

LETTER OF AGREEMENT
between the
STATE OF ALASKA
and the
MARINE ENGINEERS BENEFICIAL ASSOCIATION

Re: Chenega Bay, Tatitlek

LOA 09-BB-XXX

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3/6/09
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It is hereby understood and agreed between the parties that the following is intended to supplement the Agreement entered into between the State of Alaska and the Marine Engineers Beneficial Association (MEBA), to cover issues unique to providing service to the ports of Chenega Bay and Tatitlek. Unless specifically superseded by an item of this letter of agreement, it is agreed that the following provisions supplement the master agreement.

Subject to the provisions below, the State of Alaska shall have the ability to contract for passenger and vehicle service from and to the port of Chenega Bay and Tatitlek without regard to MEBA jurisdiction.

- A. The Employer has the right at all times to analyze its operation for the purpose of identifying cost-saving opportunities.
- B. Decisions to contract out shall be made only after the AMHS has conducted a feasibility study determining the potential costs and benefits that would result from contracting out the work in question. This includes issuing requests for proposals in order to review the feasibility of contracting out. The Employer agrees to notify the Union within one (1) week of its decision to initiate a study or, in the alternative, that it intends to review operational analyses for purposes of contracting out work. Such operating analyses shall constitute a feasibility study under this agreement. Notice to the Union shall include the intended duration of the contracting out.
- C. Notification to the Union of the results of the feasibility study will include all statistical and analytical information which the Employer will consider in making its decision regarding contracting out the work, including but not limited to the total cost savings the Employer anticipates.
- D.
 1. The Employer shall notify the Union of its final decision regarding contracting out.
 2. If the Employer decides to contract out and such contracting out will result in the direct displacement of employees, the Employer shall provide the Union with no less than thirty (30) calendar days notice that it intends to contract out bargaining unit work.
 3. The Union may then submit an alternate plan that is to include potential costs and benefits. During this thirty (30) day calendar period the Employer shall not release any bids and MEBA shall have the opportunity to submit an alternate plan that will be given fair consideration by the Employer provided the

plan is submitted not more than fifteen (15) calendar days after the Union has received the notice of intent to contract out. During this thirty (30) calendar day period, the Union shall have the opportunity to discuss the placement of affected employees.

- E. No employees shall be laid off and their work contracted out unless the feasibility study shows that contracting out would cost the Employer less.

In the event employees must be displaced as a result of contracting out, such displacement shall be made in accordance with the layoff provisions of the Master Agreement.

This agreement shall be effective upon signing and shall be coterminous with the 2008-2011 Master Agreement.

This agreement is entered into solely to address the specific circumstance of this particular situation. It does not establish any practice or precedent between the parties. This agreement shall not be referred to in any other dispute, grievance, arbitration, hearing, or any other forum, except as may be necessary for the execution of its terms.

FOR THE STATE OF ALASKA:

FOR THE MEBA:

Nicki Neal, Director
Division of Personnel
& Labor Relations

Ben Goldrich
Director

Date

Date

RULE 1 SCOPE

1.01 The Rules contained herein constitute an Agreement, as amended, between the STATE OF ALASKA (hereinafter referred to as the "Employer"), and the District #1—PCD, MEBA (AFL-CIO), (hereinafter referred to as the "Union" or the "Association, governing wages, hours and conditions of employment on the vessels owned, operated or chartered by the Alaska Marine Highway Systems and engaged in ferry operations in the waters of Southeastern and Southwestern Alaska, British Columbia, and Puget Sound.

1.02 Unique operational requirements pertaining to some of these vessels are addressed by Supplemental Agreement(s) amending this basic Agreement. 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 negotiations during its term except those that specifically arise through Rule 35.

1.03 Any additions, deletions or changes which are negotiated during the life of this Agreement shall be in the form of a written amendment or addendum and shall become part of this Agreement. No agreement altering this contract can be entered into without the participation of a duly elected negotiating team from the membership of the Alaska Marine Highway System. The negotiating team shall be elected for the term of this agreement. The negotiating team shall consist of two (2) members from the Southeast region and two (2) members from the Southwest region. Interpretation or clarification of provisions of the Agreement shall be set forth in memorandums of understanding. The bargaining team member requirement shall not be subject to the grievance procedure.

1.04 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 Engineer Officer, proper and reasonable notice shall be given to the Union. Should a dispute arise, it shall be settled in accordance with Rule 14.01.

1.05 In the event additional vessels owned, operated or chartered by the State are added to the fleet, the MEBA shall have jurisdiction over negotiating contract terms of engineering Personnel aboard those vessels and all work related to the operation and maintenance of machinery on those vessels shall belong to MEBA - District 1. ~~Commencing in calendar year 2005, the~~ The State of Alaska shall have the ability to contract for the passenger and vehicle service for the following ports: Angoon, Gustavus, Hoonah, Kake, Tenakee and Pelican without regard to MEBA jurisdiction.

RULE 2 RECOGNITION

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

RULE 3

PREFERENTIAL HIRING AND USE OF INFORMATION

3.01 The Employer recognizes the Union as the normal source of obtaining new Engineer Officers. The Union recognizes the Employer's legitimate interest in local hire. Accordingly, when dispatching Engineers to the Employer, the Union will, in all instances, observe the following order of preference for vessels located in Alaska:

1. Group I Alaska residents
2. Others in Group I
3. Group II Alaska residents
4. Others in Group II

Within each of the above categories the order of dispatch shall be according to the date that the individual last registered with the Union (i.e., the individual with the earliest date and time is the first offered the dispatch from the appropriate group).

3.02 Recognizing the passenger-carrying capacity and unique operational requirements of the Employer's vessels, the Union agrees, at all times, to accept applications and immediately register for work those employees who have at least three (3) years experience in the engine rooms of the Employer's vessels, have the required license, possess a lifeboatman's certification and have been certified by the Port Engineer and a Chief Engineer of the Employer as being capable of safely taking over a watch as a licensed Engineer. Individuals who meet the above criteria and subsequently terminate their employment with the Alaska Marine Highway System, lose all rights in this subsection if such rights were gained solely as a result of Alaska Marine Highway System employment. The Employer will promptly notify the Union of such terminations, and will furnish the Union a copy of the terminating Personnel Action form containing the pertinent information.

3.03 Due to geographic considerations, no Alaskan resident shall be required to physically be present in the union hiring hall or facility in order to be eligible for dispatch to the Employer.

3.04 When called upon to do so, the Union agrees to furnish the Employer with qualified, competent and satisfactory personnel for any classification covered by this Agreement. The Employer retains the right to reject personnel referred for employment, including the right to reject previously employed Engineer Officers for cause. Such rejection shall be subject to the grievance procedure.

3.05 In the event that the Union is not able to provide Engineer Officers on demand, the Employer may hire from other sources. The period of such hire may not exceed two (2) working weeks.

3.06 The Employer, in addition to its unrestricted right of selection of Chief and First Assistant Engineer, shall have the right to keep in continuous employment within its fleet any licensed Marine Engineer who desires to continue full time employment with the Alaska Marine Highway System for assignment to any rating providing he or she continues to tender the dues uniformly required to maintain his or her membership in

good standing in the Association. Continuous employment shall not be deemed to have been broken if the Engineer is on a mutually approved leave of absence.

3.07 It is recognized that the parties have a commitment to Affirmative Action where under-utilization of individuals in particular sex and race/ethnicity categories is documented.

3.08 Pre-employment physicals may be required by the Employer.

3.09 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.

3.10 In the event that an Engineer Officer is denied employment or discharged for medical reasons and there is conflict between the Employer's medical doctor and the Association's medical examiner, the parties shall refer the matter to a third doctor mutually agreed upon by both parties whose decision shall be final and binding.

RULE 4 DEFINITIONS

4.01 ENGINEER OFFICERS

(A) Regularly Assigned Engineer. An Engineer Officer who has been awarded or assigned a specific position on board a given vessel in accordance with Rule 26 of this Agreement.

(B) Vacation Relief Engineer. An Engineer who has been assigned in accordance with Rule 23, to replace a Regularly Assigned Engineer while the Regularly Assigned Engineer is on vacation.

(C) Temporary Relief Engineer. An Engineer Officer who does not have a Regularly Assigned Position or is not a designated Vacation Relief Engineer, and is hired for temporary vacancies, including but not limited to, illness, injury, leaves of absence, and training.

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

4.03 SYSTEMS

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

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

4.04 ORIGINAL PORT OF ENGAGEMENT (HIRE). The original port of engagement shall be the port of Seattle or any port in the state of Alaska where the Engineer Officer is hired by the Employer.

RULE 5 UNION MEMBERSHIP

5.01 Engineer officers covered by this Agreement shall, within thirty (30) days after employment with the Employer, apply for membership in 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.

5.02 The Union shall advise the Employer in writing the amount of its initiation fee and monthly dues as duly adopted. The Employer, with the written consent of the employee, shall deduct monthly from the pay of each employee covered by this Agreement such fee 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 It is agreed between the parties that, following the signing of the collective bargaining agreement, a unit member may authorize and the State will deduct a specified amount to be forwarded to the Union for the MEBA/PAF. The Union will obtain the payroll deduction authorization from each employee who wishes that the deduction can be made.

The Union will furnish the payroll deduction authorization forms as approved by the State.

5.04 Upon written notice by the Union, any employee who has been employed for more than thirty (30) days and who is not in compliance with the provisions of this Rule and with confirmation by the Union that it has provided the 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, demand, 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 Employers negligence. If the Union undertakes the defense under this section, it shall as its option select counsel to conduct the defense.

RULE 6
NONDISCRIMINATION

6.01 The Employer shall not discriminate against any Engineer Officer because of membership 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 unlawful discrimination against any Engineer Officer 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 crewing requirements for each vessel shall be in accordance with the safe operation of the vessel as concluded between the Employer and the Union and the Certificate 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.

~~**7.02 DIVISION OF WAGES.** Whenever a vessel is in commission with less than its required crewing scale as required under this Agreement, regardless of the reasons therefore, the following shall apply:~~

~~Any nonwatchstanding Engineer Officer who receives nonwatch extra compensation and 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.~~

~~After two (2) days, the wages of the number of Engineers who should have been employed will be divided equally among the Engineers who participated in the work of the absent Engineer, including the Chief if he or she so participated.~~

~~Under this subdivision the parties have agreed that when there is a division of wages, the Employer shall first deduct from such wages an amount equal to that which would have been contributed in the MEBA Pension Plan for said missing Engineer under the provisions of Rule 28. The remainder of the wages shall be divided among the remaining Engineers in the same manner as heretofore required by this Agreement.~~

~~**7.03** There shall be no unilateral reduction in present crewing.~~

7.02

RULE 8 HEALTH AND SAFETY

8.01 The health and safety of Engineer Officers shall be reasonably protected. Each Engineer Officer shall have his or her own individual stateroom. All Engineer Officers' quarters shall be properly equipped with a washroom, fresh running water, cleaned, heated and lighted at all times during occupancy. Such washrooms are to be equipped with fresh hot and cold running water, and fresh water shower facilities, as well as sanitary drainage.

The Employer agrees that on vessels where quarters are provided that white sheets, pillow slips, mattresses, blankets, and soap shall be furnished to insure sanitary and healthful conditions. The employer shall afford room service for its Engineers; such as changing linens, sweeping, mopping and waxing in their 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.

8.02 Each Engineer Officer shall have a private room with toilet facilities and shower on new construction, ~~or future rebuilding.~~

8.03 Unless a separate suitable messroom is provided for their use, all Engineer Officers shall have their meals in the regular ship's dining salon. All Engineer Officers shall be permitted to eat in the main passengers' dining salon provided they wear clean khakis or dress blue uniforms; coveralls will not be accepted.

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 There will be established appropriate safety committees for the purpose of developing programs concerning the health and safety of Engineer Officers.

8.06 All employees will be encouraged to obtain a U.S. Coast Guard lifeboatman's certificate within six (6) months from date of meeting the necessary Coast Guard requirements. All employees shall be required to obtain the lifeboatman's certificate within one (1) year after completing necessary Coast Guard requirements as a condition of continued employment with the Employer.

RULE 9 OCCUPATIONAL INJURY AND ILLNESS BENEFITS

9.01 Unearned Wages: In the event an Engineer 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 personal leave or medical/sick leave.

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. Maintenance shall be paid at the rate of \$45.00 per day.~~

~~If an employee elects to utilize medical/sick leave or accrued personal leave for the same period in which maintenance is received, the combined rate for maintenance and medical/sick leave and accrued personal leave shall not exceed the employee's regular daily pay.~~

~~**9.03 Cure:** An employee shall submit all bills regarding a work related injury or illness to:~~

~~Ward North America Inc.
ATTN: George Erickson
3330 Arctic Blvd. Suite 206
Anchorage, Alaska 99503~~

9.04 Transportation: In the event an Engineer Officer becomes ill or is injured while in the service of the Employer's 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 Engineer is not hospitalized and has notified the Chief Engineer 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 Engineer 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 Engineer's change port shall be provided upon request, provided said transportation is connected to an assignment.

9.06 Seniority will accrue while the Engineer is absent from work with authorization, with or without pay or compensation, for illness, injury, or disability.

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

9.08 The Employer will insure the life of every Engineer against accidental death while the Engineer is in authorized travel status in the amount of seventy-five thousand dollars (\$75,000.00).

RULE 10
COMPENSATION FOR LOSS OF EFFECTS

10.01 Crew personnel 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.

RULE 11
CASH ALLOWANCE FOR SUBSISTENCE AND QUARTERS

11.01 When an Engineer Officer is in work status away from his or her home and quarters are not furnished, the Engineer shall be entitled to a quarters allowance of ~~seventy dollars (\$70.00)~~ ninety-five (\$95.00) per day between May 16 and September 15 and ~~sixty dollars (\$60.00)~~ eighty five (\$85.00) per day between September 16 and May 15 . In the event the rate for lodging designated in the State Administrative Manual for Southeast Alaska is increased, the rate specified herein shall be increased by the same dollar amount.

In the event the quarters are not available at the contracted quarters allowance rate the Engineer Officer shall be reimbursed for necessary receipted expenses for quarters.

11.02 When an Engineer Officer is in work status away from his or her home and meals are not furnished, the Engineer shall be entitled to a meal allowance of ~~forty-two~~ sixty dollars (~~\$42.00~~ \$60.00) per day effective July 1, 2000. In the event the rate for meal allowance designated in the State Administrative Manual for Southeast Alaska is increased, the rate specified herein shall be increased by the same dollar amount.

11.03 In instances when the Employer provides meals and lodging the employee has no entitlement to any per diem allowance of any type.

On the first day in travel status, the employee shall be entitled to quarters allowance if overnight lodging is necessary, but only a prorated portion of meal allowance, calculated in accordance with Section 60.220 of the Alaska Administrative Manual.

On the last day of travel status, the employee shall be entitled to a prorated portion of meal allowance as provided for in Section 60.220 of the Alaska Administrative Manual.

