AGC Legislative Priorities
Long-term fiscal plan, transportation top list

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# Table of Contents

## Features

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>By</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Constructing a solid foundation</td>
<td>Tracy Kalytiak</td>
</tr>
<tr>
<td>22</td>
<td>A better mousetrap: AK Clean Card</td>
<td>Heather Resz</td>
</tr>
<tr>
<td>34</td>
<td>Excellence in Construction &amp; Safety Achievement</td>
<td>AGC of Alaska</td>
</tr>
<tr>
<td>42</td>
<td>Status of the Mineral Industry</td>
<td>Steve Borell</td>
</tr>
<tr>
<td>44</td>
<td>Pebble mineral deposits</td>
<td>Nancy Erickson</td>
</tr>
<tr>
<td>54</td>
<td>Taking pride in what we do</td>
<td>Danny Daniels</td>
</tr>
</tbody>
</table>

## Profiles

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>By</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>MWH Americas</td>
<td>Heidi Bohi</td>
</tr>
</tbody>
</table>

## Departments

<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>By</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Winning Bids &amp; Construction Activity</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>President’s Message</td>
<td>Glen “Knick” Knickerbocker</td>
</tr>
<tr>
<td>10</td>
<td>Executive Director’s Message</td>
<td>Dick Cattanach</td>
</tr>
<tr>
<td>12</td>
<td>Legislative Priorities 2007</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Safety Report</td>
<td>Chris Ross</td>
</tr>
<tr>
<td>20</td>
<td>Education Report</td>
<td>Vicki Schneibel</td>
</tr>
<tr>
<td>24</td>
<td>WorkSafe</td>
<td>Matthew Fagnani</td>
</tr>
<tr>
<td>32</td>
<td>Banking &amp; Contractors</td>
<td>Don Krohn</td>
</tr>
<tr>
<td>52</td>
<td>Contractors &amp; The Law</td>
<td>Robert J. Dickson</td>
</tr>
<tr>
<td>60</td>
<td>Pacific Legal Foundation</td>
<td>James S. Burling</td>
</tr>
<tr>
<td>62</td>
<td>Member News</td>
<td></td>
</tr>
</tbody>
</table>

CORRECTION: A Member Profile about Industrial Roofing Inc. in the Fall 2006 issue of the Alaska Contractor Magazine contained an error. The article should have said Industrial Roofing has logged more than 227,000 hours since 1997 with minimal time loss due to injury. The Alaska Contractor regrets the error and any difficulty it caused.
### Low Bids for 2006

<table>
<thead>
<tr>
<th>Company</th>
<th>Building</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>Total</th>
<th>Low Price</th>
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<tbody>
<tr>
<td>KODIAK PASAGSHAK ROAD 2005 ROAD</td>
<td>Building</td>
<td>$3,949,868.35</td>
<td>$45,567,876.80</td>
<td>$43,181,256.01</td>
<td>$42,154,291.31</td>
<td>$36,491,731.15</td>
<td>$31,568,593.43</td>
<td>$28,674,264.20</td>
<td>$29,926,860.32</td>
<td>$30,353,216.44</td>
<td>$17,585,280.00</td>
<td>$8,216,660.00</td>
<td>$0.00</td>
<td>$29,933,477.83</td>
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<tr>
<td>TALKEETNA PARKS HWY SUSITNA RIVER BRIDGE REPAIRS</td>
<td>Military</td>
<td>$1,634,538.00</td>
<td>$205,915.08</td>
<td>$200.00</td>
<td>$200.00</td>
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<td>SEDLOVIA SMALL BOAT HARBOR RENOVATION</td>
<td>Trans</td>
<td>$13,963,393.45</td>
<td>$10,875,409.01</td>
<td>$17,715,378.66</td>
<td>$17,610,356.71</td>
<td>$10,399,731.94</td>
<td>$12,547,596.20</td>
<td>$12,547,596.20</td>
<td>$17,216,274.40</td>
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<td>TOTAL</td>
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<td>$24,846,226.82</td>
<td>$50,288,977.33</td>
<td>$55,571,749.86</td>
<td>$57,730,535.81</td>
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### Low Bids for 2005

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<tr>
<th>Company</th>
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<th>July</th>
<th>August</th>
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<th>November</th>
<th>December</th>
<th>Total</th>
<th>Low Price</th>
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<tbody>
<tr>
<td>SEWARD HARBOR FLOAT INSTALL/ UPLANDS IMPROVEMENTS</td>
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<tr>
<td>KASIOF FIRE STATION #6 PHASE II</td>
<td>Military</td>
<td>$8,400,000.00</td>
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<td>$1,000,000.00</td>
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<td>WILLOW SUSITNA LANDING FACILITY IMPROVEMENTS</td>
<td>Trans</td>
<td>$2,000,000.00</td>
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</tbody>
</table>

1) Source from projects advertised in the AGC of Alaska Bulletin
2) Calculations based on date of bid
3) Supply/Service; Non-Construction bid results are not always advertised in the bulletin
4) RFQ results are not always advertised in the bulletin

Winter 2007
**Southeast**

Ketchikan Dry Dock 2 Berth
Civil Work
$6,499,330
American Civil Consultants

AK MV Malaspina Overhaul/Refurbishment
$6,492,793
Todd Pacific Shipyard

Wrangell Cold Storage Facility
$3,365,000
McGraw Custom Construction

Hoonah Float Replacement/Harbor Expansion
$3,054,411
Trucano Construction Co

Clark Bay Seaplane Facility
$2,240,800
Western Marine Construction

Hoonah Marine Industrial Center PHS I
$1,717,824
Southeast Earthmovers

**Arctic & Western**

Manokotak Airport Relocation
$10,580,005
Knik Construction

Bethel Bank Stabilization
$8,168,600
Twin Peaks Construction

Cold Bay Airport Terminal Construction
$3,607,807
Northern Management Services

Nome Beltz Jr/Sr High School Renovation
$2,186,000
SKW Eskimos Inc

Twin Hills New Health Clinic
$1,178,000
Pro West Contractors LLC

**Petersburg Mitkof Hwy PHS I Upgrade**
$1,498,447
Rock N Road Construction

Juneau State Office Bldg Roof Renewal Project
$1,348,677
North Pacific Erectors

Sitka Sawmill Cove Park Raw Water Pipeline
$1,312,330
S & S General Contractors

Ketchikan General Hospital Improvements
$1,276,000
Dawson Construction

Kake/Hoonah Ferry Terminal Dolphins
$1,065,820
Tamico Inc

Juneau Seawalk Peoples Wharf/Warners Wharf
$1,030,403
Trucano Construction Co

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The Alaska Operating Engineers/Employers Training Trust is a federally registered and approved program for Heavy Equipment Operators, Heavy Duty Mechanics, and Heavy Duty Service Oilers. This program is the result of Labor and Management's commitment to the trade. The IUOE Local 302 and the AGC Alaska administer the apprenticeship program. Each apprentice receives 8,000 hours on the job training and a minimum of 432 hours of related classroom instruction.

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3002 Lathrop St., Fairbanks, AK 99701 • (907) 456-5421 • 1-866-456-5421

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sales@actionsecurity.com
New year, new governor, new legislators – same priorities

A
other election season has recently passed and our
state Legislature will soon be convening to conduct
our business. We have a new governor and several
new faces in the Legislature but, based upon past experience,
and in spite of all of the campaign rhetoric, we must question
whether anything will really change or will it just be more of
the same.

For several years AGC of Alaska has established a list of
legislative priorities. These are not just priorities important to
the construction industry, but are of importance to every busi-
ness and individual in the state. As I review this list in prepara-
tion for our annual “Legislative Fly-In,” it strikes me how little
this list changes each year. Does this lack of change mean that
those who we have supported and sent to Juneau to act on our
behalf forget about what we deem important once the elec-
tions are over?

• Long-term fiscal plan - AGC, as well as numerous
other groups and individuals, have repeatedly called
upon our state Legislature and the administration to de-
velop a fiscal plan based upon realistic revenues rather than
continuing to spend based upon windfalls from tempo-
rary high oil prices and dreams of mega-projects to come.
This plan should also address such huge unfunded liabilities
as deferred maintenance on public facilities and the public
employee’s retirement plan.

• Privatization of work done
by the state - Time and again
we have expressed our concern
that the state of Alaska, more
specifically the Department of
Transportation, performs work
that could and should be done
by private enterprise. Every year the amount of work
the state takes away from private industry increases.
Rather than working toward reducing the size of gov-
ernment, the bureaucracy just keeps getting larger.

• Funding for vocational/technical education - AGC
has put a tremendous amount of effort into working
with our public education system, at all levels, to encour-
age vocational and technical education. We are proud
and pleased with the few changes we have helped to
bring about. But the fact remains that within two years
of high school almost 80 percent of our young people
enter the job market grossly ill-equipped. What does
it say about our education system when it is 99 percent
gearied toward preparing 20 percent of high school
graduates to attend college and offers comparatively
little training for the 80 percent who will enter directly
into the workforce?

• State of Alaska transportation system - There is little
doubt that our influence at the federal level will suffer
set-backs with our representatives now in the minor-
ity in both the House and the Senate. Unless you have
had the opportunity to visit Washington, D.C., lately, it
is hard to comprehend the damage Alaska has suffered
due to the “Bridges to Nowhere” controversy. The days
of enjoying a return from the fed-
eral government of more than $5
for every $1 contributed by the
state are numbered. We need a
long-range plan to continue to fund the much needed improve-
ments to our transportation in-
frastructure. We cannot afford to
hide our heads in the sand until
lack of funding becomes a crisis
to which we must react.

To paraphrase Albert Einstein, one definition of insane behavior is doing things the same way over and over and expecting different results. How many times are we going to Juneau with the same list and hope that maybe this time it will be different?

The public initiative process
has been used to bring issues directly to the people. Maybe it
is time to consider utilizing something similar to finally bring
resolution to our list of priorities. Those who were recently
elected promised things would be different if they were sent to
Juneau. If our list is still the same next year I, for one, am ready
to try something new.

To paraphrase Albert Einstein, one definition of insane behavior is doing things the same way over and over and expecting different results. How many times are we going to Juneau with the same list and hope that maybe this time it will be different?
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In a tight spot? Frozen ground? Exposing buried utility service? No problem. We have the solution.

The Mud Dog® hydro-excavator is a safe alternative to traditional excavation. Hydro-excavation is a non-mechanical and non-destructive process combining pressurized water and high-flow air evacuation. It offers quick, clean, and precise excavation requiring less backfill, less labor, less restoration, and less impact than conventional digging methods.

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On Aug. 1, 2005, the Alaska Construction Industry Substance Abuse Program was launched to fill a perceived need in the construction industry. Interest in a drug testing program was heightened by two years of double digit increases in workers compensation insurance and a desire by many contractors to be proactive in improving job-site safety.

Sensing that an industry wide approach to the issue of drug testing was appropriate, AGC issued a call to contractors and labor leaders to discuss the issue and hopefully develop a comprehensive program.

From a contractor’s perspective, a drug program that covered the entire construction industry offered the following advantages:

1. A reduction in the costs of administering a program.
2. A reduction in the potential liability arising from administering your own drug program.
3. A potential reduction in the cost of drug testing due to the economics of performing more tests.
4. A reduction in total testing costs because a worker employed by one member of the program will not have to be retested when going to work for another employer in the program.
5. A reduction in workplace injuries due to a decline in the number of workers who might be impaired on the job site.
6. A training program that helps supervisors recognize the signs and symptoms of impairment.
7. A consistent substance abuse policy between the various companies on a job site.

For workers, one drug program for the industry also offers advantages:

1. Workers can go to work earlier since they don’t have to wait to be tested and then wait for the drug test results.
2. Having a common drug policy means that workers know what to expect from employers and know that the policies will be consistently applied between participating employers.

Less than one year after the first exploratory meeting, the program accepted its first companies. Currently 2,338 individuals are participating in the program. During 2006, 4.3 percent of those tested either had positive results or refused to take the test; compared to 2.2 percent of those selected for random tests. These numbers show that drug use is not common in the construction industry, or at least it is not common for those employers that have a drug testing policy. The organization that performs the testing for the program, WorkSafe Inc., indicated that its statewide pre-employment positive rates were 5.24 percent for all industries. While one year of drug testing by the program can hardly be viewed as indicative of the entire construction industry, it does suggest that firms participating in the AK Clean Card program experience lower rates of drug usage.

