

# Alaska Hire Law failing to work

## **Alaskan workers being laid off work first**

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Did you know that contractors at the Kenai and Prudhoe Bay oil fields do not have to hire Alaska residents?

The state Department of Labor office in Fairbanks told the Tundra Times last week that several Alaskans, recently laid off from Prudhoe Bay jobs, had complained that non-Alaskan workers should

have been laid off first. The department had to tell them they were wout of luck. ♡

Why?

It was not until 1972 that the legislature passed a law to give Alaska residents preference on pipeline-related jobs. By that time, development of the Prudhoe Bay field facilities had already begun. The law has applied to the building of the pipeline itself.

Under the law, the Commis-

sioner of Natural Resources is required to include a local hire provision in land transaction agreements such as oil and gas leases and right-of-way permits. In 1972, Prudhoe Bay was already leased away. As State Senator Chancy Croft (D-Anchorage) explains it, "We couldn't unilaterally change the terms of a lease we had already issued."

Still, the law was passed

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# law doesn't promise jobs for Alaskans ...

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before the permits to build oil pipeline were issued. Croft who was deeply involved in preparing the local hire law, said he felt there were a lot more Alaskans who got jobs on the pipeline because the bill was passed than would have if it had not.

Why was a local hire law passed so late in the game?

Croft said a local hire law was introduced in 1969, but was one of those issues the legislature "paid lip service to" and it was killed by pressure from oil companies. The oil industry wanted to keep the traditional method of hiring friends and relatives and re-hiring workers who had worked on previous projects.

"It got buried in committee

in 1969 and just never got to the floor," Croft said. He added that it was still a struggle to pass a local hire law in 1972, but worth the trouble in the end.

Commissioner of Labor Ed Orbeck criticized former Governor William Egan's administration for moving too slowly on local hire. He said when Governor Jay Hammond took office in January, 1975, "Nothing had been done and the pipeline had been going for eight months."

Orbeck said a problem with the law passed in 1972 is that it requires oil companies and their contractors to hire Alaskans, but it is the unions who actually decide who will get the jobs. He explained that unions did not give preference to Alaskans because they were afraid the federal government would sue them for discrimination against non-Alaskans.

By fall, 1975, "unions were still not cooperating" Orbeck said.

Finally, when the state agreed to defend the local hire policy if it was attacked by the federal National Labor Relations Board the unions agreed to dispatch qualified Alaskans first to the lucrative pipeline jobs.

Orbeck commented that now,

the local hire system is "working pretty good."

"It helped a lot of Alaskans, but it wasn't completely successful either," Orbeck concluded. He added that 5,000 Natives had been hired for pipeline work, not counting the rehires.

Although Orbeck assured the Tundra Times that there would be no local hire problems when the Prudhoe Bay natural gas pipeline is built, the state Supreme Court is expected to make a decision soon whether Alaska's local hire law is constitutional.