RULE 12

CHANGE PORTS AND TRAVEL BETWEEN ASSIGNMENTS

12.01 CHANGE PORTS

(A) Regularly Assigned Engineer Officers. ~~Change ports shall be~~ are Juneau, and Ketchikan Cordova, Valdez and Homer. Changes in these change ports shall be designated by the Employer. Should the Employer make a change to the usual change port of a given vessel, moving costs or travel expenses will be paid for affected Engineer Officers in accordance with Rule 12.08 B or C. The Employer will determine whether moving costs or travel expenses are to be paid on a case by case basis. However, other communities may also be used as change ports if both Regularly Assigned Engineer 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, provided no additional expenses are incurred by the Employer. Engineer Officers receiving COLD payments must designate a change port within the State of Alaska. Regularly Assigned Engineer Officers shall normally be relieved at the same change port where they began their duties. The senior Regularly Assigned Engineer Officer on the Time in Grade seniority roster shall designate the change port for the position.

(B) For purposes of 12.04, Vacation Relief Engineers shall designate a preferred change port, either Juneau or Ketchikan. This designation shall be in writing and may be changed with prior written notification to the Employer.

(C) When both the Regularly Assigned Employees are not working a given position, the two (2) Engineer Officers relieving may mutually agree to temporarily designate a change port other than stated in Rule 12.01(A) provided the Engineer Officers involved notify the Employer and the Union prior to the change and provided no additional expenses are incurred by the Employer. This subsection shall not be used to change the designated change port of the Regularly Assigned Engineer Officer upon his or her return.

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

12.03 TRAVEL BETWEEN REGULAR ASSIGNMENTS. Engineer 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 Engineer Officer may take meals in the Officer's mess without charge. Berths 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 an Engineer Officer traveling to the Engineer Officer's designated change port by means other than vessels of the System.

12.04 TRAVEL BETWEEN TEMPORARY ASSIGNMENTS. When a Regularly Assigned or a Vacation Relief Engineer 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 Engineer 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 Alaskan resident to travel outside the state of Alaska to relieve another Engineer Officer.

12.06 Licensed Engineer Officers who are entitled to receive transportation and who travel by automobile at their option, will be reimbursed at thirty-five (35) cents per mile or an amount equal to airfare, whichever is the lesser.

12.07 TRAVEL PAY.

(A) MINIMUMS AND MAXIMUMS

When an Engineer 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 and from the temporary change port. Engineer Officers will receive a minimum of four (4) hours travel pay per trip, except that if more than four (4) hours is claimed, the Engineer Officer must submit documentation to support the claim. Engineer Officers will receive a maximum of twelve (12) hours travel pay in any twenty-four (24) hour period, regardless of mode of travel involved.

Notwithstanding that a Temporary Relief Engineer's particular assignment begins upon commencement of work on the vessel to which assigned, nor that the port of engagement for any particular assignment is the port to which the Temporary Relief Engineer is directed to report for work, Temporary Relief Engineers shall nevertheless be entitled to travel pay as provided herein. Travel pay for Temporary Relief Engineers assigned to Southeast System vessels shall be limited to actual time spent travelling by the most expeditious route, or four hours per trip, whichever is less. Travel pay for Temporary Relief Engineers assigned to Southwest System vessels shall be limited to actual time spent travelling by the most expeditious route, or eight hours per trip, whichever is less. Eligibility for travel pay shall not be construed as creating other entitlements except as may be expressly stated in this Rule.

(B) ENTITLEMENT--TO ASSIGNMENTS

Travel pay time begins at check-in time of commercial air transportation over the most expeditious route, or at the scheduled departure time of the Employer's vessel, when necessary or directed to travel by vessel. Travel pay time ends upon arrival at the airport serving the designated change port when traveling via commercial air transportation, or when the vessel upon which the employee is traveling arrives at the change port. However, if necessary to await the arrival of the vessel to which assigned, travel pay status will continue until the vessel arrives but shall not exceed eight (8) hours.

(C) ENTITLEMENT--ASSIGNMENT COMPLETION

Travel pay time begins at check-in time of commercial air transportation over the most expeditious route, or at the scheduled departure time of the Employer's vessel, when necessary or directed to travel by vessel. Travel pay time ends upon arrival at the airport serving the port at which the employee began the assignment, or upon the Employer's vessel arriving at the port at which the employee began the assignment.

(D) PER DIEM

When it is necessary to await arrival of the vessel to begin an assignment, 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.

12.08 TRANSFER OR PERMANENT CHANGE OF ASSIGNMENT.

(A) All additional costs incurred by a transfer or permanent change of assignment at the convenience of and request by an Engineer Officer shall not be the responsibility of the Employer unless otherwise specified in this Agreement.

(B) All additional costs incurred by a transfer or permanent change of assignment of an Engineer Officer which is at the request of and for the convenience of the Employer shall be the responsibility of the Employer.

(C) All reimbursements for actual moving expenses incurred shall be in accordance with the State Administrative Manual.

12.09 When an Engineer Officer is on an approved personal leave and is unexpectedly called back to work, and agrees to such callback, he or she will be reimbursed for any additional transportation expenses incurred by the Engineer Officer to return as a result of the early return to work. In order to be reimbursed under this section, the callback must be approved by the System Director, Alaska Marine Highway System, prior to the Engineer Officer incurring additional expenses. The Engineer Officer shall submit documentation to support the additional expenses claimed. If the Engineer Officer undertakes return travel after completing the assignment to which called back, he or she shall be reimbursed for any additional transportation expenses to return to the original point of call.

12.10 Upon initial hire, the Engineer Officer shall be entitled to one-way air transportation between his or her port of original hire and the port of relief. Upon termination the Engineer Officer shall be entitled to one-way air transportation between the port of relief and his or her original port of hire.

12.11 When an Engineer Officer whose residence is other than the State of Alaska, and moves his or her legal residence to within the State of Alaska, then the Engineer Officer will be entitled to reimbursement for moving expenses in accordance with the State Administrative Manual. Such changes of residence must occur within a year of the Engineer Officer's initial hire date unless required by the Employer.

**RULE 13
VISITATION**

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13.01 Prior to conducting Union business, authorized representatives of the Union shall sign in to receive a visitor's pass before being allowed to go on the Employer's property and on board vessels covered by this Agreement, at reasonable times. The Employer will issue the duly accredited representatives a pass for such visits, and t 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 Engineer Officers will be interrupted in their work without the approval of the Chief Engineer.

RULE 14 SETTLEMENT OF DISPUTES

14.01 Any dispute arising between the Union or the Engineer Officers covered herein, and the Employer, the Union or the aggrieved Engineer(s), as the case may be, regarding the interpretation or application of this Agreement shall be determined in accordance with the following procedure as the sole means of settling said controversy:

STEP ONE An aggrieved Engineer Officer or Union Representative shall first attempt to settle the grievance through discussion with the Engineer's immediate supervisor. Failing to resolve the dispute, the Engineer shall reduce the grievance to writing and submit it to the Union and the System Director, Alaska Marine Highway System, within thirty (30) calendar days of the action or inaction, or the date the employee is made aware of the action or inaction, whichever is later. The System Director shall render a decision in writing within fifteen (15) working days from receipt of the filing. Settlements reached at this step shall be consistent with the provisions of this contract and with policies and regulations of the Employer.

STEP TWO: If the grievance is not resolved at Step One of the procedure, the Union may appeal the grievance in writing to the Commissioner of the Department of Transportation and Public Facilities within fifteen (15) working days after the Step One 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 THREE: In the event a grievance which has been considered at Step Two is not resolved at Step Two, 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 Two 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 FOUR: If a grievance 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 Three. 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 under the facts provided a specific contractual violation is found.

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, a grievance 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 inaction or of the date the Engineer Officer is made aware of the action or inaction, 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 ten (10) calendar days of the date the Engineer is notified of the action. Any grievance resulting from the dismissal, demotion or suspension of an Engineer 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. Such grievances by Engineers who have not established seniority shall likewise be entered at Step Two but may not be carried beyond Step Three.

(C) Prior to using the grievance procedure, pay complaints must first be submitted on forms provided by the Employer entitled 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 There shall be no strikes, lockouts, sympathy strikes, slowdowns 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 Engineer 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 District Treasurer of the District #1, MEBA.

RULE 15 WORKING CONDITIONS

15.01 Licensed Engineers shall not paint, chip, scale, clean or polish bright work, or do any clean-up work in the engine department or any other work customarily assigned to unlicensed personnel. Welding, burning and asbestos work shall be accomplished as directed by the Chief Engineer or designee.

15.02 In addition to the straight-time rate of pay, the penalty rate shall be paid to Licensed Engineer Officers, with a minimum of one (1) hour, for the following:

(A) burning or welding outside of the machinery spaces when a vessel is in operation, except as directly required in connection with the Engineers' duties for the maintenance and repair of the vessel's machinery or piping;

(B) all work performed physically below floor plates;

(C) when ordered to enter water tanks, fuel tanks, air bottles and inside boilers, dry tanks, voids, waste heat boilers, sewage tanks and work on effluent lines;

(D) repair work on refrigerating units that are not part of the vessel's equipment or property of the State;

(E) major overhaul work while a vessel is in operation, such as pulling pistons, heads, gears, bow thrusters, main bearings, cranks, intake and exhaust valves, or superchargers, and major boiler repairs;

(F) when required to wear special protective clothing consistent with the Alaska Marine Highway System's policy and procedure on asbestos removal and repair.

15.03 If the Engineer Officer is on overtime, the overtime rate will apply plus the penalty rate.

15.04 When a Licensed Engineer Officer is assigned a watch on a vessel in operation, he or she shall not be required to perform repair work as in 15.02 except that work which is necessary to keep the ship in operation or work as may be necessary due to a mechanical failure which would affect the safety of the ship, passengers or crewmembers.

Engineers on watch shall not be required to perform duties away from the confines of the engine room casings while the vessel is underway. Engineers shall not be required to perform duties other than those necessary for the proper operation and maintenance of the vessel's auxiliary and main propulsion units. All pumps, winches, steering units, lines, sanitary and heating systems, refrigeration units and other mechanical or electrical equipment normally falling under the cognizance of the Chief Engineer shall be classed as vessel's auxiliaries. The Engineers are charged with the operation and maintenance of all vessel's mechanical and electrical equipment as normally performed by Licensed Engineers on merchant ships.

15.05 In the Southeast System on the COLUMBIA Class vessels, the First Assistant Engineer position is that of a nonwatchstander. He or she will be used whenever possible as determined by the Chief Engineer to break in new Engineers or to fill in for a watchstanding Engineer who has become ill or injured after reporting for his or her duty tour.

15.06 The Employer will continue to furnish washing machines and dryers for the Engineer Officers in the engine room and will continue to replace parts of, or worn-out, washing machines and dryers.

15.07 The Employer will provide an Observing Billet on a space-available basis with the approval of the System Director of the Alaska Marine Highway System, or designee and the Union, limited to one Engineer at a time (no pay involved).

15.08 INDEMNIFICATION.

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

If the Employer determines that the Engineer is guilty of willful misconduct, the Employer shall notify the Engineer of this determination. The Engineer 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 Engineer is not guilty of willful misconduct, the Employer shall indemnify the Engineer for all costs and for actual attorney's fees stemming from the action, as well as for any judgment rendered against the Engineer. If it is determined by the court that the Engineer is guilty of willful misconduct, the Engineer shall bear the costs and attorney's fees, as well as any judgment rendered against him or her.

The Engineer must request, in writing and within ten (10) days of the service of the Summons and Complaint on the Engineer, that the Employer provide the legal defense services available under this Rule. The submission date of the Engineer's request shall be established by its postmark. 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 Engineer, and if the Engineer objects to the attorney selected by the Employer, he or she may obtain his or her attorney, at his or her own expense.

15.09 The Employer shall provide license insurance for all permanent Engineer Officers.

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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, the regular Engineer Officers shall work a forty-two (42) hour workweek. During such periods, Engineers shall be paid for the first forty-two (42) hours of work at the straight-time rate and Rule 25 shall apply. Provisions of 15.02(B) and (C) will still apply.

16.02 Engineers working on a vessel while in shipyard or at the Employer's tie-up repair terminal shall work on the basis of eight and four-tenths (8.4) hours per day or five (5) consecutive days of forty-two (42) hours per week. 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.

Engineer Officers are entitled to a fifteen (15) minute period at the time of completion of the shift for clean-up.

16.03 All time worked in excess of eight and four-tenths (8.4) hours per day or five (5) consecutive days, forty-two (42) hours a week, shall be paid at the overtime rate.

16.04 All running time on ship's watch time to bring vessel to tie-up or repair terminal or return from shipyard or repair terminal shall be paid on the twelve (12) hour day basis. The change of work schedules from ship's watch time to straight eight and four-tenths (8.4) hour days shall occur at the nearest noon or midnight that the vessel leaves or enters service.

16.05 Holiday pay while in the shipyards will be at the rate of twelve (12) hours.

16.06 All two (2) week or special working arrangements are automatically cancelled when the ship is covered by this Rule.

16.07 ~~In recognition of the work restrictions which have been removed from this Rule,~~ The Employer agrees that prior to establishing the annual winter maintenance program, it will actively solicit, and give due consideration to input from its Licensed Engineer Officers. The Employer shall notify and invite the lead Chief Engineer from the vessel ~~and an authorized Union representative to all major maintenance planning meetings for that vessel and the Union representative shall be notified of the meeting.~~ The Union The lead Chief Engineer may request that additional ship's Engineer Officers be invited subject to approval by the System Director or designee.

In establishing its winter maintenance schedule, the Employer will utilize its Engineer Officers to perform maintenance/repair work to the fullest extent after considering cost effectiveness, time constraints and the advantages of using its own Engineer Officers. This subsection (16.07) is not subject to Rule 14.01, Step Four.

16.08

(A) The minimum manning levels of licensed engineers assigned to a vessel in maintenance status, when licensed engineers are assigned to the vessel for repair work, shall be no less than as follows:

M/V COLUMBIA CLASS

One (1) each	Chief Engineer
Two (2) each	First Assistant Engineer
Two (2) each	Second Assistant Engineer

M/V LE CONTE CLASS

One (1) each	Chief Engineer
One (1) each	First Assistant Engineer
Two (2) each	Second Assistant Engineer

(B) The M/V TUSTUMENA and M/V BARTLETT shall have no less than the manning levels as worked in the 1985-1986 annual maintenance period for each vessel.

(C) To facilitate repairs unlicensed personnel as determined by management may be assigned to vessels in maintenance status. This subsection [16.08(c)] is not subject to Rule 14.

16.09 In addition to the above manning levels, the Employer agrees to use Engineer Officers who have been issued a permanent MEBA dispatch to the employer, to stand vessel engineering security watches, when such watches are required, or otherwise established by Alaska Marine Highway System. If no current Alaska Marine Highway System employees are available, the employer will make temporary job calls to the Union to fill any engineering security watch vacancies, who will be paid at the M/V COLUMBIA class, third assistant engineer rate. The parties agree that on a weekly basis there would be a maximum need for one hundred and twenty-eight (128) hours security coverage. Licensed engineers assigned to security watches may be scheduled to work hours other than as specified in Rule 16 of the current agreement, but will be paid overtime for hours worked in excess of forty-two (42). Accordingly, there would be no more than three (3) security watch engineers required on any given vessel.

16.10 Effective January 1, 2005, the AMHS will maintain the full time year round equivalent licensed engineering positions at seventy-seven point five (77.5). Effective January 1, 2006, the full time year round equivalent licensed engineering positions will be seventy-two point five (72.5) and effective January 1, 2007, the full time year round equivalent licensed engineering positions will be sixty-seven point five (67.5). In the event the Union has cause to believe that the proper level of positions is not being maintained, they may pursue a resolution of the question by filing a grievance at the Step Two level in order to expedite a timely resolution of such dispute. In the event the initiating conditions of Rule 35 are not met the parties will meet and negotiate on this Rule.