The positive rate of those taking the pre-employment test in 2006 was actually only 2.8 percent because almost 2 percent of those seeking employment refused to take a test or failed to report to the testing site. The assumption made in the statistical analysis is that these individuals would have tested positive had they taken the test. However, there may be cases where that assumption is not valid. In any event, these individuals were not part of the workforce of participating employers.

The AK Clean Card program also allows an employer to have a worker tested if they believe that there is reasonable suspicion that the worker is impaired. While only used twice in 2006, one worker did test positive. Similarly, the program allows testing following an accident. In 2006, 30 such tests were performed and three workers tested positive and one refused to take a test. This opportunity is important because workers injured on the job site when under the influence of alcohol or drugs are not covered under Alaska’s workers’ compensation statute. Therefore, having an opportunity to test following an accident or injury can be an important benefit to employers.

While AGC was instrumental in starting the program, it is now totally independent of AGC. The trustees have recently modified the program to allow all companies engaged in the construction industry to participate. They have also requested an analysis of their initial assumptions to determine if a reduction in fees charged participating employers is appropriate.

The successes experienced the first year of the program would not have been possible were it not for the hard work of the trustees and the seed money provided by the Construction Industry Progress Fund and the Alaska Department of Labor and Workforce Development. Through the leadership of these individuals and organizations, the construction industry has an opportunity to provide a safer workplace, reduce workplace injuries and hopefully temper future increases in workers’ compensation insurance premiums.
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Long-term fiscal plan

It is in the best interests of the state of Alaska that the Legislature and administration adopt a long-term fiscal plan that deals with the issue of declining petroleum production, appropriate levels of taxation, utilization of the Alaska Permanent Fund and incentives to encourage new economic growth. In addition the serious problems that currently exist in the state retirement programs demand a long-term solution.

The long-term fiscal plan should also include an approach to the maintenance and enhancement of the capital assets of the state. Frequently capital budgets trumpet the addition of new facilities but fail to address the necessary maintenance and upkeep of existing facilities. Good stewardship requires that appropriate maintenance of existing facilities be incorporated within the operating budget while the expansion or enhancement of facilities can be accomplished in a capital budget.

The capital budget should also deal with the issue of utilizing the bonding capabilities of the state to address existing capital deficiencies. Repayment of general bonds however competes annually with operating funds so the quantity of bonded projects should not exceed the state’s ability to fund the required annual payments. Undoubtedly a level exists at which the bonded debt optimizes the growth of the state without penalizing future operations or opportunities. The goal should be to use bonded debt up to that level but care should be exercised not to exceed the threshold.

State of Alaska transportation system

To realize its potential, Alaska needs a transportation system that considers all modes of transportation. As part of the mix to finance the construction of the system, the state should consider a combination of taxes and revenue bonds. Garvee Bonds should be used judiciously since they add no new money to Alaska’s highway program, they merely accelerate expenditures of anticipated future receipts. Given the likelihood that Alaska’s share of the “highway trust fund pie” will decrease in the future, Garvee Bonds represent an opportunity to spend non-existent dollars, thereby greatly diminishing the money available to maintain and expand the infrastructure of Alaska.

Further, the current transportation infrastructure of Alaska is inadequate and requires continued planning, upgrades and expenditures to assure the citizens of Alaska are provided with essential services. There is little doubt that the economic benefit derived from the investment in Alaska’s transportation infrastructure far exceeds the matching funds required to secure the federal matching funds. Accordingly, the state is encouraged to not only continue providing full funding of the federal highway matching funds but also start a consistent program of investment by the state in the program.

Privatization of work done by state

Each year, state workers undertake considerable work that could more efficiently be performed by the private sector. The governmental employees involved in these activities should be transferred to more traditional governmental roles and the work should be performed by the private sector.

From projects such as the reconstruction of airport roads to major maintenance work on transportation projects, the state of Alaska is employing state workers to perform work normally undertaken by the private sector. The justification that the state can perform the work more cost effectively ignores cost accounting realities. Perhaps the most condemning aspect of this endeavor is that legitimate work is withdrawn from a myriad of small Alaska businesses that depend on it. Without such work, the viability of these firms is threatened.

Funding for vocational/technical education

A majority of Alaska’s high school graduates do not go to college yet the state’s high school curriculum is oriented to college preparation. The state should adopt a more balanced funding approach to better prepare those students not pursuing post-secondary education for the world of work. The Workforce Investment Board has recently prepared a long-term strategy for meeting the projected shortfall in construction laborers. The strategy calls for increased funding for vocational training at the secondary level and a renewed emphasis at the post-secondary level to capture those who do not have the opportunity to receive such training at the secondary level.

In 2006, the Legislature took the first step and funded a pilot program at the King Career Center in Anchorage. The program represents a true public/private partnering effort and initial indications are that the model will help address the long-term labor needs of the construction industry. The program should be expanded to other schools in the state and the funding increased appropriately.

Currently, the state of Alaska has one and one half positions in the Department of Education and Early Development devoted to the students not pursuing a post-secondary education. As a consequence, these students are ill prepared for the world of work, have little idea of the opportunities available to them, and are not prepared to contribute to the economic growth of Alaska. The educational system of the state of Alaska is failing these students, their future employers, and constraining the growth of the state by not focusing on the needs of this valuable group of Alaskans.
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Do you want a really great safety program with great results? Would you like to have world-class experience modification rates, low or no injury rates and tiny workers’ compensation premiums?

The answer is not more safety, the answer is better management.

The root of effective safety management is effective management. In fact, we have rarely seen, if ever, robust and effective safety processes operating in an environment where the basics of good management are not in place.

A good analogy is to think of the organization’s safety culture as a stew. The chunks of meat and vegetables are the safety system elements, such as safety meetings, new hire orientation, inspections, observations, training, rules and processes. The management culture is the broth. The broth consists of the values, norms, beliefs and assumptions that define “the way things really are around here.”

You can have the greatest ingredients in the world (safety system elements), but if the broth (culture) is not good, it will not make any difference.

In order for safety processes and systems to be effective, the underlying culture must be effective and robust.

The essential cultural elements of management include:

- Accountability for actions (owners, managers, supervisors and individuals).
- Senior management articulates a vision for success, each person knows exactly how he/she contributes to the success of the organization.
- Bad news is accepted as a learning experience, not a basis for an inquisition.
- Underlying values of quality, safety and productivity are all equal.
- Good performance is expected, results are measured, then immediately recognized and rewarded.
- Poor performance results in coaching, immediately.

In this robust culture, supervisors receive training to lead effectively, get coaching and feedback from their manager and are rewarded for motivating their employees. Leaders have adopted a “catalyst leadership” mentality – namely that the job of a leader is to get work done through others. This requires that leaders find the best in each person and manage them effectively in order to get the best results. As the noted management guru Peter Drucker noted, “the task of leadership is to create an alignment of strengths ... making weaknesses irrelevant.”

In a high performing organization, leaders also are on the constant lookout for the barriers that prevent success. In the book Human Competence: Engineering Human Performance, Thomas Gilbert coined his well-known behavior model for creating incompetence. Being aware of these common barriers can help leaders ensure success:

- Withhold information. Don’t let employees know how well they are performing. Give people misleading information about how they are performing. Hide from people what is expected from them. Give people little or no guidance about how to perform well.
- Don’t involve people in selecting the instruments of work. Design the tools of work without ever consulting the people who will use them. Keep the engineers away from the people who will use these tools.
- Don’t provide incentives for good performance. Make sure that poor performers get paid as well as good ones. See that good performance gets punished in some way. Don’t make use of non-monetary incentives.
- Don’t help people to improve their skills. Leave training to chance. Put training in the hands of supervisors who are not trained instructors. Make training unnecessarily difficult. Make training irrelevant to the employee’s purpose.
- Ignore the individual’s capacity. Schedule performance for times when people are not at their sharpest. Select people for tasks they have intrinsic difficulties in performing. Do not provide response aids.
- Ignore the individual’s motives. Design the job so that it has no future. Avoid arranging working conditions that employees would find more pleasant. Give pep talks rather than incentives to promote performance in punishing situations.

Whenever we see high-performing safety organizations, we find the roots in effective management culture and practices. Start with the basics first – get the effective management of people down right and all the rest will follow. Says Drucker, “So much of what we call management consists in making it difficult for people to work.”

Chris Ross, CSP, CPLP, is the AGC/NANA Training Systems General Manager. Visit their Web site at www.nana-nts.com or call (907) 565-3300 for more information.
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BY TRACY KALYTIAK

BACK in high school, Jeff Miller felt marooned. His teachers and counselors steered him toward college prep classes and discouraged him from taking the auto and wood shop classes he enjoyed. Math class was especially difficult.

“I was terrible in math,” said Miller, senior project manager for Cruz Construction Inc. and Associated General Contractors of Alaska member. “I’d fall asleep, get in trouble for messing around. I had zero interest because I couldn’t apply it to my life. All those concepts were not applicable to me.”

Just over a decade later, the Palmer resident possesses a bachelor’s degree in construction engineer management, a mind full of construction-relevant geometry, algebra, trigonometry and calculus and the desire to share his real-world knowledge with Mat-Su high-school students considering a future in construction, engineering or architecture.

Miller, 28, is the AGC of Alaska’s liaison in a math classroom at Wasilla High School, helping teacher Shawn Hayes erect a foundation in math for budding contractors and engineers.

Their work is vital to the future of an industry in which the skilled work force is graying.

Alaska’s construction industry contributes more than $6.5 billion to the state’s economy – 19 percent of the gross state product, according to the 2006 Alaska Construction Spending Forecast.

The average age of workers in the construction industry is 47 years old, according to the U.S. Department of Labor. In Alaska the industry must replace up to 1,000 workers a year to keep up with current employment numbers, AGC officials have said, or the state will have to employ workers from Outside.

The pay for these jobs is good. About 23,000 Alaskans worked in construction in August and earned an average of $55,800, according to the state labor department. Only the oil and gas industry and federal government pay higher average salaries, at $99,200 and $59,900, respectively.

But the industry faces major challenges – among them, a shortage of people qualified to fill these jobs and a public education system geared toward moving students into college classrooms rather than toward vocational training or construction sites.

“I’m a small contractor. There’s a huge lack of a qualified, motivated work force, especially in the roofing industry,” said Chris Reilly of Universal Roofing of Alaska Inc. “The pay is good, but it’s pretty hard work and more technical. You can’t just go to the corner and get day laborers.”

Miller still remembers the attitude of his Oregon high school’s teachers and counselors.

“Get your SAT, ACT, gotta go to college,” Miller said of most adults who gave him career advice. “I got so focused taking pre-college classes I could never sit in the classes I really wanted to take.”

Miller remembered his counselors would say shop wasn’t the place for him, but that it was appropriate for his classmates because, “They got nothing else going for them, Jeff.”

That attitude isn’t evident in Shawn Hayes’ classroom, where teenaged construction trades students leaned forward in their desks on a recent afternoon as Hayes talked about converting inches on plan drawings to feet at a job site.

“I want you to convert eleven-sixteenths to decimal form. What is it in feet?” Hayes asked.

“Thirteen point seven,” one of the students immediately responded.

“Is that reasonable?” Hayes said. “Less than 20 feet, that’s reasonable. Twenty feet over one inch. The inches would cancel and we’d be left with 13.75 feet, you’re right.”

A look at the classroom walls shows how well Hayes’ al-
gebra and geometry students respond to his instruction. One poster shows a caricature of the teacher, “Ninja Hayes.” Another says, “Got math?” Several of the students take the knowledge they glean from Hayes’ class to a house they are building at a nearby subdivision as part of the construction trades program in which they are participating.

Hayes’ class is funded by a $21,000 grant AGC of Alaska received for its construction academy, which was launched Aug. 22 and will move into the Mat-Su Career Center when it opens next fall. The three-year grant came from the U.S. Department of Labor, through AGC of America.

“To get the grant, AGC said we had to open a year earlier than the model,” said Jim Fergusson, president of Fergusson & Associates Inc. and chair of the academy’s steering committee, explaining why the construction-oriented math classes are being offered a year before the career center building itself is scheduled to open.

“We have the math, the math teacher belongs to us this year,” Vicki Schneibel, AGC of Alaska’s education director, said. “We’ll add English, science and social studies (to the academy curriculum) next year.” Schneibel said 28 students are now participating in the academy program.

The $18-million Mat-Su Career Center facility is being built next to Teeland Middle School, just off Seldon Road in the Wasilla area.

“They’re hanging iron now,” Schneibel said.

Voters approved bonds for the career center’s construction in 2003, and the Mat-Su Assembly appropriated that money in April 2005.

