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- Design-Construction Coordination
- Constructability Reviews/Peer Reviews
- On-site Inspection Services
- Health/Safety/Environment Controls
- Quality Control/Quality Assurance

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**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

---

**ARCTIC & WESTERN**

- **KOTZEBUE ROADS - SHORE AVENUE**
  
  $33,108,132.01  
  AIC Alaska Interstate Construction

- **MARSHALL REPLACEMENT SCHOOL**
  
  $22,880,000.00  
  Neesen Construction

- **CHEFORNAK K-12 RENO/ADD SITE WORK**
  
  $18,948,000.00  
  SKW/Eskimos, Inc.

- **UNALAKLEET COASTAL EROSION CONTROL**
  
  $18,370,435.00  
  Kiewit Pacific Co.

- **MTN VILLAGE IGNATIUS BEAN SCHOOL IMPROVEMENTS**
  
  $9,561,500.00  
  SKW/Eskimos, Inc.

- **BARROW GAS FIELDS SHOP/OFFICE BLDG**
  
  $5,969,000.00  
  SKW/Eskimos, Inc.

- **UNALAKLEET STREET IMPROVEMENTS**
  
  $4,635,700.00  
  QAP

---

**INTERIOR**

- **TOK AK HIGHWAY TANANA RIVER BRIDGE #0505**
  
  $30,650,414.23  
  AIC Alaska Interstate Construction

- **MERTARVIK BARGE FACILITY**
  
  $2,442,000.00  
  Northern Mechanical Contractors

- **FT GREELY RUNWAY REPAIR/REPLACE SUB-BIDS**
  
  $6,663,000.00  
  Granite Construction/Wilder

- **FBKS UAF TVCC RENO PHS III EXTERIOR ENVELOPE**
  
  $5,768,000.00  
  Ghemm Company, Inc.

---

**SOUTHCENTRAL**

- **ELMENDORF FUEL CELL/CORROSION CONTROL HANGAR BLDG**
  
  $20,973,500.00  
  Denali General Contractors

- **ANCH GLENN HWY RESURFACE/EMERGENCY BRIDGE REPAIR**
  
  $12,676,055.00  
  QAP

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**Low Bids for 2009**

<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>
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<th>November</th>
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<td>Building</td>
<td>$18,117,445.82</td>
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<td>$38,353,923.00</td>
<td>$24,130,743.93</td>
<td>$1,806,355.75</td>
<td>$13,861,452.84</td>
<td>$11,297,207.91</td>
<td>$10,978,240.32</td>
<td>$12,568,240.15</td>
<td>$12,676,055.00</td>
<td>$11,215,000.00</td>
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<td>Military</td>
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<td>$12,676,055.00</td>
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<td>Other</td>
<td>$18,082,103.24</td>
<td>$33,602,215.15</td>
<td>$66,938,198.99</td>
<td>$10,673,169.94</td>
<td>$85,833.00</td>
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<td>$12,676,055.00</td>
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<td>Trans</td>
<td>$13,434,182.64</td>
<td>$30,860,760.77</td>
<td>$42,137,320.35</td>
<td>$14,373,178.60</td>
<td>$21,113,050.35</td>
<td>$244,190,471.11</td>
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<td>TOTAL</td>
<td>$61,632,711.75</td>
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<td>ANCH AIA RON PARKING 12-14 RECONSTRUCTION</td>
<td>$9,489,289.40</td>
<td>Granite Construction/Wilder</td>
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<td>ANCH SEWARD HWY MP 43-MP 50 PAVEMENT REHAB</td>
<td>$8,862,510.00</td>
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<td>KENAI AIRPORT APRON REHAB</td>
<td>$6,935,175.35</td>
<td>Alaska Roadbuilders, Inc.</td>
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<td>ELMENDORF OPERATIONS/TRAINING FACILITY</td>
<td>$6,909,500.00</td>
<td>Arctic Slope Compliance Tech</td>
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<td>ANCH MINNESOTA DR RESURFACING</td>
<td>$6,809,019.90</td>
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<td>CORDOVA MT. ECCLES ELEMENTARY SCH GYMNASIUM ADDITION</td>
<td>$5,000,000.00</td>
<td>North Pacific Erectors</td>
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<td>WILLIAMSPORT/PILE BAY RD SPOT REPAIRS</td>
<td>$4,845,000.00</td>
<td>North Star Paving &amp; Construction, Inc.</td>
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<td>ANCH 100TH/C ST/KING ST EXTENSION PHS I</td>
<td>$3,772,673.50</td>
<td>Granite Construction/Wilder</td>
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<td>KODIAK ALEUTIAN HOMES WATER/SEWER PHS IV</td>
<td>$3,698,468.00</td>
<td>Brechan Enterprises, Inc.</td>
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<td>PALMER BLUEBERRY AREA WATER/STREET IMPROVE</td>
<td>$3,688,643.85</td>
<td>Prosser-Degg Construction Company, Inc.</td>
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<td>ANCH SAFEWAY STRUCTURAL/SEISMIC BLDG UPGRADES</td>
<td>$3,518,000.00</td>
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<td>SEWARD FALLS/PTARMIGAN BRIDGE REPAIRS PHS II</td>
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<td>ANCH MERRILL FIELD AIRPORT IMPROVEMENTS</td>
<td>$2,995,071.59</td>
<td>Roger Hickel Contracting, Inc.</td>
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<td>GUSTAVUS CAUSEWAY REPLACEMENT</td>
<td>$15,853,310.00</td>
<td>Western Marine Construction</td>
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<td>JUNEAU DIMOND PARK AQUATIC CENTER</td>
<td>$13,110,000.00</td>
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<td>JUNEAU GEOTHERMAL LOOP FIELDS</td>
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<td>SHAKWKW HWY SLIMS RIVER BRIDGE REPLACEMENT</td>
<td>$6,670,537.00</td>
<td>Concreate USL LTD</td>
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<td>SHAKWKW HWY BITUMINOUS SURFACE TREATMENT</td>
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<td>Skookum Asphalt LTD</td>
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Agency meetings – information from the top

One of the many valuable benefits of my Associated General Contractors of Alaska membership is the biannual federal, state and local agency (owner) meetings. These meetings provide contractors the opportunity to learn about actual and forecasted project programs from the largest public works contracting agencies in the state, including the Army Corps of Engineers and the Alaska Department of Transportation.

Public works spending makes up almost 40 percent of Alaska construction spending, and like many contractors in the state, the majority of our construction company’s work each year is performed for these agencies. Public works construction is represented across our entire membership and includes building, civil, environmental, specialty and design/build statewide for small and large businesses.

These meetings are typically held before the busy Alaska construction season begins during the month of April in Fairbanks and after the season ends, during the November convention in Anchorage. In addition to providing program funding levels and project planning information, these meetings provide an excellent forum for contractors to bring up problematic issues for discussion and resolution planning. In the past, many potential conflicts were brought up and resolved in this setting.

This spring’s meetings were held the week after the state legislative session recessed in late April and were particularly timely with respect to funding information from the agencies. Agencies that presented information included:

- Alaska District of the U.S. Army Corps of Engineers
- University of Alaska Fairbanks Design and Construction
- The Alaska Railroad Corp.
- The City of Fairbanks Building Department
- The Fairbanks North Star Borough Public Works Department
- The Alaska Department of Transportation and Public Facilities

The level of commitment demonstrated by the attendee list for the owner agencies is impressive and representative of the strength in numbers our association provides. The Corps of Engineers brought the Chief of Construction Operations, Chief of Contracting Division, The Northern Area Office Engineer, as well as support personnel to discuss subjects such as scheduling, performance evaluations, design/build, training and small business goals. The corps discussed its 2009 construction program and in addition, reported it had submitted $300 million of worthy and shovel-ready projects for the American Recovery and Reinvestment Act of 2009 (Stimulus) and had not yet received word on them.

The DOT brought a panel that included the Commissioner, Deputy Commissioner, Chief of Contracts, Director of Statewide Planning, Chief Engineer, Chief of Design and Construction Standards, and all three Regional Directors. Funding discussions centered on the $1.2 billion Capital Budget, which included $264 million of stimulus funds on top of $797 million worth of federal funding.

It was readily apparent that our DOT has done an excellent job preparing for the fast track stimulus funding mechanism and is well on the way to getting the projects out the door. Stormwater training and management were once again at the forefront of everyone’s thoughts, with vastly increased costs for mitigation included in all projects. This will continue to be a topic of discussion as the Alaska Department of Environmental Conservation takes over Stormwater responsibilities from the EPA.

The Alaska Railroad Corp. brought along its Director of Project Management and a projects spokesperson who walked us through an excellent “Program of Projects” booklet handout. Of particular interest were the continuing Point MacKenzie Rail Extension and bi-modal bulk facility project plans. Additionally, the Joint Tanana Military Training Complex access project near Fairbanks was discussed. The project is already funded with $120 million and is anticipated to go out for construction in 2010.

The highlight of this spring’s meetings were discussions regarding stimulus funding knowns and unknowns. Even with the drop in private construction spending statewide – due to the slowdown in the Alaska economy and the national recession – stimulus funded projects are projected to keep our overall construction spending relatively flat when compared with 2008 levels. Hence a very quiet and attentive contractor audience during these presentations and the follow-on projected program funding levels for 2010 and 2011!

There is no better forum statewide than what these meetings provide for public works construction planning information and problem solving issues. This is one of the easier ways for our members to find value in all that the Associated General Contractors of Alaska membership has to offer. See you in November!
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OSC energy development is key to Alaska’s future

In what was described by some as “better than the ANILCA rallies of 30 years ago” hundreds of people representing business and labor waved signs and marched in downtown Anchorage from the Egan Center to the Dena'ina Center (see the photos on page 54 of this issue).

Captioned as “protesters” in the paper, I was among the hundreds who turned out that morning and there was no protesting, only enthusiastic support for responsible outer continental shelf (OCS) development; development that could be the driver of the next generation of Alaska’s economy.

It was for a public hearing on April 14 hosted by Interior Department Secretary Ken Salazar that hundreds gathered to show support for offshore energy development on Alaska’s Outer Continental Shelf. The Anchorage meeting was one of four across the country to assess public opinion on the development of a national energy plan using offshore OCS resources including the Alaska Outer Continental Shelf.

Recent polls have shown that nationwide, 61 percent of Americans support new offshore oil and gas development. In Alaska, that number is more than 70 percent in support.

Even with increased emphasis on renewable energy, petroleum and natural gas will account for the majority of domestic energy consumption through 2030, and America must continue to develop new domestic oil and gas sources. For every barrel of oil America refuses to develop domestically, it will have little choice but to import an equal amount from overseas.

According to the U.S. Geological Survey and the Mineral Management Service, more than 86 billion barrels of oil and 420 trillion cubic feet of natural gas lie undeveloped off U.S. shores in the OCS. That amounts to enough energy to replace 50 years worth of OPEC oil.

In Alaska, the OCS basins under consideration are the Beaufort and Chukchi Seas off Alaska’s Arctic Coast and the North Aleutian Basin, which includes all of Bristol Bay. The Chukchi Sea is considered the most prolific, unexplored offshore basin in North America. The Alaska OCS is an important future source of U.S. energy supply with an estimated 27 billion barrels of oil and 132 trillion cubic feet of natural gas potentially in place. By comparison, total production from the North Slope since 1977 has been approximately 15.5 billion barrels.

According to a recent study done by Anchorage-based Northern Economics and the Institute of Social and Economic Research at UAA, the OCS has the potential to sustain Alaska’s economy for at least another generation. The study showed that in Alaska, OCS development has the potential to create 6,000 direct jobs in the petroleum industry and another 29,000 indirect jobs and provide $5.8 billion direct to state and local governments in the form of corporate income taxes and property taxes. It can offset the loss of revenue from the decline in North Slope Oil production and by greatly increasing the throughput, and extend the life of the trans-Alaska pipeline.

Offshore oil development has an outstanding safety and environmental record spanning decades in Cook Inlet, the Gulf of Mexico, the North Sea and elsewhere around the world. The high standards Alaskans demand of development and current technology will allow operations to be done safely.

Anti-development interests have launched a full-scale nationwide effort to persuade Secretary Salazar that no development should occur in Alaska’s OCS. It is important for Alaskans to weigh-in regarding how OCS development can and will be done right, and its possible role as a catalyst for the future of Alaska’s economy.

Hundreds of comments have been received, but we need more comments in support of positive and sound development.

To submit written comments by the Sept. 21 deadline, visit www.bipac.net/agc_ak and click on OCS for a quick and easy way to submit a customized comment in support of OCS development in Alaska, and encourage your friends and co-workers to do the same.
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In sharp contrast to last summer’s special session where the state couldn’t spend money fast enough, for the first time in years, the legislative session that adjourned in April faced low oil prices, had to deal with shrinking state revenue and a projected budget deficit of $1.65 billion. Legislators passed a fiscal year 2010 operating budget of $9.7 billion, down from the $12.6 billion in fiscal year 2009. Legislators also approved a $1.8 billion capital budget, substantially down from the $2.65 billion last year. This year’s capital budget was buoyed by about $500 million in federal stimulus money.

This session, 440 pieces of legislation were introduced and only 61 passed, most of which passed in the last couple of weeks. Following is a summary of some of the bills from the AGC tracking list:

**House Bill 19 Eliminate Day-light Savings Time**

This legislation would take away the requirement in Alaska for the “spring ahead/fall back” yo-yo of daylight savings time. Proponents of the bill say with Alaska’s extended summer daylight and winter darkness, daylight savings time offers no benefit, like it may in other parts of the country.

Opponents say that for half the year it will put us one more hour away from business interests in the Lower 48.

The bill has passed the House and is in committee in the Senate.

**House Bill 22/Senate Bill 128 Independent Contractor Workers’ Compensation**

This legislation requires subcontractors that do not have employees and are acting as independent contractors to secure payment for workers’ compensation insurance and require subcontractors that fail to secure workers’ compensation insurance to pay additional premiums incurred by the contractor because of that failure.

There is discussion of a committee substitute that would narrow the application down to construction contractors and subcontractors.

**House Bill 24 Bidder Preferences for Veterans**

This bill gave a 10 percent preference to any veteran-owned business with no dollar limit. As amended and passed, House Bill 24 provides a veteran-owned bidder a preference of 5 percent, not to exceed $5,000. Bidder preferences are additive, so under the current version when you include the Alaska resident preference, an Alaska veteran could qualify for a 15 percent preference over a non-resident, non-veteran owned business.

This bill has been rolled into the larger House Bill 225 that includes the veteran’s preference and cleans up a number of procurement issues, including other bidder preferences presently on the books.

**House Bill 36 Contributions and Procedures for Initiatives**

Also known as the Open and Transparent Initiative Act (OTIA). The bill requires initiative sponsors and backers of initiatives and those groups in opposition to initiatives to provide comprehensive financial reporting similar to candidates who run for election. It requires groups to register with APOC before making expenditures in support or opposition of a proposed initiative.

House Bill 36 prohibits the paying of initiative circulators on a per signature basis and requires that each initiative petition contain a copy of the proposed initiative. The bill also requires that hearings be held around the state to inform and educate the public on the initiatives before the public votes on them.

Current law allows initiative petition groups to hide contributors. This legislation requires people or groups that contribute to initiative campaigns to disclose earlier in the process. The bill may need some more work but looks good for next year.

**House Bill 104/Senate Bill 107 Workers’ Compensation Medical Treatment Fees**

House Bill 104 was passed and signed into law. It amends existing law to allow additional time to adopt permanent methods for establishing medical treatment fees. The new law extends the use of the Consumer Price Index for adjusting workers’ compensation fees for medical treatment until Dec. 31, 2010.
Senate Bill 14 Motor Fuel Tax Exemption – The motor fuel tax of $.08 a gallon was suspended last summer in the special session and that suspension is due to sunset this September. If passed, this bill would extend the suspension of the motor fuel tax for another two years. It passed out of the Senate Labor and Commerce and Senate Transportation Committees and remains in Senate Finance. There is no companion bill in the House.

Senate Bill 20 Confidentiality of Workers Compensation Medical/Rehab Records – This bill adds additional restrictions for accessing confidential records held or maintained by the state. No hearings were held.

Senate Bill 53 Special Appropriation for Bridge Repair and Road Construction – This legislation will appropriate $25 million for bridge repair and $10 million for road construction. It is a generic appropriation and no projects are specified. The bill passed out of the Senate Transportation Committee. No hearings were held in Senate Finance.

Senate Bill 59/ House Bill 194 Operation of Low-speed Vehicles – Present state law restricts low-speed vehicles – vehicles that travel less than 25 mph – from operating on highways with more than a 35 mph maximum speed limit. SB 59 will allow low-speed vehicles to operate on highways that have a 45 mph maximum, provided the highway is: within a municipality of less than 35,000, is not connected by road to Anchorage or Fairbanks, and has passed an ordinance allowing their operation. The legislation also allows operation of the vehicles in an unorganized borough and outside of a city that is not connected by road to Anchorage or Fairbanks. SB 59 (HCS CSSB 59(TRA)) made it all the way through the committee process and was on the House calendar on the last day of session when it was returned to House Rules.

Senate Bill 159 Workers’ Compensation Funeral Expenses – This bill increases the current workers’ compensation death benefit for funeral expenses from $5,000 to $10,000. The bill moved out of Senate Labor and Commerce after one hearing. No hearings were held in Senate Finance.

Senate Bill 170 Unemployment Insurance – This bill was introduced to comply with Unemployment Insurance (UI) provisions required in federal law in order to qualify for federal stimulus funds. The bill changes the base period to allow approximately 1,300 more Alaskans to be eligible for unemployment insurance compensation each year. Had this been in place in 2008 it would have had a $1.9 million impact on the $351 million trust fund. Payouts in 2008 totaled $121 million.

Passage of this legislation makes the state eligible to receive $15.8 million in federal stimulus funding for unemployment help. Another UI bill was rolled into this legislation that adds federally recognized tribes to the list of nonprofit and municipal employers who can reimburse the state for unemployment benefits drawn by their workers instead of paying unemployment taxes in advance. This was also a federal stimulus requirement.

