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800-478-7000

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907-452-7251
888-852-6760

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8550 Airport Blvd
907-789-0181
800-478-0478

Wasilla
2051 West Rupee Circle
907-352-3400
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TOTE's modern Orca Class vessels are equipped to transport almost any size load, safely and efficiently. For construction, oil, mining, retail, and projects of all kinds, you can count on "DIRECT on TOTE."

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Correction: In the summer 2007 issue, a photo on page 54 should have been attributed to Chugach Electric Association.
Low Bids for 2007

<table>
<thead>
<tr>
<th>Category</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>
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</thead>
<tbody>
<tr>
<td>Building</td>
<td>$277,231,493.32</td>
<td>$498,619,748.79</td>
<td>$200,391,490.86</td>
<td>$49,083,669.33</td>
<td>$154,990,027.99</td>
<td>$36,753,596.65</td>
<td>$36,145,784.00</td>
<td>$295,915.06</td>
<td>$18,476,480.61</td>
<td>$40,567,616.64</td>
<td>$59,340,012.31</td>
<td>$84,030.20</td>
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<td>Military</td>
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<td>$54,083,669.33</td>
<td>$154,990,027.99</td>
<td>$36,753,596.65</td>
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<td>$18,476,480.61</td>
<td>$40,567,616.64</td>
<td>$59,340,012.31</td>
<td>$84,030.20</td>
<td>$488,619,748.72</td>
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<tr>
<td>Other</td>
<td>$13,123,962.41</td>
<td>$200,391,490.86</td>
<td>$54,083,669.33</td>
<td>$154,990,027.99</td>
<td>$36,753,596.65</td>
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<td>$84,030.20</td>
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<td>Trans</td>
<td>$200,391,490.86</td>
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<td>$59,340,012.31</td>
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<td>$488,619,748.72</td>
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Low Bids for 2006

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<tr>
<th>Category</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
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<th>November</th>
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<td>Building</td>
<td>$327,311,018.00</td>
<td>$478,309,000.75</td>
<td>$469,823,001.20</td>
<td>$351,251,183.00</td>
<td>$318,454,500.00</td>
<td>$361,805,182.00</td>
<td>$339,440,001.20</td>
<td>$349,909,001.20</td>
<td>$367,909,001.20</td>
<td>$359,909,001.20</td>
<td>$367,909,001.20</td>
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<td>$367,909,001.20</td>
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<td>Military</td>
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<td>$351,251,183.00</td>
<td>$318,454,500.00</td>
<td>$361,805,182.00</td>
<td>$339,440,001.20</td>
<td>$349,909,001.20</td>
<td>$367,909,001.20</td>
<td>$359,909,001.20</td>
<td>$367,909,001.20</td>
<td>$367,909,001.20</td>
<td>$367,909,001.20</td>
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<td>Other</td>
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<td>$478,309,000.75</td>
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<td>$351,251,183.00</td>
<td>$318,454,500.00</td>
<td>$361,805,182.00</td>
<td>$339,440,001.20</td>
<td>$349,909,001.20</td>
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<td>$359,909,001.20</td>
<td>$367,909,001.20</td>
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<td>Trans</td>
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<td>$367,909,001.20</td>
<td>$367,909,001.20</td>
<td>$367,909,001.20</td>
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</tbody>
</table>

Note: Winning Bids, Low Bids and Construction Activity
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) RFP results are not always advertised in the bulletin
<table>
<thead>
<tr>
<th>PROJECT Description</th>
<th>CONTRACTOR</th>
<th>Amount</th>
<th>Notes</th>
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<tr>
<td>FBKS SPORT HATCHERY SITE GRADING/SEWER MODS</td>
<td>Exclusive Paving</td>
<td>$1,898,828</td>
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<td>FBKS HOUSEHOLD HAZARDOUS WASTE FACILITY EXPANSION</td>
<td>Richard Stanton Construction</td>
<td>$1,549,000</td>
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</tr>
<tr>
<td>GAKONA HEALTH CLINIC/MULTI-USE FACILITY</td>
<td>Kohtaene Enterprises</td>
<td>$1,453,962</td>
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<tr>
<td>FBKS DALTON HWY YUKON CROSSING INTERMODAL FACILITY</td>
<td>Northwest Mining</td>
<td>$1,362,328</td>
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<tr>
<td>LAKE LOUISE AIRPORT IMPROVEMENTS</td>
<td>L &amp; N Ventures</td>
<td>$1,252,023</td>
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<tr>
<td>FBKS HOSPICE CENTER CONSTRUCTION</td>
<td>Chugach Industries Inc.</td>
<td>$1,115,030</td>
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<tr>
<td>KETCHIKAN SHIPYARD BERTH ONE RELIEVING SLAB</td>
<td>Dawson Construction</td>
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<tr>
<td>KETCHIKAN AIRPORT SNOW REMOVAL EQUIPMENT BLDG</td>
<td>McGraw Custom Construction</td>
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<tr>
<td>SITKA KIMSHAW LANDFILL CLOSURE/RECREATION FACILITY</td>
<td>S &amp; S General Contractors</td>
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<td>$3,729,250</td>
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<td>METLAKATLA FERRY TERMINAL BLDG DESIGN SVCS</td>
<td>Aggregate Construction</td>
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</tr>
<tr>
<td>KAKE HEALTH CENTER ADD/RENO</td>
<td>McGraw Custom Construction</td>
<td>$3,693,000</td>
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<tr>
<td>METLAKATLA FERRY TERMINAL BLDG DESIGN SVCS</td>
<td>Aggregate Construction</td>
<td>$3,729,250</td>
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</tr>
<tr>
<td>KAKE HEALTH CENTER ADD/RENO</td>
<td>Aggregate Construction</td>
<td>$3,693,000</td>
<td></td>
</tr>
<tr>
<td>PETERSBURG WATER TREATMENT PLANT UPGRADES PHS II</td>
<td>Dawson Construction Inc.</td>
<td>$2,064,500</td>
<td>Dawson Construction Inc.</td>
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<tr>
<td>TUXEKAN ISLAND ROAD PROJECT</td>
<td>Ketchikan Ready Mix &amp; Quarry Inc.</td>
<td>$1,659,440</td>
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<td>SITKA FERRY TERMINAL MOORING IMPROVEMENTS</td>
<td>Tamico Inc.</td>
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<tr>
<td>JUNEAU SOB MECHANICAL SPACE ABATEMENT</td>
<td>Nuprecon Inc.</td>
<td>$1,472,788</td>
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<td>JUNEAU VALLEY BLVD SIDEWALK</td>
<td>Miller Construction</td>
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<tr>
<td>LAKE LOUISE AIRPORT IMPROVEMENTS</td>
<td>L &amp; N Ventures</td>
<td>$1,252,023</td>
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<tr>
<td>FBKS HOSPICE CENTER CONSTRUCTION</td>
<td>Aggregate Construction</td>
<td>$1,115,030</td>
<td></td>
</tr>
</tbody>
</table>
### SOUTHCENTRAL

- **ANCH POA 2007 MARINE TERMINAL DEVELOPMENT**
  - $17,402,415
  - Alaska Interstate Construction LLC

- **ANCH FIREWEED/LA TOUCHE/NEW SEWARDIN LIGHTS UPGRADES**
  - $5,489,178
  - Wilder Construction Co Inc

- **ANCH POA TRAFFIC CIRCULATION/ROAD SAFETY IMPROVEMENTS**
  - $4,423,24
  - Pruhs Construction Company

- **ANCH RASPBERRY RD IMPROVEMENTS**
  - $3,884,243
  - QAP

- **ANCHE MERRILL FIELD AIRPORT REHAB APRON PHS II**
  - $1,979,673
  - Wilder Construction Co. Inc.

- **ANCH POA HAUL ROAD CONSTRUCTION**
  - $1,977,000
  - Alaska Interstate Construction LLC

### ARCTIC & WESTERN

- **ALAKANUK AIRPORT RELOCATION STAGE II**
  - $6,855,107
  - Knik Construction Inc.

- **ADAK AIRPORT LIGHTING REPLACEMENT**
  - $3,246,925
  - Lakeloe Inc.

- **NAPAKIAK NEW LANDFILL/ACCESS ROAD**
  - $3,021,000
  - Bering Pacific Construction

- **NOME COLD STORAGE FACILITY**
  - $2,760,000
  - Alaska Mechanical Inc.

- **NAKNEK BRISTOL BAY SCHOOL FIRE SPRINKLER RETROFIT**
  - $1,294,836
  - Accel Fire Systems

- **UNALAKLEET SANITATION ROAD**
  - $1,076,410
  - QAP

- **SCAMMON BAY K-12 SCHOOL RE-ROOF PHS II**
  - $1,047,000
  - Concor Construction Inc.

- **ANCH MERRILL FIELD AIRPORT REHAB APRON PHS II**
  - $1,979,673
  - Wilder Construction Co. Inc.

- **ANCH POA HAUL ROAD CONSTRUCTION**
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  - QAP

- **ANCHE MERRILL FIELD AIRPORT REHAB APRON PHS II**
  - $1,979,673
  - Wilder Construction Co. Inc.

- **ANCH POA SECURITY COMMAND/CONTROL CENTER**
  - $1,641,644
  - CYS Management Services Inc.

- **ANCH UAA SCIENCE DENTAL CLINIC REMODEL**
  - $1,552,767
  - Roger Hickel Contracting

- **GIRWOOD TRANSPORTATION CENTER IMPROVEMENTS**
  - $1,539,834
  - Construction Unlimited

- **PALMER STATE OFFICE BLDG IMPROVEMENTS**
  - $1,523,800
  - Collins Construction Inc.

- **PALMER ARCTIC AVENUE WATER SYSTEM IMPROVEMENTS**
  - $1,310,343
  - Wilder Construction Co. Inc.

- **ANCH AIA RUNWAY 7R/25L EMERGENCY REPAIRS**
  - $1,063,252
  - Wilder Construction Co. Inc.

- **ANCH 2007 TRAFFIC CALMING IMPROVEMENTS**
  - $1,029,869
  - Sea Coast Construction
CONSTRUCTION ACTIVITY

HIGHWAY

BUILDING

ANNUAL

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AGC 2007 Annual Conference
November 14-17, 2007

PRE-CONFERENCE SEMINAR
MONDAY & TUESDAY—NOVEMBER 12 & 13
CESCL Certification Workshop - 8:00 am. to 5:00 pm,
Member - $230.00  Non-Member - $350.00
Includes lunch on Monday, course book & refreshments.

WEDNESDAY EVENTS – NOVEMBER 14
Daily Registration: includes all Wednesday sessions
Breakfast – FREE. Vendor Room - 8:00 - 9:30 a.m.
Lunch – FREE. 12:00 to 1:00 p.m.
Will you be joining us for lunch? yes no
RSVP Required. Limited seating available.
(Sponsored by First National Bank Alaska)
Member - $73.00  Non-Member - $100.00
Student - $30.00
Sub-total: $________

Wells Fargo Bank, NA President’s Welcome Reception
will be held in the Quarters Deck from 5:30 – 8:00 p.m.

THURSDAY EVENTS – NOVEMBER 15
Daily Registration: Includes Breakfast, Marsh USA
“Excellence in Safety” Awards Luncheon and all Thursday sessions.
Member - $175.00  Non-Member - $210.00
Student - $90.00
Sub-total: $________

FRIDAY EVENTS – NOVEMBER 16
Daily Registration: Includes Breakfast, the Alaska USA
Insurance Brokers “Excellence in Construction” Awards Luncheon, and all Friday sessions, including the Parker,
Smith and Feek Management Symposium with speaker
Jack McCall,
Member - $175.00  Non-Member - $210.00
Student - $90.00
Parker, Smith & Feek Management Symposium Only
with Jack McCall
Member - $100.00  Non-Member - $125.00
Sub-total: $________

SPECIAL EVENTS
FRIDAY, NOVEMBER 16
Family Night’s Construction Fun Fair
# of Adults: _________  # of Children Under 12 (FREE)
$5.00 per adult
Sub-total: $________

SATURDAY, NOVEMBER 17
Saturday Breakfast
$40.00 per person (Included in Full Registration.)
Sub-total: $________

Ladies Brunch:
10:30 a.m. to 12:00 p.m.
$45.00 per person
Sub-total: $________

Annual Dinner/Dance:
6:30 p.m. - Midnight at $150.00 per person
Reservations starting on October 17, 2007
Some highlights of the evening will be AGC of Alaska’s
prestigious awards:
“HARD HAT AWARD”
“ASSOCIATE OF THE YEAR AWARD”
“VOLUNTEER OF THE YEAR AWARD”
“SUPPLIER OF THE YEAR AWARD”

FULL CONFERENCE RATE
Includes most meals & seminars. (Does not include
Family Night, Ladies Brunch, or the Dinner Dance.)

1st Attendee from Company
Member - $295.00  & CESCL workshop - $520
Non-Member - $350.00  & CESCL workshop - $675

2nd Attendee from same Company
Member - $275.00  & CESCL workshop - $500
Non-Member - $330.00  & CESCL workshop - $655

Student - Full Conference $100.00
Will you be joining us for the Parker, Smith & Feek
Management Symposium with McCall? yes no
(Granted in Full Conference Rate, or see Friday events for
single item purchase.)
Total Due: $________

Registrant’s Full Name: ________________________________
Company: ________________________________ Mailing Address:
Phone #: ________________________________ Invoice (Members Only): ________ VISA ________ M/C ________
Card Number: ________________________________ Expiration Date: ________________________________
Card Holder’s Signature: ________________________________ E-Mail: ________________________________

One person per form. Make copies of this form as necessary for additional registrations. Fax to 907-562-6118

AGC 2007 Annual Conference
Jack McCall, Dan Snyder & Marko Kaar
among speakers at AGC Conference in November

Management Symposium Speaker Jack McCall to speak on November 16

Jack McCall helps businesses and individuals perform more effectively in a world marked by constant pressure and accelerated change. His insights are penetrating and his style is refreshingly entertaining. Jack's skill for getting to the heart of the matter is uncanny. His humor is crisp and clean and he never creates laughter at the expense of his audience. When it comes to driving change, Jack McCall really delivers by: Sharing strategies for breaking through the barriers that hold us back, Showing audiences how to tap their truest sources of motivation, Introducing audiences to the powerful concept of "mental re-positioning", Shedding light on the power generated by drawing on one's life's equity, and Creating laughter and sharing fresh insights through storytelling.

Jack McCall will be speaking at the Parker, Smith & Feek Management Symposium on Friday, November 16, 2007 from 8:30 to 11:30 a.m. For more information on Jack McCall, visit his website at http://www.jackmccall.com/

Dan Snyder, M.Ed, CSP, CHMM, CET, CHSP to Speak on Safety

Mr. Snyder holds a B.A. in Science and Biology from the University of Northern Iowa and a M.Ed. in Adult Education and Human Resource Development from the University of Arkansas. Dan served as a U.S Army military intelligence operative for the 194th Long Range Surveillance Airborne detachment in the 34th Infantry Division. He has served as an instructor for Environmental Resource Center at Crowder College and Program Director for the National Safety Council's Ozarks Chapter. As project team leader, he implemented disaster site worker safety training as part of the National Response Plan to hurricanes Katrina and Rita. Currently Mr. Snyder serves as a Managing Partner in the Performance Based Safety, LLC consulting network and continues to work on grant funded research and education programs.

Dan Snyder will speak to contractors on the importance of developing a top-to-bottom safety culture within their companies and how to get their employees to buy into it. For more information on Dan Snyder, visit his website at http://www.safetyconsultants.org/dan_snyder.php (Sponsored by Parker, Smith & Feek)

Marko Kaar - Senior Risk Engineering Consultant to Speak on Safety

Marko Kaar has over 20 years experience in heavy construction safety and health, human resources, and environmental issues. As a Senior Risk Engineering Consultant for Zurich Construction Division, he is responsible for providing risk engineering services to owners and project managers in an effort to reduce losses and increase profitability at both the project and corporate level. Marko also facilitates the integration of underwriting, engineering and claims services. His Specialized Expertise includes: Excavation Safety, Scaffolding Safety and Program Management, Fall Prevention and Protection, Steel Erection, Crane Safety and Management, and Training Development and Presentation. Some of you may remember Marko from the AGC of America and OHSA “Focus Four” Safety Training which took place at AGC of Alaska in April.

Visit the AGC of Alaska website (http://www.agcak.org) under “Hot Topics” for the 2007 Conference Registration Form.
AGC 2007 Conference Schedule

MONDAY & TUESDAY (12&13)
8:00 - 5:00 a.m.
Pre-Conference Activity
CESCL Certification at The Hotel Captain Cook

WEDNESDAY, NOVEMBER 14
7:30 a.m.
Activity
Registration
FREE Breakfast in the Vendor Room in the AFT Deck
SWPPP with the COE
Computer guided equipment/GPS Technology - Education Track
Financial Planning - a strategic necessity for the closely-held business owner - Garret Wong
Learn more about Building Information Model (BIM)
Construction Industry Roundtable - Education Track
Legalities of Drug Testing with W.J. Judge
Cash Management by CFMA with Elizabeth Happel
First National Bank Alaska’s “All About AGC” FREE Lunch, RSVP Required

1:30 - 3:00 p.m.
SWPPP Panel with COE & DOT
Building Information Modeling (BIM) - Education Track
Granting Credit to Contractors - Bank Panel
AK Clean Card Panel

3:15 - 4:15 p.m.
DOT - Statewide Long Range Transportation Policy Plan
Computerized Estimating / Scheduling - Education Track
Legal Council Presentation 2007
Now what? Crisis management after an accident
Qualified Products List - Mike San Angelo with DOT
Wells Fargo Bank, NA President’s Welcome Reception

THURSDAY, NOVEMBER 15
6:30 a.m.
Activity
Registration
Subcontractors Breakfast with Mayor of Anchorage Mark Begich and
National AGC President Steve Massie
Joint DOD Presentation and Q & A
Safety Session with Marko Kaar
Department of Labor - TBA

10:15 - 11:45 a.m.
Building a Company Safety Culture with Dan Snyder
TBA
MARSH USA “Excellence in Safety” Awards Luncheon with Speaker Lt. Governor
Sean Parnell
DOT & PF (Q & A)
AKOSH & COE Joint Presentation on Safety Expectations
ASD Updates with Mike Price
Alaska Railroad Update with Eileen Reilly
UAA Updates with Mike Smith

4:30 - 5:15 p.m.
CIRI Construction Updates - Greg Jones, VP Business Development
Stars & 49ers Dining Out hosted by Neece Construction, Inc.

FRIDAY, NOVEMBER 16
6:30 a.m.
Activity
Registration
Breakfast with speaker Bob Cress, AGC Training Director
Parker, Smith & Feek Management Symposium with Jack McCall
Alaska USA Insurance Brokers “Excellence in Construction” Awards Luncheon
General Membership/Board of Directors Meeting
Dan Snyder on Creating Employee Buy-In
Safety Session with Marko Kaar

6:00 - 8:30 p.m.
Family Night’s Construction Fun Fair at the American Fast Freight Warehouse
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An example for us all

During the awards ceremony following the AGC Golf Tournament a few weeks ago, Derald Schoon announced he was stepping down as chairman of the Golf Committee. Derald has served as chairman of this committee for the last 20 years and his experience and leadership skills will be missed. As I listened to Derald share stories from past tournaments it dawned on me that he represents exactly the kind of member that is the heart and soul of our organization.