Ray DePriest, the career center’s director, said the Mat-Su Borough School District expects to enroll 200 full-time students and 300 part-time students at the career and technical high school, which will integrate academic and employability courses with its vocational training. The center will offer the AGC-sponsored architecture/construction/pre-engineering (ACE) academy curriculum as well as other so-called career clusters or pathways, including information technology/business/electronics, health sciences/nursing, sports and fitness technology/
therapeutic services, culinary arts/hospitality/tourism, welding technology (satellite location at Colony High School), outdoor power equipment (satellite location at Colony), automotive services technology (satellite location at Wasilla High School), and agriculture and natural resources (satellite location at Palmer High School).

Instruction will take place not only on site but in the community, through work experiences such as internships and apprenticeships at local businesses. DePriest said business partnering will begin in January 2008.

The center will also eventually offer distance learning programs, so people in remote areas will have access.

The state covers the cost for the basic education courses required of all students. AGC is shouldering most ACE academy course costs.

“We put the whipped cream and the cherry on top of the education,” Ferguson said. “We’re an industry in need and [the Mat-Su Borough School District is] wanting to provide jobs for their kids.”

The Construction Industry Progress Fund gave the academy $16,000 in start-up money and a commitment to give up to $10,000 each year, if necessary, Schneibel said.

AGC of Alaska based its ACE academy on programs operating in St. Louis, Mo., and Chattanooga, Tenn. The organization decided Mat-Su offered the most receptive environment for the project.

“We’d gotten to know Mat-Su,” Schneibel said. “They’re really leaders in vocational education for the state.”

That’s when Miller, Reilly and two other contractors – Mike Swalling of Swalling Construction Co. Inc., and Rob Dunn of ASCG Inc. – got together to brainstorm ways to fit real-world problems into a math class. Academy steering committee members Ferguson, Reilly, Swalling, Ben Northey of Colaska Inc. and David Cruz, owner of Cruz Construction, meet once a month to decide what they want to do for the students.

“Our goal is not to pigeonhole kids into field work,” Reilly said. “We now use theodolites, computers, GPS, and can only see it becoming more technical. We’ve got as many people in the office as in the field.”

Tyler Tingstad, 17, and Will Caldwell, 16, both Wasilla High School juniors, are currently taking Hayes’ academy geometry and algebra class.

“I heard about it through the school, went to their meet-

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ing last fall,” Tyler said. “It sounded like it would be something fun to do, maybe a career in the future. I've done stuff with my dad and such, hands-on labor. I like being able to look at a house and say I helped put that up, I did that.”

Tyler has been interested in construction since he was about 10 years old. He wants to attend college or trade school. “Whatever works out,” he said. “I’m interested in architecture and journalism.”

Hayes’ class has offered many valuable lessons, Tyler said. “I had no idea how much they’d be teaching us,” he said. “I knew stairs were a pain, but I never knew how precise you have to be to put them in. A comfortable step is about 7 inches. You take that, convert it into how much space you have. If you’re off, the stairs are going to be crooked, one stair an inch deeper than the rest. That might be a problem when someone’s going down them in the middle of the night.”

The first real-world math Tyler learned applied to the use of concrete.

“Just the mixes, a lot of it has to do with surface area,” he said. “There’s a lot to learn about it.”

“Length times height times width, ’cause concrete is sold in cubic yards,” Will interjected. “You learn how long it takes to cure, and the strength of it.”

Will said he’s been doing construction projects with his father for years and Hayes’ math class is opening new doors for him. He wants to attend trade school and says he’s leaning toward a career in construction. Even if he doesn’t enter the industry, construction skills will always serve him well in other ways, Will said.

“I’ve taken what I learned at home and bring it to construction trades and now I’m bringing construction trades home,” he said. “I’m teaching my dad how to do stuff better, like framing and subfloors. The Pythagorean theorem, I don’t think I’ve gone a day without using it to make sure frames and flooring are square.”

Jeff Miller said his experiences sitting in on Hayes’ math classes are radically different from those days he wasted back in high school. He said if a similar academy had been offered when he was a teen, he wouldn’t have had to wait until college to find math classes that ignited his interest in a career.

“In a class with Shawn Hayes, I would have had no doubt,” Miller said. “I’m jealous. I wish I could’ve gone through the same program back then.”

Wasilla High School sophomore Kenny McLellan works to figure out an angle measurement during class. Photo: Robert DeBerry

Tracy Kalytiak is a freelance writer living in the Palmer area.

Sterling connections.
Certifying instructors to teach NCCER Contren®

As we promote construction curriculum around the state using National Center for Construction Education and Research we must certify the instructors in the NCCER process.

Because all of the teaching of NCCER Contren® curriculum is “off campus,” the administration is very defined and structured. A school can buy the books and teach the curriculum. But, in order to offer nationally recognized certificates to students, a specific process must be used to make that happen.

One of the first steps is to work with a NCCER accredited Training Sponsor. Alaska has nine accredited sponsors. Of the nine, three are open to the public. Of those three, one serves UAF students only.

AGC of Alaska has been an accredited Training Sponsor since June 2002 and we are open to the public. Alaska had only two other sponsors when we became accredited and those are oil organizations offering curriculum in-house and at Valdez High School.

In order to qualify to teach even the beginning piece of NCCER an instructor must have experience at a minimum of journey level or technician level in their area of expertise, or they must have a minimum of three-years experience as a certified teacher in a vocational/technical construction-, maintenance- or pipeline-related training program. The ATS (Accredited Training Sponsor, in this case AGC of Alaska) is responsible for assuring that candidates meet these minimum requirements.

So, how does this work with high school teachers you may ask? Well, it’s not always easy because most teachers aren’t craft people. Vocational teachers usually come from the crafts. In some cases we may only be able to certify a teacher to teach one or two modules. Then work with a fully certified teacher in their district to teach the balance of the curriculum.

We qualify teachers before they come to Anchorage for the certification class. Sometimes I review their resume looking for construction experience. If we limit the modules a teacher can teach, then before doing so we make sure the district has a plan with a fully certified instructor to teach the balance of the modules.

However, most of the teachers interested in offering construction classes have solid experience and knowledge for the beginning curriculum called Core.
With a small class it takes two days to complete the certification. If the group is large (more than 10 people), it takes two long days or into a third day. It’s intensive and for traditional high school teachers it’s redundant.

I take them through nine modules of information with much of it about teaching skills and processes and how to work with their sponsor so their students will earn certificates. They have to pass a test at the end of each module. The 10th module is each teacher teaching the class on a topic using all the skills in modules one through nine. That’s their “final” test.

Because the majority of instructors across the country are craft people who are going into the classroom to teach for the first time, much of the class is preparing them to teach. So, I find that the craft people appreciate the information while the traditional teachers are impatient. I’ve come up with a few tricks and I always preface the class by saying, “Please think of this as a review. Everyone can benefit from a review!”

I’ve also learned teachers aren’t the best students!

Since becoming an ATS in 2002 we’ve certified 152 instructors in our state. Those instructors have taken students through modules of curriculum earning 380 certificates to date!

Since becoming an ATS in 2002 we’ve certified 152 instructors in our state.

Because demand is growing for NCCER curriculum I’ve already taught two classes this fall. I offer classes on demand. When I have a few people asking for the class I’ll schedule one. I require a minimum of four people and have learned to set a maximum limit of 12.

Vicki Schmeibel is education director for the Associated General Contractors of Alaska.
Alaska’s new AK Clean Card program is streamlining the process of hiring for Alaska contractors and workers in the construction industry.

“In the past, when contractors needed workers it could take several days for potential employees to complete a pre-employment drug test and report to the job site,” said Barbara Rowland, AGC of Alaska membership coordinator.

Each contractor needed an employee to manage its testing program, which often occupied a large portion of that designated person’s workload, she said.

Now Alaska contractors can contract for the services through the Alaska Construction Industry Substance Abuse Program, also known as “AK Clean Card.”

The Board of Trustees, which includes representatives from organized labor and AGC contractors, contracts with Welfare and Pension Services Inc. to administer the financial and trust portions of the program, with Seattle-based Clean Workforce to coordinate all the testing and to maintain the records, and with WorkSafe Inc. to perform the specimen collections.

Rowland said the program was launched in August 2005 and has been running remarkably well.

Modeled on a substance abuse testing program from Washington state, the AK Clean Card offers any construction company in the state of Alaska a stringent and consistent drug-testing program and a ready-to-go workforce, Rowland said.

Specific to Alaska

The trustees spent the past year fine-tuning the program to meet Alaska’s specific needs.

“With the big-picture savings and efficiencies in mind, our initial supporters stepped up to the plate, bore the higher initial start-up costs, and helped us work out the new program’s bugs,” Rowland said. “By virtue of those companies’ early participation, there are now over 2,300 AK Clean Card carrying workers in Alaska.”

Trustee John Palmatier, who also is executive secretary treasurer for the Alaska Regional Council of Carpenters, said the AK Clean Card saves contractors time, money and liability by allowing businesses to contract for drug-testing services they once provided themselves.

“I’m a carpenter. When I go to fix my plumbing I don’t do it myself. I hire a plumber. Drug testing is the same,” Palmatier said. “Why would I do it myself instead of hiring a team of professionals?”

He said he applauds the leadership of AGC of Alaska and the taskforce of contractors and labor organizations for opening the testing program to the entire industry.

“I’m really pleased it’s being offered to everyone,” Palmatier said. “It’s what’s best for the industry as a whole.”

Union members only have to join if they want to work for participating contractors, he said.

Rowland says, “It also saves employees’ from needing to repeatedly be drug tested each time they are hired by a new employer, and it gets them to work faster.”

She said Alaska’s unified drug-testing program may be modeled by other states.

“It’s so simple and efficient, it’s an idea that ought to catch on elsewhere,” Rowland said.

What is the Alaska Construction Industry Substance Abuse Program?

Designed to provide a drug-free workforce for contractors and a safe work site for employees, this program is available to all contractors in the state. It is simple to get started. Contractors enter their employees into the program with a “pre-program” test.

“Initially a company must have the employees they enroll take a drug test to enter into the program. This pre-program test is the employers’ expense. A company may skip the pre-program tests for its employees if it can demonstrate that it has a similar drug-testing program using a five-panel urine analysis test or better and with a random test component to their program,” Rowland said.

Those workers who test negative for drug use are issued a “clean card” and are added to one of two random test pools: one for the Department of Transportation regulated employees, and a second pool for everyone else.

After a company signs up for the Alaska Construction Industry Substance Abuse Program, it pays the trust 10 cents for each hour that a craft employee works and $6 a month each for supervisors and office staff members.

Workers can’t sign up to the program individually, but once they get a clean card through their employer, they may remain in the program, she said.

Once contractors have enrolled their workforce into the program, the program will pay for all subsequent tests, including program entry for non-DOT regulated employees, random, reasonable suspicion and post-accident. Additional tests required by the employer and re-entry tests for DOT-
regulated employees are at the contractors’ expense.

Clean Workforce tracks an employee’s compliance and if everything is up-to-date the laborer can go right to work without testing before each job.

“This is a program that saves contractors’ administrative staff time and effort,” Rowland said. “For those contractors who have not been drug testing, this is a very easy way to get going without having to become expert at every facet of drug testing yourselves.”

**Clean Workforce tracks an employee’s compliance and if everything is up-to-date the laborer can go right to work without testing before each job.**

**Random testing**

The drug-testing program also includes an Employee Assistance Program to help participants get back to work after a positive test result.

Angie Havens, of Clean Workforce, said workers who test positive can be referred to counseling, rehabilitation programs or other options as prescribed by a medical review.

“A medical professional makes a recommendation about what that person has to do to get back to work,” she said.

If an employee is selected for testing, a notification is sent to the employer, and the employee is listed as “noncompliant” until new test results are returned.

Allowances are made for workers who are on job sites in rural Alaska where no collection sites are available, she said. Such workers are listed as “noncompliant” in the system until they can get to a testing site and complete the test.

Once a test is administered, the specimen is shipped to a lab in Spokane where it will be tested and results returned in 24 hours – if the specimen is negative, Havens said.

However, if a positive result is returned, the sample is retested, and if the positive test is confirmed, the results are referred to the medical review officer who contacts the specimen’s donor over the phone to try to track down anything that would register a false positive.

**A better mousetrap**

When the program began, Palmatier said trustees worried about how it would survive on the 10 cents an hour contribution from the employers. Now, thanks to efficiencies realized through economy of scale, trustees are talking about being able to drop that rate, he said.

