12) hours shall constitute a day while in underway status.

(B) Eight point four (8.4) hours shall constitute a day while in yard, layup, or training status.

4.07 Regular Assignment shall mean:

(A) The published work schedule issued three times per year by the Scheduling Committee.

(B) Underway - the seven (7) consecutive 12 hour days (84 work hours) or fourteen consecutive 12 hour days (168 work hours) aboard a given vessel as described in Rule 19.

(C) Yard/Layup – the 42 hour work week consisting of five (5) consecutive 8.4 hour workdays and two (2) consecutive days off as described in Rule 16.

RULE 5 - UNION MEMBERSHIP

5.01 All Deck Officers covered by this Agreement shall, within thirty (30) days after employment with the Employer, be or become members of the Union and shall thereafter as a condition of employment tender the dues and initiation fees or other fees as required by AS 23.40.220 uniformly required as a condition of membership, and the Union agrees to accept all such Deck Officers for membership.

5.02 The Union shall advise the Employer in writing of the amount of its initiation fees and monthly dues as duly adopted by its membership. The Employer, with the written consent of the Deck Officer, shall deduct monthly from the pay of each Deck Officer covered by this Agreement such fees or dues for the preceding month and remit the amount monthly to the Treasurer or other officer of the Union as may be designated in writing by the Union.

5.03 Upon written notice by the Union that any Deck Officer who has been employed for more than thirty (30) days and is not in compliance with the provisions of this Rule and demonstration by the Union that it has provided Employee with the procedural protections required by law the employer shall terminate the employee. Termination shall become effective within thirty (30) days after receipt of the aforesaid notice to the Employer by the Union.

The Union shall defend, indemnify, and save the Employer harmless against any and all claims, demands, suits, grievances, or other liability (including attorney's fees incurred by the Employer) that arise out of or by reason of actions taken by the Employer pursuant to this section, except those actions caused by the Employer's negligence. If the Union undertakes the defense under this section, it shall at its option select counsel to conduct the defense.

5.04 The Alaska Marine Highway System personnel office shall furnish the Union's Regional Office one (1) copy of the appointing personnel action form for each new hire in the bargaining unit within thirty (30) days of hire.

RULE 6 - NONDISCRIMINATION

6.01 The Employer agrees not to discriminate against any Deck Officer because of membership status in the Union or activity on behalf of the Union, provided such activity is not contrary to law or this Agreement.

6.02 The Employer and the Union agree that there will be no discrimination against any Deck Officer or applicant for employment because of race, religion, physical handicap, marital status, change in marital status, pregnancy, parenthood, sex, color, age or national origin.

6.03 All references herein to the male gender will also include the female gender.

RULE 7 - CREW REQUIREMENTS

7.01 The minimum manning for all present and future vessels shall be in accordance with the safe operation of the vessel and the Certificates of Inspection under which the vessel is licensed to operate, and the Certificates of all vessels covered by this Agreement are made a part hereof by reference. There shall be no unilateral reduction in present staffing.

RULE 8 - HEALTH AND SAFETY

8.01 The health and safety of Deck Officers shall be reasonably protected. Where quarters are provided, each Deck Officer shall have his or her own individual stateroom. All Deck Officer's staterooms shall be properly equipped with a washroom. Each stateroom shall be clean, heated and lighted at all times during occupancy. Washrooms are to be equipped with fresh hot and cold running water, and fresh water shower facilities, as well as sanitary drainage. The HVAC system shall be in good operating condition.

The Employer agrees that, on vessels where quarters are provided, white sheets, pillow slips, mattresses, blankets, towels and soap shall be furnished to insure sanitary and healthful conditions.

8.02 The Employer shall afford room service for its Deck Officers; i.e., changing linens, sweeping, mopping and waxing in the respective staterooms, bathrooms and toilets. Clean bed linen and towels are to be provided weekly and rooms are to be cleaned and beds made daily.

8.03 Separate quarters and bathroom facilities will be constructed for all Deck Officers as remodeling or construction of new vessels occurs. The Employer recognizes the right of the Union to discuss quarters before new vessels are acquired, constructed or converted.

8.04 Annual employee physicals may be required by the Employer to be performed by a doctor of the Employer's choice and at the expense of the Employer.

8.05 The Employer shall reimburse each Deck Officer for one (1) physical examination per calendar year to a maximum of one hundred and fifty dollars (\$150.00) when such examination is required by law or regulation to upgrade, renew or maintain his/her license.

8.06 The Employer will reimburse each Deck Officer for the actual cost of a drug test required by law, regulation, employer directive or to maintain his/her license. This shall not apply to pre-hire drug tests nor to testing or screening associated with a drug rehabilitation program.

RULE 9 - OCCUPATIONAL INJURY AND ILLNESS BENEFITS

9.01 Unearned Wages: In the event a Deck Officer becomes ill or is injured while in the service of the Employer's vessel, he/she shall receive wages to the end of the work assignment. During the period of time that an employee is receiving unearned wages for a work related illness or injury, the employee may not receive additional income supplementation by claiming accrued annual leave or medical/sick leave.

For the purposes of this Rule, the "end of the voyage" in the Southeast System shall be that point in time when the employee was scheduled to be relieved. In the Southwest System, the "end of the voyage" is when the vessel returns to its home port or when the employee was scheduled to be relieved, whichever is sooner.

The State's position is that effective July 1, 2003, AS 09.50.250 established workers' compensation coverage for state employed seamen and precludes actions brought under the Jones Act, admiralty, or general maritime law. If AS 09.50.250 is successfully challenged or repealed, the State agrees that the provisions of maintenance and cure shall be in full force and effect as provided in Rules 9.02 and 9.03, upon exhaustion of all appeals

The Union's position is that any changes to Rule 9 are a subject of collective bargaining. The State has made no attempt to negotiate changes in this Rule, but is simply relying on AS 09.50.250. Additionally, the legislation leading to AS 09.50.250, (attached as Appendix B), specifically references collective bargaining agreements. The Union believes that the Jones Act is still applicable and the new AS 09.50.250, providing workers' compensation coverage, may be considered an additional option under the law and, at the choice of the seaman, would be in addition to all rights as provided for under the Jones Act.

9.02 Maintenance When an employee is entitled to payment of maintenance under the doctrine of maintenance and cure, payment of maintenance shall begin at the end of the period for which unearned wages are payable. Effective July 1, 2000, maintenance shall be paid at the rate of \$70.00 per day.

9.03 Cure: An employee shall submit all bills regarding a work related injury or illness to the State's group health insurance carrier which is funded by the Employer. Any medical costs incurred as a result of the work related injury or illness before the time the employee has reached maximum medical cure that are not provided by the State's group health insurance carrier will be sent to:

Ward North America
Attn: George Erickson
3330 Arctic Boulevard, Suite 206
Anchorage, AK 99505

9.04 Transportation: In the event a Deck Officer becomes ill or is injured while in the service of the vessel, he or she will be furnished meals, lodging and transportation until returned to his or her change port. This provision shall apply when the Deck Officer is not hospitalized and has notified the Master or the Personnel officer of his or her medical status.

9.05 When hospital treatment is required, transportation to and from the hospital will be furnished by the Employer if the Deck Officer becomes ill or needs medical attention while in the service of the vessel and a Master's certification has been issued. Upon release from the hospital, transportation to the Deck Officer's change port shall be provided upon request, provided said transportation is connected to an assignment.

9.06 Seniority shall accrue while the Deck Officer is paid Maintenance and Cure for the time absent from work, provided the Deck Officer was eligible for dispatch based on his or her seniority.

9.07 The Employer shall provide the Union with written notice of all job-related injuries in a timely manner.

RULE 10 - COMPENSATION FOR LOSS OF EFFECTS

10.01 Deck Officers will be reimbursed in cash for the loss of personal effects, instruments and equipment resulting from shipwreck, stranding, sinking, burning and collision of the vessel in the amount not to exceed two thousand dollars (\$2,000.00). Each individual must provide the Employer with an itemized list of the individual's losses, including replacement value(s). Reimbursement may be made for items over \$2,000 up to \$5,000 if supported by receipts.

RULE 11 - CASH ALLOWANCE FOR SUBSISTENCE AND QUARTERS

11.01 When the employee is in work status away from home and quarters are not furnished, the employee shall be entitled to a quarters allowance of sixty-five dollars (\$65.00) per day. In the event that the rate for lodging designated in the State Administrative Manual for Southeast Alaska is adjusted, the rate specified herein shall be adjusted by the same dollar amount.

11.02 When an employee is in work status away from home and meals are not furnished, the employee shall be entitled to a meal allowance of forty-one dollars (\$41.00) per day. In the event that the rate for meal allowance designated in the State Administrative Manual for Southeast Alaska is adjusted, the rate specified herein shall be adjusted by the same dollar amount.

RULE 12 - RELIEF TERMINAL

12.01 CHANGE PORTS.

(A) Regularly Assigned Deck Officers. Change ports shall be Juneau and Ketchikan. The senior regularly assigned Deck Officer on the Deck Officers seniority roster, or in the case of a Master, the Masters seniority roster, shall designate the change port for the position, provided that changes in designation pursuant to this Rule shall not result in additional expense to the Employer. However, other communities may also be used as change ports if both regularly assigned Deck Officers covering a position reside in such community or vicinity and when such community is a regular port of call of the Employer's vessels. Regularly assigned Deck Officers shall normally be relieved at the same change port where they began their duties.

(B) Vacation Relief Deck Officers shall designate a preferred change port, either Juneau or Ketchikan.

(C) Regularly Assigned Deck Officers and Vacation Relief Deck Officers assigned to the M/V Tustumena shall have a change port of Homer.

12.02 RELIEF AT OTHER THAN PORT OF ENGAGEMENT. When a Deck Officer is relieved at a port other than the port at which he or she began that particular assignment the Deck Officer is entitled to travel pay and receipted necessary travel expenses to return to the port of engagement.

12.03 TRAVEL BETWEEN REGULAR ASSIGNMENTS. (A) Deck Officers who reside at any port of call of the Employer's vessels other than at their designated change port may "deadhead" aboard said vessels. During such passage the Deck Officer may take meals in the officers' mess without charge. Berth will be furnished free of charge whenever possible, on a space-available basis, but the Employer shall not be liable for travel and/or other expenses incurred by a Deck Officer traveling to Deck Officer's designated change port by means other than vessels of the System.

(B) When a regularly assigned Deck Officer is entitled to necessary travel expenses (including air fare and ground transport) these expenses will be paid in accordance with the Alaska Administrative Manual. Deck Officers choosing to travel at another time or using means other than that provided by the employer will be reimbursed for receipted expenses up to the dollar amount of the travel that would have been provided by the employer. All requests for reimbursement must be submitted within sixty (60) days from the Deck Officer's release from the vessel. Travel expenses will not be paid for the portion of travel provided by the employer on its vessels. If a Deck Officer is required to travel on the Employer's vessel and purchase accommodations he/she shall be entitled to reimbursement.

