AGREEMENT

between the

STATE OF ALASKA

operating the

Alaska Marine Highway System

and the

DISTRICT NO.1-PCD MEBA (AFL-CIO)

representing the

LICENSED ENGINEER OFFICERS

July 1, 2025 – June 30, 2028

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 System 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 the 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 be elected for the term of this negotiating team shall consist of a minimum of four (4) members. Interpretation or clarification of provisions of the Agreement shall be set forth in memoranda 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, 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. 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. In the event the Employer is not able to provide adequate

service to Sitka from Juneau with the vessels available, additional supplemental service may be contracted out to fill those temporary needs.

The State of Alaska shall also have the ability to contract for passenger and vehicle service at any port for up to forty-five (45) days to deal with the following emergencies: An AMHS vessel in revenue service suffers a catastrophic casualty resulting in the vessel being taken offline, or an AMHS vessel is unexpectedly and without notice, being delayed in returning to service from yard status, or the inability for an AMHS vessel to tie up due to terminal, ramp, or similar unexpected issues. Unexpected and without notice meaning an adjustment made in the final two weeks prior to the published return to service date. This timeframe can be extended upon mutual agreement of the Marine Director and the MEBA.

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.

The Union may authorize a reasonable number of Shop Stewards and will provide written notice to the Employer. Shop Stewards shall be allowed to handle grievances, disputes, and other issues under this Agreement as necessary.

RULE 3

PREFERENTIAL HIRING AND USE OF INFORMATION

3.01 The Employer recognizes the Union as the main source of obtaining new Engineer Officers. The Union recognizes the Employer's legitimate interest in prioritizing local hire. To meet these priorities when dispatching Engineer Officers to the Employer, the Union will follow this order of preference:

- 1. Alaska residents in Group I
- 2. Non-residents in Group I
- 3. Alaska Residents in Group II
- 4. Non-residents in Group II
- 5. all MEBA in Group III

Within each category, dispatch priority is determined by the date and time the individual most recently registered with the Union. The person with the earliest registration date will receive the first offer.

3.02 Given the unique operational needs of the Employer's vessels, the Union agrees to accept applications and immediately register applicants who meet all of the following conditions:

- 1. Have at least three (3) years of experience working in the engine rooms of the Employer's vessels
- 2. Hold the required license and a lifeboatman's certification
- 3. Are certified by both the Port Engineer and a Chief Engineer of the Employer as capable of safely managing a licensed Engineer's watch

If an individual gains these rights solely through employment with the Alaska Marine Highway System (AMHS) and later terminates their employment, they lose those rights. The Employer will notify the Union promptly of such terminations and provide the relevant Personnel Action form.

3.03 Alaska residents are not required to physically visit the Union's Hiring Hall or facility to qualify for dispatch to the Employer.

3.04 When requested, the Union will provide the Employer with qualified, competent Engineer Officers suitable for the role. The Employer retains the right to reject personnel for valid reasons including those previously employed as AMHS Engineer Officers for cause. Such rejection shall be subject to the grievance procedure.

3.05 The Employer may hire from other sources outside the Union. However the following rules apply when the Employer seeks candidates from both the MEBA Hiring Hall and other sources.

- 1. MEBA candidates must receive fair and equal consideration
- 2. The position will be awarded to the most qualified candidate
- 3. The Employer will not hire a non MEBA candidate with qualifications lower than those of a MEBA candidate or lower than the minimum qualifications required by MEBA for referral

Current employees may not apply directly to the Employer for any vacancies covered by this paragraph and cannot be referred by the MEBA Hall or any other outside source.

3.06 The Employer has the unrestricted right of selection of Chief and First Assistant Engineers. The Employer also retains the right to employ any licensed Marine Engineer

who wishes to continue full-time work with the AMHS regardless of rating. A mutually approved leave of absence does not interrupt continuous employment.

3.07 It is recognized that the parties have a commitment to hiring practices consistent with the principles of Equal Employment Opportunity and Affirmative Action and applicable law.

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

3.09 The Union agrees that all nonpublic personnel information provided 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 If an Engineer Officer is discharged for medical reasons and there is conflict between the Employer's medical doctor and the Union's medical examiners, the issue will be referred to a third, mutually agreed upon doctor 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 relieve a Regularly Assigned Engineer.

(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 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.

4.04 SHORESIDE WORK

An Engineer Officer temporarily working on a shoreside project will be paid their bid job rate, or appropriate classification rate as determined by Management if not a bid holder for eight point four (8.4) hours per day. Normally such shoreside projects will not exceed sixty (60) calendar days. Minimum Guarantee will not apply.

RULE 5

UNION MEMBERSHIP

5.01 The state shall collect and forward to MEBA bargaining unit dues and initiation fees upon written authorization of the employee, as required by Alaskan Statutes, Section 23.40.220 in a manner which respects and protects the legal and constitutional rights of all dues payors. The State will provide the Union advance notice of any changes to the current dues deduction process, forms or system, which changes must comply with the law, and allow the Union at least ten (10) days to provide input to the State before any changes are implemented by the State.

5.02 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 Employer's 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, disability, marital status, change in marital status, pregnancy, parenthood, sex, color, age, genetic information, 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 There shall be no unilateral reduction in present crewing while in operation.

RULE 8

HEALTH AND SAFETY

8.01 The health and safety of the 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, cleaned, normally climate controlled between 60 and 80 degrees Fahrenheit, and lighted at all times during occupancy. Such washrooms are to be equipped with fresh hot and cold running water, and fresh 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 Engineer Officers when the vessel is in the yards when the steward department's schedule permits at least once per week; 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 a shower, a working washer and dryer on new construction, when quarters are provided, or in supporting shore facilities.

8.03 Unless a separate 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 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.

RULE 9

OCCUPATIONAL INJURY AND ILLNESS BENEFITS

9.01 Unearned Wages: in the event an Engineer Officer becomes injured while in the service of the Employer's vessel, he/she shall receive wages to the end of the work assignment. In the event an Engineer Officer becomes ill while in the service of the Employer's vessel, he/she shall receive wages until returned to their change port or residence, whichever is sooner. 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.

9.02 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, or place of residence, whichever is soonest. This provision shall apply when the Engineer is not hospitalized and has notified the Chief Engineer or the Licensed Engineer Dispatcher of his or her medical status.

9.03 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.

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

9.05 the Employer will provide the Union with written notice of all job-related injuries in a timely manner.

