**Agency: Commerce, Community and Economic Development**

**Grants to Named Recipients (AS 37.05.316)**

**Grant Recipient: Alaska Teamsters** **Federal Tax ID:** 92-0078236

**Project Title:** **Project Type:** Equipment and Materials

# Alaska Teamsters Employer Service Corporation - Employer Service Training Equipment

**State Funding Requested: $**160,000 **House District:** Anchorage Areawide (16-32)
One-Time Need

**Brief Project Description:**

Purchase Off-Road Construction Truck and Side Dump Trailer needed to Train Alaskan for current and future work, ensuring “Job Ready” training with the ability to fill the needs of construction employers.

**Funding Plan:**

| | |
|---|---|
| Total Project Cost: | $160,000 |
| Funding Already Secured: | ($0) |
| FY2013 State Funding Request: | ($160,000) |
| Project Deficit: | $0 |

*Funding Details:*

*FY13 160,000*

**Detailed Project Description and Justification:**

It is our intent to purchase an Articulating End-Dump and 3-axle Side Dump Trailer. We have an aging workforce and will need to continue training more Alaskans to replace the current highly skilled workers as they start to retire.
In today's market, employers are seeking ways to meet industry standards and move into green energy, in construction and transportation that equates to fuel efficiency and driver awareness.

In many aspects of our industry some equipment has a very specific use and is the only efficient way to produce deadlines. For this reason some of the primary construction companies in Alaska continue to use these specialized pieces to get the job done. To maintain the employer's demand of a minimum 40 new qualified drivers we feel we could better provide for this need by owning this piece of equipment or equivalent and provide training at a moment's notice. We have found it difficult to borrow or rent these highly prized pieces as they are always working whether for localized road projects or on the North Slope.

An Articulating End-Dump is a very expensive piece of equipment. The Articulating End-Dump is used in extreme conditions where traction can be an issue. These trucks have an increased payload and body capacity and can have a faster cycle time - at a lower cost, regardless of terrain and ground conditions. We are looking at purchasing used equipment to help lower the expense. When utilized for training purposes a used piece of equipment will last much longer with regular maintenance than it would if it was being utilized in production. The cost of new to used is close to a 4:1 ratio.

Side Dump Trailers are becoming the norm in moving materials such as fill, gravel, rock, boulders, asphalt, stumps and



**Contact Name:** Amory Lelake
**Contact Number:** 907.465.3704

*For use by Co-chair Staff Only:*

$160,000 Approved
3:17 PM 5/2/2012

more. This trailer is more versatile in the materials being hauled and it spreads the weight of the load out which allows for quicker offloading. This type of trailer has its own unique characteristics and improvements in on-the-job safety dramatically increase when training is involved The costs associated with this purchase is for a new trailer along with the hydraulic kit, required to operate the trailer, for one of our existing power units (trucks).

## Project Timeline:

Expenditures would occur after approval of funds. We would acquire equipment, transport to Training Center and then schedule training with an anticipated commencement of Fall 2012.

## Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Alaska Teamster Employer Service Training Trust

## Grant Recipient Contact Information:

| | |
|---|---|
| Name: | John Lovdahl |
| Title: | Director |
| Address: | 520 E. 34th Ave, Ste 201 |
| | Anchorage, Alaska 99503 |
| Phone Number: | (907)278-3674 |
| Email: | j.lovdahl@acsalaska.net |

Has this project been through a public review process at the local level and is it a community priority? [X] Yes [ ] No