**RULE 17
SOUTHEAST PAY PLAN**

17.01

(A) Basic Schedule - Chief Engineers, effective July 1, 2004:

<u>Monthly</u> (182 hours)	<u>Biweekly</u> (84 hours)	<u>Straight-Time</u> <u>Hourly</u>	<u>Overtime</u> <u>Hourly</u>
\$6,082.44	\$2,807.28	\$33.42	\$50.13

(B) Nonwatch Pay. In addition to the above, a Chief Engineer shall receive \$585.80(Effective July 1, 2005, this amount shall increase to \$620.95. Effective July 1, 2006, this amount shall increase to \$658.21.) per pay period as nonwatch pay in lieu of all overtime, for vessel arrival and departure to port, repair and breakdown callout, while vessel is in operation, and he or she is in a work status. When a Chief Engineer is working on a vessel not in operation, he or she is not entitled to nonwatch pay, but is eligible for overtime per Rule 16.03.

(C) Basic Schedule - Assistant Engineers effective July 1, 2004:

<u>Monthly</u> <u>Job Classification</u> <u>Overtime</u>	<u>Biweekly</u> <u>(182 Hrs.)</u>	<u>(84 Hrs.)</u>	<u>Straight</u>	<u>time</u>
Firsts	\$5,239.78	\$2,418.36	\$28.79	\$43.19
Seconds \$40.35	\$4,895.80	\$2,259.60		\$26.90
Thirds \$37.86	\$4,593.68	\$2,120.16		\$25.24

17.02 COST-OF-LIVING DIFFERENTIAL FOR ALASKA RESIDENTS.

(A) Pursuant to AS 23.40.210, as part of the basic pay provided in 17.01 and for pension purposes effective April 1, 1988, but not to be included in computing an hourly wage rate, those Engineers who are residents of Alaska shall receive a cost-of-living differential for each pay period they are in pay status according to the following schedule:

CHIEF ENGINEERS

\$519.32Per Pay Period in Pay Status

ASSISTANT ENGINEERS

<u>Job Classification</u>	<u>Per Pay Period in Pay Status</u>
Firsts	\$447.68

Seconds	\$418.02
Thirds	\$392.11

(B) 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.

An employee working in a pay period in which the employee has also worked in a classification covered by another labor agreement will have COLD payments subtracted from the COLD due under Rule 17.02. The total COLD compensation received from the two work assignments, combined, in the same pay period may not exceed the total amount that the employee could have otherwise received under Rule 17.02.

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 One Chief Engineer aboard each vessel shall be designated as the "Lead Chief," and shall be responsible for additional duties as prescribed by the Employer and shall be compensated for these additional duties at the rate of one hundred dollars (\$100.00) per pay period.

17.04 Overpayment(s) discovered after two (2) years from the time the overpayment was made shall be forgiven by the Employer, unless the overpayment was the result of employee fraud, deception or negligence.

17.05

Employees in pay status during the month of July 2008 or on leave without pay status that has been approved by the Employer will receive a one-time lump sum payment of \$2381.00.

3/6/09

include NW

Nancy Sutch

The straight time hourly rate of pay, COLD and Nonwatch in effect on July 1, 2004- June 30, 2009 shall increase by six five percent (6 5%) effective July 1, 2009.

include NW

Nancy Sutch

The straight time hourly rate pay COLD and Nonwatch in effect on June 30, 2010 shall increase by six four percent (6 4%) effective July 1, 2010.

17.06 PAY PROBLEMS Any dispute by an employee alleging an error in his or her paycheck shall be brought to the attention of the Employer on the Employee "Notice of Pay Problem" (NOPP) forms. Filing of the NOPP does not waive the filing requirements of the grievance procedure as set out in Rule 14.

17.07 PAY PROCEDURES.

(A) ~~The Employer may convert to a semi-monthly pay system and paydays and procedures shall be established accordingly. The semi-monthly pay system will be implemented fleetwide only after a working test on an operating vessel in the Southeast~~

~~System. The test period shall be two months (four pay periods as defined herein). Upon mutual agreement between the State and the Licensed Division, District #1 PCD MEBA that the semi-monthly pay system is operational, the system shall be implemented fleetwide.~~

~~During the test period the Employer shall be held free of any penalty pay or punitive measures as the result of operating the test except as follows:~~

~~(1) If the employee fails to receive their termination check or regular paycheck on payday or within twenty-four (24) hours of payday, late pay penalties shall not apply unless the Employer fails to pay within seven (7) calendar days following the date the employee files notice with the Employer on the form provided by the Employer. Date of postmark shall constitute date of pay.~~

~~(2) The penalty pay provision of (E)(3), below, shall apply to pay shortages which occur during the test period.~~

~~(3) These provisions shall apply only to the test vessel.~~

~~Upon fleetwide implementation the following provisions shall become effective. Until such implementation, the pay system in effect in the prior agreements shall remain in effect.~~

~~The parties acknowledge that the change to a semi-monthly payroll system is procedural in nature and is made for the administrative convenience of the Employer. It is not intended to change or modify any rights of either party. Nothing in this Rule 17.07 nor in the change from a two week "pay period" to a two week "work period" shall be construed to modify or reduce any basic wages, minimum guarantee, other compensation or benefits.~~

~~The parties recognize that all references to "pay period" in the agreement will be adjusted as necessary to reflect the differentiation between pay period and work period established by these amendments to Rules 17 and 25. Where necessary, various pay types formerly based on twenty six two week pay periods will be adjusted to reflect payment in 24 semi-monthly pay periods for those pay types not contingent upon work or vessel status or in twenty-six work periods for those pay types contingent upon work or vessel status.~~

~~(B) Pay Periods. Pay periods shall be the first through the fifteenth day of each month (first pay period) and the sixteenth through the last day of each month (second pay period). Pay for the first pay period of each month shall be issued on the last day of that month. Pay for the second pay period of each month shall be issued on the fifteenth of the following month.~~

~~(C) Payday. Payday shall be the fifteenth (15th) and last days of each month. If the fifteenth day of the month or last day of the month falls on a Saturday, Sunday or holiday, then the last working day before such Saturday, Sunday or holiday shall be the payday.~~

~~(A D) Method of Receiving Payment:~~

(1) Employees shall normally receive their pay at the ~~Marine Highway System DOT Technical Services~~ office in Juneau, Alaska. In the event an employee is on vacation or for other reasons will not be in work status for a period longer than one work period, it shall be the employee's responsibility to make paycheck delivery arrangements prior to departure.

(2) Employees may elect in writing to have their paychecks mailed to their homes or banks.

(3) Itemized Deductions; The Employer shall itemize all deductions on paychecks so all bargaining unit members can clearly determine the purpose for which amounts have been withheld.

(B E) Pay Procedures:

(1) Paychecks received at the ~~Marine Highway DOT Technical Services~~ office shall be considered timely if received by 12:00 midnight on payday.

(2) 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, in which case penalty pay shall not apply.

(3) 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~~ four days 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.

(4) Pay Shortages. Pay shortages shall be paid after receipt and verification of the employee's complaint in accordance with Section 3 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 3 above shall apply for any verified pay shortages greater than ~~one~~ two hundred dollars (\$~~1~~ 200.00). Shortages of less than ~~one~~ two hundred dollars (\$~~1~~ 200.00) shall be paid on the next regular payday.

(5) 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).

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**RULE 18
HOURS**

18.01 ~~18.01~~ Twelve (12) hours shall constitute a day's work for watchstanders. The daily hours for watchstanders shall be divided into sea watches of six (6) hours on duty followed by six (6) hours off duty or any other combination equaling twelve hours as mutually agreed upon by the Chief Engineer and AMHS management. The Chief Engineer shall be a nonwatchstanding officer

18.02 ~~Nonwatchstanding~~ Dayworking Engineer Officers shall work a twelve (12) hour day from 0600 to 1800 hours within which a one (1) half-hour break for lunch and two (2) fifteen (15) minute coffee breaks shall occur.

18.03 Chief Engineers: Twelve (12) hours shall constitute a non-watchstanding day's work, however, the hours are not required to be contiguous; allowing flexibility to accommodate variable operational activity and minimize overtime.

RULE 19 MONTHLY WORK

19.01 Two (2) complete 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 If mutually agreed upon by two (2) Engineers in grade, they may work fourteen (14) days on, followed by fourteen (14) days off, provided they obtain the written approval of the System Director, or designee, and the Union, and the Chief Engineers are informed.

19.03 It is understood that there shall be no overtime because either Engineer does not fulfill his part of the schedule while the vessel is on the run and this fourteen (14) day schedule is in effect.

RULE 20
EMERGENCY SERVICE

20.01 Emergency service such as collision, breakdown, standing to and rendering aid to another vessel or parties in distress and lifesaving shall not be considered overtime. The additional hoursage 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 Engineer Officers held over on duty. Breakdown shall be defined as rendering vessel dead in the water or loss of main propulsion. Emergency service shall continue only until vessels are in safe moorage at a dock or safe anchorage where the emergency repairs, minimally needed for safe operation, are to be effected.

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 the scheduled time of arrival.

21.02 Personnel scheduled to be relieved at their change port will be paid 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 on the basis of 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 callback or overtime rules for the entire Late Arrival.

21.03 When circumstances, other than a schedule change or a change in change ports, necessitate an early crew change, and the change is made twelve (12) or less hours early, the provisions of rule 21.02 will apply. If the change is made more than twelve (12) hours early, Rule 22.03 will apply.

RULE 22 OVERTIME

22.01 The overtime rate shall be one and one-half (1-1/2) times the straight-time hourly rate.

(A) Engineer 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.

(B) Engineer Officers working 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.

22.02 If a Licensed Engineer is called out after completing his or her normal workday, he or she shall be paid a minimum of two (2) hours at the overtime rate.

22.03 In case an Engineer is called out after completing his or her week(s) on, he or she is to receive one day's pay at the overtime rate. Following the first day of callback, each watch stood until the start of the Engineer's regular workweek shall be at the overtime rate. This minimum does not apply when there is a schedule change or a change in change ports. In these cases, he or she will start the work week with the standard six (6) hours at overtime. The Employer and the Union shall make every effort to prevent Engineer Officers from working their assigned week off due to the Engineer's opposite being sick or injured.

22.04 The penalty rate shall be thirteen dollars \$13.00 per hour effective July 1, 2000.

22.05 Premium pay shall not be pyramided (overtime will not be compounded).

22.06 In the event an Engineer Officer's overtime or penalty time is disputed for any reason, the Employer will furnish the Engineer Officer a copy of the timesheet involved.

22.07 Extend LOA 98-B-256 (Appendix A).

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**RULE 23
LEAVE**

23.01 PERSONAL LEAVE

(A) Conversion of Accrued Annual and Sick Leave to Personal Leave: All Regularly Assigned and Vacation Relief Engineers on the payroll as of April 1, 1989, and thereafter employees permanently transferring from other vessel bargaining units who have accrued annual and sick leave shall have the entire annual leave balance and 40 percent of their sick leave balance as of March 31, 1989, converted to the employee's personal leave account except as specified in 23.07 below.

(B) Personal leave shall accrue according to the following schedule:

<u>Years of Continuous Service</u>	<u>Personal Leave Accrual (Hours/Year)</u>
1 but less than 2	188
2 but less than 3	250
3 but less than 4	318
4 but less than 5	390
5 but less than 7	468
7 but less than 10	551
more than 10	638

(C) Eligibility for Accrual. Eligibility for personal leave accrual shall commence once the Engineer Officer has accumulated two thousand one hundred eighty-four (2,184) straight-time hours of compensation. The Engineer 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 Engineer Officer will be credited with one hundred and eighty-eight (188) hours personal leave. Personal Leave in successive years shall be at rate shown in Rule 23.01 (B).

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

Once eligible for personal leave accrual, an Engineer Officer will be credited with one-thirteenth (1/13) of the year's [twenty-six (26) pay periods] personal leave accrual during each calendar month in which he or she is compensated for a minimum of eighty-four (84) straight-time hours. An Engineer Officer's leave anniversary date will be adjusted forward one (1) month for each calendar month that he or she does not receive personal leave credit.

(D) Cash Out: Engineer Officers covered by this section who have personal leave balances of at least one hundred and sixty-eight (168) hours shall be permitted to cash out one hundred and sixty-eight (168) hours of personal leave per calendar year when mutually agreed to by the Union and the Employer. The Engineer Officer's personal leave balance shall be reduced by the number of hours for which payment is made, but

shall not be counted as personal leave used. Cost of living differential (COLD) will be paid on cash-ins except that COLD will not be duplicated for any period.

23.02 LEAVE SCHEDULING.

Personal Leave shall be taken as scheduled following notification by the Leave Scheduling Committee and the System Director, Alaska Marine Highway System, or designee working in unison to arrive at the individual's Personal Leave dates. This program will provide Vacation Relief Engineers 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, during the annual overhaul period Vacation Relief Engineers must contact an active Leave Scheduling Committee representative of the Union and the State no later than seven (7) days prior to returning to work from leave. It is recognized that Vacation Relief Engineers may be reassigned from the first day to the seventh day following the actual date of the end of the approved vacation. Management reserves the right of final approval for all personal leave requests.

Engineer Officers desiring to take personal leave not scheduled by the Leave Scheduling Committee including but not limited to those reasons specified in 23.06, must contact a Union dispatch office and one of the two employer representatives on the Leave Scheduling Committee to have such leave approved.

23.03 LEAVE SCHEDULING COMMITTEE

(A) The Leave Scheduling Committee will consist of a chairperson, co-chairperson, and four (4) committee members. The co-chairperson will become the chairperson the following year. The Union will select a chairperson and a co-chairperson. The other four (4) committee members will be selected by the Union from those vessels in for the annual yard period. The System Director, Alaska Marine Highway System, will designate up to two (2) Employer representatives to serve as full members of the Leave Scheduling Committee in addition to those committee members selected by the Union.

(B) Allocation of vacation for this program will be based on Time in Grade seniority.

(C) The Port Engineer's office will be consulted concerning the schedules and the number of relief positions required. The System Director shall have final approval of the vacation schedules and number of relief positions required. Leave shall not be unreasonably denied.

(D) Those Engineers who participated on the Leave Scheduling Committee are to receive pay on the basis of one (1) day's pay for each day served when not on the payroll. The rate of pay shall be at the Engineer's regularly assigned classification. The Leave Scheduling Committee shall meet in part or in whole as frequently as necessary to adjust the operational changes. The frequency and nature of these meetings shall be mutually agreed to by the Union and the System Director, Alaska Marine Highway System, or designee.

(E) During periods of layup of vessels, Engineer Officers with greater amounts of usable personal leave may be directed by the Leave Scheduling Committee to utilize this time in order to permit other Alaska Marine Highway System Engineer Officers to remain working. In their effort to accomplish this goal, the Leave Scheduling Committee may not involuntarily reduce an Engineer Officers personal leave balance below 546 hours for SE & Port Engineers, 720 hours for Tustemena, 1080 hours for Bartlett, or 90 "A"

days for Kennicott. Any additional time scheduled off must conform to the engineers existing working schedule and change port.

In the event an Engineer Officer volunteers to have their personal leave or "A" day balance reduced below this level, he/she must submit a letter to the chairperson of the Leave Committee stating how many hours or "A" days they are willing to have their balance reduced to.