9.06 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 PERSONAL EFFECTS

10.01 Engineering Officers will be reimbursed in cash for the loss of personal effects, instruments and equipment resulting from shipwreck, stranding, sinking, burning, and collision of the vessel in the amount not to exceed two thousand dollars (\$2,000.00). Each individual must provide the Employer with an itemized list of the individual's losses, including replacement value.

Reimbursement may be made over two thousand dollars (\$2,000.00) up to five thousand dollars (\$5,000.00) for lost items if supported by documentation.

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 ninety-five dollars (\$95.00) per day between May 16 and September 15 and eighty-five dollars (\$85.00) per day between September 16 and May 15. In the event the rate for lodging designated in the Alaska 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 sixty dollars (\$60.00) per day effective July 1, 2000. In the event the rate for meal allowance designated in the Alaska 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) Designated change ports for Engineer Officers are Juneau, Ketchikan, Cordova, Valdez and Homer. Changes to the regular change ports of a given vessel 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 the affected Engineer Officers in accordance with Rule 12.06 (B) or (C). The Employer will determine on a case by case basis, between paying either moving costs or travel expenses to the affected Engineer Officer.

On a trial basis, for twelve (12) months from July 1, 2025 the State will allow for Whittier to be used as a change port for the MV Aurora. In July 2026 the parties will meet to confer to discuss the impacts of the trial period. After the discussion the Employer may revert back to the previous agreed upon change ports above.

For Regularly Assigned Engineer Officers (A crew or B crew), the senior Engineer Officer on the Engineer Officer Time and Grade Seniority Roster, shall designate the change port for the position.

Changes in designation pursuant to this Rule shall not result in additional expense to the Employer, including but not limited to Minimum Guarantee, overtime, and travel. 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, with the Employer's prior written approval, 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.

(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 Marine Director. Changes to the preferred change port will be implemented effective the following schedule.

(C) When both the Regularly Assigned employees are not working in 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 receive prior, written approval from the Employer and notification to 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 Regularly Assigned Engineer Officer upon his or her return.

12.02 DEADHEADING

Engineer Officers who reside at any port of call of the Employer's vessels other than at their designated change ports may "deadhead" aboard said vessels. During such passage the Engineer Officer may take meals in the officers' mess without charge.

A berth will be furnished free of charge whenever possible, on a space-available basis. However, the Employer shall not be liable for travel pay and/or other expenses incurred by the Engineer Officer traveling to the Engineer Officer's designated change port by means other than vessels of the system.

12.03 TRAVEL TO/FROM TEMPORARY CHANGE PORTS

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 designated change port, for each and every occasion travel is required, the Engineer Officer is entitled to necessary and reasonable actual travel expenses (including airfare and ground transport) to and from their designated change port and the temporary change port. Engineer Officers deviating from the required travel between the temporary and designated change port, including but not limited to choosing to travel at another time, to another destination, or using means other than those offered by the State, will be reimbursed for actual necessary receipted travel expenses up to the expenditures that would have been incurred by the Employer, had the employee not deviated, whichever is less.

All requests for reimbursement must be submitted within sixty (60) days from the Engineer Officer's release from the vessel and must include receipts for actual travel. Travel expenses will not be paid for the portion of travel provided by the Employer on its vessels. If an Engineer Officer is required to travel on the Employer's vessels and required to purchase accommodations, he/she shall be entitled to reimbursement. It is the Engineer Officer's responsibility to provide documentation of actual travel in order to receive entitlements under this subsection. All expenses will be paid in accordance with the Alaska Administrative Manual.

When it is necessary to await arrival of the vessel, to begin a temporary assignment at other than designated change port, Rule 11, Cash Allowance for Subsistence and Quarters, will apply. Claims for subsistence shall be made on the State of Alaska Travel Authorization form.

When a Regularly Assigned or Vacation Relief Engineer Officer is required to change their travel arrangements at the Employer's direction, he/she is entitled to the extra cost incurred due to this change. It is the Engineer Officer's responsibility to provide documentation of actual travel in order to receive entitlements under this subsection. All expenses will be paid in accordance with the Alaska Administrative Manual.

When the Employer requires a Temporary Relief Engineer to await arrival of a vessel at a port they will be entitled to six (6) hours straight time pay or actual hours spent waiting at the assignment, whichever is less.

Non-resident Engineer Officers shall be reimbursed for documented actual travel from SEATAC to a change port in Rule 12.01 (A) not to exceed \$500 per month. For purposes of 12.04 (B), SEATAC is considered the Southeast Region.

12.04 Temporary employees who reside outside Alaska shall be entitled to necessary and reasonable actual travel expenses from port of hire to their temporary change port. Temporary employees who reside within Alaska shall receive necessary actual travel expenses from their designated change port to and from their temporary change port. It

is the Engineer Officer's responsibility to provide documentation of actual travel in order to receive entitlements under this subsection. All expenses will be paid in accordance with the Alaska Administrative Manual.

Rules 12.05 and 12.06 were deleted and the following rules were renumbered accordingly.

12.05 TRAVEL PAY

(A) When an Engineer Officer is temporarily assigned duties, which involve a crew change or work assignment at other than his or her designated change port, he or she is entitled to travel pay per 12.05 (B) and (C) below. No documentation of actual travel will be required, however Engineer Officers are required to note where they traveled to and from on their time sheets.

(B) When an employee is eligible for travel pay as provided elsewhere in the Rule, travel pay for Engineer Officers shall be a payment for a fixed number of hours based on the Engineer Officer's rate of pay as follows:

- 1. TRAVEL RATE A: When an Engineer Officer is required to travel from/to any regular port serviced by AMHS within either the Southeast or Central/Southwest region they shall be paid five (5) hours at the Engineer Officer's pay rate.
- 2. TRAVEL RATE B: When an Engineer Officer is required to travel from either region to the other, OR outside the border of the State of Alaska, OR to an Alaskan port not regularly serviced by the AMHS, they shall be paid ten (10) hours at the Engineer Officer's pay rate.
- 3. For the sake of this Rule, Yakutat will be considered in the opposite region from where the Engineer Officer began their travel.

(C) Eligibility for travel pay shall not be construed as creating other entitlements except as may be expressly stated in the Rule. The pay for travel time will count as hours (either 5 or 10 in accordance with Rule 12.05 (B) above) towards Minimum Guarantee, but not for purposes of computing hours towards any overtime entitlements.

12.06 TRANSFER OR PERMANENT CHANGE OF ASSIGNEMENT

(A) All additional costs incurred by a transfer or permanent change of assignment at the convenience 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 at the responsibility of the Employer.