Juneau’s Senate Seat

The replacement was selected for Juneau’s lone Senate seat vacated by Kim Elton who resigned to join the Obama administration as Director of Alaska Affairs to Secretary of Interior Ken Salazar. Senate Democrats agreed on Juneau business owner and former Mayor Dennis Egan in the late afternoon of the final day of session. During his tenure on the Juneau Planning Commission, the Assembly and as Mayor, Dennis was widely respected and known to represent the interests of business and responsible development.

Legislative Fly-In

This year’s event in mid-February brought more than 25 AGC members to the Capitol to meet with legislators and discuss with them issues of importance to the construction industry and the list of AGC Legislative Priorities.

Funding for Vocation/Technical Training was included in the operating budget for the Department of Labor and Workforce Development that will allow our efforts with the successful Construction Academies to continue. Plans are to expand the six regional academies to include two rural efforts this year.

A sustained State-Funded Transportation Program and a healthy 2010 Capital Budget were also on the list of priorities. As a result of the current year’s revenue shortfall, the Legislature cut out most of the discretionary funding for nearly all legislators and for the Governor’s own favored projects. The cuts did not include federally funded projects that were already in the pipeline of approved projects. The revenue picture did not work in favor of advancing efforts for a state-funded program.

If state revenues continue in the doldrums, the perennial favorite privatization of government work may experience renewed interest with helping cut the cost and size of government.

While we wait with mixed feelings about a big increase in the price of oil that could help fund a healthy capital budget, next year we’ll grapple with the 2011 Operating and Capital Budgets, the remaining 379 introduced bills and any new bills that are sure to come along.
Major changes underway in how the Department of Transportation monitors your trucking company will require businesses to modernize their filing systems. Currently, Federal Motor Carrier Safety Administration operates Safety and Fitness Electronic Records System and SafeStat to compile safety and compliance statistics for the transportation industry. Every company that has a DOT number has profile on these sites. What will change is how the information is obtained and how the information will be used to make decisions on your company’s compliance with federal regulations.

Comprehensive Safety Analysis 2010 is a comprehensive reorganization of how commercial motor vehicle safety, compliance and enforcement programs are carried out. Seven states are currently testing the new features, leading up to the rollout date of June 2010 for all states.

CSA 2010 reformulates how the current Safety and Fitness Electronic Records System program works. The changes range from the re-design of the Web site and how companies access their records to the re-evaluation of how records are created and weighted for safety and compliance. SafeStat will become the Safety Measurement System, or SMS. The chart below outlines the differences in how SafeStat tracks safety and how it will be done under the SMS program.

As the chart explains, much will change. The new SMS uses seven basic interpretations: Preventative Policies and Procedures, Roles and Responsibilities, Qualifications and Hiring, Training and Communication, Monitoring and Tracking and Meaningful Action. These criteria will give commercial vehicle enforcement a much more comprehensive package to evaluate a company.

How will this affect you? There will be more roadside inspections and more on- and off-site investigations and more information will need to be electronic in nature. Drivers also will be held to a higher standard in keeping compliance records up to date.

FMCSA estimates that out of the approximately 725,000 transportation companies that they regulate, they can only conduct compliance audits on 2 percent with their current procedures and policies. With CSA 2010, they hope initially to increase the audit figure to 25 percent.

Compliance will be weighted more highly when making recommendations about fines, which means companies will need to modernize their filing systems to keep track of their employee records. Training records will be scrutinized more frequently and closely and driver health will be reviewed in more detail than in the past.

Michael Bell is General Manager for WorkSafe Inc., File Management Systems. WorkSafe is an industry leader in occupational health, drug and alcohol testing and employee file management services with 20 years’ experience in Alaska.
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West Construction Company has been doing business in Alaska since 1997. Though Brad West founded the company just a dozen years ago, he said by e-mail that the company is essentially a second-generation Alaska construction firm.

“I had worked for my father since I was a boy,” West said, at the firm Construction & Rigging Inc. “West Construction, in many ways, is a continuation of my father’s legacy.”

Since forming the new company, West Construction has established itself as a general contractor specializing in heavy marine, civil and structural construction.

When his father retired and sold CRI to Wilder Construction in 1994, West worked for Wilder for three more years before setting off to form his own company specializing in Alaska-specific construction.

Now West Construction has offices in both Anchorage and Dutch Harbor, owns and operates a concrete batch plant and has extensive experience in hard rock quarry operations.

The company’s emphasis is on construction in remote Alaska, West said.

West Construction has earned a reputation for its tenacity in conquering even the most daunting climatic and logistical challenges associated with construction in remote Alaska in order to deliver projects on time and within budget, he said.

The company has built bridges in Portage, Fairbanks and Unalaska. It has completed dock projects in Dutch Harbor, Port MacKenzie and Whittier – including the main cruise ship dock. West Construction’s heavy construction projects include a community park in Unalaska, the Whittier Breakwater construction, a small boat moorage in Akutan, and...
a small boat harbor in Chignik.

As a member of AGC of Alaska, West said the company enjoys various benefits. “Membership for me is important as it provides a real voice for the construction industry as a whole,” West said.

He said AGC is a respected industry voice among local, state and federal governments officials. But the primary benefit, West noted, is the ability to work with other AGC members that benefit the industry as a whole.

Working with others in the industry is indeed beneficial for a company that works primarily outside the Anchorage area. A significant number of West Construction projects are located in coastal communities such as Bristol Bay, Ketchikan, Seward and Dutch Harbor, where the company has completed several marine facilities and is about to complete a $40 million project for a major fishing company.

The company’s arm stretches outside of Alaska, too, as evidenced by its work with the URS Corporation.

Mike Shoemaker, Vice President and Director of Special Programs for URS Alaska, said he met Brad West in 1984 while CRI was still in business. The comradeship established early and carried on through the years, and is now a thriving, mutually beneficial collaboration.

Shoemaker said contractors like West Construction don’t always need outside engineering for some projects, but said “If WC (West Construction)
needs engineering, they usually approach me.” And URS, according to Shoemaker, usually says “yes.”

“They have outstanding management and technical expertise,” Shoemaker said. “They’re very cooperative and always looking for a way to make the project better.”

“In 25 years,” Shoemaker added, “I’ve never had a bad job working with West Construction.” Currently, West Construction is working with URS in Hawaii to upgrade the Navy’s Vertical Launch System (VLS).

In Alaska, West Construction is working on further construction including a multi-purpose dock in Yakutat and a south channel bridge in Unalaska. But in a weakening economy, the company is mindful of the future of the construction industry. The company, West said, has analyzed options for coming projects and taken steps to diversify – both geographically and by type of project work.

But West Construction also has a card up its sleeve, in the creation of a new company created by West’s father, a combat disabled veteran who fought in the Korean War. The company, DV Contracting, is pursuing Service Disabled Veteran Contracts and is currently involved in a $9 million project at Fort Wainwright (with URS as the project engineer) to build a Railhead Operation Facility.

West Construction has experience working with the military in the continental United States (with projects in California, Maryland and Florida), and internationally in Argentina and Italy.

“We are also just finishing work on a project in Israel,” West said.

Though the company’s presence continues to grow in Alaska, West Construction is always looking outward for ways to increase growth potential, West said. Worldwide or local, West Construction will likely continue to be a successful, established member of AGC for years to come.

Jessica Bowman is a freelance journalist who lives in Anchorage.
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Readiness programs help prepare workers for today’s careers

Across the broad spectrum of specialty skills training required throughout the construction industry, and as supported by the many workforce development programs in government and/or education, two fundamental skills training concepts remain true: 1) To be viable, an individual must have the necessary readiness skills and motivation to be successful in the training; and 2) To be sustainable, an individual’s training and skills development must be designed/driven by industry demand.

For most readers these concepts are self-evident, the trainee must have prerequisite skills and proper mindset before the training begins and training must meet industry standards. Within the competitive environment we all work in and the increasingly higher skills required of potential and existing employees, training and ongoing development becomes even more critical.

Presented in this issue are the Alaska Career Ready and the WorkKeys System, the Alaska Tech Prep, and two innovative industry driven/supported programs of study available at the high school level continuing to University of Alaska bachelor’s degree programs.

The Alaska Career Ready statewide program allows students and adults to evaluate their readiness for work, college and occupational training, and to improve the basic skills valued by employers and educators. www.careerready.alaska.gov.

The WorkKeys® job skills assessment system is a comprehensive process for measuring, communicating and improving the common skills required for success in the workplace. WorkKeys® components include: Job profiling identifies the skill levels required to effectively perform the job; skill assessment measures an individual’s current skill level; and instructional support provides a curriculum to improve an individual’s skill level.

Assessments help match an individual’s skills with skills employers believe are critical to their jobs. www.act.org/workkeys.

Alaska Job Centers www.jobs.state.ak.us/offices/index and Alaska’s public schools provide Web-based, individualized and self-paced courses using KeyTrain® www.keytrain.com and/or W.I.N. www.w-win.com to help job seekers and students build the skills necessary to take the WorkKeys Assessments and earn a National Career Readiness Certificate.

National Career Readiness Certificate (NCRC) is a credential based upon WorkKeys® assessments, which demonstrates to prospective employers that an individual possesses the basic skills required for the job. Benefits include having a nationally recognized proof of basic job skill, better job opportunities and potentially higher wages.

The NCRC targets three skill areas: Reading for Information; applied mathematics and locating information.
Alaska Tech Prep links secondary and postsecondary career and technical education programs and workforce opportunities into an integrated program of study in technical career fields with strong employment and earnings potential. Tech Prep enables students to receive college credit for courses taken in high school, and to transition smoothly and successfully into postsecondary credentials. Visit www.alaska.edu/techprep or contact Statewide Coordinator Diane Maples andsm@uaa.alaska.edu

Project Lead the Way PLTW —> S.T.E.M. Science- Technology- Engineering- Mathematics Complementing the math and science college preparatory programs to establish a solid background in engineering and technology the PLTW courses www.pltw.org are designed as rigorous and relevant curricula with professional development for teachers and partnerships with industry and education. Pathway to Engineering is the high school curriculum. Gateway to Technology is the middle school curriculum. PLTW students are five times more likely than other students to select STEM careers and majors and twice as likely to be retained in these majors. BioEngineering is also available through PLTW.

The PLTW network in Alaska is at Soldotna High School, Mat-Su Career and Technical High School (Palmer), Lathrop High School (Fairbanks), Juneau Douglas High School and Dimond High School (Anchorage). These school districts are all members of the Alaska Construction Academy www.alaskaca.org.

Geospatial Technology —> Geomatics

Geospatial Technology includes three different rapidly expanding technologies and one of the fastest growing occupational fields that are all related to mapping features/locations on the earth's surface. These are: Geographic Information Systems (GIS); Remote Sensing (RS); and Photogrammetry. These programs of study will be offered in the 2009-10 school year at the Mat-Su Career and Technical High School.

“The compelling reason for the school district to get involved in geospatial technology is quite simply career preparedness. Geospatial technology is one of the fastest growing segments in the American economy. The development of the Global Positioning System (GPS) and very powerful yet inexpensive computers have caused an explosion in industry demands for people trained in how to apply this technology to everyday situations. Twenty years ago it was hard to imagine the large role the Internet would play in our lives. Geospatial technology applications are poised to make a similar impact.”

—Mat-Su Advisory Board member Dr. Stephen C. Brown

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At the University of Alaska Anchorage, School of Engineering, the Department of Geomatics [www.engr.uaa.alaska.edu/programs/geomatics](http://www.engr.uaa.alaska.edu/programs/geomatics) offers two degrees, associate's and bachelor's of science and a GIS Certificate to accommodate the wide variety of student objectives from entry level, to professional preparation to upgrading with current industry practices. Just imagine how far the applications in mapping, road and building construction, and navigation, have come in the last 20 years.

Other programs such as the secondary course Transportation-Distribution-Logistics leading to post secondary level Logistics/Global Logistics Management or the Welding leading to Nondestructive Testing [NDT](http://www.engr.uaa.alaska.edu/programs/geomatics) are both in high demand growth occupational fields. These and others are offered at the University of Alaska with some prerequisite coursework offered in high schools.

**Specialty contractor training**

AK-CESCL: Demand continues for this very important class. Through May, 2009 CEF/AGC of Alaska have certified 1,100 attendees in 27 classes.

Stormwater Pollution Prevention Plan [SWPPP](http://www.engr.uaa.alaska.edu/programs/geomatics): This one-day class is an AK-CESCL followup and presents hands-on details for writing a SWPPP.

Construction Quality Management (CQM): This required course is directed toward contractors doing business with the U.S. Army Corps of Engineers. The CQM Certificates are valid for three years.

Visit [www.agcak.org](http://www.agcak.org) for more information and the class waitlist or schedule or call Julia at (907) 770-1826.

**Construction goes to the dogs**

Gruening Middle School’s Colt Construction program ended a four-week unit constructing insulated doghouses. Nineteen students framed eight doghouses for medium to large dogs. Doghouses had an Arctic entry and a hinged roof making it a sturdy and useable product. Colt’s Construction has had three after-school sessions with 55 students making sheds, toy wooden barns and doghouses.

Kyle Frost and Jaylon Winborg inside one of eight doghouses they helped to build.

**An Invitation**

The training/education/experience seeds that are sown which lead to Careers in Construction, Technology, Management or being a Construction Company owner come through many different pathways. We at CEF and AGC of Alaska encourage you and your employees to be part of the growing and personally rewarding opportunities in construction education and workforce development occurring throughout Alaska.

**This article may be accessed on-line:**

[www.agcak.org](http://www.agcak.org) —> (Under Hot Topics) the Alaska Contractor Magazine “Current Issue.”
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Construction fair introduces students to new career options

Story and photos by Tracy Kalytiak
When Angie Slingluff was growing up, she thought only three career options were available to her.

“I could be a housewife, nurse or teacher,” she said. “No one told me about civil engineering. No one told me girls could fly airplanes.”

Slingluff, 62, an aviation and space education coordinator for the Federal Aviation Administration, recently hosted a booth at the second annual Alaska Construction Career Days, a fair-like event designed to show boys and girls the huge array of occupational options now available to them in Alaska’s construction industry.

“It’s an opportunity because part of the reason for coming to something like this is to expose the kids to something different, something they haven’t seen before,” Slingluff said. “And yes, it’s construction. We do a lot of airport construction, airport improvement programs. The FAA maintains airports, authorizes airports all around the country, but somebody has to build them, somebody has to lay the power cables. It’s all there in aviation.”

The April 21 construction fair at the Alaska State Fairgrounds in Palmer featured 50 educators and hosted more than 600 youths from high schools and home schools in Southcentral and more far-flung places like Unalaska, Craig, Valdez and Soldotna.
An Alaska Construction Career Days event was held in Fairbanks one week later. That event hosted middle- and high-school students from Fairbanks, Nenana and Healy. A similar event scheduled for September in Fairbanks will offer senior high students a chance for hands-on experience with heavy equipment, an expo and visits to various union and construction training sites, organizers said.

Funding for the Construction Career Days events came from the Alaska Department of Transportation and Public Facilities, Alaska Department of Labor and Alaska University Transportation Center, with donations from Alaska Regional Carpenters, Kiewit Building Group, Mat-Su and Anchorage school districts, the Alaska Construction Industry Progress Fund Inc. and Carpenters Local 1281.

Helping youths see all the possible career options available to them in construction-related fields is particularly important in Alaska, where the construction work force is aging just as a natural-gas pipeline and other large-scale construction projects are looming in the state’s future.

Jon Dunham, a planner with the Alaska Department of Transportation who helped organize the Construction Career Days event, addressed the teens about what had been happening in the state’s construction industry.

“One of the things that we wanted to reiterate with everyone here is that we’re going to need workers in the construction industry, large numbers of workers, so what we want you to do is consider construction as an alternative to your postsecondary education,” he said. “Just in the Department of Transportation alone we’re going to lose about 30 percent of our work force in the next five years. In
the event that we have a natural gas pipeline built we’re going to need to add 1,000 construction workers a year for the next several years just to keep pace with what we’ve got. The gas line is going to create more opportunities than that.”

Jobs in the construction industry can pay well. For example, the 2,980 operating engineers and other construction equipment operators in Alaska receive an annual mean wage of $61,660, according to May 2008 figures from the U.S. Bureau of Labor Statistics.

People with construction management experience can receive even more. The annual mean wage for Alaska’s 760 construction managers was $99,590 in May 2008, according to the labor statistics bureau; those figures did not state how many years of college-level coursework those construction managers had completed.

Students at the construction fair gathered in small groups to participate in hands-on presentations with welders, piledrivers, roofers, carpenters and dry-wallers. They tried out an air traffic control simulator at the FAA’s booth and a motor-grader simulator situated in another part of the fairgrounds’ Raven Hall. Attendees also stopped to collect brochures, pens and tiny foam-rubber hard hats while chatting with people manning booths for entities like the Associated General Contractors of Alaska, Operating Engineers Local 302, and U.S. Army Corps of Engineers.

The hard-hatted youths admired heavy equipment like Cruz Construction Inc.’s motor graders.

Curtis Butts, 15, of Fire Dance Academy in Wasilla, learns how to lay a bead during a welding session with Graham Waltz, 18, of Piledrivers Union Local 2520.
“Most of them are asking what is the primary function of the machine, how long do the jobs last, that kind of thing,” said Randy Kreig of Cruz Construction. “In this application, what I explain to them first is this machine right here started life as a snow plow in the city of Valdez. All they did with it was plow snow with it for four years and then we bought it after they got a new one and we converted it into a contractors’ motor grader. We put the laser system on it for finishing this runway on the Palmer airport over here and then we had the sonic system for doing lane-widening work like on the Palmer-Wasilla Highway.”

A few feet above Kreig, Brandon Taylor, 16, sat in one of the motor graders – with the key removed, of course. Taylor was one of seven students – five boys and two girls – who flew to Palmer from Craig with two chaperones to sample the offerings at Alaska Construction Career Days.

The Craig contingent’s travel costs amounted to $1,000 per person, he said, which came from donations and a Carl Perkins grant.

Kids from Craig, he said, participated last year in a career education trip but only visited Sitka, Juneau, Anchorage and Seward – all the University of Alaska campuses except Fairbanks.

Taylor says he is primarily interested in a career in teaching.