Immediately upon forming Unit Company in 1977, Derald joined AGC of Alaska and has been a continuous member for 30 years. He has served on numerous committees, as a member of the board of directors, in all the chairs of the Executive Committee and as a trustee for the IAP. He is a life board member and recipient of the prestigious Hard Hat Award. Derald still serves as a management trustee on the Laborers Health and Retirement Trust. In addition to the untold hours that have taken him away from his duty to Unit Company, Derald has also encouraged other members of the company to become involved and serve our organization.

Derald is not the only member who has demonstrated this level of dedication and commitment, but at the risk of leaving someone out, I will not attempt to name them all. You know who you are, and like Derald, did not serve for the purpose of recognition anyway.

In spite of the selfless motives, I will take this opportunity to express appreciation, both personally and on behalf of AGC of Alaska to Derald and all the others who have served and continue to serve. Thank you, not only for your service, but for the example you have set for the rest of us.

It is our volunteers, working closely with our dedicated staff, who have brought our organization to the respected and influential position it holds in the Alaska business community today.

I know I have been beating this same drum continuously for a long time, but knowing that you are needed and have something to offer are the keys that stimulate volunteers. At least it has worked so far.

As we “celebrate” in November, we should remember the lesson of the Roman generals as they returned to Rome from a conquest. As they rode through the streets with the adulation of the multitudes ringing in their ears, and as slaves spread flower petals and palm fronds for their horses to tread upon, there was a slave standing behind their right shoulder whispering, “Glory is fleeting. Glory is fleeting.” This is not only a reminder to maintain humility, but also to get too comfortable with your current triumphs as there is always another battle brewing.

The theme for the 2007 annual convention is “Celebrate.” The members and staff of AGC of Alaska have much to celebrate. Our membership is approaching record levels and represents every conceivable facet of the industry. We have been instrumental, sometimes in association with other groups, in developing skill improvement courses and classes allowing for certification in various necessary areas.

AGC of Alaska is a driving force in the development of career and technical training in our schools as well as training for young adults who have completed their basic formal education. Our members continue to be involved with our state university system to offer construction-related courses and degree programs. We enjoy a great level of success influencing construction-related legislation. We are heavily involved in workforce development, helping to ensure our members are able to man their jobs in the future. Never before has our organization been so successfully involved in such a wide array of endeavors.

At the same time, we are keeping ourselves aware of future opportunities brought about by our ever-changing industry. These new opportunities will increase the need for voluntary involvement by our members.
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Minnesota bridge tragedy was sadly predictable

America watched in horror as television reported the collapse of the I-35 W bridge in Minneapolis. In the days that followed the talking heads offered many reasons and attempted to find fault for the bridge failure – ranging from shoddy workmanship, substandard materials, and terrorism to “Acts of God.”

As is normal in tragedies such as this, it’s natural to attempt to find someone to blame. As sure as night follows day, lawsuits will follow the tragedy. Perhaps this is appropriate and the state of Minnesota will most likely be the primary defendant. Lost in all this activity however will be a detached analysis of the decisions that were made, or not made, that led to this tragedy.

One problem underlying this issue is national in scope and not confined to one bridge in Minnesota. While any number of factors might have contributed to the collapse of this bridge, one factor is common to transportation departments in all states – insufficient money to maintain the existing system.

For example:
• The U.S. Chamber of Commerce estimates that $222 billion is needed annually to maintain our current surface transportation system. The current investment is 80 percent of that need.
• The Chamber also estimated that an annual investment of $288 billion is needed to advance the system to a level that enhances the nation’s economic productivity. The current investment is 60 percent of that need.
• The Interstate Highway System is 50 years old and is in need of significant reconstruction, while simultaneously accommodating increasing levels of travel.
• The Road Information Project estimates that 35 percent of the nation’s roads are in poor or mediocre condition.
• The federal highway gas tax is $.184 per gallon and has not increased for 15 years. Meanwhile construction cost inflation has reduced the buying power of that tax by almost 50 percent.
• The Federal Highway Administration reports that in 2002, 27.5 percent of the bridges in the United States were either functionally obsolete or structurally deficient.

While these facts do not, in and of themselves, suggest that insufficient funding of highway maintenance led to the bridge failure, they do seem to suggest that budget constraints will lead states to continue deferring maintenance and may well lead to continuing problems in the future.

Alaska is no different from most other states and may in fact be facing a more serious problem because much of our funding for highways comes from the federal government.

In Alaska, payments from the federal government account for approximately two thirds of our total highway receipts and this percentage is easily the highest of any state. Nationally, the federal contribution represents less than 30 percent of the total receipts. Only the states of North Dakota, Wyoming, and Montana join Alaska in the group where the federal contribution exceeds 50 percent of the total receipts. Sadly, Alaska is the only state receiving more than 60 percent of its receipts from the federal government.

Alaska also has the lowest state gasoline tax in the nation. Nationally, the average state collects a gas tax of $.204 per gallon while Alaska is the lowest at $.08.

The Alaska Department of Transportation and Public Facilities estimates that almost 25 percent of Alaska’s bridges are functionally or structurally obsolete. By no means, does that suggest that one in four of Alaska’s bridges are in eminent danger of failure; but then Minnesota officials did not expect the I-35 W bridge to fail.

Could a bridge in Alaska fail? It’s certainly possible. Most likely, the bridges in Alaska have been reevaluated in light of the Minnesota tragedy. But identifying problems and resolving them are two different issues. Shifting money from one part of the transportation budget to deal with bridge issues will only create new problems in the Alaska transportation system. Alaskans need an honest evaluation of the Alaska transportation system and a determination of the amount of money that will be necessary to maintain that system at an acceptable level.

Like it or not, more money will be necessary and it is unlikely that the money will flow from the federal government. Alaska must find a method of creating sources of revenue that will sustain our transportation system. If the issue isn’t addressed, it’s possible that the talking heads will soon begin discussing a bridge failure in Alaska. And then the finger pointing will start.

Hopefully Alaskan leaders will use the lessons from the I-35 W tragedy to develop a proactive position on the issue to avoid the problem facing leaders in Minnesota. If not, the consequences of avoiding the issue will inevitably lead to our own tragedy.
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The Alaska Operating Engineers Apprenticeship and Training is a federally registered and approved program for Heavy Equipment Operators, Heavy Duty Mechanics, and Heavy Duty Service Oilers.
Sometimes little words can have pretty big meaning. Have you ever heard someone use any of these terms: certified, qualified, competent or authorized? These terms are sometimes used inaccurately, which can create a lot of confusion and misunderstanding. Let’s look at these terms, starting with the most basic level and moving up the scale of responsibility and complexity.

**Affected employee**

An “affected employee” is one who has been exposed to or could be exposed to any hazard arising from the work. These workers are sometimes also referred to as “assigned employees,” “impacted employees” or “users.” You will see this term in quite a few of the standards. For example, one section of the personal protective equipment (PPE) standard (1910.132(d)(1)(i)) states: “Select, and have each affected employee use, the types of PPE that will protect the affected employee from the hazards identified in the hazard assessment.”

Under the hazardous energy standard, OSHA defines an affected employee as one whose job requires him or her to operate or use machinery or equipment on which servicing or maintenance is being performed under a lockout/tagout procedure, or whose job requires him or her to work in an area in which servicing or maintenance is being performed under a lockout/tagout procedure. In other words, a worker who needs to be aware of the lockout procedure, but who’s not necessarily performing the lockout procedure.

**Authorized person**

OSHA defines “authorized person” as a person approved or assigned by the employer to perform a specific type of duty or duties, or to be at a specific location or locations.

The key concept is that the person is approved or assigned by the employer. So although a worker attends a training course, that person is not actually “authorized” until the employer makes that assignment.

Some of the OSHA standards refer to a “designated person,” which means the same thing as an authorized person.

**Competent person**

A “competent person” means one who is capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them.

This is a step up in responsibility and authority from the authorized person. The key here is that the competent person is not only capable of hazard recognition, but also has authority for abating the hazards.

Generally, competent persons are responsible for hazard recognition, training other employees, monitoring site conditions and making any required changes to abate hazards or stop the work.

**Qualified person**

An OSHA “qualified person” means one who, by possession of a recognized degree, certificate, or professional standing, or who by extensive knowledge, training, and experience, has successfully demonstrated his ability to solve or resolve problems relating to the subject matter, the work, or the project. This person is also familiar with the construction and operation of the equipment and the hazards involved.

Whether an employee is a “qualified person” will depend upon various circumstances in the workplace. It is possible and, in fact, likely for an individual to be considered qualified with regard to certain equipment in the workplace, but unqualified as to other equipment.

NFPA 70E defines qualified person as “one whom has the skills and knowledge related to the construction and opera-
tion of the electrical equipment and installations and has received safety training on the hazards involved."

This is a substantially higher level than competent person. Typically, a qualified person might be a registered professional engineer, but there are other routes to becoming qualified, such as substantial coursework or industry knowledge. It is worthwhile to note, however, that the American Society of Safety Engineers has challenged OSHA to require that “qualified person” certification will only be given if a person has received certification from a nationally recognized professional safety organization.

Certified
A final word about instructors, programs, first-aid kits, respirators, standards and other such things. OSHA does not qualify or certify or authorize programs, training courses or instructors. It is up to employers to self-certify that their safety programs meet applicable requirements. The only exception to that is the OSHA Training Institute, which does qualify instructors to teach the various outreach programs (e.g. 10-hour Construction Outreach).

Standards
In addition to OSHA, there are quite a few other organizations that publish standards, such as National Fire Protection Association, Compressed Gas Association and the National Electrical Code.

American National Standards Institute also publishes standards, many of which are incorporated by reference into OSHA regulations. For example, if you want to see if your first-aid kit meets OSHA regulations, you are referred to ANSI Z308.1-2003.

The bottom line is that it’s important to know what standards and regulations are required at your job site. Then be sure you have the right worker doing the job.

Chris Ross is the General Manager of NANA Training Systems (NTS) in Anchorage.
Drug testing saves money. There’s no doubt about it, especially in Alaska where the rate of substance abuse is higher than in other parts of the country. That’s why when Alaskan employers drug test they always come out ahead, regardless of how much money they spend on drug testing.

At WorkSafe Inc., Alaska’s premier provider of employee screening services, the average positive rate for all drug tests conducted (DOT and non-DOT tests combined) is 3.6 percent. That’s actually slightly lower than the national average of 3.9 percent. But it shows that drug testing is working… it is helping to identify job applicants and employees with substance abuse problems. And substance abusing employees are not cheap. According to the U.S. Navy, each substance-abusing worker costs his or her employer $7,000 per year.

Let’s use that Navy figure combined with WorkSafe’s average annual positive rate to help us calculate the return on investment in drug testing for Alaska employers. For our purposes we will say your company conducts 300 drug tests a year and that 3.6 percent of those screens are going to be confirmed positive. We’ll also say that you’re paying $55 per test. Now let’s do the math…

$$300 \times 3.6\% = 11$$ (this is the number of substance abusers at your company)

$$11 \times$7,000 = $77,000$$ (this is the annual cost of substance abuse at your company)

$$300 \times$55 = $16,500$$ (total cost of drug testing in a year)

Now we’ll subtract the cost of drug testing from the cost of substance abuse to determine your return on investment in drug testing:

$$77,000 - 16,500 = $60,500$$ Savings

In other words, you will spend $16,500 on drug testing to save $60,500. Remember, for each substance abuser you identify you save $7,000 per year. If you can identify the substance abusers before you hire them or before they can continue costing you $7,000 per year as employees you’ve come out ahead. In this example, for every dollar you spend on drug testing you save $4.

**Post-accident testing**

The most common reason that employers drug test is to improve safety and reduce accidents. Let’s look at the cost savings just for post-accident testing. According to one major laboratory, 5.7 percent of all post-accident drug tests are positive. We can assume that this figure is consistent with post-accident testing in Alaska because there is often a direct correlation between accident rates and levels of substance abuse in the workplace regardless of geography.

Now let’s say that of the 300 drug tests you will conduct in a year that 50 are post-accident tests, and your per test cost is still $55. Now let’s do the math again.

$$50 \times 5.7\% = 3$$ (the number of substance abusers who test positive in a post-accident test)

$$3 \times$7,000 = $21,000$$ (this is the annual cost of those substance abusers)

$$50 \times$55 = $2,750$$ (total cost of post-accident testing)

Now we’ll subtract the cost of post-accident drug testing from the cost of substance abuse to determine your return on investment in drug testing:

$$21,000 - 2,750 = $18,250$$ Savings

The savings ratio for post-accident testing is nearly 7-to-1 … or $7 saved for every dollar spent on drug testing.

**You may save even more**

Drug testing saves money, but the return on investment calculations in this article may only show you part of the picture. Consider the following from a recent report from the federal government that illustrates just how much substance abusers hate drug testing.

In a survey of full-time workers, 52.5 million indicated that they would be more likely to work for an employer that required pre-employment drug testing, while only 5.6 million workers indicated that they would be reluctant to work for an employer who conducts pre-hire drug testing, according to “Worker Substance Use and Workplace Policies and Programs” published by SAMHSA, July 2007.

Further, 29.1 percent of employees who identify themselves as “current” illicit drug users say they would be less likely to work for employers who conduct random drug testing, while only 6.9 percent of workers who do not use drugs said the same thing.

From these numbers we learn two important things:

1) drug users are likely to avoid your company once they find out that you conduct drug testing, thus

2) your return on investment in drug testing is probably higher than you realize.

And where the rate of drug abuse is higher than average, as in Alaska, not only is the need for drug testing greater but the return on investment is higher.

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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Lakloey Inc. is a small general contracting firm, in a small town, named after a small hill, that takes on small jobs.

But, as everyone in the industry knows, size and value are not necessarily indicative of each other, and as company founder Al Vezey will tell you, in the 26 years since he and his wife Jean started Lakloey, “Just about every project we’ve done has been valuable to Alaska,” with most of the firm’s public works jobs being in Northern Alaska Bush communities such as Barrow, Little Diomede, North Pole, Northway, Deadhorse and other communities in the Interior Region and surrounding the Fairbanks area.

Installing satellite dishes on towers for the North American aviation system means more direct aircraft routing procedures, greater airspace capacity and flexibility worldwide, and a more seamless aviation system for North America, Vezey says proudly. There’s nothing small about that.

Two years ago, his business installed sensors along highways in the Interior so that trucks traveling these “intelligent highways” no longer have to stop at a weigh station: instead they are weighed electronically, which expedites the movement of goods and services. That’s about saving money for Alaska businesses, Vezey points out.

Then there were the light installations on the helicopter pad at Little Diomede Island so pilots can find their way through dark and stormy skies, Vezey explains. That’s about safety and quality of life, practical considerations, especially if you live on a remote island that is routinely battered by harsh weather blowing in from the Bering Strait between Alaska and Russia.

Named after Lakloey Hill, a 561-foot peak just east of Fairbanks and the namesake of a Scottish family who homesteaded the area decades ago, the work at Vezey’s firm is completed by a team of four or five people, depending on seasonal workforce fluctuations.

Vezey’s title is secretary-treasurer, and in addition to being a civil engineer, he is responsible for all field supervision. His wife Jean is president and handles the administrative side of the business, including writing his monthly paychecks. His two other year-round employees are an engineer and a mechanic.

Originally from Georgia, and a Georgia Tech civil engineering graduate, Vezey moved to Anchorage in 1972 to have some fun hunting and fishing, he says. He worked for Green Construction in its Anchorage and Fairbanks offices for nine years before moving to North Pole and going into business with his wife.

As an AGC past president (1992), and member since 1982, Vezey says one of the significant bene-
fits of being affiliated with the association is the big brother phenomena that allows smaller member companies to benefit from some of the expertise and lessons learned by larger businesses in the industry. And, Vezey says matter-of-factly, being a member of AGC is a professional responsibility.

“AGC is an extremely good organization and any contractor who is not a member is just freeloading off of the rest of those who are doing what we can to make the industry healthy and stronger and better.”

Lakloey’s membership and involvement in AGC continues to be one of the most rewarding aspects of being involved in the contracting industry, Vezey says, and he recommends that companies not only join, but to maximize their membership benefits they should also really get involved with the organization to help find solutions to challenges facing the contracting industry.

One topic AGC members are always discussing is the unsteady, changing marketplace, which he witnesses first-hand in his business as government agencies have shifted to issuing fewer larger contracts instead of the many smaller ones that were a backbone of his business for many years. Another topic he pays extra attention to is how public money is spent, including the increasing trend toward tighter environmental control being built into projects.

And, Vezey says, more than ever the market will continue to change as the government undertakes more of its own construction projects. At the same time, as a resource-producing state, he expects Alaska to see changes in the growth cycle until the Washington, D.C., political climate changes.

“There are a lot of challenges facing the industry and we’re getting pressed from all directions,” Vezey says. “ Keeping up with new laws and regulations is a daunting challenge while trying to provide value in the services, especially as we’re faced with mandatory and ever-increasing costs from all directions.”

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Heidi Bohi is a freelance writer and marketing professional in Anchorage.
Alaska Construction Academy expands statewide

Alaska Department of Labor market data shows that more than 1,000 construction workers are needed in Alaska each year for the next several years to meet construction job growth and to replace retiring workers. When the planned natural gas pipeline is built, thousands of additional construction workers will be needed.

In 2006, Associated General Contractors of Alaska, Anchorage Home Builders Association, Anchorage School District, Alaska Works Partnership Inc., Alaska Department of Labor and Workforce Development and Cook Inlet Tribal Council partnered to create a construction workforce pilot project, the Construction Academy. The academy allows agencies to combine resources to attract and train young people and adults in the Anchorage area for first jobs in construction and trade apprenticeship programs.

The construction academy used available training space at the King Career Center and Anchorage area high schools to offer third session, afternoon courses for high school students, plus evening and Saturday courses for adults.

The Legislature awarded a $1 million grant in 2006 to the AGC of Alaska and the Anchorage School District to implement the academy project, with the goals of serving 200 youth and adults within the year, and to create a replicable construction academy model for Fairbanks and other regions with local chapters of the Alaska Home Builders Association.

The pilot project began in late 2006, and within six months had surpassed the original goals, with more than 450 students taking construction vocational courses, and more than 150 adults taking basic skills courses for a specific trade (carpentry, electrical, plumbing, drywall finishing and welding). Planning had also occurred with Fairbanks area partners to begin a Fairbanks Construction Academy in the fall of 2007.

Alaska Gov. Sarah Palin approved $2 million in the 2008 Department of Education and Workforce Development capital budget, and $1.5 million in the 2008 Department of Commerce and Economic Development budget to continue academies in Anchorage and to begin academies in: Fairbanks, Juneau, Kenai, Ketchikan and the Mat-Su valley. These communities each have a local chapter of the Alaska State Home Building Association.

This year the AGC of Alaska and its local partners will provide project management, coordination and administrative functions for this grant. Contracts will be issued to the local school district and to industry trainers for instruction of high school students and adults. A portion of the funds would go to the Alaska Department of Labor and Workforce Development in order to ensure linkages with local Job Centers, and to assist trainees requiring additional employment and training support available from the state. Supporters of this request include the Associated General Contractors of Alaska, Alaska State Home Builders Association, Mat-Su Home Builders, Kenai Peninsula Home Builders, Greater Ketchikan Builders Association, South East Alaska Building Industry Association, Alaska Department of Labor and area school districts.

AGC will work closely with a Statewide Advisory Board to provide overall leadership to the Academies. This board is made up of: Commissioner of Education Barbara Thomp- son, Deputy Commissioner of Commerce and Economic Development Michael Black, Commissioner of the Department of Labor and Economic Development Click Bishop, Chair of the State School Board Association, Ester Cox, Executive Director of the AGC of Alaska Dick Cattanach, Director of the Alaska Works Partnership Inc. Mike Andrews, and the Alaska Construction Academy Executive Director Kathleen Castle.

