

SCR

15

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of MARCH 4, 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: RESOURCES

**FISCAL NOTE(S) ATTACHED 1 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

2/19/87

DATE TURNED INTO OFFICE MAR. 12, 1987

Mr. President:

STATE AFFAIRS

Committee considered SCR 15

Relating to the use of Alaska wood products.

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Jan Fair
Pete Vukobratovic
Willie Henderson
Lee P. Josephson

Gen. Mitchell Hood
Chairman signature and recommendation

Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SCR 15
Publish Date: _____

REQUEST _____

Revision Date: _____
Title: A resolution relating to the
use of Alaska wood products.

Agency Affected: Department of Administration
BRU: General Services & Supply

Sponsor: Josephson, Eliason, Jones, Zharoff Components: Purchasing
Requestor: _____ and Faiks _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
OPERATING						
PERSONNEL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

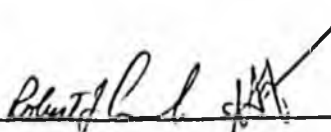
FUNDING: (Thousands of Dollars)


GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:	0	0	0	0	0	0
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

N/A

Prepared By: Robert J. Link  Phone: 465-2250
Division: General Services & Supply Date: March 6, 1987

Approved by Commissioner: Garrey Peska  Date: 3/10/87
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

LETTER OF INTENT FOR HCS CSSB57 (FINANCE)

It is the intent of the Legislature that for the purposes of HCS CSSB57 (Finance), "state money" shall be construed to include but not be limited to state reimbursement to municipalities and school districts for school or related construction; foundation funding for education to municipalities and school districts; municipal assistance; revenue sharing; and capital projects financed by state general funds.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

3/13 ✓
STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March 10, 1987

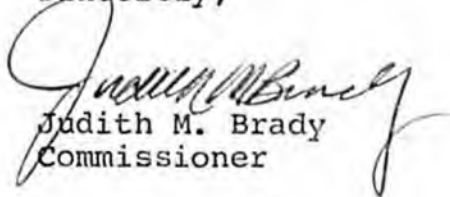
The Honorable Mitch Abood
Senate State Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Abood:

Subject: Resolution relating to the use of ~~Alaska wood products.~~

Recommendation: I heartily endorse this concurrent resolution which would encourage the use of Alaska's own forest products. Attached is a list of ten steps which my department has taken over the past year to encourage and support this concept.

Sincerely,


Judith M. Brady
Commissioner

Enclosure

cc: Committee Members

RECEIVED
MAR 11 1987

USE OF ALASKA WOOD

A report on the Status of the Use of Alaska Wood since the enactment of Article 5 SB 341 which is to become effective on July 1, 1987.

The Division of Forestry in its efforts to stimulate and promote the use of Alaska wood has accomplished the following tasks:

- 1) Assisted in the drafting of Administrative Order No. 87, the Use of Alaska Timber, Agricultural and Seafood Projects. (Effective 3/15/87)
- 2) Developed an information system to inform contractors of the requirements of AS 36.16.010, Administrative Order 87, AS 36.20.010, Senate Resolution No. 7, and SB 341. A six month subscription of Alaska Builder Exchange was ordered and from it all construction projects in Alaska that were deemed to use State funding and have a need for wood were sent a packet of information and a copy of the existing orders and statutes were included.
- 3) Two seminars entitled "Use Alaska Wood Products" were conducted, one in Juneau and one in Anchorage. The technical aspects of using Alaskan wood was covered by a United States Forest Service specialist.
- 4) The Municipality of Anchorage was approached concerning the use of Alaska wood in any of their projects containing State funding. The Eklutna tunnel project was specifically cited. The Municipality agreed where the safety factor was adhered to, the contracts would require the use of the Alaska wood when available.
- 5) Booths were set up demonstrating the use and value of Alaska wood in several of the home shows at the Sullivan Arena, the State Fair, several local fairs and the Resource Development Council Meeting at the Sheraton Hotel.
- 6) DOT/PF specification engineers were provided with information supporting the revision of their standard specifications for highway construction to improve the opportunities for the use of Alaska wood. Indications were that the improvement would be used.
- 7) Design values for wood construction booklets, with the technical information needed by architects and engineers, were purchased and made available to promote the substitution of Alaska woods for those usually specified.

