

**PIPELINE CONSTRUCTION**  
**(TEMPORARY VS. PERMANENT EMPLOYMENT)**

By

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*Construction of the proposed gas pipeline project is planned to begin in 1981 – less than three years from now. Alaska citizens and lawmakers are now meeting to lay out guidelines in preparation for pipeline construction in an attempt to maximize stable growth and to minimize the disruption which will result from such a large scale, construction project.*

*Much attention has been given to laws and union contracts designed to increase the fraction of resident Alaskans employed constructing this proposed gas pipeline. Little attention has been focused on operations and maintenance positions to be available if the pipeline is built. Operations and maintenance employment is permanent work. Construction jobs are shortlived. The State of Alaska should seek guaranteed permanent jobs for today's residents, then arrange to train Alaskans for these jobs.*

Consideration of the benefits of a proposed gas line project requires a review of our experience with oil line construction. During the trans-Alaska oil pipeline construction, a preferential hire law was in force which directed pipeline contractors to hire qualified Alaska residents in preference to qualified non-residents. Before the initiation of oil pipeline construction, many Alaskans thought that the project would substantially reduce unemployment in Alaska. In fact, unemployment ballooned during construction. Most of this increase was caused by an in-migrated work force, however, not all of the unemployed were new workers. Many pipeliners, having completed one job, had to spend time waiting for another.

The graph of trans-Alaska pipeline employment looks like a jagged tipped spike. The spike is four years across at the base and 23,000 workers high at the tip. Pipeline employment was zero until 1974, it peaked at 23,000 in the third quarter of 1976, and it fell to 1,500 in 1978 where it is expected to remain until the year 2010. Pipeline construction jobs do not offer a great deal of job security.

Construction, maintenance, and operations workers are the largest groups employed on a pipeline project. Among these three groups, construction workers experience the greatest turnover because these workers are usually employed in small teams which work on specific types of projects and are let go when that type of work stops or slows. Construction workers form the bulk of the pipeline spike. In maintenance and operations employment, the

numbers increase, gradually, throughout the pipeline boom, more rapidly as the pipeline swings into operation, and then stabilize and remain constant for the life of the oil pipeline.

One operations job lasting 30 years has 360 months of employment. It takes 120 construction jobs lasting three months to have that same combined total of 360 months of employment. However, because these 120 short term jobs end so soon, they carry high social costs which are not accompanied by long term jobs (although, many workers prefer short intensive bursts of employment).

Social costs connected with large rush projects can be great. More unemployment accompanies construction work because many people are hired and then let go shortly afterwards. Training is wasted because Alaskans are trained for jobs which will only be available in their home state for a short time. Permanent jobs can be lost to non-residents who do not obtain employment on the pipeline. Homes are disrupted because many Alaskans do not bring their families to these jobs which have uncertain duration. Jobs of 30-year duration do not carry these social costs and they could be an important source of secure jobs for Alaskans.

Operations and maintenance employment on the trans-Alaska oil pipeline accounts for 1,500 jobs lasting 30 years. In terms of months of employment this is equivalent to 45,000 jobs lasting one year – almost equal to one and one half times the peak pipeline employment of 23,000. Also, because

operations and maintenance jobs start later and are phased in gradually, there should be sufficient time to train Alaskans who are residents at the start of pipeline construction. (Perhaps by giving them on-the-job training during the construction phase).

There is a large, standing force of construction workers who work on projects such as oil and gas pipelines. Some of these workers are Alaskans, many are not. Quite a few qualified and trainable residents of Alaska wish to have short-term, high paying construction jobs. Many of these Alaskans feel that they should have a better chance than non-residents to get jobs on projects which develop the state-owned natural resources of their home state. Undoubtedly, there are a few Alaskans who feel that all oil pipeline jobs should have been filled by Alaskans (though this

would have required nearly one-twentieth of the total 410,000 persons in Alaska).

Gas line employment levels are anticipated to be much lower than comparable oil line levels, and the gas line construction schedule is longer. However, policies and plans aimed at preferential hire for gas line jobs must be formulated with the size of Alaska in mind. The entire state of Alaska has less than one-half of the population of Seattle proper; Wyoming is the only state in the nation with a population smaller. In the interest of today's Alaskans, the state should seek guaranteed permanent jobs for today's residents, then arrange to train Alaskans for these jobs.

### PHASES OF TRANS-ALASKA OIL PIPELINE EMPLOYMENT IN ALASKA 1965-2010

