

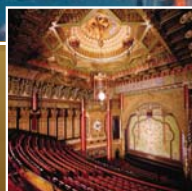
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# CONNECTION

EXPLORING THE ALASKA-WASHINGTON CONNECTION. 2009



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# Trade grows with state's economy

**By Rose Ragsdale**

*Alaska-Washington Connection*

**W**elcome to the “The Alaska-Washington Connection — Weathering the Economic Storm.”

As Alaska celebrates its 50th year of statehood, Washington businesses still provide the state with crucial support, just as they have for the past 100 years.

This is the second year that Petroleum News has presented this publication, highlighting businesses that serve in this unique community. We feature companies that have survived economic hardships and now offer insights and advice for those struggling with present and future challenges.

Jackovich Industrial & Construction Supply, for example, embodies a spirit of service that abounds in the Alaska-Washington connection.

## Transportation anchors the connection

The Puget Sound's ports of Seattle and Tacoma, key anchors of commerce between

*Whether serving Alaska communities directly or branching out to spur growth in mining, tourism and fishing, businesses in the Alaska-Washington trade form the backbone of interstate commerce in the far Pacific Northwest. —Rose Ragsdale*

Alaska and Washington, are taking the lead in the shipping sector's recent drive to reduce greenhouse gas emissions. Numerous Alaska and Washington transportation companies, like Lynden Transport and Foss Maritime, have joined in this environmentally responsible trend.

The Port of Tacoma considers Alaska one of its top 3 trade partners, reflecting more than \$3.5 billion in annual trade.

The Port of Seattle also is a major hub for Alaska's commercial fishing and cruise ship industries, supporting more than 200,000 jobs in the Puget Sound region and generating more than \$12 billion in business revenue annually.

Seattle-Tacoma International Airport also is the single-most important air gateway to

Alaska, serving more than 31 million passengers every year.

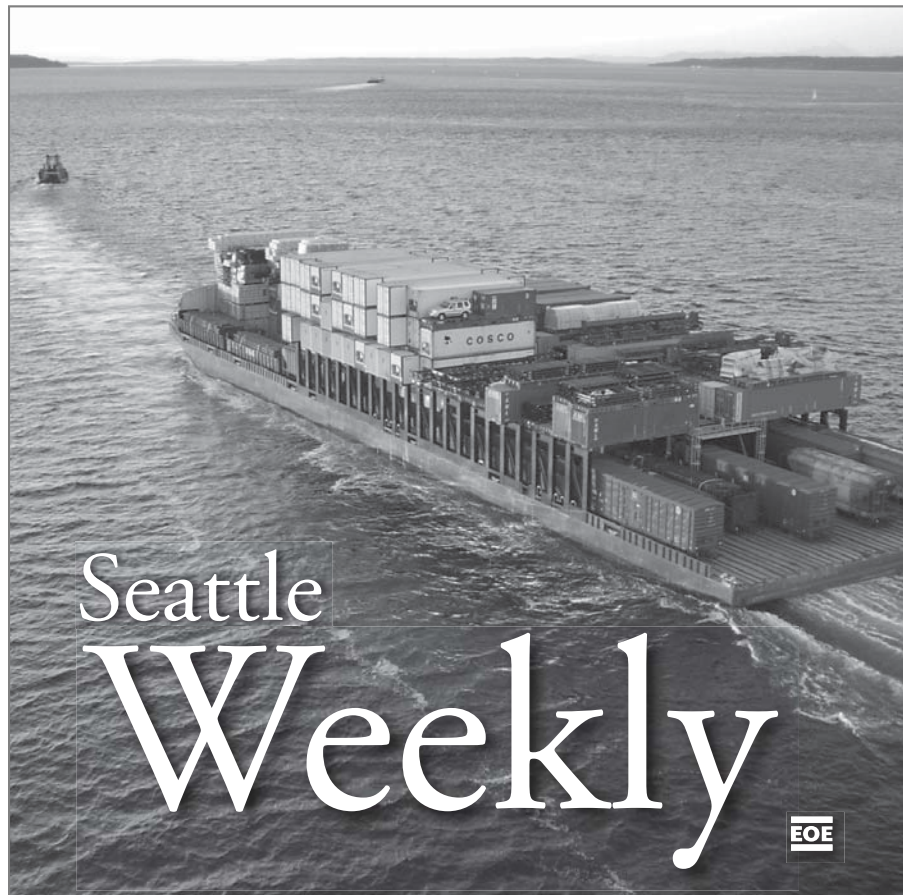
## Focus on innovation and service

Whether serving Alaska communities directly or branching out to spur growth in mining, tourism and fishing, businesses in the Alaska-Washington trade form the backbone of interstate commerce in the far Pacific Northwest. Alaska Air Cargo, for example, recently launched a new quality-control program to ensure that Alaska seafood arrives as fresh as possible at Lower 48 destinations.

Various in-state businesses from Alaska Communications Systems to Alaska Railroad Corp. are growing and prospering by investing in ways to better serve Alaska's growing population.

Washington-based businesses such as the owner of Embassy Suites and the law firm of Stoel Rives are taking steps to support Alaska resource development.

It is such diverse positive action that enables businesses across the spectrum to continue to succeed in making the Alaska-Washington connection. ♦



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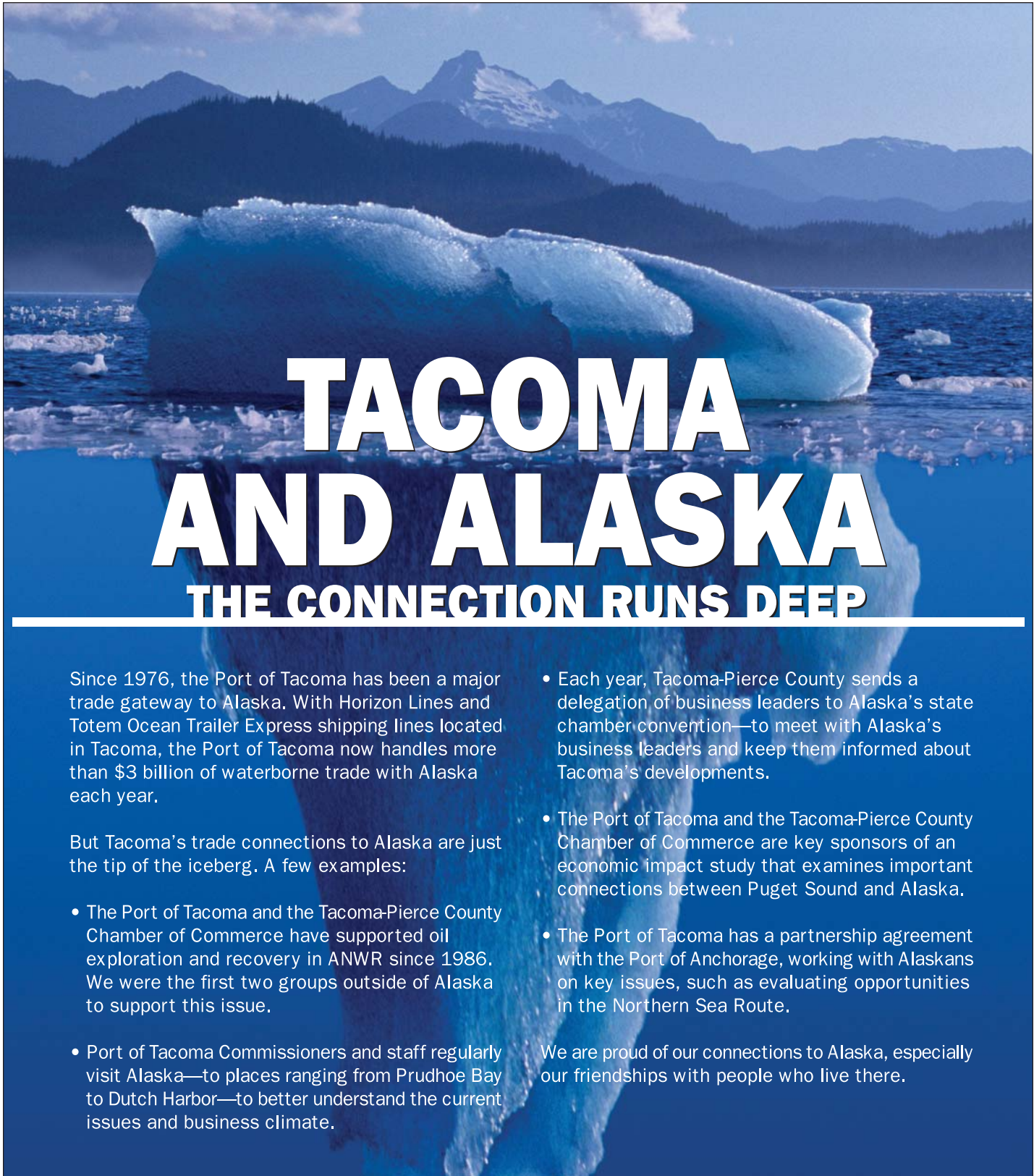
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# TACOMA AND ALASKA

## THE CONNECTION RUNS DEEP

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

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

- The Port of Tacoma and the Tacoma-Pierce County Chamber of Commerce have supported oil exploration and recovery in ANWR since 1986. We were the first two groups outside of Alaska to support this issue.
- Port of Tacoma Commissioners and staff regularly visit Alaska—to places ranging from Prudhoe Bay to Dutch Harbor—to better understand the current issues and business climate.
- Each year, Tacoma-Pierce County sends a delegation of business leaders to Alaska's state chamber convention—to meet with Alaska's business leaders and keep them informed about Tacoma's developments.
- The Port of Tacoma and the Tacoma-Pierce County Chamber of Commerce are key sponsors of an economic impact study that examines important connections between Puget Sound and Alaska.
- The Port of Tacoma has a partnership agreement with the Port of Anchorage, working with Alaskans on key issues, such as evaluating opportunities in the Northern Sea Route.

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*This message to the people of Alaska is from the Port of Tacoma and the Tacoma-Pierce County Chamber of Commerce.*

# Firms find ways to weather the storm

*Drawing on experience, diversity and innovation, companies make the Alaska-Washington connection to offset effects of recession*

**By Rose Ragsdale**  
*Alaska-Washington Connection*

**B**usinesses engaged in the Alaska-Washington trade, along with the rest of the nation, have spent recent months coping with challenges presented by the worst economic downturn in modern history.

They owe their survival, in part, to years and, in most cases, decades of experience meeting the needs of their customers while delivering quality and often unique goods and services.

"It's easy to sell something," said Buz Jackovich, owner of Fairbanks-based Jackovich Industrial & Construction Supply Inc. "But you need to be able to back up that product if something happens."