To receive funding, each construction academy community must complete a project plan that includes partners from secondary education, an adult training provider, AGC, their local home builders association, the Department of Labor and Economic Development Job Service and the Alaska Works Partnership Inc. Each community may wish to include other organizations to its partnership. The project plan outline is intended to be flexible and meet the needs of each individual community.

For more information, contact Kathleen Castle, executive director, Alaska Construction Academy at: info@alaskaca.org or by calling (907) 222-0999.
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![Diagram of hydro-excavator]

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Colin Baxter’s home near DeArmoun Road has endured 30 years of snow, ice and vicious blasts of wind. In June, Baxter thought he could either decide to do something right then about his battered, but still serviceable, shake roof, or take his chances with what winter could hurl his way.

Baxter asked around about roofing companies, heard good things about Rain Proof Roofing and hired the company to install a new shingle roof on his 3,100-sq.-ft. home, and make sure everything was up to code.

“I’d just as soon do things on my schedule than the weather’s,” the retired school administrator said. “The reason I went with it, they have a good-looking operation over there and I’d heard from other people who had work done by them that it turned out well. I’m too old to be doing it over again. The young folks they had on that roof were very professional, not out of line about anything. I was appreciative.”

Rain Proof Roofing has a long history of making its customers happy.

Jack Markley established Rain Proof Roofing in 1962, selling roofing shingles out of the bed of his truck in Anchorage. The roofer and his wife, Vi, had moved to Alaska from their home in Lomita, Calif.

Markley’s daughter and son-in-law, Pat and April Reilly, bought the company in the early 1980s and then sold the company to Ukpaevik Inupiat Corp. (UIC) in 2002, said Misty Stoddard, Markley’s granddaughter, who works as human resources manager for Rain Proof Roofing.

The company makes its own metal roofing panels in its full-service metal shop in Anchorage. Its 54-vehicle fleet operates between Rain Proof’s Anchorage office and a smaller satellite office in Wasilla, which has a storage yard and 14 employees.

Rain Proof Roofing employs close to 80 people and has been a member of Associated General Contractors of Alaska since 1964.

Working as a roofer isn’t easy, Stoddard said. “It’s a lot of hard work. They have to work in all the elements, they have to work when it’s 80 degrees out or when it’s zero,” she said. “We’ve had 110 work orders in one day for wind damage. When the end of winter is coming, we hold onto our seats.”
Stoddard said the company does everything possible to reduce the risks roofers face.

She and John Stoll, the company’s operations manager, say AGC sponsors workshops that help them keep up to date on Occupational Safety and Health Administration (OSHA) standards. “We utilize their brown-bag seminars a lot,” Stoddard said of AGC.

Forming ties with others in the industry is the most obvious benefit AGC offers. “Networking with the general contractors is a big deal,” Stoll said. “Forecasts for upcoming work are helpful.”

One project Rain Proof Roofing hopes to work on is re-roofing Ted Stevens Anchorage International Airport, which has an estimated price tag of $3.5 million. Bids on that project were due at the end of August.

“We all try to help each other out,” said Earl Holland, the company’s residential superintendent, about other benefits of AGC membership for the company. “It helps, knowing the fact that everyone’s reliable and has roots in the community and the state.”

Rain Proof Roofing’s most prominent jobs include roofing and other services for Mat-Su Regional Medical Center, Alaska Regional Hospital, Alaska Native Medical Center, Providence Alaska Medical Center and the hospital at Elmendorf Air Force Base, as well as Bartlett High School, Spring Creek Prison and the Alaska Native Heritage Center.

The company also re-roofed the Anchorage Performing Arts Center, housing at Fort Wainwright and Fort Richardson, the University of Alaska Student Union and recently completed the Barrow Global Climate Center and Fairbanks Correctional Center.

Projects range widely in cost – from $250 at the low end, on up to $5 million.

The company has brought in $15 million to $20 million per year for the last five years. Seventy-five percent of its business involves commercial accounts; residential repairs and re-roofing account for the other 25 percent.

“We do lots of service work, leak calls, foundations,” Stoll said. “Commercial and government work is what is active at this time. Residential new construction is off by 50 percent this year.”

He said that slip can be attributed to higher interest rates, higher site preparation costs and the fact that there’s very little land left in Anchorage for new construction.

The most challenging assignments for the company have been out in the Alaska Bush, and the faraway Aleutian island of Attu, which posed the biggest challenges of all, Stoll said. That’s where Rain Proof Roofing performed roof repairs for hazardous materials storage and other projects for the Coast Guard, which posts 18 people on the island.

“That’s because of the logistics,” he said. “There is no commercial service to Attu, no plane or barge service. A charter flight from Anchorage to Attu is $20,000 whether you send one guy or six. You don’t forget anything, ‘cause there’s no hardware store.”

Stoddard, Stoll and Holland each said the people who work there are what set Rain Proof Roofing apart. Stoddard has worked for the company for 15 years. Stoll has been with it for 20 years and Holland has worked there for 23 years.

“A lot of other people go to work, it’s a job,” Stoddard said. “We have an emotional attachment, like family. If someone here has a baby, we know how much that baby weighed. We made it personal that everybody is taken care of. I don’t think you can go anywhere else and find that.”

Tracy Kalytiak is a freelance writer based in the Palmer area.
Equipment leasing: The road to managing equipment costs

While construction remains the third largest industry in the state of Alaska, the cost of fuel, insurance and equipment are climbing, as budget dollars – particularly from the federal government – continue to decline.

As a result, many Alaska contractors are looking for a way to do more with less. Under any circumstances, the decision to invest in capital equipment needed to remain competitive is significant.

Equipment leasing offers a valuable financing option that allows construction companies to maximize their purchasing power and obtain necessary equipment without taking a hit to their bottom line.

By leasing, a construction company may transfer the risks and uncertainties of equipment ownership to the lessor and concentrate on using that equipment as a productive part of business.

For jobs that require specialty equipment, builders can even schedule the lease to coincide with the end of a project. At the end of the lease, the equipment is returned to the lessor, eliminating the need for construction companies to maintain infrequently used specialty items.

The benefits add up

Other benefits of leasing equipment include:

- Reduce tax burdens – The IRS does not consider certain leases to be a purchase, but rather a tax-deductible overhead expense. Therefore, companies may be able to deduct the lease payments from corporate income.
- 100 percent financing – Leasing requires very little money down – perhaps only the first and last month’s payment are due at the time of the lease. Since an equipment lease often does not require a down payment, it is equivalent to 100 percent financing.
- Immediate write-off of the dollars spent – With leasing, payments can be treated as expenses on a company income statement, so equipment does not have to be depreciated over the useful life of the equipment.
- Flexibility – As businesses grow and their needs change, leasing provides more opportunities to add or upgrade equipment during the lease term.
- Asset management – A lease provides the use of equipment for specific periods of time at fixed payments. With residual-based lease structuring, the leasing company assumes and manages the obsolescence risk of equipment ownership. At the end of the lease, the leasing company is responsible for the disposition of the asset.
- Upgraded technology – Equipment that could depreciate quickly should be leased to limit an organization’s risk of investing in obsolete equipment.

- Speed – Leasing can allow you to respond quickly to new opportunities with minimal documentation and red tape. Many leasing companies can approve applications within an hour.
- Improved cash flow – Many lease structures can result in a lower monthly payment when compared to a standard loan. In addition, some leasing companies offer seasonally adjusted payments to match a company’s cash flow needs.
- Flexible end of term options – Depending on how the lease is structured, the lessee may be able to return the equipment, purchase the equipment, or renew the lease at the end of the lease term – or the equipment’s ownership may be automatically transferred to the lessee.

One size does not fit all

There are a variety of leasing products available to meet the needs of all types and sizes of businesses.

The capital lease, also known as a finance lease, offers the widest flexibility of term length, which can help keep payments low. Capital leases also provide a variety of tax benefits, including the ability to write off depreciation and interest expense for the acquired equipment. At the end of a leasing period with a capital lease, there are a variety of options for next steps. This includes purchasing the equipment at the current fair market value, renewing the lease at a fixed price or a $1 purchase option.

With an operating lease, or an “off balance sheet lease,” terms are typically shorter than capital leases and the equipment acts more like a rental. This means the payment does not appear on the company balance sheet. When the term expires, companies may return the equipment or purchase it at fair market value.

There are also leases available that can be tailored to fit month-to-month or year-to-year cash flow needs. Custom arrangements can be designed to address requirements such as cash flow, budget, transaction structure, cyclical fluctuations, and more. Some leases even allow lessees to miss one or more payments, without penalty.

Taking the next step

Once you’ve weighed the lease versus buy option and have determined an interest in leasing, the next step is choosing a leasing company. Look for a partner that understands your objectives, is experienced with the type of equipment needed, and is committed to the relationship over the long term.

Also, it is always wise to consult your tax advisers when considering how lease financing might benefit your business.

Ted Baran is vice president for commercial leasing with KeyBank in Anchorage.
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Arctic Foundations, Inc.
During its 46 years in business, Totem Equipment and Supply Inc. of Anchorage supplied industrial equipment to many major Alaska construction projects. The family operated company has diversified its offerings, successfully weathering the state’s economic highs and lows.

“Year in and year out, to have sustained growth over the years, we’re pretty proud of that,” said operations manager Mike Huston.

Company leaders persevered, enduring the economic slowdown in the mid-1980s and rising to the busy demand amid 1989’s Exxon Valdez oil spill cleanup.

In fact, Huston counts that longevity as the company’s top accomplishment – staying in business and turning a profit for nearly five decades.

Today, Totem Equipment sells, services and rents construction, turf and industrial equipment. The company also has a fabrication facility where employees design, build and repair industrial job-site heating and ground-thaw heaters, boilers and service trailers.

A family and business story

Cliff and Allie Huston started Totem Equipment in Anchorage in 1961, handling light and medium equipment. The first location opened on Third Avenue in Anchorage. Industry demand dictated that the company expand its line. Totem Equipment moved to Concrete Street and Commercial Drive a few years later. In the early 1970s, Totem Equipment moved to its current location, 2536 Commercial Drive. The company started Totem Rentals in 1993 to rent and lease construction and industrial equipment. By 2004, Totem Equipment had outgrown its storage and staging yard on Commercial Drive in Anchorage. Company leaders analyzed commercial property prices in Anchorage, but instead chose property already owned by the Huston family in Wasilla.

“Cliff and Allie have owned the Knik Road property for 25 years, and it was a great location for another rental yard. So we took the leap in 2004,” Mike Huston said.

In 2005, Totem Equipment opened its Wasilla location at 300 E. Susitna St. and launched the fabrication facility in Anchorage. Totem Equipment employs 25 people, according to Huston.

The business features some key Huston players. Allie Huston continues to work as secretary/treasurer. Son Mike Huston, who remembers his early work experience at Totem Equipment included sweeping floors and cleaning up, later worked throughout the shop and in the parts department. He graduated from Oregon State University in Corvallis with a bachelor’s degree in business and began working full time at Totem Equipment. This year the company’s third-generation family member signed on. Jessica Huston, Mike’s daughter, is working as comptroller and attending classes at the University of Alaska Anchorage.

Significant projects

Totem Equipment has been involved in many large projects around the state because of its diverse product lines and ability to fabricate some equipment. The business has supplied or supported construction on the trans-Alaska oil pipeline, construction at Fort Richardson, Fort Wainwright and Elmendorf Air Force Base, Ted Stevens Anchorage International Airport, the Sullivan Arena and Anchorage’s new Dena’ina Civic and Convention Center. The company also has participated in work on Fort Knox, Kensington and Pogo mines, and village safe water projects. Other projects include North Slope Borough heaters, light towers and air compressors as well as equipment for work at Prudhoe Bay.

Mike Huston recently highlighted some additional major projects for Totem Equipment. In 1985 the company supplied 50 heater trailers to Alyeska Pipeline Service Co. for work on the trans-Alaska oil pipeline. Totem Equipment supplied hundreds of pressure washers as part of the 1989 oil spill cleanup in Prince William Sound. Huston believes the oil spill recovery efforts were a boon to the then-struggling Alaska economy. In late 2005 and early 2006...
Nancy Pounds is a freelance writer who lives in Anchorage.

Totem Equipment shipped 50 heater trailers to Sakhalin Island, Russia. Last year Totem Equipment fabricated 12 design-build heaters for the South Korean Air Force.


Another major 2006 single order called for 12 heater trailers, 12 light towers and six air compressors for the North Slope.

The secret to staying power

Totem Rentals’ manager Michael Stevens revealed one aspect of the company’s long life. The 14-year employee, who started in outside sales at Totem Equipment, says he’s continually receiving compliments for high-quality customer service, on-time deliveries and cost-effective methods.

“I’m constantly being thanked,” Stevens said.

Rental customers are divided almost equally between private homeowners and commercial business operators, Stevens said. He aims to carry all new equipment for rent and lease at Totem Rentals, which features construction machinery rollers, wood chippers and excavators.

Giving credit where it’s due

Alaska’s economy is stabilizing, leaving behind its dramatic peaks and valleys, according to Huston.

The Totem Equipment leader believes Associated General Contractors of Alaska is helping prepare for a strong economic future for businesses. Huston lauds AGC’s education programs promoting construction to students as a career. He also praised the organization’s efforts to update current business staff and executives on regulations and ongoing trends.

“AGC is a great organization full of the people that built this state,” Huston said. “Most of the legitimate contractors in Alaska belong and are active in the AGC.”

Nancy Pounds is a freelance writer who lives in Anchorage.
Standing to protest contract award broadened

In a recent decision by the Alaska Supreme Court, the ability to protest an award of a contract was slightly broadened.

Standing means the legal ability to protest a contract award. The statute governing state construction procurement defines “standing” by providing that a prospective or actual bidder can protest if its “economic interest may be affected substantially and directly by the issuance of ... the award.” This has been interpreted by some agencies, including federal agencies, to mean that the third lowest bidder and those higher do not have standing to protest an award to the lowest bidder. The theory is that even if the contract was improperly awarded to the lowest bidder, the third lowest bidder would not get the contract in any event because it would go to the second lowest bidder.

In a recent case, the University of Alaska at Fairbanks had issued a solicitation for a U.S. Filter high-tech water filter “or equal.” The lowest bidder had bid a non-U.S. Filter, and was rejected because its proposed filter did not meet the specified requirements.

The next lowest bidder was U.S. Filter, to whom the contract was awarded. The third lowest bidder after U.S. Filter protested the award to U.S. Filter. The basis of the protest was that U.S. Filter had failed to acknowledge an amendment to the IFB that arguably changed the substantive requirements of the filter. The second lowest bidder after U.S. Filter did not protest. The university ultimately rejected the bid protest on the grounds that the third lowest bidder did not have “standing” because it would not have been awarded the contract even if its bid protest was successful.

The Alaska Supreme Court reversed and sent the protest back to the university with instructions to give the protesting bidder a hearing on the substance of its bid protest. The court held that whether a disappointed bidder has standing does not necessarily depend on its ranking in its pricing, but rather on the substance of its protest.

For example, if the third lowest bidder’s argument is that the lowest bidder omitted a bid line item or otherwise erred in its pricing without affecting the second lowest bidder, the third lowest bidder would still not have standing to protest. If the third lowest bidder’s argument would, or even could, eliminate the second lowest bidder as well as the lowest, the third highest bidder would have standing.

The agency must now analyze the substance of the bidder’s protest before determining whether the bidder has standing.

An unspoken reason for the court’s decision may have been that UAF specified a U.S. Filter product or equal, eliminated a lower bid for a non-name brand, and then awarded the contract to U.S. Filter. U.S. Filter had failed to acknowledge an arguably important amendment to the IFB. Failure to acknowledge such an amendment to the IFB is universally held to render a bid non-responsive, and therefore requires the bid to be rejected.

The Alaska Supreme Court did not address that issue, but simply remanded the whole matter back to UAF to give the protesting bidder a hearing. Although the University of Alaska is technically not covered by the state’s procurement code, the provision in question was essentially identical to the state code, so the court’s decision will effectively cover state DOTPF procurement.

Another lesson driven home by the case is the “Pyrrhic victory” nature of prevailing in a bid protest. The original bid opening was on May 13, 2003. UAF drew out the administrative appeal so that a final decision was not rendered until April 28, 2004. The Superior Court rendered its decision on April 22, 2005. The Alaska Supreme Court issued its decision on May 18, 2007, almost four years to the date after the bid opening. In the meantime, the UAF had long before purchased its filter from U.S. Filter. Unless the protestor secures a court order staying the award, which is unlikely, even if the protestor is ultimately successful, it will be entitled only to the costs incurred in preparing its bid.

Robert J. (Bob) Dickson is a partner of the Anchorage law firm Atkinson, Conway & Gagnon Inc.
AIC is known for tackling the toughest resource development projects in the most challenging environments. We get the job done, even if it means inventing our own equipment and techniques to do it. With more than 20 years of experience, we’re providing innovative ideas, exceptional performance and cost-effective solutions to Alaska’s biggest construction challenges.

A key to understanding lawyers’ words

Why can’t lawyers speak plainly? Not only do they inject Latin into every other sentence, they change the meaning of common, everyday words. I think they do it on purpose.

I’m not a lawyer myself, but after 18 years at AGC of California and almost 10 years with Pacific Legal Foundation, it is safe to say I have experience with attorneys and their unique use of language. The good news, however, is that by providing you a short glossary of certain legal terms, I get to tell you about what is happening, or about to happen, in your state.

Lawyers say a case isn’t “ripe,” but they aren’t talking about fruit. In a lawsuit, ripeness turns on whether someone has been injured. For example, federal regulators are considering listing the polar bear under the Endangered Species Act because its existence might be threatened by “global warming.” The key word here is “considering.”

Until the regulators make a decision, any lawsuit on this subject is not “ripe.” You can bet that lawyers at PLF and many environmental activist groups are watching this one “ripen.”

OK, suppose your case is “ripe;” you must have “standing.” As you would suspect, this has nothing to do with being upright, nor is it the opposite of “sitting.” “Standing” means that you have a stake in the outcome of a “ripe” case that justifies your being a “party” to a case. “Party” — there is another fun legal word that we will get to in a minute.

“Standing” requires three things; an injury, a link between the injured person and the action that is causing harm, and a “remedy” that the court can actually provide. Oh, boy, another one of those pesky legal words.

Back to “standing.” If the government lists the polar bear, PLF will likely file suit challenging the action. Here is why we believe we meet the three parts of “standing.” Because ESA regulations limit property rights, our clients would surely be harmed. The more restrictive property regulation is because of the ESA listing, and the court has a “remedy” — invalidate the regulation.

If regulators chose not to list the polar bear and environmental activists sue, they may have a little tougher time with “standing.” Did you know that out of 19 identified populations of the polar bears, only one occurs within the United States? Furthermore, available data shows only five of the 19 populations are declining. If they aren’t declining, how would not listing them under the ESA cause injury? Without injury the environmentalists may not have standing to sue.

Now a “party” to a lawsuit is not a place for music and funny hats, and a legal “remedy” can’t be found in a drug store. A “party” is someone with “standing” — see how this fits together. A “remedy,” to lawyers, is something that a court can award, like money or forcing regulators to change their rule.

Let’s review by using these legal words. The government is considering listing the polar bear under the ESA based on a threat from global warming. Lawsuits won’t be “ripe” until the decision is made, at which time the “standing” of the “parties” will come into play as a “remedy” is sought. Fun, isn’t it?