12.04 TRAVEL BETWEEN TEMPORARY ASSIGNMENTS.

When a Regularly Assigned, Vacation Relief or Extra Relief Deck Officer is temporarily assigned duties which involve a crew change or work assignment at other than his or her normal change port, for each and every occasion travel is required the Deck Officer is entitled to travel pay and receipted necessary travel expenses for travel between the normal change port and the temporary change port. For purposes of this Rule, the "normal change port" shall be either Juneau or Ketchikan.

12.05 In no case shall the implementation of a change port other than Juneau or Ketchikan cause the State of Alaska to incur any significant additional expense nor cause any Alaska resident to travel outside the State of Alaska to relieve another Deck Officer.

12.06

(A) **TRAVEL PAY.** When a Deck Officer is eligible for travel pay as provided elsewhere in this Rule, it shall be computed on the basis of straight-time pay for the actual hours involved in traveling to or from the temporary change port. Deck Officers will receive a minimum of four (4) hours travel pay per each one way trip, except that if more than four (4) hours is claimed, the Deck Officer must submit documentation to support the claim. Deck Officers will receive a maximum of twelve (12) hours travel pay in any twenty-four (24) hour period, regardless of mode of travel involved. Travel pay time begins at airline check-in time, when air transportation is used, or at the scheduled departure time of the Employer's vessel, when necessary or directed to travel by vessel. Travel pay ends upon arrival at the port of destination, if the assigned vessel is in port. If the vessel is not in port travel pay ends upon arrival of the vessel.

B. Travel Expenses. When it is necessary to await arrival of the vessel, Rule 11, Cash Allowance for Subsistence and Quarters, will apply. Claims for subsistence shall be made on Form 02-027, State of Alaska Travel Authorization. Travel time will apply towards minimum guarantee but shall not be included in straight-time hours in determining when overtime will commence.

12.07 TRANSFER OR CHANGE OF ASSIGNMENT. All additional costs incurred by a transfer or change of assignment at the convenience of, and requested by, a Deck Officer shall not be the responsibility of the Employer. This includes transfers caused by initiation of a bid award. Expenses incurred when a transfer or permanent change of assignment of a Deck Officer is at the direction of and for the convenience of the Employer shall be the responsibility of the Employer. When Deck Officers are permanently transferred for the convenience of, and at the direction of the Employer, other than through the bid process, to Southwest Alaska from the Southeast System (or vice versa), reimbursements for actual moving expenses incurred shall be in accordance with the State travel regulations.

12.08 When a Deck Officer is on an approved vacation and is unexpectedly called back to work, he or she will be reimbursed for any additional expenses incurred by the Deck Officer and travel time to return as a result of the early return to work shall be considered time worked. In order to be compensated under this section the call back must be directed by the Commissioner of Department of Transportation and Public Facilities prior to the Deck Officer incurring additional expenses. The Deck Officer shall submit documentation to support the additional expenses claimed. If the Deck Officer undertakes return travel after completing the assignment to which called back, he or she shall be compensated for any additional transportation expenses to return to the original point of call. Travel time to return shall also be considered time worked.

12.09 Upon initial hire and/or termination, the Deck Officer shall be entitled to one-way air transportation between his or her port of original hire and change port. This shall include excess baggage allowance for necessary items of clothing, uniforms, and navigational equipment required for assigned duties, but not to exceed a total cost of five hundred dollars (\$500.00).

12.10 When a Deck officer whose residence is other than the State of Alaska, and moves his or her legal residence within the State of Alaska, then the Deck Officer will be entitled to reimbursement for moving expenses in accordance with the State Administrative Manual.

RULE 13 - VISITATION

13.01 Prior to conducting Union Business Authorized representatives of the Union shall notify the Master or the deck officer on watch and be allowed to go on the Employer's property and on board vessels covered by this Agreement. The Union agrees that the Employer is absolved from all claims resulting from any accident involving such representatives while on the property or on board vessels of the Employer. No individual or group of Deck Officers will be interrupted in their work.

RULE 14 - SETTLEMENT OF DISPUTES

14.01 If a difference or dispute arises over the correct interpretation or application of this agreement between the Union or the Deck Officers covered herein and the Employer, the Union or the aggrieved Deck Officer(s) shall use the following procedure as the sole means of settling said controversy:

STEP ONE: An aggrieved Deck Officer shall first attempt to settle the complaint or grievance through discussion with the Port Captain. Failing to resolve the dispute, the Deck Officer shall reduce the grievance to writing and submit it to the Union as soon as possible. Settlements reached at this step shall be consistent with the provisions of this contract and with policies and regulations of the Employer. As an exception to the above, any dispute by a Deck Officer alleging an error in his or her paycheck shall be initiated by filing a Notice of Pay Problem with the Employer, who shall then respond to the Deck Officer in writing within fifteen (15) working days.

STEP TWO: If a dispute is unresolved at Step One the grievance must be presented in writing by the Union to the System General Manager, Alaska Marine Highway System, within fifteen (15) working days after the response in Step One is due or received, whichever is the earliest. The Union may enter general grievances at this step without having to utilize Step One. The System General Manager, Alaska Marine Highway System, may arrange a hearing in the dispute, but in any event shall render a decision in writing within fifteen (15) working days from receipt of the Step Two filing.

STEP THREE: If a dispute over the correct interpretation or application of this Agreement is not resolved at Step Two, the Union may appeal the dispute in writing to the Commissioner of the Department of Transportation and Public Facilities within fifteen (15) working days after the Step Two decision is due or received, whichever is earlier. The Commissioner of the Department of Transportation and Public Facilities or designee shall respond in writing to the Union within fifteen (15) working days after receipt of the appeal.

STEP FOUR: In the event a grievance which has been considered in Step Three is not resolved at Step Three, the Union may appeal it in writing to the Commissioner of the Department of Administration within fifteen (15) working days after the response from Step Three is due or received, whichever is earlier. The Commissioner of the Department of Administration or designee shall respond in writing to the Union within fifteen (15) working days after receipt of the appeal.

STEP FIVE: If a dispute over the correct interpretation or application of this Agreement remains unresolved after being timely processed through the preceding steps, it shall proceed to binding arbitration if either party so requests by written notice to the other party within forty-five (45) calendar days after the date of the response of the Commissioner of the Department

of Administration required under Step Four. Such request shall specify which Rule or Rules are alleged to have been violated.

14.02 Within thirty (30) days after the signing of this Agreement the Employer and the Union shall jointly request from the Federal Mediation and Conciliation Service the names of seven (7) qualified arbitrators. Thereafter, on each occasion requiring an arbitrator, the parties will promptly select the arbitrator by alternately striking names from the list until only one name remains. The party requesting arbitration shall strike the first name. The last name remaining on the list shall be the arbitrator, and arbitration shall commence on a date to be selected by Agreement of the arbitrator and the parties. The arbitrator shall issue a decision and award in writing within thirty (30) calendar days after the close of the hearing, which decision and award shall be final and binding on each of the parties. The arbitrator shall have no authority to rule contrary to, amend, add to, subtract from or eliminate any of the terms of this Agreement. The arbitrator shall have the power to return a grievant to employee status with or without restoration of back pay or mitigate the penalty as equity suggests under the facts. Should either party fail or refuse to abide by the decision of the arbitrator, the other party shall be free to petition to the Labor Relations Agency for enforcement of the agreement.

14.03 In any arbitration proceeding held pursuant to this Rule the expenses incident to the services of the arbitrator shall be borne entirely as designated by the arbitrator. The arbitrator shall assign such expense to the losing party. If, in the opinion of the arbitrator, neither party can be considered the losing party, then such expenses shall be apportioned as in the arbitrator's judgment is equitable.

14.04 (A) To qualify for consideration under the grievance procedure set forth in this Rule, any dispute must be brought to the attention of the Employer through the Union in writing within thirty (30) calendar days of the occurrence of the disputed action, or of the date the Deck Officer is made aware of the action, whichever is later.

(B) The appeal of a dismissal, demotion, or suspension must be brought to the attention of the Employer through the Union in writing within fifteen (15) working days of the date the Deck Officer is notified of the action. Any grievance resulting from the dismissal, demotion or suspension of a Deck Officer who has, at the time of the disputed action, established seniority pursuant to Rule 26 of this Agreement shall be entered into the procedure at Step Two.

(C) Prior to using the grievance procedure, pay complaints must first be submitted on forms provided by the Employer entitled Employee Notice of Pay Problem (NOPP) within thirty (30) calendar days after the issue date of the pay warrant in question. It shall be the employee's responsibility to complete the form with full details of the complaint and to insure that the Union receives a copy of the NOPP. The Employer shall respond within fifteen (15) working days from the Employer's receipt of the NOPP and a copy of the response shall be sent to the Union. Should the response not be satisfactory to the employee and the Union, a grievance must be entered at Step Two under Rule 14.01 within fifteen (15) calendar days after the NOPP response is due or received, whichever is earlier.

14.05 Written grievances at Steps One through Four shall be processed on forms provided by the Employer and shall, at all levels of the grievance procedure, cite specific rules alleged to have been violated, and shall contain, as a minimum, sufficient information to determine the issues and relief sought. All time limits expressed herein may be extended by mutual Agreement of the parties, but it is understood that time is of the essence and that grievances not timely appealed are considered moot.

14.06 COMPLAINT PROCEDURE

A complaint is defined as: the appeal of the discharge or discipline of a probationary employee who has not established seniority as a Deck Officer. The following shall be the sole means for settling complaints.

(A) A complaint must be brought to the attention of the Employer consistent with the procedures set forth in this Rule within thirty (30) calendar days of the effective date of the action or inaction or the date the employee is made aware of the action or inaction, which ever is later.

(B) Date of receipt of a complaint or response shall be either seven (7) calendar days following date of postmark or the date of a signed verification of receipt.

Allotted time frames may be extended by mutual agreement.

(C) Complaints shall be processed on forms provided by the Employer and agreed to by the Union.

(D) The complaint will state the facts from which it arises, the rules, procedures, or conditions which should be considered and the remedy. Adjustments to complaints shall not conflict with this Agreement or applicable written policies, laws or regulations.

(E) Appeals shall be in writing with a copy of the original complaint attached.

(F) STEPS IN THE COMPLAINT PROCEDURE

STEP ONE: Complaints will be presented on the provided forms by the Union to the AMHS System General Manager. The System General Manager shall respond in writing to the Union within ten (10) working days from receipt of the Step One complaint.

STEP TWO: Failing to resolve the complaint at Step One, the Union may appeal the complaint to the Commissioner of Transportation and Public Facilities within ten (10) working days after the response from the System General Manager is due or received, whichever is earlier. The Commissioner of Transportation and Public Facilities shall respond in writing within ten (10) working days from the receipt of the Step Two filing.

STEP THREE: If the complaint is unresolved at Step Two, the Union may appeal the complaint to the Commissioner of Administration within ten (10) working days after the response at Step Two is due or received, whichever is earlier. The Commissioner of Administration shall respond in writing within fifteen (15) working days from the receipt of the Step Three filing.