“But that might change someday, so I thought I’d come here and see what there was to see,” he said. “I live by a sawmill, so there’s all that heavy equipment and all that where I live,” he said. “There’s a lot of interesting stuff here. The first place I went to was

Kimber Moonin, 15, of Port Graham, takes a break during an Alaska Construction Career Days event.
welding and torch cutting and then I went inside and did the drywall screwing, nailing, the simulator, and then I came out here and was looking around at the machines.”

Taylor said welding interests him because his father does that kind of work.

“My dad, he sends me pictures all the time of the big bridge he’s working on in California and the different people he gets to meet,” he said. “With welding, I like what you’re doing with the metal, putting it together.”

Amy Larrabee, 17, who attends Palmer High School, took part in a roofing demonstration at the career event.

“I was like, OK, my dad wants me to go do this, get it done, rip the Band-aid off,” she said of the career days event. “But coming here, it’s actually pretty cool. I like the cool toys around here, like that grader.”

Larrabee has dabbled in construction projects since the age of 5 or 6, thanks to experience gleaned from her father, who worked as a roofer.

“I've got a little bit of carpentry, a little bit of plumbing, a little bit of this and that,” she said. “I also have a little automotive under the belt, too. I learned just going out and working with Dad and his friends – just going to different job sites and stuff, seeing how cool it was.”

The construction fair offered Larrabee another option for helping plan her future.

“I'm definitely looking for a job to support a family and definitely looking to help Alaska expand,” she said. “I'm hoping maybe if I join something it's going to hopefully end up with the gas pipeline.”

Originally, Larrabee had planned to attend college, obtain a master's degree in music and get certified as a teacher.
Three-point plan helps Gundersen Painting reach goal

When Gary Gundersen and his wife, Debbie, began Gundersen Painting Inc. in 1986, they had a game plan and a philosophy. Twenty-three years later, Gundersen Painting continues to reap the benefit of controlled growth and an honest, equitable approach to business.

Maybe it was because Gary Gundersen started a company in Fairbanks, a town where he’d lived since second grade. Maybe it was because knowing people in the area opened doors for him. Maybe it was just the resolve to do things the right way from the start. Whatever his motivation, Gundersen said his three-prong approach to success has worked for him. He’s seen Gundersen Painting grow into one of the top three commercial painting companies in northern Alaska.

“I’m very big on being fair and honest with my clients and my employees,” Gundersen explained.

That is the first plank in his platform.

That fairness means Gundersen Painting makes sure general contractors and clients are happy with the work.

“We cherish our relationships with general contractors and we try to treat them right,” Gundersen said. “We try to go out of our way to make them happy.”

The second, in concert with the first: Produce a quality product.

“Your reputation is paramount,” Gundersen said.

The third precept is one that makes Gundersen Painting, a union shop, a bit unusual. Gundersen said he believes in sharing the wealth. His “company hands” of union painters who find near steady employment with Gundersen Painting get bonuses, along with his foremen.

“My philosophy is to treat people fairly and honestly,” Gundersen said. “After all, they did the work.”
Gundersen Painting is a team effort, with Gary running the painting end of the business and Debbie taking care of the bookkeeping, financial responsibilities and everything else between.

“Debbie is a true doer; she will take on any task and get it done,” her husband said. When possible, Debbie likes to visit the job site at coffee time on Fridays with a dozen doughnuts in hand.

“It shows the guys that we really do care about them,” Gary Gundersen said. “Debbie has really made life easier for me around Gundersen Painting. She is part of my backbone.”

The Gundersens didn’t always have a crew at their disposal. It started as a one-person operation. But even in those early days, Gundersen was circumspect about his company’s growth.

“My goal was to grow over time and grow slowly,” Gundersen recalled, “into a much larger, profitable company.”

That it has. Gundersen Painting averages about 15 to 30 employees year-round, with eight to 10 union company hands kept busy nearly year-round by the business.

“We’ve grown about as large as we can based on the available work in and around Fairbanks,” Gundersen said. “But if the economy grows larger than in recent years, we would plan to grow with it.”

In keeping with their controlled growth philosophy, the Gundersens don’t see a leap into a statewide operation on the horizon. Gary Gundersen said they will continue to concentrate their business in the northern areas of the state, from Denali Park to Barrow and from Tok to Kotzebue.

With continued work in the Fairbanks and outlying northern areas, Gundersen is optimistic about the company’s future.
That future will include son Jason, who graduated in May from the University of Alaska Fairbanks with a degree in business and finance. After spending his summers working for the company since he was young, Jason Gundersen will be taking on new roles with the company, including joining his father and six-year Gundersen Painting estimator and project manager Ray Cockerille in doing job estimates.

For the senior Gundersen, it is part of that controlled growth that has been his mantra for nearly a quarter of a century.

Despite some economic uncertainties, and a slight downturn in work, Gundersen sees business in Fairbanks to continue to be strong, thanks in large measure to work at the military installations. Gundersen said his painting company has done “a ton” of military jobs.

“The military has been a major part of our yearly volume,” Gundersen said.

That would include work done in preparation for the Stryker Brigade’s placement at Fort Wainwright and work for the National Missile Defense site at Fort Greely, near Delta Junction.

“We did a lot of initial work at the missile site that first year,” he said.

Those military contracts were part of the impetus of expanding Gundersen painting with the addition of the second estimator/project manager. Gundersen said adding Cockerille, a retired union worker, allowed the business to grow along with the demand.

Another reaction to the busy years earlier this decade was the building of a new shop for the business, at 758 Old Richardson Highway. The central location gives Gundersen Painting’s crews easy access to Fort Wainwright and Eielson Air Force Base.

Even when the defense contracts are completed, Gundersen said the military continues to generate work for Gundersen Painting and other contractors as retail enterprises move in to meet the needs of the military community.

“We’ve been pretty blessed for the last eight years,” Gundersen said of the business generated directly and indirectly by the military.

Gundersen said one of the ways he is able to stay on top of business is using the Plans Room on the Associated General Contractors’ Web site. Back in the day, Gundersen would go to the actual Plans Room in AGC’s building to look at blueprints. With the Internet, he can view specifications and plans online.

“We use the AGC’s Plans Room continuously,” Gundersen said. “That’s been very helpful for us over the years.”

As the economic downturn affects work in Alaska, Gundersen said he is cautiously optimistic. While the Democrats are not known for their military spending, the stimulus money in President Barack Obama’s budget could provide new opportunities for companies like his.

He said he is also confident AGC will continue fighting for jobs in Alaska.

“They are looking out for our best interests, lobbying for Alaska contractors,” Gundersen said.

As for Gundersen Painting, it will move carefully forward, mindful that doing jobs right in the short term can pay dividends in the long run.

“Sometimes it costs a little more in the short term, but it seems to work well in the long term,” Gundersen said.

Victoria Naegele is a freelance writer who lives near Palmer.

“We use the AGC’s Plans Room continuously. That’s been very helpful for us over the years.”

— Gary Gundersen
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Strength born of flexibility

Anchorage Pre-Cast Concrete Company bucks economic downturn by identifying trends, offering diverse range of products

It seems a contradiction in terms, but Pre-Cast Concrete Company has built a rock-solid reputation on its willingness to be flexible.

Even as other companies struggle to stay afloat during these trying economic times, business is booming for Pre-Cast Concrete thanks, in large part, to its ability to not only keep a large selection of standard products in stock, but design new precast concrete solutions, produce detailed shop drawings, build forms or use existing forms and manufacture products for custom jobs.

According to Manager Chris Taylor, offering a diverse range of products and services is a strategy that has served the company well during its 32-year history in Alaska.

“We just listen to what our customers want,” Taylor said. “That’s the beauty of this industry. We’re constantly evolving our business and adding to our product line.”

Pre-Cast Concrete was established in 1977 by John McGee, and Anchorage Sand and Gravel Company Inc. purchased the business in 2000. Ac-
According to Taylor, being a subsidiary of AS&G has been a boon to business.

“It definitely increased our productivity and has allowed us to better serve our customers,” Taylor said. “In 2003, we acquired a new building and a new yard. We had always used AS&G products, and now with the batch plant right next door, we’re more efficient.”

Unlike standard concrete, which is poured into site-specific forms and cured on site, precast concrete is cast in a reusable form, which is then cured in a controlled environment, transported to the construction site and lifted into place. By producing precast concrete right at the plant, the product can be properly cured and closely monitored. Pre-cast concrete also allows for a virtually limitless set of colors, textures and shapes.

Pre-Cast Concrete manufactures three categories of products: Architectural products, such as wall panels, foam insulated panels and weights; landscaping products, such as planters, benches and landscape blocks; and utility precast items, such as guard posts, median barriers and bollards.

According to Taylor, Pre-Cast Concrete is the only company in the state that produces architectural products.

“We’re exceptionally flexible in our designs,” Taylor said. “We can pretty much take any architect’s design and produce it.”

In addition to its Anchorage location, PCC also has a plant in Fairbanks. The company operates year-round, which gives it a leg up on the competition. Winters are dedicated to manufacturing standard products for utilities, and summers are generally reserved for custom jobs.

“Alaska’s short construction season means we spend the colder months of the year producing standard products, so when the contractors are ready to roll in the spring, we have the materials ready and waiting for them,” Taylor said.

Pre-Cast Concrete’s clients include Anchorage Municipal Light and Power, GCI Communications Corp., the Alaska Railroad Corp. and ConocoPhillips Alaska Inc.

Anchorage-based Davis Constructors and Engineers Inc. has collaborated with Pre-Cast Concrete on a number of notable recent projects, including the Ted Stevens Anchorage International Airport North/South Terminal connector, the Providence Alaska Medical Center parking garage and Architectural panels made by Pre-Cast Concrete.
“PCC provided all the architectural panels for the North Terminal connector,” Davis Project Engineer Mack Miessner said. “Unlike basic precast wall panels like you’d see on a Target or Wal-Mart, architectural panels offer maximum design flexibility. They’re also relatively easy to manufacture, erect and maintain.”

Working with Pre-Cast Concrete, Miessner said, proved virtually effortless.

“It was a very straightforward process – there were no hiccups as far as the design and the panels themselves were concerned. We were very happy with their product and service. I’d definitely use them again.”

ML&P has worked with PCC on a number of projects over the past two decades and counts the concrete company among its most frequent collaborators.

“PCC builds all our transformer pads, underground utility vaults, switch cabinet pads, 14-foot and 18-foot utility vaults and produces all our specialty concrete work,” ML&P Head Warehouseman Mike Sawyer said. “A lot of our projects are time-sensitive in nature and they always get us everything we need in a timely manner. We’ve been working with them for 20 years and they always do an exceptional job.”

Not content to rest on its laurels, Pre-Cast Concrete is always looking for ways to improve its products and service the diverse needs of its customers.

“There’s always new technology we can use to enhance our product, from improved forms to additives for mixes,” Taylor said.

According to the National Precast Concrete Association, a not-for-profit organization representing more than 1,100 companies that are committed to expanding the use of quality precast concrete, precast concrete products have many environmental attributes including energy savings associated with concrete’s thermal mass, reducing construction waste and emissions reductions from on-site equipment.

Precast concrete products correlate directly with at least four Leadership in Energy and Environmental Design (LEED) Green Building credits.

“LEED is a huge trend, and rightly so,” Taylor said. “It’s our job to stay at the forefront of that trend.”

Pre-Cast Concrete employs roughly 10 full-time employees in the winter and 20 during construction season. In spite of the flagging economy, Taylor said he expects another busy summer.

“I’m not complaining this year,” he said. “The economy hasn’t affected us because we’re so diverse in what we produce and not limited to the standard products. And I expect the economic stimulus package will bring us even more work.”

Taylor, who has worked in the precast industry for more than 15 years, said he derives great satisfaction from knowing Pre-Cast Concrete has contributed to so many successful projects.

“We see the end result, the fruits of our labor, every time we drive through town,” he said. “The best part is just seeing your work and helping your clients achieve their vision.”

Carly Horton is a reporter based in Alaska.
Tips for understanding changes in FMLA regulations

In response to employer’s complaints, the United States Department of Labor overhauled the Family Medical Leave Act regulations. The changes took effect in January.

The basic changes provide leave for qualified employees to care for covered military service members with a serious illness or injury and provides leave entitlement for a qualifying exigency. Those covered are members of the armed forces, including Reserves or National Guard who have a serious injury or illness incurred in the line of duty while on active duty. Additionally, there are 11 amendments relating to Employer Penalties, Light Duty, Waiver of Rights, Serious Health Condition, Substitution of Paid Leave, Perfect Attendance Awards, Employer Notice Obligations, Recordkeeping, Employer Notice, Medical Certification Process and Fitness for Duty Certification.

The best way to avoid issues as they relate to your human resource function is to follow the law and do it correctly. It is important to understand the act’s requirements and provide the required leave for employees who qualify, document the leave used and use the designated forms.

One of the questions our company is most frequently asked is how do you hire and terminate employees?

The key to successfully hiring the right person the first time and eliminating the need to prematurely end the employment relationship hinges on a few preliminary tasks. Ensure you formalize your hiring process (including conducting background checks on potential applicants), keep your job descriptions updated and accurate, train supervisors and managers how to conduct a legal interview asking the best job related interview questions, document your interview questions in advance of the interview, ask all applicants the same questions and document their responses, educate managers and supervisors on the cost to the company of making poor hiring decisions and train managers and supervisors on the investment made by the company in each employee hired.

Should you find it necessary to end the employment relationship with an employee, ensure you have a written disciplinary action process, managers and supervisors have been trained in your process and that you have appropriate documentation of the infraction or inappropriate behavior.

Don’t retain a poor employee because you are afraid to confront them and treat them with the same dignity and respect you would want if you were being terminated. The better hiring decisions you make in the beginning of the process the fewer times you will deal with the stress of having to let someone go.

There are some interesting statistics supporting utilizing our recommendations for the hiring process: 35 percent to 65 percent or more of applicants are not truthful on their application or resume. The six most common fabrications are lying about a degree, utilizing diploma mills or purchasing degrees, not accurate in job titles, changing dates of employment to cover gaps, exaggerating compensation so that they have a better negotiating position for a new job, and not disclosing past criminal conduct.

The cost of making a poor hiring decision is all over the board but is generally one to two times the annual salary. Some of those hard dollar costs are recruiting fees, interview expenses, relocation expenses for a new employee, advertisements, training a replacement, temporary help until a replacement is hired, missed deadlines, lost clients and lost productivity of the hiring manager for time spent in filling the position. Some of the soft dollar costs are extra work for the rest of the employees, lower inefficiency, lower morale, resulting poor customer service, and loss of institutional memory and intellectual property.

Every business sells customer service. It pays to remember only 4 percent of the customers who are unhappy with your service will tell you. Customers are not very loyal and 96 percent will shop or seek service elsewhere and 91 percent will just not come back but will tell 10 others about the poor customer service they received from your business. If the customer service was great they will tell five others.

Employees determine the customer service businesses provide and hiring the right employee is undoubtedly the most important business decision ever.

Barbara Stallone is a partner in The Human Resource Umbrella; an Anchorage-based Human Resource Consulting Company.

This column provides information about the law designed to help users safely cope with their own legal needs. But legal information is not the same as legal advice – the application of law to an individual’s specific circumstances. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation.
When Roxanna Horschel was a girl, she thought she would someday marry, cook, sew, clean and stay home to rear her children.

“I think I was a typical little girl in that era,” she said. “That was my thought of what life was about.”

Horschel followed that dream—with a few twists. She grew up, married a pilot, gave birth to a son, and then briefly lived in Cold Bay before returning to Anchorage and starting her own coffee-delivery service. Then came divorce, when her son was only 2.

“You know it’s sink or swim,” she said. “My father said, ‘You come and take care of my books and do this for me,’ but I was heartbroken. I just didn’t want to get involved. I said I’d help, but I don’t want to get involved. Well, sink or swim, I had to get involved.”

Thirty-two years later, Horschel remains involved with that company, Acme Fence.

“We started with one flatbed truck, started with just about nothing,” she said, “and worked through needing some cash flow. I remember we started with residential. We’d do the work and knock on the door, ask for money in order to make our payroll.”

Horschel and her father, Gene Stone, got a small business loan soon after launching Acme.

“That gave us the opportunity to buy more equipment slowly,” she said. “We just kept investing back in the company, back in the company, back in the company. So we started out with that one flatbed truck and I think we have about 30 some now. That’s what can happen if you invest back into the company instead of taking the money out personally.”

Things have changed dramatically during those three decades since Stone paired his sales smarts with Horschel’s business savvy.

Horschel bought out her father and her three brothers. The company now has 30 employees, many of whom have been there for close to 20 years. It has moved, three times, since its beginnings in a house and barn just off Tudor Road. Acme doesn’t do residential work anymore; more than 85 percent of its business involves government work as a subcontractor for companies like Kiewit Corp. and Granite Construction Co.

And even though Acme upgraded fencing at the Spring Creek prison in Seward, is doing fencing at the Ketchikan and Wrangell airports and Mat-Su Youth Facility and installed most of the rails for the fence that winds around Fort Richardson near the Glenn Highway and behind Muldoon—a $3.5-million, 18-months-of-steady-work job—most of what Acme Fence produces and installs nowadays isn’t fencing.

“We do guardrail, a lot of guardrail on the highways,” she said. “We work throughout the state...
– in Southeast, up on the North Slope, Fairbanks, here in Anchorage.”

The Horschels estimate that about 80 percent of Alaska’s guardrails were put there by Acme Fence’s six massive hydraulic guardrail machines, which pound in the guardrail or break ground for wooden guardrail posts. The company installed guardrail at the Glenn-Parks highway interchange in Mat-Su and is going to install new guardrails and crash cushions on the last 40 miles of Chena Hot Springs Road. Acme also did guardrail in North Pole and will soon install a nearly $1-million sound barrier there.

“I think the company’s desire was always to work in that direction, to become specialized and to work in the larger governmental projects,” she said.

Horschel’s toddler son, Brian, grew as Acme grew. He learned to drive on a forklift. Now he has children of his own and oversees the day-to-day operation of the company.

“My son started by putting nuts and bolts together at the company,” she said. “He was raised in the business. When he was a teenager he was working in our warehouse yard; in the field he probably started when he was 18.”

Brian Horschel thinks he knows why his mother remained involved with Acme.