Jackovich, like many other business owners in the Alaska-Washington trade, has successfully focused on the needs of customers who must operate in the arctic and sub arctic conditions presented by Alaska's harsh winters.

Since Buz and his uncle, Joe Jackovich, purchased the Alaska stores of Seattle's Western Tractor in Fairbanks and Anchorage in March 1969 and renamed the business Jackovich Tractor, the firm has provided critical support to oil and gas service companies that built the oil and gas infrastructure from the North Slope to Valdez that has served Alaska so well.

Jackovich, the son of a Yukon Territory gold miner, was born in Alaska in the 1940s and made his home in Fairbanks.

Today, three generations of Jackovichs make their home in the Interior city and the business is celebrating its 40th anniversary this year. In four decades, Jackovich Industrial & Construction Supply has grown into one of the state's premier industrial vendors, supplying



Buz Jackovich, owner of Jackovich Industrial & Construction Supply Inc.

contractors not only in oil and gas but across the industrial spectrum in Alaska.

"We grew up with the oil and gas contractors, supplying them along the way," said Buz Jackovich in a recent interview.

The firm employs 65-75 workers, including Jackovich's son, Troy, and nephew, Ryan Barnett, and maintains more than \$3.5 million inventory in three other stores besides Fairbanks - two in Anchorage and one in Wasilla.

"And all of our freight and consolidators come through Washington," said Jackovich, who acknowledges the importance of the Alaska-Washington connection.

## Surviving the '70s and '80s

Jackovich has fond memories of his first year in business when oil companies and their contractors scrambled to get men, equipment and supplies to the nearly inaccessible North Slope in the

months after the discovery of the Prudhoe Bay oil field.

Then came construction of the 800-mile trans-Alaska oil pipeline in the 1970s and the major buildup of men and supplies that accompanied the \$11 billion project.

It was after the pipeline was completed that many Alaska firms mistakenly geared up for construction of a gas pipeline in the late '70s and then oil prices plummeted in the early '80s, said Jackovich.

"That was the biggest downturn that we've ever experienced," he recalled. "We were getting ready for a gas pipeline, and it never happened. We had a lot of surplus, and it took a long time to sell that inventory."

Jackovich said the situation was so dire that some businesses did not survive. The challenge, he said, was how to get tooled back enough to stay in business.

"The answer for us was to diversify, to go into different product lines," he said. We opened other stores, began supplying the military bases and began to do a lot of testing with the government."

---

*"That was the biggest downturn that we've ever experienced. We were getting ready for a gas pipeline, and it never happened. We had a lot of surplus, and it took a long time to sell that inventory." —Buz Jackovich, owner of Jackovich Industrial & Construction Supply Inc.*

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Price Gregory Services Inc. specializes in Arctic engineering and construction like this recent pipeline built to transport crude from the 90 million-barrel Oooguruk unit to connect with the existing pipeline system on the North Slope.

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Jackovich Industrial and Construction Supply Inc. in Fairbanks has built an international reputation for supplying contractors with reliable parts and accessories for industrial equipment.

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## Cold weather expertise pays off for some

One way businesses in the Alaska-Washington trade cope with uncertainty in the economy is by specializing in goods and services that stand up to the harsh demands of the Arctic winter.

Contractors like Price Gregory Services Inc. capitalize on decades of expertise in infrastructure engineering and construction in Alaska, while innovators such as Arctic Foundations create and install products to meet the unique requirements of Arctic construction.

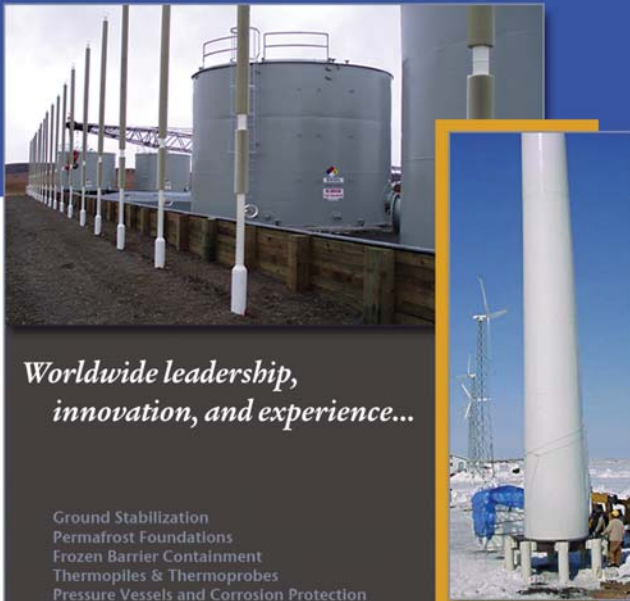
"The most important thing is to be established in the state and have the background and enthusiasm to operate here on a year-round basis," said Buz Jackovich, owner of Jackovich Industrial and Construction Supply Inc. in Fairbanks.

Price Gregory performs engineering procurement construction projects for clients in Alaska, Canada and the Lower 48. The company's history dates back 86 years to oil pipeline construction's earlier days before World War II.

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see **EXPERTISE** page 12

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## WEATHER

### Diversify to dilute impact

Jim Blasingame, longtime executive for the Alaska Railroad Corp., said diversifying also saved that venerable Alaska institution.

In fact, it was after the railroad, long a financially ailing entity under federal ownership, was purchased by the State of Alaska on Jan. 5, 1985, that its business outlook brightened, said Blasingame.

"Since we came under state ownership, (former) Sen. (Ted) Stevens got us Federal Transportation Administration funds," he said.

In exchange for much-needed federal aid, the railroad must provide year-round public scheduled passenger service. The \$35 million to \$38 million that the railroad receives annually from the FTA can only be spent on capital improvements such as new track and new equipment.

Blasingame said the FTA funds have made a big difference in a budget often stretched thin by unexpected expenses. For example, the money helps with covering the cost of annual repairs to the railroad's more than 500 miles of track and with purchasing new locomotives for increasingly diverse and demanding services.

"We've done well because of diversity. We have freight and passenger services and more than 36,000 acres of real estate we can lease," he said.

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### WEATHER

From real estate lease revenue alone, Blasingame said the railroad collects \$13 million to \$14 million annually.

“That helps us with the ups and downs of the economy,” he added.

#### Tenacity helps

Sometimes just sticking with the business can make the difference. Take Sampson Tug and Barge, for example. Samson Tug and Barge began as a horse and cart operation which delivered materials and goods to mining camps. Known as Baggen Transfer, George Baggen Sr. based the company in Juneau. In 1937, Baggen and his son George Jr. founded Samson Tug and Barge with a single tug providing freight hauling services throughout Southeast Alaska.

The Samson fleet expanded in the 1950s. The company hauled freight and a variety of cargo between Southeast Alaskan communities. By 1960, Sitka was home to Alaska Pulp Corp. and its mill which employed over 300 people. Samson Tug and Barge provided log raft and chip barge towing to the plant for



COURTESY OF THE ALASKA RAILROAD CORP.

The Alaska Railroad’s 500 miles of track sometimes sustains damage from melting snow and ice during breakup. Ice and gravel cover these tracks that washed out during spring flooding in May. Much-needed federal funds help to cover the cost of annual repairs to the railroad’s more than 500 miles of track.

about 20 years. Samson acquired bigger and more powerful tugs as the fleet saw more growth.

The 1980s were a time of transition for Samson Tug and Barge. The military contract for freight services to Adak was awarded to the company. when the pulp

mill closed in Sitka in the early 1990s, Samson had already moved into the large-scale freight hauling arena. The addition of even more powerful boats, barges capable of transporting massive volumes of freight and fuel enabled Samson to ser-

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continued from page 10

## EXPERTISE

Jackovich said the level of knowledge of the products his firm sells is what keeps his customers coming back.

“A lot of companies (put) their products in the freezer at 50 below and bring them out into room temperatures to actually test them,” he said. “We actually stand outside in those temperatures and test the products. That’s where we get the expertise to see what works. In Fairbanks we get 55-60 below (zero Fahrenheit temperatures). We test our products at those temperatures. We go out and test it to see if it bends or breaks or if the grease won’t stir or pour. If it doesn’t work, we go back to the manufacturers and tell them that it won’t work.”

The cold weather testing grew out of

*“A lot of companies (put) their products in the freezer at 50 below and bring them out into room temperatures to actually test them. We actually stand outside in those temperatures and test the products.”*  
—Buz Jackovich, Jackovich Industrial and Construction Supply Inc.

Jackovich’s early efforts to meet his customers’ needs 40 years ago during the oil boom. Many of the oilfield contractors that rushed to the North Slope in 1969 after the discovery of the Prudhoe Bay oil field had little or no experience operating in arctic conditions.

Jackovich had the right background for the work. He grew up in his father’s gold mines in Yukon Territory, “watching them try to keep equipment going for as long as possible.”

“(The miners) could only work for part of the year because of the cold,” he recalled.

During their first months in business, Jackovich and his Uncle Joe had customers clamoring for increasingly durable products that could operate in the severe cold of the Arctic. To meet that demand, they performed more and more cold weather tests on the products they sold, sending some back to the manufacturer and certifying others for immediate use.

This extra customer care has paid off handsomely over the years for Jackovich’s firm. In addition to a brisk trade in Alaska, the supplier also gets numerous orders from former customers who have moved on to assignments in Saudi Arabia or Russia.

“People know that we have products that work,” Jackovich added.

—Rose Ragsdale

continued from page 11

## WEATHER

vice a route which encompassed the entire Pacific Rim of Alaska.

Throughout its 72-year history, the family-owned business has focused on providing outstanding service to its friends and neighbors in Alaska and coped with setbacks as they occurred.

One blow was the sudden death of George Baggen Jr., after which his son and successor, George Edward Baggen, took over running the business at age 21. When young Baggen stepped up, providing the operation with a third generation

of leadership, he had little experience running a business. Fortunately, he earned his boat captain’s license at the age of 13 and spent his teenage years running tugs up and down the Southeast Alaska coast.

Drawing on what he knew, Baggen kept the business going, enabling it to change and grow as opportunities presented themselves.

Today, Samson Tug and Barge operates seven Alaska locations from Ketchikan to Dutch Harbor, along with several warehouse locations in Seattle. And the family’s fourth generation, through Baggen’s daughter, Cory, is instrumental in leading

the Sitka-based firm.

“That’s the story of our company. We’re like salmon swimming upstream,” added Cory Baggen.

### Reliable and flexible

Wostmann & Associates Inc., a Juneau-based information technology firm, is working hard to alleviate pressure that the recession has exerted on its revenue stream in 2009. Wostmann aims to refine, improve and enhance its existing services, while generating new business opportunities.

Ironically, 2008 was a particularly

see **WEATHER** page 14

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## WEATHER

good year for Wostmann. The firm continued to grow in response to the demand for local IT services.