**Contact Name:** Amory Lelake
**Contact Number:** 907.465.3704

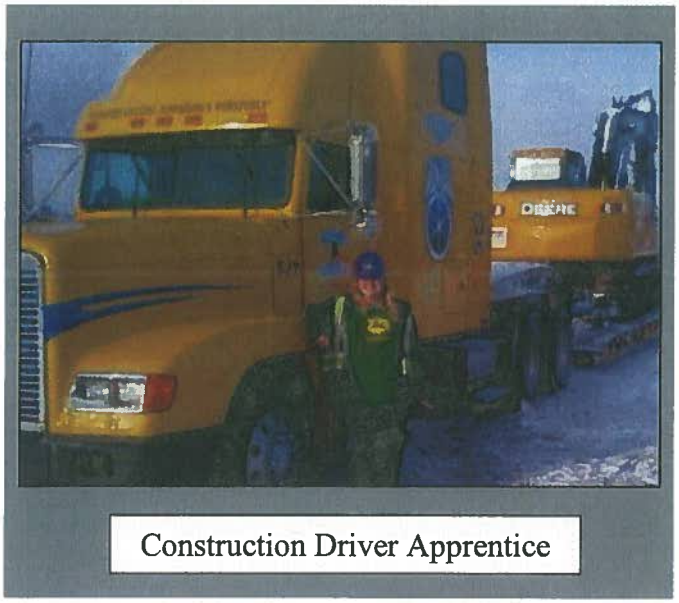
*For use by Co-chair Staff Only:*

3:17 PM 5/2/2012

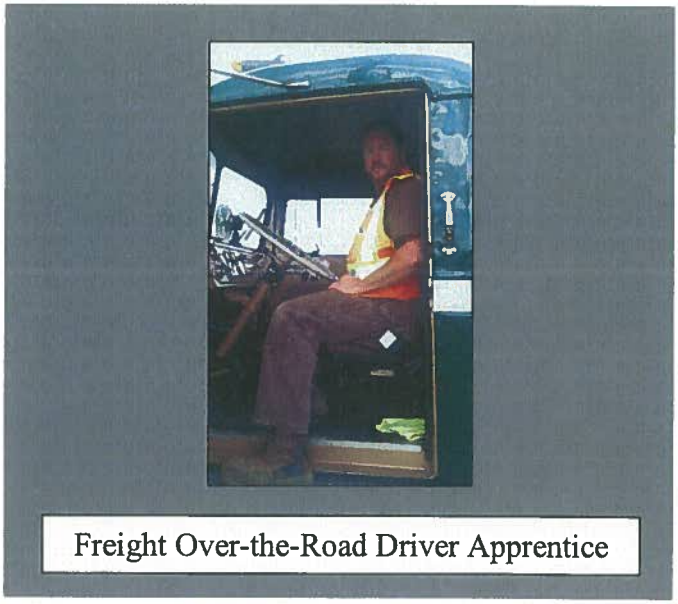
# Equipment Purchase

A PROPOSAL TO: **Alaska State Legislature**

2012



Construction Driver Apprentice



Freight Over-the-Road Driver Apprentice

# Introduction

The Alaska Teamster Employer Training Trust was established in 1972 as a Taft-Hartley Trust for the purpose of training Teamsters within the State of Alaska. Revenues for the operation of this Trust were provided by employer contributions. At that time, Teamsters Local 959 was primarily a construction local and most training of the programs revolved around the construction industry.

After construction of the Trans-Alaska oil pipeline, emphasis began to turn to a maintenance-based workforce in the late 70's. Additionally, the Teamsters had been successful in organizing workers in many other industries, and training requirements were changing. These new requirements resulted in the formation of the Service Training Trust in 1980, again a Taft-Hartley Trust. At this time, there were actually two training trusts; one in Fairbanks and one in Anchorage, Alaska. This helped provide a training vehicle for other industries the Teamsters represented in Alaska.

In 1987, the two training trusts merged into the current organization which still is a Non-Profit 501(c)(3). This created the Alaska Teamster-Employer Service Training Trust (ATESTT). This was done primarily to consolidate the administrative functions and to focus more closely on training activities. Also, under this merger the base criteria for students were expanded to allow the training center to train more of its membership base. Under this new trust organization many new programs were developed to fit the needs of an extremely diverse workforce.

Driver training programs have always been offered; however, their emphasis was toward the construction industry. Students were taught to drive in a gravel pit or construction site environment, primarily using hands-on methods of instruction. Some classroom instruction was added later as enforcement of safety standards and environmental regulations began to develop.

With the development of national legislation for commercial drivers license requirements, our training facilities developed a commercial drivers license (CDL) training program for anyone requiring the license. This program was taught in the classroom and focused on the CDL test. For those students who were not "grandfathered" under the State of Alaska regulations on the driving portion of the test, we offered additional training in the form of check rides and the use of our equipment for the road skills test. In 1991 and 1992, over 1,500 students went through our driver training program.