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

12.07 CALLBACK FROM APPROVED VACATION

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 for additional expenses under this section the callback must be directed by the Commissioner of the Department of Transportation and Public Facilities 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 port of call.

12.08 INITIAL HIRE/TERMINATION

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

12.09 RELOCATING TO ALASKA

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

13.01 Prior to conducting Union business, authorized representatives of the Union shall notify the Engineering Manager, or designee and sign in to receive a visitor's pass before being allowed to go on the Employer's property and onboard vessels. The Union agrees that the Employer is absolved from all claims resulting from any accident involving such representatives while on the property or onboard 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 Engineering Assistant Manager no later than the timelines set forth in 14.04 below. The Engineering Assistant Manager shall render a decision verbally within fifteen (15) working days from receipt of the filing. Failing to resolve the dispute verbally at this step within fifteen (15) working days, the Engineer Officer shall reduce the grievance to writing at Step Two and submit through the Union. Settlements reached at this Step will be binding only if such settlement is 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 AMHS Marine Director, or designee within

fifteen (15) working days after the Step One decision is due or received, whichever is earlier. The AMHS Marine Director 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 Attorney General or their designee within fifteen (15) working days after the response from Step Two is due or received, whichever is earlier. The Attorney General or their 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 (40) working days after the date of the response of the Attorney General or their designee required under Step Three. Such request shall specify which Rule or Rules are alleged to have been violated and the specific nature of that violation.

14.02 The Union shall jointly request from the Federal Mediation and Conciliation Service, or similar agency, the names of qualified arbitrators. The parties shall alternately strike names from the list until they are left with eleven (11) qualified arbitrators who agree to serve on an arbitration panel between the parties.

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) working 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 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 judgement is equitable.

14.04

(A) To qualify for consideration of 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) working 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) working days of the date the Engineer Officer is notified of the action. Any grievance resulting from the dismissal, demotion or suspension of an Engineer Officer who has, at the time of the disputed action, established seniority pursuant to Rule 26 of this Agreement shall be entered into the procedure at Step Two. Such grievances by Engineer Officers 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) working days after the issue date of the pay warrant in question. It shall be the employees' responsibility to complete the form with full details of the complaint and to ensure that the Union receives a copy of the NOPP. The Employer shall respond within thirty (30) working days from the DOTPF AMHS Payroll 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) working days after the NOPP response is due or received, whichever is earlier.

14.05

(A) 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, site specific Rules alleged to have been violated, and shall contain, as a minimum, sufficient information to determine the issues and relief sought.

(B) Service of a grievance at Steps Two and above will be via emailed documents. Service of grievance filings and responses at Step Two and above will be effectuated upon an emailed grievance filing to the appropriate respondent, as indicated in the Steps above, with a courtesy copy to the Labor Relations email inbox. Law.laborrelations@alaska.gov (C) 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 Officer working under this Agreement shall be required to board any vessel of the Employer which is being picketed by any union in connection with a lawful primary strike sanctioned by the District Treasurer of the District #1, MEBA.

RULE 15

WORKING CONDITIONS

15.01 Licensed Engineer Officers 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 Engineer Officer's 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 super chargers, and major boiler repairs;

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

(G) When working with fiberglass insulation.

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.

Licensed Engineer Officers on watch shall not be required to perform duties away from the confines of the engine room casings while the vessel is underway. Licensed Engineer Officers 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 Licensed Engineer Officers 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 Marine 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 Officer in any civil action brought against the Engineer Officer as the result of the Engineer Officer's performance of or failure to perform his or her duties and to indemnify and hold harmless such Engineer Officer from any judgement levied against him or her in any such civil action, subject to the following conditions:

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

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

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

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 an assignment as defined in Rule 19.01. During such periods, 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 in accordance with Rule 19.

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

16.03 For shipyard and terminal work, Rule 22 shall apply. Rule 22.02 will not apply to Chief Engineers receiving nonwatch pay.

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 with the change to 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 The Employer agrees that prior to establishing the annual winter maintenance program, it will actively solicit, and give due consideration input from its Licensed Engineer Officers. The Employer shall notify and invite the lead Chief Engineer from the vessel to all major maintenance planning meetings for that vessel and the Union representative shall be notified of the meeting. The Lead Chief Engineer may request that additional ship's Engineer Officers be invited subject to approval by the Marine 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 Officer. This subsection (16.06) is not subject to arbitration in Rule 14.01.

16.07 Deleted

16.08

(A) 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 the 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 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 Engineer Officers assigned to security watches may be scheduled to work hours other than as specified in

Rule 19 of the current Agreement. Accordingly, there would be no more than three (3) security watch engineers required on any given vessel.

(B) When Engineer Officers in the yard are either directed in advance by their supervisor to be available for immediate recall or their names are placed on an Engineer Security Watch roster, they will receive Engineer Security Watch pay as outlined below. Assignments to an Engineer Security Watch roster will be, insofar as it is possible, equitably rotated among officers normally required to perform the anticipated duties, provided that nothing in this Rule will preclude the assignment of an individual to perform Engineer Security Watch whose knowledge makes that individual the most logical choice for the anticipated tasks.

When an Engineer Officer is assigned to an Engineer Security Watch roster, the officer will receive Engineer Security Watch premium pay in an amount equal to two hours pay at the Engineer Officer's straight-time hourly rate of pay for each calendar day or portion of calendar day of such assignment.

The parties agree on basing the number of positions on the operational needs of the Alaska Marine Highway System. The levels of licensed engineers assigned to vessels in revenue service, overhaul, layup and CIP shall be no less than as follows, with no less than eighty-five percent (85%) being filled by permanent positions.