“I think it’s a personality trait, personally,” he said. His mother agreed.
“I think there’s something internally with some people that you just can’t stand it if you see a weak link,” she said. “You just can’t stand it. Some people can just ignore it and go on and have life like this. But my life is not like this. If I see something that’s broken or needs fixing, I just can’t be calm about it, I need to be involved in it, in every aspect of my life.”

That’s the attitude that, in 1995, earned Horschel a prized Hard Hat award from the Associated General Contractors of Alaska. The award recognizes outstanding contributions to the construction industry. Horschel also served as AGC’s president and in a variety of other leadership positions with the organization.

“I think the biggest honor is that I was Hard Hat winner,” she said. “I was the first woman, active in the construction industry, to receive a hard hat. In the past, in such a male-dominated organization, that was really, really an honor.”

Horschel said she joined AGC immediately after opening Acme.

“It was more for the access to plans and specifications and the jobs coming out,” she said. “At that time, AGC I think was on Spenard Road. It was just a small area. It was more known like a plans room, so AGC has grown through the years, too. Education and recognition, those two things were major.”

Members could further their education, Horschel said, by making the most of opportunities to attend classes on subjects like safety or project management.

“Recognition came more with rubbing elbows with the contractors that you wanted to work with,” she said. “So it’s been very helpful.”

Larry Soule has worked for Acme Fence for 27 years. The former air-traffic controller – one of those President Ronald Reagan fired in 1981 – started as a fence installer and about 10 years ago became Acme’s crew foreman.

Why does he like working at Acme?

“Because the checks cash,” he joked. In a more serious vein, he continued. “They really treat me good. One of the guys that
works here was an air-traffic controller also, Roxanna’s brother, and hooked me up with Acme Fence. I stayed. They treat me fine. It’s a nice place to work, it’s pretty friendly. They listen. That’s one thing the government never did. It was hard to get things changed. Here, you can get some things changed or at least they’ll listen.”

Roxanna Horschel says her experience running Acme has been an exciting one.

“It’s really cool to get out there and see the mechanisms people use to process the job, to get it together, to partner through it all,” she said. “Making sure the materials get there just right and that the ground conditions are taken care of just right. And you know you’ve done this, you’ve done this, done this, and it gives you such a sense of pride that you did it, correctly.

“You’re not sitting back and just letting things happen,” she said. “You’re just involved and making sure it all happens as smooth as can be.”

The best part of running Acme, she said, is seeing the positive impact it has made on lives other than hers and her son’s. She thinks of it sometimes when she watches a project in progress.

“You look at the people involved. You know, you look at every single person out on that project, and they’re married, have children. That’s their livelihood too,” she said. “This business is not providing just for an owner or something but it’s providing for those people to have their children taken care of and their wives taken care of and their health care taken care of; all of those things. That’s a sense of pride, too.”

Tracy Kalytiak is a freelance writer in the Palmer area.
Construction is ongoing on a new $66 million, 190,000 square foot Alaska VA Healthcare System Outpatient Clinic and Regional Offices to accommodate the increased need for veterans' health care services in Alaska. Work began on the project in the fall of 2007 and it will be complete in 2010.

The project grew out of a 2002-03 national review of the Department of Veterans Affairs health care delivery system that found there would be an increased need for services through the year 2022.

With a population that is 17 percent veterans, Alaska boasts the highest percentage in the country, and while not all veterans receive care through the veterans health care system, more than 20 percent rely on its services.

Since the wars in Iraq and Afghanistan began, the number of Alaska veterans served by the Veterans Administration health system has increased more than 10 percent. As these wars continue, the number of veterans needing services will continue to increase.

In 2003, it became clear that the existing 112,000-square-foot facility could not accommodate the staff, programs and patients efficiently. In 2004, the Veterans Affairs retained the architectural firm of Livingston Slone to help plan and design the new clinic – more than 70 percent larger than the existing facility.

AGC members Kiewit Building Group and Cornerstone Construction Company created a Joint Venture to build the new facility. The Kiewit/Cornerstone JV offers the government the resources of two highly respected firms with excellent reputations. They have combined their extensive experience in building complex facilities and their knowledge of Alaska construction to give the government exceptional value.

By locating the new Veterans Affairs Outpatient Clinic and Regional Offices outside the Elmendorf Air Force Base Secure gate, veterans can use public transportation to travel to their appointments. A secure pedestrian walkway also ensures an efficient sharing of services and personnel between the hospital and the clinic by connecting it directly to the Elmendorf Hospital (a Department of Defense/Department of Veterans Affairs Joint Venture Medical Center).

The new building houses Veterans Affairs regional offices and the Veteran’s Benefits Administration as well as medical
facilities. The regional office includes the Veterans Service Center, which processes VA's non health-care related benefits and Vocational Rehabilitation and Employment.

In addition to primary care, the new clinic includes a day surgery suite and specialty facilities such as audiology, imaging, dental and physical therapy. It will continue to offer group and individual mental-health counseling and education services and will add rehabilitative services to include physical and occupational therapy, speech therapy and neuropsychology designed to meet the special needs of returning veterans.

This project has contributed to the local economy in many ways. For example, more than 20 local subcontractors and suppliers, with additional out-of-state specialty firms have been involved and are contributing to its success. A very aggressive winter construction schedule (including roof installation) not only ensured that the project remained on track but also provided employment opportunities during Alaska's traditionally slow times.

Artists, too, are benefiting from the construction of the new Veterans Affairs Clinic. An Art Committee has selected several pieces of Alaska art by artists from Anchorage, Palmer, Willow, Juneau and Kodiak, to name only a few communities. The signature piece, a 17-foot sculpture, will be located near the
The entrance of the building and designed by Weet Design LLC of Anchorage. The five points are symbolic of the five branches of our Armed Forces. The colorful glass panel designs will be based on the award ribbons for the branches of service and honors veterans receive and will create a dynamic effect in both natural and artificial light.

When completed, the new building will be a comfortable and easy to use facility for patients, visitors and staff. It will provide excellent wayfinding, lots of windows to bring in daylight, easily accessible services of all types, a well-provisioned canteen and, as always, respectful accommodation of privacy requirements. All important to all health care facilities and certainly deserved by our veterans.

Brook Mayfield works for Cornerstone Construction and is a member of the editorial board for AGC's Alaska Contractor Magazine.
Everts delivers

Air cargo company transports materials, people to remote Alaska job sites

Transferring construction equipment and supplies out to far-flung areas of Alaska can be an intricate and exacting process.

Someone who knows this well is James Harris, who works with transportation for Alaska Native Tribal Health Consortium projects. Harris says Everts Air Cargo is a company he trusts to fly necessary supplies to job sites throughout western Alaska.

“I’ve got a good partnership with Everts Air Cargo,” Harris said. “They’re very service-oriented. I feel I can talk to someone if I have any problem.”

The Everts family has a 30-year history of using their planes as tools, to help clients move whatever they need out to the roadless expanses of the state – including aviation fuel, heating oil, trusses, full-sized pickup trucks, 55-foot telephone poles, boats and shrink-wrapped loads of paper towels, soda and office equipment.

Everts Air Cargo and its sister company, Everts Air Alaska, are offshoots of parent company Tatonduk Outfitters Ltd., owned by Robert W. Everts. Patriarch Clifford R. Everts, 87, owns Everts Air Fuel, which operates out of Fairbanks.

Cliff Everts said he first came to Alaska from Yonkers, N.Y. to be a bush pilot in 1943. In 1945, he found a job flying for Wien Airlines and stayed with that company for 35 years. During his stint with Wien, Everts acquired a C-46 and leased it to Nenana Fuel Company. He then bought a DC-6 for leasing and started hauling fuel.

“In his spare time from Wien he would work his side business, which was the rental and leasing,” said Everts’ daughter, Susan Hoshaw. “He used to rent and lease the airplanes and then later he had his own pilots, did everything himself.”

In 1978, the company that became Everts Air Cargo and Everts Air Alaska was formed. It started with a single C-46, and today the company has a fleet of C-46s, DC-3s, and DC-6s.

Pete Mejia, Everts’ Anchorage operations manager, coordinates aircraft loads and flight schedules. He stands near one of the company’s C-46 aircraft and pallets of cargo destined for loading.
Alaska began scheduled service between Fairbanks and Eagle. It now operates throughout Interior Alaska.

Everts’ son, Robert W. Everts, soon stepped into a leadership role in the family business, solo-piloting a glider before the age of 16, earning his pilot’s license and then graduating from Embry Riddle Aeronautical University in 1984 with a bachelor of science degree in aeronautical science.

Rob Everts bought Tatonduk Outfitters Ltd. in 1993.

“Like father, like son, Rob just carried it on but instead of focusing on fuel, Rob’s focus has been on freight,” Hoshaw said.

Tatonduk Flying Service’s first aircraft was a Cessna 180 with wheel, ski and float capabilities, which provided charter-only transportation for miners, trappers and explorers.

Everts Air Cargo operates DC-6, C-46 and Embraer 120 aircraft throughout the state. The company provides scheduled air cargo transportation to 11 communities in Alaska, as well as charter service to the Lower 48 and Canada. It specializes in moving small packages, hazardous materials and oversized freight, and its DC-6 and C-46 aircraft — used in World War II and subsequently converted to cargo planes — are well suited for the unimproved gravel runways common throughout Alaska.
Although Everts Air Cargo’s core business is air cargo, in 2007 it launched its passenger charter service using Embraer 120 aircraft. Based in Fairbanks, this operation offers 30-seat passenger charter service featuring the performance and comforts of a jet without the check-in and security lines.

Everts Air Cargo operations in Fairbanks and Anchorage employ 305 Alaska residents working as pilots, mechanics, ground handlers, administrative and support staff. In addition, the company uses the services of businesses in the villages it serves.

All but one member of the Everts family – one of the four sisters, who is a school teacher – works in the family business, Hoshaw said.

The Everts family has had a long and fruitful relationship with the Associated General Contractors of Alaska, Hoshaw said, which provides a variety of professional benefits.

“I think the relationship with AGC, it just makes it so much easier to communicate and coordinate large projects and do it in a very organized and efficient manner,” she said. “We know a lot of the players; we’re used to dealing with a lot of the same players every year. We know that the projects are that are going on and part of that is because the AGC provides all that information. They have an organization where the projects are published, laid out and then it’s all just organized. The resources they have available to disseminate that information to vendors, that’s I think what the benefit is for Everts Air Cargo and Everts Air Fuel.”

Robert Ragar, Evert Air Cargo’s manager of contract sales and hazardous materials, is also a former customer of the company.

“If used Everts’ resources a lot,” Ragar said. “Rob Everts had engaged me to work for him and over a period of time he talked me into it, so I went to work for Rob.”

Ragar grew up in a family immersed in construction, and married into a family involved in aviation.

“In Alaska, there’s a need to bring the two together because there are many construction projects in remote areas that require fly-in accessibility,”

Susan Hoshaw manages Everts Air Cargo’s Anchorage station.

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Ragar said. “A lot of folks in one industry may not know the language of another industry. Coordinating the movement of some projects is very important. You don’t want the trusses out on the first load. These things are very easily understood if you know the languages and how projects progress.”

Ragar says Everts always tells its customers the truth, even if it means telling them they’re not the best transportation option for a particular project.

“That’s why we get along so well, that’s why I can work for Everts is because of that,” Ragar said. “People need to know how to schedule their workforces and to me that’s number one.”

Everything gets run across the scale, Ragar said. “We use accurate descriptions, accurate piece counts, accurate weights and we document it all.”

Everts also places a premium on hiring employees who will work to prevent mishaps, Ragar said.

If a bundle of roofing is headed out to a destination in rural Alaska, for example, employees will make sure that the roofing screws are stowed nearby. If a contractor needs nails, he’ll get nails rather than a box of Sheetrock screws.

“We promote perfection and hire those that have the qualities we seek,” Ragar said. “When I was a customer of Everts, they always – without asking me – strived to put the maximum beneficial load on the aircraft for me. They did that on their own. When a guy is paying $30,000 for a plane charter, that’s a lot of money real fast. We want to make sure he’s getting his money’s worth.”

Tracy Kalytiak is a freelance writer in the Palmer area.
Take a stroll down the beaches that flank the Seward Peninsula community of Nome in July and you’re likely to see a scene that has played out for more than 100 years.

Rain or shine during the ice-free months, solitary figures work pans and rocker boxes with a watchful eye for a gleaming speck among the sand. As they have since the town’s founding at the dawn of the 20th century, fortune-seekers each year return to Nome’s golden beaches to try and strike pay dirt.

While the lure of gold still plays a role in Nome’s psyche, lore and economy – whether it be a lone beach miner, a small family-run mine or a multi-national corporation – it is no longer the central driver in what keeps the town afloat.

The largest community on the Seward Peninsula at approximately 3,500 residents, Nome serves as a hub for villages in the Norton Sound region. “We’re the supply, service and transportation center for the whole region,” said Nome Mayor Denise Michels.

With transportation the lifeblood of the community, much of the construction activity in and around Nome revolves around maintaining and improving infrastructure. When the sea ice retreats from shore this summer, incoming barges and ships will benefit from an improved port. “The City of Nome has been working on improvements to the harbor and causeway to meet the needs of ocean-going transportation,” Michels said. “The port is a very important piece of infrastructure for Nome.”

Over the past 10 years, the City of Nome has worked closely with the U.S. Army Corps of Engineers on navigation and infrastructure improvements, including a 3,025-foot breakwater and a 270-foot spur at the end of the causeway.
Smaller craft also have benefitted from upgrades at the port. Among an approximate $3.6 million in small harbor improvements are a new low-level dock, a second floating dock for small craft, new fender piles and new bollards. Over the past few years Nome has experienced increased demand for fisheries-related cargo and inter-village freight. The new low-level dock allows for commercial fishing gear, cargo and fuel to be loaded and unloaded more safely, as well as a location for boat repairs to be made.

This summer, Knik Construction will work to bolster the jetty at Cape Nome, a few miles east of town. Funded through the Federal Emergency Management Agency, the $3.3 million project repairs damage caused by an October 2004 storm.

Mayor Michels sees Nome’s port playing an even more prominent role in the region as changing climate conditions mean more open water in the Arctic for longer stretches of time. “With the opening of the Arctic, that has so much potential,” she said. “Cruise ships are coming through. We’re seeing exploration vessels coming through and using Nome as a stopping point.”

Michels and the city have been lobbying for a more substantial Coast Guard presence in Nome to deal with the increasing ship traffic in Arctic waters. “We want to make sure we meet the needs for both environmental response with the Coast Guard and for enforcement,” she said.

Nome City Manager Josie Bahnke also noted that representatives from Shell Oil have paid Nome a visit as the global petroleum firm inspects new sites from which to stage its fleet.

Key to Nome landing bigger tenants at its port is increasing the available draft, Michels said. The harbor’s current draft is 22 feet. “We want to get 35 to 40 feet for the larger ships. For instance, the Coast Guard’s Polar Sea and the Healey have to float offshore because their draft is deeper than what we have.”

Dirt to be turned on land

Looking inland, the City of Nome is busy this summer with road, utility and facility construction projects.

Destined for Nome this year on one of the first barges are 165 tons of steel to be used in Nome’s new $9.3 million Public Safety Building. The building was designed to house the city’s police and

The Rock Creek Mine just outside of Nome is seen in the late fall of 2008 after operator NovaGold decided to suspend production in November. NovaGold is still uncertain whether it will re-open the facility.
ambulance departments, as well as an emergency operations center and training facility. A pad was laid last fall and pilings were driven during the winter to support the structure. Construction, handled by the city through force accounting, is expected to be complete by December 2010. Among the contractors for the project are Emmons Mechanical, Q-Trucking, PK Electric and Materials Integrity Inc.

The city will also upgrade a portion of its waterlines this summer. With $5 million in state funding, 3.5 miles of 40-year-old steel pipe will be replaced with high-density polyethylene, Arctic-grade water mains. Nome Joint Utility System Manager John Handeland said the old, predominately 10-inch, steel pipes with bell and spigotted joints have suffered numerous leaks.

Work will also occur to improve the Nome Bypass Road, which routes traffic around the core of the city. The road is the scene of plenty of activity this summer as construction for the Public Safety Building and a new hospital are underway.

Nome’s most massive upcoming building project will get underway this summer when work starts on the new Norton Sound Regional Hospital. The construction is funded with $152 million in Indian Health Service funds as a part of the federal stimulus package. (See related story for more on page 68.)

No cure for Nome’s gold fever

While no longer the dominant economic driver in the region, gold is an important part of the picture.

Just outside of Nome, NovaGold’s Rock Creek Mine is an example of both the potential and the challenges of hard-rock mining in the area. Located just a few miles northwest of Nome, the Rock Creek Mine was on the verge of running full steam in the fall of 2008 when production and regulatory problems teamed with the global financial meltdown prompted the company to suspend the project.

The suspension meant pink slips for approximately 150 workers in Nome, most of whom had moved there for the job, causing a ripple effect for the rental market and service businesses, like restaurants. The suspension also affected nearly 30 contract employees and approximately 20 companies, other than suppliers, that came to perform work at the site.

The mine has remained idle since November and in all likelihood will remain so until at least the summer of 2010, according the Rick Van Nieuwenhuyse, President and Chief Executive Officer of NovaGold. Van Nieuwenhuyse said NovaGold will weigh a possible resumption of operations against the associated costs and the gold market. “We will thoroughly assess the exploration upside at Rock Creek in the coming months and will formulate a restart plan,” he said.

If the Rock Creek mine were to reopen, it could do so under new management. Van Nieuwenhuyse said NovaGold will assess the exploration upside at Rock Creek in the coming months and will formulate a restart plan, he said.

Even with Rock Creek suspended, Van Nieuwenhuyse said NovaGold will continue exploration in the area. In April, NovaGold announced a bump in its resource estimate at Rock Creek by 24 percent. Van Nieuwenhuyse said NovaGold will follow up this year with a more modest drilling program of approximately 20 holes.

Another company looking for gold
in the area is Millrock Resources Inc., which is planning for $2 million in exploration work at its Divide property, approximately 25 miles north of Nome along the Nome-Taylor Highway. The company is also investigating three prospects east of Nome.

**You can drive from Nome, but not to it**

Unless you’re one of the intrepid souls who drives a dog team in the Iditarod or races a snowmachine in the Iron Dog, the only practical way to reach Nome is by air.