That was child’s play compared to the legalese we have to navigate to consider the efforts to put the beluga whales that populate Cook Inlet on the ESA list. Like the polar bear, the government is considering adding these beluga whales to the ESA list, a decision that could come in about a year.

Proponents of the listing claim, and this is a mouthful, that the whales in Cook Inlet are “a distinct population segment of belugas that are themselves a subspecies of whale.” That level of categorization gives me a headache and may not fly if the listing occurs and goes to court.

The ESA recognizes a “distinct population segment,” or DPS, as an identifiable group within a species. Nowhere does the law apply this category to a “subspecies.”

If I haven’t lost you, let’s try an issue about salmon, specifically how they are counted when determining if ESA listing is warranted. Let me get another aspirin before I continue.

Salmon are a species. The Endangered Species Act was created to protect species that are, or may become, in danger of extinction. The only way to realistically determine whether protection is necessary is to count heads. Sounds simple.

Activists figured if they had to count all salmon, it would be obvious that government protection wasn’t necessary. Their answer was to divide the salmon into groups for counting purposes. Out of this bit of logic the “evolutionary significant unit,” or ESU, was born.

According to a 1991 government policy, this term only applies to Pacific salmon that “(1) are substantially reproductively isolated from other nonspecific populations; and (2) represent an important component in the evolutionary legacy of the species.” You have to love the government.

The result of all this wordplay is the listing of more than 25 ESU of salmon across much of the Pacific Northwest by, among other things, simply not including salmon from hatcheries in the groups being counted. This is important to AGC members because where listed salmon are found, land use regulation, and shrinking construction markets, are never far behind.

I hope you enjoyed this tongue-in-cheek jab at legal terms, but also remember that excessive regulation, hiding behind technical terms, is dangerous to the construction industry in Alaska and all across the country. With your support, PLF can meet this challenge for years to come.

Peter G. Fusselman has been PLF’s Director of Foundation Development for nearly 10 years. Prior to this he spent 18 years with AGC of California in several executive positions.
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statehood—paying our own way so Alaskans can pay theirs.
Excited and grateful to tackle the issue, my administration and the 25th State Legislature owe it to Alaskans to determine the value of Alaskan-owned resources, declare that value, and move the state forward as we share that value with producers of our resources.

Alaska’s extremely valuable oil supply is being sold for us today at a premium. Markets are hungry for our oil, and we have a mutually beneficial relationship with these companies as they pump oil for us, deliver it across America, and sell it for healthy company profits.

Alaska’s share of oil wealth comes from combining royalties and taxes. Previously, the 24th Legislature adopted the Petroleum Profits Tax to generate about $2.2 billion this year to fund essential services. But PPT is not working as promised, and Alaskans will be hundreds of millions of dollars short of what PPT was supposed to provide. Also, PPT has loopholes that allow oil companies to write off expenses, such as costs to fix their corroded pipes, and we increased our audit and litigation risks without tools to protect Alaskans. Other PPT shortfalls, coupled with oil service company corruption scandals, led me to propose solutions to more clearly and equitably determine our oil’s value through a more sensible system.

I tasked our Department of Revenue to take the politics out of this issue, crunch the numbers, show Alaskans a formula that could produce what the 24th Legislature was promised, close PPT’s loopholes, and create an attractive investment environment for new exploration and development of our resources.

The solution we’ve developed is Alaska’s Clear and Equitable Share plan. ACES incorporates gross and net features that assure us appropriate value during high oil prices, shares risks during downturns, and credits companies for new private-sector investments.

We expected criticism over aspects of ACES, especially from oil industry players. But it was unexpected and disappointing to hear a legislator’s warning upon presenting the plan, that, “The fight is not over!” What fight? My administration is seeking fulfillment of Article VIII of our state Constitution, which mandates we...
develop resources for the maximum benefit of Alaskans. I assume legislators remember their oath to uphold that same constitution, putting us all on the same team with the same goal. Though it may be unconventional in the world of Alaska politics, I am committed to working together as a team to adopt the best plan, with legislators’ welcomed amendments to make ACES better.

Critics also say this work is too tough to tackle in a 30-day special session, suggesting we shouldn’t even begin to fix what is obviously broken. But legislators have an extremely full agenda (including the politics involved in an election year) to address in their new, voter-mandated 90-day session. All the more reason to consider ACES concepts sooner. Key to success, though, is to go into this with an enthusiastic, positive approach instead of a defeatist attitude and procrastination.

It’s imperative we determine our oil’s value, today, especially considering changes on the national scene that impact Alaska’s receipt of federal funds, our challenge in reigning in government growth, and our commitment to a competitive investment environment that attracts new development.

This state has incredible potential, including good jobs for Alaskans in a healthy and educated state. But that is out of reach until we trust our oil wealth is shared clearly and equitably.

For more information, go online www.gov.state.ak.us/omb/08_OMB/budget/index.htm.
Alaska’s construction cup – half full. The 2008 Alaska Capital Budget set out in SB53 is down more than a billion dollars from a year ago, but still represents $1.3 billion, part of which funds many capital improvements throughout the state.

There are several ways to look at the budget, go online at www.gov.state.ak.us and click on the FY 2008 Enacted Budget icon to download the capital budget bill in its entirety, as well as breakouts by house district, category and department. There is also a list of vetoes, a funding summary and the operating budget. One thing to note is the department and funding source totals in SB53 do not have the vetoes subtracted out, so do the math.

Tracking the money from appropriation to allocation to bid is a brain teaser. Merging the staggered federal and state fiscal years with calendar years, current priorities and changing costs is a real challenge to determine what gets built when. Once money is authorized and appropriated in a capital budget, a year or two or three passes before an intended project goes to bid, if ever.

**Capital budget**

The capital budget is a bit of a labyrinth. It is set forth in SB53. Dissecting SB53, which is comprised of 66 sections, includes sifting through four major sections of appropriations and allocations, with two sections following each that summarize by department and source of funds. Sections 13 through 66 have no department or source summaries and just detail how money already authorized, appropriated or allocated is going to be spent instead.

Section 1 is $163 million of FY07 re-appropriations and allocations. Section 4 is $1,334 million in FY08 appropriations and allocation – less $212 million in duplicate funds. Section 7 is $8 million for collective bargaining unit personnel expenses. Section 10 is $14.9 million in supplemental operating expenditures for FY07. Sections 13–66 reassign, re-appropriate, authorize and/or ratify FY05, FY06, FY07 and FY08 funds for operating and capital expenses, including some shifting around of construction project money.

Gov. Sarah Palin said, “The $1.3 billion capital budget provides funding for basic government services including public safety, education, transportation and infrastructure development. Many of these projects provide construction jobs across Alaska and play a vital role in the economic health of our state.”

**Public Safety**

The Department of Public Safety was appropriated $10 million, with none going to any construction projects. However, $9 million for the Anchorage Fire Department training facility relocation FY07 re-appropriation through the Department of Commerce, Community and Economic Development might be the largest single public safety construction project in the budget. Commerce is a pass through for more than a quarter of a billion capital budget dollars throughout the state, including many public safety realm authorizations such as school security systems, drug task force officers, child abuse investigators, search and rescue operations, police equipment, fire department tankers, fire hall upgrades and a lot of laptops.

**Education**

The Department of Education and Early Development was appropriated $48 million, all in general funds, to help fund nine rural K-12 school construction projects in eight communities.

- $13 million St. Mary’s
- $10.7 million Bethel
- $7.1 million Noatak
- $5.6 million Kongiganak
- $5.1 million Russian Mission
- $3.3 million Arctic Village
- $1.9 million Coffman Cove
- $1.4 million Fort Yukon

On the postsecondary side, the University of Alaska was appropriated $48.8 million, of that the general funds were appropriated to purchase a building in Homer ($2.5 million) and for maintenance of existing equipment and facilities ($8 million). University of Alaska Restricted Receipts of $21 million went to construction projects already underway: $14
million to the parking garage and loop road on the Anchorage campus, and $6.8 million to the School of Fisheries and Ocean Sciences facility on the Juneau campus. Federal funding of $15 million was appropriated to the Systemwide Project Receipt Authority, with no allocations or specific projects allocated.

Transportation

The Department of Transportation and Public Facilities expects to pay vendors 75 percent of $775 million – $500 million, according to Deputy Commissioner, Highways and Public Facilities, John MacKinnon. The money appropriated in SB53 is for transportation infrastructure improvements, but not necessarily this year, or next. MacKinnon emphasized the importance of not confusing the capital budget appropriations and allocations with what the department is actually constructing in a given calendar year.

“I look at our annual capital budget as a piece of a long chain in funding – some projects are completely funded in one year while others have funding spread over multiple years,” he said. “When I look at what we have in the capital budget, the governor kept most of our priority projects in there … $35 million congestion relief for Anchorage … $20 million in the two Dowling Road projects … $15 million for the Palmer Wasilla Highway. We are very pleased with the capital budget and with the support from the governor and the Legislature. We put a lot of effort into selecting projects that are badly needed, and ones that are benefited by state funds instead of federal funds.”

More than half a billion dollars of the transportation budget is from federal funds. Those project dollars are administered through different protocols and take longer to get to the construction phase than projects built with state general funds. The STIP dictates how and when transportation dollars are spent and can be accessed online at www.dot.state.ak.us.

AIP

Another segment of DOT&PF is the Airport Improvement Program, which receives about the same amount of money each year in formula driven guaranteed money and discretionary
funds to the FAA for specific projects, according to DOT&PF Deputy Commissioner of Aviation John Torgerson. The AIP is appropriated $181.3 million in federal dollars in the 2008 Capital Budget, allocated to airports throughout the state.

Torgerson said, “Primarily, most of it is for construction, a lot goes into pre-construction, drafting, planning – probably 70 percent hits the actual job in the construction phase, the rest is either in environmental or in-house planning and design.”

There is a long list of airport allocations in Section 4 of the budget, but the line items don’t show the total costs or phases of the multi-year projects. Airport Development Manager Roger Maggard says, “You really can’t tell from that request – because we’ve got previous legislative authority – you can’t tell what we’re actually constructing, because funding is spread over multiple years.”

**Marine highway**

The Alaska Marine Highway System is allocated $32 million of the department’s $332.8 million Surface Transportation Program authorization; $25 million for ferry refurbishment, $2 million for reservations and manifest system and $5 million for construction of a new ferry terminal on Annette Bay at Metlakatla. There is an additional $13.4 million appropriated from FY07 for vessel and terminal overhaul and rehabilitation and $6.5 million in re-appropriations.

Jim Potdevin, DOT&PF marine operations, said the Annette Bay terminal will probably go to construction in 2009, after the Department of Defense completes the 18-mile road they are building to the site. To get a better idea of the actual projects, Potdevin suggested looking at the STIP; it shows $1.5 million for Pelican dolphin moorings, $14.8 million for Haines terminal improvements, $5 million each to terminals in Kodiak and Unalaska, and $20.1 million for ferry refurbishment.

**Infrastructure development**

A lot of money for infrastructure development in Alaska is appropriated through the Department of Commerce, Community and Economic Development. Office of Management and Budget Chief Budget Analyst Joan Brown said approximately 80 percent of about $260 million will go toward construction – $208 million. Brown emphasized the word approximately, and said that is a best guess. She spent hours going through the budget to get it boiled down to a general summary amount of DOCCED construction appropriations.

DOCCED Special Assistant Joseph Austerman said the department is tasked with administering the money and making sure that the process is conducted in a fiscally responsible manner, and seeing to it that before reimbursing funds the expenditures meet the criteria established. Also some money is channeled through Commerce to save money, as in the case of some road construction funds. “It’s because our admin fees are so low,” Austerman said. “Commerce charges 3 percent, DOT charges 5-6 percent, so they stick the money in our budget and we get the legisla-
COMING BIDS

Some transportation bid highlights for the next year, courtesy of DOT&PF.

CENTRAL REGION

- $5-10 million Muldoon Rd. Repave
- $15-20 million East Dowling Rd. Extension
- $15-25 million Old Seward Hwy. Rehab O’Malley to Huffman
- $5-10 million Old Glenn Hwy. Reconstruct Fire Lake to S. Birchwood
- $3-6 million Chester Creek Connection Trail Project
- $1-3 million International Airport Road Channelization Project at Old Seward
- $1 million Spot safety improvement projects throughout Anchorage bowl
- $15 million Glenn Hwy. Gambell to Airport Hts.
- $10-12 million Eagle River Loop Rd.
- $10-20 million Kipnuk Airport Relocation
- $5-10 million Goodnews Bay Airport Improvements

NORTHERN REGION

- $5-10 million Van Horn Rd. Reconstruction that includes widening, illumination
- $2-5 million Cowles St. (upgrade) Grading, paving, utilities and pedestrian facilities
- $1-3 million 2nd St. and Moore Realignment
- $2-5 million Cartwright Rd. Reconstruct as funding allows
- $1-2 million Homestead Rd. Extension
- $2-5 million 23rd Ave. between Lathrop and Cushman
- $2.5-5 million Deadhorse Airport ARFF Bay addition and sand storage
- $5-10 million Ambler Airport Rehabilitation

SOUTHEAST REGION

- $10-20 million Lutak Rd. Reconstruct
- $15-25 million Petersburg Runway Safety Area project
- $5-10 million Mitkof Hwy. Upgrade
- $10-20 million Haines Terminal upgrade
- $5-10 million Tressel and causeway in Hyder
- $2.5-5 million Indian River Rd. in Sitka, Pave existing gravel road
- $2.5-5 million Realignment to Sitka airport terminal road
- $75 million Juneau Access (pending receipt of Corps permit) three stages/phases

DOT&PF Links
To view the tentative schedule of upcoming bids go to www.dot.state.ak.us/apps/contracts?ACTION=TENTAD&REGION_CODE=ALL
To view recent bid results/awards go to www.dot.state.ak.us/apps/contracts?ACTION=LISTING&REGION_CODE=ALL

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No department or agency can spend money without legislative approval, regardless of where the money originates. The $15 million appropriated through Commerce for Kodiak Launch Facility Infrastructure doesn’t even exist, according to Alaska Aerospace Development Authority CEO Pat Ladner, who said if they get the money they will be sure to build something with it. He explained there is no money, but they are authorized to spend $15 million if they can obtain it from somewhere besides the general fund, say from the federal government or corporate receipts. He gave an example of building a multi-modal storage facility, so that if a client has four missiles they want to launch over a period of time, but want to ship them all to Kodiak at once to save on transportation costs, there’s some place to keep them out of the weather. The Legislature did not give him $15 million to build it, just the authority spend that amount. So that $15 million in the budget isn’t really there.

Budgeted money does exist in funds for energy infrastructure, $46.2 million to the Alaska Energy Authority through Commerce, in a grant to help finish the hydroelectric intertie between Swan Lake and Lake Tyee; money for towers, a substation, transformers and to string lines to bring more power from Lake Tyee to Ketchikan.

Another large energy authorization is $31.7 million to the Alaska Energy Authority for energy projects; there are several smaller energy project grants.

Commerce has $10 million appropriated to the Mat-Su Borough to begin the Environmental Impact Statement to extend the rail line to Port MacKenzie, some $22 million for partial funding of three Anchorage roads, $5 million toward relocating an Anchorage public health clinic, several million to Fairbanks, and hundreds of grants scattered across the state. Look at SB53 to see them all.

Other departments

- Alaska Court System, $3.1 million, $1.8 million for a prisoner elevator, holding cells and block 39 planning and design.
- Department of Environmental Conservation, $98 million, $93 million goes to water and wastewater infrastructure projects.
- Department of Fish and Game, $8.6 million, $3 million for sport fisheries and recreational boating access and a Kenai River boat launch.
- Office of the Governor, none of the $22.1 million appropriated is specifically allocated for construction. The money is intended to provide economic opportunities for the Alaska salmon industry, and could be used to build facilities.
• Department of Health and Social Services, $18.5 million, close to $3 million could go for construction, mostly through deferred maintenance, renovation, repair and equipment.

• Department of Labor and Workforce Development $4.6 million, $1.5 million critical deferred maintenance at AVTEC, $2 million to Career Center Construction Academies in Anchorage and Fairbanks.

• Department of Military and Veterans Affairs $17.9 million, $1.5 million Army Guard Facilities Projects, $5 million Compliance Cleanup Site Restoration, $9.5 million State Homeland Security Grant Program.

• Department of Natural Resources $36.7 million, clearly $1.5 million for Potter Marsh boardwalk improvements, $1 million for South Denali State Park planning and design, and $1.5 million for emergency repairs, maintenance and deferred maintenance for state parks and campgrounds, and a portion of the remaining $32 million could go through federal programs for construction projects, or not.

• Department of Revenue $88.6 million, more than $80 million of the appropriation could end up funding housing or public facilities of some type.

**Bottom line**

The 2008 Alaska capital budget, while a disappointment to some, is a windfall to others. The $1.3 billion will help keep some contractors busy through the end of the decade.

Susan Harrington is an editor and author in Anchorage.
Aug. 1, 1977 – first tanker leaves Valdez

Stretching from Prudhoe Bay on Alaska’s North Slope, through rugged and beautiful terrain, to Valdez, the northernmost ice-free port in North America, the 800-mile-long Trans Alaska Pipeline System is one of the largest pipelines in the world.

Building the pipeline took 2,000 contractors and subcontractors, as well as 70,000 workers, just three years and two months – from March 27, 1975 to May 31, 1977.

Back then the $8 billion engineering marvel – which crosses three mountain ranges and more than 800 rivers and streams – was the largest privately funded construction project in history.

Perhaps no project in the state of Alaska’s history has been as pivotal.

In the 30 years since, Alaska has been transformed from a state struggling to afford basic services to one with $40 billion in a savings account that funds the Alaska Permanent Fund Dividend. Thanks to this influx of wealth, a tremendous amount of infrastructure has been built all across Alaska, and many new government programs have been developed.

In other words, the Trans Alaska Pipeline System forever changed the face of Alaska.

Anchorage Mayor Mark Begich paid tribute June 20 to the men and women who engineered and built the historic project, which is so important economically not only to Alaska, but to the nation as a whole.

“TAPS is testament of being willing to dream big, but also being willing to do the planning, sweat the details, and just plain work to make those dreams happen,” he said. “Alaskans literally moved mountains to make this project happen.”

Similar ingenuity and tenacity will be required to design and build a gas line to deliver Alaska’s natural gas to the market place, Begich said.
At the Trans Alaska Pipeline System’s peak it transported more than 2 million barrels of oil a day. Today the throughput is about 800,000 barrels per day. One barrel is 42 gallons.

But the political process involved in securing land for the right-of-way was as historic for Alaska as the engineering and construction achievements. Claims to virtually the entire state by Alaska Native peoples had to be settled before any construction could be started. That was accomplished in the Alaska Native Claims Settlement Act of Dec. 18, 1971.

Although Alaska Natives had pursued land claims for several decades prior, the lobbying effort to pass ANCSA began in earnest in 1966. As the state of Alaska began its selection of 104 million acres granted to it under the Statehood Act, the Alaska Federation of Natives was organized and focused most of its early attention on land claims.

After the discovery of oil in late 1967, Atlantic Richfield Company joined with BP Oil and Humble Oil (now Exxon) to form the Trans Alaska Pipeline System to build a pipeline to transport oil from Prudhoe Bay to the ice-free Port of Valdez. Creation of TAPS increased political pressure dramatically to build the pipeline.

The 48-inch special cold-weather steel was ordered from Japan in April 1969 and design work was completed in September 1971, although the building permit for the pipeline was issued in 1974.

