

State Building and Construction Trades Council of California

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November 1, 2019

The Honorable Nury Martinez, President Pro-Tempore, Los Angeles City Council
Chairwoman, Los Angeles City Council Committee on Energy, Climate Change and Environmental Justice
City of Los Angeles
200 North Spring Street, Suite 470
Los Angeles, CA 90012

RE: Council File 17-0447 – Preserve Safe Union Jobs at Oil and Gas Operations in Industrial Areas Near the Port

Dear Chairwoman Martinez:

Thank you very much for obtaining input on the City Petroleum Administrator's Oil & Gas Report, given its major implications for workers, investment, energy production, the economy and even housing development in the City of Los Angeles. We are writing to address two comments made by Councilmember Koretz at the end of the October 15 hearing: (1) his question whether union workers are involved in upstream oil and natural gas operations; and (2) his contention that, given Los Angeles' chronic dependence on imported oil from Saudi Arabia, the City could simply replace all local production with further imports. We want to clear up any misunderstandings your Committee may have on these key points.

The California State Building and Construction Trades Council represents over 450,000 highly skilled men and women, including 63,000 apprentices, from over 300 local unions throughout the state. The work of Los Angeles/Orange County Building Trades members in reshaping Los Angeles' skyline and in major refineries is widely recognized. As reflected in Councilmember Koretz's question, apparently less well recognized is the ongoing construction work by hundreds of Building Trades members to build and maintain oil and gas production sites for California Resources Corporation (CRC).

CRC is the state's and region's largest upstream oil and natural gas producer. Headquartered in Los Angeles County and employing thousands of California residents, CRC operates exclusively in California. In 2015, CRC signed the first statewide Project Labor Agreement in the entire oil and gas industry with the California Building and Construction Trades Council. All of CRC's production sites in the Los Angeles Basin – and the entire state – are built and maintained by the most highly qualified local workforce under the strictest environmental laws in the world. CRC's production in the City occurs entirely in heavy industrial areas near the Ports of Los Angeles and Long Beach specifically zoned for oil drilling and production, all over 900 feet from the closest residence or school. CRC's subsidiary, Tidelands Oil Production Co., also has the only 100% union operated and maintained field in California, with a represented workforce from the United Steelworkers in addition to Building Trades construction and maintenance work. Therefore, your Committee should recognize that any changes to regulation of CRC's upstream production in industrial areas of the Ports will directly impact union workers from multiple Building Trades including UA Local 250, IBEW Local 11, LiUNA Locals 1309 and 300, Operating Engineers Local 12 and Ironworkers Local 433, as well as United Steelworkers Local 675.

Councilmember Koretz's suggestion that Los Angeles might as well rely completely on imported oil and gas is irresponsible, from a reliability and an environmental standpoint, as well as political and economical. As the Petroleum Administrator's Report makes clear, local oil and gas production occurs under world-leading safety, labor, human rights and environmental standards.

While California is unnecessarily dependent on imported energy from jurisdictions that do not comply with any of our strict environmental standards, local production provides a critical base raw material supply for needed fuels and building products. In these times of near constant international turmoil, it is not hard to imagine disruption of the 14,000-mile supertanker transportation routes from the Middle East. Local oil production enables refineries to continue to produce essential fuels for public safety. With respect to natural gas, to heat their homes and cook their dinners, beyond our local natural gas resources, Angelenos rely primarily on imports produced out of state through hydraulic fracturing in the Rockies and the Permian Basin. Local natural gas production is particularly important for utilities to balance frequent swings in demand as a shortage of natural gas could certainly bring about near regular blackouts. The idea that Los Angeles can cease local oil and gas production and rely on distant sources without consequence is shortsighted and of great concern to the Building Trades and our members, tens of thousands of who live with their families in LA City.

As your Committee and the City Council consider the Petroleum Administrator's report, we urge you to recognize and maintain the existing setbacks, mitigation measures and inspections for oil and gas production in heavy industrial zones near the Ports of Los Angeles and Long Beach, and not disrupt union workers who build, maintain or operate those CRC production sites. As you consider these issues, it is paramount that you remember that California is only producing oil and gas to fulfill its needs. And working together, we should be making all efforts to ensure that California's needs are being met with resources that are produced locally, creating and maintaining local jobs.

Sincerely,



ROBBIE HUNTER
President

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cc: The Honorable Eric Garcetti, Mayor, City of Los Angeles
The Honorable Herb Wesson, President, Los Angeles City Council
The Honorable Gil Cedillo, Los Angeles City Council
The Honorable Paul Koretz, Los Angeles City Council
The Honorable Paul Krekorian, Los Angeles City Council
The Honorable Mitch O'Farrell, Los Angeles City Council
Mr. Kevin James, President, Los Angeles Department of Public Works
Mr. Uduak Joe-Ntuk, Administrator, Los Angeles Office of Petroleum & Natural Gas Administration & Safety
Mr. Ron Miller, Executive Secretary, Los Angeles & Orange Counties Building & Construction Trades Council