Local 375 hands went up at the end of June to begin hydrotesting the 20” and the 8” pipelines we laid last winter for Conoco Phillips on their Greater Mooses Tooth 2 project. The GMT-2 project came after the startup of GMT-1 and has a price tag on it of over a billion dollars. The two projects presented a lot of good work for our members. Thanks to Conoco for partnering with us on GMT-1 and allowing us to bring a few extra hands on than were needed for the project. The reason for the extra hands was to educate our young journeymen on tie-ins, hydro-testing and how to perform these tasks safely and efficiently in the arctic conditions. In my opinion, Local 375’s “Arctic Pipeliners” are the very best in the world at running pipelines in arctic conditions.

I recently sent Conoco a letter trying to secure some maintenance work to go hand in hand with the pipeline work. I mentioned that with all of the pipeline work in their future with the GMT-2 underway, and Willow and Wolverine on the horizon, that it would be wise for them to lock up some hands for the pipeline work. I am still working on them, but the oil companies are a hard nut to crack so we will see how that plays out.

The Willow discovery is the next big move by Conoco. It is located 25 miles west of Alpine in the NPR-A and is part of the Nanushuk formation. The Nanushuk is the same shallow oil pool as the Pikka Unit that Bill Armstrong had discovered. Armstrong partnered with Oil Search and Oil Search is currently planning for development of Pikka.

With the Nanushuk discoveries by Conoco and Armstrong (Oil Search), the Smith Bay discovery (Caelus), and with all the drilling activity from independents on the North Slope, this has been everything Local 375 and all the members could wish for with pipelines soon coming our way. Then we had the oil price induced recession of 2016-2018 right when all this new work was going to come to fruition. Caelus Energy had just discovered Smith Bay 450 miles northwest of Fairbanks and 50-miles southeast of Barrow. The Smith Bay development has a price tag of about $8-10 billion and almost $1 billion for a 125-mile pipeline to Prudhoe Bay. At the time of discovery, Caelus Energy had about $200 million in tax credits they were owed by the State, and because of the drop in oil prices the State couldn’t pay their promise to Caelus and Caelus pulled out of the State. The discovery was said to have 8-10 billion barrels of light clean 40-degree to 45-degree crude oil with around 40% recoverable, adding about 200,000 barrels a day to TAPS. Now figure the Willow discovery at 130,000 barrels a day and Oil Search with the Pikka discovery at 120,000 barrels a day with a price tag for both of over $10 billion. Think what that would do for our members and income to the State of Alaska.

The oil price recovery has not bounced back like anticipated; some oil companies say the price of oil needs to be between $41 to $45 a barrel in the U.S. to restart production. Current prices are around $36 to $40 a barrel, but some oil companies have tightened up enough to restart production at these lower prices. About half of the oil companies have said that their drilling activities should return to pre-pandemic levels sometime in 2021, while the other half are saying 2022. The same percentages for the oil demand, half say 2021 and the other half say 2022 or later to recover.
The Alaska Gasline Development Corporation (AGDC) has cut $5.5 billion (12.4%) off the estimate for the Alaska LNG Project to better their ability to deliver LNG at a competitive price. The updated estimate takes the previous cost estimate from Flour from 44.2 billion to 38.7 billion. A team consisting of the AGDC, BP, Exxon Mobile and 3rd party experts in natural gas and LNG began the new cost estimate work over a year ago looking at new technology and process improvements to be able to market Alaska’s gas at a favorable price and maximize project benefits for the State of Alaska. The Alaskan LNG project’s latest cost estimate is still significantly higher than most other proposed developments around the world.

Baker Hughes, along with Houston Oilfield Services Company, have kept track of active oil drill rigs working since 1944. The peak active rig count was in 1981 with 4,530 and the previous low was in May of 2016 with 404. The previous 6 weeks have brought new lows every week with the latest count in the 260’s range. Alaska has three rigs running and that is down two from this time last year.