23.04 VACATION RELIEF ENGINEERS.

(A) The Vacation Relief Engineer's work assignments shall be as prescribed by the Leave Scheduling Committee. Vacation Relief Engineers will be designated as: Vacation Relief Chief Engineer, Vacation Relief First Assistant Engineer and Vacation Relief Second Assistant Engineer.

(B) When a Vacation Relief Engineer Officer is working in his or her regularly assigned job classification, or is working a temporary downgrade, he or she will be paid at the pay rate of his or her regularly assigned job classification. When a Vacation Relief Engineer Officer is temporarily working in a higher classification (i.e., First Assistant working as a Chief), he or she will be paid the eighty-four (84) hour [or one hundred sixty-eight (168) straight-time hour] base pay rate per assignment, and all other hours earned during the pay period at the rate of pay for the job classification he or she is working.

23.05 PERSONAL LEAVE PAYRATE. Regularly Assigned and Vacation Relief Engineers shall be paid for vacation at the rate of their regular assignment. Regularly Assigned Engineers who are working in a temporary upgrade position shall be paid for personal leave at the rate no less than their regularly assigned position or at the rate of the classification the engineer worked for the majority of the preceding year. Vacation Relief Engineers shall be paid for vacation at the rate of the highest rating he or she has relieved in accord with Rule 23.04 when such relief work constituted more than 50 percent of all straight-time hours of work performed within the calendar year the vacation is to be taken. Temporary Relief Engineers shall be paid for vacation at the rate of the classification in which the Engineer worked. (If more than one [1] classification was worked, the Temporary Relief Engineer shall receive the rate of pay on which the majority of his or her time during the last year was worked.) Minimum guarantee and holiday pay entitlements shall not be affected by vacation.

23.06 PERSONAL LEAVE USAGE

(A) In addition to scheduled vacation, personal leave may be claimed for the following:

1. Illness or injury which incapacitates any Engineer Officer to the extent that the Engineer is unable to perform assigned work. The Engineer Officer shall notify the Employer of incapacitating illness or injury at the earliest possible time so that arrangements for a Relief Engineer Officer may be made.
2. Illness or disability within the Engineer Officer's immediate family which requires the attendance of the Engineer at the direction of a physician. Such absences shall in all instances be supported by physician's certificate.
3. Funeral attendance of deaths in the family to the maximum of eighty-four (84) hours. "Immediate family" is defined as father, mother, husband, wife, sons, daughters, brother, sister, grandchildren, grandparents, father-in-law, and mother-

in-law. It shall be the Engineer's responsibility to provide evidence of such attendance.

4. Pregnancy and/or childbirth for an Engineer Officer. Claims for personal leave submitted for these reasons shall be treated in the same manner as are any other personal leave claims. If a medical doctor certifies the father's presence is necessary, the leave provisions as above shall be applicable to him also.

5. Nonwar Military Duty Absence and Payment. An employee who is required to report for a military physical examination is entitled to a leave of absence without loss of pay, time or performance rating. The leave of absence shall not exceed three (3) working days.

An employee who is a member of a reserve or auxiliary component of the U.S. Armed Forces is entitled to a leave of absence without loss of pay, time or performance rating without regard to other compensation earned during that period on all days during which the employee is ordered to training duty as distinguished from active duty, with troops or at field exercises, or for instruction, or under direct military contact in the performance of a search and rescue mission. The leave of absence may not exceed sixteen and one-half (16-1/2) working days in any twelve (12) month period, beginning January 16 and ending January 15.

An employee on personal leave shall not go on military leave without returning to duty unless military leave is approved prior to commencement of personal leave.

6. Upon application by the MEBA Branch Agent to the Director of Personnel/EEO, an employee may be granted leave without pay for purposes of serving as an official of MEBA provided that such leave, if approved, shall be not less than three (3) months. Approval of such leave shall not be unreasonably withheld.

7. Exempt and Partially-Exempt Appointments. Upon application and approval of the appointing authority, a permanent employee may be granted a leave of absence without pay for purposes of accepting an exempt or partially-exempt position.

(B) All Engineer Officers contemplating taking leave without pay to attend MEBA schools shall request such time on the appropriate form to be turned in to the System Director, Alaska Marine Highway System, or designee.

(C) Engineer Officers who are assigned to the M/V Kennicott and are eligible to accrue Southeast "A" days may request that their Southeast or Southwest personal leave be converted to Southeast "A" days using the conversion factor listed below. Conversions will be done on a pay period basis as needed to complete the pay period.

SOUTHEAST "A" DAY/SOUTHEAST PERSONAL LEAVE CONVERSION:

Continuous	Conversion Factor
1 but less than 2	1.094
2 but less than 3	1.129
3 but less than 4	1.170
4 but less than 5	1.217
5 but less than 7	1.272

7 but less than 10	1.337
more than 10	1.412

SOUTHEAST "A" DAY/SOUTHWEST PERSONAL LEAVE CONVERSION:

Conversion factor 1.941

23.07 UNION BUSINESS LEAVE BANK.

(A) The Union Business Leave Bank (UBLB) will be maintained as a dollar amount by the Employer and administered by the Union. The Union will be advised in writing upon request as to the balance of this account.

Withdrawal requests from the UBLB will be for purposes of contract negotiations and formulation, executive meetings, training sponsored by the Union, attendance at arbitration hearings as witnesses for the Union and other purposes as may be determined by the Branch Agent. Withdrawals from the account shall be made only by the Branch Agent of the Association or the Branch Agent's designee by initiating a request in writing to the System Director of the Alaska Marine Highway System. Withdrawals for employees using time off the job for Union business shall be at the hourly wage rate of the employee utilizing leave for Union business. Cash withdrawal requests by the Branch Agent must be approved by the System Director of the Alaska Marine Highway System, subject to the limitations stated above. All personal leave transferred to the UBLB is final and not recoverable for recredit to the individual donor's leave account. Use of the account for leave payment will not be duplicated if an employee is in a pay status with the Employer.

(B) The Employer shall pay into the Union Business Leave Bank (UBLB) fifty dollars (\$50.00) per month for each permanent Engineer Officer and Port Engineer, as defined in 26.04. Alternatively, a salary reduction of fifty-dollars (\$50.00) per month will take effect at the direction of the Union. The Employer shall remit to the Union on a monthly basis all such monies allocated to the UBLB, beginning on July 1, 2000.

(C) Any employee, at the employee's option, may transfer leave in increments of full days [twelve (12)] only to the bank. Donations, under this section [23.07 (c)], may be made at any time during the duration of the Agreement with no maximum limit of the number of increments of full days except that an employee may not transfer more increments of personal leave than are posted on the employee's personal leave balance at the time of authorization. The employee's leave balance will then be reduced by the hours of leave transferred after the conversion to dollars to the bank.

(D) The purposes listed in section (a) of this rule shall first be met through use of the UBLB. Should there be insufficient money available in the UBLB, the employee(s) shall then exhaust all their personal leave prior to applying for leave without pay for purposes of Union Business.

(E) The release of employees for Union business leave shall be handled on the same basis as release from duty for personal leave, except that such release shall not be unreasonably withheld. However, the parties recognize that situations may develop when a employee cannot reasonably be released from work.

23.08 TERMINAL LEAVE.

(A) In case of an Engineer Officer terminating services at any time after the Officer has established eligibility for personal leave, the Engineer shall receive cash payment for whatever personal leave that Engineer has accrued at the point of termination.

(B) The payment authorized by this section is not considered salary or compensation except for purposes of taxation.

23.09 COURT LEAVE.

(A) An Engineer 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. Engineer Officers must notify the personnel section within ten (10) days of receipt 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 Engineer were on personal leave. To receive pay for court leave, the Engineer Officer must turn over to the Alaska Marine Highway System all monies received from the court as compensation for service as a juror, or any monies received as compensation for service as a witness. Claims for court leave must be supported by written documents such as a subpoena, marshal's statement of attendance and compensation for service, per diem and travel.

(B) Engineer Officers 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, Engineer Officers should submit a request for personal leave for the affected pay period(s) and accrual balance adjustments will be made when the verification documents are given to the Personnel Office of the AMHS.

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

23.10 FAMILY LEAVE Employees shall be entitled to Family Leave pursuant to A.S. 23.10.540.

Family leave shall be charged to Personal Leave. If this is insufficient, family leave will be charged to leave without pay for the period of approved leave.

Family leave taken because of pregnancy and the birth of a child or the placement of a child, other than the employee's stepchild, with the employee for adoption shall be taken in a single block.

RULE 24 HOLIDAYS

24.01 The following holidays shall be recognized holidays: New Year's Day, Martin Luther King Jr. Day, 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 the State of Alaska.

Effective July 1, 1997, Lincoln's Birthday shall be considered a floating holiday. On the day of the holiday, each employee eligible for a holiday in accordance with Rule 24.04 shall have their personal leave account credited with one day of leave.

24.02 All holidays shall be given off with pay to Engineer Officers scheduled to work and if required to work, they shall be paid at the overtime rate.

24.03 All holidays will be paid at the twelve (12) hour rate. Engineer Officers required to work on a holiday on their assigned day off will be paid at the overtime rate for the actual hours worked. Assigned days off include the Engineer Officer's scheduled week off while on sea watches and his or her scheduled two (2) consecutive days off while at a shipyard or tie-up terminal as provided for in Rule 16. A holiday which occurs while the Engineer Officer is on Personal Leave and occurs within what would have been his or her normal work week shall be paid for the day at the straight-time rate and such hours will not be charged to Personal Leave.

24.04 An employee will be credited a holiday for pay purposes when said employee is in pay status within seven (7) days of the holiday, or, if scheduled to work two (2) weeks on and two (2) weeks off, the employee must be in pay status within fourteen (14) days of the holiday. To be an "employee" for this section, he or she must have been hired prior to the holiday and must not have been 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.~~ Crewmembers working in more than one bargaining unit during a workweek in which a holiday falls will only receive holiday pay and/or holiday overtime pay once for each holiday listed in 24.01.

RULE 25 MINIMUM GUARANTEE

25.01

(A) All Regularly Assigned and Vacation Relief Engineer Officers shall receive in wages not less than eighty-four (84) times the employee's basic straight-time rate of hourly pay for the employee's regular assigned position for each two (2) week pay period. The overtime portion of pay for a holiday worked, the holiday pay (twelve [12] straight-time hours) for a holiday which falls on the employee's scheduled time off and Employer authorized hours worked beyond the basic twelve (12) hour straight-time day, are the only three (3) forms of pay not included in calculating the Employer's monetary liability in this Rule.

(B) Those Engineer Officers who work two (2) consecutive weeks will have the eligible hours of work (as in (A) above) combined for the two (2) week assignment in computing a minimum guarantee of one hundred and sixty-eight (168) times their basic straight-time pay. This subsection (25.01) (b) shall not diminish the Vacation Relief Engineers minimum guarantee entitlement of one thousand and ninety-two (1,092) hours every six (6) calendar months.

(C) This Rule does not apply to Temporary Relief Engineers.

25.02 - MINIMUM GUARANTEE. ~~Upon implementation of a semi-monthly pay system, Rule 25 is amended to read as follows:~~

25.02.01

(A) The normal work period for all Engineer Officers working regular assignments shall be a fourteen (14) day period consisting of eighty-four hours in pay status within a maximum of seven (7) working days and seven (7) consecutive days off.

(B) All Engineer Officers working assignments as part of the crews and all Vacation Relief Engineer Officers shall receive in wages not less than ninety-one (91) times the basic straight-time rate for each two pay period. The overtime portion of pay for a holiday worked, the holiday pay (twelve [12] straight-time hours) for a holiday which falls on the employee's scheduled time off, and Employer authorized hours worked beyond the basic twelve (12) hour straight-time day, are the only three (3) forms of pay not included in calculating the Employer's monetary liability in this Rule.

(C) Those Engineer Officers who work two (2) consecutive weeks will have the eligible hours of work (as in (A) above) combined for the two (2) week assignment in computing a minimum guarantee of one hundred and eighty-two (182) times their basic straight-time pay.

The above shall not apply to Temporary Relief Engineers called in excess of regular "Vacation Relief" Engineers.

The parties recognize that the levelized ninety-one (91) hour minimum guarantee will result from time to time in wage payments greater than or less than the wage payment for actual straight-time hours worked. Overtime, penalty rate, travel pay and premium pay shall normally be paid in the pay period earned. The Employer will audit pay

records for each year and make necessary adjustments at the applicable rate for straight time hours worked in excess of 2,184 hours per year.

Nothing in the change from a two week "pay period" to a two week "work period" shall be construed to modify or reduce the minimum guarantee set out in Rule 25.

RULE 26 SENIORITY

26.01 Engineer Officers who have completed nine (9) ~~six (6)~~ months of continuous service as a Regularly Assigned Engineer and/or a Vacation Relief Engineer shall establish seniority with the Employer and shall be placed on the Licensed Engineer Officers Seniority list commencing with the first day of employment as a Regularly Assigned Engineer or a Vacation Relief Engineer. Engineer Officers who are employed on the same date shall have their seniority determined by the date of registration.

26.02 There shall be two (2) separate seniority lists as follows: A Licensed Engineer Officers' Seniority List to be used in determining layoff, recall and other rights which affect all Engineer Officers and which shall show the seniority date established in 26.01, and a Time In Grade Seniority List which shall show the first date of regular assignment to the rating currently held by the licensed Engineer Officer. This list shall be used to determine lateral transfer rights to open positions, promotions or reductions in grade, and vacation preference.

26.03 The seniority lists shall be posted in a place accessible to those affected. They will be revised in June of each year and shall be open for correction for a period of seventy-five (75) days from the date of posting, upon presentation of proof of error in writing by any Engineer Officer or designated representative. Any seniority date that is not protested within seventy-five (75) days from date of its first appearance on the seniority list(s) will not thereafter be subject to protest, except for correction of typographical error. The Union shall be furnished copies of such seniority lists.

26.04 Engineer Officers may be granted leaves of absence up to six (6) continuous months in any year without loss of seniority. Retention of seniority during a longer leave of absence may be arranged for by agreement between the Employer and the Union. The six (6) month limitation shall not apply to disability cases or to schooling to upgrade in the Maritime Industry. All leaves of absence shall be with the mutual consent of the Employer and the Union. Time involved during each leave of absence shall not be accumulative in regards to total seniority time. Seniority credit held at time of leaving active service will remain static until return to active service. Therefore, leave of absence time shall not be used when computing continuous service for pass, vacation or sick leave benefit.

26.05 In reducing or increasing personnel the Licensed Engineer Officer's Seniority List shall govern. When layoffs become necessary, the last Engineer Officer hired shall be the first laid off. When Engineer Officers are called back to service, the last laid off shall be the first restored to work. When reductions in grade are necessitated, the Time in Grade Seniority Lists shall govern with the least senior Engineer Officer in a particular grade being the first reassigned downward. When an opening in the particular grade subsequently occurs the last reassigned downward shall be the first restored. Transfers between vessels or terminals and travel in exercising seniority retention rights will be at the Engineer Officer's expense and the overtime pay rules will not apply.

26.06 All Engineer Officers, other than those assigned to Vacation Relief and Temporary Reliefs, shall have a regularly assigned vessel and position. Vacation

Reliefs shall be regularly assigned in the rating currently held. Engineer Officers in excess of those required will be assigned as Temporary Reliefs.