The decision of the Commissioner of Administration is final and shall settle the matter.

14.07 There shall be no strikes, lockouts, sympathy strikes, slow downs or stoppages of work during the term of this Agreement, it being the intent of the Employer and the Union that all disputes be settled in accordance with the provisions of this Agreement. Notwithstanding this, however, no Deck Officer working under this Agreement shall be required to board any vessel of the Employer which is being picketed by any union in connection with a lawful primary strike sanctioned by the Vice President of the International Organization of Masters, Mates and Pilots, Pacific Maritime Region.

RULE 15 - WORKING CONDITIONS

15.01 The Employer will furnish without cost to each Deck Officer holding U.S. Coast Guard licenses an insurance policy providing for Loss of License Indemnity for service aboard an AMHS vessel. The Employer will notify the Deck Officer in writing when said coverage is initially provided or renewed.

15.02 LEGAL INDEMNIFICATION. Upon request, the Employer agrees to provide for the legal defense of a Deck Officer in any civil action brought against the Deck Officer as the result of the Deck Officer's performance of, or failure to perform, his or her duties, and to indemnify and hold harmless such Deck Officer from any judgment levied against him or her in any such civil action, subject to the following conditions:

If the Employer determines that the Deck Officer is guilty of willful misconduct, the Employer shall notify the Deck Officer of this determination. The Deck Officer may then obtain legal representation of his or her choosing and at his or her expense, and may bring the Employer into the action as third-party defendant.

If it is determined by the court that the Deck Officer is not guilty of willful misconduct, the Employer shall indemnify the Deck Officer for all costs and for actual attorney's fees stemming from the action, as well as for any judgment rendered against the Deck Officer. If it is determined by the court that the Deck Officer is guilty of willful misconduct, the Deck Officer shall bear the costs and attorney's fees, as well as any judgment rendered against the Deck Officer.

The Deck Officer must request, in writing and within ten (10) days of the service of the Summons and Complaint on the Deck Officer, that the Employer provide the legal defense services available under this rule. The submission date of the Deck Officer's request shall be established by its postmark, and a failure to submit a written request within the required ten (10) days shall relieve the Employer of any obligation under this rule. The Employer shall select which attorney will represent the Deck Officer, and if the Deck Officer objects to the attorney selected by the Employer, he or she may obtain another attorney, at personal expense.

15.03 Reimbursement will be made for all or part of costs incurred, including necessary transportation and per diem in accordance with the Alaska Administrative Manual, for training or education required for license renewal or maintenance provided that the training or education has prior written approval of the Port Captain and the Employer determines that fiscal resources for training and education are available.

Training or education shall normally be scheduled for vacation or "A" day periods. Upon successful completion, the employee's accrued vacation shall be reimbursed for each day spent in actual instruction and in necessary travel. Courses extending more than one work week are subject to cooperative Employer-employee financial and vacation arrangements, which may include the reimbursement of accrued vacation beyond seven (7) days. When approved by the Employer. The Employer's prior written approval shall specify the reimbursement, pay and leave terms and amounts.

The Port Captain in concert with Deck Officers or their representative shall develop an annual training schedule. Reimbursement for training and education for purposes other than license renewal may be approved by the System General Manager upon his finding that such training is

in the interest of the Employer and determination that the necessary fiscal resources are available.

Within six months of the signing of this Agreement, the parties agree to convene a meeting, between the Employer, the Union, the University of Alaska Southeast, Alaska Vocational Technical Center and the Maritime Institute of Technology and Graduate Studies for the purpose of discussing a comprehensive training proposal, with the intent to implement, that achieves the goals of training and education of the Deck Officers. The Comprehensive plan must include methods to utilize Alaska instructional institutions to the maximum extent possible.

15.04 Upon approval by the Operations Manager, Alaska Marine Highway System, Deck Officers shall be allowed to attend, in a continuous pay status, any Employer-approved course of instruction involving fire fighting and/or emergency medical treatment.

RULE 16 - SHIPYARD AND TERMINAL WORK

16.01 When vessels are tied up and watches are broken, such as at a shipyard or tie up terminal, those Deck Officers assigned to remain on the vessel shall work a forty-two (42) hour workweek, consisting of five (5) consecutive eight and four-tenths (8.4) hour days and two (2) consecutive days off. The change in work schedules from ship's watch time to shipyard or tie-up time shall occur at the nearest noon or midnight that the vessel leaves or enters service. During such periods, minimum guarantee as provided for in Rule 25 shall apply.

16.02 When changing from shipyard workweeks to running time workweeks, the hours concerned shall be combined only for the purpose of establishing minimum pay requirements within the regular pay period. Upon leaving shipyard or tie-up status, overtime for sea time shall commence after completion of the regular seven (7) day, eighty-four (84) hour workweek.

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

16.04 All time worked in excess of eighty-four (84) hours in a pay period shall be paid at the overtime rate. Any hours worked in excess of the workweek described in 16.01 shall be paid at the overtime rate.

RULE 17 - PAY PLAN

17.01(A)

| JOB CLASSIFICATION | MONTHLY 182 Hours | BI MONTHLY 84 Hours | DAILY 12 Hours | STRAIGHT TIME HOURLY | OVERTIME HOURLY |
|---|------------------------------|------------------------------------|---------------------------|---------------------------------|----------------------------|
| MASTER (Hourly rate includes base pay, Masters pay of \$248.67) | \$6879.60 | \$3175.20 | \$453.60 | \$37.80 | \$56.70 |
| PILOT | \$5560.10 | \$2566.20 | \$366.60 | \$30.55 | \$45.83 |
| CHIEF MATE | \$5778.50 | \$2667.00 | \$381.00 | \$31.75 | \$47.63 |
| <i>NON WATCH STANDING</i> | | | | | |
| CHIEF MATE | \$5154.24 | \$2378.88 | \$339.84 | \$28.32 | \$42.48 |
| <i>WATCH STANDING</i> | | | | | |
| SECOND MATE | \$4813.90 | \$2221.80 | \$317.40 | \$26.45 | \$39.68 |
| THIRD MATE | \$4813.90 | \$2221.80 | \$317.40 | \$26.45 | \$39.68 |
| THIRD MATE (TRAINEE) | \$4515.42 | \$2084.04 | \$297.72 | \$24.81 | \$37.22 |

The base salary, master's pay and COLD in effect on June 30, 2004, shall increase by seven percent (7%) effective July 1, 2004.

The base salary, master's pay and COLD in effect on July 1, 2004, shall increase by six percent (6%) effective July 1, 2005.

The base salary, master's pay and COLD in effect on July 1, 2005, shall increase by six percent (6%) effective July 1, 2006.

If the legislature should fail to fund the provisions of 17.01 A - D above, the parties will immediately re-enter negotiations pursuant to as 23.40. 070 - 260. If an agreement is not reached within ten (10) working days thereafter, the parties shall be at impasse and both sides shall be free to take actions in accordance with as 23.40.070 - 260.

(B) COST-OF-LIVING DIFFERENTIAL FOR ALASKA RESIDENTS Pursuant to AS 23.40.210, in addition to the basic wage schedule provided in Rule 17.01(A) above, those Deck Officers who are residents of Alaska shall receive a cost-of-living differential for each pay period that they are in pay status, according to the following schedule:

M/V COLUMBIA CLASS

| <u>Job Classification</u> | <u>Per Two Week Pay Period</u> |
|---------------------------|--------------------------------|
| Master | \$574.09 |
| Pilot | 483.18 |
| Chief Mate | 477.52 |
| Second and Third Mates | 418.02 |
| Third Mate --Trainee | 392.11 |

17.01 [B] [2] The standard for qualification for COLD throughout the life of this contract shall be the standard which was in effect for qualification for COLD under the prior contract, unless those standards are modified by mutual agreement of the Employer and the Union.

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

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

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

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

17.03 It is agreed that the Employer will compile a total gross wage study for all shipboard ratings within the system when so requested by the Union. In the event the Union requests the wage study be performed by an independent third party, this party must be mutually agreed to by the Union and the Employer.

17.04 VACATION RELIEF DECK OFFICERS' PAY RATES The Vacation Relief Deck Officer shall be paid at the rate of the position they are filling but in no case will they be paid less than the rate of their permanent bid job. Vacation Relief Deck Officers working in the Southwest System shall be paid according to the vessel on which they are actually relieving.

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

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

17.07 Payroll Procedures

- (A) Paychecks received at the Marine Highway office shall be considered timely if received by 12:00 midnight on payday.
- (B) Mailed paychecks shall be considered timely if postmarked three days prior to payday. If the Employer must stop payment and reissue a check, the check shall be considered timely if mailed or delivered within four (4) days of Employer receipt of an Employee Notice of Pay problem form.
- (C) If the employee who elects to receive a paycheck at home or at work does not receive the paycheck on payday or within twenty-four (24) hours of the close of business on payday, the employee shall be entitled to penalty pay of forty dollars (\$40.00) for every day thereafter that the check is late, provided the employee files notice with the Employer within the next regular day of business on forms provided by the Employer. The Employer shall provide an adequate supply of forms to each vessel and all terminal offices. Failure to provide notice to the Employer within the

specified time period will forfeit claim for penalty pay until such notice is given. Employees who have their checks mailed to their banks shall be entitled to penalty pay only from the date of written complaint to the Employer.

- (D) Pay Shortages. Pay shortages shall be paid after receipt and verification of the employee's complaint in accordance with Section C above, and no later than fifteen (15) days after verification of a written complaint submitted on forms provided by the State. If not paid within the prescribed period, the penalties set forth in Section C above shall apply for any verified pay shortages greater than one hundred dollars (\$100.00). Shortages of less than one hundred dollars (\$100.00) shall be paid on the next regular payday and no penalty pay shall be paid. No payment of penalty pay on a single claim shall exceed forty dollars (\$40.00) per day nor total more than four hundred dollars (\$400.00).

RULE 18 - HOURS--VESSEL ON RUN

18.01 (A) Twelve (12) hours shall constitute a day's work. The daily hours shall be divided into sea watches of six (6) hours on duty followed by six (6) hours off duty.

(B) M/V Tustumena a days work shall consist of 8 hours of watch and four hours of non-watch work.

18.02 For simplicity in timekeeping the first and last days of a regular assignment shall be six hours each. Nothing in the rule precludes the payment of overtime for work beyond the work week or work day, as defined.

RULE 19 - MONTHLY WORK

19.01 Two (2) complete Deck Officer crews shall be assigned to each vessel with the workdays divided evenly during each year between the two (2) crews as nearly as practicable. Each crew will work one (1) week (seven [7] consecutive days) followed by one (1) week off duty, with the alternate crew relieving.

19.02 The provisions of this Rule shall not apply to maintenance/layup status.

19.03 When mutually agreed upon by two Deck Officers in equal grade, they may work fourteen (14) days on, followed by fourteen (14) days off, provided they obtain written approval of the Employer and the Vacation Committee and the Master is informed. It is understood that no overtime will be incurred because either Deck Officer does not fulfill his or her part of the schedule while the vessel is on the run and the fourteen (14) day schedule is in effect.