Through the Alaska Native Claims Settlement, Alaska Natives retained about 44 million acres of land in Alaska and were awarded $962.5 million. Native regional and village corporations were created to manage the assets. The settlement of the land claims opened the door for the Trans Alaska Pipeline Authorization Act in 1974.

Oil entered the pipeline for the first time at Pump Station One, at Prudhoe Bay, on June 20, 1977, and reached Valdez on July 28. On Aug. 1, 1977, the tanker Arco Juneau sailed out of Valdez with the first load of North Slope crude oil.
The loading in Valdez went quite smoothly. The terminal loaded the cargo at about 50,000 barrels per hour, less than half the normal rate,” he said. “Their people were being very careful in their procedure, not wanting anything to go wrong. Our crew felt like we could be holding the future of Arco in our hands if anything did go wrong.”

The return trip to Cherry Point for the discharge was routine, Doherty said. But when the ship arrived at the dock, he said the vessel was met by a group of protestors in small boats with signs proclaiming: “GOO – Get Oil Out.”

“I, for one, did not mind the two ladies paddling a green canoe and wearing yellow sun hats, but the sight of the outboard motor boat running up and down the dock laying blue exhaust smoke in the water, I did [mind],” he said. “I wonder where he got his gasoline that morning.”

Mike Heatwole, a spokesperson for Alyeska Pipeline Service Co., said Aug. 1, 1977, is a milestone in the history of Alaska North Slope oil production and delivery. Since that day, about 19,000 tankers have left the Port of Valdez carrying more than 15 billion barrels of oil.

Many AGC of Alaska members were among the contractors and laborers that engineered and built the project.

Alexandra J. McClanahan is a longtime Alaska writer and the editor of two books.
A 30-year relationship that outlived disco. Both times.

On June 20, 1977, oil began flowing down the Trans Alaska Pipeline. Since then, over 15 billion barrels have made the 800-mile journey south. It’s an accomplishment made possible only because Alaska and the industry have worked together. On this historic anniversary, we want to say “thank you” to Alaskans.

As we look back and celebrate 30 years of accomplishment, we look forward with optimism to a future that is just as bright.

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alaska.bp.com
When I agreed to serve as interim chancellor for the University of Alaska Anchorage five months ago, I did not fully appreciate the breadth and depth of UAA, its many course offerings, and its talented team and enthusiastic students.

This fall UAA will serve nearly 20,000 students with 158 different certificate and degree programs from nursing and engineering to aviation and mining. We educate more than 60 percent of the students in the University of Alaska system; making UAA the force behind workforce development for all of Alaska.

A tidal wave of industry demand for a well-trained workforce will hit Alaska this decade due to strong growth projections and aging workers. According to the Alaska Department of Labor 2014 forecast, Alaska will need qualified employees in many different industries: transportation, engineering and construction, computer and networking, and welding and non-destructive testing, among many others.

UAA has already responded to the state’s needs for skilled and well-educated employees in high-demand career areas by creating many new programs and increasing student capacity in others. Strong community and industry partnerships are essential to ensure effective communication about workforce needs and the ability of UAA to meet changing demands. I want to tell you a little about both of these approaches.

In response to requests from industry representatives to help them meet the growing demand for trained workers, we have expanded our career and technical education programs by more than 25 percent since 2000.

For example we have added programs in:
- Engineering
- Construction management
- Welding and non-destructive testing
- Corrosion management professional training
- Computer systems technology
- Computer information and office systems
- Aviation technology
- Process technology
- Occupational safety and health
- Global supply chain management
- Project management

Many courses are delivered both locally and via distance throughout the state. The response has been dramatic. UAA’s associate’s degree program in construction management, which was added in 2005, has been hugely successful. And our new bachelor of science in construction management admitted 22 students this fall.

More than 300 students have been accepted into the bachelor of science in engineering program since 2005 and enrollments are expected to double within the next two years. Industry demand for non-destructive testing training is also high; approximately 60 technicians annually. UAA is developing programs designed to educate corrosion management professionals, and to meet other emerging training needs.

UAA works with other University of Alaska campuses to provide many of these programs. Faculty members in several workforce development programs collaborate in order to provide the highest-quality course content and maintain consistent educational standards across the University of Alaska.

Research isn’t usually considered an essential part of workforce development, especially in technical fields. But at UAA, we’ve established strong research capabilities in areas specifically important to Alaska’s industry and environment. Through our graduate and undergraduate research programs, as well as our research institutes – such as the Institute for Social and Economic Research and the Environment and Natural Resources Institute – UAA is
currently researching subjects such as water quality and contamination, economic trends and forecasts, effects of climate change on public infrastructure, coastal erosion, analysis of community crime patterns, sustainable design and planning. All of these areas of study are essential considerations in training a new workforce in the state.

**Industry partnerships, the key to success**

In addition to providing the training, educational programs and research opportunities to assist Alaska’s industries, UAA has established valuable partnerships with key businesses and organizations. Close relationships with our industry partners help provide funds for student scholarships, faculty professional development, instructional equipment and more.

The university can be a source of qualified interns for industry as well as a source of new hires from Alaska. We will continue to look to you, our industry leaders, to help us determine what training UAA should be offering in order to meet your needs. Each career and technical education program at UAA is guided by an advisory committee comprised of industry representatives. Our Community and Technical College organizes forums with industry throughout the year seeking advice on how UAA can better meet your needs. We have 25 committees that help us develop relevant course content, determine facility and equipment needs for appropriate training, and align faculty qualifications with specific instructional need.

We would love to show you UAA. Like the rest of Alaska, we are growing and changing. Please come visit for a tour or briefing on programs of interest to your industry. Feel free to share any comments or ideas by writing to chancellor@uaa.alaska.edu

Many thanks for your ongoing partnerships with the University – together we can ensure Alaska’s future is bright.

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Fran Ulmer is the new Chancellor for the University of Alaska Anchorage.
A quick glance at Alaska’s economy gives the impression of a secure financial outlook, with an economy promised to hum along nicely. But take a lengthier look and you may be surprised to find right below the surface, a perfect storm is brewing.

Alaska’s economy can be reduced to what some call the “one-third rule.” There are three main economic engines that keep Alaska afloat: federal government, oil and gas industry, and other private investment.

Military bases, post offices, bypass mail and federal highway dollars are all forms of federal government spending in Alaska. In the private sector (including the oil and gas industry), investment is funneled into equipment and buildings, and goods and services, where there is a hope of turning a profit off their capital investment. As contrasted to the largely one-time boosts to the economy federal dollars offer, private investment can turn a profit and be invested further into more equipment and buildings, and goods and services.

In Alaska, the overwhelming majority of large-scale, new capital investment comes from resource development companies. Their money is spent on mining equipment, drill rigs, transportation to the resource, fishing boats, fish processors, etc. The money funneled to these goods and services is then brought home to the restaurants, clothing stores, auto dealers, gas stations and every other business in Alaska. The vendors to those businesses then receive more money to be spent on their goods and services.

No matter what the source, money that comes into the state circulates around, and we all benefit. Some of this money is siphoned off by the government and returned to the economy through public projects, law enforcement officers, teachers, etc. But even that money is returned to the economy as a whole, as the police officers, teachers, road construction crews, etc., spend their money in the economy.

The Politics of Construction

A perfect storm is brewing in Alaska’s Economy

In Alaska, the overwhelming majority of large-scale, new capital investment comes from resource development companies.

So what’s the problem?

There are two problems; both big.

First, the amount of money the federal government spends in Alaska is going down, and, according to both of Alaska’s U.S. senators, it will continue to go down. This is largely due to appropriations reform, loss of chairmanship power and the weakening federal dollar. No matter the origin, the fact is the money that used to fuel one-third of Alaska’s economy will not circulate in the same capacity in the future.

Second, the production of oil is declining on the North Slope at a rate of 6 percent per year. More private sector investments will be needed to slow that decline, but an overwhelmingly amount of our oil comes from Prudhoe Bay and Kuparuk, and they are simply becoming depleted. There is only so much investment that can be made before the decline inevitably speeds up. Currently, the price of oil, while very painful at the pump, makes the job of running the state much easier than a mere four years ago, when the price of oil was in the low $20 range. However, a high price for oil will not matter when the day comes when Alaska only produces half the amount of oil we have right now. At its peak, the pipeline carried two millions barrels per day. Currently, we produce less than 750,000 barrels.

The decline on the North Slope is bad for the economy on many levels. The investment dollars that are spent on drills, bits, trucks, labor, food, engineering services, etc. will decline, and not be circulated in the economy. Eventually, the loss of circulating dollars will affect all businesses, whether or not they are directly related to the oil industry. If you are a waiter at an Anchorage or Fairbanks restaurant, how long before the lack of money being circulated affects your tips and wages?

The private sector could help mitigate the nearing decline in state revenues by continuing to diversify the economy and invest wisely where growth potential still exists: tourism, mining, air cargo and the growing Alaska retiree population are all areas that hold potential for healthy economic development.

It is also equally important to continue to encourage oil and gas development and exploration.

All of our hopes that this vital Alaska resource will continue to “cash-in” cannot rest on an eventual opening of ANWR or a gas line home run. The oil and gas industry must diversify as well by pursuing further exploration in the
offshore and NPR-A and development of resources such as heavy viscous oil and gas hydrates.

The state must play an active role in fostering an environment that encourages this continued private investment and builds on Alaska’s potential.

As production declines and federal dollars dwindle, the state government will also have some very tough choices to make as sincerely working to balance the budget will become a necessity. They can:

1. Make massive budget cuts. This takes money out of circulation in the economy.

2. Impose individual sales or income taxes. This takes money out of circulation in the economy.

3. Tax the industry. This will work only until production declines to the point that any tax rate won’t cover the bills. In the mean time, higher taxes could also lead to a drop in investment, increasing production decline and speeding up the state’s reduction in revenues.

4. Use permanent fund earnings. This is politically unpopular, but actually could add new money to the economy to be circulated. However, the fund is not big enough to go it alone, so other mechanisms, such as the three above, will have to be used, which will be detrimental to the economy.

The last way the production decline on the North Slope hurts Alaskans is in the revenues it brings to the Alaska Permanent Fund. The constitution requires that 25 percent of our royalties go into the fund. As production declines, royalties decline, and well, you can do the math.

There are tough choices coming. Be thinking about what you want the state’s economy to look like after federal money dries and oil declines.

Ralph Samuels is the Alaska State Representative for House District 29 in Anchorage.
Several women sentenced to Hiland Mountain Correctional Center near Eagle River, a women-only facility, hope to find the answer through the prison’s construction and building trades vocational education class.

Graduates finish with a tangible ticket to a better life: a certificate issued by the National Center for Construction Education and Research, or NCCER.

Hiland and Palmer correctional centers are the first two Alaska correctional facilities to offer NCCER certificate programs, thanks in large part through the efforts of AGC of Alaska.

NCCER was established in 1996 through the collaboration of the nation’s foremost construction industry organizations and companies, including Associated General Contractors of America. Organizers were motivated by two broad concerns: how to meet the increasing demand for skilled workers in all the construction trades, and the need for a way to verify that a particular applicant is qualified for the job.

NCCER took on the mission of building a safe, productive and sustainable workforce of craft professionals who could produce nationally recognized credentials.

To accomplish that objective, AGC of America and NCCER’s other partners worked with NCCER to develop a curriculum and teaching materials to train people from the ground up. All courses are taught by NCCER-certified instructors.

Each class culminates in nationally standardized testing, and students who pass earn a certificate from NCCER.

For employers and new graduates, it’s that certificate that ultimately makes the program work. NCCER certificates are recognized throughout the construction industry as verification that training was in compliance with national standards.

NCCER courses are now offered nationwide in thousands of school districts (including the Anchorage School District and the Mat-Su Borough School District), vocational schools, colleges and community colleges, apprenticeship programs — and hundreds of correctional facilities.

AGC of Alaska is a NCCER-accredited training sponsor. Vicki Schneibel was a guiding force for getting the NCCER program into the Hiland and Palmer facilities while she was education director at AGC of Alaska.

She has taught several NCCER instructor certification courses, resulting in dozens of new certified instructors in Alaska. She also was involved in getting NCCER training into rural and urban Alaska school districts.
“When AGC Alaska got involved, some voc-ed courses in Alaska were using NCCER materials, but they weren’t being taught by NCCER-certified instructors,” she said. “AGC Alaska worked to get the instructors certified by NCCER, and sometimes picked up the costs. That led to students being able to get NCCER credentials.”

Hiland has offered a similar course in the past, but without any certification to show for it.

“Having the national certification is critical,” said R.C. Fisher, one of Hiland’s two education coordinators. “Otherwise, we’re just spinning our wheels.”

Hiland’s program offers NCCER’s core curriculum and Carpentry I. The core curriculum includes such topics as basic workplace safety, construction mathematics, introduction to hand and power tools, reading blueprints and communication skills on the job site.

The Carpentry I course covers fundamentals including building materials, fasteners and adhesives, reading plans and elevations, additional training with tools, concrete and reinforcing and building walls, floors, ceilings, stairways, windows and exterior doors.

The students are provided all the safety equipment standard in the industry – hard hats, goggles, safety harnesses – and have access to the tools and equipment they will encounter on a job site.

For most of the women taking the course at Hiland, NCCER certification is the primary reason they signed up for the program.

For Christina Inman of Wasilla, the training she is getting is just as important as the certificate, maybe more important.

“Ill walk onto a job site, I think most of the men will assume I’m not serious and can’t do the job,” she said. “But with this training, my experience and my skills will be obvious from the get-go, and I’ll be taken seriously.”

For 19-year-old Elizabeth Morgan, the certificate is her principal motivation. “Before I even get to a job site, I have to submit an application. Having that certificate on my application will give me a leg up on anyone, male or female, who doesn’t have NCCER certification. It means I can do the job, and that will outweigh a prison record.”

Morgan has earned her GED at Hiland and is working on getting a college degree in accounting, in addition to the construction course. “I was 17 when I got here, and I thought prison was the end of the line,” she said. “But now I have a chance to prepare myself for life outside, and I’m determined to do it.”

Maleeka Barnes agrees that she’s counting on the credibility that comes with NCCER certification. As a black
woman with no prior experience in construction and a criminal record, she does not expect to encounter resistance if she has NCCER certification in her hip pocket. She sees the NCCER certification she’s earning as a step toward her eventual goal of becoming a welder and pipefitter.

That’s the message they’ve gotten from their NCCER-certified instructor, Bob Kountz: employers will care more about their NCCER certification than their rap sheets.

Kountz has a contract with Hiland to teach the 10-week course. His first Hiland class based on the NCCER curriculum concluded in late June this year, and he taught a second. He brings a lifetime of construction experience into the classroom, and is NCCER-certified in the core curriculum, carpentry, plumbing, electrical and heavy equipment.

During his career, he has taught mostly men. His work at Hiland is his first experience teaching women-only classes. He says he finds the women more committed and more thorough.

“Men tend to slap stuff together, which is OK with rough framing,” he says. “The women care about getting it as accurate as they can.”

Kountz also teaches the women a little about finesse.

“I teach them how to use tools and techniques instead of brute force, and that usually means getting the work done more efficiently and safely,” he said.

His classes provide a mix of book learning and hands-on projects, like remodeling a greenhouse, building a gazebo, working on a storage shed complete with electrical wiring, and constructing seven doghouses for the Hiland facility.

When Kimberly Geurin of Anchorage was released from Hiland Mountain Correctional Center in mid-August, she left as a graduate of Hiland’s first NCCER-based voc-ed course in basic carpentry with NCCER certificates in the core curriculum and Carpentry I.

She really needed those certificates. She grew up working with her father in his painting and remodeling business, but he died a few years ago, and she has had no way of proving her experience and skills to employers.

“Time after time when I applied for construction or painting jobs, they turned me down because I could not confirm my background,” she said.

When she ended up at Hiland, she was afraid for her future.

“I didn’t see any way to get out of my old life. I don’t have much education, and I hadn’t been able to convince employers I could do the work. Without the certification, they think I’m just another woman going after a man’s job. A criminal conviction would only make it worse. I was afraid what would happen to me.”

Then she learned of the NCCER course Bob Kountz was going to teach, and she grabbed the opportunity.

“I knew that if I had certification from NCCER, I could get hired.”

She did so well in that class that she was chosen to teach the introductory construction math class to the next group of students.

After she was released, she applied for a job at Builders Choice, an Anchorage manufacturer of prefabricated structures.

“They didn’t have a position immediately, but the woman I spoke to was very impressed by my NCCER certification, and made a copy to attach to my application,” Geurin says. “She said she thinks I can get hired the next time there’s an opening.”

For Geurin, NCCER certification is the key to the door leading from her old life to a new one. In the long run, she hopes to get into an apprenticeship program and make a career as a painter, like her father.

A visitor asks if she thinks her father would be proud of her. “Yes,” she replies, her eyes shining. “I really think he would be.”
Paul Kroenung, the instructor at the Palmer prison, obtained his NCCER instructor credentials in 2004 through AGC of Alaska. He says AGC provided his classroom instruction in how to teach adults and young adults; his NCCER instructor certifications in the core curriculum and Carpentry I, II, and III were awarded on the strength of his 20 years in the carpentry trade, including 15 years as a journeyman.

As at Hiland, the students at the Palmer prison have done building projects at the facility to get hands-on experience – a greenhouse is under construction, and a past class built a structure about 20 feet square, which is used as a kind of lab for basic carpentry skills.

“The building has some interior partitions and a kitchen with a sink. We left the interior walls and partitions bare – just the framing,” Kroenung said. “The students go through and install all the wiring and plumbing in the framing. Then the next class tears it all out, and starts all over again.”

Most of the women in the class hope to move into construction jobs when they leave Hiland, but not all. Diane Appel of Nikiski says she’ll be glad to have the certificate as an employment option if she needs it, but mostly she wants the skills to work with her husband remodeling their home after she is released. Several others have ambitions to build their own homes from the ground up.

Angela Elson, a former paralegal from Wasilla, has goals beyond working in one of the trades. “I took engineering classes in college, and I’ve been taking all the computer classes I can here at Hiland, and some college math classes,” she says.

For the women like Elson who intend to pursue additional education, an additional benefit is that completing the course earns credits in the construction management degree program at the University Alaska Fairbanks, where Kountz is an adjunct professor.

Hiland education coordinators R.C. Fisher and Karen Jenkins say that 11 students successfully completed the course that ended in June, and nine more were expected to complete the second course.

For students at Hiland and Palmer, the benefits of the NCCER credentials can be substantial – greater confidence, valuable skills, and an opportunity to make a new way in the world for themselves and their families.

David Millen is a freelance writer who lives in Anchorage.
Anchorage Construction Academy’s SUCCESS spawns five more training academies

By Tracy Kalytiak

Not long ago, vocational education in Alaska was withering, a casualty of an education system saddled with strict new performance benchmarks, rising costs and an emphasis on putting kids on the path toward college rather than learning a trade.

“There used to be a special line item for vocational education. It was always protected,” said Mike Andrews, director of Alaska Works Partnership Inc. “When the Legislature changed the education funding formula, they said you can use the money for voc ed, special ed, keeping the lights on. What went away first was voc ed. Schools were no longer required to offer voc ed, so the schools said, ‘OK, we won’t.’”

Schools were squeezed, and that squeeze came at a bad time for Alaska’s construction industry, which needed skilled employees to fill well-paying vacancies left in its aging work force.

So Dick Cattanach, executive director of the Associated General Contractors of Alaska, acted two years ago, getting $1 million from legislators in 2006 for the Anchorage School District to launch a construction academy at the King Career Center, with the cooperation of

Krista Inscho enrolled in electrical, welding, forklift and OSHA courses offered by the Anchorage Construction Academy in March.