The state is once again looking to change that by studying the potential connection of Nome to the state’s highway system. A road link could spur another mining boom as many potential mineral deposits between Nome and Fairbanks have not been given serious attention due to the difficulty of access.

The idea is not new, but has drawn a fair amount of attention after being listed by Gov. Sarah Palin as a priority in her State of State address in January. “They’ve been talking about this for 100 years,” Nome Mayor Michels said.

While Nome’s officials are not waiting at the end of the current road system for the bulldozer to arrive, they are supportive of the effort that could spur more industry in the region. “We’re really supporting the governor and the DOT for the western access study,” Michels said.

That’s not to say Nome does not already benefit from roads. A total of approximately 300 miles of road extend north, east and west from the town. The roads help enable industry such as mining and boost tourism, aiding the flocks of birders who come each summer to hunt their prey with binoculars.

**A hub for wind energy**

With one foot firmly planted in its history, Nome is also on the forefront of the future. The community now boasts the state’s largest wind farm. At the end of last year, 18 Entegrity turbines started turning on the top of Banner Ridge overlooking the town.

A joint project between Bering Straits Native and Sitnasuak Native corporations, the $5.4 million wind farm is designed to supply up to a quarter of Nome’s power needs at peak production. The use of a large number of smaller turbines was designed to make Nome a hub for the technology. The vision is to allow the community to be a supply center for both parts and technical expertise. “So far, we like what we’ve seen,” said BSNC President and CEO Tim Towarak at a dedication ceremony for the project late last year. “We think it will work out in the villages. We think it will be a benefit to the communities.”

In addition to the Banner Wind project, Nome Joint Utility System is studying the creation of a wind farm of its own. Even Rock Creek Mine operator NovaGold has included the mention of wind generation in an update it issued in April.

Tyler Rhodes is a reporter and photographer for the Nome Nugget Newspaper and the former managing editor of the Alaska Journal of Commerce.

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![Spenard Builders Supply](SBS.jpg)
Supporters march in favor of OCS development, jobs

Hundreds of supporters brought signs and marched in support of outer continental shelf development – and the jobs it would create – in front of the Dena’ina Convention Center April 14 where Interior Secretary Ken Salazar was host to a public hearing on offshore development.

Basins under Alaska’s outer continental shelf are estimated to contain 27 billion barrels of oil and 132 trillion cubic feet of natural gas. By comparison, total production from the North Slope since 1977 has been approximately 15.5 billion barrels.

In Alaska, the OCS basins under consideration are the Beaufort and Chukchi Seas off Alaska’s Arctic Coast and the North Aleutian Basin, which includes all of Bristol Bay.
Dig it! The role of a competent person in trenching and shoring

OSHA mandates that every excavation project have a trained “competent person” on site to oversee safe work practices. Research indicates that the fatality rate for excavation work is 112 percent higher than the rate for general construction. An average of two workers die every week as a result of a trench cave-in.

The OSHA Construction Standard defines a competent person as “someone 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.”

A competent person is selected by the company, based on training, experience and knowledge of: soil analysis, use of protective systems, and the requirements of 29 CFR 1926 Subpart P.

It has been a long-standing tradition to simply confer (formally or not) that responsibility to first line supervisors on a construction site. And while the first line supervisor may be the person with the most seniority, they are often not the best person for the role for several reasons. They may lack the specific technical knowledge or hazard recognition skills involved in the task. More importantly, first line supervisors usually have myriad duties and responsibilities that can distract them from doing all that is required in the role of a competent person. They are often busy managing the crew, keeping the project on schedule, required to be in many places at the same time, while overseeing quality and tending to many other tasks.

The competent person must have the ability to:
• Classify soil and rock deposits, by both visual analysis and by testing, to determine appropriate protection; re-classifying, if necessary, based on changing conditions;
• Determine the appropriate slope of an excavation to prevent collapse due to surcharge loads from stored material or equipment, operating equipment, adjacent structures, or traffic, and assuring that such slope is achieved;
• Determine cave-in potential to assess need for shoring or other protective system,
• Monitor water removal equipment and operations;
• Inspect excavations subject to run-off from heavy rains to determine need for diversion ditches, dikes, or other suitable protection;
• Examine damaged material or equipment used for protective systems to determine suitability for continued use;
• Monitor failures in protective systems;
• Monitor potentially hazardous atmospheres and other hazards including those associated with confined spaces; and
• Have the authority to take prompt corrective measures to eliminate existing and predictable hazards and to stop work when required.

The competent person is responsible for determining the soil type. If the competent person wants to classify the soil as Type C, no testing is needed. Most Alaska contractors have simplified the requirements for soil testing by classifying all of their excavation work as taking place in Type C (least stable) soils. This calls for the most stringent work requirements, cutbacks and work conditions – with the maximum amount of safety.

Because the construction environment can rapidly change, the competent person should be constantly assessing the work. Inspections should occur:
• Daily and before the start of each shift;
• As dictated by the work being done in the trench;
• After every rain storm;
• After other events that could increase hazards, such as a snowstorm, windstorm, thaw, earthquake, dramatic change in weather, etc.;
• When fissures, tension cracks, sloughing, undercutting, water seepage, bulging at the bottom, or other similar conditions occur;
• When there is a change in the size, location, or placement of the spoil pile; and
• When there is any indication of change or movement in adjacent structures.


If there is any possibility that the trench or excavation could contain a hazardous atmosphere, atmospheric testing must be conducted prior to entry. Testing should be conducted before workers enter the trench and should be done regularly to ensure that the trench remains safe. The frequency of testing should be increased if equipment is operating in the trench and if welding, cutting, or burning is done in the trench.
Once all hazards are identified, other hazard control measures must be implemented. For instance if there are atmospheric hazards, workers must be trained, fit-tested, and enrolled in a respiratory protection program. If workers are exposed to high sound levels, a hearing conservation program will be required. Some trenches qualify as confined spaces, which will require compliance to the confined space standards.

The competent person must be aware of the hazards; knows how to control or eliminate the hazards; has the authority and resources to promptly correct the hazards; and is held accountable for this performance. The bottom line is that the functions and duties of a competent person are far too important to leave to chance, or default to the supervisor, just because it is convenient.

Chris Ross is the Director of NMS Training Systems in Anchorage. NTS offers assistance to clients with advanced injury reduction techniques, cultural change, leadership, hiring and selection, safety and health compliance, risk management and strategic planning.
Corps of Engineers Projects Help Strengthen Alaska’s Economy

By Pat Coullahan

With the summer construction season in full swing, the U.S. Army Corps of Engineers, Alaska District’s workload continues to be a large presence in the state’s construction industry. The district has approximately $440 million of planned construction placement for fiscal year 2009. For fiscal year 2010, the planned placement is estimated to be $470 million.

The district received a boost in funding with the passage of the American Recovery and Reinvestment Act of 2009. Alaska District is receiving $49.7 million from the stimulus act for civil works projects to be distributed through three Corps programs, investigations, construction, and operations and maintenance. In addition, the Alaska District has developed a program management plan to execute 42 Fort Richardson projects for the Army. The Army stimulus program encompasses more than $20 million in repair, renovation and small construction projects.

Recovery Act funds provide $7 million for first phase construction of general navigation features of a rubblemound breakwater and dredging for a new small boat harbor at Akutan. The Recovery Act designated $4.5 million to extend the existing breakwater at the Seward Small Boat Harbor. Several years ago, the Corps increased the size of the harbor by 50 percent. The upcoming project continues work on that expansion.

A new project funded with Recovery Act dollars is a water intake structure and treatment plant at Buckland. The $3 million project was developed in cooperation with the state of Alaska’s Department of Environmental Conservation’s Village Safe Water Program.

Recovery Act projects will be awarded as soon as possible with construction beginning this summer to provide local jobs and to stimulate the local economy. Requests for proposals for these and other projects will be posted on the FebBizOps Web site at https://www.fbo.gov.

The Fiscal Year 2009 Civil Works program has several construction projects underway this summer. A coastal erosion control project at Shishmaref was awarded to Bering Pacific Construction in September 2008 for $10.5 million to place 750 linear feet of rock revetment. A coastal erosion project at Unalakleet was awarded to Kiewit Pacific Co. in

Kogru DEW Line Station is approximately 93 miles west of Prudhoe Bay. Site access was either by airplane or via an ice route across the sea ice. This was a remote camp, meaning everything was either brought in via tractors or flown in.
February 2009 for $18.4 million to build 671 linear feet of rock revetment and a cap piece at the end of the revetment to protect it from wave action.

The Kivalina erosion protection project was awarded in 2008 to Brice Inc., for $12.5 million to construct 400 linear feet of rock revetment at the southern tip of the island. The Kivalina and Unalakleet contracts have options not yet awarded and there is some question as to whether the Corps can award them with the recent repeal of Section 117 of the Energy and Water Development Appropriations Act of 2005, the authority used to award the contracts.

In May 2009, an $18.2 million contract was awarded to Dutra Dredging Co. for phase three improvements to St. Paul Harbor. This project will build a breakwater to create a small boat harbor inside the existing commercial harbor.

Chignik Harbor dredging was awarded to Western Marine Construction in March 2008 for $5.9 million. Phase two navigation improvements at Unalaska, awarded to Dutra Dredging Co. in July 2008 for $7.5 million, calls for dredging the entrance channel, maneuvering area, and some berthing areas. A future project will complete berthing dredging.

False Pass Harbor improvements to construct rubble mound breakwaters, was awarded to Kelly-Ryan Inc., in 2005 for $19.7 million and is scheduled for completion in late June.

Maintenance dredging at Nome Harbor, awarded to Portable Hydraulic Dredging Inc., in 2007 for $2.3 million, began last summer and will be completed this summer. Port of Anchorage Harbor annual maintenance dredging, was awarded to Dutra Dredging Co. in 2008 for $25.8 million. In addition, the Recovery Act provides $23.5 million for a new contract to dredge virgin material in front of the new intermodal dock facilities at the Anchorage Harbor.

With an estimated $270 million in military construction projects statewide, the Alaska District’s military construction program continues to be one of the largest in the Corps of Engineers.

The district’s military program supports the continued transformation of the Army, enhances military readiness and training, and provides quality-of-life facilities to support a nation at war. Units scheduled to benefit from this work are the 1st Stryker Brigade Combat Team at Fort Wainwright and the 90th Fighter Squadron at Elmendorf Air Force Base.

The Fiscal Year 2009 military program consists of 17 projects equally dispersed between the Army and Air Force. The Army workload is valued at $127.4 million with $110.4 million destined for Fort Wainwright, $15 million for Fort Richardson and $2 million for Fort Greely. Air Force contracts are worth $145.2 million with $119.9 million headed to Elmendorf Air Force Base and $25.3 million to Eielson Air Force Base.
Large new military projects under construction at Fort Wainwright this summer include a company operations facility, awarded to Watterson Construction Co. in February 2009 for $20 million; railhead operations facility, phase one, awarded in June 2008 to DV Contracting for $8.4 million; unit operations facilities, awarded in September 2008 to Tunista Inc. for $12 million; child development center, awarded in December 2008 to Alutiiq for $14.9 million; organizational vehicle parking, awarded in February 2009 to Big Horn/HC for $12 million; training support center, awarded in March 2009 to Doyon-American Mechanical for $11.9 million; Stryker wash facilities, awarded in March 2009 to Doyon-American Mechanical for $10.7 million; and a barracks facility, awarded to Watterson Construction Co. in February 2009 for $21.3 million.

Large new starts on Fort Richardson include a battalion complex, awarded to Alcan General Inc., in August 2008 for $54.2 million; unaccompanied enlisted personnel housing barracks, awarded to Watterson Construction Co. in August 2008 for $33.8 million; and child development center, awarded to Bristol Design Build Services in
Dedicated in October 2008, the $12.9 million Eielson chapel project won the Pacific Air Forces Top Concept Design Category Award for 2008. The project used the alpha contractor process to select a design-build contractor. A team consisting of Bristol Design Build Services LLC; designer Koonce Pfeffer Bettis Inc.; the U.S. Army Corps of Engineers, Alaska District; Eielson Air Force Base’s 354th Civil Engineer Squadron’s architects and 354th Fighter Wing chaplain participated in the project planning. The chapel’s low-maintenance concrete masonry walls and exposed timber structure stand apart yet fit with other buildings on base.

February 2009 for $13.5 million.

Large new starts on Elmendorf Air Force base include an office building and six-bay hangar, awarded to Watterson/Davis, Joint Venture, in March 2009 for $38.6 million; professional military education building, awarded to White Mountain in September 2008 for $12 million; aerospace ground equipment, awarded to Janssen in January 2009 for $6.4 million; F22 low observable maintenance hangar, phase two, awarded to Bethel Services Inc. in March 2009 for $21 million; and F22 7-bay aircraft shelter, awarded to Unit Co., in March 2009 for $21.3 million.
The artificial turf uses a quarter inch of silica sand topped with another quarter inch of ground rubber that results in a real grass feel. Mondo Corp. provided flooring for the project, including an Olympic-quality rubber surface for the track and the artificial turf system.

The Baker Field House project at Eielson Air Force Base renovated the existing field house that connects to a new 56,700-square-foot building. The addition was substantially enclosed before winter arrived and allowed the team to finish ahead of schedule. Alcan General Inc. completed the $21.1 million fitness center renovation project in October 2008. The U.S. Army Corps of Engineers managed the project. Eielson’s 354th Civil Engineer Squadron and the 354th Force Support squadron participated in the planning. The project won the Air Force’s honor award in the facility design category of the 2009 Air Force Design Awards program.
At Eielson, the district has several ongoing construction contracts for repairing various utilidors. A new $13 million Eielson chapel center was recently replaced by Bristol Design Build.

In addition to these projects, a number of military projects for the Army and the Air Force awarded in previous years, are finishing up this spring or are continuing through the summer.

To accommodate the pressing needs of its military customers, the Alaska District is increasingly utilizing a business practice to shorten construction timelines and deliver projects sooner. Rather than performing under the standard “design-build” request for proposal process, the Corps is including fast-track language in more contracts. This measure allows contractors to begin site and foundation work on approved submittals before the building design is finalized.

In addition to the civil works and military programs, the Alaska District executes an Environmental Program, consisting of a $27.9 million Formerly Used Defense Sites (FUDS) program and the Native American Lands Environmental Mitigation Program (NALEMP). In addition, the District also manages projects under the Interagency and International Services (IIS) cleanup programs.

The program recently completed a $5 million project to remove 300 tons of contaminated soil and debris from an eroding landfill at Kogru DEW Line Station approximately 93 miles west of Prudhoe Bay. Site access was either by airplane or an ice route across the sea ice. Jacobs Engineering was the contractor. Cruz Construction, a subcontractor, helped with remote site logistics.

This summer Bristol Environmental Remediation Services LLC, will remediate the Site 7 landfill at Northeast Cape on St. Lawrence Island. The $6 million project, awarded in March 2009, will remove liquid wastes and perform phase one of in-situ chemical oxidation to treat a diesel fuel spill affecting soil and groundwater at the main operations complex of the former communications facility.

Under the IIS program, the Alaska District will perform remedial investigation at Taku Gardens family housing at Fort Wainwright for the Army. Jacobs Engineering is in the third year of a $14-million contract on this project. Also under the IIS program, the Corps awarded a $4.6 million contract in 2008 to Marsh Creek, an 8(a) small business, for the Air Force at Kalaket Creek radar station. The contract includes asbestos removal, landfill design/build and field support for the Air Force’s 611 Civil Engineering Squadron, whose personnel will do the removal action.

In another IIS project for the Air Force, the Corps awarded a $2.8 million contract in March 2009 to Jacobs Engineering for asbestos removal, field laboratory support and field support for the 611th personnel who will do the removal action at Granite Mountain radio relay station.

The Alaska District remains committed to constructing world-class facilities on time and within budget, while helping to provide economic stability on the Last Frontier.

Pat Coullahan is the Chief of the Construction-Operations Division for the Alaska District of the U.S. Army Corps of Engineers.
Though the project portfolio for Neeser Construction Inc. has encompassed everything from schools to offices to housing to retail, at present the company is nearing completion on one of its largest projects, an expansion to the Primary Care Center at the Southcentral Foundation Campus. The expansion project (now in its third phase) began in February of 2008 and is slated to conclude in October of this year. Senior Project Manager George Tuckness is confident that everything will proceed on schedule.

“Currently,” Tuckness related via e-mail, “the project is on time and on budget.” The project is budgeted at $27.8 million and running smoothly. Neeser Construction has thus far completed about 10 medical office buildings in Alaska over the past 15 years, said Tuckness. No small feat in the world of construction, especially in a project of this size. But Neeser Construction stands fast to its motto, maintaining that it’s the company “Where quality, integrity and budget meet.”

And the client agrees. Southcentral Foundation Senior Construction Project Manager Ed Zernia has worked with Neeser Construction before and was positive about the project status in an e-mail regarding the construction company’s work. “NCI is on budget, ahead of schedule, [and] delivering outstanding quality,” said Zernia. “[Neeser Construction] could not possibly be better…they always deliver what they promise or more.”

Neeser Construction is also a strong collaborator. The architects for the expansion project are Koonce Pfeffer Bettis
a firm Neeser Construction has worked with several times in the past in a “design-build teaming relationship,” Tuckness said. Neeser Construction has built its reputation on design-build projects.

Jerry Neeser, Tuckness noted, is considered by some as a pioneer in design-build construction and the company’s project list showcases several high-quality, highly public projects of that nature, including the Bristol Bay Corp. building near the Sullivan Arena and the new Dena’ina Convention and Civic Center.

Working hand-in-hand with the architects can give the project some innovative twists as the design is specified beforehand but modified, assessed and discussed throughout the process.

Interesting features about the new Southcentral expansion include a pedestrian link attaching the facility to a 500-stall parking garage. There are also some neat aesthetic touches, including a lobby wall specially constructed to produce natural light and reflect it in different spectrums. Another key Alaska feature is the building’s columns, which are adorned with cedar beams carved by Alaska Native artists displaying local talent.

Neeser has become a name synonymous with construction in Alaska, and it’s all due to a reputation of quality, consistency and professionalism established during more than three decades of work in the Last Frontier.

**Neeser has deep roots in excellence**

If you’ve shopped at the Target in Wasilla, the Eagle River Wal-Mart or the Home Depot in Anchorage on Tudor Ave. – you’ve been in a Neeser Construction Inc. project.