Deck Officers changing from a seven (7) day schedule to a (14) fourteen day schedule when implementing a bid shall not be entitled to overtime for their regular work hours on their second workweek. Other provisions of Rule 22 shall apply.

19.04 M/V Tustumena Deck Officers shall work no less than 14 days per assignment. When mutually agreed upon by two Deck Officers in equal grade they may work longer assignments provided they obtain written approval of the employer and the vacation committee and the Master is informed.

RULE 20 - EMERGENCY SERVICE

20.01 Emergency service such as collision, breakdown, standing to and rendering aid to another vessel or parties in distress shall not be considered overtime. The additional hourage shall be paid for only at the straight-time rate. Any late arrival at crew change ports due to such emergency service is included and the straight-time rate, to the extent of the emergency service rendered as indicated in the ship's log, shall be paid to those Deck Officers held over on duty.

RULE 21 - LATE ARRIVAL

21.01 When a vessel is delayed for any reason other than "Emergency Service" in excess of one (1) hour after scheduled time of arrival at change ports, such delay shall be termed a "Late Arrival." Scheduled time of arrival shall be one (1) hour before the published departure time from each port. The hours involved in such delays shall be determined by the Deck log. Total hours shall be calculated from scheduled time of arrival.

21.02 Deck Officers scheduled to be relieved at their change port will be paid at the overtime rate of pay for that portion of the Late Arrival period that they are on duty and straight-time for that period that they are off duty, with the following limitations:

(A) Twelve (12) hours pay of either scale or combination thereof shall constitute a day's pay.

(B) Nonwatchstanders shall be paid for one-half (1/2) the delay at straight-time and one-half (1/2) at overtime, unless proof of time actually worked is in excess of one-half (1/2) the delay period. In that case, the overtime will apply to the time worked. When the delay totals an odd number of hours, the odd hour will be regarded as overtime.

(C) The foregoing applies to delays of twelve (12) hours or less. Delays over twelve (12) hours will be handled under regular call back or overtime rules for the entire Late Arrival.

RULE 22 - OVERTIME

22.01 (A) Overtime shall be one and one-half (1-1/2) times the straight-time hourly rate. When a Deck Officer is called to come to work in advance of regular straight-time and overtime is extended into straight-time, or is required to work beyond normal straight-time and straight-time is extended into overtime, the minimum overtime payment shall be one (1) hour. When a Deck Officer is released from duty having completed his or her regular watch and is called back to work, the call-back overtime shall entail a minimum payment of two (2) hours, and if released with less than one (1) hour remaining before going back on watch straight-time, time shall run continuously.

22.02 The overtime rate shall be one and one-half (1 ½) times the straight time hourly rate.

(A) When a Regularly Assigned Deck Officer has worked a regular assignment (seven [7] consecutive days or fourteen [14] consecutive days) and is required to work during his or her assigned time off (seven [7] consecutive days or fourteen [14] consecutive days), he or she shall be paid at the overtime rate of time and one-half (1-1/2) for the time worked, with a minimum of twelve (12) hours (see exception in Rules 26.04 through 26.06). This minimum does not apply when there is a schedule change or a change in change ports. In these cases, the Deck Officer will start the workweek with the standard six (6) hours at overtime.

(B) Deck officers working one (1) week on one (1) week off schedule shall receive overtime for work in excess of eighty-four (84) hours of work.

(C) Deck Officers working a two (2) week on two (2) week off schedule shall receive overtime for work in excess of one hundred and sixty-eight (168) hours of work.

22.03 When any vessel is not crewed with the complement of Deck Officers required by the ship's Certificate of Inspection or established as minimum for the safe and efficient operation of the vessel per Rule 7.01, the wages of the missing Deck Officers shall be divided equally between all Deck Officers on board.

22.04 Any nonwatchstanding Deck Officer who is required to stand watch will continue to receive his or her nonwatch extra compensation and will get paid overtime or premium on the same basis as any watchstander.

22.05 The first assignment for any Deck Officer returning for duty from prolonged sick leave, vacation (exclusive of the vacation assigned by the Scheduling Committee), or leave without pay shall commence at the straight-time rate of pay. Prolonged sick leave is defined as sick leave that covers three (3) scheduled workweeks or longer.

RULE 23 – VACATION

23.01 EMPLOYEES HIRED ON OR AFTER APRIL 1, 1985. The vacation accrual and eligibility for accrual of Deck Officers shall be in accordance with 23.01(A) and (B) below.

(A) Accrual Rates. Vacation credits shall accrue according to the following schedule:

| <u>Years of Continuous Service</u> | <u>Vacation Accrual Hours/Year</u> |
|--|--|
| 1 but less than 2 | 84.0 |
| 2 but less than 3 | 168.0 |
| 3 but less than 4 | 252.0 |
| 4 but less than 5 | 336.0 |
| 5 or more | 420.0 |

(B) Eligibility for Accrual. Eligibility for vacation accrual shall commence once the Deck Officer has accumulated two thousand one hundred eighty-four (2,184) straight-time hours of compensation. The Deck Officer will then be considered as having one (1) year of continuous service, thereby establishing a leave anniversary date. Upon the establishment of a leave anniversary date, the Deck Officer will be credited with eighty-four (84) hours vacation. Vacation in successive years shall be at the rate shown in Rule 23.01(A).

Vacation benefits awarded under this Rule will not be construed as establishing seniority, which is separately defined in Rule 26.

Once eligible for vacation accrual, a Deck Officer will be credited with one-twelfth (1/12) of the year's vacation accrual during every month in which he or she is compensated for a minimum of eighty-four (84) straight-time hours. A Deck Officer's leave anniversary date will be adjusted forward one (1) month for each calendar month that he or she does not receive vacation credit.

23.02 EMPLOYEES HIRED PRIOR TO APRIL 1, 1985: The vacation accrual and eligibility for accrual of Deck Officers hired prior to April 1, 1985, shall be in accordance with 23.02(A) and (B) below.

(A) Accrual Rates. Vacation credits shall accrue according to the following schedule:

| <u>Years of Continuous Service</u> | <u>Vacation Accrual Hours/Year</u> |
|--|--|
| 1 but less than 2 | 84.0 |
| 2 but less than 3 | 168.0 |
| 3 but less than 4 | 252.0 |
| 4 but less than 5 | 336.0 |
| 5 but less than 7 | 420.0 |
| 7 but less than 10 | 504.0 |
| 10 or more | 588.0 |

(B) Eligibility for Accrual. Eligibility for vacation accrual shall commence once the Deck Officer has accumulated one thousand six hundred (1,600) straight-time hours of compensation within any twelve (12) month period from date of original hire. The Deck Officer will then be considered as having one (1) year of continuous service, thereby establishing a leave anniversary date. Upon the establishment of a leave anniversary date, the Deck Officer will be credited with eighty-four (84) hours vacation. Vacation in successive years shall be at rate shown in Rule 23.02(A).

Vacation benefits awarded under this Rule will not be construed as establishing seniority, which is separately defined in Rule 26.

Once eligible for vacation accrual, a Deck Officer will be credited with one-twelfth (1/12) of the year's vacation accrual during every month in which he or she is compensated for a minimum of eighty-four (84) straight-time hours. A Deck Officer's leave anniversary date will be adjusted forward one (1) month for each calendar month that he or she does not receive vacation credit.

(C) Deck Officers covered by this section who have vacation balances of at least eighty-four (84) hours, and who established eligibility for vacation at least ten (10) years ago, shall be permitted to cash out eighty-four (84) hours of vacation per calendar year. The Deck Officer's vacation balance shall be reduced by the number of hours for which payment is made.

23.03 USE OF VACATION.

(A) The vacation shall be taken as scheduled following notification by the Scheduling Committee. This program will provide Vacation Relief Deck Officers who shall have a schedule and relieve for vacations throughout the year, and shall not be removed from their vacation relieving schedule unless they are ill. However, Vacation Relief Deck Officers called back to work outside their assigned schedule shall be paid at the overtime rate (the provisions of 23.11 shall not apply). During the annual overhaul period Vacation Relief Deck Officers must contact an active Scheduling Committee representative no later than seven (7) days prior to returning to work from vacation. It is recognized that Vacation Relief Deck Officers may be reassigned from the first (1st) day to the seventh day (7th) following the actual date of the end of the approved vacation.

(B) During periods of major layup of vessels, Deck Officers with greater amounts of vacation may be required, through joint Agreement of the Scheduling Committee, to utilize their vacation

time in order to permit other Deck Officers to remain employed. In their effort to accomplish this goal, the Vacation Committee may not reduce a Deck Officer's vacation balance below one hundred sixty eight (168) hours without the consent of the Deck Officer.

(C) The Scheduling Committee will consist of six (6) members. The Scheduling Committee shall designate a chairman and shall establish its own rules and processes. The Union will select its three members each year and advise the AMHS of the committee membership. The System General Manager, Alaska Marine Highway System, will designate three (3) Employer representatives to serve as full members of the Scheduling Committee in addition to those committee members selected by the Union. The Union and the Employer shall designate one representative from each party to serve as a partial committee between full committee meetings to address any schedule changes as frequently as necessary to adjust to the operational changes or exigent circumstances.

(D) Those Deck Officers who participate on the Scheduling Committee are to receive pay on the basis of one (1) day's pay (at 8.4 hours per day) for each day served when not on the payroll. The rate of pay shall be at the Deck Officer's regularly assigned classification. The Scheduling Committee shall meet in part or in whole as frequently as necessary to adjust to the operational changes. Meetings will be held in Juneau unless otherwise determined by mutual agreement.

(E) The Scheduling Committee shall have final approval of the vacation schedules and number of relief positions required and shall sign off on same before adjournment of the Scheduling Committee. The schedule shall be published and distributed to the fleet and a copy sent to the Union within 10 days of adjournment. A Deck Officer who experiences a loss in pay resulting from the committee's action or inaction may be made whole from their vacation balance if available. At no time shall the Employer without the consent of the Deck Officer remove vacation from a Deck Officer's Vacation Balance. An employee may be recalled from approved vacation only at the written direction of the Commissioner and only for bonafide emergencies. The recall shall not be for purposes of avoiding payment of overtime.

23.04 The Vacation Relief Deck Officer's work assignment shall be as prescribed by the Deck Officer Scheduling Committee. The Vacation Relief Deck Officers shall be paid on the basis of eighty-four (84) hours every two (2) week period in accordance with past practice. The eighty-four (84) hour base pay per two (2) week period shall not vary if the Vacation Relief Deck Officer works more or less than eighty-four (84) hours in any given two (2) week period. The provisions of Rule 22, late arrival pay and holiday pay, , shall be paid as earned within the pay period.

23.05 TERMINAL LEAVE. In case of a Deck Officer terminating services at any time after he or she has established eligibility for vacation benefits, the Deck Officer shall receive cash payment for whatever vacation that individual has accrued.