Inscho, 23, a former nanny and electrical supply warehouse employee who now works for Redi Electric, took a construction electricity course at Dimond High School. She knew that was what she wanted to do as a career, but decided to explore other offerings in the construction field.

“After high school, I got some construction jobs, painting, doing remodels,” she said. “I even did cabinets, worked in woodshops, got my hands into a lot of different kinds of baskets.”

But electrical work still intrigued her the most.

“It’s not just measure this, put this together,” she said. “There’s a lot to it; a lot of theory. It’s neat to pursue a field where there’s plenty to it but it still has the hands-on physical aspect of that kind of work. I’ve always felt inclined to this kind of work, it comes naturally to me.”

Inscho was indentured into the IBEW’s electrical apprenticeship program and someone there put her in touch with the Women in the Trades coordinator, who encouraged Inscho to enroll in the academy. Inscho took classes at King Career Center in electrical and welding, as well as the OSHA course, a course for forklift certification, and two math classes. Inscho and several other women also participated in a physical conditioning component of the program offered to women, to better prepare them for the physical rigors they’d encounter in the construction field.

“We got a gym membership for a couple of months, met with a trainer every Friday as a group,” Inscho said.

The welding course was a two-week program, with classes meeting two weeknights and one weekend day.

“We went straight to the booths and cut steel with a torch,” she said. “That was our very first thing. The second day, we actually started welding. Two instructors were going around, making sure we got the techniques down. There wasn’t enough time to get really good at it, but it was long enough to get an idea.”

Inscho said she learned theory in the electrical class, as well as mounting boxes on a wall, running conduit into the boxes and running wire through the conduit.

“The teachers would come around, inspect it and make sure we got everything right,” she said. “I did really good, I just felt like I really got it. I kind of did an extra challenge for myself. I bent three-quarter-inch pipe instead of running two half-inch pipes. I was able to run all my wires through the same pipe. The teacher was impressed.”

Inscho’s brother welds and her father is a longshoreman. She said her father initially tried to push her toward college, but later understood and supported her career goals.

“I never felt interest in going to college; some people aren’t made for that mold,” she said. “This is something that I like, it’s going to pay me well, it’s got good benefits, retirement. I hope to be really good at it.”
the state commerce and labor departments, AWP, the Anchorage Home Builders Association, Cook Inlet Tribal Council and other entities.

The pilot program proved to be so popular that the AGC, AWP and home builders associations approached the Legislature again last year and asked for more money to expand the so-called Anchorage Construction Academy and launch satellite academies.

The lawmakers approved $3.5 million in appropriations, which AGC Alaska is administering — $1.5 million from the Department of Commerce and Economic Development and $2 million from the Department of Labor.

“Dick Cattanach has moved mountains to get this up to a certain level where the Legislature has put money into this,” Andrews said. “The initial thing that got the ball rolling was thinking that if industry and education got together in closing the skills gap, creating a pathway toward those jobs, that would be a good thing. KCC was shutting down at 1:30 p.m. There was a warm building with shop space that was going unused. We thought, couldn’t we work together to offer adults basic skills courses, to see if they were interested in instruction and provide career awareness and opportunities.”

Andrews said entry-level construction positions pay between $12-$20
per hour. In 2004, the median wage in the construction industry was $59,000 a year, an amount second only to wages in the oil and gas industry.

Kathleen Castle, executive director of the Alaska academy, said she and others involved with the program hope to roll out construction academies in the state’s other five home-building association communities – Mat-Su, Fairbanks, Kenai, Juneau and Ketchikan – to respond to the need for entry-level workers.

“They can’t find people who know what a 10-penny nail is,” she said. “There’s an outcry for folks who have some clue about construction trades and will show up for work sober and on time.”

In the future, Castle said she would like to see funding for the academy program tucked into the Department of Labor’s operating budget rather than doled out as a year-to-year appropriation.

“We could do more long-range planning,” she said.

The academy is bearing fruit. In the 2005-06 school year, 207 ASD students completed a construction-related course. In 2006-07, that number had jumped to 420 – an increase of 104 percent, according to statistics gathered by Gary Abernathy, one of two career guides employed by the so-called One Stop Shop, near KCC, which is funded by the Department of Labor and connects employers with trained students.

“Our goal for 2007-08 is 500 students,” said Rick Rios, ASD’s career and technology education coordinator. “It’s huge. It’s literally an explosion. The greatest sustainable outcomes of this are the active partnerships we have with the industry, community and state organizations. These partnerships will continue to grow. That’s the greatest advantage, the best asset we’ve gained through the academy.”

The Anchorage construction academy has two main components. One focuses on training ASD students in courses offered at King Career Center and local high schools. The other component, run by the Alaska Works Partnership, offers courses to adults who want to acquire plumbing, carpentry, drywall, electrical and other skills needed to enter the construction field.

Offshoots of the academy include intensive training for youths; after-school training at KCC for students in grades 9-12; informational meetings and refresher math sessions for adults, and “Women in the Trades” support. The AWP courses are free, but tuition may be required in the future, depending on the funding the program receives.

“The career academy is much bigger than King Career Center,” Rios said. “There are three or four comprehensive high schools whose facilities do not make construction trades courses feasible but where things like surveying and blueprint reading are being taught after school. With the heavy requirements in academics, fewer elective options are available to students. We’re opening up opportunities after school. They can take a class after school and still get their credits.”
It’s too soon to tell what impact the construction academy will have on students’ grades in a core subject like math, but testing done for a three-week youth intensive-training course offered earlier this year showed encouraging results.

“They had to take a construction math test and place 80 percent to be considered,” said Gaye Sarvela, an education specialist with AWP. “They took another math test at the end of the course to see if their math skills improved by applying their math on the job. Their scores improved 2.1 percent.”

Sarvela said that on the student evaluations, 100 percent of the 17 participants said carpentry/construction helped them understand math better. Ninety-three percent said they were interested in pursuing a construction career after going through the construction academy.

Those associated with the academy hope it will motivate students to achieve academically as well as vocationally.

Only 60.7 percent of ninth-graders in Alaska graduated within four years, according to 2001-02 data released by the National Center for Education Statistics, earning the state 42nd place in a 2005 ranking done by the United Health Foundation.

The key to improving those numbers, Rios said, is making school
courses more relevant to students. If a construction course motivates and helps a student learn math more effectively, that student could take those improved math skills either directly into a job or use those skills to pursue a college degree in a construction-related field like engineering.

“The system needs to address all children,” he said. “To stay in school, the solution is for students to be more career-oriented and to be selecting career preferences at an earlier age. If a student wakes up and thinks about class, they’re more likely to graduate.”

Now that the academy is up and running, it’s important that more potential employers get involved, Rios said.

“Industry is going to need to pick up high school students that come out of the best programs we have and take them to the next step,” he said. “We can get them to 18, but unless AGC members and industry pick them up, there’s no incentive for them to get in the programs. That would be my challenge — come see the young people and keep training them.”

The AGC oversees the National Center for Construction Education Research curriculum offered in the ASD and adult construction programs and Abernathy works to ensure the students are registered and receiving credit for NCCER-approved work they complete. There are now 236 ASD students who have completed the core curriculum or some of its modules, according to Abernathy, and 140 ASD students have made tech-prep articulation agreements, which allow credit for students who apply to apprenticeship programs with both union and non-union programs. The amount of credit is based on their classroom and hands-on experience in construction trade classes at ASD and each apprenticeship program that has an agreement will allow points to the students in the application process.

The construction academy strives to keep its offerings relevant to the job market, requiring third-party assessments through NCCER, and tech-prep articulations with the university and other apprenticeship programs that result in credits for postsecondary work.
“We’re no longer building shoe-boxes and birdhouses,” Rios said. “We’re teaching core standards curriculum that leads to national registry certifications and good careers in the construction industry. You have to learn a lot more math than before to learn to operate certain equipment. If you work a forklift in a warehouse, you have to read a computer, be computer-literate. You see the UPS serviceman running around; he has to be computer-literate. Communication and technology has changed. When a student graduates, they need to be college and work force prepared. They are the same.”

Adult construction academy students attend classes in the evenings at King Career Center.

“We use their facilities,” Sarvela said. “Our grant bought materials, supplies. We had a couple of Conex storage vans, with our tools and supplies locked up there so there’s no problem with us using their supplies. Respecting everybody’s space is what it amounted to.”

AWP found its students by offering informational meetings late last year that gave adults a taste of what it was like to be a plumber, drywall finisher, electrician or carpenter.

One of AWP’s four-week sessions took place in January, the other in March; 150 people applied for the first round of classes and 90 more people applied for the second round. Nineteen women participated; 70 people took more than one class.

“We had people in their 50s in the classes,” said Patrice Parker, AWP’s construction academy coordinator. “We had a great cross-section of ages, minorities and women. Electrical class was the most popular.”

Parker said the adults had to take and pass a basic skills test for math and reading as part of the application process. Those who passed that test had to take an ASD math test, and anyone who scored below 80 percent on that test had to enroll in a four-night, 10-hour construction math course.

Parker said people who took the refresher math course showed an average of 55 percent improvement, according to results of a test they took afterward. Adults who completed the four-week intensive-training courses could partici-
participate in a 10-hour Occupational Safety and Health Administration course and a short course in forklift safety.

Employers who have hired construction academy graduates say they are impressed with both the students and the instructors who taught them.

Stephen Helms, president of Greer Tank, a 55-year-old company that manufactures fuel tanks at its facilities in Anchorage, Fairbanks and Lakewood, Wash., said this past winter he hired Nathan Rasmussen, an 18-year-old welder who learned his skills from his father and honed them in instructor Brian Walsh’s classes at King Career Center.

“Their minds are still a sponge, they like to learn,” Helms said of ASD students he’s hired over the past eight years. “I’ve asked Brian in the past for the brightest ones, talk to them, see if they’re interested in jobs, hire them at the going rate. Nathan is probably the brightest one we’ve come across. He’s a little quiet but he can do CAD drawings, he can weld, do layout, operate a water jet machine. He’s very polite. He doesn’t go partying; he takes his job seriously. He’s never late. He’s still going to college and he works here, too, which was his choice.”

Helms praised Walsh for teaching his students how to do more than just operate a torch.

“He teaches these kids something that’s useful,” Helms said. “He makes them toe the line.”

Tracy Kalytiak is a freelance writer who lives near Palmer.
According to Cliff Hustead, Chief Consultant Officer of the Alaska Department of Labor Occupational Safety and Health Department (AKOSH), the construction industry is indeed their No. 1 target for scheduled compliance inspections. After all, our industry sports the highest injury and death statistics of all industries—surpassing even logging and fishing.

There are many things you can do to improve your job-site safety in order to minimize the outcome of those visits by the enforcement officers.

The most effective way to give your company “immunity” from those scheduled inspections altogether is by participating in a partnership program with AKOSH called the Alaska Construction Health and Safety Excellence Partnership Project (AK-CHASE), a written agreement between AKOSH and the construction contractor.

The program was designed to recognize and reward safety excellence in construction contractors who consistently meet or exceed the minimum qualifying partnership requirements.

There are three progressively stringent levels of achievement, the “AK-BLUE,” “AK-GOLD,” and “AK-FLAG.” Currently, AKOSH is focusing on the entry BLUE level, which represents the initial acceptance into the partnership.

AKOSH goals in creating a partnership with construction companies are: to reduce accidents and related costs; to increase productivity with less down-time and improved employee morale; to improve industry focus on causes of workplace accidents; to reduce worker's compensation costs and reportable injuries; to promote a more cooperative relationship between contractors and AKOSH; and to establish teamwork and ongoing commitments between AKOSH, the employer and employees to achieve safety and health goals.

Partnership requirements include an application for participation. You will need to provide documentation of your company's OSHA 300 logs, your written Safety and Health program and implementation documents. An initial site visit will be scheduled, and then the free consultation begins. Any violations that are found at the first and subsequent consultation visits will need to be corrected, of course, but there are no fines for the minor infractions. As a participant, you will provide your written policy regarding employer and employee safety that includes safety training, site inspections, accident investigations, safety meetings, and site-specific programs. The folks at AKOSH are very resourceful and are quite willing to help along the way.

Perhaps you already have a handle on some of the steps for program participation, but other steps might be intimidating for you. AKOSH Consultation has been working with AGC's Safety Committee to build a "how-to" program this winter for our members so that they are ready for application for participation by next spring. The committee is scheduling classes that will take place weekly from mid-January through March. They are creating the curriculum and lining up instructors to facilitate the process for our members who want to participate. The classes will be free, and you may pick and choose to attend any or all.

There are many reasons why your company should consider partnering with AKOSH in the AK-CHASE program. You are given regular consultation and free employee training. You are granted limited immunity from the enforcement officers on all your job sites for a year (these exemptions are not applied in serious items, such as complaints, injuries or death). The process of program participation will instill safety awareness at every level of your organization through training and involvement of every employee, and will create a culture of safety on your job sites. Your company will be awarded a certificate that is now becoming recognized by insurance companies and owner-agencies as proof of your commitment to safety, and which may be an advantage in

Have you ever felt as though OSHA has painted a giant target sign on your work site? Your paranoia is justified.
the bidding process. Your company will receive positive recognition from your peers and the public for your proactive efforts on behalf of safety and health. And presumably your “bottom line” will improve. (Perhaps your workers’ compensation insurance will be improved by taking all the necessary steps as a participant in the AK-CHASE program. Hopefully loss workdays will be reduced. Your workers will be safer and more confident in working for you. Etc.)

AGC member Alaska Interstate Construction has earned AK-Blue level certificate No. 1 for participation in the AK-CHASE.

AIC’s Program Manager Dave Chaput shared the reasons why they chose to be a partner.

“We’ve made it our corporate goal to do whatever it takes to ensure that personal safety is maintained on all of our jobs. The driver of this goal is our top management leadership team, headed by Dave Thomas, AIC’s President,” Chaput said. “Dave began his career in safety and recognized years ago that top management must set the pace and this is exactly what happens at AIC. We recognize that partnerships and clear agreements are key to the success of any major program. Given our excellent safety record and our determination to continually improve our operations, we have joined the AK-CHASE program. Together, we will have an expanded opportunity to discover ‘best practices’ from across the industry and to lead the way for safety throughout Alaska.”

AKOSH Consultation folks will be at the upcoming AGC convention in November. There also will be workshops introducing the AK-CHASE program. And a table will be set up for them in the workshop zone. Be sure to stop by and visit with them! Honest – you won’t get tagged with a fine.

The Safety Committee of AGC would highly encourage you to look further into this program and we hope you will participate. AGC is committed to improving the standards of our industry in every way possible. Your commitment to Safety and participation in the program will help us to help you!

For more information, visit AGC’s Web site at www.agcak.org.
Erv Long is in the business of freezing ground and keeping it frozen. The founder and owner of Anchorage-based Arctic Foundations Inc. began delving into the subject of permafrost within a year of beginning work with the Army Corps of Engineers in 1948.

Long began work on his first experimental thermopile in 1956 and received his first patent in 1965, followed by other patents of thermosyphons and similar ground-freezing systems.

Long and his associates at AFI have been developing, designing and fabricating ground-freezing systems in Alaska since 1972.

Since then he’s seen an increase in business as the topic of climate change becomes more heated, he said.

“Temperature change acts as a little more kick in the behind in selecting a type of foundation,” Long said.

Data collected at the University of Alaska Fairbanks Geophysical Institute indicates that from 1949 to 2004, average annual temperatures increased 3.7 degrees Fahrenheit in Anchorage, 3.9 degrees in Fairbanks, 3.3 degrees in Barrow and 3.6 degrees in Juneau.

That warming trend could be tough on Alaska’s infrastructure.

A report released in June by researchers at the Institute of Social and Economic Research at the University of Alaska Anchorage estimates damage from climate change could add $3.6 billion to $6.1 billion maintenance and replacement costs to the state’s public infrastructure.

That’s on top of the estimated $32 billion the ISER study estimates the state would spend in the next 20 years anyway maintaining and replacing federal, state, and local infrastructure.
**Tundra on the move**

Michael Rabe, managing principal of Anchorage engineering firm CRW Engineering Group, said the ISER report mostly matches what he and his fellow engineers are observing in the Arctic.

“We’re getting more freeze/thaws in a year, more degradation, more depth of thaw in a year than 10 years ago,” Rabe said. “That impacts foundation design.”

He said contractors working in Western Alaska’s frigid climate have seen significantly more movement in the tundra’s top layer that seasonally freezes and thaws.

Typically, the active layer in Western Alaska measures between 1 and 2 feet, but Rabe said that it is increasing significantly.

“Ten years ago, we might have laid pipeline right on the tundra with the understanding we might get some ground movement,” he said.

Today increased horizontal and vertical shifting of the active layer has prompted contractors to build such pipelines on pile foundations drilled well below the permafrost, Rabe said. More thermosyphons also are being installed along the piling to pull warm air out, maintaining the permafrost’s core temperature, he said.

And that can drive construction costs up by as much as 20 percent, Rabe said.

“Adjusting construction practices has been ongoing,” he said of engineers in the state. “It’s just probably a little more prevalent with public perception of global warming.”

**Other Arctic challenges**

Working in Alaska’s dark, harsh environment poses a host of other unique challenges not necessarily related to climate change.

Logistics is a big one, said Angela Barr, a principal with the architectural firm Kumin Associates Inc.

Across much of Alaska, waterways are the major means of ground transportation. But some sites require needed equipment and materials to be flown in. And other still more remote sites are accessible only by cat train.

That gets quite expensive, she said.

Barr recalled one project in Chalkyitsik that required an ice extension to be added to the runway so building materials could be delivered.

Changing weather patterns are shrinking the window of time when ice roads can be built, Barr said.

Duane Miller, of the Arctic and geotechnical engineering firm Duane Miller Associates LLC, said the state’s warming temperatures also have impacted the time allowed for accessing remote sites and completing the work.

“We do a lot of work in the winter when the world is frozen,” Miller said. “We’re seeing a later freeze-up and earlier breakup.”

**Alaska’s permafrost is warming**

Whether snowmachining, mushing dogs or transporting construction materials, people across Alaska rely on its frozen rivers as major transportation arteries in winter, Miller said.

“If it’s a mild winter, we lose our main construction road for winter work,” he said.

Early spring thaws have forced drill rigs to remain in remote villages and be barged out later, he said.

Miller said there is no question Alaska’s permafrost is warming.

Compared to 25 years ago, ground temperatures in the lower part of the Kuskokwim River have increased 1.5 degrees, he said.

However, scientists haven’t determined whether climate warming is here to stay or part of cycle.

Kumin principal Barr said its engineers and architects already are designing buildings with warming temperatures in mind. As an example, she used the design of the Norton Sound Regional Hospital in Nome where permafrost temperatures at a depth of 12 feet range between 28 degrees to 30 degrees Fahrenheit.

She said 10 years ago the design of such a structure in Nome might have called for little or no insulation under the gravel pad.

**Construction for conservation**

In order to protect the gravel and permafrost beneath the hospital, Ku-
It makes sense that the new Barrow Arctic Research Complex is in Barrow, given the city’s long history as a permafrost observation and research site.

Barrow’s ties to permafrost observations and research stretch all the way back to the First International Polar Year in 1882-83.

In January, the 25th Alaska Legislature designated Barrow as the state’s Arctic Science City, and the focal point for this year’s celebration of the 125th anniversary of the International Polar Year 2007-09.