If you’ve driven by the funky fire station downtown on 122 E. Fourth Ave., or the new Dena’ina Center and thought “Ooh, that looks cool,” you’ve admired a Neeser project.

And if you attended classes at South Anchorage High School, Benny Benson School, Hooper Bay School, or in the Bering Straits School District you’ve lived and breathed a Neeser Construction creation for a time.

The founder of Neeser Construction, Jerry Neeser, was born for the construction business. Taught carpentry by his father as a young man in the Pacific Northwest, Neeser began his own
company in California in 1969. In 1974 it was time for a change, and the newly established and flourishing company was relocated to Alaska.

Since then, Neeser Construction has become one of the leading construction companies in the state, with the kind of project portfolio most Anchorage-ites can view on their daily commute—often more than once. What began as a one-man operation became one of the primary go-to construction companies in a state with seemingly endless possibilities.

As a strong member of Associated General Contractors of Alaska, Neeser Construction workers enjoy the great networking opportunities provided within the organization. "It's nice to know that when you need a voice on a legislative issue or public process, you're not alone," Tuckness said.

At present Neeser Construction is moving forward as design-build contractor for the Goose Creek Correctional Center at Point MacKenzie (a $216,000, 1,536 bed project that broke ground June 17). The company was also selected as the contractor for the Anchorage Crime Lab for the state Department of Transportation Public Facilities, a project with a budget nearing $90 million and awaiting final funding from the state Legislature. Always looking ahead, Neeser Construction also has plans to submit a proposal on the anticipated Norton Sound Regional Hospital, a project estimated at more than $150 million budget.

It's true that Neeser Construction has thus far completed more than 22 projects in school districts across the state including the Bering Straits, Lower Kuskokwim, Yukon Flats and the Mat-Su, and is no doubt in mind for future school district projects across the state. But the company's plans also include expanding and, more importantly, diversifying its ever-widening project portfolio. The company also hopes to maintain a strong force in a weakening economy, by focusing on diversity to keep stability.

"While the forecast for construction in Alaska is pretty stable," Tuckness said, "for the next couple of years it will be necessary to keep projects lined up."

Jessica Bowman is a freelance journalist who lives in Anchorage.
The Capital Budget and rural Alaska

Approval of the Capital Budget was one of the most important accomplishments of the 26th Alaska Legislature in its first 90-day session. The Capital Budget has the most impact on Alaska contractors and is also of great importance for rural Alaska. The budget determines how much the state will spend and how much will be authorized to be spent, and on which projects. This has varying degrees of importance to individual legislators, depending on the makeup of their district.

There are 40 House Districts in the state of Alaska, the vast majority of these, about 32, are based either wholly or partially on urban populations and some of the partially urban districts have a few rural communities within their area boundary. There are about eight House Districts, which are comprised of 10 or more rural communities. These “Bush districts” have unique challenges when building the Capital Budget. In Anchorage, capital projects benefit constituents across district borders. They share infrastructure without regard for representation. This is not the case in Bush districts. My district, for example, has about 27 communities. Each one requires its own school, electrical utility, water and sewer utility, airport etc., all of which are required to meet state and federal standards.

The aggregate of all these projects put together would be expensive in the best of conditions, but conditions in Bush Alaska are never the best. For starters the mobilization and demobilization on a project can sometimes be the single largest pay item on the smallest of projects. Equipment and materials have to be flown or barged or both to get to the construction site. Count on the weather being bad and more cost because of delays. I don’t know how often projects get shut down in other cities, but in Western Alaska weather conditions delay projects all too often. When building a road or a runway, the rains will come in and working on the project, even with a roller, ends up doing more harm than good. The construction season will be short. Depending on the season and the project you may have as little as five months to get the project completed and demobilized or everything will have to remain dormant until the ground is thawed again.

Prioritizing a project list is incredibly difficult. While looking at a list of projects for Anchorage you are just looking at which projects serves the greatest need. That means you’re just choosing between projects based on the needs of a community. When you represent so many communities each with different needs, it’s like asking someone to choose between children.

Funds are limited and at some point it becomes a question of whether, in Rep. Reggie Joule’s case, Deering gets airport lighting or Kivalina gets water and sewer repair. How do you decide? The need is clear in both cases. Both communities need the jobs and the money that the project will bring in. It is a very difficult decision for anyone to make. Synergy can be an important component of making this decision. Is more than one project happening in that community? If so, that can bring down costs, as the mobilization and demobilization expenses can be spread across multiple projects. This “project partnering” needs to happen not only within and across state departments, but it also needs to tie in with private (including Alaska Native Corporations) and quasi-governmental entities (like the Denali Commission).

Local hire is a key component to be considered on any project. I don’t just mean Alaska residents – though that is important – I mean people who live in the community where construction on the project is taking place. A summer job can make more of a difference to a family in the village than any government program ever could. Having a job provides not only a means of support but also a sense of pride.

That’s why I have championed the vocational training centers like the Northwestern Alaska Career and Technical Center and the Alaska Vocational Technical Center. These facilities provide an opportunity for developing technical skills necessary for a career in today’s challenging construction industry.

The schools provide a training environment that is close to home; both in geography and culture. This can help mitigate the cultural shock that too often derails post secondary opportunities for those from small villages.

Contractors can hire from a local skilled labor pool providing a benefit to the community at a lower cost of labor to the contractor. Communication between the contractor and the community where the project is scheduled is essential when starting a multi-stage/multi-year project to let locals know what opportunities are available within your company.

The Capital Budget is the beginning and successful project partnering sets the stage for success with these programs and the ability to schedule projects and labor efficiently for the benefit of both, the contractor and the rural community.

An armada is bound for Nome. Nearly 100 strong, a fleet of semi trucks with trailers will soon depart Lewistown in central Montana, heading for Seattle. Those trucks, departing from Allied Steel, will carry 2,000 tons of steel that will ultimately jump a ride on a couple of barges before becoming part of the new Norton Sound Regional Hospital in Nome.

Jump-started by $152 million in funding through the American Recovery and Reinvestment Act, the project will result in a 150,000-square-foot facility to replace the current 1950s-era hospital that serves the Norton Sound region. The hospital has grown to the point where many of its departments are housed in satellite buildings near the main facility.

As the trucks get ready to roll from Montana, decision-makers worked to choose the contractor that will erect the hospital once all that steel reaches the Seward Peninsula. Proposal deadline was June 2.

“We’re anxious to see who submits a bid,” said Carol Piscoya, newly named Norton Sound Health Corp. President and Chief Executive Officer.

According to Jay Farmwald, P.E., a principal with the engineering firm DOWL HKM, bids will be evaluated in June with an award expected in July. “Hopefully it will be in time for the contractor to catch the last barge with equipment,” he said. Farmwald is conducting project management and technical assistance for NSHC.

The architect of record for the project, Kumin Associates, and DOWL HKM will act as advisory non-voting members of the evaluation panel. Farmwald said NSHC will have one member on the committee.

With the timing of the contractor selection and the steel expected to arrive in the fall, it is likely the construction won’t begin in earnest until 2010. Farmwald, however, is optimistic. “The building contractor may actually start erecting

Contractor to be named this summer for $152 million NEW Nome HOSPITAL

By Tyler Rhodes
Farming said it is still unknown which shipping firms will transport the steel from Seattle to Nome and from the port to the construction site.

While most of the summer will pass before the chance of any construction work on the structure, the new hospital site off the Nome Bypass Road does show signs of its future tenant. Last summer, the gravel pad for the hospital was put down on the tundra. During the early winter, the clang of metal on metal rang out across Nome as approximately 180 structural piles and 160 thermal probes were installed in the pad. The probes will disperse heat away from the permafrost that underlies the building.

This early work, conducted with $15 million in Denali Commission funding, was performed before it was announced in February that Indian Health Service funds would be available to complete steel in the fall,“he said.
the facility. Last summer it was reported that NSHC was second in line for IHS funding for a new hospital, behind Barrow. Rather than wait for IHS, the health corporation used the Denali Commission funds to get the ball rolling with design work, the pad and steel piles.

That move proved vital to the project receiving stimulus money since qualifying projects were required to be “shovel-ready” for funding.” Credit has to be given to the Denali Commission. It funded design and pad work that really positioned the project to get the stimulus money, Farmwald said.

The construction of the hospital involves multiple layers of management. IHS is the lead agency for much of the project, however, through a provision in the Indian Self-Determination and Education Act, NSHC will play a significant role in the construction. “It’s a unique contract relationship,” Farmwald said. “The government is going to actually award the building contract, but Norton Sound Health Corp. will manage other aspects of the project.”

“Fortunately for Norton Sound, we have a really good project manager in Cliff Gray,” NSHC President/CEO Piscoya said. The health corporation will be in charge of construction management staff, medical equipment purchases and artwork – expenses that will total $30 million to $40 million, Farmwald said. The medical architect for the project is Mahlum.

As for the building itself, many aspects will be designed to reflect the landscape and the culture of the region. Farmwald said the building colors and glass are designed to reflect land and sea themes. The positioning of the building also plays an important role. “Views to the

Workers from STG Inc. use a crane this spring to drive pilings for the new $152 million Norton Sound Hospital.
Ocean were paramount. The building is oriented to maximize that,” he said. The three-story facility will be built on a site that gently rises above the majority of Nome, allowing the views to the south to encompass the Bering Sea.

For the interior of the structure, much of the signage and design will relate to local land and sea forms, Farmwald said. “Of course, there will be a large amount of money spent on artwork which will really capture the cultural aspects. They haven’t picked artists yet, but there’s a half a million bucks allotted for that,” he said.

Among the provisions for the contractor that ends up with the project will be preferential hiring for Alaska Native workers and firms. Assisting with that effort will be the Nome Eskimo Community, the federally recognized tribe for the Nome area. NEC will provide employment referral, training and monitoring services to ensure Indian Preference mandates are followed.

Occupancy of the facility is projected for the fall of 2012.

At an April 22 pre-proposal meeting for the project held in Anchorage, potential contractors were able to get the latest information on the project and ask questions as they prepared their bids. As the meeting came to a close, Farmwald had one last reminder for the contractor that ultimately works on the project. “The pad was built with tailings from Alaska Gold. There’s no clause currently in the contract, but any gold found is the property of Norton Sound,” he said.

Tyler Rhodes is a reporter and photographer for the Nome Nugget Newspaper and the former managing editor of the Alaska Journal of Commerce.
Students, employers praise second annual hiring event

By Heather A. Resz

Students were dressed to impress the 31 potential employers who attended the second annual Graduating Seniors-Employers Day Hiring Event April 24 at Martin Luther King Jr. Career Center.

"Employers are here taking resumes and putting stars by names," said Bob Cress, Training Director with the Associated General Contractors of Alaska. "This is one of the premiere hiring events in Alaska."

The hiring event was organized to bring together construction businesses with students interested in careers in the industry.

This year 52 students completed the requirements to attend, according to Gary Abernathy, a career guide with the state Department of Labor who is assigned to work with the Anchorage School District.

Last year, 71 seniors completed the program and went to work with 41 employers. Associated General Contractors of Alaska was an event sponsor. Members attending were Cornerstone Contracting, Rainproof Roofing, Raven Electric and Spenard Builders Supply.

"We ran out of students before we ran out of employers," Abernathy said of last year’s hiring event.

Lots of employers returned from last year, he said, and those folks referred 15 new businesses.

Willowridge Construction owner Josh Sundstrom was back this year for the second year and he referred three of the new businesses.

"It’s pretty amazing to be able to come here. It’s like going shopping for quality people," he said. "This is my labor pool."

Last spring he hired six students from the event as laborers and three are still with him full-time.

"I expected them to come on-board as laborers, but they’ve become key parts of my year-round business," Sundstrom said.

With him at the Willowridge Construction table at the hiring event is Sean Carlson who Sundstrom hired at last year’s event. Carlson’s back this year helping his boss headhunt new talent.

"It’s been awesome work experience and awesome life experience," said Carlson who started as a laborer, but now works full-time as a carpenter.

He said he got interested in construction when a neighbor hired him as a laborer on a construction site. Then he took the construction course at King Career Center.

Now he recommends the career center to others looking for direction. "This place can really help narrow it down. It sure as heck helped me."

Carlson said he considers apprenticeship a parallel track to careers with good wages and benefits.

Tyler Loken with Loken Construction is one of the business owners who Sundstrom referred.

"It’s just been great," he said. "It allows us to connect with interested kids."

Loken said he agrees with Carlson that training and hiring programs, such as the state’s Construction Academies, are an avenue for success.

"This is another option other than going to college or flipping burgers," he said. "There is a lot of good that can come out of this."

Dave House, project manager with Raven Electric, said the company hired from the program last year and he said he’s hopeful a couple more students will check out their apprenticeship program this year.

David Verduin, a Construction Craft Recruiter with CH2M Hill, was awestruck by students’ skills and the facility...
itself. He said the company has been directed to focus on Alaska hire.

“I wish I was back in high school and had a place to come to like this,” he said. “It would have been really helpful as a kid. The skills they are coming out of here with are 10 times what I had.”

Verduin said the event was a great place to meet sharp young people interested in opportunities in the industry.

“These are the project managers and supervisors of tomorrow,” he said.

Senior editor Heather A. Resz is a long-time Alaska writer who lives in the Wasilla area.

“IT’S PRETTY AMAZING TO BE ABLE TO COME HERE. IT’S LIKE GOING SHOPPING FOR QUALITY PEOPLE. THIS IS MY LABOR POOL.”

— Josh Sundstrom, Willowridge Construction

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‘Detail’ is hallmark of Alcan General’s new Anchorage Museum at the Rasmuson Center

BY STEPHANIE KOMARNITSKY
This summer, crews will wrap up four years of work remodeling an Anchorage landmark. The makeover of the Anchorage Museum of History and Art, unveiled to the public in May, offers a sleek new look for the venerable downtown institution. The showcase, guaranteed to generate oohs and aahs, is a soaring four-story, 80,000-square-foot addition encased in a glittering glass facade.

The work also includes remodeling 10,000 square feet in the original museum, and adding a new, hip-looking café and pedestrian friendly two-acre public commons area where visitors can wander through a birch forest or stroll along interpretative trails dotted with sculptures.

For those involved in the creation of the Anchorage Museum at the Rasmuson Center, it was far from the usual job. The general contractor, Alcan General Inc., has handled bigger projects size-wise such as Dimond High School in Anchorage, which was more than twice the square footage. But the museum is one of its most high-profile, complex projects and priciest with a total bill of just more than $100 million.

Alcan’s portion of the work was worth about $65 million. Project manager Stephen Jelinek, a veteran builder whose resume includes Dimond High School and Hutchison High School in Fairbanks, said the project was one of the most complex and longest of his career.

The company was selected as the general contractor in July 2005; groundbreaking was in August 2006. Up to three-dozen employees at the company worked on the museum at times with another 50 to 70 employees supplied by subcontractors. Manufacturers, suppliers, and consultants, meanwhile, were located around the world from China to Canada to the Midwest. Just getting the glass panels for the façade was an exercise in international cooperation. The glass was manufactured in Germany, shipped to China to be fitted into frames and striped, then sent to Florida for testing, and finally freighted to Alaska.

**Designed for subtle elegance**

Because of its role as a showcase for art, the attention to detail on the museum project was extraordinary. Everything was scrutinized from the design of the glass panels – chosen to be as clear as possible to allow people to look in as well as out – to the placement and design of fire-suppressing sprinkler heads to be nearly invisible. Even seemingly minor items like the choice of bench seats for visitors was hotly debated. Three different designs were rejected before the final one was picked, Jelinek said.

Brian Davies, chair of the museum building committee, said the goal was to create a distinctive look for the museum,
but a minimalist one that would showcase the art and have a timeless feel. 

“The purpose was to try and bring a building which had some very clear architectural merit,” he said. “We wanted to do something which had a stamp of timeless elegance.”

David Chipperfield, a world-class architect from London, was brought in to do the design.

Jelinek praised the team that worked on the project, particularly local architect Kumin Associates Inc., which helped turn the design into a reality.

“I can’t say enough about the people who worked on this,” he said.

Paradoxically, achieving the museum’s simple minimalist look was hard work.

On a tour before the museum’s May opening, Jelinek pointed out details casual observers are unlikely to notice, like a pinky width groove that runs along the floor just under the windows. The design team spent months debating the placement of the groove, needed to create a finished look.

Another item that adds to the overall aesthetic is a 3/4-inch reveal where the walls don’t quite reach the floor, and the ceiling that is repeated throughout the addition. The spaces also show up between concrete columns and wood paneling on the walls. The overall effect is a feeling of airiness.

“Because the panel doesn’t come all the way down, you see that space and that gives it a floating feeling,” Davies said.

The concrete columns are another novelty. About 200 run throughout the new addition, including a striking 70-foot pillar that adorns a wall next to an imposing four-story staircase.

The designers wanted a simple, unvarnished surface with a smooth texture for the columns. The problem is concrete, even in the best of circumstances, is inherently an imperfect material prone to roughness and holes. Crews ended up using a self-consolidating concrete – almost water-like in its consistency – that they poured into plywood forms to create a smooth look and the square corners and edges designers wanted, Jelinek said. The end result is a surprisingly cool softness.

Sarah Henning, the museum’s public relations coordinator described the columns as feeling velvet-like, a sensation so unexpected it’s like a“dog meowing.”
Cranes in December 2007 move one of the many glass panels into position that make up the glittering façade of the new expanded museum.

Workers complete signage in front of the Museum of Anchorage at the Rasmuson Center May 21.
One item visitors will not overlook is the new four-story staircase, a massive structure that appears to float almost unsupported as it winds up to the top floor. Fabricated in Vancouver, Canada, the staircase is made up of 1/4-inch steel plates and is anything but light. Each of the six pieces weighed 30,000 pounds. Crews used a crane to lower each piece through a hole in the roof, then weld the sections together with no margin for error.

“We couldn't even be a 1/4 inch off,” Jelinek said.

Remodel adds focus on science

Besides giving the museum an updated look, Davies said the expansion accomplishes the goal of giving the museum much needed space for exhibits. That includes space for the Smithsonian Arctic Studies Center, scheduled to open next year, which will feature 600 Indigenous Alaska artifacts on long-term loan from the Smithsonian Institution in Washington, D.C.