23.06 VACATION PAY RATE. Regularly Assigned and Vacation Relief Deck Officers shall be paid for vacation at the rate of their regular assignment, or the rate of pay for the classification in which the majority of their time was worked within the preceding year. (For definition of a Vacation Relief Deck Officer's regular pay rate see Rule 17.04.) If a higher pay rate than the Deck Officer's regular pay rate is requested, the Deck Officer must note this on the vacation request. The Employer may request documentation from the Deck Officer to support the claim. Extra Relief Deck Officers shall receive the rate of the classification in which the majority of the Deck Officer's time was worked within the last year.

23.07 MAXIMUM ACCUMULATION OF VACATION Vacation accrued but not used shall accumulate to a maximum of eight hundred and forty (840) hours on June 30 of any calendar year. If a Deck Officer has, as of June 30, an amount of vacation in excess of eight hundred and forty (840) hours, the excess shall be deducted from the Deck Officer's vacation balance. However, if circumstances cause the Employer to refuse a Deck Officer's timely request for vacation, the amount of vacation refused will be carried over.

23.08 COURT LEAVE.

(A) A Deck Officer who is called to serve as a juror or is subpoenaed as a witness shall be entitled to court leave provided that he or she would have been working aboard a vessel of the Alaska Marine Highway System. Deck Officers must notify the personnel section within ten (10) days of notice and prior to jury service in order to be eligible to use court leave. Court leave shall be in the form of straight-time pay for the hours of work missed due to service as a juror or witness at the pay rate which would be appropriate if the Deck Officer were on vacation. To receive pay for court leave, the Deck Officer must turn over to the Alaska Marine Highway System all moneys received from the court as compensation for service as a juror, or any moneys received as compensation for service as a witness. Claims for court leave must be supported by written documents such as a subpoena, Marshall's statement of attendance and compensation for service, per diem and travel.

(B) Employees will only receive court leave pay from the AMHS for the actual time that they are physically unable to work because they either have not been excused or have been selected and physically serve on a jury, or as a witness. In all cases, the individual must present proper documentation in accordance with Rule 23.

In order to assure pay during the time involved with court duty, employees should submit a request for annual leave for the affected pay period(s) and accrual balance adjustments will be made when the verification documents are given to the personnel of the AMHS.

(C) Seniority shall accrue while the employee is on paid court leave for the time absent from work provided the employee was eligible for assignment based on his or her seniority.

23.09 UNION BUSINESS LEAVE.

(A) All Deck Officers shall donate six (6) hours of vacation on April 1 of each year provided that the Deck Officer's balance is at least eighty-four (84) hours. Such vacation shall be converted to dollars at the hourly rate of the donor and transferred to the Union Business Leave Bank. Withdrawal requests from the Bank will be for purposes of contract negotiations, executive meetings, training sponsored by the Union and other purposes as may be determined by the Vice President of the International Organization of Masters, Mates and Pilots, Pacific Maritime Region. Requests for withdrawal from the Bank shall be made only by the Vice President to the Director of Labor Relations on forms mutually agreed on by the parties and furnished by the Union. All vacation transferred to the Bank is final and not recoverable for recredit to an individual's vacation account.

(B) Deck Officers shall be allowed to voluntarily donate vacation to the Union Business Leave Bank, subject to the following procedures and conditions:

1. Each Deck Officer wishing to donate vacation will fill out, date and sign a vacation request showing the amount of vacation he or she wishes to donate.
2. Each such vacation request will have written or typed along the bottom, "Vacation donation to International Organization of Masters, Mates and Pilots, Pacific Maritime Region, Union Business Leave Bank. "

3. International Organization of Masters, Mates and Pilots, Pacific Maritime Region, will deliver all such vacation requests to the Alaska Marine Highway System. The vacation hours shall then be converted to dollars at the hourly rate of the donor and be transferred to the Union Business Leave Bank.
4. The Employer will not be responsible for the collection, or any statements made in relation to the collection, of said donations.
5. All donations are final and not recoverable for recredit to the donor's account.
6. It is understood that such voluntary vacation donations are in addition to the mandatory vacation donation required under Rule 23.09(A).

(C) The release of Deck Officers from duty for Union business leave shall be handled on the same basis as release for vacation. Approval for such release shall not be unreasonably withheld by the Employer.

23.10 When a Deck Officer presents a vacation request to the Employer at least ninety (90) calendar days in advance of the proposed starting date, the Employer shall have forty-five (45) calendar days in which to approve or disapprove the request. Such requests shall not be unreasonably rejected and the Employer shall provide written reasons for any such rejections to the Employee and the Union. Vacation dates approved under this Rule shall not be revised until all other alternatives have been exhausted. This Rule applies to vacation requests received outside the Scheduling Committee.

23.11 Vacation Relief Deck Officers will be paid overtime at time and one-half (1-1/2) for the hours worked in excess of the normal straight-time number (one thousand and ninety-two [1,092]) shown by the Employer's June and December audits, and the provisions of Rules 22.01 and 22.02 will not apply to the overtime portion of the audit, however, shall apply to the calculation of minimum guarantee. The audits are to be provided to the Vacation Relief Deck Officer on or before August 1 and March 1 respectively.

RULE 24 - HOLIDAYS

24.01 The following holidays shall be recognized holidays: New Year's Day, Martin Luther King, Jr. Day, Lincoln's Birthday, President's Day, Seward's Day, Memorial Day, Independence Day, Labor Day, Alaska Day, Veterans Day, Thanksgiving and Christmas Day, or other days as may be declared as legal holidays by the Governor of Alaska.

24.02 All holidays shall be given off with pay to Deck Officers scheduled to work. If a Deck Officer is required to work on a holiday, he or she shall be paid at the overtime rate for the actual hours of work and in addition, shall receive Holiday Pay of twelve (12) hours at the straight-time rate. For purpose of this section only, actual hours of work on crew change day will be considered to be six (6) hours. If a holiday falls on the Deck Officer's scheduled day off, he or she shall receive a day's Holiday Pay.

24.03 All holidays will be paid at the twelve (12) hour rate. In addition, Deck Officers required to work on a holiday on their assigned day off will be paid at the overtime rate for the day worked. Assigned days off will include the Deck Officer's scheduled week, or scheduled time off while on sea watches, the Deck Officer's scheduled two (2) consecutive days off while at a shipyard or tie-up terminal as provided for in Rule 16.01, and vacation. Should a holiday occur

while the Deck Officer is on sick leave and during a week which would have been the Deck Officer's normal workweek, the Deck Officer shall receive Holiday Pay and such hours will not be charged to sick leave.

24.04 A Deck Officer will be credited a holiday for pay purposes when said Deck Officer is in pay status within fourteen (14) days of the holiday. To be a "Deck Officer" for this section, he or she must have been hired prior to the holiday, and must not have terminated before the holiday.

24.05 OBSERVANCE OF HOLIDAYS. A designated holiday will normally be observed on the calendar day on which it falls, except when the holiday falls on Saturday, the holiday shall be observed on the preceding Friday, or if the holiday falls on Sunday the holiday shall be observed on the following Monday.

24.06 Effective July 1, 1996, Lincoln's Birthday shall be considered a floating holiday. On the day of the holiday, each member eligible for a holiday in accordance with Rule 24.04 shall have their annual leave account credited with one day of leave.

RULE 25 - MINIMUM GUARANTEE

25.01 All Deck Officers working regular assignments as a part of the crews shall receive in wages not less than eighty-four (84) times the basic straight-time rate for each two (2) week pay period. Holiday Premium Pay and Holiday Pay during assigned time off shall be paid in addition to the guarantee. Deck officers working regular assignment of 168 hours shall receive the basic straight time rate of pay for the respective pay period, so that in two consecutive pay periods he or she shall receive a total of 168 hours of compensation.

RULE 26 - SENIORITY

26.01 Deck Officers who have completed six (6) months of continuous service shall establish seniority with the Employer. There shall be two (2) separate seniority rosters as follows: A Deck Officers' Seniority Roster to be used for determining the respective rights of all Deck Officers; and a Masters' Seniority Roster.

(A) Any Deck Officer having six (6) months or more continuous service as a Deck Officer will be placed on the Deck Officers' Seniority Roster commencing with the first day of employment as a Deck Officer under this Agreement.

(B) (1) The Masters' Seniority Roster shall include all Deck Officers who have been promoted to and established seniority as Master, and are serving in either the capacity of Master or Pilot. All Masters or Pilots shall be placed on the Deck Officers' Seniority Roster after having completed six (6) months of continuous service. A Master will be placed on the Masters' Seniority Roster, retroactive to first date of service in the Master's capacity, after completion of ninety (90) working days as a Master. Deck Officers or Masters who are employed on the same date shall have their seniority determined by lot.

(2) In the event of a Master having to leave a vessel during a work assignment due to injury, illness or other bonafide emergency a Chief Mate or Pilot may be assigned to Master to complete that particular work assignment. The Chief Mate or Pilot will not establish a Master's seniority date due to this temporary emergency assignment.

(C) For purposes of this Rule, continuous service shall be defined as having been compensated for a minimum of eighty-four (84) straight-time hours worked in successive calendar months. In computing continuous service, a workweek which commences in one (1) calendar month and ends in another shall be credited to the month in which the workweek began unless the employee has been compensated for eighty-four (84) hours of work by the end of the calendar month in which the assignment began. In such cases the hours compensated in the following month shall be credited to that month for the purpose of computing service.

26.02 The seniority rosters will be revised in June of each year and shall be open for correction for a period of sixty (60) days from the date of posting upon presentation of proof of error in writing by any Deck Officer or designated representative. Any seniority date that is not protested within sixty (60) days from date of its first appearance on the seniority roster will not thereafter be subject to protest, except for correction of typographical error. The Union shall be furnished copies of such rosters. If the need arises, seniority rules may be amended by mutual agreement between the Employer and the Union and if the rules are amended, the Employer shall publish revised rosters and provide copies to the Union and to each Deck Officer. In application of seniority the Union shall administer and decide any dispute. Disputes that arise involving the Employer shall be processed through the disputes procedure under Rule 14. Grievances that involve only the Union shall be resolved through the procedures set forth in the Union's Constitution and by-laws.

26.03 In reducing or increasing personnel, seniority as indicated by the Deck Officers' Seniority Roster shall govern, and when layoffs become necessary, the last Deck Officer hired shall be the first laid off. When Deck Officers are called back to service, the last laid off shall be the first restored to work. Transfers between vessels or terminals and travel in exercising seniority retention rights will be at the Deck Officer's expense and the overtime pay rules will not apply.

In the event a senior Deck Officer is temporarily assigned to a grade reduction, he or she shall receive the rate of pay for his or her regular permanent position. However, in the event of a reduction in force, Deck Officers shall be paid at the rate of their resultant assignments.