A review of the industries requiring certified drivers revealed that a shortage of qualified drivers may be imminent in the future. Additional regulations with respect to safety and the environment placed new liabilities with employers on behalf of their employees. The Trust then realized that no longer could an employee go to work for a company in a warehouse and evolve from jockeying rigs around in the yard to street or over the road driving, without obtaining specific training and licensing.

As representatives of workers and providers of a qualified labor force to employers, we felt we had an obligation to place the most highly qualified workers available into the workforce through an effective, intense and meticulous training program. This policy was incorporated in our approach to all of our training programs.

## Standardizing Training

Under the leadership of the Director Mr. Mark Johnson, the Trust adopted the Professional Truck Driver Institute of America's (PTDIA) Basic Driver Training program to instruct our members. This is the only commercial driver training program recognized by the Federal Highways Administration. We completed four consecutive classes in which 44 students graduated in 1993. The Training Trust was prohibited from training anyone other than plan participants even though other groups were enthusiastic and willing to pay for high quality training.

In August 1994, the Trust established the Center for Employment Education (CEE) as a wholly owned subsidiary so that the Basic Driver Training program could be offered to the general public through a tuition-based financing concept. This opened professional training to the needs of the transportation industry in the State of Alaska. Another reason for CEE was to help supplement the operating cost and wages for ATESTT. CEE is also a non-profit with 501(c)(3) status.

In 1996, there was a demand for Heavy Equipment training for the Small Business owners in the construction industry. At the time, there were no other public schools in Alaska that provided short training programs in the construction industry. The International Union of Operating Engineers Local 302 only offered training in the form of a lengthy apprenticeship. CEE responded to these small business needs and created a four week Construction Technology Training (CTT) program. It was designed to provide entry training up to a safe and competent level. It was not designed to compete or to take away from the Operating Engineers Apprenticeship program. If individuals wanted to pursue a career in that trade, we always recommend they apply for the Operating Engineers Apprenticeship program.

CEE's CTT course involves a minimum of 150 hours of both classroom and outside lab instruction on two to four pieces of heavy equipment. A student chooses an initial 2 of the 4 pieces of equipment on which to focus their skills development, which includes excavator, dozer, backhoe, and loaders. If they show steady improvement, they are able to incorporate additional pieces of equipment during their course. Students have the opportunity to earn: a Construction Technology certificate, a certificate for each piece of equipment they successfully learn to safely operate, a Traffic Control Flagging certificate, First Aid/CPR & AED certificate, and a MSHA safety certificate.

In 2001, Mr. Mark Johnson the Director of ATESTT created the first ever Construction Driver Apprenticeship program recognized by the Department of Labor. At this time, ATESTT only had one Apprenticeship program which is called the Technical Engineers (or Surveyor Assistant). This construction driver apprenticeship program included the PTDI curriculum in addition to learning to drive several off road construction/ mining equipment.

Mr. Johnson left ATESTT in 2004 to become the National Director for the International Brotherhood of Teamsters. Mr. Johnson still serves on several national boards that directly affect ATESTT such as the PTDI Board, Commercial Vehicle Training Association (CVTA) Board, and the First Observer Board.

Today, ATESTT is the only Union Training Trust in Alaska which has five (5) apprenticeship programs and they are as follows;

1. Technical Engineer (Surveyor Assistant)
   a. Technical Engineer apprentices are Surveyors. They are responsible for surveying horizontal and vertical control, locating the placement of excavation, fills, concrete, anchor bolts and upright steel in the construction industry.
   b. The term of apprenticeship shall be a period of 4,000 hours supplemented by the required hours of related technical instruction. This program is based upon a minimum 150 hours of related instruction per year for four years. The related training may vary according to the apprentice's qualifications upon entry into the program. They will be assigned a course of study according to their needs and the needs of the segment of the industry they are expected to work in that year but not less than 144 hours per year.