- 8) The old Division of Forestry "Saw Mill" Directory was updated and the name changed to the Alaska Forest Industry Directory. The Department of Commerce and Economic Development reviewed and assisted in the printing of these booklets and they are currently available to all by request from ADCED and the Division of Forestry.
- 9) The Division is cooperating with Bill Aberle of ADCED in developing the regulation for SB 341.
- 10) The Division makes wood samples of the eight commercial species of Alaska Woods available for domestic as well as foreign inquires.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version : SCR 15
Publish Date : _____

Revision Date: 3/10/87

Agency Affected: Natural Resources
BRU: Forest Management

Title: Relating to the use of Alaska
Wood Products

Sponsor: Josephson

Components : _____

Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: James L. McAllister
Division: Forestry

Phone: 465-2491
Date: 3/10/87

Approved by Commissioner: *Anders W. Brandy*
Agency: Natural Resources

Date: 3/10/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary



Grown in Alaska

Made in Alaska



Use Alaska Wood Products

For a Directory of Alaska Forest Products Manufacturers, contact:
Division of Minerals and Forest Products
Department of Commerce and Economic Development
P.O. Box D
Juneau, Alaska 99811-0800
Telephone: (907) 465-2094

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P.O. BOX D
JUNEAU, ALASKA 99811
PHONE: 465-2094

DIVISION OF MINERALS AND FOREST PRODUCTS

DATE: March 4, 1987

TO: Alaska Architects and Engineers

FROM: Thyes J. Shaub, Director *TS*
Division of Minerals and Forest Products
Department of Commerce and Economic Development

SUBJECT: Directory of Alaska Forest Products Manufacturers

The Division of Minerals and Forest Products has recently completed a new publication entitled, "Directory of Alaska Forest Products Manufacturers." The purpose of this directory is to acquaint the contractor, government agencies, the industrial user, engineers and architects, and other wood users with the primary and secondary manufacturers of Alaskan timber products. All operators included in this directory have the capacity to produce at least 100,000 board feet of timber yearly.

In the past, Alaskan timber demand has not been adequate to support efficient and complete Alaskan manufacture. Therefore, consumers have turned to outside and imported lumber. As Alaska has grown so has the demand for forest products. Alaska now consumes more than 100 million board feet of timber products annually. Many sawmills have been established locally to serve the Alaskan market. Alaskan sawmills produce a range of products from house logs to high grade dimensional lumber. However, growth is stymied by outdated buying habits and bid specification practices.

Local producers have often been excluded from bidding on contracts because an outside species such as Douglas fir is specified. The bid process would be more equitable to Alaska producers if the specifications were stated in performance terms rather than naming a particular tree species. Better yet, an Alaskan species could be specified. At the very least, the words "or equivalent" should be added if an outside species is listed in the specifications. We ask that you keep this in mind in writing your specifications.

We have attached the Alaska Testlab test results showing a favorable comparison of Alaska species to Douglas fir in respect to elasticity, compression strength and bending stress. This comparison was done with second growth Douglas fir, a frequent competitor with Alaska species.

March 4, 1987

If you wish to receive a copy of the directories of Alaska Forest Products manufacturers, please contact any of the following people:

Geoff Whistler
Juneau
465-2094

Bill Aberle
Anchorage
563-2165

Norma Martinser
Fairbanks
452-7464

If you have any questions or require further information, contact us or the Anchorage Division of Forestry, Department of Natural Resources, at 762-2123.

THS/wfs0008j
3387b
Attachments

cc: J. Anthony Smith, Commissioner
Department of Commerce & Economic Development
Judy Brady, Commissioner, Department of Natural Resources
George Hollett, Division of Forestry
John Galea, Alaska Loggers Association
Greg Bell, Matsu Loggers Association
Steve LaRue, Interior Wood Cutters Association