The remodel also puts a new focus on science, especially science for young people, Davies said. The original museum's first floor galleries are being remodeled to be science galleries and will be the new home of an expanded Imaginarium, the popular interactive science museum for children. There will also be a new lab allowing access for hands-on study of artifacts by Alaska Native elders, artists and scholars.

Appropriately, perhaps, given its role in Alaska history, the first exhibit in the new building is “Gold,” which features items like Byzantine and Islamic coins from shipwrecks, Tiffany and Cartier jewelry, and a replica of the Apollo 11 mission space helmet, which had a gold-coated visor. A second exhibit, “Pay Dirt!,” tells the story of the Alaska gold rush.

Visitors would be well served, however, to also take an extra trip up to the 4th floor for a less touted display. There, in a corner, is an exhibit detailing the expansion with photographs and descriptions highlighting the work that went into achieving the museum’s simple, clean look.

Stephanie Komarnitsky is a long-time reporter based in Alaska.
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What did the 230 Girl Scouts who attended the March 28 “Breaking New Ground to Build the Future” event at the BP Energy Center like best?
Welding.

That’s right. Welding their initials into scraps of metal was the favorite activity at the day long construction event.

The National Association of Women in Construction’s Alaska Chapter has partnered with the Girl Scouts Susitna Council for the past three years to introduce girls to careers in the construction industry, according to NAWIC event coordinator the past two years Chris Jett. This year she shared coordinator’s duties with Rebecca Logan, President and CEO of the Associated Builders and Contractors.

More than 40 volunteers worked to provide a day of in-depth learning and hands-on construction activities for about 230 first- to 12th-grade students this year. Girl Scouts also received a patch for participation.

“They’re so ‘Wow’ doing all this stuff,” said Evelyn Clark, business development manager for KPB Architects. “Some of them have been all three years. It’s very gratifying to see them so excited.”

Both morning and afternoon sessions began with an introduction to basic safety information and an overview of what contractors do, Jett said.

“Safety was huge,” Clark said. “BP put all of our volunteers through a safety orientation before they could begin.”
Next Girl Scouts moved through various stations where they experienced surveying, welding, bending conduit, mixing concrete, designing and building garden sheds and basic carpentry.

Another hit was the Caterpillar simulator operated by Betty Jo Dibble, Apprentice Coordinator for the Southcentral and Southern Alaska Operating Engineers. In fact, it was so popular Dibble had to set a time limit.

The high-tech training tool is controlled with a joystick and the screen graphics are the kind of computer-generated landscape the younger set knows well.

“You put kids on it and it seems familiar,” Jett said.

The day also included four separate Block Kids Competitions, with between 30 to 45 competitors in each contest. NAWIC had sponsored the Block Kids competition in the Anchorage School District for 15 years, but the kids wanted more, Jett said. The competition required the girls to build something with Legos in 40 minutes that a contractor would build.

“It seems like for children, if they can touch it’s different,” she said. “The kids absolutely loved it. They really did a good job.”

More than exposure to opportunities in the construction industry, the Girl Scouts met and worked with...
women employed in the construction industry. Jett said some of the apprentices were young women nearly the same age as some of the Girl Scouts.

“They really saw them as role models,” she said. “It’s different when it’s a girl who is very close to their own age talking about the opportunities in construction.”

The thank-you cards from this year’s event are still pouring in, but Jett said Girl Scouts already are asking her for the date of the next construction day.

“We’ll need to move to a bigger facility next year,” she said.

In her thank-you letter, Terry Gryting with the Girl Scouts Susitna Council, said “Girls were introduced to the hands-on work of construction in a supportive, fun environment. As if that wasn’t enough, these young girls were also presented with the powerful images of dozens of women who enjoy their jobs in construction-related fields providing terrific role models.”

Mom Susan Levy and daughter Emma, 8-3/4, also were impressed enough by the event to write and say thanks.

“My daughter attended Saturday’s
Girl Scout event that your organization put on for the girls. It was a fantastic experience – my daughter got to do things she never had a chance to try before and it certainly opened up new ideas for both of us,” they wrote in an e-mail.

Generous sponsors contributed nearly $6,000 to fund this year’s event. Sponsors included ABC of Alaska, Alaska Regional Council of Carpenters, Capital Safety, Construction Industry Progress Fund, Davis Constructors and Engineers, Denali Pipeline, Granite Construction Inc, IBEW Local 1547, Operating Engineers Local 302, Piledrivers Local 2520, Spenard Builders Supply, Tatitlek Contractors Inc., Tomboy Tools and Unit Company.

Though Girl Scouts paid $5 to attend, NAWIC donated the $940 generated to the Girl Scouts Susitna Council to help them develop other programs.

Last year the Alaska chapter earned the 2008 Region 9 “Construction Industry Benefit” award for the event. But rather than pursue national recognition for the program, Clark said volunteers decided to focus their energy and resources on offering the best 2009 program possible.

Senior editor Heather A. Resz is a long-time Alaska writer who lives in the Wasilla area.
Large-scale, high-profile hospital construction projects typically provide contractors with challenging design and building work to incorporate the complex features and utilities now required in medical facilities.

Add to that degree of difficulty a hospital construction project that stretched over a four-year time period—including winters in Interior Alaska—located on a U.S. Army post with new access limitations due to the events of Sept. 11, 2001, and the sharing of prime contractor status between two companies.

It added up to a monumental construction task, successfully completed in 2006 with the opening of the new Basset Army Hospital, located just outside of Fairbanks on Fort Wainwright.

“Big jobs like that take on a whole other flavor,” said Bert Bell, president of GHEMM Company, a general contractor based in Fairbanks that participated in a joint venture as general contractor for the new military hospital. “It’s more like running a city, not a project.”

GHEMM Co. partnered with Dick Pacific Corp. on the $180 million construction project, which began in 2002. Part of the federal government contracting requirements for selecting a general contractor to build the roughly 500,000-square foot facility included “…credentials of completing like-sized buildings on the resume, which does not exist in Alaska,” Bell said. “We needed a bigger partner that had those personnel resources…Dick Pacific was the managing partner in our joint venture.”

Working with other contractors in joint venture organizational structures is “always interesting,” Bell said. “This one lasted longer than the average marriage. It had its ups and downs.”

Now Bell describes the new military hospital construction as “another project in our history. It certainly gave us lots of experiences.”

Included in that experience bank was working through job-site access issues with local military leaders, who were implementing new security rules in the months following 9/11 for people traveling onto Fort Wainwright. That included daily work crews for the four-year project, which averaged 200 workers per day, and peaked at more than 400 workers.

“That was not something we had contemplated,” Bell
said, about the new military post access policies. “We were trying to work out systems to get concrete trucks on post... the military worked it out the best they could. It was a dynamic process at the beginning to get on post.”

The sheer size and length of the new Bassett Hospital also provided some challenges to local labor availability. Scarcity was fueled in part by a construction boom in Interior Alaska, particularly during a surge in retail commercial building in northeast Fairbanks. “Having that large of a project in a small community like this, also kind of taxed the community on a personnel basis,” Bell said. “The last few years, we’ve had quite a workload... we had to grow a little bit to take it on, (Bassett) plus other work.”

Dealing with the extreme weather conditions in Interior Alaska throughout the project was one of the more challenging aspects of this project, Bell said. “Working with every construction season, we had only so much time to get sections closed in, so I would say weather was one of the bigger impacts to this job,” he said. “Also, there were a lot of finishes on this project – unique products to install.”

With a design “somewhat on the rare side,” and at least 25 different roof levels spread out over the 180,000 square-foot building footprint, construction of the new hospital facility was “fairly complicated,” Bell said. “It’s not like building an office building. A hospital is way more intricate in nature, with a lot more systems.”

The two-story building also has a 16-foot “crawl space” underneath, which provides utility corridors and some limited office space, he said. The structure required 11 million pounds of steel and 20,000 yards of concrete. Construction crews hung about 1,300 doors in the facility, Bell added.

Once the new hospital was completed and open for use in 2006 – the second of a four-phase replacement hospital program – federal contracting managers began the process of finding a contractor to tear down the old facility. Anchorage-based Alaska Demolition was selected as the qualified subcontractor for that job, which began last May and was completed shortly after July 4, 2008.

Alaska Demolition crews started work after asbestos abatement was completed, according to Mike Waddell, general manager at Alaska Demolition. “We utilized a crane with a wrecking ball, to knock the top part off where we couldn’t reach with an excavator,” he said. “We used long-reach watering to prevent dust.”

All material was either reused in other projects or disposed of on Fort Wainwright, Waddell added.

The total programmed amount for all four phases of the Bassett Army Hospital, including the government’s cost for administering construction contracts, was $215 million, according to the U.S. Army Corps of Engineers. The 32-bed facility provides health care to military, dependents and the retiree population of Fort Wainwright, Fort Greely, Eielson Air Force Base and remote military sites north of the Alaska Range, serving an estimated 25,000 patients in a 46,400 square-mile area.

Patricia Liles is a freelance writer living in Fairbanks.

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Alaska’s economy: spring update

Alaska appeared to weather the second half of 2008 better than the rest of the nation. As the country slid into recession, Alaska’s economy was more resilient and comparatively stable. The question lingering in everyone’s mind now is can we sustain our relatively good economic situation in 2009. Indicators appear to suggest our economy will slow down this year, but the decline will be modest.

There will be some bumps in the road:
- Expect a decline in cargo shipping as the global economy slows.
- A challenged tourist season, with lower visitor counts and disposable incomes.
- A retraction in retail sales dependent on tourism, automotive sales, and furniture and flooring companies impacted by slower residential building activity.
- Mineral price declines, investment capital constraints and permitting difficulties will likely slow new mine developments.
- With the exception of home mortgages, there should be higher borrowing costs due to increased market risks.
- Lower oil prices are reducing state revenues, but deficits will be balanced by spending from state savings accounts, rather than new debt.

The silver lining:
- Alaska has approximately $11 billion in savings available, apart from the $29 billion Permanent Fund principal, to cover short-run budget deficits; as opposed to many bankrupt states and our federal government that is trillions of dollars in debt.
- Alaska’s strategic geopolitical location has not changed and military activity is expected to remain strong during uncertain times.
- Population and job growth are relatively stable in Alaska. Alaska’s population grew by 0.8 percent in 2008 and the number of payroll jobs grew for the 21st consecutive year.
- Alaska is one of only four states nationwide to have positive job growth in the first quarter of 2009.
- Unemployment rates in Anchorage and Fairbanks are lower than the U.S. average.
- Alaska’s per capita income grew 8.2 percent in 2008 compared to 2.9 percent for the U.S. Alaska was the only state where income grew faster in 2008 than 2007. Alaska’s per capita income of $43,321 rose from 15th to 7th highest in the nation. Some of this growth was eroded by inflation, which increased 4.6 percent in Anchorage in 2008.
- Alaska’s housing market is flat, but in relative terms, it is significantly stronger than the rest of the nation. Alaska had the second lowest percentage of delinquent mortgages in 2008 and third lowest percentage of foreclosures of all 50 states. Price declines were negligible. Only 9.2 percent of subprime loans were delinquent in Alaska compared to 23.9 percent in the U.S.
- Alaska will receive approximately $1 billion in federal stimulus funding, which should offset expected declines in earmarks for the next two years. The largest share will go to state government formula-driven budgets for transportation, energy, health care and education.
- Department of Natural Resources Commissioner Tom Irwin’s partial reversal of his position to stop Exxon and its partners from developing Point Thomson will enable them to move forward. It contains about 25 percent of the proven gas reserves on the North Slope. The plan entails spending $1.3 billion over six years, with a majority going to local oil field service companies.
- It is often forgotten that economics is a social science. It is not just about statistics and financial numbers. There is a significant psychological component at work right now that is dragging down the U.S. economy. There has been unprecedented federal government market intervention and deficit spending that has created uncertainty. There has been a tremendous paper loss of wealth as equity prices have plummeted. Investors’ expectations of future growth rates have lowered. Many people are gun shy and not pulling the trigger on large business deals and investments. People are taking a “wait and see” approach.

The negative psychological effects of a recession must wear off for the economy to recover.

The Federal Reserve is attempting to help by encouraging more lending and refinancing activity with record low interest rates. Concurrently, the risk in the market that banks are
lending into is increasing. Loans are priced on risk. We are seeing tighter credit standards nationwide and a return to more conservative lending. A tighter money supply tends to constrict economic growth. However, it also reduces volatility in the economy by avoiding bad loans that can result in financial problems such as the nation is currently experiencing. This is a more stable long-term outcome.

Alaskans are fortunate to have strong local banks that do not have the same kind of problems we are reading about at larger national banks. Alaska’s banks, including Northrim, have excellent capital reserves and are actively making good loans.

Mark Edwards is a commercial loan officer at Northrim Bank and an adjunct professor of economics at Alaska Pacific University. He was formerly the state of Alaska’s Director of the Office of Economic Development. The complete Economic Update is available on Northrim’s Web site, www.northrim.com.
The state of Alaska has completed its first two rounds of renewable energy project evaluation and funding approvals, authorizing reimbursement of $125 million for more than 100 projects throughout the state.

Passed by state legislators in 2008, the Renewable Energy Grant Program calls for a total of $250 million in state spending on energy projects over five years.

The first $100 million for 77 project reimbursements was approved by the state Legislative Budget and Audit Committee in late February, the first round of the new energy program.

Another 30 projects were approved for a total of slightly more than $25 million in state funding in late March. Originally, the program called for $50 million in spending for the second round of evaluation, but Gov. Sarah Palin recommended state legislators reduce spending on renewable energy projects due to state budgetary constraints.

The Alaska Energy Authority, which has been evaluating energy projects prior to final legislative approval, also submitted additional projects for funding consideration this spring.

“We showed other projects we thought merited funding, if there were other funds approved by the Legislature,” said Peter Crimp, Alternative Energy and Energy Efficiency Program Manager at AEA.

Now it’s up to the project applicants to begin work developing renewable energy programs. The state funding is not grant based – rather, developers will be reimbursed for approved expenses, Crimp said.

“There’s no disbursement until they invoice us and we approve the invoice – we make sure they’ve done all the work consistent with the application,” he said. “We make sure they’ve achieved all the major milestones. For construction, that would include supplemental financing and having all the permits in place.”

Pillar Mountain Wind Farm project, located on Kodiak Island, is one of the more advanced projects that received funding approval in January. As proposed, the project would expand the planned 1.5 megawatt wind farm to 4.5 megawatts, or three wind turbines. That could displace up to 1.2 million gallons of diesel fuel annually, according to the project’s description.

As developer, Kodiak Electric Association requested $9.65 million from Alaska Industrial Development and Export Authority, a portion of the total project cost of $23.3 million. AEA managers recommended legislators approve a total of $4 million in project reimbursements for Pillar Mountain, which was awarded in full in January.

This spring, the three wind turbines were shipped to Kodiak by barge, according to AEA spokesman Karsten Rodvik.

To evaluate and recommend renewable energy projects to state legislators, AEA managers developed a specific three-stage process.

Initially, project applications were evaluated for completeness, eligibility and responsiveness to the request for applications. Next, the technical and economic feasibility of each project was evaluated. The third stage included a final scoring process considering seven different factors, with the cost of energy being replaced making up the largest component – 30 percent of the evaluation score.

“The methodology stressed high cost (of energy), matching funds – how much the project’s local component would bring to the table, and economic and technical feasibility,” Crimp said.

Those three categories make up three quarters of the scoring criteria, he noted. Other factors considered include project readiness, economic and other Alaska benefit, sustainability and local support.
Alaska invests big in renewable energy technologies

In the first round of project approval, funding was spread relatively evenly throughout the state. The Northwest Arctic region and the Railbelt each received 17 percent of the initial $100 million approved. Southeast Alaska received approval for $16.4 million in project reimbursements, equal to 16 percent of the total, with the lower Yukon-Kuskokwim region receiving 14 percent. Copper River/Chugach and Bering Straits regions each received 9 percent, followed by the Yukon-Koyukuk/Upper Tanana region with 6 percent, Bristol Bay with 5 percent and Kodiak with 4 percent. The Aleutians received $2.9 million for 3 percent and statewide projects received $565,000 for slightly less than 1 percent of the total amount approved.

Round two of the renewable energy program funding, which funded $25,013,014 in projects, was not as evenly balanced among Alaska’s geographic region as the first group. The Lower Yukon-Kuskokwim region received slightly more than $10 million, equaling 40 percent of the total funding approved for round two.

“One factor is, there were many projects submitted from the region,” Crimp said. “The energy costs in the Y-K region are high. Also in that region, there were quite a few viable projects.”

The Aleutians received 22 percent of funding approved during round two, followed by Bering Straits, which received 10 percent. Projects in the Railbelt received 8 percent, totaling $2 million. Remaining regions in Alaska each received 5 percent or less of the $25 million approved during the second round of project evaluation.

Patricia Liles is a freelance writer living in Fairbanks.

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**The Renewable Energy Grant Program calls for a total of $250 million in state spending on energy projects over five years.**

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The Ninth Circuit’s decision on Shell’s exploration plan is ‘remarkable’

The Ninth Circuit’s November 2008 decision on Shell’s exploration plan for the Beaufort Sea represents an unusually extreme example of what are euphemistically referred to as “result-oriented” judicial decisions. The decision was remarkable on at least three levels. At this point, Shell has withdrawn the exploration plan that was the subject of the decision, thus making the entire litigation moot and of no further consequence. Shell has submitted a revised application, which will hopefully navigate the gauntlet with better success.

Judge Dorothy Nelson authored the majority opinion in the 2 to 1 decision. She began her career in 1953 and spent the next 27 years as an academic at the University of Southern California Law School before being appointed to the court in 1979 by President Carter. Judge Nelson went on “senior status” in 1995, and thus has been retired for about 13 years.

She was joined in the majority by Judge Stephen Reinhardt, who began his career in 1954, and was in private practice in California for 23 years before being appointed to the court in 1980 by President Carter. He was also active on the U.S. Commission on Civil Rights for about 13 years before his appointment.

The dissent was written by Judge Carlos Bea, who began his practice in 1959, and was in private practice for 31 years before becoming a California State Superior Court in 1990. He was then appointed to the Ninth Circuit by President Bush in October 2003.