26.04 When a regularly assigned Deck Officer's position becomes vacant, the position shall be filled by written request on the basis of Deck Officers seniority for all regularly assigned positions except Master. The employer shall serve notice of all such vacancy within fifteen (15) days. Notice shall be posted on each vessel, at the Juneau Office, and the Union shall be notified. Request for assignment will be accepted for thirty (30) days from the date of notification of a vacancy. The position will be filled no later than the fifteen days following this period. The assignment will then be implemented on the next Deck Officer's assignment schedule or in any event within four months. If a vessel is in an extended shipyard or lay-up period, defined as a period exceeding four months, implementation of the assignment may be delayed until the vessel returns to service.

In the event that the Employer believes any Deck Officer, except Master (See Rule 26.06), to be unacceptable for a position for which such Deck Officer has submitted a request, the Employer may reject such Deck Officer's request if, and only if, the Employer promptly notified both the Union and the Deck Officer involved (in writing) of the rejection, and of each and every reason relied upon by the Employer in rejecting the request. Any Deck Officer whose request for consideration is so rejected shall have the absolute right to protest such rejection under the provisions of this Agreement relating to disputes, and in the event that the rejection is finally determined to have been without sufficient cause, such Deck Officer shall immediately be accepted for the position for which he or she was rejected, and reimbursed for any wages lost due to such rejection.

26.05 Whenever a Chief Mate's position becomes vacant, those Deck Officers currently serving as Chief Mates shall be afforded the opportunity to transfer. The Port Captain shall consult the Master of the vessel before selecting a Deck Officer to fill the Chief Mate's position. Third Mate Trainee positions on Puget Sound route vessels shall not be regularly assigned positions.

26.06 When a Master's position becomes vacant, those persons on the Masters' Seniority Roster, and are qualified and competent, shall be afforded the opportunity to transfer. In determining assignments in accordance with this rule, Masters' seniority, as determined by the Masters' Seniority Roster, shall be given full consideration. If a Deck Officer is denied a transfer, the Deck Officer may file a grievance under the Rule 14.

In the case of a promotion to a Master's position, those applying for the job shall apply on a form supplied by the Employer specific to the Master's position.

Applicants shall be reviewed by a Peer Review Board consisting of 3 members designated by the Union. The Board shall rank the candidates and provide the list to the Employer. The Employer shall select the Master considering the Board's list.

If the Board disagrees with the Employer's selection the Union may contest the decision. If the Union contests the decision the dispute will be submitted to an arbitrator. The arbitrator's decision shall be limited to considering whether the Employer acted in an arbitrary, capricious or discriminatory manner. The arbitrator shall not substitute his/her judgment for that of the Employer. The arbitrator, if he/she finds against the Employer, shall be limited to ordering a new selection process.

26.07 Except for promotion from Third Mate to Second Mate, all promotions shall result in a probationary period of ninety (90) working days.

26.08 Whenever a Deck Officer who has established seniority with the Employer is transferred from a vessel to a management position or is elected or appointed to a full-time Union position, he or she shall continue to accrue seniority.

26.09 Deck Officers may be granted leaves of absence limited, except in cases of physical disability, for a period of six (6) months in any calendar year without the loss of seniority. Retention of seniority during a longer leave of absence may be arranged for by agreement between the Employer and the Union. Leaves of absence will not be granted to Deck Officers to work in other industries unless mutually agreed to between the Employer and the Union.

26.10 Seniority shall be terminated and the Employer-employee relationship shall be severed by the following conditions:

- (A) Discharge for cause.
- (B) Continuous layoff of twelve (12) months duration.
- (C) Resignation.
- (D) Failure to return from leave of absence, vacation or seasonal layoff on agreed date, emergencies excepted, unless otherwise mutually agreed upon by both the Union and the Employer.

RULE 27 - HEALTH AND WELFARE

- A. The Union will provide an employee-directed health insurance plan through a health insurance trust. This insurance program may be funded by both Employer and employee contributions. The Employer's contribution is any amount not to exceed seven hundred and forty-two dollars (\$742.00) per eligible employee per month, effective July 1, 2004.
- B. Effective July 1, 2005 the Employer contribution to the health insurance plan shall be increased by either the amount increase as recommended by the Employer's actuary or what the actual increase of the Economy plan Employer contribution is; whichever is greater.
- C. Effective July 1, 2006 the Employer contribution to the health insurance plan shall be increased by either the amount increase as recommended by the Employer's actuary or what the actual increase of the Economy plan Employer contribution is; whichever is greater, per month per eligible employee.
- D. Eligible employees shall pay by payroll deduction any difference between the employer contribution and the total premium required to provide the health care coverage for the employee, spouse and dependents.
- E. Under no circumstances shall the State be responsible for the payment of any benefits under the health and welfare plan or plans administered by the Union or its agents, successors, or assignees. No disputes under or relating to such benefits shall be subject to the grievance arbitration procedure in the collective bargaining agreement except an allegation that the Employer failed to make the agreed upon contributions.

The Union agrees and undertakes to assure that any alternative insurance plan or health and welfare plan implemented under this agreement is in compliance with all applicable Federal and State laws and regulations.

The State is not a party to, and has no obligations arising under such a plan. However, the State does recognize and acknowledge that the prompt and accurate payment of contributions is essential to the maintenance of the plan.

The parties acknowledge that discrepancies between employee eligibility and corresponding contributions will frequently arise and may exist in any month. The parties will exercise all due diligence in reconciling contributions and eligibility on a monthly basis, including adjustments of overpayments and underpayments as may be necessary.

RULE 28 - PENSIONS AND POST-RETIREMENT HEALTH BENEFITS

28.01 The Deck Officers shall enjoy the retirement benefits as outlined in the applicable statutes relating to the Public Employees' Retirement System (PERS).

28.02 The parties agree that they will continue to participate in the Northwest Marine Retirement Trust (NMRT) for the sole purpose of permitting Deck Officers with service prior to the effective date of this Section, to vest under the NMRT. The Employer agrees to pay six dollars (\$6.00) per Deck Officer per year as the cost of maintaining such participation.

28.03 In order to provide for the post-retirement health coverage of Masters, Mates, and Pilots members who retired from the State of Alaska under the provisions of the Masters, Mates and Pilots' entry into the PERS, the parties agree that eligible retired employees shall have post-retirement health benefits under the terms of the PERS. The term "eligible retired employee" means a former employee of the State in the Masters, Mates and Pilots' bargaining unit (and his or her eligible dependents) who retired prior to the Masters, Mates and Pilots' entry into PERS under a pension provided by the Northwest Marine Retirement Trust, and who makes timely application for PERS post-retirement health coverage, as required by PERS.

The Employer shall be responsible for the full cost of providing this coverage. It is recognized that this cost, or any increases to it, will be taken into account in forming the economic package of the successor Agreement. In a similar manner, any increases to the cost of this coverage during the life of the successor Agreement shall be taken into account during future collective negotiations.

RULE 29 - SICK LEAVE

29.01 Deck Officers with a minimum of six (6) months' service (an accumulation of one thousand and ninety-two [1,092] straight-time hours) shall accrue sick leave credit at the rate of fifteen (15) hours for each completed month of service.

29.02 Each Deck Officer's sick leave credits are terminated on the same basis as seniority credits.

29.03 Sick leave may be claimed from the accumulated days of credit for any Deck Officer for illness or injury which incapacitates the Deck Officer to the extent that the Deck Officer is unable to perform assigned work. The Deck Officer shall notify the Employer of incapacitating illness or injury at the earliest possible time so that arrangements for a relief Deck Officer can be made.

29.04 All sick leave claims must be accompanied by a doctor's certification to support the claim for more than five (5) consecutive days when so requested by the Operations Manager, Alaska Marine Highway System. This verifying statement must be presented upon the Officer's return to work, or the absence will be regarded as unauthorized and unexcusable and subject to disciplinary action. The doctor's certification is to cover the period from the date the Deck Officer became incapacitated until the date that the Deck Officer became fit for duty, disregarding the Deck Officer's scheduled crew change date. The Deck Officer shall normally be returned to duty at the next scheduled crew change date of the assigned vessel at his or her change port following the date of presentation of the doctor's certificate. A Deck Officer may use either vacation or authorized leave without pay, at his or her option, on interim days between scheduled crew change date and the date the Deck Officer becomes fit for duty.

29.05 FUNERAL LEAVE. Sick leave can be claimed for funeral attendance of deaths in the immediate family to the maximum of eighty-four (84) hours. "Immediate family" is defined as father, mother, husband, wife, sons, daughters, brothers, sisters, grandparents, grandchildren, father-in-law and mother-in-law. It shall be the Deck Officer's responsibility to provide evidence of such attendance.

29.06 FAMILY LEAVE The parties agree that the provisions of the Federal Family and Medical Leave Act (FMLA) and the Alaska Family Leave Act (AFLA) apply to bargaining unit members.

29.07 No sick leave may be used in excess of that accrued as of the date leave commences. Upon return to work, leave accrued during the Deck Officer's absence becomes payable.

29.08 Accumulated unused sick leave will be paid to the beneficiary at the Deck Officer's current rate of pay when death occurs during employment and prior to retirement.

29.09 Sick leave may be claimed when there is illness within the Deck Officer's immediate family which requires the attendance of the Deck Officer at the direction of a physician. Such absences shall in all instances be supported by a physician's certificate.

29.10(A) Those individuals on leaves of absence taken in accordance with Rule 26.08 shall retain their sick leave balances in accordance with the following schedule:

- 0 - 3 years on leave--full sick leave balance
- 3 - 6 years on leave--75 percent of full sick leave balance
- 6 - 9 years on leave--50 percent of full sick leave balance
- 9 - 12 years on leave--25 percent of full sick leave balance
- 12 or more years on leave--0 percent of full sick leave balance

(B) In addition, the beneficiaries of those individuals on leaves of absences taken in accordance with Rule 26.09 will be paid the sick leave balance existing at the time of the Deck Officer's death, when death occurs prior to retirement.

RULE 30 - STANDARD DRESS AND EQUIPMENT

30.01 All licensed Deck Officers will be required to wear a standard navy blue uniform with regulation gold braid, regulation uniform cap with gold braid, and Alaska Marine Highway System insignia; white cap cover, black shoes, dark hosiery, white shirt and black tie. Uniform will be clean and neatly pressed at all times, along with clean, white cap cover.

30.02 Effective July 1, 1994, the Alaska Marine Highway System will pay the individual Deck Officer thirty dollars and seventy eight cents (\$30.78) per pay period. There shall be no deductions during periods of vacation or sick leave. Deck Officers leaving the service for any reason shall be paid a prorated portion of that amount.

30.03 During inclement weather, Masters will wear either regular navy blue topcoat or raincoat. Mates, while loading or unloading vessels during inclement weather, may wear with the approval of Management, a regular navy blue watch jacket or raincoat.

30.04 Management may authorize and prescribe a summer uniform if considered desirable.

30.05 There is established a navigational equipment and maintenance fund of \$45,905.00 per year of this agreement. Each Deck Officer in pay status in the preceding June shall be entitled to a per capita distribution of this fund in the first pay period in July of each year of this agreement.