STATUS	Revenue Service	Overhaul	Lay-up	CIP
MV COLUMBIA				
C/E	1	1	1	1
1st A/E	1	1	1	1
2ND A/E	1	1	1	1
3RD A/E	3	3	1	
MV				<u>-</u>
KENNICOTT				
C/E	1	1	1	1
1st A/E	1	1	1	1
2ND A/E	1	1	1	1
3RD A/E	3	3	1	
MV	<u> </u>			<u>.</u>
MATANUSKA				
C/E	1	1	1	1
1st A/E	1	1	1	1
2ND A/E	1	1	1	1
3RD A/E	2	2	1	
MV LECONTE				
C/E	1	1	1	1

1st A/E	1	1	1	1
2ND A/E	1	2		
MV			1	
TUSTUMENA				
C/E	1	1	1	1
1st A/E	1	1	1	1
2ND A/E	1	1	1	1
3RD A/E	2	2	1	
MV AURORA				
C/E	1	1	1	1
1st A/E	1	1	1	1
2nd A/E	1	2		
MV TAZLINA				
C/E -DAY	1	1	1	1
1st A/E- DAY	1	2	1	1
C/E- NIGHT	1	1		
1 st A/E NIGHT	1			
MV HUBBARD				
C/E	1	1	1	1
1st A/E	1	1	1	1
2 nd A/E	1	2		

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 notifying the Marine Director of the Alaska Marine Highway System within thirty (30) calendar days of the occurrence. The Marine Director will have ten (10) work days in which to request a referral for a permanent hire from the Union Hall. It the Union is unable to fill the request within that period, the parties agree that the State may contract out for said position without further consideration with the Union except for notices required elsewhere in this Agreement. During all time that the request is active and unfilled on the Union board, the parties agree that there is no grievable issue. In the event that the State fails or refuses to make such a request for referral after receiving notice from the Union, the Union may file a grievance at Step Two.

16.09 Those Engineer Officers who are assigned to a vessel in the yard and who reside in the same area will be allowed to take meals on a designated hotel ship if available. In the event meals are not provided there shall be no entitlement to a meal allowance for those Engineer Officers residing in the same area.

RULE 17

PAY PLAN

17.01

(A) Wage tables can be found at the Division of Finance website: <u>https://doa.alaska.gov/dof/payroll/sal_sched.html</u>

(B) Nonwatch Pay. In addition to the above, a Chief Engineer shall receive per <u>https://doa.alaska.gov/dof/payroll/sal_sched.html</u> every 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.

The COLA formula as follows is intended to be used for future agreements.

Anchorage CPI-U calendar year compared to prior year	COLA effective following July 1
Less than 1%	0%
Greater than or equal to 1% and less than 2%	1.25%
Greater than or equal to 2% and less than 4%	2.5%
Greater than or equal to 4%	5%

Nothing herein shall preclude the parties from agreeing to increases outside the COLA formula in future years.

As a quid pro quo for use of the COLA formula in future years, the State agrees to the following wage increases:

Effective July 1, 2025, the wage scale in effect shall be as follows:

Chief Engineer	\$61.00/hour
First Assistant Engineer	\$55.00/hour
Second Assistant Engineer	\$50.00/hour
Third Assistant Engineer	\$45.00/hour

Effective July 1, 2026, the pay rates in effect on June 30, 2026 shall increase by 5%

Effective July 1, 2027, the pay rates in effect on June 30, 2027 shall increase by 3%

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 Engineer Officers who are residents of Alaska shall receive a cost-ofliving differential for each pay period they are in pay status according to https:// doa.alaska.gov/dof/payroll/sal_sched.html

(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. Effective July 1, 2025, the Lead Chief will be paid 5% above the Chief Engineer rate of pay. https://doa.alaska.gov/dof/payroll/sal_sched.html

17.04 Overpayment(s) discovered after one (1) year 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 DELETED

17.06 PAY PROBLEMS

Any dispute by an employee alleging 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) All pay shall be through direct deposits.

The Employer shall itemize all deductions on the on-line paystubs so all bargaining unit members can clearly determine the purpose for which amounts have been withheld.

(B) Pay Procedures:

- 1. If the employee does not receive the direct deposit within 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 pay is late, provided the employee files notice with the Employer within the next regular day of business after payday on forms provided by the Employer or with an on-line filing, whichever is available. Initial implementation of a direct deposit and/or a change in the direct deposit designation will result in a paper check while the pre-note process is initiated. The Employer shall provide an adequate supply of forms to each vessel and all terminal offices or employees may use the on-line filing portal. Failure to provide notice to the Employer within the specified time period will forfeit claim for penalty pay until such notice is given.
- 2. Pay Shortages. Pay shortages shall be paid after receipt and verification of the employee's notice in accordance with Section 1 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 1 above shall apply for any verified pay shortages greater than two hundred dollars (\$200.00). Shortages of less than two hundred dollars (\$200.00) shall be paid on the next regular payday.
- 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) (A) Method of Receiving Payment

17.08 PROJECT INSPECTOR

When the Employer requires a Project Inspector, the rate of pay and leave type shall be equivalent to a First Assistant Engineer for the vessel class and system to which they are temporarily assigned. If the Project Inspector holds a Chief Engineer bid position, the rate of pay and leave type will be equivalent to Chief Engineer for the vessel class and system to which they are temporarily assigned as Project Inspector.

RULE 18

HOURS

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 any combination equaling twelve (12) hours as mutually agreed upon by the Chief Engineer and AMHS management. The Chief Engineer shall be a non-watchstanding officer.

18.02 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 operation 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 two (2) weeks [fourteen (14) consecutive days] followed by two (2) weeks [fourteen (14) consecutive days] off duty with the alternate crew relieving.

19.02 If mutually agreed upon by two (2) Engineer Officers in grade, they may work alternative schedules, such as four (4) weeks [twenty-eight (28) consecutive days on], followed by four (4) weeks [twenty-eight (28) consecutive days] off rotation, provided they obtain the written approval of the Marine 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 Officer does not fulfill his or her part of the schedule while the vessel is on the run and this alternative 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 hourage shall be paid for only at the straight-time rate. Any late arrival at crew change ports dues to such emergency service is included in 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 emergency repairs, minimally needed for safe operation, are to be effected.

RULE 21

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RULE 22

OVERTIME

22.01 The overtime rate shall be one and one-half (1 ½) 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 Officer 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

- Holdover: When a Licensed Engineer Officer has worked fourteen (14) consecutive days at the straight time rate of pay and is held over and required to work during their assigned time off they shall be paid at the overtime rate of time and one half (1 ½). Licensed Engineer Officers will remain eligible for holdover overtime until they have had a break in work for seven (7) consecutive days.
- Early Call Back: When a Licensed Engineer Officer has worked fourteen (14) consecutive days at the straight time rate of pay and is called back to work after having seven (7) consecutive days off, the employee shall be paid at the overtime rate of time and one half (1 ½) for the time worked. Commencement of the Licensed Engineer Officer's original assignment will end the entitlement to early call back overtime.
- 3. Break in Assignment: When a Licensed Engineer Officer is reassigned to another vessel pre-completion of their original fourteen (14) day assignment, and works in excess of one hundred sixty-eight (168) hours at the straight time rate of pay in any twenty-one (21) consecutive day period shall be paid the overtime at the time and one-half rate for all work performed after meeting the one hundred sixty-eight (168) straight time threshold. The overtime entitlement will end when the Licensed Engineer Officer has had a break in work for seven (7) consecutive days. The first day worked of the employee's original 14 day assignment will constitute

the start of the twenty-one (21) day calculation. Work does not have to be performed on the same vessel. Travel pay/time will not be considered hours worked.