2. Construction Driver
   a. Must possess a Commercial Drivers License (CDL) for vehicles in excess of 26,001 lbs.
   b. Receive on the job training in multiple trucks in, on or off road conditions to include construction sites coping with steep terrain and both controlled and uncontrolled traffic.
   c. The term of the apprenticeship shall be 3200 hours of on-the-job training (OJT) learning and supplemented by the required hours of related technical instruction. The apprentice will receive a minimum of 400 OJT hours on each of the Level-1 core equipment; 200 OJT hours on any combination of the Level-1 non-core equipment areas; a minimum of 1400 - 1800 OJT hours on any combination of the Level-2 equipment; and 400 optional OJT hours on any combination of the Level-3 equipment.

3. Truck & Bus Mechanic, Diesel Engine Specialist
   a. Shop Practice Safety; Introduction to shop familiarization, apprenticeship system, record keeping, hand tools, nomenclature , shop math, and the term of this apprenticeship is 8000 hours.
   b. Gasoline & Diesel Engines: Diagnose and Repair; general engines cylinder head and valve trains, engine block, lubrication, cooling, fuel and ignition systems (mechanical & electronic), intake and exhaust components to include engine brakes, diagnosis and repair computerized engine and emissions controls.
   c. Drive Train; Diagnosis and Repair; clutch, transmission, driveshaft and universal joint, drive Axle and final drives, brake savers and associated electronic controllers

4. Logistic Technician (Warehouseperson)
   a. Safety, identification of hazardous conditions, care & use of material handling equipment Inventory management & record keeping, Shipping & receiving, Identify quality & quantity of stock, Input data, computerized inventory management system, Rotation of stocked goods, and proper storage of goods. The term of this apprenticeship is 4000 hours.
   b. Examine documents, materials, and products, and monitor work processes, in order to assess completeness, accuracy, and conformance to standards and specifications. Confer with establishment personnel, vendors, and customers to coordinate production and shipping activities, and to resolve complaints or eliminate delays.
   c. Record production data, including volume produced consumption of raw materials, and quality control measures. Requisition and maintain inventories of materials and supplies necessary to meet production demands.

5. Freight Over-The-Road Driver
   a. Must possess a Class "A" Commercial Drivers License (CDL) for vehicles in excess of 26,001 lbs. Receives on the job training in multiple equipment listed below, in on or off road conditions to include construction sites coping with steep terrain and both controlled and uncontrolled traffic
   b. Individual must be at a safe and competent level to be able to transport freight over the Dalton Highway to Prudhoe Bay during extreme weather and road conditions.
   c. The term of this apprenticeship is 3600 hours of on-the-job training (OJT) learning and supplemented by the required hours of related technical instruction. The apprentice will receive a minimum of 1000 OJT hours on each of the Level-1 core equipment; 1000 OJT hours on any combination of the Level-1 non-core equipment areas; a minimum of 1200 - 1600 OJT hours on any combination of the Level-2 equipment.

CEE focuses on training non-eligible Teamsters and the general public. The income from CEE still supplements ATESTT's overhead such as wages, vehicle maintenance, and operational costs. CEE is credited for training on an average of over 900 individuals annually in all OSHA, DOT and DMV programs.

## The Building History

In 1992, ATESTT decided to purchase a building on Whitney Road in Anchorage, Alaska. This building was located on the Alaska Railroad Corporation's property, in which the Training Trust entered into a Fifteen (15) year lease. However, at the end of this lease in 2007, there were no provisions for any extensions nor, were there any provisions for the ARRC to purchase the building from ATESTT. ATESTT was eventually forced to take a loss and relocate to another location. With such short notice, there were no properties available within the price range that the training trust could afford. The Alaska Railroad Corporation was kind enough to offer ATESTT another property with a short lease which came due in 2011 and the cost of living increases held a price that ATESTT could not afford and jeopardized our ability to stay in business.

In June 2011, ATESTT relocated into the Teamsters Local 959 building with a plan to save funds for the future and for its own new property. This is a long term plan as it will not come quickly based on our employer contributions. Unlike many Union Training Trusts, the Alaska Teamsters Local 959 contracts do not all pay into the Training Trust. Actually, to date less than 50% of its Contributing Employers pay into the Training Trust for an annual average $1.1 million. ATESTT's annual average operating cost is $1.3 million leaving us with an average shortage of $200,000. ATESTT looks to CEE to help supplement our income to offset these cost shortages.

