

CLERK'S OFFICE
AMENDED AND APPROVED

Date: 8-31-10

Submitted by: ASSEMBLY MEMBERS DRUMMOND, BIRCH,
FLYNN, GRAY-JACKSON, GUTIERREZ, HALL, HONEMAN,
JOHNSTON, OSSIANDER, STARR, TRAINI
Prepared by: Assembly Counsel's Office
For reading: August 31, 2010

ANCHORAGE, ALASKA
AR NO. 2010-255

1 **A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY JOINING MAYOR DAN**
2 **SULLIVAN IN ENCOURAGING UNITED PARCEL SERVICE (UPS) TO MAINTAIN ITS**
3 **WORKFORCE IN ANCHORAGE.**

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5 WHEREAS, prior to November 2006, 30 United Parcel Service pilots resided in Alaska;
6 and

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8 WHEREAS, after United Parcel Service opened its Anchorage domicile in November
9 2006, 155 pilots and their families relocated to Alaska; and

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11 WHEREAS, United Parcel Service, a valued addition to the Alaska community and
12 economy, has previously committed to making Anchorage a domicile for its Asia and Europe
13 cargo operations; and

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15 WHEREAS, in February 2010, United Parcel Service announced its intent to furlough
16 at least 300 pilots companywide – approximately 11 percent of the 2,800 pilots it employs; and

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18 WHEREAS, of these 230 ~~300~~ furloughed pilots, over 194 ~~262~~ pilots are assigned to the
19 United Parcel Service Anchorage domicile; and

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21 WHEREAS, currently 71 ~~84~~ United Parcel Service pilots and their families reside in
22 Alaska as our neighbors and friends, volunteers in our community and students in our schools;
23 and

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25 WHEREAS, removal of these pilots and their families will have a negative, noticeable
26 and lasting impact on the Alaska community and economy; and

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28 WHEREAS, with the furlough of these 71 ~~84~~ pilots, the Anchorage area could lose an
29 estimated \$39.5 ~~45~~ Million in payroll revenues through 2014 ~~annually~~; and

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31 WHEREAS, although United Parcel Service may have initiated this furlough process in
32 response to the recent national economic crisis, circumstances in Alaska are significantly
33 improved and boast a promising future; and

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35 WHEREAS, the Anchorage Economic Development Corporation forecasts cargo
36 volumes will continue to increase throughout 2010, which appears to be substantiated by a 37
37 percent increase in first quarter 2010 earnings posted by United Parcel Service; and

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39 WHEREAS, for the previous two quarters at Ted Stevens Anchorage International
40 Airport, cargo transportation has increased with landed cargo weight up nearly 32 Million tons
41 in the first quarter of 2010 when compared to 2009; and

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2 WHEREAS, as published on August 23, 2010 in the Anchorage Daily News, Mayor
3 Dan Sullivan, in his letter to United Parcel Service CEO Scott Davis, explained that Anchorage
4 and United Parcel Service have mutually benefitted from the United Parcel Service presence in
5 Alaska by additional property tax revenues, relatively low business taxes, and an actively
6 engaged workforce; and
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8 WHEREAS, in his letter to United Parcel Service CEO Scott Davis, Mayor Sullivan
9 outlined Anchorage's bright economic future and offered to meet and work with United Parcel
10 Service CEO Scott Davis "for our mutual benefit to maintain this vital workforce here in
11 Anchorage";
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13 NOW, THEREFORE, the Anchorage Municipal Assembly resolves:
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15 **Section 1.** The Anchorage Municipal Assembly joins Mayor Sullivan in encouraging
16 United Parcel Service to maintain its workforce in Anchorage.
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18 **Section 2.** The Anchorage Municipal Assembly respectfully requests United Parcel
19 Service to reconsider its recent pilot furloughs and restore the jobs of those Alaska
20 domiciled United Parcel Service pilots.
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22 PASSED AND APPROVED by the Anchorage Assembly this 31st day of
23 August, 2010.
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Chair

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31 ATTEST:
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38 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Phone: 907-343-7100

FAX: 907-343-7180

Mayor Dan Sullivan

August 5, 2010

Mr. Scott Davis
Chairman/Chief Executive Officer
UPS
55 Glenlake Pkwy, NE
Atlanta, GA 30328

Re: Furlough of Anchorage-based UPS Pilots

Dear Mr. Davis:

It has been brought to my attention that UPS is currently in a process to furlough more than 250 Anchorage-based pilots with completion of this action expected by the end of first quarter 2011. I am writing to express both my concern over this decision, and to iterate my support for the company and my willingness to work with UPS to the benefit of its overall Anchorage-based operations.

A strong workforce is vital to any growing city and I appreciate the commitment that UPS made to open its Anchorage domicile in 2006. Our city and UPS have mutually benefitted from this relationship, characterized by relatively low business taxes and engaged employees. You can understand then, the choice to furlough these Anchorage pilots means a significant negative economic impact to Anchorage with estimates being as high as \$15 million in payroll alone.

Alaska's Senators Murkowski and Begich have sent letters that highlight their concerns on this topic. In a response from you to Senator Murkowski dated June 21, 2010, you indicated that the current pilot furlough is a temporary and short-term situation, and that "we intend to bring these pilots back into service when our package and freight volume permit the re-growth of our air crews."

A recent report by the Anchorage Economic Development Corporation says that air cargo in the fourth quarter of 2009 was up 27.4 percent over the fourth quarter of 2008, and is only 10.7 percent below the fourth quarter of 2007. This cargo transport growth will likely continue and with it the need for a sustainable workforce base. I hope that this data will compel UPS to reconsider the Anchorage furlough.

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I support the business UPS does in Anchorage. Since 1990 when your initial investment was made, we benefitted through an increase in property taxes to our Municipality and an active and engaged workforce. Many of the pilots have settled into our city and made a home for themselves. Their families are active in our school system and they volunteer in our community. I welcome any opportunity to meet with you to discuss how we can work for our mutual benefit to maintain this vital workforce here in Anchorage.

Sincerely,

A handwritten signature in black ink that reads "Dan Sullivan". The signature is written in a cursive, flowing style.

Dan Sullivan
Mayor