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Alyeska move to Anchorage won't pencil out, critic charges

by Dermot Cole/News-Miner

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The BP Ombudsman's office in Washington, D.C., has received complaints and other information about the proposed transfer of 30-40 Alyeska employees and contract workers from Fairbanks to Anchorage,

according to a series of

e-mails copied to Rep. David Guttenberg, who passed them on to me.

Among the documents sent to the BP Ombudsman, an independent office set up to deal with safety issues and other complaints, is an e-mail in November in which Alyeska executive Greg Jones, writing to numerous company officials, made the case for consolidation in Anchorage. The goal is to centralize functions in Anchorage and become more efficient, he said.

"All support groups should be looking at Valdez in addition to Fairbanks and asking what the business purpose is for staff to be based in either of these locations. The bias needs to be in favor of them working in Anchorage unless there is a compelling business case to the contrary. Obviously not everyone is moving. Still, err on the side of being bold consistent with the theme coming out of the workshop; we need the efficiencies of people working together and not paying for satellite facilities we don't need," Jones wrote Nov. 17.

"You will likely encounter the normal 'starting friction,'" he said, adding that the same thing happened in reverse in 1997 when Alyeska asked people to move from Anchorage to Valdez and Fairbanks and encountered resistance.

Alyeska officials have said repeatedly that moving personnel to Anchorage will not compromise the safety of the pipeline in any way or hinder the ability of the company to respond to emergencies or operate effectively.

The latest word from Alyeska is that 29 Fairbanks employees will be transferred to Anchorage. A source told Guttenberg that about 10 contract employees also would be moved.

In 1997, Alyeska moved about 250 employees to Fairbanks. The company said at the time it wanted to get its people closer to the pipe.

"We feel that by putting as many of our corporate functions closer to the pipeline, we will be better able to achieve our goal of 'Operational Excellence' by 2000," Alyeska Vice President Lee Jones said at the time.

In late 2009, Alyeska President Kevin Hostler came to Fairbanks to say that rising costs of operation and a reduced flow of oil in the pipeline were behind the plan to reduce the company presence in Fairbanks. He said the company had to become more efficient.

The move has created some friction.

In an anonymous complaint to the ombudsman's office, someone using the name "Afraida Spill," contends the Alyeska economic analysis is flawed. The company is not reducing the size of its workforce and it won't save money because travel costs are going to go up and Anchorage office space is more expensive, the document states.

Guttenberg said he is confident he knows the Alyeska employee or contract employee who is using that name, and the argument is credible. He also said more than one Alyeska worker has talked to him about the situation and raised similar concerns, but won't be publicly identified for fear of losing their jobs.

The e-mail sent anonymously to the BP ombudsman Thursday by "Afraida Spill" stated that 10 contract workers in addition to about 30 engineers, scientists and technicians are to be transferred. There is a value in being closer to the pipe when problems occur, the author said.

The writer said a move to Anchorage means more travel time, which will make those employees less efficient and that some people will not take the transfer, meaning higher costs for recruiting replacements.

The e-mail stated the number of positions in Fairbanks has been gradually reduced across the years and only about half of the Alyeska office space is filled, so the company should consolidate its local operations anyway to reduce costs. That consolidation should not be counted as a savings for moving to Anchorage, where rents are higher, Afraida Spill said.

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