## Mission

ATESTT provides quality commercial driver, hazardous materials, and a variety of construction industry safety and specialized training throughout the state of Alaska for its members. Our mission is to continue to improve existing programs and develop new training through membership, trainees and employer involvement. Our programs are designed to provide industry specific and customized job linked training skills. We provide certification, re-certification, and upgrade training.

ATESTT's Apprenticeship Standards have as their objective, the training of journey workers skilled in all phases of the transportation and construction industry. ATESTT as the Sponsor recognizes that in order to accomplish this, there must be well-developed on-the-job learning combined with related instruction.

The Standards for these Apprenticeship programs have been developed in cooperation with the U.S. Department of Labor, Office of Apprenticeship.

# Modernize Training Equipment

## Organization Overview

The Alaska Teamster-Employer Service Training Trust (ATESTT) and its subsidiary Center for Employment Education (CEE) have been the leaders in the commercial driving instruction industry for over 15 years.

As non-profit 501(c)(3) organizations we rely heavily on supplemental income to support our training and equipment needs. ERISA laws do not allow ATESTT to train Teamsters who are considered ineligible if they have not worked for a contributing employer. Those members then have the option to receive training through CEE which is a public training facility.

We have trained over 14,000 Alaskans in the Construction and Transportation Industry. Many of these participants have gone on to Teamster Apprenticeship positions in one of our five registered programs and many have become journey workers.

We continue to provide some of the highest quality training with instructors who have individually worked in the industry and as instructors for over 30 years. Collectively that is over 350 years of experience! We know to maintain this experience we must provide upgraded training for our instructors, now it's time to upgrade and modernize our equipment to meet those needs.

## Quality Training Requires Modern Equipment

In today's market, employers are seeking ways to meet industry standards and move into green energy, in construction and transportation that equates to fuel efficiency and driver awareness.

In many aspects of our industry some equipment, old equipment is the only efficient way to produce deadlines. This equipment like the 1971 EUCLID B70 203LDT is effective in moving more tonnage of earth than any other. For this reason some of the primary construction companies in Alaska continue to buy up these specialized pieces and get the job done. To continue to meet the employer's demand of a minimum 40 new qualified drivers we feel we could better provide for this need by owning this piece of equipment and provide training at a moment's notice. We have found it difficult to borrow or rent these highly prized pieces as they are always working whether for localized road projects or on the North Slope. We also have an aging workforce and will need to continue training more Alaskans to replace the current workers as they start to retire.

The rest of the industry updates or replaces its equipment every two to three years. This is not feasible for us in today's economy and does not necessarily improve our training programs that rapidly. However, our current fleet of tractors is over 22 years old and our trailers and other equipment go back to the 1970's. The annual maintenance costs are exceeding the value of the equipment and its purpose.

We see the need to evolve within our industry to economic energy and fuel efficiency technology. To do this, we need to upgrade to equipment with these features.

## Apprenticeship

## Training Alaska's Workforce

The Alaska Teamsters are proud to have five registered apprenticeship programs, more than any other Union or Non-Union provider. These programs continually open doors for Alaskans in Construction, Transportation and Logistics. It's even more imperative that we provide current training opportunities for these up and coming workers. They are the future!

# FAIRBANKS PIPELINE TRAINING

**Annually the Alaska Teamsters Training Center selects Apprentices from our programs and General Teamster Local 959 members to participate in the Fairbanks Joint Pipeline Training. This training ensures that we are up to date and ready each and every time Alaska takes a step forward in the development of the Trans-Alaska Pipeline and the future Natural Gas Pipeline projects.**

# 2012 Equipment Funding Request

**Specialized Equipment**

| | |
|---|---|
| • **B-70, Euclid** | **$150,000** |
| • **3 Axle Side Dump Trailer** | **$ 60,000** |
| • **Articulating End-Dump, 6x6** | **$100,000** |
| **Total Request** | **$310,000** |

In conclusion, we appreciate this opportunity for your consideration. With this financial assistance, we look forward to continuing to produce some of the highest qualified commercial drivers and construction workers in the State of Alaska.