It is the intent of the parties that Holdover Overtime shall be to the extent possible be a last resort when scheduling or dispatching work.

The use of Holdover Overtime, although it may be operationally necessary to keep from disrupting service to the public, be limited to the extent possible to operational vessels, and that overtime is determined to be necessary by AMHS management.

Holdover Overtime shall not be pre-scheduled during the seasonal scroll unless specifically authorized by the Marine Director of AMHS or their designee.

The parties agree that shipyard work should not normally create Holdover Overtime. Holdover Overtime shall not be pre-scheduled in the shipyard unless specifically authorized by the Marine Director of AMHS or their designee.

The parties agree to work together to reduce costs associated with incidents of Holdover Overtime by open communications, regular monitoring of scheduling and dispatch and formulating creative solutions through the use of the Labor/Management Committee process and/or other focus groups as mutually agreed upon.

22.04 The penalty rate shall be sixteen dollars and fifty cents (\$16.50) per hour effective July 1, 2024.

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.

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 forty percent (40%) 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.

Years of AMHS Vessel Service	Personal Leave Accrual (hours/year)
0 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

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

(C) Eligibility for Accrual. Eligibility for personal leave accrual shall commence once the Engineer Officer has accumulated one thousand ninety-two (1092) straight-time hours of compensation. The Engineer Officer will then be considered as having six (6) months of continuous service, and shall be credited with ninety-four (94) hours of vacation. Once the employee has established six (6) months of continuous service, they will be considered eligible of vacation accrual and will be credited with one-thirteenth (1/13) of the year's vacation accrual during every month in which the employee is compensated for a minimum of eighty-four (84) straight-time hours in accordance with the rate shown in Rule 23.01 (B). Once the employee has accumulated two thousand one hundred and eighty-four (2184) hours of straight time compensation they will then be considered as having established a leave anniversary date. Vacation in successive years shall be at the rate shown in Rule 23.01 (B).

A Temporary Relief Engineer who becomes a Regularly Assigned Engineer will have all straight time hours worked as an AMHS Engineer during the preceding five (5) years counted towards the two thousand one hundred eighty-four (2184) hour threshold for their leave anniversary date as a Regularly Assigned Engineer. At no time can a Temporary Relief Engineer establish a leave anniversary date before becoming a

Regular Assigned Engineer (at no time can the leave anniversary date precede the date of becoming a Regular Assigned Engineer).

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 onethirteenth (1/13) of the year's twenty-six (26) pay periods Personal Leave accrual during every other pay period in which he or she is compensated for a minimum of eighty-four (84) straight-time hours in two (2) consecutive pay periods.

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.

Vessel employees who transfer into a Licensed Engineer Officer position will have any existing A day balance converted to personal leave on an hour for hour basis.

(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 leave six (6) times per calendar year, but in no case shall the Engineer Officer be allowed to cash out their leave balance below one hundred sixty-eight (168) hours unless mutually agreed by the Union and the Marine Director. Cash-out requests must be submitted on forms approved by 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. The leave cash-out shall be counted as base wages for pension purposes.

23.02 LEAVE SCHEDULING

Personal Leave shall be taken as scheduled following notification by the Leave Scheduling Committee and the Marine 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. 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 the Marine Engineering Manager, or designee, to have such leave approved.

23.03 LEAVE SCHEDULING COMMITTEE

(A) The Leave Scheduling Committee will consist of a chairperson, co-chairperson, and two (2) Committee members. The Union will select its four (4) Committee members each year and advise the AMHS of their selection. The Marine 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 number of relief positions required. The Marine Director shall have final approval of the vacation schedules and number of relief positions required. Leave shall not be unreasonably denied.

(D) Those Engineer Officers 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 Officer'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 Marine Director, Alaska Marine Highway System, or designee. The Employer will provide round-trip commercial air transportation to Ketchikan from Juneau, AK or receipted necessary travel expense reimbursement, whichever is the least cost to the Employer. With exception to the location, as stated above, travel expenses will be paid according to Rule 12.03. The provisions of Rule 11 will apply. Rule 12.05 does not apply.

(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 Officer's Personal Leave balance below 924 hours. Any additional time scheduled off must conform to the Engineer Officers 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 Scheduling Committee stating how many hours or "A" days of vacation 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 Engineer 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.

23.05 PERSONAL LEAVE PAY RATE Regularly Assigned and Vacation Relief Engineer Officers shall be paid for vacation at their bid rate of their regular assignment. Regularly Assigned Engineer Officers 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 Officer worked for the majority of the preceding year. Vacation Relief Engineer Officers 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 fifty (50) percent of all straight-time hours of work performed within the calendar year the vacation is to be taken. 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 Officer 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 Officer 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 a 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 Officer'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 ½) 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 Attorney General, an employee may be granted leave without pay for purposes of serving as an official of the MEBA provided that such leave, if approved, shall not be for 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 into the Marine 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
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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 Marine 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 Marine 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) Effective December 31, 2016, all Engineer Officers, excluding temps, shall donate twenty-five dollars (\$25.00) per pay period to the Union business Leave Bank.

With ninety (90) days' notice, the Union may increase or decrease the amount to be deducted from employee wages for the Union Business Leave Bank.

(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) 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 an 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 Officer shall receive cash payment for whatever personal leave the Engineer Officer 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 Officer 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 AS.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, Juneteenth, 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. Crewmembers working in more than one bargaining unit during a work week 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 one hundred and sixty-eight (168) 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. Holiday premium pay and Holiday Pay during assigned time off shall be paid in addition to the guarantee. Engineer Officers working regular assignments of 168 hours shall receive the basic straight time rate of pay for the respective pay period, so that in two consecutive pay periods he or she shall receive a total of 168 hours of compensation.

(B) Vacation Relief Engineers have a minimum guarantee entitlement of one thousand and ninety-two (1092) hours every six (6) calendar months.

