

My view of Alaska Hire on the Alaska North Slope is shaped by personal experience starting in the early 1970's and continuing through 2006.

- 1970-1991 Surveyor working on projects throughout the State
  - Trans Alaska Oil Pipeline
  - North Slope expansion 1980-1985
- 1992-2003 Business Representative Teamsters Local 959
- 1992-2003 Developed curricula, standards and job tasks for surveyor apprenticeship;
  - Five hundred hours of classroom study and four thousand hours of "on the job" tasks.
  - Qualified & received Bureau of Apprenticeship registration
  - Recruited Alaskan Natives in rural Alaska; first apprenticeship program to offer direct entry to Alaskan Natives.
- 1997-2006 President Alaska Petroleum Joint Crafts Council (Pipeline/Valdez/Slope)
- 1999-2004 Founding board of Alaska Process Industry Career Consortium.
  - 1999-2002 Chair of Needs Assessment Committee
  - 2002-2004 APICC Chair
- 2004-2006 Principal Executive Officer (secretary-treasurer) Teamster Local 959

I do not hesitate in stating that Alaska Hire on the North Slope gets a lot of lip service in public testimony and promotion but the facts on the ground are at least as bad as the AKDOL figures indicate.

There is a caveat, namely that since retirement in 2007, I have not been actively involved in the oil industry on the Slope.

The Murkowski administration negotiated a gas line to Canada with the oil industry but before being signed the industry demanded gas tax security for decades. An election ended the negotiations.

The Alaska hire provision in Article 6.2 of the proposed contract with the oil industry is not Alaskan in any sense. It is not even American hire:

*Alaska hire provision: Article 6.2 of the document states, "Each Midstream Entity (pipeline builder or operator) shall employ Alaska residents and shall contract with Alaska Businesses.....to the extent (they are) available, ready, willing and able....and are competitively priced.....at a total cost that is equal to or less than....equivalent services offered by a non-Alaska resident or business. Additionally, if they breach any part of the Alaska hire provision, it does NOT constitute a material breach of the contract.*

This encapsulates very succinctly my experiences in hundreds of hours of negotiations with this industry and its contractors and over thirty five years of work, interactions and observations.

There is no free lunch and there is no free market on the Slope. Crony capitalism describes the business model. An employer not aligned with the politics of these global oil corporations is not an employer on the Slope.

ARCO brought a very small Kenai oil field company named VECO to the ANS in the late 1970's. Their need to completely control the workplace environment on the Slope made it necessary to get rid of the unions.

VECO did just that and by 1985 they and other non-union companies had 90% of the work on the Slope.

With the unions gone, the flood gates to hiring non- Alaskans was wide open. Friends, in-laws and cronies come on up to make money in Alaska and spend it back home in Texas or wherever. The good ol' boys came up in droves.

There are non-union contractors on the Slope that will lay off employees from Alaska first, reasoning that it is less expensive flying them to Anchorage than to Dallas. Additionally, in the event they need to rehire it is easier to round up the locals than those scattered throughout the lower 48; and less expensive.

Although VECO was an incompetent contractor and went bankrupt twice, they proved to be effective oil industry operatives and arm twisters . Good bye unions and Alaska Hire on the North Slope.

In fact, VECO did so well they were sent to Juneau and in 1984 hired "big" Ed Dankworth, the oil industry's favorite lobbyist. Their brand of persuasion worked so well that Republicans have controlled the House and Senate in just about every Legislature since 1990. Good bye Alaska Hire supporting Democrats from the Juneau power circle.

As concerns the larger context of HB 110, if we are to improve Alaska Hire in the future we must start to reclaim our sovereignty. In taking responsibility for our future, we are better able to deal with the threats and the fear that not being in control of our future engenders.

I thank the Senate for their courage in examining this legislation closely and sincerely hope HB 110 takes its place alongside PPT as failed legislation.

Anyway, this is my story & I'll stick to it: the culture of the global oil corporations will never embrace Alaska Hire or unions for that matter, but they do know their media and will put a pretty face out front of the ugly truth.

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