Sincerely,

**John Lovdahl**
**Director**

**Alaska Teamsters Employer Service Training Trust**

**520 E. 34th Avenue, Suite 201, Anchorage, Alaska 99501 Phone: 907.278.3674**
**Fax: 907.279.6088 j.lovdahl@acsalaska.net www.akteamsterstraining.com**

ASRC Energy Services
Houston Contracting Company, Inc.

February 21, 2012

Subject: IN SUPPORT OF THE FUNDING REQUEST FOR THE ALASKA TEAMSTER-EMPLOYER SERVICE TRAINING TRUST

Dear Members of the Alaska State Legislature:

I am writing on behalf of AES – Houston Contracting Company, Inc. ("AES HCC"), in support of the funding request for the Alaska Teamster-Employer Service Training Trust to purchase Off-Road Construction Trucks and Side Dump Trailer. AES HCC and the Alaska Teamsters-Local 959 have been outstanding partners for over 35 years in the safe development of Alaska. It is because of the Alaska Teamster-Employer Service Training Trust that our employees and shareholders have the knowledge and skill sets required to work safely and effectively in the construction industry.

This equipment requires substantial training for the necessary skills to help improve safe practices, efficiency and have Alaskan's ready for current and future work, which is why state funding is essential for providing the Teamster-Employer Service Training Trust. AES HCC supports the allocation of additional funding to improve the Alaska Teamster-Employer Service Training Trust into the FY2013 state budget.

I appreciate your consideration of this request, and wish you a productive legislative session.

Sincerely,

Wade Blasingame
President and General Manager
Houston Contracting Company, Inc.
3900 C Street, Suite 602
Anchorage, AK 99503

GRANITE™

**Alaska Region**
11471 Lang Street
Anchorage, Alaska 99515

T 907.344.2593
F 907.344.1562

graniteconstruction.com

February 21st, 2012
Letter of Support

To Alaska Legislators:

Granite Construction Company supports the Alaska Teamster-Service Training Trust's proposal for funding the purchase of off-road construction trucks and trailers. This equipment is critical to build our State, and **training is absolutely essential to seeing it done safely**.

Each year, I see a higher demand for construction drivers, and filling the seats with qualified, trained employees is challenging. Granite's current backlog and future prospects indicate a **stronger demand for these drivers than ever.** As a result, I personally have taken my time to sit on the Joint Apprenticeship and Training Committee, and am a strong believer in the programs and training offered. **Please show your support for our State by supporting this proposal.**

Thank you,

Silas Hoffman
Dispatcher
Granite Construction Company
11471 Lang Street
Anchorage, Alaska 99501

Brice

Construction
Environmental
Materials

P.O. Box 70668
Fairbanks, AK 99707
Phone: 907.452.2512
Fax: 907.452.1067
www.bricecompanies.com

February 24, 2012

Dear Alaska Legislators:

Brice Incorporated supports Alaska Teamster-Employer Service Training Trust in its proposal to get funding to purchase off-road construction trucks and side dump trailers needed to train Alaskans for current and future work.

Having a pool of qualified trained workforce is essential for the continued success of the construction industry. Brice is committed to hire trained Alaskans through our existing contracts that utilize this equipment.

Thank you for your consideration.

Sincerely,

Sam Robert Brice

Sam Robert Brice
President

**Black Gold Express, Inc.**
**1520 Sailor Court**
**North Pole, AK 99705**

(907) 490-3222 Fairbanks
(907) 490-6682 fax
*blackgold@gci.net*

January 27, 2011

Subject: Letter of Support

Dear Alaska Legislators:

Black Gold Express, Inc. supports Alaska Teamster-Employer Service Training Trust in its proposal to get funding to purchase Off-Road Construction Trucks and Side Dump Trailer needed to train Alaskans for current and future work. This equipment requires training to get the necessary skills to help improve efficiency and reduce downtime to keep projects on schedule.

Having a trained workforce for our existing projects and the mega projects in the near future is important. Our company is committed to hire trained Alaskans through our existing contracts that utilize this equipment.

Sincerely,

Carol S Bolt
Office Manager