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“Promoting Onshore Oil and Gas Development in Alaska.”

Thank you Chairman Gosar and members of the Subcommittee. Thank you for the opportunity to testify regarding “Promoting Onshore Oil and Gas Development in Alaska.”

My name is Gary Dixon Jr., I am the Vice President and Director of Construction for the International Brotherhood of Teamsters Local 959, State of Alaska. Not only am I a proud third generation Alaskan, I am a proud third generation member of Teamsters Local 959. My grandfather was the first President of Teamsters Local 959 and my father was the Director of Construction for Local 959, before, during and after the building of the Trans Alaska Pipeline. Teamsters Local 959 represents 5,000 plus workers in the state of Alaska in a vast amount of industries. For example, AT&T Technicians, Installers and Warehousemen state wide, all of the workers at Usibelli Coal Mine, maintenance workers at the Kodiak Coast Guard Base, various Freight industry companies. The Port of Anchorage, along with our affiliate AILU (Anchorage Independent Longshore Union) representing workers at the two shipping companies Matson and TOTE.

Construction workers state wide and including those working on North Slope of Alaska Oil Fields, Pipeline and Civil construction and Maintenance workers maintaining all 800 miles of the Trans Alaska Pipeline, from Pump Station #1 to the Valdez Marine Terminal, to name a few of the industries we represent workers in the State of Alaska. I started my career in 1985, as a Teamster at the age of 18, working in the oil fields of the North Slope of Alaska. I worked for Houston Contracting (ASRC owned company), a Pipeline company, that had the job of laying 200 miles of pipe in a newly developed field called Kuparuk. I started off as a flatbed driver. Over the years of working on the North Slope I worked my way up the ladder of positions and eventually became a General Foreman for Houston Contracting, starting the development of a new field named Alpine. I was a 29 and it was the biggest Pipeline job to hit the North Slope since the development of Kuparuk. Over the years I would work the winters on the North Slope Pipelining and the summers working on the Trans Alaska Pipeline, doing maintenance work. After 20 years working in the field, I became a Business Representative for Teamsters Local 959. I represent workers in the Construction Industry and mainly those on the North Slope and those working on the Trans Alaska Pipeline.

Over the years there was the good times of the boom of building the Trans Alaska Pipeline to the bad times in the Alaska economy in the mid to late 1980's. There was very little work at the recently developed North Slope back then and the Alaska's economy spiraled downward. Real estate prices pummeled, people filling for bankruptcy,

banks closing, people started to leave Alaska. It was a wakeup call most will never forget.

The economy in Alaska has a large dependency on the Oil industry, (see attachment McDowell report). Other industries combined do not make up the amount of jobs, wages, and overall economic impact the Oil industry has for the people of Alaska. It's not all about the jobs the industry provides on the North Slope, it's also about the indirect jobs it creates to the Alaska economy and to other states in the lower 48.

New Oil development is important to the Trans Alaska Pipeline System. The Trans Alaska Pipeline at it's peak in 1988 had 2 million barrels of oil going through it a day. Today it has in the neighborhood of 500,000 barrels a day as a throughput average. Which creates problems for Alyeska Pipeline company that operates it for the North Slope Producers. The Trans Alaska Pipeline was built for full capacity and over the years of steady decline in oil production on the North Slope, it is running at much lower volume than originally designed. Oil temperature and wax build up are the problems, with the pipeline more than half empty, the temperature drops and the oil takes longer to get to the terminal in Valdez. It has created such a problem for Alyeska pipeline that they have engineered at a site in the interior of Alaska along the pipeline, that reheats the oil, through a looping system, several times before they return it to the Trans Alaska Pipeline to go south to Valdez.

Alaskans have seen the loss of jobs on the North Slope for the last two years. With oil prices around \$25 a barrel, in the beginning of 2016, Alaskans started to wonder if the

state was going to go through another “late 1980’s” again. ConocoPhillips, kept their commitment to a project in the NPR-A called GMT-1 (Greater Mooses Tooth 1). In December of 2016, work began in the field for this project. Nanuq, inc. was awarded the contract to build the ice roads and the 8 mile gravel road and 10 acre gravel pad for ConocoPhillips new drill site, that would tie into the Alpine field. Houston Contracting was awarded the building the of all Pipelines for this Project. Over 500 workers just between these two contractors alone were put to work on this project. It will take two winter seasons to finish this project. Besides GMT-1, it was a slow winter season on the North Slope of Alaska.

ANWR Section 1002 and NPR-A, some say that developing into these two areas will harm the environment and the animals. I disagree. In the mid 1990’s the company I was working for on the North Slope was asked by one of the Producers to provide a bus driver for a group of environmentalist that would be touring around the Prudhoe Bay field. So the company complied and sent them a bus driver, one that had been around the oil field for awhile, to drive these people around, while the tour guide spoke to the group. The group kept seeing these caribou’s laying under the module buildings and around the equipment, in particular the 1400 air compressor. That compressor was on wheels and was big and noisy. Finally after seeing this multiple times, one of the environmentalist asked why would the caribou be hanging around these buildings and equipment? Isn’t it afraid or nervous being around these man made items and equipment that was running so loud? The bus driver had

heard enough and stopped the bus. He said to all of them, “these animals don’t know any better, these buildings and equipment were here before they were. In essence, they were raised up seeing these things and furthermore they use the buildings and equipment to their advantage for shelter from the mosquito’s. The air compressors engine blew air on them and that kept the mosquito’s away also.”

i have found over the 20 years i worked on the North Slope that all of the Producers have a high regard for the environment. They build ice roads to travel on in the winter time to protect the tundra and its vegetation. Around May, they start to melt away, every year, leaving new people to the North Slope in the summer time wondering how, “how did they put that pipeline across the land and there is no marks on the ground?” Protecting the environment, the animals and safety of personnel, are top priorities of the Producers. They are constantly talking about those subjects to the men and women working in the field.

In conclusion, Alaska’s oil and gas prospects in ANWR Section 1002 and NPR-A hold a big role in American energy for the future. It would lessen the burden of importing more oil for the U.S. It would help the Trans Alaska Pipeline with its throughput problems. It would create jobs in the future, so that the next generation of workers could earn a good living for them and their families.