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May 29, 2018

Nicole Hayes, Coastal Project Manager
Coastal Plain Oil and Gas Leasing Program EIS
222 West 7th Avenue, #13 Anchorage, Alaska 99513
Submitted via email: blm_ak_coastalplain_EIS@blm.gov

RE: Request for review in EIS of economic benefits of project labor agreements for construction related to the Coastal Plain Oil and Gas Leases

Dear Ms. Hayes:

Laborer's International Union of North America, Local 942 (Local 942) is a labor organization representing around 1,000 working men and women in Alaska. Local 942 was originally a construction union, and today the Union also represents service contract workers, transit workers, tourism industry workers, and pipeline maintenance workers. This comment responds to the public scoping process for the Coastal Plain Oil and Gas Leasing Program Environmental Impact Statement (EIS).

Local 942 requests that the EIS include analysis of the economic and social benefits of project labor agreements related to the Coastal Plain oil and gas leasing and future development. Local 942 encourages consideration of the economic and community benefits of using project labor agreements (PLA) for major construction resulting from oil and gas leasing on the Coastal Plain as many public and private sector owners in Alaska have done for complicated projects with time-sensitive construction schedules.

For instance, two exemplary projects were successfully completed with PLAs; both the Nome Area Sites Remediation Project and the Ground-Based Midcourse Defense Segment Project at Fort Greely achieved success through a project-wide labor agreement. Bechtel and Fluor were the prime contractors on the Fort Greely project, and they attribute their ability to complete the project on budget and ahead of time with stellar safety records to the effective use of a PLA. In addition, the project involved a high number of local contractors and workers. Based on similar benefits, PLAs have been used on major projects such as the \$9 billion Trans Alaska Pipeline System, the \$2 billion Prudhoe Bay Project, the Prudhoe Bay East Oilfield Development Project, the Healy Clean Coal Plant, the

Owners use PLAs as a strategic management tool to set ground rules for all contractors and workers on a project, which assists the construction manager in coordinating the work and establishes smoother transitions for new contractors and subcontractors on a project. A PLA would increase the efficiency of project management by decreasing the uncertainties associated with large, complex construction projects.

There are several additional reasons to use PLAs for projects related to the Coastal Plain oil and gas leasing and development including:

- The AGC of Alaska has reported that the lack of skilled workers entering the industry is a major ongoing concern.¹ In a survey, almost thirty percent of contractors stated they have a tough time filling both salaried and craft positions, and 28 percent of contractors stated that their biggest concern was worker shortages. These survey results are consistent with the Alaska Workforce Investment Board's findings in Building Alaska's Construction Workforce.² According to the Workforce Investment Board, Alaska has a critical shortage of resident workers with construction skills and the demand for construction workers has been significantly outpacing the supply from industry and trainers.
- PLAs are the most effective way to ensure the availability of skilled labor particularly in the northern region of Alaska. For example, building trades union members perform a significant majority of the construction work in the Fairbanks area. Through a PLA, unions will provide a reliable and highly skilled workforce.
- PLAs contribute to cost savings on such projects, and project owners enhance efficiency through PLAs as demonstrated by the regular use of PLAs in the public and private sector.
- For instance, New York's competitive bidding statute requires public agencies to justify their choices to use PLAs with feasibility analyses estimating cost savings. Agencies make this projection by considering the needs of the specific project with the expected savings from particular elements of the PLA. Agencies estimated that a PLA that standardized work and holiday schedules and removed

¹ Zak, Annie, *Alaska Construction Firms More Pessimistic than Those Elsewhere*, ALASKA DISPATCH NEWS (Jan. 11, 2016), <http://www.adn.com/article/20160111/alaska-construction-firms-more-pessimistic-those-elsewhere>.

² ALASKA WORKFORCE INVESTMENT BOARD, BUILDING ALASKA'S CONSTRUCTION WORKFORCE: A COMPREHENSIVE WORKFORCE DEVELOPMENT PLAN (2006), available at <http://labor.alaska.gov/awib/AWIB%20Building%20Alaska's%20Construction%20Workforce%20Plan.pdf>.

shift differentials would result in major cost savings.³ In addition, an audit of one New York School Construction Authority project four years into the project demonstrated that the PLA had actually achieved around \$221 million in cost savings.⁴

- By providing access to joint labor-management apprenticeship programs, project labor agreements also enhance training opportunities for local residents and offer a path to a family-supporting career in construction.
- These apprenticeship programs involve both a short-term investment in quality on-the-job training and help to build a strong foundation of skilled workers for future projects in the region.
- PLAs connect veterans with construction jobs by coordinating with the Helmets to Hardhats and Wounded Warriors programs. These programs have referred over 12,000 returning service members to work in construction.
- PLAs minimize risk by addressing workforce issues with local unions' ability to provide a reliable labor force, gaining skilled workers through joint labor-management apprenticeship programs, prohibiting work disruptions, facilitating work sequencing, achieving commitment from all stakeholders, and assisting contractors in compliance with legal requirements.
- PLAs typically prohibit work disruptions such as strikes and lockouts and have efficient dispute-resolution procedures that encourage cooperation and communication. Grievance procedures limit disputes under these labor agreements to arbitration as opposed to costly litigation.
- There is a nationwide shortage of skilled craft workers in all trades in the construction industry, especially in remote areas. By ensuring coordination with local unions, contractors would gain access through a PLA to the unions' job referral procedures that promote local hire but, in case of a labor shortage, would also provide workers from outside areas.

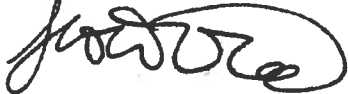
³ Kotler, Fred B., *Project Labor Agreements in New York State: In the Public Interest* at 18-19 (Cornell University ILR School 2009), available at <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1021&context=reports>.

⁴ *Id.* at 20.

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For these reasons, Local 942 requests that the EIS include analysis of the economic and social benefits of PLAs for oil and gas development on the Coastal Plain as well as the best mechanism to ensure the use of such agreements. Thank you for the opportunity to participate in the public scoping process for the Coastal Plain oil and gas leases.

Best,

A handwritten signature in black ink, appearing to read "Scott Eickholt", with a large, stylized loop at the end.

Scott Eickholt
Business Manager/Secretary Treasurer
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Fairbanks, Alaska 99701