RULE 31 - RESTRICTIONS

31.01 It is understood that the Agreement at all times shall be applied subject to federal laws, State laws and Executive Orders to the extent that these affect the employees of the State and the public interest.

RULE 32 Pass Privileges

32.01 Deck Officers with two (2) years of company seniority as per Rule 26.01 will be issued annual passes upon request for the Deck Officer and spouse, subject to the following:

(A) The Deck Officer, dependents and personally-owned vehicle shall be authorized free transportation on a space available basis only. See Rule 32.07(A) for vehicle specification. Dependent children shall be eligible for pass privileges to age nineteen (19) years old or enrolled as a full-time student at an accredited university.

(B) The Deck Officer's vehicle shall not travel on a pass while the Deck Officer is on duty unless the vehicle is accompanying the Deck Officer's dependent(s), or with the specific approval of the Juneau Headquarters office. Employees on duty shall not transport other employee's vehicle on an annual pass.

(C) Two personally owned vehicles may be listed and travel on an annual pass, but only one vehicle may travel at a time.

(D) No pass shall be used for transporting goods for resale or for any purpose other than personal use.

(E) There shall be no excessive transport of a pass-listed vehicle nor joy-riding by dependents or the Deck Officer. Any contention or confirmation of a violation of this Rule will be made known to the Union at the earliest possible time. Should the Union fail to resolve the matter immediately, Rule 32.08 shall be initiated by the Employer.

32.02 Deck Officers and/or their dependents traveling on passes will pay for all meals consumed and for berths if used at the prevailing prices paid by fare paying passengers. Meals will be taken in public dining areas and not in the crew mess. Any abuse will subject the involved employee(s) to possible discipline and loss of pass privileges.

32.03 Deck Officers who retire from the Alaska Marine Highway System and are receiving a PERS or NMRT pension shall receive an annual pass for themselves, their spouse, dependents under nineteen (19) years of age, and for their personally-owned vehicle. Dependents of deceased Deck Officers (whether retired or current) will continue to be eligible for pass privileges. Only one vehicle per employee will be allowed a retirement pass. A retired employee's vehicle must be registered and licensed appropriately.

32.04 All Deck Officers who have established seniority with the Employer will be entitled to trip pass privileges.

(A) Trip passes are to be used exclusively for employees who have established seniority but have not attained the 2 years to be eligible for an annual pass, except as authorized in this rule.

(B) A trip pass may be authorized for a new vehicle purchase that will be registered by the employee to be put on their annual pass, based on the requirements of Rule 34.07(A).

(C) Trip passes shall be authorized for Deck Officer's vehicles to and from a yard or lay-up period. In this circumstance the employee may also be authorized to accompany the vehicle while on duty.

(D) Trip passes may be authorized for special circumstances as determined by the employer.

32.05 If the date of travel on an approved pass does not correspond with the actual date of travel, the Deck Officer and/or dependents involved must attempt to secure proper approval from Juneau Headquarters office. Annual pass changes and trip pass requests must be made to the Pass Desk at Juneau Headquarters at least two days prior to the requested travel date.

32.06 Open date and/or multiple date time frames for date of travel may be used at the discretion of the Juneau Headquarters issuing officer on an individual basis when authorizing trip passes.

32.07 PERSONALLY-OWNED VEHICLE.

A Deck Officer's personally-owned vehicle is defined as: Any non commercial vehicle less than twenty-three feet in length. The vehicle must be registered in the name of the Deck Officer, the Deck Officer's spouse or dependent child, or the Deck Officer must sign an affidavit to the effect that it will be registered in the name of the Deck Officer, the Deck Officer's spouse or dependent child upon arrival in Alaska and that the vehicle is for the use of the Deck Officer, the Deck Officer's spouse or dependent child and is not intended for resale within a period of one (1) year. For an active employee to have a personally owned vehicle shown on an Annual Pass, it must be registered and licensed by the State of Alaska Personally owned vehicle not licensed and registered in Alaska shall be entitled to one round trip per year.

(B) A vehicle and trailer may be transported on a trip pass basis subject to the following restrictions:

- (1) A vehicle and trailer length will be determined as the connected length overall. The trailer must be towed by a vehicle listed on the employee's annual pass and shall not be allowed to be transported unaccompanied. The first 30 feet will be allowed as free passage, any length over 30 feet will be based on the current fare tariff in place for the difference between the overall length and 30 feet of total connected length of vehicle and trailer.
- (2) The fee charged does not provide confirmed reservations and transportation is still on a space available basis.
- (3) If a trailer is to be transported in accordance with this rule, the trailer is to be licensed for highway use.

32.08 Unauthorized use of or abuse of the pass privilege shall be cause for revocation of the Deck Officer's pass and possible disciplinary action.

RULE 33 - MANAGEMENT CLAUSE AND UNION RIGHTS

33.01 Subject to the terms and conditions of this Agreement the Employer retains the right and duty to manage its business, including the right to adopt regulations governing the appearance, dress, conduct and work procedures of its Deck Officers as are reasonably required to maintain safety, efficiency, quality of service and the confidence of the traveling public. The Union reserves the right to intercede on behalf of any Deck Officer who feels aggrieved because of the exercise of this right and to process a grievance in accordance with Rule 14. The existence of this clause shall not preclude the resolution of any such grievance on its merits.

33.02 The parties agree to form a Labor/Management Committee for the purposes of making recommendations on means to improve operating efficiencies and safety on vessels in the fleet.

RULE 34 - DISCIPLINE

34.01 It is recognized the Employer has the right and duty to institute disciplinary actions against any Deck Officer who has committed an infraction of the Employer's policies, rules or regulations. Such disciplinary action is to be administered fairly and be commensurate with the offense committed by the Deck Officer.

34.02 Certain offenses shall be grounds for immediate discharge including, but not limited to: drinking alcoholic beverages or illegal use of drugs on board during the Deck Officer's workweek, or reporting to work under the influence, theft or willful destruction of State property, insubordination, excessive absenteeism, falsifying records, leaving the vessel without being properly relieved or without permission of their department head.

34.03 All licensed Deck Officers will be required to be tested for illegal substance use prior to hiring, on reasonable suspicion, after a serious marine incident, and randomly on a periodic basis. If an employee tests positive, he or she will be suspended from duty without pay or benefits pending an investigation and may be subject to discipline up to and including dismissal. If an employee tests positive, the employee may, at their option, request that the second sample of the split specimen be tested at a different approved lab in accordance with the Code of Federal Regulations (49 CFR, Subtitle A). If the USCG revokes an employee's documents, the employee will be terminated.

The Employer will consider applications for employment from a former employee discharged for a positive drug test who has completed a drug rehab program and regains USCG documents.

RULE 35 - CONDITIONS NOT SPECIFICALLY COVERED

35.01 In the event operating conditions or service requirements arise due to length of voyage or other reasons not specifically covered by Agreement, the parties agree to confer immediately for the purpose of arriving at a mutually satisfactory supplemental covering such operations.

RULE 36 - SAVINGS AND SEPARABILITY

36.01 If any Rule of this Agreement or any Addendums thereto should be held invalid by operation of law or by any tribunal or body of competent jurisdiction, or if compliance with or enforcement of any Rule should be restrained by such body or tribunal, the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a replacement of such rule.

RULE 37 - TERM OF AGREEMENT

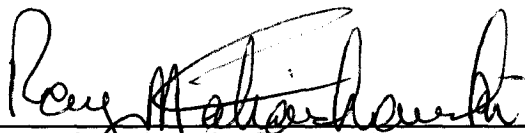
37.01 This Agreement shall become effective July 1, 2004, except where otherwise provided, and shall remain in effect through June 30, 2007 and shall be automatically renewed from year-to-year thereafter unless either party gives written notice to the other of its desire to amend or terminate same during the period from February 1, 2007, to April 1, 2007, or, in the event of automatic renewals, during the period from February 1, to April 1, of any subsequent year. Automatic renewals pursuant to this Rule shall not conflict with AS 23.40.210.

37.02 The parties recognize that any monetary provisions of this Agreement are subject to legislative appropriation in accordance with AS 23.40.215. Therefore, terms of this Agreement which require legislative appropriation shall not be implemented until an appropriation, adequate and for the specific purpose of funding this Agreement, becomes law.

37.03 The parties acknowledge that implementation of the monetary terms of this Agreement is subject to AS 23.40.215. If legislation required by AS 23.40.215 is not passed by the end of the legislative session, or if such legislation is rejected by the legislature, this Agreement shall not be binding upon the parties and the parties shall immediately re-enter negotiations to be conducted in accordance with AS 23.40.215.

For the State of Alaska:

For the International Organization of
Masters, Mates & Pilots:



Ray Matashowski, Commissioner
Department of Administration



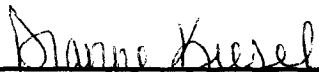
Captain Steven Demeroutis
Vice President, Pacific Maritime Region



Art Chance, Director
Labor Relations
Department of Administration



Nancy Sutch, Chief Spokesperson
Department of Administration



Dianne Kiesel, Labor Relations Analyst
Department of Administration

APPENDIX A

Public Employees' Retirement System

The parties recognize that the following terms applied to the entry of the Deck Officers' bargaining unit into the Public Employees' Retirement System (PERS):

- (A.) Deck Officers were credited for a maximum of five (5) years of past service, retroactive from date of entry into PERS, for both vesting and benefits purposes, at the Employer's expense.
- (B.) Deck Officers would be allowed to purchase, at individual expense, a maximum of an additional three (3) years of past service. Individuals who opt to do so will establish a PERS indebtedness account, and will pay the full actuarial cost of the service purchased, plus any interest that is mandated by PERS.
- (C.) In no event would a Deck Officer be credited with an amount of past service which exceeds the time that individual has actually served in this bargaining unit during the eight (8) years preceding this bargaining unit's entry into PERS.
- (D.) Except as specifically provided in Rule 28 of the collective bargaining agreement, or in this Letter of Agreement, from and after the date on which Deck Officers enter PERS they will be subject to all of the terms and conditions of PERS as it exists on that date, or as it may be lawfully modified from time to time thereafter.

LETTER OF AGREEMENT

Between the
STATE OF ALASKA
And
ALL LABOR ORGANIZATIONS
Recognized as Exclusive Representatives of
Bargaining Unit Members
Employed by the
State of Alaska

Re: Statewide Labor/Management Committee on Delivery of Public Services
LOA 00-AII-208

The signatories to this agreement hereby agree to the formation of a Statewide Labor/Management Committee on the modernization, efficiency, and effectiveness in the delivery of public services. The Committee is established to review, investigate and discuss, in a spirit of openness and cooperation, the means and methods for the most cost efficient and effective means by which state government may deliver services to the public, including fiscal, policy, procedural and legislative issues which may impact the operations of the executive branch, with the intent to promote agreement on matters which will modernize the delivery of services, enhance operating efficiencies, promote safety and related issues. The Committee may review all means by which services are now, or may in the future, be delivered, including the use of private sector vendors and all factors which may impede or enhance the direct delivery of services by state agencies. The Committee may not modify the terms of any collective bargaining agreement, but may make recommendations to the parties regarding desired changes on any subject, whether or not such subject matter is currently addressed in a collective bargaining agreement(s). Parties may, by mutual agreement, amend labor contracts as appropriate to incorporate or effectuate recommendations of the Committee.

