

**3521 Andree Drive
Anchorage, AK 99517**

April 1, 2013

**Senate Finance Committee
State Capital
Juneau, Alaska 99801-1182**

**RE: Testimony of Peter J. Stokes, P.E. Chair of UAF CEMADC on Final Funding for UA
Engineering Buildings**

Co-Chairs Meyers and Kelly and Members of Senate Finance, I would like to take this opportunity to provide my testimony regarding the funding for completion of the engineering facilities at UAA and UAF.

My name is Peter J. Stokes, a licensed petroleum engineer and commercial consultant from Petrotechnical Resources of Alaska. I am a graduate of UAF in Mechanical and Mining Engineering. I also have an MBA from Duke University. I worked for UNOCAL in their Alaska, lower 48 and overseas operations for over 25 years. I now consult on oil and gas projects for regional native corporations, Cook Inlet Utilities and oil and gas exploration companies that are new to Alaska.

I am the Chair of the UAF College of Engineering and Mines Advisory and Development Council. This Council of engineers from across the state helps the College with strategic issues, industry perspective, as well as advocating for the College's engineering programs.

I would like to thank the legislature for recognizing the need of growing the engineering enrollment and capabilities at both UAF and UAA and to urge the committee to pass legislation to allow for the completion of the new engineering buildings being constructed at each campus. Last year, the legislature and governor approved funding for half of each of these new facilities and the other half is now required to complete the projects in an efficient and timely manner. The 50% that has been funded is actively being used in completing the basic civil and structural work to allow the shells of the buildings to be enclosed. For work to continue for timely on-budget completion, money needs to be funded in this current budget. These facilities are very necessary to meet the needs of the engineering programs required to grow our State and to develop future technical professionals to design and construct our future development projects in the State. These new facilities will also help in the recruitment and retention of world-class engineering faculty.

You will notice that my UAA counterpart, Richard Reich, and I speak on behalf of both Campuses. It is important that we are promoting engineering education needs in the State rather than trying to compete on a regional basis, which has happened too often in the past..

The new facilities will allow for continued training of Alaska engineers, which are so important to current industries and economy of our State, but will also be necessary for new infrastructure and resource development in the future. There is also large support from industry to hire Alaska educated engineers. It is very expensive for companies to bring engineers into the state, train them and take the risk that they will not stay.

A few large projects in the State's future requiring large numbers of engineers are the export of our NS natural gas, now likely to be a \$45-65 billion LNG project consisting of conditioning plant, pipeline and LNG plant, offshore Arctic oil and gas development, potential pipelines from western Arctic OCS to the TAPS oil line, Watana dam hydroelectric generation and transmission, and new mines and other resource and infrastructure developments. There will probably be a lot of future engineering required in the State as a result of the current global warming trends.

These future projects will require large increases in engineering staffing in the state of Alaska.

I believe the use of State funding to increase engineering capacity is a great investment in the future engineering talent that will come from our own high schools, rather than importing engineers from other states. Engineers trained in Alaska are exposed to designing for the Arctic engineering impacts. They are also used to living in our Alaska conditions and typically will remain as they enjoy our living environment. This is a big benefit for not only our students, but for companies hiring engineers in Alaska.

I understand the need to budget at more realistic levels in this environment of declining production and revenue to the State, but when we get our oil and gas fiscal policy changed to again attract investment, we will want the increased level of engineering jobs to be filled by Alaska educated engineers, not those imported from outside the State.

In closing, I am also here on behalf of my grandsons, who represent the future of our State, and who will need to pick a college in 11 and 14 years from now. If they chose engineering, I want to be proud to tell them that they can't beat the programs at UAA or UAF.

THANK YOU for taking my testimony as you consider the capital budget to complete these engineering buildings at the University's Anchorage and Fairbanks campuses.

Very Truly Yours,

Peter J. Stokes