BACKGROUND

The Outer Continental Shelf Lands Act (OCSLA) requires an environmental review at each of four stages: (1) Upon the establishment of a lease sale schedule; (2) upon the lease sale; (3) upon the approval of an Exploration Plan (EP); and (4) before actual development and production begins.

In 2002, the Minerals Management Service (MMS), adopted a five-year lease sale schedule, which included the Beaufort and Chukchi seas. In connection with that Beaufort lease sale schedule, a 1,500-page Environmental Impact Statement (EIS) was prepared which analyzed the effects of two drilling rigs with one icebreaker and assorted supply boats, floating platforms, etc.

The EIS also assumed that there would be an extensive bowhead whale monitoring program and a conflict avoidance agreement between the exploration company and whaling captains.

Prior to the July 2004 lease sale when Shell Offshore Inc. acquired leases in the Beaufort and Chukchi Seas, the government prepared Supplemental Environmental Assessments (EAs) for the specific lease sale.

Before a company can begin exploration, MMS must approve an Exploration Plan. As part of that process, a project-specific environmental impact analysis must be undertaken. Then MMS is required to decide within 30 days whether to approve, disapprove or require modifications to the EP.

In November 2006, Shell submitted its EP calling for 12 exploratory wells on 12 lease tracks over three years, using two drilling vessels, two ice breaking ships, as well as various other supply ships and six aircraft. The work would occur between June and mid-November of each year. The plan called for the sinking of four exploratory wells in Camden Bay the first year, with the exact location of the other wells specified after the first year, depending on the results of the first year’s exploration. Shell’s final version of its EP was submitted in January 2007 and the MMS issued its conditional approval on Feb. 15, 2007.

The MMS determined that the original 1,500-page EIS previously prepared along with the near 100-page environmental assessment, which built on the EIS, constituted a sufficient environmental analysis and that a completely new EIS was not required.

The MMS also concluded that the proposed activities would not significantly affect the quality of the environment nor cause serious harm or damage to human, marine or coastal environments, and issued a finding of no significant impact.

Shell then, as required by the MMS’s approval, entered a conflict avoidance agreement with the local whaling captains, which, among other things, provided that there would be no drilling operations until after Nuiqsut had completed its whale hunt for the season.

In addition, as also required, the Alaska Fish and Game Department approved Shell’s plan; the U.S. Fish and Wildlife Service approved it; and the National Marine Fisheries Service, the agency responsible for the protection of marine mammals including bowhead whales, approved it.

The MMS prepared an 87-page environmental assessment in connection with Shell’s Exploration Plan, which included a noise analysis using the exact drilling vessels and particular ice breakers that Shell planned to use. The studies, including the ones that were part of the original 1,500-page EIS, considered responses of bowhead whales to the noise
from drillships along with noise from ice management vessels. The EIS analyzed the effect of two drillships and one ice breaker, along with other craft. The NMFS relied on an analysis of icebreaker and ice management noise in addition to drilling noise in reaching its conclusion that the exploratory drilling and associated activities would not jeopardize the bowhead whales.

In addition, the plan called for careful monitoring of the effect on bowhead whales throughout the entire period, including aerial surveys. The MMS retained the authority to require Shell to modify its operations to prevent even the threat of serious, irreparable harm to the whales.

Initially, three environmental groups filed a petition for review with the Ninth Circuit on time. Later the North Slope Borough, the Alaska Eskimo Whaling Commission, and three more environmental groups also filed petitions, though late. One of the late organizations raised an argument not previously raised by the other petitioners.

Then in August 2007, at the request of the environmental groups at a preliminary hearing, the court stayed MMS’s approval, stopping all progress on the exploration effort.

**PROCEDURE**

The Outer Continental Shelf Lands Act is the specific law which governs the leasing program for oil and gas exploration. One section, §1349, covers judicial review of actions by the Secretary of Interior related to outer-continental shelf leasing. The MMS’s approval of Shell’s EP was an “action of the Secretary.” §1349(c) provides that the only judicial review of Secretary’s approval of an exploration plan shall be by the U.S. Court of Appeals for the circuit in which the lease is located. The statute specifically refers to the type of decision made by the MMS and the secretary in this case. The secretary’s approval of an exploration plan is the subject of 1349(c)(2). §1349(c)(4) states “any action of the Secretary specified in ¶(1) or (2), shall only be subject to review pursuant to the provisions of this subsection [(c)]. … Thus the only review of an approval of an exploration plan is through the applicable court of appeals.

The whole purpose of Section 1349 is to define in their entirety the avenues by which leasing of outer continental shelf lands can be challenged. The idea was to expedite as much as possible any challenges to leasing decisions so that the efforts to develop the lands would not be hung up in administrative tribunals and courts indefinitely. The statute also states that the review permitted by 1349(c) is available only to a person who files the petition within 60 days of the Secretary’s action.

The MMS approval was on Feb. 15, 2007. The NSB and the Whaling Commission mistakenly filed an administrative appeal with an internal Interior Department appeal board, instead of the court; and did not file a proper petition with Ninth Circuit until May 2007, long after the 60-day deadline had passed. It was undisputed that the time limit is a “jurisdictional” time limit, meaning that if it is not met, the court is completely without any power whatsoever to come up with some equitable doctrine to excuse late filings. The other environmental groups also
did not file a petition with the court until May 2007.

Despite the clear, plain language of the statute, the two judges writing the majority opinion concluded that the NSB’s and Whaling Commission’s filing of an administrative appeal “toll” the 60-day requirement. The internal Interior Department appeal board understood the problem and did not take any action. Only after that did the NSB and the whaling commission file the proper petition. Even if the tolling concept applied, they were still way beyond the 60 days. Nevertheless, the majority held that they were timely and allowed them to make their arguments, one of which had not been included in the original petitions.

Substantive

The same section referenced above, Section 1349, also provides at (c)(6) that the court of appeals hearing a petition for review is to review only the record that was made before the Secretary; and limits the court’s scope of review by stating that “the findings of the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive.” In other words, the sole question before the court of appeals in such a proceeding is to determine whether the secretary’s decision is supported by “substantial evidence.”

In an earlier 2008 decision, the Ninth Circuit, sitting “En Banc” (meaning all 27 active judges, i.e., not retired and on senior status, sitting together as one court), ruled that it was not the proper role of the court in such a proceeding to “make fine-grained judgments” nor to weigh specific studies on which an environmental agency’s decision was based.

In that decision, the court had held that it must “be most deferential” when “the agency was making predictions within its area of special expertise.” Even the two judges writing the majority opinion agreed that they were not supposed to “substitute our judgment for that of the agency.”

In effect, the two-judge majority did just that. The original 1,500-page EIS analyzed noise-related consequences of two drillships and one icebreaker along with the noise of cracking ice. It included a 37-page analysis of all possible impacts from drilling and other oil and gas related activities on bowhead whales. It found no documented evidence that noise would serve as a barrier to the whales’ migration.

The EA prepared specifically for Shell’s Exploration Plan included a noise analysis of the particular two drilling vessels and two icebreakers that Shell planned to use; and resulted in the NMFS concluding that such exploratory drilling and associated activities would not jeopardize bowhead whales.

Despite all of that scientific evidence by government employees and consultants, the two-judge majority determined that it was not enough. Instead, these two judges determined that NMFS and Shell would have to develop an entirely new environmental analysis that would assess the impact on the whales of two drillships, two icebreakers, and other associated activities actually operating (but obviously without producing anything) because “no studies that analyze the effects of noise from a project with two drillships and two ice breakers” existed.

The majority concluded as much despite the fact that the EA prepared for the exploration plan conducted a noise analysis specific to the two drillships and two ice breakers Shell actually was going to use. The two-judge majority clearly substituted its judgment for those of the government biologists and the scientific studies prepared by the agencies whose responsibility it was to protect these animals. Although the NMFS concluded expressly that the exploratory drilling and associated activities would not jeopardize the bowhead whales, the majority opinion characterized those conclusions and results as “inconclusive.”

In addition, the majority opinion found that the conflict avoidance agreement entered between Shell and the whaling captains was insufficient. The agreement was a private contract entered between two consenting entities. Even though the majority acknowledged that such agreements “have been used effectively in the past,” it held that such an agreement could not be relied on to cure inadequate environmental assessments. The court went so far as to make the completely incorrect statement that “any [such] agreement made is not legally binding.”

The real reason the court did not want to give effect to such conflict avoidance agreements was [in the court’s own words] because relying on them “deprives this court of its ability to review whether the measure is sufficiently protective.”

In other words, even though the parties involved reached a mutually acceptable agreement meeting their respective needs, these two judges from Los Angeles and Pasadena were not satisfied that the Nuiqsut whaling captains had adequately protected themselves and their families.

Worse [for the court], there was no way the court could review the agreement because neither party was objecting to it. The two judges thus could not tolerate anyone protecting the environment except themselves, including even the people whose lives were most subject to impact.

The withdrawal of the opinion

The two judges substituted their judgment for that of the government biologists and scientific consultants on the relative value to be placed on the many analyses, and this was clearly irreconcilable with the earlier 2008 en banc Ninth Circuit decision. In addition, the clear departure from the plain and simple language of the statute regarding the only kind of review available and the applicable time limits also made the opinion vulnerable.

The appellate procedures for all federal courts of appeal allow the losing party to ask for a rehearing of the appeal by the court “en banc.” A request for such a rehearing en banc was filed. Such an en banc rehearing would be heard by all 27 active judges on the Ninth Circuit (which would exclude Judge Dorothy Nelson), without any deference to the three-judge panel’s initial decision.

Then on March 6, 2009, the two judges who constituted the majority of the panel entered an order vacating and withdrawing the opinion without explanation. No opinion was substituted, though the order indicated that a new opinion would be submitted in place of the old one. Vacating an entire opinion without substituting a new opinion at the same time is unprecedented. When a motion for reconsideration is granted (also very rare), the new reconsidered decision is issued at the same time as the order granting the reconsideration. Here, in the face of a request for a rehearing by all 27 circuit court judges, the opinion was simply withdrawn. By withdrawing the opinion, but
without issuing a new one, the two judges retained control of the process and its schedule. With the old opinion vacated, there could be no rehearing en banc. Without a new opinion, the case could not make progress until the two judges decided it could by issuing a new opinion.

The March 6 order did not say when a new opinion would be issued. There are no federal statutes or court rules that place a time limit on the two judges for issuing a new decision in that situation. In the meantime, a stay of all proceedings had been entered by the same judges back in August 2007.

Shell and the MMS were thus faced with the prospect of the two judges who did not want to see any development without further studies controlling when the judicial process would continue. The prospect of losing yet another season loomed. Thus in early May 2009, Shell withdrew its existing permit application and resubmitted a new Exploration Plan calling for only one drill rig, fewer holes and drilling only in the Beaufort sea for a generally smaller, slower operation. Only time will tell whether it is any more successful.

Article III of the U.S. Constitution provides that the substance and type of cases that lower federal courts can hear is controlled completely by Congress and the President. The Founding Fathers thus created a mechanism for rebalancing the power of the judiciary when and where there is a political will to do so.

Robert J. (Bob) Dickson is a partner of the Anchorage law firm Atkinson, Conway and Gagnon Inc.
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AGC OF ALASKA
building dedicated to Stan Smith

Associated General Contractors of Alaska dedicated its building at 8005 Schoon Street to the memory of Stan Smith of Spenard Builders Supply on May 21.

Smith passed away May 28, 2008, after a long battle with cancer.

President Sam Robert Brice said Smith inspired everyone who knew him to become more involved with the community.

He was a past winner of AGC’s most prestigious Hard Hat Award, and national and local Associated General Contractors board member.

Smith brought the same level of enthusiasm and dedication whether he was working on AGC’s convention committee or volunteering with Big Brothers Big Sisters.

“Each of us is better for the opportunity to know him,” said Tim Brady.

Robby Capps said whether folks knew him as Stan, Smitty, Tina Turner or Dolly Parton, Smith was a very special man.

“I’m thankful for what Stan did for AGC and our industry,” he said. “Honesty, integrity and loyalty – he lived those values.

“Stan gave more than he received.”

He colleagues remembered Smith as the kind of Alaskan who was at his best when the chips were down.

“He was a teacher, a coach and a mentor to so many people in this room,” Capps said. “He was a leader and a visionary with a zest for life.”

Capps said during the last conversation he had with Smith the older man seemed happy with the legacy of people he’d helped.

“Stan impacted us all in large and small ways,” Capps said. “It’s appropriate for AGC to document that by naming this building for a very great man.”

PCL CONSTRUCTION
Services Inc. opens Anchorage office

PCL Construction Services Inc. has opened an office in Anchorage at 1400 Benson Blvd, Suite 510.

For the past four years the firm has been working on the Ted Stevens Anchorage International Airport South Terminal Seismic and Security Retrofit.

“We’ve had a great deal of success with our project at the airport,” said Scott Ivany, PCL’s Construction Manager and head of the new Anchorage office. “Our experience with the local design and subcontracting firms has been wonderful and we’re excited about continuing with that success as we tackle projects throughout the state of Alaska.”

Since 2007, PCL has placed consistently in the Alaska Journal of Commerce’s top 10 “Best Places to Work in Alaska” as well as one of Fortune Magazine’s Best Places to Work for the last four years.

PCL is currently the eighth largest construction organization in North America, with 2008 annual billings in excess of $6.1 billion.
Students Visit Davis’ Anchorage job site

Chugach School District’s Voyage to Excellence students Lewis Phillips and Travis Alexie from Crooked Creek in the Kuspuk School District visited Davis Constructors and Engineers Inc. Anchorage airport job site on Feb. 23.

“What I liked most was learning about the company and that everyone plays an important role,” a student after visiting the Anchorage Airport Operations Center job site.

“I learned there are many engineering job types,” the other student said.

Human Resource and Safety Administrator for Davis Constructors and Engineers Inc. Vicki Schneibel said “Davis enjoys bringing high school students to our job sites as often as requested when job sites are conducive to visits.”

Mark your calendars

- June 19 – Anchorage Golf Tournament
- June 24 – Fairbanks membership barbecue
- July 16 – Fairbanks Golf Tournament kickoff barbecue
- July 17 – Fairbanks Golf Tournament
- Aug. 5 – Fairbanks membership barbecue
- Aug. 20 – Anchorage end of season barbecue
- Sept. 18 – Fairbanks membership barbecue
- Sept. 23- Oct. 2 – annual-Alaska Construction Career Days
- Nov. 11-14 – Alaska Chapter annual conference, Anchorage
- Dec. 10 – Members Christmas open house/Fairbanks
- Dec. 16 – Members Christmas open house, Anchorage

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AGC REACHES

membership milestone

In its 60th year of operation, Associated General Contractors of Alaska has reached a couple of important membership milestones. The Alaska chapter now has more than 100 general contractor members and more than 200 specialty members.

Many of AGC’s members have a long history of membership and leadership in the organization. Swalling Construction Co. celebrates 61 years as AGC members. Five others turn 60 this year: Kiewit Building Group; NC Machinery Co.; First National Bank Alaska; Yukon Equipment; and, Anchorage Sand and Gravel Co. Inc. And two others celebrate 50 years – Andy Milner Company and McKinley Fence Company Inc.

AGC CLEANUP
day and cookout

Dozens of people from about 30 businesses in the King Street industrial park area participated in the cleanup and cookout event Associated General Contractors of Alaska sponsored May 6.

From receptionists to executive directors, Margaret Empie said people from the top down got in on the fun.

Volunteers cleaned up more than 40 bags of trash, pallets, car parts and pieces, road gravel and other winter debris too large for bagging before enjoying a cookout sponsored by AGC of Alaska and grill provided by Anchorage Sand and Gravel.

Volunteers cleaned up more than 40 bags of trash in the neighborhood around the Stan Smith AGC of Alaska Building.
CFMA WINS
six national awards

The Last Frontier Chapter of Construction Financial Management Association won six national awards this year at the National Conference.

Awards are:
• Chairman’s Excellence (fourth consecutive year)
• Chapter of the Year (third consecutive year)
• Communications/Public Relations
• Member Services Award
• Distinguished Progress Award
• Showcase Award “Job Site Visit”

The Last Frontier Chapter has received 17 CFMA National awards since its beginning four years ago.

The Chairman’s Excellence Award is the highest honor a chapter can receive in the Achievement Category of the association’s annual Chapter Recognition Program. The Last Frontier Chapter won the award for chapters with members up to 40.

The Chapter of the Year Award is an overall recognition based on exceptional overall merit demonstrated in the program’s five categories: included in membership development, member services, special events and projects, academic/student liaison, and communications/public relations.

The Construction Financial Management Association has 90 chapters in the U.S. with a membership of more than 7,000. It is the only non-profit professional association dedicated to serving the construction industry.

The chapter meets monthly on the last Wednesday of each month at Aladdin’s on Old Seward and Tudor Road.

For more information, contact Lisa Vandergriff at: lvandergriff@superiorpnh.com.

TUTKA
earns certification to provide erosion and sediment control services

John Sommer, EIT, construction manager, for Tutka LLC has been certified as a Professional in Erosion and Sediment Control by EnviroCert International Inc and will be performing erosion and sediment control consulting services with their clients.

Sommer has more than 15 years’ experience in the construction industry, and earned his bachelor’s degree in Civil Engineering from the University of Alaska Fairbanks.
AGC OF AMERICA’S Constructor Magazine features Dena’ina project


The AGC of Alaska member Neeser Construction led the design-build team that completed the $79 million project a week early and $5 million under budget.

The 200,000-square-foot, three-story building includes a 50,000-square-foot exhibit hall, 25,000-square-foot ballroom, 11,000 square foot of meeting space, 46,500 square-foot of lobbies, pre-function and circulation space, a four-bay loading dock, storage rooms, office space, a kitchen, electrical and mechanical rooms and a third-floor terrace with a snow-melt system.

MSI COMMUNICATIONS unveils new name

After 12 years of steady growth in client base and industry experience, Marketing Solutions Inc. has changed its name, remodeled and expanded its offices at 3501 Denali Street, and updated its services to respond to its clients’ changing marketing needs.

Laurie Fagnani is company founder and president of the full-service advertising and public relations business. She said the new acronym represents the company’s former name and its core services and capabilities – marketing, strategy and interactive.

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