

# **Kevin Pomeroy**

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Vice- President Alaska District Council of Laborers

Invited Testimony before the Senate Committee on Energy and  
Natural Resources

Regarding Alaska Resource Development

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Chairman Murkowski and Committee members,

Thank you for both the invitation and the opportunity to testify on an important topic, Alaska's resource development.

My name is Kevin Pomeroy and I am the Business Manager/Secretary-Treasurer of Laborers' Local 942, and the Vice-President of the Alaska District Council of Laborers. Serving in these two roles, I represent approximately five thousand Alaska Union members. These workers are vital to the fabric of Alaska, involved with the construction and maintenance of roads, bridges, buildings, pipelines, process facilities, pump stations, gathering centers, power plants, mines, military facilities as well as workers in the public sector, tourism, manufacturing, facility maintenance and various other industry sectors.

As a forty-seven year resident of the interior of Alaska, when I entered the construction field; the Trans Alaska Pipeline, Prudhoe Bay and Kuparuk had already been developed. When I started my construction career, the emphasis was on stemming the declining throughput. Some of my first projects in the oil and gas industry were the Tarn, Meltwater, Northstar, and Alpine developments, before becoming a Baseline Spill Responder at Pump Station 1.

For the last decade as Business Representative, and now as Business Manager I have attempted to stay active on issues surrounding new field opportunities, development and the expansion of the existing infrastructure; for both the industry and the members I represent. If you ask a resident from the lower 48

states, who controls most of Alaska's lands; they may say in error- "The State of Alaska?" Many of my peers are shocked to learn that 61% of Alaska's lands are controlled by the Federal Government. That has led to a significant amount of acreage and resources in Alaska, which are off-limits to resource production. According to the Congressional Research Service (CRS) Report, *Federal Land Ownership: Overview and Data*, Dated December 29, 2014; federal land administered by five agencies, Bureau of Land Management, Forest Service, Fish and Wildlife Service, National Park Service, and Department of Defense in Alaska is over 223 million acres. To put this in perspective, that would be 5,753 parcels of land; all the same size of the District of Columbia. Or the entirety of both the states of Texas and Utah. And even the CRS acknowledges their figures are understated.

Why is that so important to folks like me who live and work here? Alaska is a young state; with the exception of Hawaii, one of the youngest. This means we are still primarily a blue collar state- meaning we build things. Yet control of 61% of lands within Alaska, are often off-limits to potential resource development.

Even more dramatic than being a young "building" state, we are a state whose revenue is tied to the price of oil and production through the Trans Alaska Pipeline (TAPS).

From a peak of two million barrels per day running through TAPS in 1988, throughput has slowed to five-hundred and forty thousand barrels per day; and could reach its minimum operating level of two-hundred thousand barrels per day sometime after 2020. This couldn't be worse news for the States' revenues and workforce, when oil is hovering at \$40 per barrel.

The Alaskan economy and its residents rely on the ability to develop natural resources on state and federal land. I do not support the "drill baby drill" mentality, because too many of the bounties of this state find their way into my freezer each year to feed my family. Because I want my wild game meat coming from health forests and grassland and my salmon from pristine clear waters; I strongly believe all oil and gas development in Alaska should be planned, measured, and well thought out. As the gates were starting to open on National Petroleum Reserve, Alaska (NPR-A), Conoco Phillips applied for permits for their Colville Delta CD-5 satellite development in 2005. Due to the various government

agencies voicing concerns to justify their existence, it was over 10 years to first oil on the development; from the time the permit was applied for.

Do we need the various government agencies? - Absolutely. For the most part, each was created out of a need; but there must be balanced and common sense oversight. I'd like to think we are seeing balanced approaches as the drilling permit and right-of-way were recently approved for Greater Mooses Tooth 1, or GMT-1- *but it too, was a long and trying permit process.* We have yet to see, how long the permitting process will take for GMT-2. These developments finally bring us inside the NPR-A's northeast boundary, of the 23-million acre unit formed in 1923 for its oil potential. CD-5 was the first commercial oil production from the NPR-A, set aside for that purpose almost 93 years ago; and is estimated to hold 800 million barrels of oil. Please indulge me while I pause for dramatic affect...93 years from designation to first oil.