It looks like we are in for a slow recovery from the near total shutdown of Alaska’s economy. 2020 was supposed to be the second year of slow growth in Alaska following the oil price induced recession of 2016-2018 where we lost 10,000 jobs in the State. We lost 13% of Alaska’s workforce in April of 2020 alone, or 42,200 jobs. The pandemic coming when it did hurt the world economy and was poor timing for our State. However, May brought back over 14,000 jobs for the State. The tourism industry in 2018 created over 18,000 jobs during the summer season. We will see how many of these jobs we will be lacking as it is going to have a negative impact on our economy as well.

Alaska’s economy depends on a healthy oil industry for Alaskan residents to benefit from the PFD, the many jobs it represents and our infrastructure. At $60 a barrel the oil companies would be taking a 300%+ tax increase. A tax increase of that size would not make Alaska a competitive place to do business, and investment in Alaska’s oil industry will come to a slow crawl or stop completely. When I came into the Hall in 2012 under Sarah Palin’s ACES we were losing production at a rate of 6% a year. The TAPS line was getting expensive and difficult to maintain with wax build up (Paraffin); and at some points of the line it was getting down to just above freezing temperatures.

Oil tax reform came in 2013 under SB-21 and things were looking up when in 2014 we had another tax fight with Prop-1, which we defeated. Oil production has stabilized well over the years under the current tax structure and the oil companies have responded by spending billions of dollars in new investments developing projects. From 2010 to 2019, companies invested almost $30 billion on the North Slope of Alaska. 2019 was the largest exploration season level in over twenty years for the oil companies, and there is excitement on the North Slope of Alaska again. Alaska’s oil producers have serious projects on the books with the potential to add hundreds of thousands of barrels of oil per day to the TAPS line. Production has been above the forecast lately. The State now expects production to stay flat until 2029. At no point since 1988, when oil production peaked at over 1.5 million barrels a day, has the State managed to keep production flat for that long.

If you have two incomes in your family and one of you had your taxes increased by 300%+ I would say that it would reduce your spending because you have less money. It’s not hard to figure out that the oil companies cannot absorb a 300%+ tax increase without impacting their investment in Alaska. It’s basic economics. In the last eight years I have seen Alaska come out of the decline in oil production, which was almost to a critical point of just not enough to flow, and now over the next several years have the potential to add over 250,000 barrels a day to the line. These manhours are crucial to our funds, especially our pension.

Advice for Younger Workers

If you haven’t begun saving for retirement, begin planning it now. If beginning at age 20, you set aside $100.00 per month in a tax-deferred account, and you earn an average return of 8%, you will have a $350,000 nest egg when you reach age 60. If you wait until age 35 to defer income, you will have to set aside $370.00 each month to achieve the same result by age 60. The moral of the story: Save early and consistently.

Negotiating Committee
Bob Hubbard
Ryan McGovern
Chalice Bal

Pension Committee
Bob Hubbard
Ryan McGovern
Chris Bunch

Supplemental Unemployment
Bob Hubbard
Kevin Church
Greg Fritze

Health & Security
Bob Hubbard
John Plutt
Charlie Bennett

Business Agents
Ryan McGovern
Clayton Bessette

JATC Director
Rodney Wolcott

Advice for Younger Workers

If you haven’t begun saving for retirement, begin planning it now. If beginning at age 20, you set aside $100.00 per month in a tax-deferred account, and you earn an average return of 8%, you will have a $350,000 nest egg when you reach age 60. If you wait until age 35 to defer income, you will have to set aside $370.00 each month to achieve the same result by age 60. The moral of the story: Save early and consistently.
Is now the time to mess with the tax system? Alaska is finally getting up on step, trying to come out of a recession with a lot of work on the horizon. Alaska has the potential to add a quarter of a million barrels a day to our TAPS line. Personally, I would say no. Half of nothing is nothing. If the ballot measure passes we will not see all of these large projects go and eventually we will start seeing production decline again, maintenance on the line will be more expensive and oil companies will not be exploring for oil in Alaska. At that point we can start this whole process over again. Or, we can vote this ballot measure down, get back on this exciting time for the North Slope of Alaska, and avoid the long-term consequences the measure would have on our State and our industry.