Havens said she thinks it’s just a matter of time before the majority of Alaska contractors will sign up for the program instead of maintaining their own drug-testing programs.

According to Palmatier, the advantages to the worker and the contractor are too substantial to ignore.

“A worker who carries an AK Clean Card can go to work immediately for any contractor who belongs to the program,” he said. “Now contractors are more likely to hire workers for short periods where testing was a deterrent before.

“For contractors, this is a better mousetrap.”

WorkSafe’s Matthew Fagnani said during 2006, this program’s positive test results declined from 4.9 percent to 4.5 percent while the number of people tested increased from 264 in 2005 to more than 1,400 for the first 10 months of 2006.

Statewide 5.24 percent of pre-employment drug screens were positive for all industries, he said.

Rowland said the program is working and that’s great news for the construction industry.

“These statistics show that contractors who are serious about safety are getting the message across to their workforce, and by participating in a drug testing program that carries from one employer to another, it acts as a deterrent for employees’ drug abuse.”

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Senior Editor Heather A. Resz is the sole proprietor of the contract writing business, Infinite Designs.
Testing program improves contractor safety record and availability of pre-screened workers

In a successful effort to develop a model for the construction industry, the Associated General Contractors of Alaska, with the support of many labor unions, has created a drug and alcohol testing program, designed to provide a safer more efficient workplace. The Alaska Construction Industry Substance Abuse Program, also known as the AK Clean Card, helps provide contractors and workers a safe work site, cost-effective drug testing and a fast, efficient hiring process. It also includes an Employee Assistance Program for employees who fail one of their drug tests. This gives participants the opportunity to redeem their “drug free” status after complying with recommendations and tests from the AKCISAP.

Pre-screened, on-call workers

This program provides contractors with a pool of available on-call workers who are ready to work immediately – without waiting for drug test results. Nearly 20 companies statewide, with a combined total of more than 2,500 employees, participate in the AK Clean Card program. Participants in the pool must start with a negative drug test to be eligible to enter the program and are subject to ongoing random testing to maintain eligibility. Workers who maintain their compliant status in the program are available and ready to work immediately after hire. This process cuts cost and is extremely beneficial to both the contractor and the employee. “This program has proven to be highly attractive to our contractors and members. They have access to a pool of qualified, drug-free employees that can get on the job quicker,” said Dick Cattanach, Executive Director AGC of Alaska.

The program has been so successful that it has now been expanded to include non-union contractors. “As a member company and chairman of the board of trustees of AKCISAP, I am pleased with the program and welcome non-union contractors to join us. Every company should have the benefit of a drug-free and safe workplace,” said Mike Brady of Ken Brady Construction.

The results are in

WorkSafe Inc. recently released a benchmark progress report that shows the AKCISAP pre-employment positive rate dropped 0.41 percent, from 4.92 percent to 4.51 percent, during the last 10 months of the program. This significant drop in positive rates is compounded by the six-fold growth in the number of participants as measured by the number of tests conducted. AKCISAP conducted 264 pre-employment tests in August 2005. By October 2006, the program has grown to 1,444 pre-employment tests and program participants.

In comparison to all other non-DOT drug and alcohol testing, AKCISAP’s 4.51 percent positive rate is lower than all other industries by better than 0.73 percent. WorkSafe President Matthew Fagnani attributed this decline in positive rates to program education and awareness. “We expect to see the pre-hire positive rates decline over time as people understand that they have to be drug-free to go to work. This decline in positive rates directly impacts contractor safety and workplace performance.”

How is the program funded?

Participating contractors pay an hourly contribution for each hour a crafts person works. Contributions for managerial and administrative personnel are based on a flat fee, per month, per person. The funds are transferred to the AKCISAP Trust, administered by the Welfare and Pension Services Inc. Workers who initially test negative and remain available for random testing will maintain ready-to-work status. If a person tests positive, he or she may receive help with rehabilitation from AKCISAP’s Employee Assistance Program.

“A win-win for both management and labor to put workers to work immediately. It creates an even playing field for all contractors.” said Bob Morigeau with Operating Engineers Local 302.

AK Clean Card is coordinated by Clean Workforce, an independent third party administrator. They organize all of the testing and the results. Participants receive a “Clean Card” with an individual identification number. Each employee’s information is accessible on a secure Web site online. Both contractors and employees may access their information at any time, making the process reasonable and easy to implement.

The board of trustees meets monthly with providers who manage the program, Clean Workforce and WorkSafe Inc. “The three-tiered management team works well together to ensure the program is effective and meeting the needs of our members,” said Fagnani, who also is general manager of NANA Oilfield Services.

Matthew Fagnani is president of WorkSafe, Inc., a full-spectrum workplace drug and alcohol program that offers instant-results testing. For more information, visit the office at the corner of 36th and C streets in Anchorage, or call (907) 563-8378.
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Capital spending means jobs, something every contractor already knows. The federal government tells us that for every billion dollars spent on roads we create 48,000 jobs. Certainly, not all of these are high-wage, direct construction jobs but the implication is clear: construction spending drives the economy, and that means locally and nationally.

Most recently, we’ve seen the fantastic boom in housing prices and house construction. While the housing boom may be slowing significantly, there are several other major projects that promise to provide jobs and create the infrastructure that will move the economy forward and create wealth for Alaskans.

I became familiar with several of these projects through my position as co-chair of the House Transportation Committee and through my next committee as co-chair of the House Resources Committee.

Alaskans will all benefit from the economic development of projects in last year’s capital budget. Projects range from schools, roads and community buildings to the proposed Knik Arm and Gravina bridges, and in my community, a 2,100-bed prison.

In addition to the billions of dollars in spending represented by these projects, there is also the prize everyone has been talking about: an Alaska gas pipeline. My goal is to turn these projects into wealth for Alaska business owners and their employees.

Capital budget – Last year the Legislature authorized a historic capital budget designed to improve the quality of life for all Alaskans. Here are some highlights from the capital budget of interest to Alaskan contractors.

- $3 million for asbestos abatement at Alaska Psychiatric Institute
- $15 million for the Kodiak Rocket Complex
- $3 million for a Fairbanks Pipeline Training Center
- $5 million for development of a Tongass Coast Aquarium
- $1 million for a public safety building in Bethel
- $1 million for an expansion of the boarding school in Galena
- $1 million for expansion and maintenance of the Nenana Student Living Center
- $2 million for boat harbor development in Whittier
- $2.2 million for dock upgrades in Seward
- $2.5 million for the Anchorage Museum expansion
- $10 million for expansion of the Anchorage Port
- $2.5 million for upgrades to Mount Edgecumbe high school
- $103 million for water and wastewater projects
- $4.9 million for upgrades to the Alaska Vocational Technical Education Center facilities
- $5 million for housing for teachers, nurses and public safety officers
- $55 million (roughly) in other housing and energy related grants (in addition to the $5 million above)
- $12.4 million for harbor improvements statewide
- $8.5 million for the Haines, Hydaburg and Kake harbors
- $57 million for phase three of the integrated science building University of Alaska Anchorage

These capital projects are more than “pork.” As contractors, you know first-hand the importance of a school in a rural community, safe water in a village, improved roads and infrastructure, and improved educational opportunities for all Alaskans. In addition to providing needed services and quality of life improvement, many of the capital projects that were authorized last year also provide employment to a significant number of Alaskans as well as Alaska firms. With the usage of Department of Transportation “force accounts,” this often means these projects are a major source of employment in some areas of the state. Good capital projects can serve as the ignition switch for Alaska’s economic engine.

Gas line – State funded capital projects are important but this one stands head and shoulders above the rest in size, importance, and the future viability of Alaska. I attended Gov. Sarah Palin’s inauguration in Fairbanks and it is clear that she intends to pursue all the options with regard to a gas pipeline.

This means quite a few separate opportunities for getting our gas to market. Each option will likely be slightly different in mechanism, cost, employment of Alaskans and return
to the state. Our job as legislators is to look at these factors holistically rather than individually and make the best choice for Alaska. I am happy to be so involved in that decision. We know that the previous front-runner was for a producer-owned pipeline to Chicago. This pipeline will currently pencil out at $28 billion, and employ thousands during peak construction. It is unsure what specific proposals the governor will be forwarded, but it is safe to say that any project for construction of a gas pipeline is an enormous undertaking that has the potential to create wealth and employment for Alaskans, their children and their grandchildren.

Capital spending issues – We know that between the gas pipeline and capital project construction we have authorized in the last year, Alaska will see a boom in construction over the next several years and bring with it all the unanticipated problems as well. Understandably, oil prices must hover around $60 per barrel to balance this state budget. Without sustained prices at or above $60, future capital budgets will get leaner and most likely cut substantially. This reliance on historically high oil prices is particularly strong for the construction industry since most capital projects are one-time jobs. Once they are done, unless new capital projects are funded, work stops and workers go home. Clearly, capital spending cannot be taken for granted and some mechanism to create predictability in budgeting ought to be considered.

Gas line issues – The gas line too has issues. Even though there has been significant public discussion of the gas pipeline, questions remain. For instance, what does a gas pipeline mean for Alaska’s businesses and contractors? How would Alaska companies get contracts? Will there be a project labor agreement(s)? What does this mean for Alaska contractors who do not bid work on the gas line? Will the gas line create labor shortages for other projects and make overruns? What

continued on page 68
World expert for power, water, wastewater and industrial waste treatment issues

From Anchorage to Abu Dhabi, Belgium to Bulgaria, MWH Americas is known for its showcase portfolio of projects in water, wastewater, energy, natural resources, consulting and construction services completed for private and public-sector clients worldwide. Headquartered in Broomfield, Colo., this employee-owned firm reports more than $1 billion in revenues, and 6,100 employees in 36 countries, including the Americas, Europe, Middle East, India, Asia and the Pacific Rim. This year, the firm was again ranked as one of the world’s top design firms by Engineering News-Record magazine, placing 12th out of 500.

“We’re proud of these exceptional standings for our work in designing systems that help our clients efficiently deliver power, water and wastewater services to meet the needs of their growing constituencies, while helping to sustain the planet’s precious natural resources,” MWH CEO Bob Uhler said.

The Anchorage office – originally Quadra Engineering before MWH acquired it 17 years ago – includes about 25 staff and offers expertise in integrated solutions, including environmental engineering, facilities development, laboratory services, construction, multi-sector program management, asset management, IT consulting, government relations and applied science.

“We’ve got a long-term Alaska staff that has experienced the highs and lows of what the economy in Alaska has brought,” Gundar Clemenson, Alaska regional manager of construction said. “And we bring the corporate resources to bear which are very strong compared to many other locally based companies.”

Eielson Air Force Base Repair Utildors Phase V included replacing 3,200 feet of steam, condensate, water, and sewer lines, and repairing and rebuilding access manholes. 
Photo: Courtesy of MWH
MWH has long been considered one of the world’s top three experts on power, water, wastewater and industrial waste treatment issues and has designed, built, financed and managed many of the largest and technologically advanced projects in the world, receiving global awards and recognition for its work. Locally, too, Clemenson said, the company focuses on environmental engineering projects that involve water and wastewater.

“Our main area is design-build that has an influence of water attached to it,” Clemenson said. “As long as it has some kind of water, we jump right into the middle – treating, transporting, and handling it.”

Clemenson cites several examples that exemplify this area of specialization. At the same time, he said, MWH is expanding its focus from federal contracts to industrial clients, such as those in the oil and mining industries. “The work is less prescriptive and it allows us to come up with more creative solutions,” he said.

The Anchorage Water and Wastewater Utility awarded MWH a $1.448 million contract to perform a comprehensive review of its Supervisory Control and Data Acquisition System and implement needed upgrades or replacements. The AWWU is the largest water and wastewater utility in Alaska, serving 124 square miles of metropolitan Anchorage, from Eklutna to Girdwood.

Initial work under the contract included establishing standards and developing a communication system linking three wastewater treatment plants, two water treatment plants and more than 100 remote facilities including wells, valve vaults, pump stations and flow monitoring stations. MWH is also assisting in selecting SCADA hardware and software, and establishing protocol for subsequent installations. Staff works closely in conjunction with AWWU personnel through a project office located at the Ship Creek Water Treatment Facility. Total costs for the three-year SCADA project are estimated at more than $10 million.

“During these times of everyone having less manpower to do the same amount of work, helping design and
implement this control system has been very successful for the city and for us,” Clemenson said.