"I believe the Alaska economy lagged behind the Lower 48, because the recession did not hurt us as early as it did other businesses. But 2009 definitely has brought some changes. Declining oil prices has caused a corresponding drop in State of Alaska spending during the first half of the year," said Sander Schijvens, Wostmann's vice president of professional services.

Recently, the crunch eased as people have become more upbeat about the economy and the federal stimulus money has injected increased spending in some areas, Schijvens said.

Wostmann was able to maintain its 40-employee work force through the first half of 2009, and the second half looks stable, he said.

The firm opened a new office in Fairbanks at the beginning of 2009.

Schijvens said the firm is scouting the Interior city for potential clients, including oil and gas line providers.

"We're also aggressively looking into

new markets to ensure that we have a balance of work between state, federal and private companies, especially private companies, and there are some bright prospects," Schijvens said.

As an example, he cited recent news that Coeur Alaska Inc. is moving ahead with preparation for gold production at Kensington Mine near Juneau. "We're looking for possible work with them," he said.

### Delivering more than 100 percent

Wostmann is also focusing on enhancing its services to existing customers, including state, federal and private sector.

"We always strive to be a strong partner with our clients but realize that there is always room for improvement. One of the things we did to demonstrate our commitment in this economy is a customer satisfaction survey at the beginning of the year," Schijvens said. "Even after being a primary contractor for clients for more than 10 years, we want to do what we can to improve and really differentiate ourselves in the marketplace by being a partner rather than just a service provider by providing good value to our clients."

Opti Staffing Group is an employment

services firm that is also working to distinguish itself in the marketplace by going the extra mile.

"We're probably faring better than some in this economy," said Opti Staffing co-owner Mike Houston. "We have a very diverse clientele which dilutes the impact of the downturn."

Unlike competitors that do a high volume of employee placements, Opti Staffing focuses on effectiveness by presenting fewer candidates for job openings but ensuring that all placements offer a strong possibility of a long-term fit.

A micro-regional firm, Opti Staffing has two offices each in Washington and Oregon, one office in Alaska and a location it opened in Chicago in 2008.

After a lot of "hard work," Houston said the Chicago office is up and running with five staffers and 40 contractors. At its five established offices in the Pacific Northwest, the firm has maintained about the same number of contractors this year but allowed attrition to trim several staff positions.

"We're doing the same work with fewer people," he added. ♦



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# Green works for Alaska-Washington trade

*Puget Sound ports, customers and others pursue environment initiatives, tout advantages of reducing emission of greenhouse gases*

**By Rose Ragsdale**

*Alaska-Washington Connection*

**B**usinesses in the Alaska-Washington trade are focusing on an increasing number of green initiatives, working to benefit the environment and the bottom line.

The ports of Seattle and Tacoma, for example, recently reported results of a groundbreaking study that quantifies the carbon footprint of containers coming through the Puget Sound.

The study comes as environmental groups assert that shipping accounts for at least 90 percent of all global trade, making the industry a major source of greenhouse gas emissions. They say the aviation industry transports around 40 million tons of freight a year, while the shipping industry carries 6 billion tons of it.

The port study, commissioned by the Port of Seattle, was conducted by Herbert Engineering, a ship design, engineering and transportation consulting firm based in California. The firm analyzed carbon footprints of trade routes between Singapore, Hong Kong and Shanghai, and the U.S. distribution hubs of Chicago, Columbus and Memphis as well as routes that use U.S. East Coast and Gulf Coast ports via the Panama and Suez canals.

For ports of origin as far south as Singapore, carbon emissions for cargo moving by ship to the Pacific Northwest and by rail to a broad swath of the United States are lower than for comparable shipments on routes through the Panama Canal, Norfolk, New York and California.

Prior to its release, the Port of Seattle had the Herbert Engineering study independently reviewed, and also asked trade experts, customers and shipping partners to review the results. Outdoor gear and apparel retailer Recreational Equipment, Inc. lauded the Port of Seattle for its leadership in commissioning the study.

“REI applauds the efforts of the Port of Seattle in undertaking this kind of

see **GREEN** page 16



COURTESY OF THE PORT OF TACOMA

The Port of Tacoma, the major cargo-handling gateway to Alaska, has joined its many customers and the Port of Seattle in pursuing green initiatives aimed at reducing emission of greenhouse gases and improving the environment.



COURTESY OF THE PORT OF SEATTLE

The Port of Seattle with its cruise ship and commercial fishing docks as well as spacious marinas for recreational vessels, also handles a significant amount of cargo bound to and from Alaska. The port has taken the lead in helping to reduce emissions of greenhouse gases in the Alaska-Washington trade.

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## GREEN

study to better inform shippers about the carbon implications of their transportation options,” according to Rick Bingle, director of Global Supply Chain for the Seattle-based company.

Greg Shelton, managing director of the Global Trade, Transport, and Logistics Studies program at the University of Washington, told the port that within the study’s assumptions, the findings are good news for the Puget Sound.

“I feel that the study shows that the West Coast and especially the Puget Sound have a lower carbon footprint for transporting goods between Asia and consumers in the heart of the U.S.,” Shelton said.

The carbon study follows the Puget Sound Maritime Air Emissions Inventory, a groundbreaking study measuring how



TAY YOSHITANI

COURTESY OF THE PORT OF SEATTLE

port activities in the region affect regional air quality, and the Northwest Ports Clean Air Strategy.

“The carbon study results are good news, and a great boost to our efforts to measure and reduce our environmental impact,” said Port of Seattle CEO Tay Yoshitani in announcing the study. “Our ongoing sustainability initiatives have created a ‘Green Gateway’ that is good for our environment and our customers.”

Port of Tacoma Executive Director Tim Farrell also commended the port’s customers and tenants in the statement for helping to deliver a cleaner, healthier environment, while contributing valuable jobs and goods to the economy.

“They help us demonstrate that businesses can do well by doing good,” Farrell said.

### Cleaning up the air

In the clean air strategy, the Puget Sound ports joined with the Port of Vancouver in British Columbia to develop common standards for reducing maritime and port-related diesel and greenhouse gas emissions in the Pacific

Northwest that affect air quality and climate change, said Port of Tacoma spokesman Mike Wasem.

The goal of the clean air strategy is to reduce air emissions in the Pacific Northwest from current and future maritime port operations through specific strategies and actions within each category of port operation and to measure the reductions over time. This ground-breaking effort has three components:

- Reduce maritime and port-related air quality impacts on human health, the environment, and the economy;

- Reduce contribution to climate change through co-benefits associated with reducing air quality impacts; and

- Help the Georgia Basin-Puget Sound air shed continue to meet air quality standards and objectives.

Actions taken by the ports include using low-emissions fuel, purchasing hybrid vehicles and vessels for their own use and increasing recycling efforts to divert solid waste from landfills.

In July, the ports unveiled their first annual report on the strategy and

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## GREEN

progress made during the past year.

“First we worked with our partners to measure maritime air emissions. Then we created a plan that collaborates with our customers, stakeholders, and neighbors,” Yoshitani said.

Under an agreement between the port and the cruise industry, for example, all cruise ships that homeport in Seattle now use shore power or low-sulfur fuel while docked, eliminating the need to run ship engines to generate onboard electricity. That agreement is similar to one between the cruise lines, the Port of Seattle, and the Washington State Department of Ecology that governs wastewater discharges.

“Seattle’s cruise industry demonstrates that economic growth and environmental protection are compatible, achievable goals,” Yoshitani said. “We are proud today to be opening the only cruise terminal in



TIM FARRELL

COURTESY OF PORT OF TACOMA

*“The carbon study results are good news and a great boost to our efforts to measure and reduce our environmental impact. Our ongoing sustainability initiatives have created a ‘Green Gateway’ that is good for our environment and our customers.” —Tay Yoshitani, chief executive officer, Port of Seattle*

the world that can provide shore power to two ships at once.”

At the Port of Tacoma, the U.S. Environmental Protection Agency awarded nearly \$1.5 million in July to retrofit two ocean-going vessels, add a shore-side connection system and alternative maritime power at the Totem Ocean Trailer Express Terminal and reduce diesel particulate matter and greenhouse gas emissions by an estimated 90 percent for at-berth vessels by eliminating idling at the terminal. The clean diesel project also will create or sustain 50 manufacturing and local installation jobs while protecting Tacoma’s air quality, the EPA said.

By 2010, the ports aim to reduce equivalent particulate matter in emissions by using distillate fuels with a maxi-

imum sulfur content five-tenths of 1 percent for all engine operations in port. They are asking all operators to use fuels with maximum sulfur content of 1.5 percent or engage in equivalent particulate matter reduction measures for all main or diesel electric engine operations while in port.

### Making the smart choice

Wasem said a growing number of the port’s customers, primarily transportation companies, are voluntarily joining in the effort by formally adopting environment-friendly strategies.

Horizon Lines, for example, is already using low emissions fuel at port, he said.

Green initiatives at Foss Maritime Co. have earned this longtime member of the Alaska-Washington trade both national and international recognition. In May, the Port of Seattle and Propeller Club presented Foss with the “Marine Environmental Business of the Year” award at the 2009 Seattle Maritime Festival luncheon.

“To win the Marine Environmental Business of the Year award, here in Puget Sound where our company was established more than a century ago, is a great

see **GREEN** page 18

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COURTESY OF FOSS MARITIME CO.

Foss Maritime Co., a participant in Alaska-Washington trade for more than 100 years, built the MV Carolyn Dorothy, the world's first low-emissions hybrid tugboat, pictured here at work in Southern California.

*continued from page 17*

## GREEN

honor for all of us at Foss," said Gary Faber, Foss' president and chief operating officer.

"At Foss, our core values are supported by our commitment to continual improvement – in health and safety, compliance, quality and also environmental stewardship. Our customers and the industry have come to expect this commitment from us."

The awards committee cited Foss' commitment to reducing its carbon and emissions footprints and adhering to the principles of sustainability and safety in its operations.

Among the company's initiatives are:

- Building the world's first low emissions hybrid tugboat;

- Switching its entire fleet to ultralow-sulfur diesel;

- Cold ironing at all of its home docks and shipyards;

- Becoming the first company accepted into the federal Environmental Protection Agency's SmartWay Transportation Partnership for its marine transportation services;

- Converting six of its vessels to cleaner

engines;

- Investing in new barges with vapor recovery systems;

- Conducting an energy audit on all its vessels;

- Developing an energy management plan to reduce fuel consumption; and

- Participating in the Northwest Clean Air Strategy and voluntarily incorporating all elements of that plan into its corporate environmental strategy.

### One smart trucker

Lynden Transport also joined the U.S. Environmental Protection Agency's SmartWay Transport Partnership in September 2008, becoming the first Alaska-based trucking company to qualify for the program.