26.07

(A) When a Regularly Assigned Position becomes vacant it shall be posted onboard each vessel and at terminals for a period of thirty (30) calendar days, seventy-five (75) days if vessel is in lay-up status. No bid shall be accepted after the closing of bids at the end of that thirtieth (30th) day. Relief personnel may be assigned to fill vacancies during the posting period.

(B) The position will first be offered to those Engineer Officers on the Time in Grade List for the same rating who have filed bids for transfer to that position on the basis of their seniority on that list. The position left vacant after all lateral transfers have been exhausted shall be filled by promotion from among those Engineer Officers who have entered a bid for such promotion on the basis of their seniority on the next lower Time in Grade Seniority List. The ultimate vacant position shall be filled in accordance with Rule 3, within 30 days of closing the bids.

(C) In the event that the Employer believes any Engineer Officer to be unacceptable for a position for which the Engineer Officer has submitted a bid or the Employer is exercising its right in Rule 26.08, the Employer may reject such Engineer Officer's bid and if the Employer will promptly notify both the Union and the Engineer Officer involved (in writing) of the rejection, and of each and every reason relied upon by the Employer in rejecting the bid if requested by the Engineer Officer. Any Engineer Officer (except applicants for Chief and First Assistant vacancies) whose bid 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 Engineer Officer shall immediately be accepted for the position for which he or she was rejected, and reimbursed for any salary that may have been lost due to such rejection.

26.08 The Employer agrees to establish a procedure whereby Engineer Officers will be given the opportunity to bid for transfers as well as promotion. However, nothing in this Rule shall be construed to deny the Employer's right to assign Engineer Officers to certain vessels or routes for legitimate business or managerial purposes. However, the System Director or designee, shall make every effort to assign personnel with regard to their preference of change port and working schedule. Chief Engineer and First Assistant Engineer selection shall be based on recommendations from the Senior Port Engineer and the Chief Engineers on board the vessel the vacancy exists. All recommendations shall be considered in making this decision.

26.09 Whenever an Engineer 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.

26.10 If an Engineer Officer resigns, or is dismissed for cause, exhausts entitlements under family and Medical Leave or Alaska Family Leave or is unemployed with the System for a period of six (6) months since completion of an assignment, excluding sick leave other authorized leave of absence, all seniority benefits will cease. If reemployed, the Engineer Officer will be considered as a new hire and must begin again to establish seniority.

RULE 27
HEALTH AND WELFARE

27.01 Health Insurance

The Employer shall provide a group health plan covering licensed Engineer Officers, their spouses and dependents. Such a plan shall maintain the level of coverage in effect for this bargaining unit on the date of signing this Agreement, until such time as changes are made in the level of benefits for the Health Insurance Plan provided by the Employer pursuant to AS 39.30.090.

Effective July 1, 2008~~4~~ the Employer contribution to the health insurance plan shall be eight hundred and sixty seven dollars ~~seven hundred forty two dollars (742.00)~~ (\$867.00) per month per eligible employee.

- A. Effective July 1, for each year of this Agreement, the Employer health insurance contribution will increase by an amount of money not exceeding that necessary to maintain comparable coverage under the current Select Benefits Default/Economy Plan.
- B. 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.

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.

27.02 (A) deleted

27.03 The Employer shall continue to insure the life of every employee in the principal amount of two thousand dollars (\$2,000.00)/five thousand dollars (\$5,000.00) AD&D.

27.04 (A) In lieu of 27.01 through 27.03, for each day worked by a Temporary Relief Engineer except those for whom the Employer is otherwise providing a similar health plan, the Employer will pay a maximum of thirty-one dollars (\$31.00) per day, effective January 1, 2004, forty dollars (\$40.00) per day effective January 1, 2005, forty-one dollars and fifty cents (\$41.50) per day effective January 1, 2006, and forty-three dollars (\$43.00) per day effective January 1, 2007 to the plan designated by the MEBA.

(B) The Employer's sole obligation will be to transmit the monies required to the designated plan.

27.05

(A) Effective July 1, 2000, Engineers who retired with not less than five (5) years service from the Alaska Marine Highway System after July 1, 1983, their spouses and dependants who are provided Major Medical insurance shall be provided a self pay option for Dental, Vision and Audio coverage. All premiums will be collected by MEBA

and forwarded to the Division of Retirement and Benefits on an annual basis. Information regarding coverage levels and claims submission procedures shall be provided to MEBA in a timely manner by the Division of Retirement and Benefits, Department of Administration. A one time four week open enrollment period will be provided effective July 1, 2000. MEBA agrees to enroll retirees in the DVA plan and provide eligibility information. MEBA agrees to notify the Division of Retirement and Benefits of any change in retiree status. MEBA and the covered retirees agree to comply with all provisions of the plan.

(B) MEBA members who are eligible for regular retirement under the MEBA Pension Trust, but who elect a lump sum payment rather than a monthly annuity shall be provided coverage as described above provided:

1. Retirees keep the State of Alaska, Division of Retirement and Benefits informed of their physical and mailing address and,
2. MEBA certifies to the State of Alaska Division of Retirement and Benefits that employees receiving a lump sum payment in lieu of regular monthly payments are eligible to retire under the MEBA Pension Trust.

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RULE 28 PENSIONS

28.01 The Employer agrees that it shall remain a participant in the MEBA Pension Plan, and shall so remain throughout the life of the Agreement. To accomplish this the Employer shall make the contributions set forth herein to said Plan for all engineer Officers who may be in the services of the Employer.

28.02 The employer contributions to said Plan of six dollars and fifty cents (\$6.50) per day shall be made for each full-time Engineer Officer assigned to the Southeast system for two hundred and forty (240) days per year. A full-time Southeast Engineer Officer is one who is in pay status for two thousand and eighty (2,080) straight-time hours per calendar year. In the event that an Engineer works in both Systems (Southeast and Southwest) during one calendar year, the pension credit shall be reported based on the system in which the Engineer worked their majority of time for that year. Contributions for all other Engineer Officers to said Plan shall be made on the basis of one (1) day's contribution (six dollars and fifty cents[\$6.50]) for each day in pay status.

Contributions as in this Section shall be transmitted to the MEBA "Plans" office to be allocated by the Union.

28.03 Employer contributions to the money purchase benefit shall be eighteen dollars and fifty cents (\$18.50) per day for two hundred and eighty (280) days per calendar year for full-time Southeast System Engineer Officers and on the basis of one (1) day's contribution (eighteen dollars and fifty cents [\$18.50]) for each day in a pay status for all other Engineer Officers.

28.04 At the Union's direction, the Employer's obligation to pay into the MPB Account for each ~~Permanent~~ Engineer Officer and Port Engineer will be reduced by Fifty Dollars (\$50.00) per month and such monies shall be used to fund the UBLB payment under Rule 23.07(B).

28.05

(A) Pay types reported for pension wage calculation purposes are Regular time, personal leave, SE "A" days, business leave, holiday pay, court leave, minimum guarantee, late arrival military duty leave, miscellaneous regular pay, sick leave bank, travel pay, unearned wages and COLD. Effective January 1, 2000 the following pay types will be included and reported for pension calculation purposes; non watch, lead chief, penalty pay, and early call back pay. This applies to members who are actively employed on the date of ratification. Effective January 1, 2005 the straight time portion of overtime while in the yard will be reported for pension wage calculation purposes.

The Union will be responsible for resolving any disputes with the Plan Trustees regarding this section. Effective July 1, 2000.

(B) Pension calculations for the defined benefit portion of the plan shall be based on 110% of the base wages for all services under this agreement as a Licensed Engineer.

(C) The minimum monthly pension benefit (payable in the form of a single life annuity) shall be increased to eight hundred dollars (\$800.00) for all retirees (present and future) who have at least twenty (20) years of pension credit.

(D) The 55-year minimum retirement age under the MEBA Pension Trust Regulations is rescinded.

(E) The changes set forth in B, C, and D above are conditioned on the amendment of the MEBA pension Trust Regulations to implement such changes. The Employer has no responsibility under this Rule for the adoption of any such amendment and no liability if the regulations are not so amended. The Union will be responsible for resolving any disputes with the Plan Trustees regarding this section. This section (28.05) is not subject to grievance, and shall not cause the employer contribution to change and is included for information purposes only.

**RULE 29
SICK LEAVE**

29.01 TRANSFER OF ACCRUED SICK LEAVE

(A)

1) Bargaining Unit Sick Leave Bank. Sixty (60) percent of the dollar value of each Engineer Officer's accrued sick leave balance will be transferred to a bargaining unit wide sick leave bank which will be maintained by the Employer and administered by the MEBA. For purposes of this subsection "administered by the MEBA" shall mean the Union approves or disapproves payment from the sick leave bank for work missed by an Engineer Officer due to illness or injury. The Employer retains the right to determine if such absences are authorized or unauthorized according to its absentee control policy. This leave account may be used when any member is scheduled for work but is incapacitated due to an illness or injury. The MEBA will administer the sick leave account in prudent and responsible manner until exhaustion, but in no event will the Employer be obligated to pay out more than seventy-five thousand dollars (\$75,000.00) in any six (6) month periods (January to June/July to December) under this Rule. In the event of the death of an Engineer Officer prior to retirement, and provided the BUSLB has sufficient funds to pay, the MEBA shall submit to the Employer a sick leave request equal to 60 percent of that Engineer Officer's original (as is July 1, 1989) sick leave balance less any sick leave used from the BUSLB by the officer after July 1, 1989, which was converted to personnel leave for payment to the Engineer Officer's beneficiary. Employees who cannot report to work because of an illness or injury, shall be individually responsible to apply to the MEBA for sick leave compensation. Such absences are subject to Employer verification.

(2) Personal Leave Account. Forty (40) percent of the dollar value of each Engineer Officer's accrued sick leave balance will be transferred to the individual's annual leave account, the 10 percent deduction made per Rule 23.01 and thereafter shall be called PERSONAL LEAVE.

(B) When a doctor's certification is requested by the Employer it must be presented prior to the Engineer's return to work or the absence will be regarded as unauthorized, unexcusable and subject to disciplinary action. The doctor's certification is to cover the period from the date the Engineer Officer became incapacitated until the date the Engineer Officer became fit for duty disregarding the Engineer's scheduled crew change date.

RULE 30
STANDARD DRESS

30.01 All Licensed Engineer Officers will be required to wear white or blue coveralls or clean starched and pressed khaki ~~with tie~~ or black pants at all times while on duty and, the Employer will pay a cash allowance of four hundred dollars (\$400.00) per annum to each Engineer Officer.

30.02 The above per annum payment will be increased to six hundred (\$600.00) if the Engineer Officer elects to wear the usual navy blue uniform while off duty aboard ship.

**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 Engineer Officers.

RULE 32 PASS PRIVILEGES

32.01 Engineer Officers with two (2) years of company seniority as per Rule 26.01 and MEBA Officials engaged in business, will be issued annual passes upon request for the Engineer Officer and his or her spouse, subject to the following:

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

(B) The Engineer Officer's vehicle shall not travel on a pass while the Officer is on duty unless the vehicle is accompanying the Officer's dependent(s).

(C) Only two (2) personally-owned vehicle(s) may be listed and travel on an annual pass, unless otherwise authorized by the System Director, Alaska Marine Highway System.

(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 joyriding by the dependents or the 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.

(F) If an employee brings a vehicle other than a standard car or truck the employee will pay the difference between the standard car or truck price and the price of the larger vehicle.

32.02 Engineer 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 farepaying passengers. Meals will be taken in public dining areas and not in the crew mess.

32.03 Engineer Officers who retire from the Alaska Marine Highway System and are receiving a PERS or MEBA 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 Engineer Officers (whether retired or current) will continue to be eligible for pass privileges. A retired employee's vehicle must be registered and licensed appropriately.

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

32.05 If the date of travel on an approved pass does not correspond with the actual date of travel, the Engineer Officer and/or dependents involved must attempt to secure proper approval from the Juneau Headquarters Office. In emergency situations, if time precludes such approval before vessel departure, the Vessel Master can make a determination on pass validity or nonvalidity.

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) An Engineer Officer's personally-owned vehicle is defined as: a standard car or truck used as a daily or personal conveyance by the Officer, and any non commercial vehicle less than twenty three (23) feet in length. The vehicle must be registered in the Officer's name or an affidavit signed to the effect it will be registered in the Officer's name upon arrival in Alaska and that the vehicle is for the Officer's personal use and not intended for resale within a period of one year. Only two (2) personally-owned vehicle(s) may be listed on an annual pass. To have personally-owned vehicles shown on an annual pass they must be registered and licensed by the State of Alaska in accordance with State statutes.

(B) The System Director, Alaska Marine Highway System, will consider timely written requests for waiver of the provisions of Rule 32 on a case by case basis.

(C) At no time will an employee's vehicle be allowed to travel on pass if loss of revenue results.

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

Vehicle and trailer length will be determined as the connected length overall. The trailer must be towed by the vehicle listed on the employee's annual pass and shall not be allowed to be transported unaccompanied. First twenty three (23) feet will be allowed as free passage, any length over 23 feet will be based on current fare tariff in place for difference between the overall length and twenty three (23) feet of total connected length of trailer.

The fee charged does not provide confirmed reservations and transportation is still on a space available basis.

If trailer is transported in accordance with this rule the trailer must be licensed for highway use.

32.08 Unauthorized use of or abuse of the pass privilege shall be cause for revocation of the Engineer 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 Engineer 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 Engineer 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 not withstanding any procedural defects.

33.02 The Employer will not engage in activities, or assist or encourage Engineers not members of the Association in activities calculated to undermine the status of the union as the sole collective bargaining representative. The Employer will not attempt to influence or persuade any member of the Union to withdraw therefrom or to influence any Engineer Officer not to join. The Employer will not in any way attempt to interfere with the internal affairs of the Union.

**RULE 34
DISCIPLINE**

Stake
3/5/09
2:00

34.01 It is recognized the Employer has the right and duty to institute disciplinary actions against an Engineer 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 Engineer.

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 Engineer's workweek, 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 Nothing in this Agreement shall prevent the employer from discharging any Engineer Officer who is not satisfactory to it, but any dispute arising therefrom shall be settled in accordance with Rule 14.

34.04 All licensed Engineer 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 will be subject to discipline up to and including dismissal. If the USCG revokes an employee's documents, the employee will be terminated.

The Employer will accept for hire through the Union's Hiring Hall 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 additional vessels owned or chartered by the State are added to the fleet, or operating conditions or service requirements arise due to length of voyage or other reasons not specifically covered by Agreement, the parties agree to negotiate immediately on those mandatory subjects of bargaining as required in the Public Employment Relations Act for the purpose of arriving at a mutually satisfactory supplement covering such operations.

RULE 36
SAVING AND SEPARABILITY

36.01 If any rule of this Agreement or any addendum's 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
EDUCATION**

effective July 1, 2009

MS

37.01 The Employer shall continue to participate in the MEBA Training Plan. For this purpose the Employer shall agree to pay to the MEBA Training Plan ~~eighty-five cents (\$0.85)~~ three dollars (\$3.00) per day per man for each Engineer Officer employed with Alaska Marine Highway System. In the event the contract is further extended pursuant to Rule 39 herein, it is agreed that the MEBA Training Plan shall continue in force and effect for twelve (12) months past the expiration date of the contract. ~~Each year of the contract the MEBA Training Plan shall provide a listing of AMHS engineers that have attended training at the Calhoun School specifying what classes they have taken.~~

Upon request the Union

37.02

(A) Employees undergoing employer approved, instructor facilitated training will receive travel allowances in accordance with Rule 11 and will be provided transportation in cash or in kind. "Employer approved training" for the purpose of this rule shall be a written, employee specific travel and training authorization.