MWH was also the lead project consultant on the Hillside District Plan, established to guide the future development of this area. The plan included policies on residential densities, water and sewer service, drainage, roads, trails and open space and needed to be consistent with the requirements of the Anchorage 2020 Plan and update the Hillside Wastewater Management Plan.

Buy Once Use Twice – known as BOUT – was the firm’s first entrée into design-build on the North Slope, Clemenson said, and an opportunity for both MWH and British Petroleum to learn more about each other’s business cultures. Completed in the spring of 2006, BOUT received BP’s Helio Award, recognizing the outstanding achievements of its operations and its partners.

The program, started by NANA Management Services water and wastewater treatment team, processes water that is then injected into gas-fired turbines that produce the electricity for the Milne Point oil field on the North Slope. Besides saving money, BOUT reduces the amount of surface water required for operating Milne Point and reduces the safety concerns associated with water trucks driving across the field.

“Alaska is unique, especially considering the logistics of getting materials and personnel to locations and trying to meet a construction window in a very tight, rigid timeframe,” Clemenson said, pointing to the firm’s extensive experience in other remote locations such as the Aleutians.

The BOUT Project included installing a tertiary water treatment system in the wastewater treatment plant to bring wastewater effluent back to drinking water quality standards for use in the turbine generator emission control system. Photo: Courtesy of MWH
including Shemya Island, located near the western end of the chain, about 1,500 miles from Anchorage.

The Utilidor Phase 5 Upgrade at Eielson Air Force Base, 26 miles southeast of Fairbanks, is a recent example of MWH design-build capabilities, Clemenson said. The firm removed and replaced two of Eielson’s aging steam and steam condensate sewer lines with electrical upgrades. Completed this past fall, Clemenson said MWH was lauded for its innovative approach and meeting the Army Corps of Engineers accelerated schedule. Currently, MWH is upgrading the base humidification system instrumentation and controls in the medical clinic, which requires the work be done with minimum disruption while the facility is populated.

In March, MWH will remove and upgrade the central heat and power plant control system, which requires that MWH work around facility constraints so that it can maintain its operational system during these upgrades.

One of the parent company’s core values is to promote what MWH calls a “knowledge-centered environment” based on the idea of sharing knowledge between members of its multidisciplined staff that includes builders, consultants, engineers, financial planners, IT specialists, constructors, architects, lawyers, geologists, scientists, regulatory experts, equity partners, project managers, estimators, schedulers and operators from around the world. It is this same thinking that the firm appreciates in the membership benefits offered by the AGC of Alaska.

“It’s a good resource to use for networking and staying on top of where the industries are going and what fields of growth or contraction are,” said Stuart Nelson, MWH Alaska regional manager. He said the Anchorage office takes advantage of networking events like the annual golf tournament and convention, training opportunities, and the publications that are published throughout the year. In addition to its involvement in the Anchorage chapter, MWH also participates in Fairbanks.

“AGC lets people know who we are and what our capabilities are by introducing us to prospective clients and partners, and helping us understand their needs and concerns and how we can solve their problems,” Nelson said.

Heidi Bohi is a freelance writer and marketing professional who lives in Anchorage.
Alaska is one of the top states for fraud. It’s not a statistic to be proud of but it is one business owners and managers need to be aware of. Individuals aren’t the only targets. According to a Javelin Strategy and Research study for the Better Business Bureau, American businesses lost more than $47 billion in 2005. That’s up by more than $3 billion from 2004. Whether it’s accepting bad checks, online fraud or counterfeiting, you need to know what to look for to protect your business’ bottom line.

Check it out

Each year businesses lose millions of dollars in revenue due to fraudulent or insufficient funds checks. Many times crooks will forge checks or use checks from false bank accounts. That’s why it’s vitally important to train employees on check acceptance policies.

The first inspection employees should make when accepting a personal check is identification. Make sure the name, address and phone number on the check match the information on the ID. Don’t accept expired identification. More than 50 percent of forged checks are presented with an expired driver’s license.

Don’t accept a check without looking at it or feeling it. Most check paper has the same weight and texture and includes watermarks or holograms. Except for government checks, most checks have a perforated edge.

Accept homemade computer checks with caution. These checks can be completely fictitious. If something doesn’t look right, don’t feel pressured to accept the check.

Options for business owners

Even with the best efforts some fraudulent checks may slip through the cracks, including checks from your own business. Follow these steps to avoid having your business checking account targeted.

• Never leave checks in an unsecured area. Checks should be kept in a safe and access should be extremely limited. If you close an account, shred all remaining checks.

• Keep in mind checks can be intercepted after mailing. Drop your checks or payments off at the post office. Criminals have taken mail from private boxes, chemically washed the check and typed in their own name and dollar amount.

• Ensure that a person not associated with the checking account reconciles the account. View copies of the check. Even with computer programs it is still possible to manipulate the payees on the actual check and have the records indicate a legitimate payee.

• Review your account daily. The earlier you catch a mistake or fraudulent act, the easier it is to fix and the less money it will cost you.

Paper or plastic

Many businesses use a system of both credit cards and paper checks to pay bills. One way to prevent your business from being the target of fraud is to go electronic. Keep in mind, your checks can’t be altered unless you write them.

Even in this age of electronic information, some business owners and individuals are still wary about conducting business online. Here are some statistics to take into account. In 2004, nearly 12 percent of fraud took place electronically. In 2005, that number dropped to 7 percent. The majority of fraud is by theft of mail, burglary or Dumpster diving.

If you don’t go electronic, remember to shred any documents that contain financial information, especially financial statements more than five years old.

Cancel your paper bills and statements whenever possible. Instead, check your statements and pay your bills online. Monitor your account at least once a week. If you do not have access to online accounts, review your bank and credit card statements monthly as well as monitor your billing cycles for missing bills or statements. Take the extra effort to protect your company’s financial security and help prevent your business from being the victim of fraud.

Don Krohn joined First National Bank Alaska as Security Officer in 2002. During his first three years at the bank, he developed and implemented programs that resulted in an 80 percent reduction in criminal attacks against the bank and its customers. He can be reached at (907) 777-3471.
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The Alaska CONTRACTOR

Winter 2007

Constructing a Better Tomorrow:
Award–Winning Contractors Are Building Alaska’s Future

With the 2006 construction season wrapping up, the Associated General Contractors held its annual convention November 15-18 at the Hotel Captain Cook. Between meetings, workshop sessions, family events, and networking, they took time to honor many of their members with 2006 Construction and Safety Awards and review 2006 highlights.

At a luncheon on Friday, November 17, a number of contractors received awards for their work on Alaska projects.

Neeser Construction was selected for the General Contractor Over $15 Million Vertical Construction award for the Afognak Native Corporation Alutiiq Center. The five-story office building, located in Anchorage, houses the corporation’s Anchorage based operations and is the headquarters for the government contracting arm of the company.

Weldin Construction took top honors in the $5 million to $15 million Vertical Construction category for a design/build project to construct a C-17 Flight Simulator facility at Elmendorf Air Force Base. This 15,000 s.f. weapons system facility will be used 24 hours-a-day to train pilots for the C-17 aircraft.

“This was a complex project,” said Mike Gardino, the project manager and on-site Superintendent. “The simulator and computer systems generate a heat load that required a sophisticated humidification system, and the...
Taking top honors for Excellence in Construction over $15 million was Neeser Construction for the Afognak Native Corp Alutiiq Center.

American Marine Corporation's Sitka Blue Lake Hydroelectric project captured the Speciality Contractor Award in Transportation, Marine, Heavy, Earthmoving.

design included a number of electrical backup systems.”

The project owner was the Corps of Engineers, but there were many clients with an interest in the project’s success—Boeing, the owner and operator of the simulator; the U.S. Air Force; and the local operations staff on the base. Weldin completed the project in 13 months, ahead of schedule and with minimal change orders. “We had good rapport with the Corps and excellent coordination between agencies,” said Gardino.

The accident-free project earned a safety award from the Corps. This project is the initial phase of a planned “campus” of training facilities for Elmendorf. “We’re very proud of this project, and hope to do similar work in the future,” said Gardino.

West Construction won the award for Under $5 Million Vertical Construction for the Harbor Crown Seafood Processing Plant. The $1.9 million plant, located in Dutch Harbor, was completed in time for the cod season. The client captured 97 percent of the cod market, processing more than 12 million pounds of cod in the 2005-2006 season.

Kiewit Pacific Company was the winner in the Over $3 Million Transportation, Marine, Heavy, Earthmoving category with the $46.9 million design/build Glenn-Parks Interchange project.

“One of the greatest challenges of this project was the risk we took up front to propose a different design to the owner, then sell what we had priced—after we got the job,” said Shawn Lannen, Kiewit’s Alaska Area Manager. Kiewit and CH2MHill, the project designers, were

Above, Kiewit Pacific won the Excellence in Construction over $3 million for the Glenn-Parks Highway Interchange. Right, Bert Bell of Fairbanks is all smiles as he proudly displays the plaque of achievement in accepting the Hard Hat Award.
awarded a 2006 Design-Build Excellence Award from the Design–Build Institute of America, for projects that “exemplify the principles of interdisciplinary teamwork and problem-solving.”

The project’s location in one of the most highly prized juvenile salmon rearing areas in the state added significant challenges to an already complex construction project. While Kiewit has a good reputation for environmental stewardship, work in the sensitive area meant the project had oversight by a number of local, state and federal agencies. “We had a lot of people watching us every day,” said Lannen. Kiewit’s work on the project earned the company a 2006 Globe Award for Environmental Excellence from the American Road and Transportation Builders Association.

Rockford Corporation received the Under $3 Million Transportation, Marine, Heavy, Earthmoving award for the Chester Creek Pump Station #2 Upgrade. The work included removal and installation of three pumps, along with transformers, electrical switchgear and controls, heating and ventilation equipment, ductwork, and environmental controls. This pump station is the Anchorage Water & Wastewater Utility’s largest sewer pump station, representing just under half of the daily sewer flows in the Anchorage Bowl.

The station was constructed in the early 1970s and required an extensive upgrade to replace out-
dated technology and support
more efficient operations. Since
the Anchorage Water & Waste-
water Utility had to continue to
operate the pump station during
the upgrades, Rockford complet-
ed one pump system at a time.

American Marine Corpora-
tion was selected for the Specialty
Contractor: Transportation, Ma-ine, Heavy, Earthmoving, for
their work on the Sitka Blue Lake
Project, a challenging assignment
to remove more than 25 years of
debris from the reservoir that
provides both hydroelectric
power and drinking water for the
City of Sitka.

Paula Dawson, the contract
administrator, said the project
challenges started with the site,
which was five miles from Sitka
with no road access. American
Marine built a road and con-
structed two barges for the proj-
ect, one for the crane and equip-
ment, and one for the “spoils”—
boulders, gravel, dead trees and
other debris that clogged the
dam’s filters and valves.

The weather was also a chal-
lenge, as Sitka experienced a “100
year storm” with temperatures of
minus 9 degrees in the middle of
March. “The divers, with their hot
suits, were the only people who
kept warm,” said Dawson.

American Marine developed
a close working relationship with
their client, the City and Borough
of Sitka, who asked the company
to take on additional work on the
dam including installation of a
new valve to control water flow.

American Marine has com-
pleted a number of challenging
jobs in the last year, including the
Selendang Ayu cleanup. “We’re
equipped to turn out a great
product, and our safety record is
excellent,” says Dawson. “It’s an
exciting time to be working at
American Marine.”

The Specialty Contractor:
Vertical Construction award went
to Superior Plumbing and
Heating for the Mat-Su Regional
Medical Center Project. Superior
was responsible for all piping,

ductwork, heating, ventilation
and medical gas systems for this
$88 million, 198,000 square foot
building.

The short timeframe was one
of the challenges of this project.
Superior’s work began in August
2005 and the facility was opened
in January 2006, as the owners of
the private hospital were eager to
start operations. “It was one of
the fastest jobs we’ve ever done,”
said Jan vanDenTop, Superior’s
Chairman. But vanDenTop said
that good work scheduling and
sequencing within his company
as well as with the other contrac-
tors made the project flow
smoothly. “The owner pushed
hard, but we had enough people
and resources to deliver the proj-
exton time,” said vanDenTop.

The hospital project had more
complex requirements than most
commercial buildings. In addi-
tion to a bathroom in every room,
oxigen and vacuum systems

Above, Tiffany and Robby Capps
welcome AGC America President
Harry Mashburn and his wife
Betsy to the annual dinner dance.
Right, AGC’s Family Fun night
certainly gets our kids into our
business in a fun way. Below,
outgoing president Robby Capps
shares a moment with past
president Pat Riley.
throughout the building added complexity. The operating rooms required advanced ventilation and filtration systems.