The SmartWay Transport Partnership brings together the EPA and transportation companies that voluntarily improve fuel efficiency and reduce air pollution from freight transport.

Lynden Transport received the EPA's highest score of 1.25, or "Outstanding," in the Shipper Index Factor, which assesses fuel and fleet efficiency and environmental performance.

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*SmartWay partners with high scores are already utilizing most of the commercially available fuel-saving strategies and evaluating the latest emerging technologies.*

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In 2004, the EPA launched SmartWaySM — an innovative brand that represents environmentally cleaner, more fuel-efficient transportation options.

SmartWay partners with high scores are already utilizing most of the commercially available fuel-saving strategies and evaluating the latest emerging technologies.

"We have been working 'green' for quite some time, and it's gratifying to see our long-term efforts recognized by the EPA," said Steve Schultz, Lynden Transport's director of health, safety and environmental.

Lynden also launched its own corporate "Green Initiative" to improve the environmental performance of its fleet and operations.

"We know our customers are concerned with these issues, and we are committed to finding new and cleaner ways to work," Schultz said.

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## GREEN

Many companies use SmartWay partners exclusively for transportation and other needs.

Lynden Transport is now listed on EPA's SmartWay Web site, flagged as a top scorer for exceptional environmental performance.

Lynden Transport is one of Lynden Inc.'s diverse transportation businesses that include trucking, ocean barges, rail barges, intermodal bulk chemical hauls, scheduled and chartered air freighters, domestic and international air forwarding, international ocean forwarding, customs brokerage, trade show shipping, remote site construction, sanitary bulk commodities hauling, and multimodal logistics.

### Going green in the air

Alaska Airlines is another transportation company working to make the Alaska-Washington trade greener. Together with its sister carrier, Horizon Lines, Alaska Airlines has cut its greenhouse gas emissions by 17 percent during the past five years.

Part of the improvement resulted from replacing planes in its fleet with the next generation of more fuel-efficient Boeing 737s. The airline also equipped two-thirds of its fleet with "winglets," an innovation that, alone, accounts for a 3 percent reduction in emissions.

In addition, Alaska Air uses "required navigational performance" technology, which it pioneered in the 1990s on all of its aircraft, and since has been adopted by other carriers across the nation. RNP uses GPS satellite technology that allows Alaska pilots to fly air routes more directly and precisely, which saves both fuel and lives, said Alaska Airlines spokeswoman Bobbie Egan.

On the ground, the airline is also using greener equipment, configuring engines to consume electricity instead of fossil fuels, she added.

### Greener fuel for Alaska

Alaska's overall transportation industry is getting greener in response to new federal fuel requirements. The EPA modified its diesel fuel rules to apply an effective date of June 1, 2010, for the 15-parts-per-million-sulfur requirements for highway, non-road, locomotive and marine diesel fuel produced or imported for, distributed to, or used in the rural areas of Alaska.

Preparing for the transition, Colville Inc. built a new ultralow-sulfur diesel tank farm in Deadhorse during the latter half of 2008. The farm has four 435,000-gallon tanks set in concrete secondary containment with "cone-up" bottom design to support the tanks.

The tanks were filled with USLD fuel in December.

The tank farm includes a tertiary containment design, which is the "best of the best environmentally," according to Colville Vice President Becky Gay.

"This is Colville stepping up to the plate on the ULSD issue. ... This is a big project for Colville and the North Slope," Gay noted on the firm's Web site.

The move to use ULSD is aimed at lowering diesel engines' harmful exhaust emissions and improving air quality. By December 2010, all highway-use diesel fuel offered for sale in the United States must be ULSD fuel. Two grades of the ULSD fuel, arctic and non-arctic, can be purchased in Alaska. The fuel is not made year-round, so Colville must purchase and store it for use on the North Slope. ♦



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# Service firms make inroads in region

*Information technology and staffing companies fill niches in Alaska, Washington State in ways that fuel expansion in the Northwest*

**By Rose Ragsdale**  
Alaska-Washington Connection

**P**roviders of information technology and human resources services are making the Alaska-Washington connection work for them in increasingly innovative ways. These firms vary in target markets, size and business strategies, but they all enjoy one commonality - serving clients either located in Alaska or that do business in Alaska.

## A quarter-century of service

Wostmann & Associates, Inc., for example, has provided information technology services to government and private sector customers since its inception in 1984. Managers of the Juneau-based firm say they are united by the belief that the right solution for the client's environment is more important than following the latest trends.

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*In addition to expansion of the Anchorage office in 2007 and 2008, Wostmann has responded to increasing demand for more cost-effective IT solutions by launching operations in Texas, California and most recently Fairbanks.*

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The company prides itself on creating practical results for customers through the informed use of information technology and based on a solid understanding of the client's business needs, business culture, and technical environment.

In an effort to offer the State of Alaska the most comprehensive information technology services Wostmann is a member of a joint venture partnership, the Alaska IT Group, and maintains alliances with renowned international application system vendors.

Wostmann is actively engaged in an average of 30 projects at any one time and its consultants average 15 years of industry experience in their respective fields.

President and CEO Karen Morgan managed IT projects for



COURTESY OF OPTI STAFFING GROUP

Partners Mike Houston, Avonly Lokan and Ron Hansen founded Opti Staffing Group nearly 10 years ago to provide small businesses in Washington, Oregon and Alaska with skilled and professional personnel on a direct-hire, temp-to-hire and temporary basis. The firm specializes in finding the perfect fit for both employers and new hires.

the State of Alaska for 20 years at the deputy director and director levels and now heads Wostmann.

"I bring some understanding of the state's needs, requirements and IT infrastructure, and we've been able to maintain longstanding contracts with the State of Alaska as well as entities of the federal government and in Washington State. On average we have sustained 10-year longstanding relationships with each of our clients, of which more than 90 percent have re-engaged."

In addition to government contracts, Wostmann provides IT support and service to customers in transportation, fisheries and data security, including a records security project for a pipeline services company.

"Doing system assessment for security work is sort of a new area for us," said Sander Schijvens, vice president professional services at Wostmann. "We assessed packaged solutions and how they can be customized to meet our customer's needs. We worked with them to develop a classification system for their documentation systems."

Schijvens said the firm has found that long-term partnerships with clients "involve really getting to know them and them knowing us and really adapting to their needs."

"Because we're a small firm, we can customize how we go about doing it," he said.

In addition to expansion of the Anchorage office in 2007 and 2008, Wostmann has responded to increasing demand for more

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see **SERVICE** page 21



continued from page 20

## SERVICE

cost-effective IT solutions by launching operations in Texas, California and most recently Fairbanks.

"We've positioned ourselves to be ready to jump when the clients need us to," said Schijvens.

Morgan and Schijvens say the firm's professional analysts and programmers are the key to its success.

"They are intrinsic to our growth. They are extremely dedicated people, always interested in updating skills and abilities through classroom instruction, current IT technical journals and publications and on-the-job training," Morgan added.

### Communication works for IT provider

Allied GIS Inc. specializes in geographic information systems, imagery, and Internet and database applications.

Founded in 2002 by Gail Morrison, the Anchorage-based firm provides GIS services for a variety of clients – military, federal, state, Native and private. Projects, both local and national, range from environmental, cultural, land status, oil and gas, geotechnical to full facility mapping.

Morrison has more than 20 years of experience working with federal, state, municipal, and private agencies. Her expertise includes: GIS database design and implementation, project feasibility analysis, project management, map production and design, data collection and analysis, document management, research, programming, training and consulting.

Allied GIS also has a pool of highly qualified part-time resources. Personnel have a minimum of eight years experience each with such skills as SDE administration, GIT support, spatial and 3-D analysis, cartography, remote sensing analysis, programming, and more.

"Even though AGI is a small firm, we are able to provide our customers with full GIT capabilities," said Morrison. "By teaming with highly qualified companies which compliment the client's needs, AGI can fulfill the most complex contractual requirements."

Morrison also said Allied GIS is currently priming several contracts with multiple subcontractors.

"We find that communication is the key to successful subcontracting," she



Sander Schijvens, vice president of professional services at Juneau-based Wostmann & Associates Inc., said the firm has found that long-term partnerships with clients involve really getting to know them and adapting to their needs.

said.

Morrison said she takes the time to listen to the client's requirements and wraps the requirements into a well-organized GIS final product.

"AGI keeps abreast of the latest GIS technology and methodologies to ensure the client is getting the most current GIS products," she added.

### Standing out in a crowd

As Opti Staffing Group approaches its 10th anniversary, the firm's candidate-centric approach to employee placement is attracting a growing and loyal following. Opti was established in 1999 by three young professionals who had worked for years in the staffing industry in the Pacific Northwest and decided to look for a better way to do business. Drawing from their combined experience, Avonly Lokan, Ron Hansen and Mike Houston, determined that the key to success for Opti Staffing was placing a concentrated effort on developing great relationships with both clients and candidates.

Through this relationship-driven strategy, the firm has grown into one of the most successful independently owned and operated staffing and recruiting firms in the Pacific Northwest. It now operates six offices in four states, including Alaska, Washington, and Oregon, and works with some of the region's top employers.

"By taking the time to get to know the people behind the company — and the person behind the resume — we make better matches between clients and candidates, which enables Opti Staffing to

find a fit for both client and candidate that offers strong potential of long-term success," the firm says on its Web site.

Unlike its efficiency-driven competitors who rely on a high volume of placements to succeed, Opti Staffing places only 10-15 percent of the job candidates who come through its doors.

The reason: The firm values its effectiveness more than large numbers of placements.

"We're looking for people who can play to the bottom line, retool a product or improve the team that the client has in place. We look for candidates who bring quantifiable attributes to their new jobs, whether management or line positions," said Houston in a recent interview. "A lot of companies assess their existing staff and look for opportunities to improve their team. If they are looking to add staff, they need to make sure the new hire will perform, not just fill a desk."

Opti also works with companies reducing their work force by helping to place the individuals that they lay off in new positions.

The firm also charges no fee to job candidates for its services. Instead, the firm draws its revenue from a growing numbers of satisfied customers.

"We are geared, driven and ultimately paid by our clientele," said Houston.

### Making a positive difference

Also offering services in the staffing field, but with a big difference, is IT Network, a Seattle-based contract services firm that specializes in bringing engineers and software professionals together with the right projects.

"Recruiting has always separated us from our competition. We view it as the most important aspect of our business. Our clients and consultants are our most valuable resource and the reason for our success," says IT's Sally Kernan.

Kernan said service with a goal of making a "positive difference in the lives we impact" is the key element that sets IT Network apart from other so-called "temp" agencies.

"We work with our clients to match their staffing needs with the consultants needed to move the project forward," she said. "Our business model is simple: Take care of our consultants and our clients, and the rest will follow." ♦

COURTESY OF WOSTMANN & ASSOCIATES INC.