(B) Employees residing within fifty (50) road miles of the training site will not be entitled to travel or transportation under this rule.

(C) Employees will be paid for actual training time not to exceed 8.4 hours per day. Regularly Assigned Employees will be paid at the straight time rate of their bid job and all others will be paid at the rate of their last assignment.

(D) Employees may be reimbursed for tuition for other than employer-approved training at the employer discretion.

RULE 38
JOINT EMPLOYMENT COMMITTEE

38.01 The Employer shall continue to participate in the Joint Employment Committee. For this purpose the Employer shall continue to pay to the Joint Employment Committee one dollar (\$1.00) per man per day for each Engineer Officer employed with the Alaska Marine Highway System. In the event the contract is further extended pursuant to Rule 39 herein, it is agreed that the Joint Employment Committee shall continue in force and effect for twelve (12) months past the expiration date of the contract.

RULE 39
TERM OF AGREEMENT

39.01 This Agreement shall be negotiated in good faith by both parties and shall be ratified by majority of the Union membership in the AMHS . An elected official of the Union will sign the final agreement, once the balloting is complete and the addendum is approved. Once signed, the Agreement shall become effective July 1, 20084 and shall remain in effect through June 30, 201107 and shall be considered as renewed from year-to-year thereafter between the parties unless either party gives written notice of its desire to amend or terminate same during the period from February 1, 201107 to April 1, 201107.

39.02 The parties, having negotiated in good faith, recognize that the monetary terms of this Agreement are subject to legislative appropriation in accordance with AS 23.40.215. If the legislation submitted to obtain the necessary funding is not passed by the end of the legislature session in which submitted, or if such legislation is rejected by the legislature, the parties shall immediately re-enter negotiations. In the event such negotiations are at an impasse, then the no-strike, no-lockout provisions of this Agreement are waived in accordance with AS 23.40.200.

39.03 New, substantively different provisions of this Agreement will take effect on the date of signing of this Agreement, unless another effective date is specifically provided herein.

APPENDIX A

Letter of Dispute Resolution
between the
STATE OF ALASKA
and the
MARINE ENGINEERS' BENEFICIAL ASSOCIATION

Representing the
Licensed Engineer Officers
of the
Alaska Marine Highway System

Chief Engineer Pay for Work on Scheduled Weeks Off

LOA 98-B-256

It is understood and agreed between the parties that the following terms constitutes full and final resolution of all open pay problems and grievances regarding the State's refusal to compensate Chief Engineers at the overtime rate for work performed on the employees' regularly scheduled week(s) off.

When a Southeast System Chief Engineer has fulfilled a work assignment under the provisions of Rule 19 but is then required to work on their scheduled time off, the Chief Engineer shall be paid overtime for actual hours worked under the provisions of Rule 22.01 and 22.03.

Vacation Relief Engineers shall be entitled to such pay on those calendar days worked which are outside of a schedule established under the provision of Rule 23.02. Such overtime pay shall not exceed twelve (12) hours per day.

For the State of Alaska:

For the MARINE ENGINEERS'
BENEFICIAL ASSOCIATION:

Mark Boyer
Commissioner
Department of Administration

Louie "Bud" Jacque
Branch Agent
MEBA, District No. 1

Date

Date

State
3/5/09
2:01

**SUPPLEMENTAL AGREEMENT
to the
COLLECTIVE BARGAINING AGREEMENT
between the
STATE OF ALASKA
and the
DISTRICT NO.1--MEBA (AFL-CIO)
Affiliated with
NATIONAL MARINE ENGINEERS' BENEFICIAL ASSOCIATION**

Re: M/V KENNICOTT

It is hereby understood and agreed between the parties that the following is intended to supplement the Agreement entered into between the State of Alaska and the District #1--MEBA (AFL-CIO), an affiliate of the National Marine Engineers' Beneficial Association, executed on July 1, 2000, and is intended to amend that Agreement to cover the issues unique to the M/V KENNICOTT. Unless specifically superseded by the terms of this Supplemental Agreement, all provisions of the parties' master agreement shall remain in effect. In no way will this Agreement or any part of this Agreement be implemented for any other vessels owned and/or operated by the State of Alaska.

RULE 12 - Change Ports and Transportation

12.01(A) Regularly Assigned Engineer Officers. Change ports shall be Juneau, and Ketchikan ~~and Seward~~. However, other communities may also be used as change ports if both Regularly Assigned Engineer 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, provided no additional expenses are incurred by the Employer. Engineer Officers receiving COLD payments must designate a change port within the State of Alaska. Regularly Assigned Engineer Officers shall normally be relieved at the same change port where they began their duties. The senior Regularly Assigned Engineer Officer on the Time in Grade seniority roster shall designate the change port for the position.

12.04 Travel Between Temporary Assignments. When a Regularly Assigned or a Vacation Relief Engineer 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 Engineer Officer 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 Juneau and, Ketchikan, ~~or Seward~~.

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

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, the regular Engineer Officers shall work a forty-two (42) hour workweek. During such periods Engineers shall be paid for the first forty-two (42) hours of work at the straight-time rate and Rule 17.01(C) shall apply. Provisions of 15.02(b) and (c) will still apply.

16.04 All running time on ship's watch time to bring the vessel to shipyard or repair terminal or return from shipyard or repair terminal shall be paid on the eight (8) hour day basis. The change of work schedules from ships watch time to straight eight and four-tenths (8.4) hour days shall occur at the nearest noon or midnight that the vessel leaves or enters service.

16.08(A) The minimum manning levels of licensed engineers assigned to the M/V Kennicott in maintenance, or layup status, when licensed engineers are assigned to the vessel for repair work, shall be no less than as follows:

One (1) each	Chief Engineer
One (1) each	First Asst. Engineer
One (1) each	Second Asst. Engineer
Three (3) each	Third Asst. Engineer

RULE 17 - Pay Plan

17.01

(A) Basic Schedule

Job Classification	Monthly (240 Hrs)	Half-Monthly (120 Hrs)	Daily	Straight Time Hourly	Overtime Hourly
Chief Engineer	\$8,020.80	\$4,010.40	\$267.36	\$33.42	\$50.13
First Assistant	\$6,909.60	\$3,454.80	\$230.32	\$28.79	\$43.19
Second Assistant	\$6,456.00	\$3,228.00	\$215.20	\$26.90	\$40.35
Third Assistant	\$6,057.60	\$3,028.80	\$201.92	\$25.24	\$37.86

(B) Non-watch Pay. In addition to the above, a Chief Engineer shall receive five hundred, eighty-five dollars and eighty cents (\$ 585.80) per pay period as non-watch pay in lieu of all overtime for vessel arrival & departure to port, repair and breakdown callout, while the vessel is in operation, and he or she is in work status. When a Chief Engineer is working on a vessel not in operation, he or she is not entitled to non-watch pay, but is eligible for overtime per Rule 16.01.

(C) Compensation shall be based on the actual number of days in the given month. The below table is an example of pay while in a shipyard status according to Rule 16.01 and 16.02 of the Master Agreement.

Job Classification	Monthly (184.8 Hrs) ¹	Half-Monthly (92.4 Hrs) ²	Daily	Straight Time Hourly	Overtime
Chief Engineer	\$6,176.02	\$3,088.00	\$280.73	\$33.42	\$50.13
First Assistant	\$5,320.39	\$2,660.20	\$241.36	\$28.79	\$43.19
Second Assistant	\$4,971.12	\$2,485.56	\$225.96	\$26.90	\$40.35
Third Assistant	\$4,664.35	\$2,332.18	\$212.02	\$25.24	\$37.86

¹Based on 22 working days in the month.

²Based on 11 working days in pay period.

17.02 Cost-of Living Differential for Alaska Residents.

(A) Pursuant to AS 23.40.210, as part of the basic pay provided in 17.01 (A) and for pension purposes but not to be included in computing an hourly wage rate, those Engineers who are residents of Alaska shall receive a cost-of-living differential for each pay period they are in pay status according to the following schedule:

<u>Job Classification</u>	<u>Per Pay Period in Pay Status</u>
Chief Engineer	562.55
First Assistant	481.07
Second Assistant	455.70
Third Assistant	435.12

(B) 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 One Chief Engineer aboard the vessel shall be designated as the "Lead Chief," and shall be responsible for additional duties as prescribed by the Employer and shall be compensated for these additional duties at the rate of one hundred and eight dollars and thirty-three cents (\$108.33) per pay period.

17.07 Does not apply.

RULE 18 - Hours

While in operational status eight (8) hours shall constitute a day's work whether at sea or in port or combined. Each day shall be reckoned from midnight to midnight. Overtime shall be paid for all work performed in excess of eight (8) hours per day.

18.01

(A) Hours of Labor at Sea. Four (4) consecutive hours shall constitute a watch; two (2) watches shall constitute a day's work. All work done at sea by watch standing Engineer Officers in excess of eight (8) hours a day or fifty-six (56) hours per week is overtime. The Chief Engineer shall be a non-watch standing officer. The First Assistant Engineer shall be a non-watch standing officer.

Normal working hours for Day Workers shall be 0800 to 1630.

When Engineer Officers are assigned to routine night, weekend or holiday watches, they may be required to perform and/or supervise maintenance/repair work which is necessary to keep the ship in operation, or such work as may be occasioned due to mechanical or electrical failure occurring during such night, weekend or holiday watches.

(B) Hours of Labor in Port. The normal hours of labor while Port Time is in effect shall be arranged in approximately eight (8) hour periods.

Port time shall commence and sea watches shall be broken one (1) hour after the vessel has anchored or moored at or in the vicinity of any port for the purpose of loading or discharging passengers, cargo, mail, fueling, or ballast transfer, undergoing repairs, lay-up, awaiting safe orders or berth.

Port time shall not apply in any port where the vessel's stay is anticipated to be less than (24) hours, nor when anchored or moored solely for reasons of safety or while awaiting safe weather or tide.

Port time shall not apply in the shipyard during the winter maintenance period.

18.02 On days of departure from port, if sea watches have been broken, they shall be set at the beginning of the normal period of time required for warming up engines prior to sailing time. Engineer Officers will be required to be on board and available for duty not less than one (1) hour before posted time for sailing.

RULE 19 - Monthly Work

19.01 Two complete crews shall be assigned to the vessel with the workdays divided evenly during each year between the two crews as nearly as practicable. Each crew will work approximately one month followed by approximately one month off duty with the alternate crew relieving.

19.02 If mutually agreed upon by two Engineers in grade, they may work any schedule, provided they obtain the written approval of the System Director, or designee, and the Union, and Chief Engineer is informed.

19.03 There shall be no additional cost to the State, because either Engineer does not fulfill his part of the schedule while the vessel is on the run and Rule 19.02 schedule is in effect. In the event of illness or injury of an Engineering Officer Rule 22.03 shall be in effect.

RULE 20 - Emergencies

20.02 It shall not be made a normal practice to hold emergency drills on Saturdays, Sundays or holidays in port or at sea, except as may be required by U. S. Coast Guard regulations.

RULE 21 - Late Arrival

Entire Rule does not apply

RULE 22 - OVERTIME

22.01 (A) Does not apply.

22.01 (B) Does not apply.

22.03 If an Engineer is called back or is required to work during their scheduled time off, they are to receive one day's pay at the overtime rate. Following the first day of callback, each day worked until the start of the Engineer's regular work period shall be at the overtime rate. This does not apply when there is a schedule change or a change in change ports. In these cases, the Engineer will start the work period with the standard eight (8) hours at overtime. The parties will make every effort to prevent Engineer Officers from working their assigned scheduled time off due the Engineers opposite being sick or injured.

22.04 The penalty rate shall be \$13.00.

22.07 When overtime or penalty time work is to be performed, it shall be ordered by the Chief Engineer or, in the absence of the Chief Engineer, by the highest ranking Engineer Officer who is available. All Engineer's overtime must be certified on the timesheets by the Engineer Officer authorizing the work.

22.08 When the vessel is in port and watches are broken and Assistant Engineer Officers are called back for the purpose of shifting ship, fueling ship or to effect repairs, a minimum of two (2) hours overtime shall be paid for each call except when contiguous to regular watch.

RULE 23 -Personal Leave

23.01(A) Accumulated Days Off. Engineer officers shall earn one day of personal leave (an "A" Day) for:

- (1) Each day worked (on change day prorated in relation to hours worked);
- (2) Each day they are required to remain on board the vessel; and
- (3) Each day they are assigned to the vessel while in shipyard or layup status,

including weekends and holidays.

- (4) Negative "A" day balances will be allowed, and Engineer Officers permanently assigned to the vessel shall be paid in the event that the vessel is late to its scheduled change port due to breakdown, weather or change in schedule.

23.01(B) Does not apply.

23.01(C) Does not apply.

23.01(D) Engineer Officers who have personal leave balances of at least (90) days (720 hrs.) may cash out a maximum of one month (30 days/240 hrs.) of personal leave per calendar year when mutually agreed to by the Union and the State. The Engineer Officer's personal leave balance shall be reduced by the number of hours for which payment is made, but shall not be counted as personal leave used.

23.04 (B) Vacation Relief Engineers shall be paid at the rate of the highest rating they relieve. Vacation Relief Engineer Officers working a temporary downgrade will be paid at the pay rate of his or her regularly assigned job classification. When a Vacation Relief Engineer Officer is temporarily working in a higher classification (e.g., First Assistant working as a Chief), they will be paid the Half-Monthly (one hundred and twenty hours (120) straight time hours) or Monthly (two hundred and forty (240) straight time hours) base pay rate per assignment, and all hours earned during the pay period at the rate of pay for the job classification they are working.

23.05 Personal Leave Pay Rate. Regularly Assigned Engineers shall be paid while on personal leave at the rate of their regular assignment.

Vacation Relief Engineers shall be paid for personal leave at the rate of the highest rating he or she has relieved in accordance with Rule 23.04 (B).

Temporary Relief Engineers shall be paid for personal leave at the rate of the classification the Engineer Officer worked.

A pro rate personal leave benefit shall be given for periods of less than thirty (30) days provided there is a minimum of thirty (30) days employment.

No personal leave benefits shall accrue during periods of leaves of absence.

When personal leave benefits are paid, they shall cover all work performed to date of vacation on a pro rata basis and all days of vacation shall be computed as days of work either at the option of the Engineer Officer for the current vacation claim or for the purpose of determining the ensuing vacation benefits.

23.06 Utilization and Disposal. Personal leave shall be used for any and all purposes for which sick and/or annual leave have heretofore been used. Personal leave requests require the prior approval of the Employer except in the case of illness or injury to the Engineer Officer. Engineers' requests shall be given full consideration and, to the extent practicable, approved. However, the parties agree that the final decision with regard to approval or disapproval of any request will be based on the Employer's evaluation of the

needs of the job. In an absence due to illness or injury for one (1) day or more, the Employer may require a physician's certificate.

23.08 Terminal Leave In case of any Engineer Officer terminating services at any time after the Engineer has accumulated a personal leave balance, the Engineer shall receive cash payments for whatever personal leave he or she has accrued. Each Engineer Officer's sick leave bank credits are canceled automatically upon termination of service. Accumulated unused sick leave will be paid to the beneficiary when death occurs during employment and prior to retirement.