Superior has worked on other hospital projects in Alaska, but the sheer size of this project made it stand out as an award winner. “We were pleased that we were successful in winning this award,” said vanDenTop. “This project deserved it.”

The annual dinner dance featured a number of awards for service to AGC.

Bert Bell received the Hard Hat Award, the highest award given by AGC in Alaska. At the annual dinner dance, Bert made a brief appearance at the podium to receive his award amid enthusiastic applause from a large and appreciative audience.

Bert has been involved with AGC for many years, serving on numerous committees, working his way through the executive board positions, serving as AGC President in 2001, and now as a member of the life board. Bert is President of GHEMM Construction, based in Fairbanks. “I earned an MVP rating traveling to meetings,” said Bert.

GHEMM Company was founded in 1952, and Bert joined the company in 1976. Over the years, the company has developed expertise to take advantage of available funding. In the early years, GHEMM did a lot of work in the Bush, working on the DEW line on the northern and western coasts. When Bert joined GHEMM, they were known for building bridges — the Yukon River Bridge being the best known.

When that work waned, the company focused their operations in Fairbanks. They now have an industrial side and a building side. The company just finished Bassett Hospital and is now involved in two “Construction Manager at Risk” projects, where the contractor is involved much earlier in the process and provides cost input as the draw-
ings are developed. “In this environment, with escalating costs, pricing is very hard,” says Bert. “Everyone needs to work together because somehow you have to make the project work—to achieve as much scope as you can within the budget.”

Bert helped form a student chapter of AGC at the University of Alaska and has a personal interest in involving students in the construction industry. He believes that one of AGC’s most significant accomplishments is revitalizing vocational education for students who don’t go to college. “We’ve made a really good, concerted effort,” said Bert. “It has finally taken root, and we can see the growth.”

Traci Johnson, Administrative Manager for Spenard Builders Supply, was named Volunteer of the Year. “I was totally surprised,” said Traci. “SBS has multiple tables at the dinner dance, and many of my NAWIC friends were there—to be recognized in front of your peers is huge.”

Traci has been involved with AGC for 15 years. When she was promoted to her current position at Spenard Builders Supply, she learned that her responsibilities included joining industry groups, including AGC and the National Association of Women in Construction (NAWIC). Her boss, Stan Smith, is also active in AGC. “Stan is the one who encouraged me, and now I’m confident enough, and comfortable with the people and the industry, to enjoy being a part of the industry.”

Traci serves on AGC’s Safety Committee, and on the Conference Committee and several of its subcommittees. This year, she had a big role in Family Night. “With NAWIC’s involvement, Spenard Builders doing the food, and my position on the committee, it was hard to know which hat to wear,” said Tracy.

Tracy credits her good experiences as an AGC volunteer to the AGC staff. “They are just fabulous.”
Associate members Parker, Smith & Feek and First National Bank Alaska shared the Associate of the Year award.

Parker, Smith & Feek is an insurance brokerage with offices in Anchorage and Bellevue. The company has supported AGC financially and through the close involvement of Chuck Szopa, Senior Vice President and manager of the Alaska office.

“Our firm is heavily involved in the construction industry in Alaska, and we want to support activities that are important to our clients,” said Szopa, who has served on AGC committees for more than 20 years. Szopa said he was surprised and very honored that his company was selected for the award. “It’s wonderful to have the recognition.”

D.H. Cuddy, President and Chair of First National Bank Alaska, said “First National Bank Alaska is proud of our 57-year sponsorship of Associated General Contractors. Our bank was ‘built’ on the success of this state’s construction industry. We are honored to receive the 2006 Associate of the Year Award from this important Association. Thank you.”

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Top left, AGC Executive Director Dick Cattanach addresses the dinner dance audience while Knick Knickerbocker, top right, states his platform for the coming year. Center, our vendors show their products and prepare to do business with AGC. This highly popular “Vendors Room” was a conference hit. Left, Monty Montgomery, AGC Assistant Executive Director (left), visits with (from left) Greg Schmidt, Chuck Szopa and Jayson Mathiesen at the President’s Reception.
AGC AWARD WINNERS FOR 2006

Hard Hat Award (AGC’s top award):
Bert Bell, GHEMM Construction

Volunteer of the Year:
Traci Johnson, Spenard Builders Supply, Inc.

Associates of the Year:
Parker, Smith & Feek and
First National Bank Alaska

Supplier of the Year:
Mickey Hebert, AGGPRO, Division of Colaska, Inc.

Marsh USA Excellence in Safety Awards

Contractor’s Safety Program Excellence Award:
Interior Alaska Roofing, Inc.

Safety Leadership Award:
Dave Thomas, Alaska Interstate Construction, LLC.

Excellence in Safety Record for Building
Over 100,000 Hours:
Roger Hickel Contracting

Excellence in Safety Record for Building
Under 100,000 Hours:
Kiewit Building Group

Excellence in Safety Record for Highway/Utility
Over 100,000 Hours:
Ahtna Construction and
Primary Products Corporation

Excellence in Safety Record for Highway/Utility
Under 100,000 Hours:
West Construction Company, Inc.

Excellence in Safety Record for Specialty
Over 100,000 Hours:
Alcan Electrical and Engineering

Excellence in Safety Record for Specialty
25,000 to 100,000 Hours:
American Marine Corporation

Excellence in Safety Record for Specialty
Under 25,000 Hours:
Stark-Lewis, LLC

Alaska USA Insurance Brokers Excellence in Construction Awards

General Contractor Over $15 Million Vertical:
Neeser Construction, Inc., for the Afognak Native Corporation Alutiiq Center

General Contractor Between $5 and $15 Million Vertical:
Weldin Construction, Inc., for the Design/Construction C-17 Flight Simulator

General Contractor Under $5 Million Vertical:
West Construction Co., Inc., for the Harbor Crown Seafood Processing Plant

Meeting the Challenge of a Job Over $3 Million
Transportation, Marine, Heavy, Earthmoving:
Kiewit Pacific Company for the Glenn–Parks Interchange

Meeting the Challenge of a Job Under $3 Million
Transportation, Marine, Heavy, Earthmoving:
Rockford Corporation for the Chester Creek Pump Station #2 Upgrade

Specialty Contractor Transportation, Marine, Heavy, Earthmoving:
American Marine Corporation for the Sitka Blue Lake Hydroelectric Project

Specialty Contractor Vertical Construction:
Superior Plumbing and Heating for the Mat-Su Regional Medical Center

AGC received the Anchorage Chamber of Commerce Gold Pan Award given to associations for its work with youth and young adults.

Photo: Rob Stapleton/Alaska Journal of Commerce
International prices for mineral commodities and coal continue strong and are the driving force for the mining industry worldwide, including Alaska. Alaska’s mines, advanced exploration projects and grassroots exploration are all benefiting from the current strong demand.

It is expected that 2006 will set a new record high level for mineral investment and if prices remain high, 2007 should be even better.
In 2006 the Pogo Mine, located northeast of Delta Junction, began operation and Nixon Fork, located northeast of McGrath, resumed production after a major redesign and rebuild. Also, construction began at the Kensington Mine located north of Juneau and at the Rock Creek Mine at Nome.

Alaska mines already in production continue to operate but costs continue to increase, especially for diesel fuel and for electrical power. Numerous small family placer gold mines continue to operate on a seasonal basis and some new ones are being permitted. The sand, gravel and stone mines continue to supply material for local construction activity.

On the horizon, a Supplemental Environmental Impact Statement is in process for the Chuitna Coal project, located across Cook Inlet west of Anchorage. Chuitna completed an EIS in the late 1980s but coal prices fell and the project became uneconomic.

More than a dozen projects spent more than $1 million each on exploration in 2006, and in 2007, this number should be even higher. The biggest investors have been Barrick Gold at Donlin Creek and Northern Dynasty at Pebble.

The Bureau of Land Management planning effort for Southern NPR-A is of major importance to the nation. This is the area in northwest Alaska that includes the extension of the mineral terrain that contains Red Dog. The metal and coal resources of the area are tremendous. Due in part to this coal, the U.S. is often called the “Saudi Arabia of coal.” Given the current energy crisis and the Middle East situation, it is imperative that these metal and coal deposits become available to the nation.

Improved metal and coal prices, along with stable tax and regulatory policies, continue to draw new investments to Alaska. Opening NPR-A will add significantly to those investments.

Steve Borell is executive director of the Alaska Miners Association, an industry support organization with more than 1,000 members. The AMA represents all aspects of the mineral industry before state and federal agencies, the Alaska Legislature and U.S. Congress. He has more than 32 years experience involving exploration and operations in coal, placer and hardrock mining in western and midwestern states, Canada and South America. He is a registered professional engineer in Alaska, Colorado and North Dakota.
If the mineral deposits continue to pan out, the Pebble mine project, situated on 153 square miles of state land approximately 200 miles southwest of Anchorage, could prove to be the mother lode.

However, labeling the project as a gold mine is a mischaracterization, according to Bruce Jenkins, chief operating officer of Northern Dynasty Mines Inc., the Anchorage–based fledgling of its Canadian parent company, Northern Dynasty Minerals Ltd.

"The most significant value comes from the copper," explained Jenkins, whose company is the owner and developer of the Pebble project.

Exploration has determined Pebble’s deposits of gold and copper to be ranked the largest in North America and some of the largest in the world, Jenkins said.

Pebble’s copper deposits are estimated to be 49 billion pounds. The copper mine in Cananea, Mexico is a close second with 48 billion pounds.

Pebble’s gold resources discovered so far are estimated at 64 million ounces. The Donlin Creek gold project in the Kuskokwim gold belt of southwestern Alaska projects 28 million ounces, followed by Nevada’s Betze-Post mine at 19 million ounces.

Pebble trails the Grasberg mine in Indonesia as having the world’s largest deposits of gold and copper porphyry. Pebble also contains molybdenum and silver values.

As Northern Dynasty continues drilling, Jenkins said he expects Pebble’s numbers to climb.

Pebble mine was originally considered a copper deposit when initial exploration began in 1988 by Teck Cominco. Northern Dynasty became involved in the project in 2001 and now owns full interest in Pebble.

"Up until last year, we thought we had properly defined the project," Jenkins said of what is now called the Pebble West deposit, containing approximately 4.1 billion tons of resource that could be extracted from an open pit mine.

Last year, the company drilled 20 holes east of Pebble West and discov-
The location of the Pebble deposit is 19 miles northwest of Iliamna and south of Lake Clark National Park. The project includes a proposed road corridor and saltwater port on Cook Inlet.

Map: Northern Dynasty Mines Inc.
A new deposit, Pebble East, has been discovered by Northern Dynasty. With a preliminary estimate of 1.8 billion tons and higher grades of metal compared to Pebble West, the project has the potential to become a large underground mine, according to Jenkins.

The company has earmarked approximately $15 million to $20 million for continued drilling in Pebble East in 2007. When the site is fully defined, the project will advance to the next phase of permit applications and feasibility and environmental studies, expected to begin sometime in 2008.

By the end of 2006, Northern Dynasty will have invested approximately $128 million in the Pebble project since 2002 and has budgeted between $50 million and $60 million for 2007, said the COO.

Jenkins said currently the company’s biggest challenge is finding enough drill rigs of sufficient size to finish drilling.

“Metal prices are high and drill rigs are in high demand,” he said. The company was able to obtain four rigs in 2006, and is scouring the world for more.

In the latter half of 2006, the gold market ranged from $550 – $630 per troy ounce, copper brought $3 – $3.60 per pound, molybdenum $26.50 – $28.50 per pound, and silver ranged between $10.70 and $13 per ounce.

Jenkins said there is currently a global market for all four metals. An important strategic metal, the demand for copper will significantly exceed the supply within 10 years, he said.
Not in my backyard

Many Bristol Bay residents in the area of the Pebble project consider their fish and wildlife to be the real gold mine.

The Pebble project and the surrounding 896-square-mile mining district currently being gobbled up by various mining companies sits in the heart of a pristine watershed that is home to the world’s largest wild sockeye salmon run and renowned sports fishing. Alaska Native people have lived off the land for thousands of years and fear losing their culture and natural food resources to potential contamination of the vast watershed of the Nushagak and Kvichak rivers.

Dillingham resident Bobby Andrew has lived his entire life in the region and depends on subsistence as a way of life.

“It’s a way of life I’m used to in order to survive. That’s part of life,” he said.