# ACS sprints ahead in Alaska telecom race

*New fiber-optic cable brings geographical diversity, greater reliability to telecommunications provider's connections to Outside*

**By Rose Ragsdale**

*Alaska-Washington Connection*

**W**hen Alaska Communications Systems brought its new undersea fiber-optic cable on line in April, the company became the only telecommunications provider in Alaska with two subsea links that follow different geographic routes to the Lower 48.

ACS hailed completion of its Alaska-Oregon Network, or AKORN, as one of the nation's most significant projects of its type in the past decade.

Why? Because the high-speed, high-performance fiber-optic cable system has enhanced bandwidth capacity and security between Alaska and the rest of the world at a time when demand for fast and reliable ways to transmit and store vast amounts of data is growing at an

average yearly rate of 40 percent.

"This fiber facility, coupled with our unique in-state data networks, positions ACS to serve significant carrier and enterprise customers who have needs for end-to-end solutions connecting the Lower 48 and Alaska," said ACS Chairman, President and CEO Liane Pelletier. "The physical characteristics of this system, from its distinct exit path from Alaska to its unique undersea path to its strategically located landing site in Oregon, its 25-year life, substantially superior performance characteristics, and bandwidth capacity that is greater than any other fiber linking the Lower 48 and Alaska, translate into a superior asset able to compete for an estimated \$200 million market shaped by strong growth fundamentals."

see **ACS** page 23



Steve Gebert, ACS director of program management, displays a 51-pound king salmon caught in the Kenai River.

COURTESY OF ALASKA COMMUNICATIONS SYSTEMS

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COURTESY OF ALASKA COMMUNICATIONS SYSTEMS

Alaska Communications Systems supplier, Tyco Telecommunications of Baltimore, Md., brought its cable ship, the CS Resolute, to Alaska in July 2008 loaded with 3,000 kilometers, or 1,860 miles, of the special fiber-optic cable and ready to be deployed from Homer to Florence, Ore.

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## ACS

“AKORN brings competition, route diversity and massive capacity to Alaska,” said ACS Executive Vice President Anand Vadapalli, who is in charge of technology and operations at the Anchorage-based company.

Alaska businesses, institutions and government agencies are clamoring for more bandwidth, and AKORN gives ACS an important competitive edge with large commercial customers, the company’s newest target market, said Steve Gebert, ACS director of program management.

“Everybody wants more bandwidth,” Gebert said. “As businesses become more global and spread out geographically, they need to have their different offices interconnected.”

ACS undertook construction of the new undersea cable at a cost of roughly \$105 million. The company chose a unique route from Point Woronzof in West Anchorage across Cook Inlet to the Kenai Peninsula and overland to Homer before burying it beneath the ocean floor across the Gulf of Alaska to Florence, Ore.

The three other undersea fiber optic cables in Alaska follow similar routes down Turnagain Arm before entering the Gulf of Alaska in Whittier or Valdez and then connecting with Lower 48 communications networks in Oregon or Washington State.

“Previously, Alaska’s businesses sent all their traffic through cables that run in close proximity to each other, making them highly susceptible to disaster,” said Vadapalli. Gebert said most

*see ACS page 24*

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continued from page 23

## ACS

of Alaska's communications could have been affected by a single catastrophic event.

AKORN enables ACS to offer its nearly half a million customers the security of redundant communications links to the rest of the world, an important protection in a place prone to natural disasters such as earthquakes, volcanic eruptions and avalanches. This is especially critical for the military, government, businesses and carrier customers, according to ACS.

"Our customers' data is so critical that with AKORN, we are preparing not only for the Big One, but also for all of the little ones," Gebert said.

### Fiber technology advances

Despite the gargantuan workload it is designed to handle, and the tough outer sheath making the cable incredibly strong and robust, the heart of the AKORN cable has a surprisingly delicate appearance.

"The individual strands of fiber-optic glass are as thin as a human hair, and laser equipment at each end of the network transmit information via laser light across that glass and it is amplified as it goes through repeaters that lay on the bottom of the ocean that operate electronically for 25 years, or the life of the system," Gebert said.


The AKORN cable contains four fiber pairs while Alaska's other subsea cables have just two or three pairs, and a much lower design capacity. The four fiber pairs enables AKORN's cable and advanced electronics in the network to move an incredibly vast amount of data, more than triple Alaska's exist-

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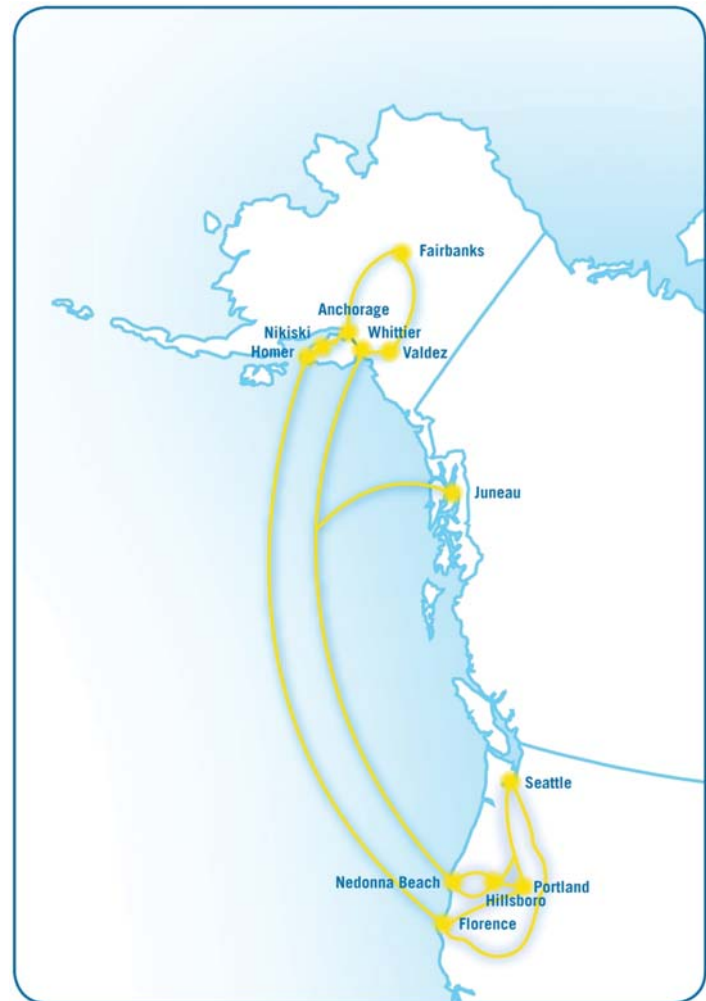
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COURTESY OF ALASKA COMMUNICATIONS SYSTEMS

ACS Cable System Map

ing interstate bandwidth capacity.

Using the newest technology available, the system has ultimate capacity to transmit 64 10-gigabit wavelengths on each of the four fiber pairs for a total potential bandwidth of about 2.6 terabits per second, or the data equivalent of 320 sets of Encyclopedia Britannica or 33 million simultaneous phone calls per second.

To lay the cable, ACS supplier, Tyco Telecommunications, brought its ship, the CS Resolute, to Homer in July 2008 loaded with 3,000 kilometers, or 1,860 miles, of the special fiber-optic cable. Enclosed in armored casing, the fiber cable was buried at least 1.2 meters, or nearly four feet, beneath the ocean floor.

Divers buried the first 100 kilometers, or 62 miles, of the cable under Cook Inlet before crews extended the cable overland from Nikiski to Homer. There, the Resolute's crew went to work laying the cable under the ocean floor at a greater depth than previous cables to protect it from fishing gear and boat anchors.

The high-speed, high-performance cable will be continuously monitored and managed by ACS' dual network operations control centers in Anchorage and Raleigh, N.C., a security feature that no other telecom carrier in Alaska provides.

"AKORN is the only fiber-optic cable that connects Alaska to the world along a geographically diverse route for greater security and reliability," said Vadapalli.

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## ACS

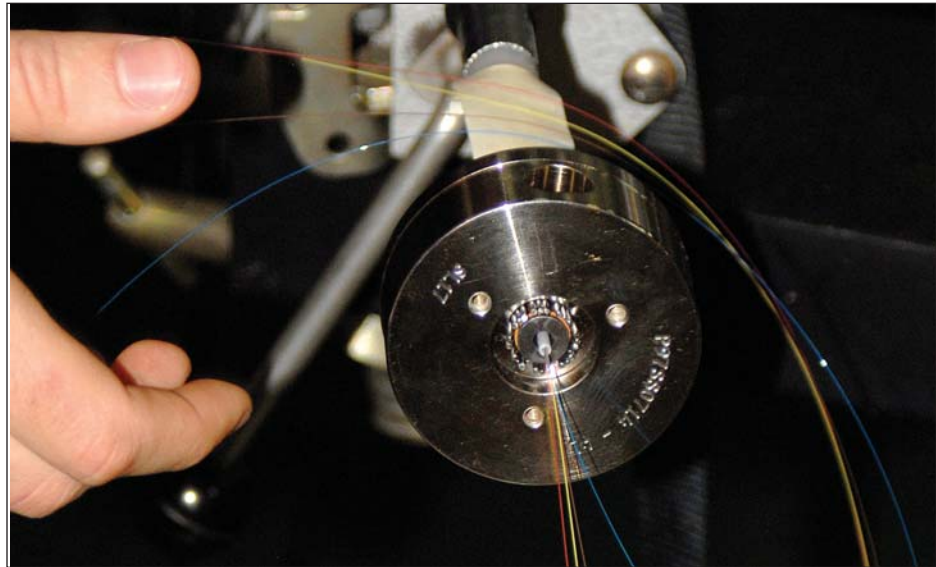
### Redundant network, reliable service

With a total investment of \$175 million, ACS not only built AKORN, it also purchased Crest Communications in October. Crest owned the Northstar network, one of Alaska's three existing sub-sea fiber-optic cables. Since its acquisition, ACS has upgraded Northstar to OC-192 increments.

Today, AKORN complements Northstar, which links Anchorage with Nedonna Beach, Ore. Both cables travel from their separate landing sites in Oregon to network peering points in Portland and Seattle over diverse paths. Together, they create a fiber ring that provides alternate routes in the event of a network disruption and have the ability to reroute traffic in less than 50 milliseconds, according to ACS.

AKORN and Northstar also are integrated with the only statewide MPLS network, connecting cities across Alaska and linking Anchorage and Fairbanks — Alaska's major economic corridor — with dual fiber routes.

MPLS networks allow businesses to



COURTESY OF ALASKA COMMUNICATIONS SYSTEMS

Alaska Communications Systems' new AKORN fiber-optic cable is capable of exchanging 2.6 terabits of data per second, faster than all of the older undersea cables in the state. AKORN has four fiber pairs, while the three other cables contain two pairs each.

have a cost-effective, private, secure and easy-to-use Internet services in lieu of having to build their own point-to-point circuits, ACS said.