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

RULE 26

SENIORITY

26.01 Engineer Officers who have completed nine (9) 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. In addition this list shall show the accumulated time in grade in other job ratings previously 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 Licensed 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 Marine Director and the Union. The six (6) month limitation shall not apply to disability cases, pregnancy and childbirth or to schooling to upgrade in the Maritime Industry. All leaves of absence shall be with the mutual consent of the Marine Director and the Union. Time involved during each leave of absence shall not be accumulative in regard 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 within fifteen (15) work days for a period of thirty (30) calendar days, seventy-five (75) days if the 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 fifteen (15) work 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 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 dues to such rejection.

26.08 The Employer agrees to establish a procedure whereby the 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 Marine Director or designee, shall make every effort to assign personnel with regard to their preference of change port and working schedule.

When a First Assistant Engineer position becomes vacant, those Engineer Officers on the Time and Grade Seniority List, who are qualified and competent, shall be afforded the opportunity to transfer. The Port Engineer shall consult the Chief Engineer of the vessel before selecting an Engineer Officer to fill the First Assistant engineer position. In determining assignments in accordance with this Rule, First Assistant Engineer seniority, as determined by the Time and Grade Seniority List shall be given full consideration. If an Engineer Officer is denied a transfer, the Engineer Officer may file a grievance under Rule 14.

In the case of promotion to any First Assistant Engineer position, the position shall be filled in accordance with Rule 26.07

When a Chief Engineer position becomes vacant, those Engineer Officers on the Time and Grade Seniority list, who are qualified and competent, shall be afforded the opportunity to transfer. In determining assignments in accordance with this Rule, Chief Engineer seniority, as determined by the Time and Grade seniority list, shall be given full consideration. If an Engineer Officer is denied a transfer, the Engineer Officer may file a grievance under Rule 14. In the case of a promotion to a Chief Engineer's position, those applying for the job shall apply on a form supplied by the Employer specific to the Chief Engineer position.

Applicants for a Chief Engineer's position, whether by transfer or promotion, shall be reviewed by a Union Peer Review Committee consisting of 3 members designated by the Union. The Committee shall rank the candidates and provide the list to the Employer. The Employer shall select the Chief Engineer considering the Peer Review Committee's list.

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

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 or 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

(A) Effective January 1, 2026, the Employer's health insurance contribution shall be the amount of money, for all employees, that is necessary to fund comparable coverage under the Select Benefits Economy Plan, less a monthly employee contribution not to exceed fifteen percent (15%) of the premium contribution for the Employee Only and Employee Plus Family Economy Plans. These premiums and premium contributions will be set for each benefit (calendar) year commencing January 1st of 2026, 2027, 2028.

(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 the 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 The Employer shall continue to insure the life of every employee in the principal amount of two thousand dollars (\$2000.00)/ five thousand (\$5000.00) AD&D.

27.03

(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 forty-three dollars (\$43.00) per day to the plan designated by the MEBA.

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

27.04

(A) In order to be assured any PERS retiree health insurance benefits, Engineer Officers hired after July 1, 2014 shall be required to have ten (10) years of service as a permanent Engineer Officer with the Alaska Marine Highway System. Two thousand one hundred eighty-four (2184) straight-time hours of compensation shall be considered one year of service. 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 dependents who are provided Major Medical Insurance shall be provided a self-pay option for Dental, Vision and Audio coverage. MEBA retirees who participate in the DVA plan may make changes to their coverage during the DVA open enrollment period. 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.

27.05 At the request of either party, this Rule may be reopened during the term of this Agreement for the express purpose of dealing with the effects of national health care.

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 the Defined Benefit Pension Plan shall be eleven point seven percent (11.7%) of the Employees' Wages (Wages for purposes of this section are the pay types listed in the attachment marked "Exhibit A". Said contributions shall be made for each Engineer Officer per pay period. A full-time Southeast Engineer Officer is one who is in pay status for two thousand and eighty (2080) 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. Effective January 1, 2026 a full-time Engineer Officer is one who is in pay status for two thousand one hundred and eighty-four (2184) straight time hours per calendar year.

The Employer contribution to the Defined Benefit Plan will increase by one (1) percent effective July 1, 2025, one (1) percent effective July 1, 2026, and one (1) percent effective July 1, 2027.

Effective July 1, 2025 leave cash-ins will be added to Exhibit A and be considered pensionable wages.

- 1. The State makes no representation or warranty that such leave cash-ins qualify as pensionable compensation under ERISA, Alaska state law, and the plan language, and shall not be held liable for any resulting reduction in benefits, denial of pension credit, or required corrections as determined by the Plan Trustees or Administrator.
- 2. The State may discontinue this practice in response to changes in law, Plan policy, or the Plan's rehabilitation schedules
- 3. MEBA shall continue to indemnify, hold harmless, and defend the State from and against any suits filed against the State by one or more MEBA bargaining unit members, whether filed in State or Federal court arising out of actions taken by the State in compliance with the Pension Contribution
- 4. Additionally, MEBA shall indemnify any partial or complete withdrawal liability assessed under ERISA to the extent such liabilities arise from or relate to the inclusion of leave cash-in as pensionable compensation.
- 5. No dispute in any way relating to leave cash-ins qualifying as pensionable compensation shall be subject to the grievance procedure in the collective bargaining agreement except an allegation that the State failed to make the agreed upon contribution.

Contributions in this Section shall be transmitted to the MEBA "Plans" office. Employer, Union and MEBA Plans will meet and confer on a regular basis to ensure adequate reporting.

28.03 Employer contributions to the MPB shall be zero percent (0%).

28.05 Deleted

28.05 (A) Pay types reported to MEBA Plans as pensionable base wages shall be the pay types listed in the attachment marked "Exhibit C".

The Union will be responsible for resolving any disputes with the Plan Trustees regarding this Rule.

28.06

MEBA shall continue to indemnify, hold harmless, and defend the State from and against any suits filed against the State by one or more MEBA bargaining unit members, whether filed in State or federal court arising out of actions taken by the State in compliance with the Pension Contribution LOA 12-BB-123.

RULE 29

SICK LEAVE

29.01 TRANSFER OF ACCRUED SICK LEAVE

(A)

- 1. Bargaining Unit Sick Leave Bank (BUSLB). 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 sixty (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 ten (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 Officer's return to work or the absence will be regarded as unauthorized, inexcusable 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 Officer'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 or black pants at all times while on duty and the Employer will pay a cash allowance of six hundred dollars (\$600) per annum to each Engineer Officer for the procurement and maintenance of uniforms.

RULE 31

RESTRICTIONS

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

In order to receive any benefits provided by this Rule the pass holder must pay a one hundred (100) dollar fee before qualifying for any benefits.