The new 20,000 square-foot climate change research facility sits adjacent to the Barrow Environmental Observatory, 7,466 acres of relatively undisturbed tundra set aside for research in 1992 by the Ukpeagvik Inupiat Corporation (UIC). The observatory is one of only a few international sites with a long history of climate observations.

The first of five phases, Phase I provides for the initial laboratory, administrative and community outreach space needed, yet also houses the mechanical, electrical and IT infrastructure that will eventually support the entire 80,000 square foot facility, according to Richard Reich, program manager for the new facility. Reich also is general manager of BTS Professional Services, a subsidiary of UIC.

A grant of $19.9 million obtained through a cooperative agreement with the National Oceanic and Atmospheric Administration provided for overall project planning, conceptual design of the entire facility and completion of Phase I, Reich said.

Designing and building the new state-of-the-art facility also was an exercise in applying the latest in Arctic design and construction techniques, he said.

Arctic environment, design consultant LCMF LLC staff had to be forward thinking in terms of how they designed the building, Reich said.

“The difficulty in using customary engineering guidelines and design parameters, such as depth for pile installation, or 100-year flood elevation data, is based on the fact that global warming is creating more coastal erosion and flooding and impacting depth of thaw in permafrost in Arctic regions,” Reich said.

“Barrow’s 50-year flood elevation has been exceeded twice in recent storm events that were less than five years apart.”

The research complex sits within a half mile of the Beaufort Sea.

The roadway and gravel pad for the facility were designed at an elevation of 13 feet – just 1 foot above the 100-year flood elevation.

To account for possible flood inundation associated with storm surges, the main floor elevation was set at elevation 20 feet, much higher than other nearby structures.

Pilings supporting the research complex were also installed much deeper than previous structures due to warming trends and increased depth of seasonal thaw, according to LCMF engineers.

“The challenge will be to determine how to economically minimize the impacts of the changing climate,” said Reich, a registered professional engineer.
min Associates’ designs call for 5 feet of structural fill laid over 4 inches of rigid insulation and geotextile fabric to be put in place while the Nome tundra is still frozen, Barr said.

Construction for the Indian Health Services hospital in Nome has yet to receive construction funding, though the project has received some money for design and site work.

Barr said after the pad has settled, the hospital’s pilings will be drilled 30 feet, through permafrost and set in the bedrock. Designs call for a minimum of 4 feet of air space between the top of the gravel pad and the bottom of the first floor, she said.

Barr said leaving space beneath a structure is a standard Arctic building technique that allows wind to scour through, preventing heat transfer from building to pad.

Vertical thermosyphons will be installed adjacent to pile groupings. They will also be utilized outside the south face of the building to compensate for additional heat reflected off the glazing, Barr said.

A pipe string of thermometers also will be installed along some of the piling to detect any warming of soil temperature that might occur, she said.

“It’s cheap insurance,” Barr said of the thermometers. “You think something’s moving – get hard data.”

Nancy Erickson is a freelance writer who lives in Seward.

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CELEBRATING THE 125TH INTERNATIONAL POLAR YEAR

The Arctic Energy Summit, Oct. 15-16 in Anchorage

9th International Conference of Permafrost, June 29-July 3, 2008
University of Alaska, Fairbanks
Recent research from the Institute of Social and Economic Research and the Civil Engineering Department at the University of Alaska Anchorage indicates climate change could increase Alaska’s public infrastructure replacement costs by roughly 10 percent to 20 percent above normal in the coming decades. The state’s roads, runways and utility systems appear to be most vulnerable to climate change effects, which include thawing permafrost and accelerated rates of erosion.

Is Alaska’s climate changing?

The earth’s climate is an extraordinarily complex system that is always changing, but Alaska’s climate is changing more quickly than climates in other places. Some scientists argue that humans are largely responsible for these changes, while others believe that natural variability also plays an important role.

Whatever the cause, measurements from all corners of the state show that annual average temperatures have risen significantly during the past 50 years. The Geophysical Institute at the University of Alaska Fairbanks reports that from 1949 to 2004, annual temperatures increased 3.3 degrees Fahrenheit in Barrow, 3.6 degrees in Juneau and 3.7 degrees in Anchorage. According to climate scientists, this warming has been accompanied by extensive melting of glaciers, thawing of permanently frozen ground (permafrost), retreat and overall thinning of sea ice, and rapid coastal erosion from storm activity. “Middle of the road” climate models project that Alaska’s temperature could increase by another 1 degree to 6 degrees Fahrenheit over the next two decades.

Until the recent ISER analysis, there was limited information about where Alaska’s public infrastructure is located or how it could be affected by the rapidly changing climate. For our analysis, researchers at ISER had to compile a database of public infrastructure by location, couple this information with what the world’s experts think the future climate of Alaska may be, and estimate the additional costs resulting from climate change, assuming that government and industry will act strategically to offset some of the potential risk.

Mapping Alaska’s public infrastructure

Our analysis looks only at how climate change might affect future costs for public infrastructure: all the federal, state and local roads, airports, harbors, sanitation systems, schools, post offices, police stations, health clinics and other infrastructure that make it possible for Alaska to function. Private infrastructure – the biggest example being the Trans-Alaska oil pipeline – will also be affected by climate change. But we did not estimate potential future costs for private infrastructure.

ISER compiled a database of all the publicly available information about the number, location and average replacement costs of public infrastructure in Alaska’s 350 plus communities. We relied on a number of sources, including the Denali Commission, the Department of Transportation and Public Facilities, the state Division of Risk Management and several other agencies. The available information isn’t complete and in some cases may not be exact, but it serves as a good beginning for the first comprehensive database of public infrastructure throughout Alaska.

Depreciating Alaska’s existing infrastructure using state-of-the-art climate projections

Next, we acquired projections from the best available climate models, developed by scientists around the world. All 21 of the climate models to which we had access, project rising temperatures and increased precipitation for regions within Alaska. Some project less and some more warming. We recognize, of course, that projections decades in the future are subject to a lot of uncertainty and we incorporated some of that uncertainty into our analysis.

UAA engineers then used rules of thumb to estimate how thawing permafrost, increased flooding and more coastal erosion affect building conditions and how those changing conditions affect infrastructure costs. Those rules are, by ne-
cessity, based on limited historical experience with thawing permafrost and other anticipated changes. For example, it is clear that building structures on permafrost changes the thermal profile of the soil even without climate change. However, the fundamental assumption of our research is that Alaska structures were designed for a cold environment and warming will affect structures negatively by increasing maintenance costs and reducing the useful lifespan. There may be cases where climate change positively lengthens a structure’s useful life, but we haven’t identified any such exceptions.

ISER first estimated future costs of maintaining and replacing Alaska’s existing infrastructure, assuming no climate change. This serves as the base case against which to estimate potential additional costs resulting from climate change.

UAA researchers then estimated additional costs resulting from climate change using three different climate projections. Given the uncertainty about the level and rate of future climate change, we developed a range of cost estimates, with different probabilities of occurring. We also took into account the natural variability of Alaska’s climate from year to year, independent of climate-change trends.

**Assuming strategic adaptation**

Finally, we estimated additional costs with and without likely adaptations to infrastructure in the face of climate change. We believe agencies will develop adaptations to changing conditions – some are already doing so – but the estimates assuming no adaptations are still useful. They provide a benchmark that could be used to measure the efficacy of specific adaptation measures, and they illustrate the magnitude of the problem agencies face in an environment of continuing change.

**Estimating additional costs from climate change**

Maintaining and replacing infrastructure across Alaska is expensive to begin with, and it will become more so as thawing permafrost and other effects of climate change add to ordinary wear and tear. Our preliminary count of individual elements of federal, state and local infrastructure around Alaska is close to 16,000. We estimate that this existing public infrastructure has a price tag of about $40 billion today, and that maintaining and replacing it as needed from now to 2030 could cost $32 billion, in today’s value. Damage from climate change could add billions to those costs.

But planning and adapting infrastructure in the face of climate change could substantially reduce future costs. Some agencies – like the Alaska Department of Transportation and Public Facilities – are already taking steps to adapt infrastructure. One adaptation example could include incorporating pavement technologies to increase the ability of roads to withstand increased frost heave cycles.

We hope our initial modeling work and preliminary estimates can be the first step toward providing policymakers with a systematic way to assess the potential risks for the state’s infrastructure and to determine the efficacy of various ways of trying to reduce extra costs related to climate change.

For more information go online to [www.iser.uaa.alaska.edu](http://www.iser.uaa.alaska.edu).
The headline of the U.S. Environmental Protection Agency 2001 press release reads: Wal-Mart to pay $1 million fine and establish $4.5 million environmental plan. The punishment resulted from the retailer violating the SWPPP mandate under the Construction General Permit (GCP) section of the 1970 Clean Water Act at 17 locations in Texas, New Mexico, Oklahoma and Massachusetts, when 10 of its contractors failed to comply with storm water regulations and illegally discharged pollution from several construction sites.

EPA identifies urban runoff as a leading cause of impaired water quality in the United States. Storm water runoff from construction sites causes silt and sediments to build up in lakes and streams killing aquatic life and transporting pollutants like oil and pesticides into nearby storm drains, sewer systems, and ultimately into streams and waterways, potentially affecting the health and quality of a waterway, contaminating drinking water and polluting recreational waters.

The Clean Water Act, enforced by EPA, requires owners and operators of construction sites of one acre or larger – including smaller sites that are part of a larger common plan of development – to obtain a permit to discharge storm water and to develop and implement a SWPPP. It’s part of an ongoing nationwide effort by EPA to reduce storm water pollution and improve water quality.

The resulting SWPPP that Wal-Mart established averts construction-related pollution by requiring its contractors to certify that all appropriate storm water control measures are in place before construction begins at new stores, and requires the chain to improve its oversight of compliance at all construction sites.

“It was one of the big wake-up calls to the industry,” said Sam Lamont, Environmental Liaison of Northern Region Construction for the Alaska Department of Transportation and Public Facilities. “Today, go to any Wal-Mart store in Fairbanks and Anchorage and you’ll see a model of what erosion control should look like.”
After the Wal-Mart case, the message hit even closer to home when projects in Hawaii amassed $60 million in fines, the Idaho Department of Transportation was fined $892,000, and three years ago projects in the Fairbanks area got their first notices of violation. As a result, in 2003, AGC and EPA held meetings in Anchorage, Fairbanks and Juneau to start preparing the Alaska industry for the increased enforcement.

“When you put a tourniquet on someone’s wallet, you get their attention,” Lamont said, adding that the industry has been very responsive. “(SWPPP) is an insurance policy for preventing problems.”

Although the SWPPP mandate has been in place since 1973, in Alaska especially, compliance has been almost non-existent because EPA’s lack of presence here has allowed the industry to continue “doing construction old-school style,” Lamont said.

That is changing, though, and by 2008 the U.S. Army Corps of Engineers and Alaska’s Department of Transportation will require an SWPPP-certified professional to be on each construction project.

“Alaska has always had a plan, but EPA’s limited presence in Alaska has meant that the number of inspections has been inconsistent and compliance has been inconsistent. Now they are raising the bar on compliance, increasing the number of inspections and expanding the regulations so they apply
Before: Unstabilized slopes at the Fox Alaska Weigh Station on the Steese Highway are one cause of storm water runoff that could be prevented with a SWPPP in place.

After: This area was stabilized by Exclusive Landscape and Paving using ground roughening, seeding, erosion control blankets and a silt fence.

PHOTOS: SAM LAMONT
to more of the industry more often,” Lamont said.

To change the culture of compliance in Alaska, AGC took the lead and called the state Department of Transportation for help ramping up the effort to develop and implement a SWPPP training program tailored to the Alaska industry.

The first efforts included taking inventory of the best state and federally accepted training programs that had been adopted in Washington, Oregon and Idaho, and reviewing resources available through the International Erosion Control Association. A task force was also established comprising representatives from Corps of Engineers, Department of Transportation, the Alaska Department of Environmental Conservation, the Alaska Department of Natural Resources, the Alaska Railroad Corp., the Municipality of Anchorage and various Alaska construction industry representatives, charged with developing a Certified Erosion and Sediment Control Lead (CESCL) entry level training program for the Alaska construction industry. The goal of the program is to train enough personnel to have a CESCL-trained SWPPP person on all projects of one acre or more.

There also will be a Certified Professional in Erosion and Sediment Control (CPESC) training for specialists in soil erosion and sediment control who have already become CESCL certified.

“The concept of AGC as the parent in this program is an outstanding way of training their own and one of the best examples I have encountered in the state,” said Stoney Wright, Alaska Plant Materials Center Manager for DNR and a member of the SWPPP task force. “Industry-supported training programs tend to be the best because they are very applicable and are directed to the needs of contractors in the state.”

AGC Assistant Executive Director Monty Montgomery said the course is designed for commercial and residential builders, explains the erosion process and how to comply with federal, state, and local storm water requirements.

It also provides detailed instruction on how to develop a storm water
plan, select and maintain storm water controls, and accurately sample storm water. The first phase was taught by instructors from Washington and resulted in certifying about 250 attendees. As the program expands, the goal is to increase the number of certified in-state trainers so there are at least two trainers in each region state-wide. Ultimately, Lamont said, every contractor will have someone who is SWPPP certified on staff.

About 30 percent of enforcement actions and violations are from Army service contractors or construction contractors. As a result, Corps of Engineers is very involved with the SWPPP efforts and is represented on the task force to help ensure that its contractors do the right thing from a project start by having the required SWPPP written by a certified professional and making sure the contractor has a certified person on the site to ensure that the construction site is in compliance with the CGP.

Gary Birge, Corps of Engineers environmental scientist, says contractors need to know that they have a respon-
sibility to comply with the National Pollutant Discharge Elimination System storm water requirements authorized by the Clean Water Act, which include writing a SWPPP, filing a notice of intent for coverage of the site prior to construction, maintaining the SWPPP, conducting inspections and filing a notice of termination when the project is completed.

More importantly, Birge said, “Contractors need to know that the SWPPP is not another document to be written and placed in the file cabinet – it is a living document written by the contractor’s consultant to assist the field personnel in keeping the construction site compliant with EPA’s CGP.”

Training will be offered in Anchorage and Fairbanks throughout the year. For more information on dates call Montgomery at (907) 561-5354. For information on storm water permits and how to obtain one go to http://www.epa.gov.

Heidi Bohi is a freelance writer and marketing professional who lives in Anchorage.
An ambitious eight-year project, port officials are proud of how smoothly it’s gone. The port remains open to business and the expansion is on track. In mid-August, the project was given the big green light from the U.S. Corps of Engineers.

“We got the 404 permit from the Corps of Engineers for all of the rest of the construction,” said Port Director and former Alaska Gov. Bill Sheffield. “That’ll cover the balance of construction for the project.”

With all the permits in place, only the potential listing of the Cook Inlet beluga whale population as “endangered” under the Endangered Species Act might affect the port’s progress.

Six years ago, when Sheffield took the position of port director he found a port suffering from neglect. “Gov. Sheffield is fond of saying that when he came here, you could punch through the steel pilings,” said Brett Flint, construction manager with Integrated Concepts and Research Corp. that was hired by the U.S. Department of Transportation’s Maritime Administration to oversee the project.

And Sheffield did say precisely that in illustrating the state of the port when he came aboard.

“All those pilings are old,” he said, sweeping his hand across the window next to his desk that has a commanding view of the dock’s berths. “A pile dock is good for 30-40 years, but these have been in for 50 years.”

Cook Inlet waters flow with a corrosiveness fed by high salinity, a cathodic process that wears away at steel’s integrity, sweeping currents of over 5 knots, and take second place in the world of extreme tides of more than 34 feet, with only the Bay of Fundy, Nova Scotia, being higher. In winter, there’s pan ice. And the silt-laden waters require annual dredging.

“We spend $1 million a year putting sleeves on pilings,” Sheffield said.

Even with all of these negative features, the Port of Anchorage was the only port in the state not affected in the 1964 earthquake. And the state took notice of the then three-year-old port.
For years, Sheffield said, there have been plans on the books to improve and expand the port, but the management and the money never aligned.

At a cost of $400 million, Sheffield said the expansion is one of the largest capital projects ever undertaken in the state. Financial support is a mix: 52 percent federal, 48 percent non-federal made up of port profits, municipal revenue bonds and state funding.

It is vital to the economic growth of the state, said Sheffield.

The containers that come into the port provide Alaskans in all regions, except Southeast, with 80 percent of their material goods.

"It's a critical node in the supply chain up here," said Steve Ribuffo, who was in his second day as deputy port director. "Gas, clothes, groceries — you name it. If it's on a shelf, in a store or in a tank, it comes through here."

The project is intermodal because it ties together the modes of transportation that serve the state: railway and container shipping.

Another reason for the expansion is that container ships are expanding. The three berths that transfer contain-
Tonnage shipped has gone from 2.5 million to 5 million from 1992 to 2005. Since the first containers, their size has jumped from 20 feet to 53 feet.

The three, 38-foot gauge cranes that straddle the berths can accommodate three truck lanes and have a reach onto the ship of nine containers. Planned to replace them are seven, 100-foot gauge cranes with a reach of 16 containers and five truck lanes at the base.

The water depth will have to be deeper to fit the draft of the massive new, 1,000-foot-long ships, and the dock width will almost double from 70 feet to 130 feet.

“We’ll be ready to receive those ships in 2009,” Sheffield said.

But they will no longer tower outside Sheffield's office window. The military will convey land to the port, uplands from the water. The current offices will be demolished and new ones built on the slope.

continued on page 81
The multiple facets of the Port of Anchorage Intermodal Expansion Project pull together the best modes of transportation to serve the vast majority of Alaskans.

As container ships and containers grow larger, the port will meet those demands with larger facilities and deeper water.

But the port will also serve the nation. Located just south of Elmendorf Air Force Base and Fort Richardson, a road is being punched through to Elmendorf to facilitate troop and equipment movement.

“We will create a facility where we can bring a helicopter all the way down from Fort Richardson without going on a public road,” said Deputy Port Director Steve Ribuffo.

That also goes for Fort Wainwright. With additional railroad track laid at the port, shipments for Wainwright will come right off the dock, onto a flatcar and head north to Fairbanks.

When the 172nd Stryker Brigade deployed to Iraq, it took all its equipment right through the port, Ribuffo said.

One hundred percent of Elmendorf’s jet fuel comes through the port, and 80 percent of the fuel for Ted Stevens Anchorage International Airport.

“Valdez just doesn’t refine enough jet fuel for the state,” said former Gov. Bill Sheffield.

All in all, there will be 25 acres of military staging that will include ship berths, a deeper port draft to accommodate the large ships, office space and working areas for personnel during deployments, and a heliport and covered facility for rotary wing aircraft.

Aside from heavy military use, the port also maintains a floating dock for the U.S. Coast Guard’s Maritime and Safety Team.

“Everyone knows and loves them,” said Ribuffo. “It’s a Coast Guard version of a S.W.A.T. team that deals with incidence response or any emergency that would require rapid response.”

The current 38-foot gauge cranes will be replaced by 100-foot gauge cranes that will allow trucks to pass underneath. PHOTO: DIMITRA LAVRAKAS

Although we’re best known for providing program management for the Port of Anchorage Intermodal Expansion Project, ICRC also provides a wide range of IT and engineering services.

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In April, Alaska Native hunters from the Native Village of Tyonek on the western shore of Cook Inlet, agreed to suspend the 2007 subsistence hunt with its quota of two beluga whales.

This decision recognizes the drastic decline in the population of a whale whose species is thought to be genetically unique in all of Alaska.

Jason Brune, executive director of the Resource Development Council for Alaska, points to subsistence overharvesting as the cause.