This letter of agreement does not negate any established labor management committees between any of the parties, whether established through individual letters of agreement or through collective bargaining agreements. The Committee shall meet as provided for in the Committee's By-Laws, provided, however, that the Committee shall meet not less than four (4) times a year with the Commissioner of Administration to report on its findings and recommendations:

SUPPLEMENTAL AGREEMENT
to the
COLLECTIVE BARGAINING AGREEMENT
between the
State of Alaska
and the
INTERNATIONAL ORGANIZATION OF MASTERS, MATES AND PILOTS
PACIFIC MARITIME REGION

It is hereby understood and agreed between the parties that the following is intended to supplement the Master Agreement entered into between the State of Alaska and the International Organization of Masters, Mates and Pilots, Pacific Maritime Region, and is intended to amend that Master Agreement only in regard to issues unique to the Fast Vehicle Ferry MV Fairweather. The Master Agreement without this Supplement is intended to cover the entire system. The entire Master Agreement is intended to apply to the Fast Vehicle Ferry MV Fairweather unless an entire Rule or a subsection of a Rule is specifically modified, amended, or otherwise superseded by this Supplemental. The Master agreement is not modified other than as specifically addressed in the Fast Vehicle Ferry MV Fairweather Supplemental Agreement.

It is understood between the parties that this Supplemental has been negotiated to address the specific service needs for the MV Fairweather. The party's intent is to address the needs and safety of the traveling public and the Deck Officers working this service. Due to the unique nature of the service the parties acknowledge there may be unforeseen issues or problems that may emerge or develop during implementation and running of this service and agree to meet as soon as possible in order to address such issues or problems.

Rule 8- Health and Safety

8.07 There are no quarters aboard the M/V Fairweather. When a Deck Officer not holding a bid position aboard the M/V Fairweather is assigned to work on the M/V Fairweather, the provisions of Rule 12 shall apply.

Rule 9 – Occupational Injury and Illness

9.01 Unearned Wages: In the event a crewmember becomes ill or is injured while in the service of the M/V Fairweather, he/she will receive wages to the end of the workday. In the event that a crewmember becomes injured while in the service of the M/V Fairweather, and a report is filed and not successfully controverted, he/she will be entitled to wages for three working days or less, if not later compensated.

This rule shall not supersede the Union's or Employer's respective positions, nor waive the right of the respective parties to pursue such positions, as contained in the Master Agreement.

Rule 11 - Cash Allowance for Subsistence and Quarters

11.01 When a crewmember is in work status, and remains away from the assigned change port overnight or nights, they shall be entitled to a quarters allowance of sixty-five dollars (\$65.00) per day. In the event that the rate for lodging designated in the State Administrative Manual for Southeast Alaska is adjusted, the rate specified herein shall be adjusted by the same dollar amount.

11.02 When a crewmembers is in work status, and is away from the assigned change port for two (2) hours or more outside normal duty hours, they shall be entitled to meal per diem in accordance with this rule until the employee is returned to the assigned change port or the employee is assigned to a vessel upon which meals and quarters are provided, whichever comes first.

Per diem for meal allowance shall be forty-one dollars (\$41.00) per day. In the event that the rate for meal allowance designated in the State Administrative Manual for Southeast Alaska is adjusted, the rate specified herein shall be adjusted by the same dollar amount.

Rule 15 – Working Conditions

15.05 All classroom training, prior to becoming type and route rated shall be considered training operations. During training operations, all hours in port in excess of eight and four-tenths (8.4) hours per day or five days, forty-two (42) hours per week shall be paid at the overtime rate of one and one-half times the hourly rate. All training aboard the M/V Fairweather, while on the run, will be paid at 12 hours at the straight-time rate of pay.

Probationary Crewmember: All crewmembers shall be considered probationary during type and craft rating on the M/V Fairweather. If a crewmember accepting a bid position aboard the M/V Fairweather and holding permanent status in another position fails to satisfactorily complete the training, they will be returned to their former position if vacant. If the former position is filled, they may exercise seniority to bid a position elsewhere in the fleet. This probationary language does not apply to crewmembers attending training aboard the M/V Fairweather that do not have bid positions on the M/V Fairweather.

Rule 16 – Shipyard and Terminal Work

For any yard or maintenance period scheduled to be three (3) weeks or less in duration, which may be extended by mutual agreement, the working hours, crew, and all other terms and conditions of the Master Agreement shall apply as if the vessel is in underway status and twelve (12) consecutive hours shall constitute a days work. During this status, the provisions of Rule 16.01, 16.02, 16.03 and 16.04 shall not apply.

If the yard or maintenance period is scheduled for longer than three (3) weeks in duration, or as extended by mutual agreement, the provisions of Rule 16 of the Master Agreement shall apply.

When the vessel is in lay-up status, the Employer shall determine crew requirements, and the appropriate time periods and terms and conditions as described above shall apply. However, during all times a vessel is in layup or in a shipyard, the Master shall be the first crew member assigned and the last crew member removed.

Rule 17 – Pay Plan

Add to Rule 17.01 (A)

Upon legislative approval of monetary terms the following shall apply to the Licensed Deck Officers of the M/V Fairweather:

| Job Classification | Hourly Rate | Hourly Overtime Rate |
|--------------------|-------------|----------------------|
| Master | \$39.69 | \$59.54 |
| Chief Mate | \$33.34 | \$50.01 |
| Second Mate | \$27.77 | \$41.66 |

Note: The pay-period for all Licensed Deck Officers shall be the same as all other vessels covered under the Master Agreement.

Rule 18 – Hours – Vessel on Run

18.01 Twelve(12) consecutive hours shall constitute a day's work. All work in excess of the twelve (12) consecutive hours shall be compensated at the overtime rate and the provisions of Rule 22 shall apply.

Rule 21 – Late Arrival

Does not apply.

Rule 23 – Leave

Application of Rule 23 shall apply retroactively to July 1, 2004. Leave accrued from July 1, 2004 to the effective date of this agreement will be used for leave purposes only and may not be cashed out.

23.03 (F) Vacation leave normally shall be taken during time of winter operations when the vessel is in a reduced service capacity. Licensed Deck Officers of the M/V Fairweather may be granted up to two weeks of vacation during the period of May through September. Requests for additional leave during summer operations will be considered on a case-by-case basis.

Rule 24 – Holidays

The application of the provisions under this Rule shall be applied retroactively to July 1, 2004, upon legislative approval of monetary terms.

Winter Operations

It is anticipated that reduced service will be provided for seven months of the year. **Reduced Service:** Any reduction in service that requires the vessel to be operational less than seven days per week.

Overtime for work on assigned days off: When a Deck Officer assigned to the M/V Fairweather has worked a regularly assigned workweek and is required to work on his/her three days off, he/she shall be paid at the overtime rate of time and one-half for the time worked.

Overtime for work in excess of 42 hours per work week: When a Deck Officer assigned to the M/V Fairweather has worked in excess of 42 hours per work week, he/she shall be paid at the overtime rate of time and one-half for the time worked.

Rule 19 of the master agreement shall be modified as follows: One crew will work and be paid for four days on, followed by three unpaid days off. Crewmembers of the Fairweather will have a forty-two (42) hour workweek. Daily schedules will be determined by operational schedule.

The Employer will make every attempt to give thirty-day notice to the Union of the commencement and completion of winter operations. The Employer shall give at least ten (10) working days written notice.

LETTER OF AGREEMENT
between the
STATE OF ALASKA
and the
INTERNATIONAL ORGANIZATION OF MASTERS, MATES AND PILOTS
(PACIFIC MARITIME REGION)

M/V Fairweather (Winter Operations)

Service during winter operations will be reduced to four days of service. Crewmembers will work four consecutive days, followed by three consecutive days off. Crewmembers of the Fairweather will have a forty-two (42) hour workweek. One crew will work and be paid for four days on, followed by three unpaid days off. Daily schedules will be determined by operational schedule. Each Licensed Deck Officer shall be guaranteed 42 hours of work or pay.

When a Deck Officer assigned to the M/V Fairweather has worked a regularly assigned workweek and is required to work on his/her three days off, he/she shall be paid at the overtime rate of time and one-half for the time worked.

Overtime for work in excess of 12 hours per day or 42 hours per workweek shall be paid at the overtime rate of pay.

Crewing requirements for the vessel shall be in accordance with the safe operation of the vessel as required by the United States Coast Guard.

Effective April 1 of each year of the agreement, one Master will be assigned to serve as a Training Officer. The work schedule for the Training Officer shall consist of five days on, followed by two days off, with each workday being 8.4 hours. During training operations, all hours in port in excess of eight and four-tenths (8.4) hours per day or five days, forty-two (42) hours per week shall be paid at the overtime rate of one and one-half times the hourly rate.

Effective April 15, 2005 all Deck Officers permanently assigned to the M/V Fairweather will be assigned to a yard period per the Supplemental Agreement between the parties.


Effective May 1, 2005 and through October 15, 2005, the vessel will be in summer operations and will operate with two crews working seven days on, followed by seven days off.

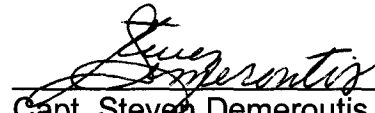
On or about October 16, 2005, the M/V Fairweather will enter into a three week yard/transition period. Deck Officers permanently assigned to the M/V Fairweather that have less seniority may be assigned to other vessels or will work in the yard on the M/V Fairweather.

Upon completion of the yard period the M/V Fairweather will resume full winter operations with one crew working four days of work, followed by three days off.

Two Licensed Deck Officers will be assigned for security for the three days off during winter operations. The workweek for these Licensed Deck Officers shall consist of four consecutive days, and each Licensed Deck Officer shall be guaranteed 42 hours of work or pay.

This letter of agreement shall be in effect until October 15, 2006, but can be extended with the mutual agreement of the parties.


Ray Matiasowski, Commissioner
Department of Administration


Capt. Steven Demeroutis
Vice President
IOMM&P

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October 5, 2005

Captain Steven Demeroutis
Vice President, Pacific Maritime Region
International Organization of Masters, Mates and Pilots
2333 Third Avenue
Seattle, Washington 98121


Dear Captain Demeroutis:

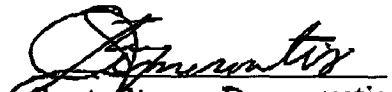
Re: Rule 17

This letter memorializes the understanding between the parties that effective July 1, 2004, the nonwatch pay was increased for both Masters and non-watchstanding Chief Mates and incorporated into the base wage.

For the State of Alaska:

For the IOMM&P:


Nancy Sutch
Chief Spokesperson


Capt. Steven Demeroutis
Vice President