"AKORN represents ACS' single largest project in its history, but its value is enhanced because it leverages all of our network assets. Our statewide, and now interstate, diversity is part of our portfo-

lio of services designed to ensure business continuity for Alaska businesses, including remote data hosting in our carrier-grade facility in Hillsboro, Ore.," Vadapalli said. "Our statewide IP-based network, combined with the AKORN and Northstar cable systems gives ACS customers capacity and reliability unmatched by any other Alaska carrier." ♦

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# Top law firm opens Anchorage office

*Stoel Rives is enhancing its services in Alaska by bringing some of its best natural resources, environmental lawyers to the state*

**By Rose Ragsdale**  
*Alaska-Washington Connection*

**S**toel Rives LLP, one of the nation's leading business law firms providing corporate and litigation services, recently opened an office in Anchorage.

The Seattle-based firm has nearly 400 attorneys with 74 practices operating out of 12 offices in eight primarily western states. Rated among the best regional practices in Alaska, Idaho, Oregon, Utah and Washington by the 2009 Chambers USA, Stoel Rives also has won national ranking among the top 10 law firms for its renewables and alternative energy practice.

Stoel has represented oil and gas companies, hotels, hospitals, ski resorts, utilities, retailers and manufacturers in Alaska for many years, and opening a new office in Alaska was a natural next step that gives the law firm the opportunity to continue providing service to its existing Alaska clients and to be a part of Stoel Rives' deepening commitment to the Alaska marketplace, according to Stoel spokeswoman Kathleen Sebastian.

The Anchorage office focuses particularly on representation of clients engaged in the exploration and development of Alaska's oil, gas and mineral resources and provides the full array of business and litigation services to clients in a broad range of industries.

## Lots of legal muscle

A cadre of leading attorneys and other professionals at Stoel Rives are now based in Anchorage. Among them: office managing partner Jim Torgerson, members Joe Perkins and John Kauffman and associate Yvonne Lamoureux.

"When I looked at the Alaska legal market last fall, I couldn't understand why the



Jim Torgerson, Alaska office managing partner for Stoel Rives joins associate Yvonne Lamoureux and legal secretary Cecelia Ebue, left, in the law firm's conference room at 510 L Street, Suite 500, in Anchorage.

major Northwest firm most focused on energy and natural resources didn't have an office in Alaska," said Torgerson. "Those are the primary drivers of our economy. When I learned Stoel Rives was interested in opening an office here, I wanted to be part of it."

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*"When I looked at the Alaska legal market last fall, I couldn't understand why the major Northwest firm most focused on energy and natural resources didn't have an office in Alaska. Those are the primary drivers of our economy. When I learned Stoel Rives was interested in opening an office here, I wanted to be part of it. —Jim Torgerson, Anchorage office managing partner, Stoel Rives*

---

Torgerson is a leading litigator, especially in environmental, False Claims Act, Native American, and white-collar criminal disputes. A former chief of both the civil and criminal divisions of the U.S. attorney's office in Alaska, he has represented such leading companies as Alaska Airlines, Alyeska Pipeline Service Co., Cook Inlet Region Inc., Koniag Development Corp., KPMG LLP, NANA Development Corp. and Peak Oilfield Service Co.

Perkins, who practices in the firm's resources, development and environment group, represents mining companies, oil and gas companies, Native corporations

and financial institutions in connection with mining and oil and gas properties, transactions and projects. In nearly 30 years, he has worked for virtually every major mining, oil and gas company active in Alaska, for their lenders in particular transactions and for several Alaska Native regional corporations.

Perkins also has been recognized by Best Lawyers in America in the area of natural resources law.

In July, corporate attorney John Kauffman joined the Anchorage office, adding further scope to the firm's Alaska presence.

Kauffman has represented investors, entrepreneurs and corporate management in a variety of business and strategic matters. His work has included startup formation and growth, mergers and acquisitions, venture capital, commercial and other private financings, public securities offerings and public company reporting and compliance.

Lamoureux is an associate with a practice that encompasses a variety of litigation matters, including contract disputes, environmental litigation and white collar criminal defense. ♦



# Railroad debuts new recreation access

*Partnership with Forest Service offers transportation to the Chugach National Forest for hikers, campers and outdoor enthusiasts*

**By Rose Ragsdale**

*Alaska-Washington Connection*

**A**laska Railroad has teamed up with the U.S. Forest Service to introduce a new “Whistle Stop Service” to the Chugach National Forest this year.

The partnership between state-owned Alaska Railroad Corp. and the U.S. Forest Service offers the public a distinctive travel and recreational experience found nowhere else in the United States.

The railroad completed the first phase of the project, including opening of the Spencer Glacier Whistle Stop in June. The railroad and the Forest Service dedicated a new self-propelled railcar, the “Chugach Explorer,” to the whistle stop service June 30.

The fuel-efficient all-in-one Chugach

see **RAILROAD** page 28



COURTESY OF THE ALASKA RAILROAD CORP.

The fuel-efficient all-in-one Chugach Explorer is a bi-level diesel multiple unit built especially for the Alaska Railroad's new Whistle Stop Service to the Chugach National Forest.

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continued from page 27

## RAILROAD

Explorer is a bi-level diesel multiple unit that can stop and start in a short distance and has the power to pull two additional railcars. It seats 90 upstairs with 20 seats downstairs and features a galley to support onboard food service. Two additional seats are Americans with Disabilities Act compliant, and both of the railcar's exits are equipped with a wheelchair lift.

Passengers can board the new DMU train in Anchorage, Girdwood or Portage and travel deep into the Chugach National Forest to remote areas of Alaska that can only be accessed by train.

The railroad acquired the new \$5.7 million passenger coach with a federal agency grant in partnership with the Forest Service and the Federal Transit Administration. It is one of about a dozen

such railcars in the United States that meet the more stringent federal crash-worthiness design standards required of passenger cars that operate in concert with freight cars.

The Forest Service has applied for another grant to purchase a second unit as a backup for the new service.

### More whistle stops

The completed project will include a series of 5 whistle stop stations where

*The railroad acquired the new \$5.7 million passenger coach with a federal agency grant in partnership with the Forest Service and the Federal Transit Administration. It is one of about a dozen such railcars in the United States that meet the more stringent federal crash-worthiness design standards required of passenger cars that operate in concert with freight cars.*

visitors can disembark the train to take a day or overnight trip into the heart of the Chugach National Forest. Plans call for a connected system of trails linking the different recreation sites and allowing visitors access to lakes, glaciers and high mountain passes.

Other recreation opportunities include guided interpretive hikes along the more developed trail segments as well as opportunities to engage in a vari-

ety of outfitted or guided recreation opportunities. Adventure travelers can now step off the train at Spencer Glacier and take a 5.4 kilometer hike to the glacier on their own or opt for a guided 1.5-kilometer hike with a naturalist. Others may choose to go on a guided rafting or canoe trip with Chugach Adventure Guides. Two group campsites also may be reserved.

### GoldStar Service expands

In May, the railroad also added its popular GoldStar Service to its Coastal Classic passenger train service that travels between Anchorage and Seward.

Touted as the "Best View from the Best Train in the World," the GoldStar Service is an innovation that the railroad debuted in 2005 when it added two new double-deck dome cars to its fleet.

The railroad purchased two more cars in 2007 and the new cars were put into service on the Denali Star passenger service in 2008.

High demand for the GoldStar Service aboard the Denali Star train led the railroad to purchase two more of the \$4 million luxury dome cars in 2008. ♦

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# Kenworth Alaska keeps state trucking

*Longtime dealer prepares for future growth in economy with major upgrades, larger service areas at Anchorage and Fairbanks stores*

**By Rose Ragsdale**  
*Alaska-Washington connection*

**K**enworth Alaska is one organization with a strong Alaska-Washington connection.

Part of the Kenworth Northwest dealerships owned by the Cymbaluk family, Kenworth Alaska has served transportation needs in Alaska for decades from locations in Anchorage and Fairbanks.

“Not only did we recently build and move into a new \$3 million facility in Fairbanks, we also completed a \$3 million remodel of our store in Anchorage,” said Kenworth Alaska general manager Jim Scherible.

Kenworth Alaska nearly doubled the size of its service area in Anchorage at 2838 Porcupine Drive, jumping from eight bays

see **KENWORTH** page 30



COURTESY OF KENWORTH ALASKA

Kenworth's W900L (pictured) and T800 truck models, spec'd with high horsepower engines, heavy rear ends and suspensions, are popular models in Alaska because they can handle the heavy loads haulers routinely pull up the demanding 414-mile Dalton Highway to Prudhoe Bay.

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continued from page 29

## KENWORTH

to 15 bays, including one enclosed wash bay.

In Fairbanks, the dealer tripled its service space with a 21,000-square-foot store housing 10 service bays and one wash bay.

Kenworth Alaska employs 40-45 workers, but is looking for mechanics. "They're always hard to find," said Scherieble, "but with the recession down south, it's getting easier."

Since the facility is so much bigger, Kenworth Alaska is the only truck dealer in Fairbanks to offer services under a single roof and in a building designed specifically as a heavy duty truck dealership, according to Ken Mason, chief operating officer at Kenworth Northwest.

The parent company also has five Washington State locations: Aberdeen, Bellingham, Marysville, Yakima and Seattle-Tacoma International Airport.



COURTESY OF KENWORTH ALASKA

Kenworth Alaska-Fairbanks's larger store at 2262 Van Horn Rd. is helping the dealership sell and service more trucks, including the Class 7 Kenworth T300 box van, which is already a popular medium-duty choice for making local deliveries, particularly heating oil and propane, to residences and commercial locations.

### Serving the Interior and North Slope

The Fairbanks store is conveniently located on a 3.3-acre

site near the crossroads for State Highway 2, the western route to Canada, State Highway 3, the southeastern route to Anchorage, and the Dalton Highway, the northern route to Prudhoe Bay.

The 414-mile Dalton Highway, or "Haul Road," leads to the oil fields of Prudhoe Bay and is among the world's most treacherous stretches of highway. The demanding, mainly gravel road follows the Trans-Alaska Pipeline and climbs more than 120 mountain grades and hills with 25 grades approaching or exceeding 18 percent. Temperatures can fall to 50 or 60 degrees below zero. Because trucks face such extreme conditions, reliable parts availability and service following the sale become critical to their operation.

"As pipeline maintenance on the trans-Alaska oil pipeline system expands and work begins on a new trans-Alaska gas pipeline, our facilities are positioned to serve the needs of customers involved in oil and gas and other industries in Alaska for years to come," said Jim Scherieble, Kenworth

Alaska's general manager.