23.11 Engineer Officers on temporary assignments from the Southeast System for less than twenty-eight (28) days, shall continue to accrue personal leave in accordance with Rules 23 of the basic Agreement and are excluded from coverage under this rule.

Engineer Officers on temporary assignments from the Southwest System for less than twenty-eight (28) days shall continue to accrue personal leave in accordance with Rules 23.01 of the BARTLETT and TUSTUMENA Supplemental Agreements and are excluded from coverage under this rule.

Temporary Dispatches for less than 28 days for emergency purposes will be exempt from the above 28 day requirement.

23.12 Funeral Leave. If a death occurs among members of an Engineer's immediate family, the Engineer will be excused from work to attend the funeral and make other necessary arrangements without loss of pay from the day of death until the day after the funeral, but no more than a total of seven (7) days. The Funeral Leave time will be deducted first from the banked sick leave (ten [10] days maximum) and then from personal leave.

RULE 24 - Holidays

24.03 All holidays will be paid at the eight and four-tenth (8.4) hour rate. Engineer Officers required to work on a holiday will be paid additionally, at the overtime rate for the actual hours worked. The straight time portion of holiday pay shall apply toward minimum guarantee. The overtime portion of pay for a holiday worked and the holiday pay (eight and four-tenth [8.4] straight-time hours) for a holiday which falls on the employee's scheduled time off are not included in calculating minimum guarantee.

RULE 25 - Minimum Guarantee

25.01 The minimum daily pay for all Engineer Officers shall be not less than eight hours straight time pay for each full calendar day the Officer works on board the vessel. To the maximum extent practicable, and consist with the operational scheduling needs of the vessel, crew change days and work assignments under Rule 19 will be scheduled in a manner intended to provide for monthly rates of pay as listed in Rule 17.01(A).

SUPPLEMENTAL AGREEMENT
to the
COLLECTIVE BARGAINING AGREEMENT
between the
STATE OF ALASKA
and the
DISTRICT #1--MEBA (AFL-CIO)
affiliated with
NATIONAL MARINE ENGINEERS' BENEFICIAL ASSOCIATION

Re: M/V TUSTUMENA

It is hereby understood and agreed between the parties that the following is intended to supplement the Agreement entered into between the State of Alaska and the District #1--MEBA (AFL-CIO), an affiliate of the National Marine Engineers' Beneficial Association, executed on July 1, 2000, and is intended to amend that Agreement to cover the issues unique to the M/V TUSTUMENA unless specifically superseded by a Rule or a subsection of this Supplemental Agreement.

RULE 12 - HOME PORT AND TRANSPORTATION

12.01 The home port shall be the port of Seward.

RULE 16 - SHIPYARD AND TERMINAL WORK

16.04 All running time on ship's watch time to bring the vessel to shipyard or repair terminal or return from shipyard or repair terminal shall be paid on the eight (8) hour day basis. The change of work schedules from ship's watch time to straight eight and four-tenths (8.4) hour days shall occur at the nearest noon or midnight that the vessel leaves or enters service.

16.06 Does not apply.

RULE 17 - PAY PLAN

17.01

Basic Schedule

Job Classification	Monthly (240 Hrs.)	Monthly (120 Hrs.)	Half- Daily (8 Hrs.)	Time Hourly	Straight- Overtime Hourly
Chief Engineer	\$7,048.80	\$3,524.40	\$234.96	\$29.37	\$44.06
First Assistant	6,055.20	3,027.60	201.84	25.23	37.85
Second Assistant	5,692.80	2,846.40	189.76	23.72	35.58
Third Assistant	5,378.40	2,689.20	179.28	22.41	33.62

(B) Nonwatch Pay. In addition to the above, a Chief Engineer shall receive five hundred, eighty-five dollars and eighty cents per pay period as nonwatch pay in lieu of

all overtime, for vessel arrival and departure to port, repair and breakdown callout, while the vessel is in operation, and he or she is in work status. When a Chief Engineer is working on a vessel not in operation, he or she is not entitled to nonwatch pay, but is eligible for overtime per Rule 16.03.

(C) Compensation shall be based on the actual number of days in the given month.

(D) PAY WHILE IN SHIPYARD STATUS

Job Classification	Monthly (182 Hrs.)	Biweekly (84 Hrs.)	Straight- Time Hourly	Overtime Hourly
Chief Engineer	\$6,082.44	\$2,807.28	\$33.42	\$50.13
First Assistant	5,239.78	2,418.36	28.79	43.19
Second Assistant	4,895.80	2,259.60	26.90	40.35
Third Assistant	4,593.68	2,120.16	25.24	37.86

17.02 COST-OF-LIVING DIFFERENTIAL FOR ALASKA RESIDENTS.

(A) Pursuant to AS 23.40.210, as part of the basic pay provided in 17.01 and for pension purposes effective April 1, 1988, but not to be included in computing an hourly wage rate, those Engineers who are residents of Alaska shall receive a cost-of-living differential for each pay period they are in pay status according to the following schedule:

CHIEF ENGINEERS

\$562.55 Per Pay Period in Pay Status

ASSISTANT ENGINEERS

<u>Job Classification</u>	<u>Per Pay Period in Pay Status</u>
First Assistant	\$ 481.07
Second Assistant	\$ 455.70
Third Assistant	\$ 435.12

(B) 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.

An employee working in a pay period in which the employee has also worked in a classification covered by another labor agreement will have COLD payments subtracted from the COLD due under Rule 17.02. The total COLD compensation received from the two work assignments,

combined, in the same pay period may not exceed the total amount that the employee could have otherwise received under Rule 17.02.

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 Does not apply.

17.05

The straight time hourly rate of pay in effect on July 1, 2004 shall increase by six percent (6%) effective July 1, 2005.

The straight time hourly rate pay in effect on July 1, 2005 shall increase by six percent (6%) effective July 1, 2006.

17.07 Does not apply.

RULE 18 - HOURS

Eight (8) hours shall constitute a day's work whether at sea or in port or combined. Each day shall be reckoned from midnight to midnight. Overtime shall be paid for all work performed in excess of eight (8) hours per day.

18.01

(A) HOURS OF LABOR AT SEA. Four (4) consecutive hours shall constitute a watch; two (2) watches shall constitute a day's work. All work done at sea by watchstanding Engineer Officers in excess of eight (8) hours a day or fifty-six (56) hours per week is overtime. The Chief Engineer shall be a nonwatchstanding Officer. The First Assistant Engineer shall be a nonwatchstanding Officer.

When the ship's Engineer Officers are assigned to routine night, weekend or holiday watches, they may be required to perform and/or supervise only that maintenance/repair work which is necessary to keep the ship in operation, or such work as may be occasioned due to mechanical or electrical failure occurring during such night, weekend or holiday watches.

(B) HOURS OF LABOR IN PORT. When Sea Watches are broken in accord with Rule 18.03 the normal hours of labor while Port Time is in effect shall be arranged in approximately eight (8) hour periods.

Port time shall commence thirty (30) minutes after the vessel has anchored or moored at or in the vicinity of any port for the purpose of loading or discharging passengers, cargo, mail or ballast; undergoing repairs, layup, awaiting safe orders or berth.

Port time shall not apply in any port where the vessel's stay is less than three (3) hours, nor when anchored or moored solely for reasons of safety or while awaiting safe weather or tide.

Port time shall not apply in the shipyard during the winter maintenance period.

18.02 On days of departure from port, if sea watches have been broken, they shall be set at the beginning of the normal period of time required for warming up engines prior to sailing time. Assistant Engineer Officers will be required to be on board and available for duty not less than one (1) hour before posted time for sailing.

18.03 Sea watches shall be broken one (1) hour after finishing with the engine upon arrival at the home port, or at any other port, when the vessel is to remain there in excess of twenty-four (24) hours.

RULE 19 - MONTHLY WORK

19.01 Does not apply.

19.02 Does not apply.

19.03 Does not apply.

RULE 20 - EMERGENCIES

20.02 It shall not be made a normal practice to hold emergency drills on Saturdays, Sundays or holidays in port or at sea.

RULE 21 - LATE ARRIVAL

Entire Rule does not apply

RULE 22 - OVERTIME

22.01 (A) Does not apply.

22.01 (B) Does not apply.

22.03 Effective July 1, 2000, if an Engineer Officer is not relieved for scheduled time off they will receive one and one-half times their hourly straight time rate of pay for hours worked, up to a maximum of five (5) days.

22.07 When overtime or penalty time work is to be performed, it shall be ordered by the Chief Engineer or, in the absence of the Chief Engineer, by the highest ranking Engineer Officer who is available. All Engineer's overtime must be certified on the timesheets by the Engineer Officer authorizing the work.

22.08 When the vessel is in its home port and watches are broken and Assistant Engineer Officers are called back for the purpose of shifting ship, fueling ship or to effect repairs, a minimum of two (2) hours overtime shall be paid for each call except when contiguous to regular watch.

RULE 23 - PERSONAL LEAVE

23.01

Personal leave shall be earned and used in lieu of all sick leave and vacation except as specified in this Rule. Effective July 1, 1997, the rate of personal leave accrual for all Engineer Officers shall be fourteen and three quarters (14.75) days per month.

Once eligible for personal leave accrual, an Engineer Officer will be credited with one (1) month's accrual during every month in which he or she is compensated for a minimum of one-half (1/2) a month's straight-time hours.

Those engineers who have completed 5 years of service with AMHS, in lieu of the personal leave above, shall be credited accumulated days off as follows: Engineer Officers shall earn one (1) "A" day for each day worked (on change day prorated in relation to hours worked); each day they are required to remain on board the vessel and each day they are assigned to the vessel while in ship yard or layup status, including weekends and holidays.

Negative "A" Day balances will be allowed for up to a maximum of three (3) days, and Engineer Officers permanently assigned to the vessel shall be paid in the event that the vessel is late to its scheduled change port due to break down, weather or change in schedule.

23.04 VACATION RELIEF ENGINEERS.

(B) Vacation Relief Engineers shall be paid at the rate of the highest rating they relieve.

23.05 PERSONAL LEAVE PAYRATE. Regularly Assigned Engineers shall be paid while on personal leave at the rate of their regular assignment. Vacation Relief Engineers shall be paid for personal leave at the rate of the highest rating he or she has relieved in accordance with Rule 23.04 (b).

Temporary Relief Engineers shall be paid for personal leave at the rate of the classification the Engineer Officer worked.

A pro rata personal leave benefit shall be given for periods of less than thirty (30) days provided there is a minimum of thirty (30) days employment.

No personal leave benefits shall accrue during periods of leaves of absence.

When personal leave benefits are paid, they shall cover all work performed to date of vacation on a pro rata basis and all days of vacation shall be computed as days of work either at the option of the Engineer Officer for the current vacation claim or for the purpose of determining the ensuing vacation benefits.

(A) Regularly Assigned engineers who are working in a temporary upgrade position shall be paid for personal leave at a rate no less than their regularly assigned position or at the rate of the classification the engineer worked for the majority of the preceding year.

23.06 UTILIZATION AND DISPOSAL. Personal leave shall be used for any and all purposes for which sick and/or annual leave have heretofore been used. Personal leave requests require the prior approval of the Employer except in the case of illness or injury to the Engineer Officer. Engineers' requests shall be given full consideration and, to the extent practicable, approved. However, the parties agree that the final decision with regard to approval or disapproval of any request will be based on the Employer's evaluation of the needs of the job. In an absence due

to illness or injury for one (1) day or more, the System Director, Alaska Marine Highway System, may require a physician's certificate.

Personal leave must be taken. No cash allowances in lieu of leave shall be made without the mutual consent of the Union and the Employer.

23.08 TERMINAL LEAVE In case of any Engineer Officer terminating services at any time after the Engineer has accumulated a personal leave balance, the Engineer shall receive cash payments for whatever personal leave he or she has accrued. Each Engineer Officer's sick leave bank credits are cancelled automatically upon termination of service. Accumulated unused sick leave will be paid to the beneficiary when death occurs during employment and prior to retirement.

23.11 Engineer Officers on temporary assignments from the Southeast System for thirty (30) days or less shall continue to accrue personal leave in accordance with Rules 23 of the basic Agreement and are excluded from coverage under this Rule.

23.12 FUNERAL LEAVE. If a death occurs among members of an Engineer's immediate family, the Engineer will be excused from work to attend the funeral and make other necessary arrangements without loss of pay from the day of death until the day after the funeral, but no more than a total of seven (7) days. The Funeral Leave time will be deducted first from the banked sick leave (ten [10] days maximum) and then from personal leave.

RULE 24 - HOLIDAYS

24.03 All holidays will be paid at the eight (8) hour rate. Engineer Officers required to work on a holiday will be paid at the overtime rate for the actual hours worked. Holiday Pay shall apply toward minimum guarantee.

RULE 25 - MINIMUM GUARANTEE

25.01 The minimum monthly pay for all Engineer Officers working regular assignments shall not be less than the minimum monthly rate of pay as shown in Rule 17. Only the pay at straight-time rates for regular hours of work will be counted as earnings in computing the monthly minimum.

The above shall not apply to Temporary Relief Engineers called in excess of Regular Vacation Relief Engineers.

RULE 29 - SICK LEAVE

Engineers who have sick leave earnings credited to their State sick leave accounts shall have such earnings transferred to a sick leave bank.

The Engineer may draw upon a maximum of ten (10) days or the balance in the sick leave bank, whichever is less. Such leave is to be only in the event of illness or injury of the Engineer or the Engineer's immediate family. There will be no further additions to the sick leave bank and the balance can be authorized for use only for those purposes consistent with regulations regarding the use of sick leave, and only after the personal leave balance has been exhausted, except that any one medical disability which prevents the Engineer from performing his or her duties,

as certified by the attending physician, which exceeds ten (10) working days shall be charged as follows:

- (A) shall be charged first to the ten (10) days referred to in this section;
- (B) shall be charged to personal leave up to a maximum of ten (10) working days;
- (C) after exceeding the ten (10) days charged to personal leave, the additional leave shall be charged to personal leave, the additional leave shall be charged to the sick leave bank;
- (D) If the sick leave bank has been exhausted, the leave shall be charged to personal leave.

Such illnesses shall in all cases require a report from a licensed physician.

RULE 40 - VESSELS OUT OF AND IN COMMISSION

40.01 When a vessel is inactive in a port for any reason for a period of ten (10) days or less, the Engineer Officer shall be kept on board at the regular monthly rate of pay, provided however, when it is expected that said vessel will be idle for a period in excess of ten (10) days, the personnel may be reduced on arrival. Should the vessel resume service within ten (10) days, the vessel's Engineer Officers who are entitled to return to the vessel shall receive wages and subsistence for the period that it was not furnished by the vessel.

40.02 When Engineer Officers are employed on vessels out of commission, one Engineer Officer shall receive the same pay and subsistence as that of a First Assistant Engineer and any other Engineer Officer employed shall be paid at the rate prescribed and for the rating and capacity in which he or she is acting for the period of time in which he or she so acts. The Employer shall, at all times, have the privilege of determining the number of Engineer Officers to be so employed.

40.03 A vessel shall be considered in commission when receiving power from its own plant.

**SUPPLEMENTAL AGREEMENT
to the
COLLECTIVE BARGAINING AGREEMENT
between the
STATE OF ALASKA
and the
DISTRICT #1--MEBA (AFL-CIO)
affiliated with
NATIONAL MARINE ENGINEERS' BENEFICIAL ASSOCIATION**

Re: PORT ENGINEERS

It is hereby understood and agreed between the parties that the following is intended to supplement the current collective bargaining Agreement between the parties executed on July 1, 2000, and is intended to amend that Agreement to cover the issues unique to personnel designated as "Port Engineers".