According to Wanetta Ayers, executive director of the Southwest Alaska Municipal Conference, residents of the Bristol Bay region’s Lake and Peninsula Borough annually consume 1,100 pounds of subsistence goods per person. That rate of subsistence harvest is second in the state to the Yukon Delta region, she added.

Andrew is president of the Alegnek Natives Limited and a member of
Nunumta Aulukestai, an association of eight Bristol Bay Native corporations opposed to the proposed Pebble mine and the Bristol Bay mining district. The organization’s title is Yupik Eskimo meaning, “Caretakers of Our Land.”

The Bristol Bay Alliance, headed by Iguigig sport fishing lodge owner Brian Kraft, sponsored a trip to Nevada for a group of Bristol Bay village residents to view four open pit mines and speak with Shoshone Indians living nearby.

Andrew said residents learned the open pit mines damaged the water supply and the landscape.

Detrimental impacts from mining on the area’s renewable resources would not only affect Alaska Natives, but also commercial and sports fishermen outside the state.

“Commercial fishermen don’t just come from Alaska,” Andrew said. “They also come from the West Coast and they will be affected as well.”

The Yupik Eskimo adamantly stated he will not support the Pebble project unless Northern Dynasty can “guarantee me not one speck of toxic chemical would go into the air, into the water or into the ground.”

“For me personally,” he added, “if they hired all the people in the region and gave them a pick and shovel and a pan, then I’d support it.”

The Renewable Resources Coalition represents a broad alliance of those concerned with the impacts of mining on the state’s renewable resources. But don’t label the group as an environmental organization said coalition spokesperson Scott Brennan.

“We are founded by people who would never be a part of an environmental organization,” said Brennan. “We have some very strong pro-development people on our board. We are actually a trade association with the mission to protect the economic engine that is Alaska’s fish and game habitat.”

Brennan cited a recent study by the Institute of Social and Economic Research at the University of Alaska Anchorage as determining salmon and trout fisheries in the Bristol Bay watershed bring in $400 million a year “in cold hard cash to the state.”

“My organization is about insuring we do not risk that economic engine for a one-time boom or bust mining cycle in Bristol Bay,” he added.

“Here’s what we’re against. We’re against threatening the world’s last great salmon fisheries. We’re against threatening existing Alaska jobs to benefit foreign corporations,” Brennan said.

**Wait and see**

While many are adamantly opposed to the Pebble project and the surrounding mining district, others are taking a “wait-and-see” attitude.

Jeff Currier is manager of the Lake and Peninsula Borough that comprises 23,500 square miles of land, 5,000 miles of water, 17 villages, 14 schools and very few roads.

“The assembly is in support of exploration and they want to see the science before they make up their minds,” Currier said.

He said the borough is losing population on a monthly basis and looks to employment opportunities as

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continued on page 50
High metal prices contribute to increased mining activity in Alaska.

The following detail statistics for 2005 and list some of the top projects.

- Total value in mineral industry: $1.83 billion, new record value.
- More than 2,800 full-time jobs with average monthly wage of $6,188.
- Preliminary exploration expenditures exceeded $96 million, 36-percent increase over 2004.
- Development investment: $300 million, up from $209.1 million in 2004.
- Production values: $1,500 million, up from $1,338.7 million in 2004.

EXPLORATION and DEVELOPMENT
- Placer Dome Inc-NovaGold Resources Inc-Calista Corp gold project, Donlin Creek.
- Northern Dynasty Pebble porphyry copper-gold project near Iliamna.
- Liberty Star Gold Corp. holds 1,718 mining claims covering approximately 421 square miles in southwestern Alaska.
- Continued exploration: Fort Knox and Greens Creek made discoveries in 2005 that extended mine resources.
- AngloGold Ashanti led exploration for intrusion-related gold deposits in Interior.

CONSTRUCTION
- Coeur Alaska’s Kensington underground gold mine near Juneau began construction in 2005.
- NovaGold Resources Rock Creek gold mine near Nome, under construction.

PRODUCTION: TOP 3
1) Teck Cominco-NANA’s Red Dog Mine, 90 miles north of Kotzebue, world’s largest zinc producers, accounted for 60 percent of state’s mineral production value.
2) Kennecott Minerals-Hecla Mining’s Greens Creek mine near Juneau, silver, gold, zinc and lead, 2005 production 14 percent of state’s mineral value
3) Kinross Gold’s Fort Knox gold mine near Fairbanks ranked third with approximately 11 percent of state’s 2005 mineral value.

Source: Alaska Department of Natural Resources
a result of the Pebble project to reverse that trend.

Fuel in borough headquarters in King Salmon is $5 a gallon. Wind chills of minus 40 degrees in winter are not uncommon.

“You can’t drive up to the gas pump and trade a beaver pelt for $5 a gallon gas,” said Currier.

Northern Dynasty employed approximately 125 people last summer from the Bristol Bay region – from driller’s helpers to bear guards.

“That doesn’t sound like a lot of employees, but that’s probably 9 or 10 percent of the population,” Currier said. “That’s pretty significant.”

He said much of the fear of the Pebble project is based on misinformation.

“I never realized how little the truth or facts matter to the environmental factor,” Currier said.

“It’s frustrating. This project should be a local decision,” said the borough manager. “If the local people don’t buy off on it, then it shouldn’t happen. But because of the spin put on by environmental groups and the misinformation
Northern Dynasty Mines employed approximately 125 people in 2006 from communities in the Bristol Bay region. The project is expected to generate some 2,000 jobs during construction and 1,000 full-time jobs during mine operations, which could last 60 years.

Tiel Smith, land and resource manager for the Bristol Bay Native Corporation, which represents the 29 communities in the Bristol Bay region, said his corporation is “taking a proactive neutral position.”

“We want to make sure we respond to the science that’s coming out and take advantage of the public comment periods.”

Ayers of the Municipal Conference said the stakes are incredibly high on both sides, but feels much of the public has reached polarization before any real development possibilities have come to the forefront.

**Good neighbors**

Northern Dynasty’s COO said he’s not surprised at the amount of publicity against the project, but he is disappointed.

“We’ve encouraged open dialogue,” said Jenkins. “We’ve held 650 stakeholders meetings over the past three years.”

As to the supposition that the Pebble mine will completely destroy the Bristol Bay commercial fishery, Jenkins replies, “Poppycock.”

Jenkins said 10 percent of the sockeye come from the Nushagak River. The Pebble project footprints 0.06 percent of the Nushagak and Mulchatna rivers, he added.

The COO also labeled as false the implication the project would destroy a very significant rainbow trout run in Talarik Creek.

Jenkins explained the trout run is in Lower Talarik Creek, which is out of the project area.

“Opponents have taken pictures of fishermen on Lower Talarik and confused the public into thinking its Upper,” Jenkins said.

Jenkins said his company has employed 45 consulting firms and spent one-third of its budget on environmental and socioeconomic work.

“We’re professional at what we do. We have the A-team. We’re doing it right,” he added.

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Nancy Erickson is a freelance writer who lives in Anchorage.
iring an employee after he has engaged in some protected activity, such as filing a workers’ compensation claim, filing a safety complaint with OSHA or testifying against the employer in an unrelated matter, is very risky because earlier cases described in this column have held that just the simple proximity in time between the protected action and an allegedly retaliatory discharge was sufficient to establish a causation link between the two. The employer would have to prove the termination was justified on other grounds, and not just a “pretext.”

A recent decision of the Alaska Supreme Court has upheld the discharge of an employee right after he filed a workers’ compensation claim, holding that the “proximity in time rule” would not be “mechanically applied in all situations.” The case involved a welder working at a large mine in Northwest Alaska, on a two-week-on/one-week-off schedule. He had “a long history of chronic depression and alcohol abuse,” which “frequently caused him to miss work.” His employer had a progressive disciplinary program, which provided after a sufficient number of absences had occurred, a person would be put on a “performance management plan.” Under this plan, the person could still miss another five days of “unplanned absences” without incurring further problems. If an additional one through four days over the five-day limit were missed, the person would be progressively disciplined, including termination after the fourth “unplanned absence.” “Unplanned absences” were absences other than (1) pre-approved time off; (2) bereavement leave; (3) workers’ compensation leave and (4) Family Medical Leave Act, which permitted 84 days in a given year.
The person’s previous absenteeism had put him on the “performance management plan” as of January 1, 2002. As of July 1, 2002, the person had already used up 74 of his FMLA days for that year, 14 days of workers’ compensation leave, as well as two of the five permitted additional “unplanned absences.” On July 2, he visited a naturopathic doctor who thought that he might have a high level of lead accumulation in his urine, which would require certain treatments, though the treatments would not prevent him from returning to work on his “next work cycle.” Instead of showing up for his next two-week schedule, he sent the naturopath’s letter, which included the information about being able to be treated during the off time.

After skipping that entire two-week schedule, the employee worked his next two-week schedule, but then did not show up for the subsequent two-week schedule. After the first three days of being absent, he had used up all available leave and unplanned absences under the plan plus one day. After three more days of being absent his employer did not fire him but “suspended him pending review.” The employer had an independent medical examination performed by a physician who concluded that as a welder he had had a modest exposure to lead, but did not have any illness and was not prevented from working. When the employer received the IME physician’s report, the employer terminated the employee. The termination letter pointed out that if the workers’ compensation claim had the effect of converting his unplanned absences into workers’ compensation absences, the result would have been different. The termination was based upon the absences that had accumulated prior to the IME being performed, which were now clearly “unexcused.” After being terminated, the employee sued for retaliatory wrongful discharge. The court held that the termination was for unexcused absences and not for filing a workers’ compensation claim. The court pointed out that the employee was put on the disciplinary plan because of chronic absenteeism more than eight months before the termination; and the employee’s workers’ compensation claim was made on the eve of using up his available absences even under that disciplinary plan. The ultimate termination was based upon the employee’s own health care provider’s opinion that the condition did not require an absence from work. An opinion shared by the IME doctor. The termination was not based upon the workers’ compensation claim being unmeritorious, but upon the absences being unexcused in the opinion of both the employee’s medical provider and the IME.

The Alaska Supreme Court departed from its normal “proximity in time rule” that establishes causation between a protected activity and a discharge, and held that the termination was not retaliatory. When an unsatisfactory employee undertakes a protected activity, discharging that person will be fraught with risk. But if the employee’s performance is sufficiently bad and documented, a discharge based on that performance can be upheld even if close in time to the protected activity.

Robert J. (Bob) Dickson is a partner of the Anchorage law firm Atkinson, Conway & Gagnon Inc.
AsCON Gounur:

AGC members’ projects from around the state

Convention Center
Anchorage
Builder: Neeser Construction Inc.
Neeser is one of four developers on the $93 million Dena’ina Civic and Convention Center in downtown Anchorage. Photos: © Danny Daniels
Salvation Army Project
Anchorage

Builder: Neeser Construction

Neeser Construction crews work on the new McKinnell House Family Shelter, the first of three buildings that will make up the Salvation Army Family Enrichment Place at Chester Creek. The campus at 1712 C Street, just south of East 16th Avenue, will house the Cares for Kids Crisis Center, McKinnell House, the Older Alaskans Program and the Disaster and Operations Center.

PHOTO: © Danny Daniels

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Winter 2007
Convention Center workers
Anchorage
Builder: NEESER CONSTRUCTION
Neeser also is the design-build contractor for the 210,000-square-foot, three-story civic and convention center, which is scheduled for completion in 2008.

Photo: © Danny Daniels
Davis Constructors and Engineers Inc. refurbished the former Alaska Psychiatric Institute into the Providence Region Building. The 130,000 square foot building will consolidate Providence Alaska Medical Administrative personnel into a single facility.

PHOTO: © DANNY DANIELS

Davis Constructors also built this 133,000-square-foot, 365-stall addition to the parking garage at the Providence Alaska Creekside Campus. RIM Architects LLC designed the structure.

PHOTO: © DANNY DANIELS
The ‘right’ word

The story goes that while being interviewed, author Truman Capote was asked if it was true that some days he wrote only a single word. His response was reported to be that though this was true, it was the “right” word. When it comes to regulation under federal laws like the Endangered Species Act, how the “right word,” or words, are defined can mean the difference between a vibrant economy and rational environmental protection or excessive government control and the stagnant economy it generates.

The politicians may write our laws, and bureaucrats see to their enforcement, but it is often the courts that determine what they mean and how or when they should apply. This is why almost every major environmental organization has an active litigation program.