MODULUS OF ELASTICITY AND MAXIMUM COMPRESSIVE STRENGTH PARALLEL TO GRAIN

Wood Type	Moisture Content	Test Load (lbf.)	Maximum Compressive Strength (psi)	Modulus of Elasticity Parallel to Grain (100,000 psi)	Average Maximum Compressive Strength (psi)	Average Modulus of Elasticity Parallel to Grain (100,000 psi)	Percent of Douglas-Fir Strength
Sitka Spruce	15%	12800	3200	2.08	3250	2.13	95%
	17%	14475	3620	2.18			
	19%	13000	3250	2.16			
	19%	11000	2750	1.59			
	22%	13200	3300	2.39			
	25%	13500	3380	2.35			
Birch	15%	22200	5500	2.73	4700	2.43	138%
	17%	15400	3850	2.12			
				2.43			
White Spruce	16%	16000	4200	2.31	4420	2.35	130%
	20%	18500	4630	2.39			
Douglas-fir	17%	14400	3600		3410		100%
	20%	14700	3680				
	22%	11750	2940				

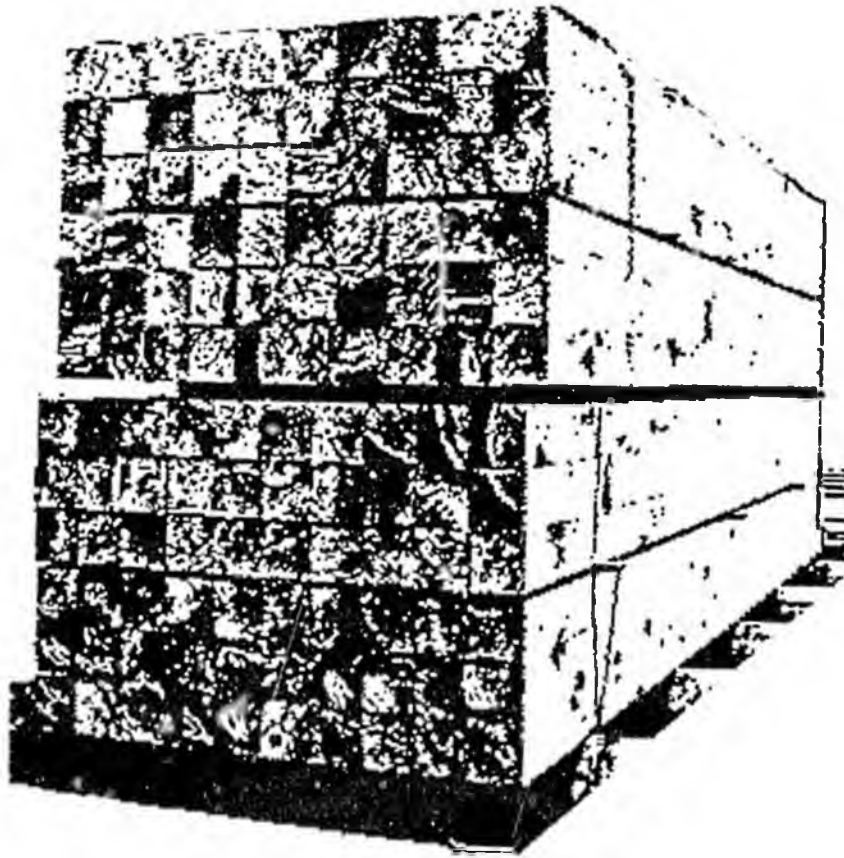


Alaska Testlab

MAXIMUM BENDING STRESS AND MODULUS OF ELASTICITY PERPENDICULAR TO GRAIN

Wood Type	Moisture Content	Test Load (lbf.)	Maximum Bending Stress (psi)	Modulus of Elasticity Parallel to Grain (Million psi)	Average Maximum Bending Stress (psi)	Average Modulus of Elasticity Perpendicular to Grain (Million psi)	Percent of Douglas-Fir Strength
Sitka Spruce * (Less than Grade #1 not used in average)	14%	1010	5150	1.55	5200	1.41	95%
	19%	970	4950	1.54			
	30%	1060	5400	1.14			
	30%	590	3000*	1.20			
Birch	14%	1700	8650	1.98	8700	2.13	150%
	16%	1700	8700	2.27			
White Spruce (Both were less than Grade #1)	17%	1110	5650	1.67	5900	1.69	107%
	20%	1190	6050	1.71			
Douglas-fir	20%	1070	5500	2.85	5500	2.85	100%

Directory of Alaska Forest Products Manufacturers



Department of Commerce and Economic Development

January 1987

Directory of Alaska Forest Product Manufacturers

Division of Minerals and Forest Products
Department of Commerce and Economic Development
State of Alaska

