

Fairbanks Pipeline Training Center Utilities and Equipment Purchase **FY2011 Request: \$2,000,000**
Reference No: 49027

AP/AL: Appropriation **Project Type:** Workforce Dev
Category: Development
Location: Fairbanks Areawide **Contact:** Corine Geldhof
House District: Fairbanks Areawide (HD 7-11) **Contact Phone:** (907)465-5937
Estimated Project Dates: 07/01/2010 - 06/30/2012

Brief Summary and Statement of Need:

The Fairbanks Pipeline Training Center is a public/private partnership that prepares Alaskans for work in the high demand oil/gas and construction industries. This request is for the extension of sewer and water utilities to the central facility site, a heat recovery and ventilation system for the welding shop, and welding and pipeline related equipment including a class B tractor for a new general freight and line haul apprenticeship program. This expansion and additional purchases will make the Center fully operational for year-round training. This will support the department's mission by preparing Alaskans for jobs.

Funding:	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>Total</u>
Gen Fund	\$2,000,000						\$2,000,000
Total:	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

FY06 \$1,500,000 GF (Sec 1, Ch 3, FSSLA 05, P 5, L 8);
FY07 \$3,000,000 GF (Sec 1, Ch 82, SLA 06, P 7, L 22);
FY08 \$2,700,000 GF (Sec 4, Ch 30, SLA 07, P 85, L 28);
FY09 \$3,000,000 Federal & \$3,000,000 GF (Sec 10, Ch 29, SLA 08, P 68, L 20),
in addition to the Fairbanks North Star Borough signing a 50-year lease for 40-acres of the field site.

Project Description/Justification:

This request will increase the capacity of the Fairbanks Pipeline Training Center to train the next generation of pipeline workers for building large diameter cross-country oil and gas pipelines, and train Alaskans for jobs in the cross-trades that exist now (plumbing, millwrights, welders, etc.) to meet the North Slope current and future demand for skilled Alaskan workers.

Despite production declines, employment in Alaska's oil industry currently supports near record payrolls. Over the first three quarters of 2009, the oil industry's average North Slope monthly job count was 13,111, slightly higher than the 12,667 for the same period in 2008.

Fairbanks Pipeline Training Center Utilities and Equipment Purchase **FY2011 Request: \$2,000,000**
Reference No: 49027

The campaign to replace aging pipelines in Prudhoe Bay and adjoining fields following corrosion-related leaks establishes the projected need for skilled pipeline workers. North Slope producers are putting additional efforts toward producing and maintaining old fields, including the giant fields of Prudhoe and Kuparuk. Plus, work is planned on new North Slope fields, such as BP's Liberty project, Eni's offshore Nikaitchuq field, and the offshore Oooguruk field that Pioneer Natural Resources started up last year.

This employment picture demands the department continue the innovative training strategies identified in the Alaska Gasline Inducement Act (AGIA) Training Strategic Plan, developed with business and industry focusing on these high wage, high demand occupations.

This request would increase the training capacity of the state by expanding and improving infrastructure at the Fairbanks Pipeline Training Center. The includes \$1,400,000 to extend city sewer and water utilities to the Fairbanks Pipeline Training Center central facility site, and \$600,000 for acquisition of a heat recovery and ventilation system for the welding shop and additional welding and pipeline related equipment, including a Class B tractor for a new general freight and line haul apprenticeship program.

This equipment purchase and expansion of water and sewer utilities will result in the Fairbanks Pipeline Training Center being fully operational on a year-round basis, expanding training capacity for additional participants up to 200 per year, and 400 at peak during the construction phase of the natural gas pipeline.