32.01 Engineer Officers with two (2) years of company seniority as per Rule 26.01, 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 Engineer Officer is on duty unless the vehicle is accompanying the Engineer 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 Marine 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 Engineer 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 directly from the Alaska Marine Highway System and are receiving a PERS or MEBA pension shall receive an annual pass for themself, 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, but who do not have two (2) years of company seniority, will be entitled to trip pass privileges.

32.05 If the date of travel on an approved trip 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 AMHS 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 AMHS Headquarters 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 thirty (30) 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 (1) 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 Marine 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 thirty (30) feet will be allowed as free passage, any length over thirty (30) feet will be based on current fare tariff in place for the difference between the overall length and thirty (30) feet of total connected length of trailer.
- 2. The fee charged does not provide confirmed reservations and transportation is still on a space available basis.
- 3. 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. Effective July 1, 2011, Rule 32 shall not apply to Engineer Officers terminated from State employment for cause.

RULE 33

MANAGEMENT CLAUSE AND UNION RIGHTS

33.01

Except as modified by this Agreement, the Employer retains all rights of management, which, in addition to all powers, duties, and rights established by constitutional provisions or statue, will include but not limited to, the right to:

- (A) Determine the Employer's mission on strategic plans;
- (B) Determine the Employer's budget and the financial basis for layoffs;

- (C) Direct and supervise employees;
- (D) And all other rights to manage and operate the AMHS in an effective, efficient, safe, and fiscally prudent manner within the DOT and PF fiscal budget;
- (E) The Union reserves the right to intercede on behalf of any employee who feels aggrieved because of the exercise of this right and to process a grievance in accordance with Rule 14;
- (F) The existence of this clause shall not preclude the resolution of any such grievance on its merits.

33.02

The Employer will not engage in activities, or assist or encourage Engineer Officers 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

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

34.02 Certain offenses shall be grounds for immediate discharge including but not limited to: drinking alcoholic beverages or illegal use of drugs on board during the Engineer Officer's workweek, reporting to work under the influence, theft or willful destruction of State property, insubordination; dishonesty; physical misconduct; accessing or viewing pornography at work or on a State computer; 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

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

If any Rule of this Agreement or any addendum 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

37.01 the Employer shall continue to participate in the MEBA Training Plan. For this purpose the Employer shall agree to pay the MEBA Training Plan ten (10) dollars per day per employee, for each Engineer Officer employed with Alaska Marine Highway System. The Union will make every effort to ensure that priority of training goes to permanent AMHS employees before it is used by other MEBA members. A semi-annual report will be provided to AMHS' Marine Director itemizing all training taken and scheduled and the manner in which training funds were used. 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. Upon request the Union shall provide a listing of AMHS engineers that have attended training at the Calhoon School specifying what classes they have taken.

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

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 two dollars (\$2.00) 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 this contract.

RULE 39

TERM OF AGREEMENT

39.01 This Agreement shall be negotiated in good faith by both parties and shall be ratified by the 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, 2025 and shall remain in effect through June 30, 2028 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, 2028 to April 1, 2028

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 proved herein.

SUPPLEMENTAL AGREEMENT to the COLLECTIVE BARGAINING AGREEMENT between the State of Alaska and the MARINE ENGINEERS BENEFICIAL ASSOCIATION Re: Dayboats

It is hereby understood and agreed between the parties that the following is intended to supplement the Master Agreement entered into between the State of Alaska and the Marine Engineers' Beneficial Association, and is intended to amend that Master Agreement only in regard to issues unique to dayboats, excluding the M/V Lituya and any vessels in existence on May 1, 2023 and not operating as a day boat. If/when crew quarters are added to the M/V Tazlina, that vessel will no longer be covered under this Supplemental Agreement and will be fully subject to the Master Agreement. The Master Agreement without this Supplement is intended to cover the entire system. The entire Master Agreement is intended to apply to the dayboats unless an entire Rule or a subsection of a Rule is specifically modified, amended, or otherwise superseded by this Supplemental Agreement. The Master Agreement is not modified other than as specifically addressed in the Dayboats Supplemental Agreement.

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

The home port for the M/V Tazlina shall be Juneau, AK.

Rule 7- Crew Requirements

Crewing requirements for the vessel shall be in accordance with the safe operation of the vessel as required by the United States Coast Guard. MEBA shall have jurisdiction for all work related to the operation and maintenance of machinery on the dayboats.

Rule 8- Health and Safety

There are no quarters aboard the dayboats. When an Engineer Officer not holding a bid position aboard the dayboat is assigned to work on the dayboat, the provisions of Rule 12 shall apply.

Rule 9 – Occupational Injury and Illness

9.01 Unearned Wages: In the event an Engineer Officer becomes ill or is injured while in the service of the dayboat, he/she will receive wages to the end of the workday. In the

event that an Engineer Officer becomes injured while in the service of the dayboat, and a report is filed and not successfully controverted, he/she will be entitled to wages for three working days or less, if not later compensated.

Rule 11 - Cash Allowance for Subsistence and Quarters

11.01 When an Engineer Officer is in work status, and remains away from the assigned change port overnight or nights, they shall be entitled to a quarters allowance in accordance with the Master Agreement. In the event that the rate for lodging designated in the State Administrative Manual for Southeast Alaska is adjusted, the rate specified herein shall be adjusted by the same dollar amount.

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

Rule 15 – Working Conditions

15.04 Engineers on watch shall not be required to perform duties away from the assigned work station. The Assistant Engineer is assigned to make rounds of the engine and passenger spaces, relieve the Chief Engineer as requested, and perform duties elsewhere as directed by the Chief Engineer while the vessel is underway. Whenever possible, repair and maintenance work will be done overnight, by the night maintenance Engineering Officers.

Rule 17 – Pay Plan

Rule **17.01** (A) The wages, and wage-related items, for the dayboat Engineer Officers shall be in accordance with the Master Agreement, Rule 17 Pay Plan.

The provisions of Rule 17.01(B) shall apply.

Rule 18- Hours

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

Rule 26 – Seniority

The Assistant Engineer shall be regarded as a First Engineer. First Assistant Engineers assigned to the dayboat shall accrue time in grade seniority based upon the license which they hold, up to First Assistant Engineer.

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

The parties agree that the terms and conditions of this supplemental are only in effect for employees in a port engineer position as of June 30, 2022. Once a port engineer position becomes vacant the parties understand the terms and conditions of this supplemental do not apply to that position and the State is able to change duties from/to the position. In addition, the parties agree that, once a port engineer position has been vacated, the State has the full rights and ability to seek Unit Clarification based on the duties it chooses to assign to that port engineer position.