It was said best by an Alaskan who recently lost his job on the slope.

Dear Mr. Brena:

I just lost my job on the Slope, and don’t know when or if I’ll get back on. I used to feel lucky that I survived the support industry layoffs that happened from 2015-2018, when more than 6,000 Alaskans lost their jobs. I don’t feel so lucky anymore. Because of what’s happening with oil prices around the world, it will be at least a year before I get a chance to go back to work on the Slope. If you have your way, I may not have any work to go back to.

A friend of mine showed me a column you wrote, asking people to raise taxes oil companies pay. At first, I thought it was a joke, that someone would be thinking about raising taxes during a global oil crisis, but then I saw your website and realized that it is no joke.

This made me wonder who you really are. Here’s what I found in a 5-minute internet search.

- You made "a fortune" suing oil companies, according to Alaska public radio.
- You own a law firm and raised a lot of campaign money for Governor Bill Walker, another person who has always wanted to raise taxes on the oil industry.
- You’ve made more than $500,000 in campaign contributions.
- You own somewhere between 10-15 commercial and residential rental properties in Anchorage.

According to the muni website — your house on the water in South Anchorage has 9000 square feet, 8 bathrooms, an elevator, and an indoor swimming pool. It looks like a castle to me.

So, I guess no matter what happens with oil taxes, I don’t have to worry about you Mr. Brena. You’ll be just fine. It’s the working people, Alaskans like me, who have a lot to worry about if you get your way.

If Mr. Brena’s Ballot Measure passes, which he is personally funding, it will have a major impact on the future manhours for our membership and, while it may give the State a short term boost to the budget, the long term economic consequences to the working families and the State will be devastating with the oil industry that accounts for a 1/4 of all jobs and wages in Alaska.

- Bob Hubbard-

ARE YOU A REGISTERED VOTER?

Remember a vote not cast is a vote for the wrong candidate!
State Primary – July 20th
State General Election – August 18th
Fairbanks Municipal Election – October 6th

UNION MEETING: JULY 15TH!

WE WILL BE HOLDING OUR JULY MEETING ON WEDNESDAY, JULY 15TH AT 7 P.M. AT THE PIPELINE TRAINING CENTER, 3605 CARTWRIGHT COURT, BUILDING C.

A mask will be required to enter the building. If you don’t have a mask, one will be provided for you.
Clayton Bessette – UA Local 375 Dispatcher

I hope this newsletter finds everyone healthy and well, I would like to update the members on the past couple of months in the dispatching department here at the Hall.

During the month of February, Local 375 had over 305 highly skilled UA Journeyperson pipefitters, welders, plumbers, service techs, apprentices, and helpers working in the jurisdiction of Local 375. In March there were a total of 302 Local 375 members.

During the month of April, Local 375 saw a decrease in manpower that was due in part to the winter pipeline work ending for the North Slope Greater Moose’s Tooth II Project, which employed 90 Local 375 members to include welders, fitters, apprentices and helpers. With the end of a pipeline season coinciding with a COVID-19 pandemic, that has left 259 Local 375 members working in the month of April.

With the continuation of lay-offs for the pipeline season, in addition to the COVID-19 pandemic in May, total members employed dropped to a low of 188 Local 375 members working, and for the month of June the numbers increased to 265 Local 375 members. The large increase was mainly due to TAPS starting summer maintenance work, along with Houston Contracting Co. Pipeline Division hiring for the GMT2 summer hydro project.

As the Local looks to be on an upward trend for work, we still have 45 members that are currently without employment.