1.5 million acres had been set aside in the 1980's because of its potentially enormous oil and gas resources is the 1002 area of the Arctic National Wildlife Refuge (ANWR). I'm not going to engage in the ongoing political and media controversy over whether to drill for oil in ANWR. However I would suggest that the minimal acreage needed for development, would be a perfect opportunity for the oil industry, national defense agencies and environmental communities to work closely together. Just to the east of Pt. Thompson, is an estimated 4-11 billion barrels of oil in the 1002 area. It is small part of the 19 million acre refuge which borders our Canadian neighbors, and is located on the coast.

Whether the United States as a whole is ready to admit it or not, development of the Arctic's oil and gas resources is and will continue taking place. Alaska is the only reason the United States has a seat at the table during these conversations. The near shore development of 1002 and the off shore development potentials in the Beaufort and the Chukchi seas could be the new "environmental gold standard" for oil and gas development in the Arctic and OCS. Imagine collaboration between the oil industry, national defense agencies and the environmental communities, as Alaska and the United States show the rest of the Arctic Nations what American technology and ingenuity could achieve. As the polar ice recedes, resource development and navigation become both technically and economically feasible through the Northwest Passage connection of the

Pacific and Atlantic Oceans. These truly would have to be collaborative efforts, not policy pandering to further justify an agency's existence and relevance; but efforts which help strengthen our national security. Even my youngest son, who only recently started working in the oil fields, knows that reducing our reliance on oil imports and increasing oil exports will help reduce our foreign trade deficit.

Let me switch gears just a little and talk about timber. It was timber that brought my family to Alaska from the forests of northern Montana in 1969. It was timber that employed a large amount of the members I represent in southeast Alaska. After the passage of the Tongass Timber Reform Act (TTRA) in 1990, the Forest Service had the authority to unilaterally modify the contracts on its last two long-term timber sales. Is it a coincidence that timber sales went that year from 2,000 million board feet to about 100 million board feet by 2007? The Tongass National Forest currently controls 93% of the timberlands in Southeast, and with the Forest Service slashing the volume of timber offered annually and the imposed harvest constraints; the timber industry is all but wiped out in Alaska.

There is a local joke going around Alaska, that when the 2015 Christmas Tree was chosen and harvested for the U.S. Capitol it doubled the annual harvest coming out of the Chugach National Forest.

In closing I want to briefly address mining. It's hard to defend actions of the federal government and not make an argument on overreaching of environmental enforcement; while raids are being conducted with helicopters and 10 armed agents. It's even harder when that government agency is less than cooperative in a review as to how the raid was conceived and executed. As reported on local media immediately after the raid, the EPA claimed they needed a more heavy-handed approach to deal with violations to the Clean Water Act. Yet what eventually came to light, was little evidence to support the existence of any serious violations, resulting in no arrests. What kind of message does this sent to residents who have a desire to placer mine? Should they fear "swat team" tactics any time a desk jockey thinks the water is getting too muddy?

As I sit before you today, I feel the federal government repeatedly blocks development of Alaska's most resource rich waters and lands. Alaskans need to be allowed to be the stewards of their resources, not bureaucracy 4000 miles away. It's no coincidence that a large portion of the 61% of federally controlled

lands overlays our State's oil, mining, fishing and timber resources. There have been those who have always thought, they know best how to manage the affairs of others. But sometimes the best view is not always far off in the distance, peering through the window of an ivory tower. Our economy is dependent on the ability to continue to develop its abundant natural resources; without overly burdensome rules and regulations, or restricted access. Restricting development in these areas only restricts our livelihood.

The last point I would make is most of my testimony has addressed the development of our natural resources, or in some cases the lack of; as it pertains to creating job. There are countless Alaskans who utilize the vast resources from our state, as a means of existence. Whether fishing, hunting, mining, or simply recreation; Alaskans don't need unnecessary reinterpretation of airboat rules or other erroneous policies that further restrict our access to lands within our State.

Thank you for the opportunity to testify today.

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