The terms or designations, "Engineer Officers", "Crew Personnel", or any other terms referring to Licensed Marine Engineer Officers employed with Alaska Marine Highway System; shall apply in this Supplemental Agreement to the personnel designated "Port Engineer".

RULE 3 - PREFERENTIAL HIRING AND USE OF INFORMATION

3.01 The Employer agrees that when employing Port Engineers, if the Employer cannot find a Port Engineer who is a member of the Union permanently employed with the Alaska Marine Highway System as a Licensed Marine Engineer who is determined by the Employer to be qualified to perform the work, first consideration will be given to the Union to refer competent and qualified personnel to fill any such vacancy. The Employer shall have exclusive right to hire Port Engineers at its discretion provided that such Port Engineers must be members of the Union or must become bona fide applicants for membership in the Union, as a condition of employment, following the completion of thirty (30) calendar days of employment. The Union shall not arbitrarily deny membership to a Port Engineer employee who applies for same in accordance with the Union's requirements. If a dispute arises in connection with the interpretation or performance of this hiring procedure, its resolution may be sought by either party and shall be subject to Rule 14 of this Agreement. Maintenance of membership in good standing in the Union shall be a condition of employment as a Port Engineer. The Employer shall promptly advise the Union of all changes in Port Engineer personnel and shall supply an employment seniority list of Port Engineer personnel to the Union semi-annually.

3.02 Does not apply.

3.03 Does not apply.

3.05 Does not apply.

3.06 Does not apply.

RULE 4 - DEFINITIONS

4.01 Does not apply.

4.02 Does not apply.

4.03 Does not apply.

4.04 Does not apply.

RULE 7 - CREW REQUIREMENTS

7.01 Does not apply.

7.02 Does not apply.

7.03 Does not apply.

RULE 8 - HEALTH AND SAFETY

8.01 Does not apply.

8.02 Does not apply.

8.04 Does not apply.

8.05 Does not apply.

RULE 9 - OCCUPATIONAL INJURY AND ILLNESS BENEFITS

9.09 The Employee will be entitled to Alaska Workers' Compensation benefits while performing duties not "in the service of the vessel." When the employee is injured or becomes ill and is considered "in the service of the vessel", the employee shall receive traditional seaman's remedies under the provisions of the Jones Act.

9.10 In addition to Workers' Compensation benefits paid under Rule 9.03, the Port Engineer may, at his or her option, receive sick leave wages in an amount equal to the Port Engineer's daily wage reduced by the amount of Workers' Compensation benefits. This will be computed on his bi-weekly wage and will reduce sick leave credit only by the actual hours of sick leave paid as the supplement to his Workers' Compensation payments.

RULE 12 - CHANGE PORTS AND TRAVEL BETWEEN ASSIGNMENTS

12.01 Port Engineers may not be permanently transferred away from their regular position to any other port without written consent of the individual Port Engineer and the Union, unless a vessel no longer calls at that port. When Port Engineers are transferred, the Employer shall reimburse them for all reasonable relocation expenses, in accordance with the State Administrative Manual. Presently, there is a Port Engineer located at the ports of Juneau (Senior Port Engineer), Ketchikan, and Bellingham.

12.02 When Port Engineers are temporarily assigned to a port away from their regular position, the Employer shall reimburse them for all travel and living expenses, under Rule 11.01, 11.02 and 11.03, incurred due to such assignment.

12.03 Travel time will be paid at the straight time rate of pay for any time the Port Engineer is in transit outside of his or her assigned regular port and will not be less than the rates established by the Union for the vessel engineers.

12.04 All travel will be by air unless it is impractical or unavailable.

12.05 When a Port Engineer transfers to Alaska or within Alaska at his or her request and with the approval of the Employer he will receive all relocation expenses in accordance with the State Administrative manual.

12.07 Does not apply.

12.08 Does not apply.

12.09 Does not apply.

RULE 15 - DEFINITION AND PROTECTION OF PORT ENGINEERS WORK

15.01 The Port Engineers' work assignments shall consist of that which was in existence as of the effective date of this agreement, plus any other additional work which has been traditionally assigned to Port Engineers subsequent to the effective date of this Agreement.

15.02 No changes in work assignment of Port Engineers shall be effective without prior notice to the Union. In the event a dispute arises concerning the interpretation or performance under this paragraph, the resolution of such disputes shall be subject to the terms of Rule 14 of this Agreement.

15.03 The Employer shall not sub-contract or transfer the work performed by the Port Engineers to any other entity except for the condition that services under the jurisdiction of the Port Engineers, utilized by the Employer, are expanded. The Employer will give first consideration to Licensed Marine Engineer Officers' permanently employed in a Regularly Assigned Position within Alaska Marine Highway System to perform such services.

In the event a Port Engineer is not arranged as outlined above the Employer shall promptly advise the Union and then obtain personnel from any other source to perform such assignment.

15.04 Any dispute arising under this Rule shall be subject to arbitration procedures contained in the Agreement. Work normally performed by Port Engineers except where such assignment will delay the repair or operation of the vessel, shall be performed only by the Port Engineers.

15.05 Does not apply.

15.06 Does not apply.

15.07 Does not apply.

15.08 Does not apply.

RULE 16 - SHIPYARD AND TERMINAL WORK

16.01 Does not apply.

16.02 Does not apply.

16.04 Does not apply.

16.05 Does not apply.

16.06 Does not apply.

16.07 Does not apply.

16.08 Does not apply.

16.10 Does not apply.

RULE 17 - WAGES

17.01

(A) Port Engineers shall receive not less than the following monthly salary:

<u>Job Classification</u>	<u>Monthly (182)hrs</u>	<u>Straight-Time Hourly</u>
Port Engineer	\$6082.44	\$ 33.42

(B) In addition to the above, the senior Port Engineer shall receive \$350.00 per pay period and for pension purposes effective January 1, 2000. The Employer shall maintain at least one Senior Port Engineer.

17.02 Cost-of-Living Differential for Alaska Residents. Pursuant to AS 23.40.210, as part of the basic pay provided in Rule 17.01 and for pension purposes effective from the date of this contract, but not to be included in computing an hourly wage rate. Those Port Engineers who are residents of the State of Alaska shall receive a cost of living differential for each pay period they are in pay status according to the following:

\$ 519.32 Per Pay Period in Pay Status

(B) 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 COLD will not be removed from any Port Engineer's pay should he be temporarily assigned outside of the state for an indefinite period of time, as long he remains a resident of the state and intends to continue to do so.

RULE 18 - HOURS

18.01 Port Engineer covered by this agreement shall work a five (5) day, forty-two (42) hour week.

RULE 19 - MONTHLY WORK

19.01 Does not apply.

19.02 Does not apply.

19.03 Does not apply.

RULE 20 - EMERGENCY SERVICE

20.01 Does not apply.

RULE 21 - LATE ARRIVAL

21.01 Does not apply.

21.02 Does not apply.

21.03 Does not apply.

RULE 22 - OVERTIME

22.01 The overtime rate shall be one and one-half (1-1/2) times the straight-time rate. Overtime will not be compounded.

22.02 In the event a Port Engineer is called back from his or her scheduled vacation time, his or her return transportation will be paid. Any expenses accrued due to this interruption (ticket or hotel cancellation) will be paid. The employer will make every effort not to force any Port Engineer to return from their scheduled vacations. If the Port Engineer undertakes return travel after completing the assignment to which called back, he or she shall be reimbursed for any additional transportation expenses to return to the original point of call.

22.03 Port Engineers will receive overtime for all preapproved hours required to work on Sundays when they are attending to a vessel under repair either in a shipyard, repair facility or at a dock facility when overhaul or emergency repairs are taking place. The Senior Port

Engineer will have this overtime pay credited against his monthly pay in Rule 17.01 (B) and will receive overtime pay only after the equivalent is reached. This will be based on pay periods and not totaled for reasons of reaching this equivalent.

22.04 Port Engineers will receive overtime rate of pay for all preapproved hours required to work on holidays that are observed by the State. Rule 24.01 establishes these days. Preapproval must be by the System Director of the Alaska Marine Highway System. The Senior Port Engineer will have this overtime pay credited against his monthly pay in Rule 17.01 (B) and will receive overtime pay only after the equivalent is reached. This will be based on pay periods and not totaled for reasons of reaching this equivalent.

22.05 Premium rate shall be at the rate of one (1) times the straight-time hourly rate.

22.06 Port Engineers will receive premium pay for time required to work in excess of eight and four-tenths (8.4) hours per day or forty-two (42) hours per week when they are attending to a vessel under repairs either in a shipyard, repair facility, or at any dock facility where overhaul or emergency repairs are taking place. The Senior Port Engineer will have his or her premium pay credited against his or her monthly pay in Rule 17.01 (B) and will receive premium pay only after the equivalent is reached. This will be based on pay periods and not totaled for reasons of reaching this equivalent.

22.07 Overtime and Premium pay shall be in hourly increments with a minimum one (1) hour.

22.08 In the event a Port Engineer 's overtime or premium time is disputed for any reason, the Employer will furnish the Port Engineer a copy of the timesheet involved.

RULE 23 - LEAVE

23.01 PERSONAL LEAVE

(B) Port Engineers shall be entitled to Personal Leave accrued according to the following schedule:

<u>Length of Service</u> <u>(Years)</u>	<u>Personal Leave Accrual</u> <u>(Hours/year)</u>
1 but less than 2	84 (2 weeks)
2 but less than 3	126 (3 weeks)
3 but less than 4	168 (4 weeks)
4 but less than 5	210 (5 weeks)
5 but less than 7	252 (6 weeks)
7 but less than 10	294 (7 weeks)
more than 10	336 (8 weeks)

(C) Eligibility for Accrual. Eligibility for personal leave accrual shall commence once the Port Engineer has accumulated two thousand one hundred eighty-four (2,184) straight-time hours of compensation. The Port Engineer 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 Port Engineer will be credited with eighty-four (84) hours personal leave. Personal leave in successive years shall be at rates shown in 23.01 (B).

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

Once eligible for personal leave accrual, a Port Engineer will be credited with one-thirteenth (1/13) of the year's personal leave accrual during each calendar month in which he or she is compensated for a minimum of eighty-four (84) straight-time hours. A Port Engineer's leave anniversary date will be adjusted forward one (1) month for each calendar month that he or she does not receive personal leave credit.

(D) Cash out: Port Engineers covered by this section who have personal leave balances of at least one hundred and sixty-eight (168) hours shall be permitted to cash out one hundred and sixty-eight (168) hours of personal leave per calendar year when mutually agreed to by the Union and the Employer. Cost of living differential (COLD) will be paid on cash-ins except that COLD will not be duplicated for any period. Upon termination or lay-off, the Port Engineer may cash out his entire Personal Leave Balance.

(E) Those Engineering Officers that are working temporary assignments as Port Engineers shall continue to accrue personal leave or "A" days as in their regularly assigned position.

Length of Service: This will be defined as the total time in years the Port Engineer has been employed by the Employer in any status.

23.02 Does not apply.

23.03 LEAVE SCHEDULING

(A) Port Engineers may not schedule vacation during the overhaul period of their assigned vessels without permission of the Employer.

(B) Vacation will be scheduled bi-annually by the Senior Port Engineer in conjunction with the Port Engineers and approved by the Employer. Vacation will not be scheduled beyond what the Employee has accrued in his personal leave balance.

(D) Does not apply.

(E) Does not apply.

23.04 Does not apply.

23.05 Does not apply.

RULE 24 - HOLIDAY

24.01 The following holidays shall be recognized holidays: New Year's Day, Martin Luther King Day, President's Day, Seward's Day, Memorial Day, Independence Day, Labor Day, Alaska Day, Veteran's Day, Thanksgiving and Christmas Day, or other days as may be declared legal holidays by the Governor of Alaska. Effective July 1, 1997, Lincoln's Birthday shall be considered a floating holiday. On the day of the holiday, each employee eligible for a holiday in accordance with Rule 24.04 shall have their personal leave account credited with one day of leave.

24.03 A holiday which occurs while the Port Engineer is on sick leave and occurs within what would have been his or her normal workweek shall be paid for the day at the straight-time rate and such hours will not be charged to sick leave.

RULE 25 - MINIMUM GUARANTEE

25.01 Does not apply.

RULE 26 - SENIORITY

26.01 Engineer Officers who have completed six (6) months of continuous service as a Regularly Assigned Engineer, Vacation Relief Engineer and/or Port Engineer shall establish seniority with the Employer and shall be placed on the Licensed Engineer Officers' Seniority List commencing with the first day of employment as a Regularly Assigned Engineer, Vacation Relief Engineer or a Port Engineer. Engineer Officers who are employed on the same date shall have their seniority determined by the date of registration.

26.05 In reducing or increasing personnel the Licensed Engineer Officers' Seniority List shall govern, except in the position of Senior Port Engineer, which will be solely determined by the Employer. When layoffs become necessary, the last Port Engineer hired shall be the first laid off. When Port Engineers are called back to service, the last laid off shall be the first restored to work.

26.11 Port Engineers hired from the fleet will continue accruing their seniority at the position which they held prior to their being hired as Port Engineer. Should they wish to return to the fleet they can, upon thirty (30) days notice, return to the next available position at that level or any position below that level according to Rule 26.07. Should they return to a position below

the level they previously held, they will then have the option to upgrade to the original level they held as that position becomes available. This will only be allowed if the Port Engineer has seniority over other competing engineers. The Port Engineer may only bump back the least senior engineer in the least senior position. Should their original position be that of First or Chief Engineer then the Employer will have to show cause to the Employee and the Union as to why they choose not to allow the Employee to hold his original position. Should the Employee be dismissed from his position for cause, he would not have the option of returning to the fleet without approval of the Employer.

26.12 Should the Employer request the Employee terminate his or her position of Port Engineer, the Employer must give thirty (30) days notice to the Port Engineer. The Port Engineer has the option only of returning to the fleet in the manner as outlined above without the loss of pay or ending his employment with the Employer. Upon his return to the fleet the pay of the Employee will be at the rate at which he or she is serving. However, his or her vacation balance earned and not used during his time serving as Port Engineer will be paid at the rate at which he or she earned it.

RULE 28 - PENSIONS

28.02 The Employer contributions to said Plan of six dollars and fifty cents (\$6.50) per day shall be made for each Port Engineer for each day in pay status.

Contributions as in this Section shall be transmitted to the MEBA "Plans" office to be allocated by the Union.

28.03 Employer contributions to the Money Purchase Fund shall be thirteen dollars and fifty cents (\$13.50) per day for each day in pay status for each Port Engineer.

RULE 30 - STANDARD DRESS

30.01 Does not apply.

30.02 Does not apply.

For the State of Alaska:

Annette Kreitzer, Commissioner
Department of Administration

Leo Von Scheben, Commissioner
Department of Transportation & Public Facilities

Nancy Sutch
Nancy Sutch, Chief Spokesperson
Divisions of Personnel & Labor Relations

For Marine Engineers Beneficial
Association:

Mike Nizetich
Mike Nizetich
Executive Vice President

Ben Goldrich, Representative

Robert Seidman
Committee Member

Doug Wickre, Committee Member

Dave Barnes, Committee Member

Wayne Wilson, Committee Member