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, 2022, 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 Deleted 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.	
8.01 Does not apply. 8.02 Does not apply.	RULE 8 – HEALTH AND SAFETY

8.04 Does not apply. **8.05** Does not apply.

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.

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, from their regular position, 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 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 Wage tables can be found at the Division of Finance website: <u>https://doa.alaska.gov/dof/payroll/sal_sched.html</u>

(B) In addition to the above, the senior Port Engineer shall receive \$360.00 per pay period and for pension purposes effective July 1, 2022. 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:

https://doa.alaska.gov/dof/payroll/sal_sched.html

(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. 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 as he remains a resident of the state and intends to continue to do so.

RULE 18 - HOURS

18.01 Port Engineers 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

Deleted.

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:

Length of Service Personal Leave Accrual (Years) (Hours/year) 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 This language was removed from the supplemental.

28.03 This language was removed from the supplemental.

RULE 30 - STANDARD DRESS

30.01 Does not apply.

30.02 Does not apply.

APPENDIX A- Hotel Ship

- 1. Upon request and with the approval of the AMHS Marine Director (or designee), all AMHS employees in Ketchikan may take up temporary residence on a hotel ship, when available, during their tenure, under the following terms and conditions:
 - (A) The AMHS Drug and Alcohol Policy applies, in particular, but not limited to, the standards contained in the Prohibited Conduct Section.
 - (B) All other Employer Policies and Procedures apply, including the AMHS Employee Conduct Policy.
 - (C) Residing on a hotel ship does not meet the "establishing and maintaining their principal place of abode within the State" provision of Rule 17.01, and therefore the employee does not qualify for the COLD benefits provided by that Rule.
 - (D) If food service is being provided on the hotel ship, the employee may take meals free of charge in the crew mess.
 - (E) Use and cleaning of the assigned quarters shall be the responsibility of the employee and will be at no cost to the Employer, other than cleaning supplies. When a MEBA member vacates quarters at the end of their stay, the quarters will be cleaned and turned around for the next occupant by the Stewards Department personnel assigned to the vessel. An employee occupying hotel ship quarters may be liable for any damages caused by the employee's occupancy, normal wear and tear excepted.
 - (F) The employee must sign a copy of this agreement to acknowledge understanding and accepting of the terms and conditions and submit the signed copy to the Passenger Services Manager. Any abuse may subject the employee to possible discipline and immediate loss of the benefits provided by this agreement.
 - (G)The AMHS Marine Director has the right to revoke, deny, or extend any employee's request to be housed on the hotel ship at any time.
 - (H) This agreement is contingent on the availability of a hotel ship. If no hotel ship is available, this agreement does not entitle the employee to a quarters allowance or other Employer provided lodging.

APPENDIX B

Temporary Assignment, Job Fair Assist

The AMHS will be seeking Engineer Officers wishing to assist in representing the AMHS at job fairs. The following will apply to the selected employees:

• Employees interested in assisting with job fairs shall submit their interest to MEBA. Upon request by AMHS, MEBA agrees to submit to the Employer the list of interested employees. Employees will be selected based on factors set by management; however, the selection criteria will not include seniority of the interested employees.

• Employees will be scheduled on an as-needed basis. Daily schedules will be set by management, dependent on the job fair schedule, but will not exceed 8:24 for any single day.

• Employees will be paid for actual hours worked at the job fair at the straight-time rate of their bid job classification, not to exceed 8:24 hours. Employees not holding a permanent bid position will be paid at the rate of straight time pay for the classification in which the majority of the employee's time was worked within the preceding year.

• Hours worked at a job fair will not count towards daily or weekly overtime entitlements under Rule 22.

• Rule 24.04 is waived; if the job fair occurs on a holiday, the employee will be paid at the overtime rate of pay for actual hours worked. This pay will be in addition to the straight time pay provided in Rule 24.02.

• Rule 25, Minimum Guarantee, will not apply; employees may use vacation during the affected pay periods in order to avoid any negative impact.

• The Employer will provide round-trip transportation as outlined in Rule 12.03 (B) for employees to travel from their change port, or place of residence, to a job fair, or receipted necessary travel expense reimbursement, whichever is the least cost to the employer. When air transportation is necessary, airline tickets will normally be purchased by the AMHS through the travel desk. With prior approval from the Marine Director, or designee, the employee and their vehicle may be allowed to travel on a vessel utilizing a trip pass in accordance with Rule 33.

• While at a job fair, employees will be required to stay on a hotel ship if one is available. If a hotel ship is not available, employees will be entitled to lodging in accordance with Rule 11.01 and a meal allowance as outlined in Rule 11.02.

• Rule 12.05 is waived; employees will not be entitled to travel pay.

• Time sheets will be approved by the appropriate shoreside manager.

• The Union agrees not to file any complaint or grievance regarding the circumstances outlined above.

Appendix C- Change Port Agreement

At the request of the employees, and upon approval by the Marine Director, or designee, the change port for PCN's ______ and _____, will be temporarily changed from ______ to _____ when both employees are working their normal bid assignments.

- Both employees will change in _____ at no cost to the State.
- No overtime, minimum guarantee, travel or travel expenses will be paid by the Employer if either employee does not fulfill their part of the schedule.
- If either employee is unfit for duty or on approved vacation, the change port will revert back, until the employee returns.
- If either employee is assigned to another position or vessel, the change port will revert to the previous location.
- If either employee rescinds their bid, receives another bid, or if their employment with the AMHS is severed, this agreement is canceled, and the change port will revert to the previous location.
- If the vessel no longer travels to the temporary change port, this agreement is canceled, and the change port will revert to the previous location.
- If for any reason either employee must depart the vessel before their normal assignment is concluded, the employee will be relieved at the normal change port unless the next port is the temporary change port. If the next port of call is the temporary change port, and the employee departs the vessel at that port, the vessel may sail short until reaching the normal change port, and a relief is assigned.
- This agreement shall be effective the first day of the employees' next crew change, which is expected to be ______, and will remain in effect until the M/V ______ leaves revenue service and enters the shipyard.
- The agreement may be canceled by either party with thirty (30) days written notice.

	Engineer Officer Name: _		Position
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Engineer Officer Name:______ Position_____

Approved:

AMHS Marine Director

MEBA Executive Vice President

Date

Date