With the pandemic causing many uncertainties with current projects and delaying new projects, the local contractors do not intend to hire up significant manpower. Some calls have been coming through but nothing to indicate a large project requiring a significant amount of manpower.

For those that would like to inquire about traveling, please call or stop by to see me. I will need to know what part of the country you are wanting to work in so I can help by going Agent to Agent.

Local 636 (Detroit, Michigan) is looking for Pipefitters that have rigging certs, be able to pass background check, and not afraid of heights.

The current work schedule is 5/9’s and 8 on Saturday.

Local 290 (Portland, Oregon) is looking for Fitters and welders for their Intel plant. Most of the calls are for a 40-hour work week.

**Reminders:**


**90-Day Book** - When you sign the Out of Work List please be sure to set an alert on your phone so that you re-sign no later than 90 days. If you fail to re-sign you will fall off the list. If you have signed the Out of Work List AND also signed the 90 day book, you will still need to sign the 90 day book every 90 days to keep your position on the Out of Work List.

**Union Hall Visits** - Please be diligent when checking yourself and family members for any symptoms consistent with COVID-19 prior to any visits at the Hall. If you recently traveled please wait until you have received test results or completed your quarantine prior to any visits to the Union Hall.

Due to the recent increase of COVID-19 cases we are asking the members and their families to minimize trips to the Union Hall by handling any business over the phone or via email that will allow them to do so. With minimizing in-person visits we hope to contribute to curbing this pandemic and staying open to serve our members.

Please be sure to contact the Union Hall if you have any questions or concerns. - Clayton Bessette-

---

**2020 In Memoriam**

UA Brother Keith Smith 1-28-2020
Things are coming back to more of what I would like to call “normal” for the JATC. We are back to having in-person classes for our apprentices and also having Journeyman upgrade and recertification classes. The training schedule is posted at the Hall and on our Local 375 Website. Of course, you can always call the training center if you have questions or would like to sign up for a class.

We’ve started using text messaging to communicate with members about upcoming recerts, as well as continuing to utilize email. Please help the JATC by keeping us informed of your most up-to-date contact info!

**Journeyman Training is back!** You can find the schedule, and lot more good info, on our website at [www.ualocal375.org](http://www.ualocal375.org) or give us a call.

**Journeymen: Keep an eye on your Plumbing license expiration.** You won’t get reminder calls from the JATC for this and you must have 16 hours of Continuing education every 2 years for renewal. 8 Hours of UPC code and 8 hours of industry related training. Backflow Recertifications count as 8 hours towards this, and the other 8 hours must be UPC Code Review. We typically hold these at least twice a month.

NITC Med Gas now has an app that shows when your brazer/installer certs will expire. You can access this app by scanning the QR code on your Med Gas card. If you lose your card you must contact NITC directly, but Mary Beth can send you the replacement card request form.

**We’re holding a round of Backflow, Rigging and Med Gas recerts in early August.** Mary Beth has emailed those that are eligible to renew. Please contact the JATC soon if you would like to sign up.

**Backflow Certification Updates due to Covid-19:**
- The normal 6 month grace period has been extended to 12 months for anyone that expired between 8/31/2019 and 12/31/2019.
- Those that expire(d) 1/1/2020 - 8/31/2020 now expire on 9/30/2020 and have a 6-month grace (must recertify by March 2021).

**NEW UPC CODE REQUIREMENTS**

We are now covering the 2018 UPC Code in our Code Review classes. We have 2018 Code books for sale at the JATC for $110.36 each.

**WELD SHOP USE**

Member use of the weld shop is open by appointment only at this time.
Give Rodney a call to set up a time.

**NEW RECRUITMENT VIDEO**

We have a new Apprenticeship Recruitment video on YouTube. Check it out!


**UPCOMING HOLIDAYS**

- Labor Day - September 7th
- Veterans Day – November 11th
- Thanksgiving Day – November 26th
- Christmas Day – December 25th
- New Years Day – January 1st, 2021
- Alaska Day – January 2nd, 2021