"The sole documented reason for the decline is the non-sustainability of the subsistence harvest," he said.

Now listed as "depleted" under the Endangered Species Act, the drop has resulted in a call to move them up on the list to "endangered" status. This has caused concern that the listing could hold up some major projects in Cook Inlet, among them the Port of Anchorage expansion.

"We know the potential listing to the whales could have a substantial impact on our members," said Brune.

Members of the council represent responsible resource development in the state on behalf of the oil, gas, mining, fishing, lumber and tourism industries, communities, and all of the Alaska Native corporations.

The municipality of Anchorage, city of Kenai, the Mat-Su Borough, and Alaska Gov. Sarah Palin have all joined the council in asking the National Marine Fisheries Service to wait another season before moving to consider reclassification of the whales.

Brett Flint, senior engineer with Integrated Concepts and Research Corp., said the Port of Anchorage has worked diligently to make sure that the beluga experienced as little disruption as possible, and plans also call for observers to be present during construction to spot whales.

ICRC is the Port of Anchorage’s development company. ICRC is a technical and management corporation based in Alexandria, Va., and once owned by Koniag Corp., the Kodiak area Native corporation, but sold in June to VSE, also of Alexandria.

According to a press release from the National Marine Fisheries Service, a division of the National Oceanic and Atmospheric Aministration, “The 2006 population estimate of 302 belugas confirms an annual 5.6 percent decline since 1994, and a 4.1 percent decline since 1999 when beluga harvest was regulated.”

NFS estimates the whale population at 1,300 in the 1970s, and a decline of 50 percent between 1994 and 1999.

With its U.S. Corps of Engineers 404 permit in hand, the port will move forward and fill 135 acres of wetlands and reach out 400 feet into the inlet from the current shoreline. And during this period, the whales will be closely watched.
“This land is too valuable to have offices on,” he said.

The partnership with the neighboring military bases has been mutually beneficial.

The military will have secure and expedient access to the port. In turn the port has for its expansion what most construction project’s can only dream of: lots of free gravel.

Just off the haul road into the base, Cherry Hill has the capacity to fulfill the expansion’s need for 11 million cubic yards of gravel.

And in knocking down the hill as it mines for the rock, the port does Elmendorf a favor by removing a hill whose height has always been a concern for aviators.

Sheffield said he thinks there could not have been a more amenable scenario for the Port of Anchorage, the military and the people of Alaska.

Dimitra Lavrakas is a longtime Alaska writer who lives in Anchorage.
Taking pride in AGC members’ projects from around the state

Abbott Loop Extension, Anchorage
Builder: Wilder Construction Co.

Glenn Square Shopping Center, Anchorage
Builder: Dokoozian Construction LLC.

Salvation Army/McKinnell House, Anchorage
Builder: Neeser Construction Inc.

Providence House, Anchorage
Builder: Davis Constructors & Engineers Inc.
what we do

Dena’ina Civic and Convention Center, Anchorage
Builder: Neeser Construction Inc.

Aleutian Pribilof Building, Anchorage
Builder: Neeser Construction Inc.

Kenai River Bridge, Soldotna
Builder: Wilder Construction Co.
Design complete for new, bigger Nome hospital

By Heather A. Resz

Final designs place the new 144,000-square-foot hospital near the intersection of the Nome By-Pass Road and N Street, according to Trevor Colby, chief executive officer for Norton Sound Health Corp.

Architect Angie Barr with Kumin Associates Inc. said siting the building nearer the road and infrastructure, such as electricity, water and sewer, reduced the building’s estimated cost from $150 million to $104 million.

Norton Sound CEO Colby said the Denali Commission has so far kicked in $6.68 million for the project’s conceptual planning and design.

But a timeline for construction funding from the Indian Health Service is still uncertain, he said.

Colby said he has secured enough funding this fall to pay for materials and their barge transport to Nome so work can begin in spring 2008 on the pad for the building.
Because the building site sits atop 31-degree-plus permafrost, Barr said special care will be given to building the pad to assure heat from the building won’t warm the permafrost.

Once the dirt work is complete, the site will be covered in a geo-tech fabric and 4-inches of insulation before 4-feet of gravel are spread on top.

“We’ve also used thermosyphons to make sure that we don’t melt the permafrost,” Barr said.

She said melting the permafrost on which the building sits could result in it sinking into the surface by as much as 6-feet.

The 1,000-foot entryway is the only part of the building that will touch the gravel pad, she said. Horizontal thermosyphons in the slab will disperse the heat from that area, Barr said.

Barr said meshing all of the features required in an Arctic building with the nationwide standards used by IHS hospitals made the project an interesting challenge.

In addition to things like durability and efficiency, Barr said the building also has to feel welcoming to Nome residents, employees and people from across the Bering Strait region.

“It’s been a fascinating project,” she said.

The hospital includes an outpatient clinic, a 16-bed inpatient unit and a 15-bed long-term care center.

Services at the hospital include: laboratory, radiology, pharmacy, dental, audiology, optometry, physical therapy, respiratory therapy and specialty clinics. A long list of behavioral health services will be offered off campus.

“The new hospital offers an opportunity for the NSHC to add to its current spectrum of quality health services,” Colby said.

When completed, the new hospital will add a CT scanner, expand ambulatory care and bolster staffing, he said.

Norton Sound Regional Hospital not only provides care to all of the city’s 3,500 residents, it also is the nearest hospital for more than 5,500 people scattered in 15 villages throughout the 44,000-square-mile Bering Strait region.
Anchorage Museum at Rasmuson Center
gets world-class facelift

By Heather A. Resz

When the first phase of the Alaska Museum of History and Art expansion is complete in 2009, the $100-million, 80,000-square-foot addition will be more than a facelift for an old friend.

Instead, it will place Anchorage on the map alongside other cities with buildings designed by internationally acclaimed architect David Chipperfield. The London-based practice that bears his name has designed award-winning buildings around the world, including two projects in the running this year for Britain’s most prestigious architectural prize.

In Anchorage, executing Chipperfield’s design is a daily exercise in teamwork for Alcan General Inc., Kumin Associates Inc. and the dozen of other contractors and engineering consultants involved.

“This project has pushed all of us to perform at a very intense level,” said Daphne Brown, principal architect with Kumin Associates. “It’s a once in a lifetime opportunity.”

Alcan General Project Manager Stephen Jelinek said Chipperfield’s vision has pushed everyone involved to reach for a higher bar. He said...
he’s never been part of a project team that works together so closely.

“The level of cooperation has been unprecedented and it is a necessity,” he said.

Kumin’s role is to make sure Chipperfield’s vision is preserved and workable in Alaska’s climate.

“It’s a world-class design that has been detailed for Alaska’s climate and conditions,” Brown said.

She said the design also uses components, construction materials and finishes not common in Alaska before.

“It’s been a challenge for the contractor,” Brown said. “They’re doing an excellent job.”

Executing Chipperfield’s vision requires the design team to meet together weekly to plan.

“That’s what it takes to pull something like this off,” Brown said. “It is unique in that everyone is working together to realize the vision of the architect down to the last detail.”

Jelinek said teamwork is the only way to successfully approach Chipperfield’s design.

“When we run into issues the whole team is there to solve it,” he said.
As schools go, King Cove’s new 40,200 square foot K-12 facility, set to open this fall, seems to be one-of-a-kind in Alaska.

Kumin Associates project manager and architect Alan Marugame said the school includes a span that bridges a 100-feet-wide by 30-feet deep ravine.

“We had to stay out off the creek bed, which is home to indigenous Dolly Varden and pink salmon,” he said.

Photos and architectural renderings courtesy of Kumin Associates Inc.

New School Bridge is one-of-a-kind in Alaska

By Heather A. Resz

As schools go, King Cove’s new 40,200 square foot K-12 facility, set to open this fall, seems to be one-of-a-kind in Alaska.

Kumin Associates project manager and architect Alan Marugame said the school includes a span that bridges a 100-feet-wide by 30-feet deep ravine.

“We had to stay out off the creek bed, which is home to indigenous Dolly Varden and pink salmon,” he said.
Marugame said the building also was designed with a low profile to protect it from the 120 mph to 130 mph wind so frequent in the area.

The gym is the tallest part of the building. Its height was dictated by volleyball clearance requirements, Marugame said, but the real trick was coming up with a roof that could withstand the wind’s steady onslaught. Eventually, he settled on a sloped single-ply membrane system.
To reduce construction costs, Marugame said they removed the overburden, cut back the hill and back-filled using soil from the site.

“We used local materials to reduce project costs and to minimize the carbon footprint of the project,” he said.

He said the school also was designed to maximize the ease of construction. For example, the panels for the exterior walls include R20 3-inch foam insulation and vapor barrier panels.

“We used systems that were quick,” Marugame said. “It only took three weeks to erect the steel.”
RSA Engineering is also working on the design for a new power plant down the road from the new school. Marugame said when the plant is built, the waste heat produced by the power plant will be recovered and used to heat the school and nearby clinic.

King Cove is Kumin Associates’ 58th new school project in Alaska.
Technical conference to review Railbelt energy generation system for efficiencies

A storm is gathering in the future of everyone between Homer and Fairbanks who needs a steady supply of affordable electricity.

Power generation and transmission infrastructure is aging. A growing population is squeezing the current mix of municipal utilities and cooperatives to expand their power-supply systems. Energy providers can’t predict how much fuel will be available to run these systems or how much it will cost.

State officials hope to take an important step in addressing these problems with a study and a technical conference this fall that will ferret out the best way for providers to use energy resources throughout the so-called Railbelt region. Anyone with an interest is welcome to attend a five-day conference – tentatively set for Nov. 12 to 16 – to explore the idea of Unified System Operations and the possible benefits of its application in Alaska.

“People are realizing the cost of power has gone up substantially,” said Ron Miller, executive director of the Alaska Energy Authority, which will oversee the study and conference. “Natural gas from the inlet is declining and getting more expensive. Who’s going to be able to finance all the new generation needed? Because of a number of factors, it may make more sense for the utilities to work together than separately.”

Miller said experts at the confer-
ence will talk about how so-called unified systems have been implemented in other parts of the country and what regulatory regimes have been used.

“There will be opportunities for stakeholders in the Railbelt to give opinions on how power is generated and transmitted in the grid,” Miller said.

After the technical conference, the AEA will have a consultant come up with options for what the Railbelt’s power grid should look like, review the regulatory and business environment in which the six Railbelt utilities currently operate, and determine how to arrive at the most efficient collective system.

Miller said the Legislature earlier this year appropriated $800,000 to study the implementation of a Railbelt Electric Grid Authority, an independent system operator to manage and dispatch electric power on the Railbelt grid. Consolidating the disparate elements of the Railbelt power grid is a decades-old topic that was revived in 1998, when a Black and Veatch International study for the Alaska Public Utilities Commission concluded that the Railbelt utilities might reduce production and capital costs by 3.36 percent through unifying systems operations.

In 2003, the Alaska Legislature established an energy policy task force to craft a long-term energy plan, which concluded that unified system operation would benefit Railbelt ratepayers.

A utility consultant also told a special committee of Chugach Electric and Anchorage Municipal Light and Power Sept. 7 that it could save ratepayers money through some form of merger or cooperative agreement. A final report is scheduled for delivery Oct. 15 with a public hearing to follow Oct. 29.

Miller said he hopes to get the Railbelt-wide report ready for Gov. Sarah Palin and the Legislature during the next regular legislative session.

For more information, go online www.akenergyauthority.org/USOHomePage.html.

Tracy Kalytiak is a freelance writer based in the Palmer area.
Congratulations to the FOLLOWING PRIZE WINNERS of the
ANCHORAGE 20th ANNUAL AGC INVITATIONAL GOLF SCRAMBLE!

1ST PLACE – TEAM 07
(Left to right) BEN SIMMONS, Anchorage Sand & Gravel Co., Inc.
MARK SAUGSTAD, Unit Company
BOB GILMORE, Weaver Bros., Inc.
MARK HYLEN, Beacon Occupational Health & Safety Services, Inc.
PAUL SANDER, 3M Alaska

2ND PLACE – TEAM 14
BILL MCPHETERS, Laborers Local 341 (not in photo)
(Jeff to right) JON TROSVIG, Grazzini Brothers & Company
MIKE HAMILTON, TSAIA
LINDSEY GALIN, Holmes Weddle & Barcott, PC
MIKE HARNED, Anchorage Sand & Gravel Co., Inc.

3RD PLACE – TEAM 22
(Left to right) BRANDON SKEEL, ARCTEC Alaska
BOB BARNDT, Lynden International
JOEL PARMENTER, Wilder Construction Company
JIM KROME, Laborers Local 341
NELSON STONE, ACME Fence Company

4TH PLACE – TEAM 18
(Left to right) ROBERT BROSSOW, Jackovich Industrial & Construction Supply, Inc.
JOEY MERRICK, Laborers Local 341
BRIAN HORSHEL, ACME Fence Company
PAUL FRIESE, Lynden International

1ST PLACE “PLAYER CHOSEN” TEAM
Independent Lift Truck of Alaska (Left to right) SCOOENER RICE
WAYNE DICK
JENNY DUAX
DARREN STEWART
RON MOORE

CLOSEST to the PIN
JENN SHERWOOD
RON AXTEL, Laborers Local 341
CHRIS HAAS, Consolidated Contracting & Engineering
JOEL PARMENTER, Wilder Construction Company

LONGEST DRIVE
Men’s – DENNIS AHRENS
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PHOTOS: JENNIFER M. TOWLER, FAIRBANKS BRANCH MANAGER/ASSOCIATED GENERAL CONTRACTORS

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Interior Alaska Roofing Inc.

(Left to right) DUANE RISSIE, RICK PODOBNIK, MARK PRATT, AL GRANT, KEN MURRAY

2ND PLACE

HD Supply Waterworks

RANDY BRAND, SCOTT CLEVenger, STEVE STEEL, MIKE LITTLEFIELD, KEN JENSEN

3RD PLACE

Brice, Inc.

LUTHER BRICE, CHARLIE REX, TOGI LETULIGASENOA, MIKE WHEATLEY, JEFFREY BRISTOW

4TH PLACE

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MARK ROCKWELL, AARON HALL, GREG ABSHIRE, STEVE HALLSTEN, PHIL SAUER

RED LANTERN (Last Place)

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JIM HAGE, TIM HOLMES, JIM CULLEY, TED HANSEN, BRIAN RIDLEY

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DIANE SHOEMAKER, Wedgewood Resort
TRISHA ROSE, Nevin Works & Associates
PAUL BAUER, Alaska USA Federal Credit Union
LESLIE HELMERS, Alaska USA Federal Credit Union
JEFF PINO, Eagle Enterprises
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Many thanks to the 2007 FAIRBANKS GOLF TASK FORCE
for all your time & talent you donated to this annual event!

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DENNIS THIES, JACKOVICH INDUSTRIAL & CONSTRUCTION SUPPLY, INC.
BOB CUMMINGS, DENALI MECHANICAL, INC.
DIANE SHOEMAKER, WEDGWOOD RESORT
FRAN WESTERVET, DIMOND FENCE COMPANY, INC.
Wasilla’s new 19,000-square-foot N C Machinery branch celebrated its grand opening June 26. The expanded facility increases the ability of Mat-Su area construction companies to source their equipment needs locally versus transporting equipment from Anchorage.

An N C Machinery press release says its new state-of-the-art facility introduces unprecedented construction machinery support capabilities to the area.

N C Machinery traces its roots to the Alaska Commercial Company, which has operated continually in Alaska since it purchased the Russian American Company Oct. 11, 1867.


Front Row: Wasilla Mayor Dianne Keller (left) presents N C Machinery Wasilla Branch Manager Arden Charles (center) and Chairman/CEO John J. Hamish (right) a ceremonial "Grand Opening" clock.

Back Row (left to right): Kurt Norris, Caterpillar Seattle District Manager; unidentified member of the mayor’s office team; Rick Norman, N C Alaska Product Support Manager; Ron Kruse, N C President; Jeff Scott, N C Alaska Sales Manager.

N C Machinery celebrates its grand opening against a backdrop of Alaska’s mountains and blue skies.
A June 15 kickoff celebration at the Alaska Aggregate Products site in Eklutna marked the official start to a new sand and gravel business venture between Alaska Interstate Construction, Cook Inlet Region Inc. and Eklutna Inc. Alaska Aggregate Products – a wholly owned subsidiary of AIC – was created to develop aggregate-based resources on land owned by CIRI and Eklutna Inc. AAP has a five-year agreement with CIRI and Eklutna to develop the Eklutna gravel pit and other aggregate sites. Hauling aggregate resources from Eklutna, rather than by rail from the Mat-Su Borough, will help reduce transportation costs and give contractors a new source for high-quality, competitively priced sand and gravel products, according to an AAP press release. AAP began selling aggregate on May 9, and its early customers include Wal-Mart for the Eagle River store expansion, the University of Alaska Anchorage and developers of the Tikahtnu Commons shopping center in East Anchorage.

CH2M HILL finalizes acquisition of VECO

DENVER, September 7, 2007 — CH2M HILL, a global full-service engineering, construction and operations firm, announced today that it has finalized the acquisition of VECO. The two companies signed a Letter of Intent for exclusive negotiations on May 15, 2007, and this agreement finalizes the details of the acquisition and transaction.

“Our extensive due diligence has confirmed this is an outstanding company with an exceptional workforce and project resume,” said Lee McIntire, President and COO of CH2M HILL. “Like CH2M HILL, our new colleagues’ business operations are built on a commitment to safety, quality and client satisfaction. The employees of VECO are a great fit for our firm. We are proud to call them our colleagues.”

The former VECO organization includes businesses specializing in program management, construction, engineering, procurement, operations and maintenance that have been serving oil and gas, mining and power clients since 1968. With over 4,000 employees, the organization has major operations in Alaska, western Canada, the United States, Russia and the Middle East. The former VECO businesses will generally operate under the CH2M HILL name.

“The Allen Family is pleased that VECO’s legacy of hard work, client service and professional excellence will continue with this acquisition. The transaction results in over 4,000 VECO employees becoming CH2M HILL shareholders, and we see a very bright future for our loyal employees and VECO clients,” said Tammy Kergigan, who served as VECO board of directors’ chair.

“The acquisition of VECO represents the single largest investment that CH2M HILL has made and speaks to our commitment to Alaska,” said Garry Higdem, who will lead the new business for CH2M HILL. “This deal augments CH2M HILL’s existing oil and gas experience and provides us a world-class platform to bolster our project delivery capabilities around in the world.”
New Rental Car Center opens

The new Rental Car Center, located on a 5-acre site immediately east of Ted Stevens Anchorage International Airport opened July 18.

Venture Development Group managed the development process for Neeser Construction Inc. and kpbc architects.

The facility centralizes the airport-based rental car companies, creating a modern, efficient and environmentally friendly rental car system. The 536,995 sq. ft. facility features 12 car washes, 16 fuel pumps and a vacuuming center. The car washes are stacked on three floors – the first stacked car washes built in an arctic or sub-arctic environment.

These new on-site facilities will reduce turn around time to prepare a car for re-rental from 70 minutes to 15 minutes.

In Memoriam

C. S. “Chili” Belarde

Anchorage resident C.S. “Chili” Belarde of the Comanche Corp. died May 31, 2007, in Anchorage. Belarde served on the AGC of Alaska Board of Directors as Life Board Member, and was a member of the Cement Masons Union, United Contractors and Moose Lodge.

Do you or your company have information to share on recent projects, people and construction updates in Alaska? Send us your AGC member news.

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