Its commitment to customer service and dealer support helped Kenworth's dealer network of nearly 300 locations in the United States and Canada receive the 2006 J.D. Power and Associates award for "Highest in Customer Satisfaction for Heavy Duty Dealer service."

### Ready for the next wave

"We have been selling 70 to 100 trucks a year in Alaska for 15 years, and now we have a large population of trucks to service," Scherieble said.

The larger stores give the dealer the space to service not only Kenworth trucks but also other heavy and medium duty trucks.

Scherieble said Alaska's trucking industry has undergone significant changes related to emissions control recently. This caused truck sales to dip in 2008 as buyers slowed their purchases.

"But sales are beginning to pick up now," he said, adding that Kenworth is one of the last truck manufacturers offering custom-built features to buyers. ♦

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# Firm services unusual equipment

*Rotating Services thrives in Alaska-Washington business environment; expands scope of specialized offerings*

**By Rose Ragsdale**  
*Alaska-Washington Connection*

**R**otating Services LLC, likely one of the most unusual small businesses operating in the Alaska-Washington environment, looks for opportunities off the beaten path, and the payoff for the services it provides has been exponential.

Bret Burroughs founded Rotating Services Inc. in September 1999. He converted it into a limited liability corporation in April 2000.

Rotating Services drew on Burroughs' experience to get its start in Alaska, providing maintenance, repair and inspection services for large industrial turbines. Burroughs had most recently worked eight years for European Gas Turbines in Anchorage.

"I retired to do this," he said. The entrepreneur had moved to Alaska in 1988 from Colorado.

But the small company that he launched soon found that servicing industrial turbines is a capital-intensive business and began looking for opportunities to diversify its services.

A big chance came along in 2003, when RSI shifted its focus to servicing industrial equipment on military bases and installations in Alaska.

The firm won contracts to provide maintenance and repair services for various types of equipment and systems on Eielson Air Force Base and Fort Wainwright Army Base near Fairbanks, Elmendorf Air Force Base and Fort Richardson Army Base in Anchorage and at Clear Air Station near Delta Junction.

Rotating Services since had done so well in this arena that it expects to expand this business. The company bid this summer for a contract to provide the services on a U.S. military base in Guam, Burroughs said.

Rotating Services also split its operations into two companies — Rotating Equipment Co. and Industrial Hoists and Purchasing Co., hoping to build on its business reputation by providing quality products and services that give customers top performance, by reducing price through efficiency and quality.

In June, Rotating Services added a third company to its family of businesses. The new addition, called Rotating Scales, certifies and services various types of industrial scales in Alaska.

"You know those scales in grocery stores that you put your vegetables on while shopping? Those scales are going to have our sticker," Burroughs said.

## People give firm its edge

The firm employs anywhere from 10 to 13 full-time specialists, depending on the season. They offer an eclectic mix of maintenance and repair services as well as continuing education and training in certain specialized fields.

Rotating Services provides preventative, scheduled and emergency maintenance to ensure that its customers' equipment runs reliably at peak performance. The company provides field maintenance, overhaul and refurbishment services and sales on industrial equipment and parts, including turbine



COURTESY OF ROTATING SERVICES LLC

Rotating Services LLC installs an overhead hoist at Elmendorf Air Force Base's Hangar 11 in Anchorage.

power plants, pumps, generators, compressors and flare systems.

Rotating Services also offers continuing education courses and training in such areas as hospital human resources; vibration and alignment; basics of industrial power; boiler operation, maintenance and safety; HVAC and air distribution; project management; and pumps and pump systems.

The firm's engineering staff is available to design new and update existing control systems.

Field services, such as borescope inspections, vibration monitoring and equipment that is properly aligned and balanced, predict and prevent costly down time.

Oil flushing and overhaul services as well as turbine blade coating are also available. Such services can provide customers with extended life and performance on their equipment.

"High quality materials and dependable parts combined with a dedicated team of highly trained professionals give our company the edge to produce very reliable products where others fail," boasts Rotating Services at [www.rotatingservices.com](http://www.rotatingservices.com).

"We have established rigid inspection criteria that complement our standard operating procedures and ensure customer satisfaction with safety and quality at the forefront of our daily focus," the firm adds.

As the company nears its 10-year anniversary, Rotating Services says it also has acquired a depth of knowledge that allows it to address its customer needs during the planning and design phase through installation and commissioning of equipment.

Burroughs said Rotating Services is called on to provide a variety of its services around the world, especially in Asia and Africa, by former Alaskans who move to overseas locations and want their new operations to benefit from the exceptional quality of services that his company provides.

"We also do a lot of charity work, including in Africa," he said. "Right now, we are building a hospital in southern Sudan."

"I once asked my banker what we do, and he replied, 'You do a lot of weird jobs in faraway places.' That sums it up pretty well," he said. ♦

# Port eyes record-setting cruise season

Seattle gateway marks 10th year in business by opening new \$72 million Smith Cove Cruise Terminal to accommodate growing traffic

By Rose Ragsdale

Alaska-Washington Connection

The Port of Seattle's connection with the Alaska segment of the cruise industry just keeps growing. A record 211 vessels are expected to bring an estimated 801,000 passengers to Seattle on their way to Alaska during the 2009 cruise season, which began in April and will end around Labor Day.

And more growth is expected in 2010. For the first time ever, Carnival Lines will operate a schedule of seven-day Alaska cruises round-trip from Seattle, beginning in May 2010.

The cruise industry has a major

impact on the Seattle area economy. In 2008, its annual business revenue totaled \$274 million, producing 2,380 jobs and \$8 million in yearly state and local taxes.

The port's cruise business has grown steadily from just six ships and 6,600 passengers in 1999. The 2008 season

Seattle played host to 210 cruise ship visits and an unprecedented 886,039 passengers, nearly all destined for Alaska's pristine wilderness. It also marked the

first time Seattle surpassed Vancouver, B.C. in passenger numbers.

In 2009, more cruise ships were scheduled to call times at Port of

Seattle terminals, but the recent economic recession was expected to take its toll

*The new two-story, 143,000-square-foot Smith Cove passenger terminal - located just north of downtown Seattle - opened in April.*

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*For the first time ever, Carnival Lines will operate a schedule of seven-day Alaska cruises round-trip from Seattle, beginning in May 2010.*

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with a 10 percent decrease in passenger bookings.

"The cruise business means local jobs — every cruise ship that comes in contributes over \$1.7 million to the local economy," Port Commissioner Gael Tarleton said in a statement at the start of the 2009 season April 24.

The new two-story, 143,000-square-foot Smith Cove passenger terminal — located just north of downtown Seattle — opened in April. It offers two 1200-foot berths and the world's only facility equipped with two shore power plug-ins for cruise ships, while the Bell Street Pier Cruise Terminal will continue to serve cruise passengers on Seattle's downtown waterfront.

The Smith Cove terminal was completed in time for the 2009 season at a cost of \$72 million and will house Holland America, Princess Cruises, and Royal Caribbean.

## More cruises, more choices

Homeport cruise lines and destinations in 2009 include the following:

Celebrity Cruises offers 7-day Alaska cruises on the Celebrity Infinity; and 3- and 4-day Pacific Northwest cruises from Seattle on the Celebrity Mercury. Both vessels depart from Bell Street Pier Cruise Terminal.

Holland America Line offers 7-day cruises from Seattle to Alaska on the ms Zaandam, ms Westerdam and the ms Amsterdam. Sailings depart Friday, Saturdays and Sundays from Smith Cove Cruise Terminal.

Norwegian Cruise Line offers 7-day cruises from Seattle to Alaska on the NCL Star and the NCL Pearl. Sailings depart Saturdays and Sundays from the Bell Street Pier Cruise Terminal.

Princess Cruises offers 7-day cruises

see **CRUISE** page 33

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COURTESY OF THE PORT OF SEATTLE

A cruise ship departs the Port of Seattle as a tugboat spouts streams of water into the air nearby. The port's cruise traffic continues to grow, despite effects of the economic recession.

*continued from page 32*

**CRUISE**

from Seattle to Alaska on the Golden Princess and Star Princess. Sailings depart Saturdays and Sundays from Smith Cove Cruise Terminal. The Pacific Princess will

offer 14-day Alaska sailings every other Thursday from Smith Cove Cruise Terminal.

Royal Caribbean offers 7-day cruises to Alaska on the Rhapsody of the Seas departing Smith Cove Cruise Terminal every Friday.

Starting in 2010, Carnival Cruise Lines' 2,124-passenger Carnival Spirit also will depart the Port of Seattle on Tuesdays between May 11 and Aug. 31.

Cruise passengers can now select from 12 different ships departing Seattle going to Alaska or the Pacific Northwest. ♦



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# All-suite hotel offers luxury on a budget

*Alaska's first Embassy Suites celebrates one-year anniversary at serving savvy business and leisure visitors to Anchorage*

**By Rose Ragsdale**  
*Alaska-Washington Connection*

**E**mbassy Suites Anchorage is joining the State of Alaska in achieving milestones this year. While the State is commemorating a venerable 50 years of statehood, the new 169-suite hotel is celebrating its first full year in business.

Located in midtown Anchorage on Benson Boulevard, the hotel is the upscale brand's first property developed and owned by Colorado-based Stonebridge Companies.

"With such a strong value proposition, and excellent performance and quality standards, Embassy Suites is a winner for both the developer and the consumer," said Stonebridge Companies President and CEO Navin C. Dimond.

Embassy Suites Anchorage is also the

fourth hotel that Stonebridge has developed in Anchorage. The company currently manages the other three Hilton Family hotels in Anchorage: the Hilton Garden Inn® - Anchorage, Homewood Suites by Hilton® - Anchorage and the Hampton Inn® - Anchorage in addition to its own property.

## One of a kind

The Embassy Suites' central location, just one block from the headquarters of BP Exploration (Alaska) Inc. and within walking distance of a variety of restaurants and shopping options makes it well-suited to the needs of both business and leisure travelers.

The hotel features an atrium with special touches in its décor to showcase the local flavor of Anchorage, including a vari-

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*"The hotel is a one-of-a-kind product. We offer four-star quality service, and a four-star designation for the hotel is pending." —Jeff Gehrman, area director for Stonebridge Gehrman.*

---

ety of stone work and a signature water feature - three brushed steel whales' tails - as well as other unique Alaska-influenced objects.

"The hotel is a one-of-a-kind product," said Jeff Gehrman, area director for Stonebridge Gehrman. "We offer four-star quality service, and a four-star designation for the hotel is pending."

The hotel features spacious, one- and two-room suites as well as whirlpool suites

see **EMBASSY** page 35

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COURTESY OF EMBASSY SUITES

Alaska's first Embassy Suites, located at 600 E. Benson Boulevard in Anchorage, is one of nearly 200 hotels in the fast-growing hospitality industry chain.