To see this in action, consider how the Center for Biological Diversity used the courts to reverse the decision not to list certain orcas, or killer whales, under the ESA. Since the entire species is not in danger, CDB argued that only a small group of killer whales, in ESA terms called a distinct population segment, should be listed: the group found in the Puget Sound area of northwest Washington state. The court accepted the CBD argument and set a process in play that would lead to the listing of this subgroup of killer whales. Pacific Legal Foundation recently filed a lawsuit challenging the orca listing decision.

Now, orcas are plentiful in most of the north Pacific, so CBD’s earlier lawsuit sought ESA protection for orcas found in just one portion of their range, making the whale population seem less than it is. CDB claimed that this group was a distinct population segment of a subspecies; a subgroup of a subgroup. In essence, this is the ESA version of ger-
If you can’t make the argument that the species is endangered, carve out a segment that will yield the desired result. The outcome in this case may have significant bearing on how the ESA treats beluga whales in and around Cook Inlet near Anchorage. Recent news accounts have reported a significant stir over moves by federal regulators to give ESA protection to a subgroup of these whales in the area of Cook Inlet. Since listing would lead to a critical habitat designation, and such designation could have a major impact on future development of this important port, politicians and citizens alike are getting involved. According to local news sources, several local governments have gone so far as to authorize money to fund a legal approach to derail plans to list this group of beluga whales, efforts that include both possible litigation and lobbying of state and federal lawmakers. Even outgoing Alaska Gov. Frank Murkowski joined the chorus of concerned Alaskans when he authored an article in The Washington Times in November. Gov. Murkowski rightly points out that questionable scientific information and the arbitrary redefinition of species or subspecies must not drive regulatory restrictions as potentially dangerous as the ESA. The potential threats to the Alaska economy are real. Recent news reports cite potential risks to expansion at the Port of Anchorage, the $600 million Knik Arm Bridge, and even Mat-Su ferry service. Claiming that the sky is falling is not the solution; vigilance and commitment to finding reasonable outcomes are. Thanks to a small number of listed species currently within its borders, Alaska has not experienced the full impact that ESA regulation has on all sorts of development activities. Pacific Legal Foundation is proud to be leading the charge in court to stop the illegal expansion of the ESA and the regulatory restrictions it generates. Steps taken today will safeguard Alaska’s economy, but failing to act assures a future of lost opportunities.

James Burling is a principal attorney in the property rights section of Pacific Legal Foundation and directs operations of PLF’s three regional litigation centers, including the Northwest Center office in Alaska. He is one of only a few attorneys who have successfully argued cases in the U.S. Supreme Court.
ANCHORAGE—Eklutna Inc., CIRI and Alaska Interstate Construction signed a five-year agreement to provide sand and gravel and other aggregate products for the construction industry in the Anchorage market.

Eklutna Inc. owns the surface lands in the contract area and CIRI owns the subsurface sand and gravel resource. To manage the material extraction and delivery, Alaska Interstate Construction formed Alaska Aggregate Products.

Alaska Aggregate Products will join Anchorage Sand and Gravel, Central Paving—a subsidiary of Wilder Construction, and Quality Asphalt Paving, which import 4.5 million tons of materials from the Mat-Su Borough via the Alaska Railroad.

In addition to providing a competitive source for the industry closer to the market, the project also includes salmon habitat restoration on the Eklutna River, which is so shallow that salmon fry do not survive the winter freeze-up.

The parties will work with the local tribe, the watershed council and regulatory agencies to improve the salmon habitat and create deeper pools that don’t freeze solid during winter months.

‘THE ZWEIG LETTER’
 honors ASCG

ANCHORAGE—ASCG Inc. was honored at the Hot Firm Conference in October 2006 as 15th among the nation’s 100 fastest-growing architecture, engineering, planning and environmental consulting firms.

This is the fourth time The Zweig Letter—a weekly management advisor, written for principals and managers of architecture, engineering and construction companies—has included ASCG in its nationwide Hot Firm List.

ASCG is an Alaska-based engineering, architectural and technical services consulting firm with offices in Alaska, Oregon, Washington, Idaho, Colorado, Arizona, New Mexico and Texas. The company is a subsidiary of NANA Development Corp., the business arm of NANA Regional Corp.

The company is listed as No. 47 in Engineering News-Record’s Construction Management Top 100 list for 2006.
Cook Inlet’s New Sand & Gravel Deal

Alaska Aggregate Products (AAP), the newly formed subsidiary of Alaska Interstate Construction (AIC), is a direct result of the historic agreements executed on September 29, 2006, between AIC & CIRI and CIRI & Eklutna, Inc. AAP will offer competitively priced aggregate, redi-mix and hot mix asphalt.
ANCHORAGE—Everts Air Cargo has started flights Tuesday through Saturday from Anchorage and Fairbanks to Prudhoe Bay. The freight service for general, priority and small packages leaves Anchorage after business and arrives at 7 a.m. at the Deadhorse Airport the next day. Freight dropped off before 5:30 p.m. can be picked up at the Carlile Deadhorse facility by 8 a.m. the next day.

Cost from Anchorage to Deadhorse is 75 cents per pound, with a separate rate of 60 cents per pound from Fairbanks to Deadhorse.

Northern Air Cargo and Alaska Airlines also offer cargo service to Prudhoe Bay.
Everts also added Todd Wallace and Shala Schnell to its Anchorage operation.

Wallace is a cargo industry veteran with more than 25 years experience in the Alaska cargo marketplace. He will work closely with customers and strategically develop the sales and marketing efforts for Everts Air Cargo.

Todd Wallace

Schnell is a lifetime Alaskan who has joined the Everts Air Cargo sales team. She will work with Anchorage-based accounts shipping to rural Alaska and will travel throughout the state working with Everts customers.

Shala Schnell

Everts Air Cargo provides scheduled service out of Anchorage and Fairbanks to 12 major hubs in Alaska, as well as, charters, flag stops and fuel delivery statewide.

For more information, please visit www.evertsair.com.
Since Davis Constructors and Engineers Inc. was founded 30 years ago, the company has earned a reputation as one of Alaska’s most experienced statewide general contractors. Marketing coordinator, Lynn Steeves said Davis has several recently completed projects that illustrate the breadth and depth of its abilities.

- Davis Constructors completed Tundra Tykes Childcare Facility, at 8th Avenue and D Street in Anchorage, December 2006. Designed by RIM Architects (AK) LLC for developer JL Properties, the 10,000 square-foot, single-story structure will house a childcare facility for federal employees.

- University of Alaska Anchorage’s 12,000-square-foot Alaska Native Science and Engineering Program Facility in October 2006. The project developer was JL Properties and the architect was RIM Architects.

- Davis Constructors remodeled the former Boniface Center to be the new Anchorage School District Education Center. Redesigned by RIM Architects, the last of the 428 district employees will be completely moved into the new offices by the end of January. JL Properties was the developer.

- In December 2006, Davis Constructors also completed a refurbishment of the former Alaska Psychiatric Institute into the Providence Region Building, which will consolidate Providence Alaska Medical Administrative personnel into a single facility, and compliment the Providence Alaska Medical Center campus plan. Steeves said the 130,000-square-foot Class “B” slender boat shape of the building. The exterior of the building is primarily glass curtain wall and metal panels in long thin sections.

Steeves said the structure is moment frame and braced frame construction on a concrete foundation, which is relatively shallow with very widespread footers due to the high water table in the area and the long
Office reuse-renovation will accommodate approximately 500 administrative personnel.

“We took the empty building and stripped it down to its structural concrete,” she said. “We used a fiber reinforced polymer composite to strengthen the concrete structure, and then really gave it a huge face lift to make it reflect the Providence campus feel.”

- Davis Constructors has also com-
completed the St. Elias Specialty Hospital, 4800 Cordova, Anchorage which will open in January. Kumin Associates were the architects and the developer is Dr. McGuire. The facility is Alaska’s first Long-Term Acute Care Hospital and is a joint venture with Providence Health System and BridgeCare Hospitals.

The 76,000-square-foot, concrete/structural steel building has 60 long-term acute hospital beds. Associated facilities will include a kitchen, dining hall, nurses stations, utility rooms, physical therapy and other functions.

“It will go toward addressing the need for long-term acute hospital beds in Alaska,” Steeves said.

With an eye toward the future, she also shared a few details about JL Properties new signature project at 3800 Centerpoint Drive, Anchorage. RIM Architects designed the 14-story JL Towers. The 280,000-square-foot building stands on a huge concrete monolithic matte foundation.

Steeves said the October pour was so big it consumed all of the concrete that was manufactured in Anchorage that day by both Anchorage Sand and Gravel and AggPro.

“It’s a very, very large concrete foundation,” she said. “Usually, you’d heat it so it doesn’t freeze and thaw over the winter, but this one is so big the curing process will keep it warm.”

The project is scheduled for completion in April 2008.

**The Politics of Construction continued**

happens if natural gas prices fall to $2.50? The short version is that there will be positive and negative effects for contractors and Alaska businesses both. Anyone who was here when the trans-Alaska oil pipeline was built can tell us that.

**Impact on Alaska business** – Quite simply, a gas pipeline has the potential to be the greatest thing since the trans-Alaska oil pipeline was built in the 1970s. A huge influx of capital and well-paid laborers driving the local economy toward prosperity, the potential for access to cheap gas, and a long-term cash flow to the state from royalties and ownership interest in the pipe itself (Pipeco).

**Alaska hire** – How can we ensure Alaska hire and contracts for Alaska businesses given the legal constraints imposed over the years limiting “Alaska hire” provisions? This is a serious question. One way to ensure Alaska hire for individuals as well as businesses is to train and equip Alaskans for work on the gas line itself or in a supporting capacity. At this point, we’ve already committed $3 million for a training facility in Fairbanks and almost $5 million for upgrades to the facilities of Alaska Vocational Technical Education Center in Seward. While $8 million on training for employees is money well spent, I would also like to see the state work with pipeline owners to provide training for Alaska business owners in finding and bidding for gas line contracts or other areas to help ensure Alaska firms are hired first.

**Labor shortages** – Training Alaskans for work on the pipeline and associated projects is crucial. This is particularly true because of the likelihood of a serious construction labor shortage between the Olympics scheduled for British Columbia in 2010, the Mackenzie Delta gas pipeline project, and other capital construction projects in the state of Alaska, which could even include bridge construction.

**Project labor agreement** – It is almost a certainty that there will be at least one project labor agreement on a project this size. The question becomes whether the state of Alaska will require a project labor agreement and thus remove some wiggling room from the owners of the gas pipeline, whoever they may be.

**Falling gas prices** – Most analyses I have seen for a gas pipeline require a minimum price for gas to make the project economic. Depending on the route, the financing and other assumptions, the price varies substantially. It remains a substantial risk however, particularly when seen in light of the historic volatility of gas prices and the possibility that gas prices as a commodity are starting to diverge from oil prices. These issues have major implications for the viability and construction of a gas pipeline and are impossible to resolve at this point.

Alaska has a bright future to look forward to over the next several years, and if we are lucky, that prosperity will last for generations. Now is the time to discuss these important issues, to study, to train our employees and prepare for the challenges ahead. I am confident we will succeed.

Since 1976, the Port of Tacoma has been a major trade gateway to Alaska. With Horizon Lines and Totem Ocean Trailer Express shipping lines located in Tacoma, the Port of Tacoma now handles more than $3 billion of waterborne trade with Alaska each year.

But Tacoma’s trade connections to Alaska are just the tip of the iceberg. A few examples:

- The Port of Tacoma and the Tacoma-Pierce County Chamber of Commerce have supported oil exploration and recovery in ANWR since 1986. We were the first two groups outside of Alaska to support this issue.

- Port of Tacoma Commissioners and staff regularly visit Alaska—to places ranging from Prudhoe Bay to Dutch Harbor—to better understand the current issues and business climate.

- Each year, Tacoma Pierce County sends a delegation of business leaders to Alaska’s state chamber convention—to meet with Alaska’s business leaders and keep them informed about Tacoma’s developments.

- The Port of Tacoma and the Tacoma-Pierce County Chamber of Commerce are key sponsors of an economic impact study that examines important connections between Puget Sound and Alaska.

- The Port of Tacoma has a partnership agreement with the Port of Anchorage, working with Alaskans on key issues, such as evaluating opportunities in the Northern Sea Route.

We are proud of our connections to Alaska, especially our friendships with people who live there.

A step ahead.

(253) 383-5841
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This message to the people of Alaska is from the Port of Tacoma and the Tacoma-Pierce County Chamber of Commerce.
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