*continued from page 34*

## EMBASSY

— all offering a separate living area with a sofa bed and desk, private bedroom and bath, two televisions, wired and wireless high-speed Internet access, refrigerator, microwave oven, and coffeemaker.

### Budget-conscious pick

Other core amenities such as complimentary, cooked-to-order breakfast and nightly manager's receptions Mondays-Fridays with appetizers, beer, wine and mixed drinks round out an outstanding selection of services.

"If you are on budget, you can come downstairs (to the manager's receptions), pick up some food and interact with other business people," Gehrman said.

The Embassy Suites also boasts a business center, meeting space with onsite catering, indoor pool, whirlpool and Precor® fitness center as well as complimentary shuttle service to and from Ted Stevens

Anchorage International Airport two miles away.

Gehrman told the Alaska-Washington Connection that Embassy Suites Anchorage has reason to celebrate because it had a really good first year, and is holding its own, along with Stonebridge's other Alaska properties, in an economy that has brought significant challenges to the hotel industry nationwide.

"The oil and gas industry has been very receptive to our services," he said. "I think that is because we have 5,000 square feet of meeting space and a very fine restaurant."

In keeping with the Alaska theme throughout the property, the hotel's full-service restaurant, Pi, offers traditional Alaska cuisine. But the dishes come with a twist. Menu items such as Hawaiian Sliders made with Kalua pork, Crab Mac & Cheese, Russian Perok, Ponzu Lemongrass Scallop & Shrimp Brochette and Halibut BLTs offer diners a taste of Alaska with influences from around the world.

"I call the cuisine 'nouveau

comfort food, with a healthy twist,'" said Gehrman. "The chef at Pi works very hard to

ensure that people have an opportunity to eat well on the road." ♦



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# Carrier takes care of Alaska seafood

*Alaska Air Cargo launches new employee training initiative designed to ensure freshness of state's seafood shipments nationwide*



COURTESY OF ALASKA AIRLINES

**By Rose Ragsdale**

*For Alaska-Washington Connection*

**A**laska Air Cargo has initiated a new quality control program designed to ensure that seafood shipments are kept cold so they can arrive as fresh as possible at grocery stores and restaurants across the nation.

Every year, Alaska Air Cargo plays a significant role in supporting the Alaska seafood industry, which is recognized worldwide for its sustainable fishing practices. In 2008, the carrier flew more than 30 million pounds of fresh Alaska seafood to the Lower 48 and beyond, including up to 1 million pounds of Copper River salmon.

The new quality control initiative makes Alaska Air one of the first air carriers to implement a special training program for employees who handle perishables such as fresh Alaska seafood.

Using strict seafood quality standards, the

Alaska Airlines and its sister carrier, Horizon Air, operates the most extensive air cargo operation on the U.S. West Coast of any passenger airline, shipping more than 150 million pounds of cargo annually, including seafood, mail and freight.

see **ALASKA AIR** page 37



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COURTESY OF ALASKA AIRLINES

Alaska Airlines transports more than 30 million pounds of fresh Alaska seafood annually from fishing towns throughout Alaska to markets and restaurants across the country.

*continued from page 36*

## ALASKA AIR

carriers require employees to pass an annual food quality course. Defined by the seafood industry as “cool chain,” the program is used by processors and shippers to ensure a temperature-controlled environment for proper food handling. The goal is to keep the seafood moving expeditiously throughout its journey on Alaska Airlines and Horizon Air and to maintain temperatures between 32 and 40 degrees for fresh fish from the time it leaves the water until it arrives at stores and restaurants.

Under the cool chain program, Alaska Air Cargo employees and ramp agents receive computer-based training for proper seafood handling. Features of the program have been incorporated with a service called Priority Perishable Express to ensure that perishable shipments have priority handling and receive special attention.

“Preserving the quality of fresh seafood from the bountiful waters of the state of Alaska and delivering it to cities throughout our expansive route network is our top priority,” said Joe Sprague, vice president of Alaska Air Cargo. “Our seafood partners can be confident their shipments will receive the attention they

deserve when they choose Alaska Air Cargo.”

Training and program materials were created by Alaska Air Cargo based on material used by seafood processors throughout the state of Alaska was provided by the Alaska Seafood Marketing Institute and Ocean Beauty Seafoods, LLC.

“Alaskan salmon are shipped thousands of miles to markets and restaurants all over the world, and this program provides first-class treatment throughout the journey and helps to preserve the natural attributes of seafood,” said Jan Koslosky, director of supply chain management for Ocean Beauty Seafoods, LLC. ♦

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# Things to do in Seattle: dramatic arts

*The Emerald City offers visitors a potpourri of live entertainment, including some of the nation's finest theatrical experiences*

**By Rose Ragsdale**

*For Alaska-Washington Connection*

If you ever find yourself with a free evening or two in Seattle, keep in mind that the city is a veritable “mecca” in the Pacific Northwest for cultural and dramatic arts.

Or perhaps your company plans to convene its next meeting in Seattle, and is looking for an inspirational venue to highlight the gathering.

The Emerald City has a wealth of museums, theaters and other attractions to entertain leisure and business travelers in style. Whether big attractions such as Seattle Theatre Group’s Paramount Theatre, 5th Avenue Theatre or Museum of Flight; medium-size venues such as the Seattle Art Museum, Seattle Repertory Theatre or The Village Theatre; or cozy settings like Seattle Theatre Group’s Moore Theatre, Experience Music Project, Bellevue Arts Museum, Burke Museum of Natural History and Culture, Intiman Theatre, and Seattle’s Children’s Theatre, Seattle has something for everyone.

Other notable attractions include the Seattle Aquarium, Woodland Park Zoo and Pacific Science Center.

Here’s a summary of some of the best that Seattle has to offer in live entertainment:

5th Avenue Theatre, a magnificent historic attraction, first opened its doors in 1926. Following a spectacular \$2.6 million renovation, the theatre reopened in 1980, more beautiful than ever. At the opening, actress Helen Hayes declared the ornate theater “a national treasure.” Today, 5th Avenue theatre produces a high-quality program of some 150 musical revivals, premieres of bound-for-Broadway shows, and touring Broadway musicals. The 2009-2010 season opened with the world premiere of “Catch Me If You Can,” (July 23 – Aug. 14); and features “Joseph and the Amazing Technicolor Dreamcoat” (Oct. 13 – Nov. 1); “White Christmas” (Dec. 1 – Dec. 20); “South Pacific” (Jan. 29 – Feb. 18); “Legally



PHOTO BY DICK BUSHNER, COURTESY OF THE 5TH AVENUE THEATRE

No wood was used in the 5th Avenue Theatre’s interior except for the stair banister and lobby furniture. The décor is all plaster, covering a steel and cinder-block base. The center dome in the 2,000-plus seat auditorium is a suspended plaster ceiling. In the event of an earthquake, the dome moves and swings independently so it will not crack the structure of the building.



PHOTO BY JOAN MARCUS, SEATTLE REPERTORY THEATRE

Mix a Hitchcock masterpiece with a juicy spy novel, add a dash of Monty Python and you have the intriguing, thrilling, riotous, comedy smash straight from Broadway, “The 39 Steps.” Seattle Repertory Theatre is featuring the production, Sept. 25-Oct. 18, in the Bagley Wright Theatre. Original Broadway cast members Jeffrey Kuhn and Sean Mahon are pictured.



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## SEATTLE

Blonde” (Feb. 23 – March 14); “On The Town” (April 13 – May 2); and “Candide” May 25 – June 13, 2010 (5th Avenue Theatre Production).

The Seattle Opera, founded in 1963, is a leading American opera company. It presents the classics of the European repertoire as well as new works of American opera. Seattle Opera performs five operas per year. Verdi’s *La Traviata* (Oct. 17-31) is returning to Seattle Opera for the first time in 13 years.

Seattle Repertory Theatre, one of the largest and most renowned regional theatres in the country, produces a mix of classic comedies, recent Broadway hits and cutting-edge new dramas in two theatre spaces. Since its founding in 1963, many famous actors have “walked the boards at the Rep.” Winner of the 1990 Tony Award for Outstanding Regional Theatre, Seattle Repertory Theatre has premiered plays by August Wilson, Neil Simon, John Patrick Shanley, Wendy Wasserstein, Sarah Ruhl and many others. Productions this fall feature “Equivocation” (Nov. 18-Dec. 13); an exciting collaboration with Oregon Shakespeare Festival, the Broadway hit



ROZARIL LYNCH, SEATTLE OPERA

*La Traviata* is a glamorous and heartfelt portrait of a worldly courtesan forced to give up the man of her dreams and arguably Verdi’s most accessible and popular opera. Nuccia Focile (shown here in *La bohème*) stars in *La Traviata* as the courtesan Violetta.

based on Alfred Hitchcock’s thriller *The 39 Steps* (Sept. 25-Oct. 18); and “Opus” (Oct. 30-Dec. 6), a “behind-the-music” look at a string quartet.

Intiman Theatre, one of the nation’s

top theaters, is defined by a bold vision in the production of classics and new plays. Winner of a 2006 Tony Award for Outstanding Regional Theatre, the Intiman’s work is characterized by exceptional acting, rigorous storytelling and luminous designs. Founded in 1972 by Margaret Booker, who named her company after a small theatre in Stockholm founded by Swedish playwright August Strindberg, the Intiman means “intimate” in Swedish. Featured productions this fall include “The Year of Magical Thinking” (Aug. 21-Sept. 20); “Abe Lincoln in Illinois” (Oct. 2-Nov. 15); and “Black Nativity” (Dec. 1-27).

Pacific Northwest Ballet, one of the largest and most highly regarded ballet companies in the United States, was founded in 1972. In July 2005, Peter Boal became artistic director, succeeding Kent Stowell and Francia Russell, who served as co-artistic directors since 1977. The company of 51 dancers presents more than 100 performances each year of full-length and mixed repertory ballets at Marion Oliver McCaw Hall and on tour around the globe. The Pacific Northwest Ballet will perform its cherished Stowell/Sendak “Nutcracker” Nov. 27–Dec. 30. The ballet also will perform Sept. 7 at Bumbershoot, Seattle’s music and arts festival, at the Seattle Center. ♦

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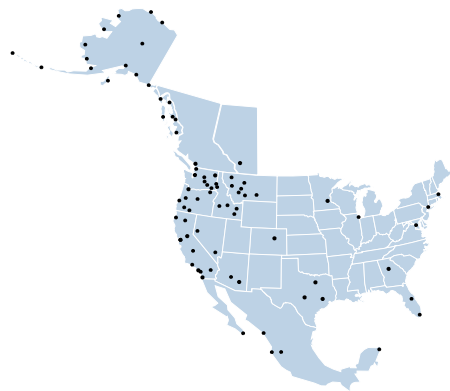
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