Compiled in cooperation with:

Division of Forestry
Department of Natural Resources

Steve Cowper, Governor
Tony Smith, Commissioner
Department of Commerce and Economic Development
Thyes Shaulb, Director, Division of Minerals and Forest Products

January 1987

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Introduction

From the coastal forests in Southeast Alaska to interior forests extending north of the Arctic Circle, Alaska's forests represent one of the state's most valuable natural resources. Besides their beauty and value as a place for recreational activity, Alaska's forests are major contributors to Alaska's economy. Alaska's millions of acres of forest lands contain an estimated 181 billion board feet of timber, and provide jobs for thousands of Alaskans.

The vast majority of the timber harvested from Alaska's forests is used in the export market, while domestic timber needs tend to be imported. The market developed this way because, in the past, Alaskan timber demand has not been adequate to support efficient and complete Alaskan manufacture. Therefore, consumers have turned to outside and imported timber.

As Alaska has grown so has the demand for forest products. Alaska now consumes more than 100 million board feet of timber products annually. Many sawmills have been established locally to serve the Alaskan market. Alaskan sawmills produce a full range of products from house logs to high grade dimensional lumber. However, growth of local producers is stymied by outdated buying habits.

The purpose of this directory is to acquaint the contractor, government agencies, the industrial user, engineers and architects, and other wood users with the primary and secondary manufacturers of Alaskan timber products. All operators included in this directory have the capacity to produce at least 100,000 board feet of timber yearly. The Department of Commerce and Economic Development encourages you to purchase locally produced forest products. Buying locally produced forest products is good business. It helps to keep the Alaskan economy strong by keeping jobs and money in Alaska. It also helps by allowing local forest product providers to develop and maintain the economy of scale that allows them to offer a competitively priced product.

If you are interested in obtaining material on the attributes of Alaskan wood products, and the advantages to the Alaskan economy of supporting an efficient, diverse forest products industry, or if you are interested in offering comments on this directory or require further information on Alaska's forest industry, please contact the closest office of the Division of Minerals and Forest Products.

Juneau Office:

P.O. Box D
Juneau, Alaska 99811
Phone (907) 465-2094

Anchorage Office:

3601 "C" Street, Ste. 722
Anchorage, Alaska 99503
Phone (907) 563-2165

Fairbanks Office:

1001 Noble Street, Ste. 420
Fairbanks, Alaska 99701
Phone (907) 452-7463

SAWMILLS AND PULPMILLS IN SOUTHEAST ALASKA

<u>Company Name, Address, Contact Person, and Telephone No.</u>	<u>Type of Mill</u>	<u>Associated Equipment</u>	<u>Principal Species Produced</u>	<u>Principal Products</u>	<u>Usual Annual Production</u>	<u>Capacity: MBF Day</u>	<u>MMBF year</u>
Alaska Lumber Mill 10002 Crazy Horse Drive P.O. Box 2696 Juneau, AK 99803 David Lowry Rich Pedersen 789-5025	Band saw	----	Spruce, hemlock	Lumber	1MMBF	5	1
Alaska Pulp Corporation P.O. Box 1050 Sitka, AK 99835 Frank Roppel, Exec. VP J.A. Rynearson, VP Woods Bob Allensworth, Mill Mgr. 747-2255	Pulpmill			Dissolving pulp	150,000 tons	450	200M tons
Alaska Timber Corp. P.O. Box 69 Klawock, AK 99925 Ed and Gregory Head 755-2244	9' Band & slabber - computer- ized	5' Quad Band & band linebar (computerized) lumber trimmer, chipper & debarker	Hemlock, spruce	Lumber, export flitches, chips	100-120MM	150	120
B & D Lumber Box 441 Haines, AK 99827 Leroy Benson Loren Deerdorf 766-2236	Houselog mill & circular	----	Spruce & hemlock	Lumber, houselogs	300MBF	2	.3
Chilkat Lumber P.O. Box 7 Haines, AK 99827 Ray Smith 766-2263	Circular	----	Spruce, hemlock	Lumber, houselogs	0.3-0.5MM	5	1
Christensen's Lumber, Inc. Box 530 Petersburg, AK 99833 722-3993, 3994	Circular	----	Cedar, spruce	Lumber	0.5-1MMBF	5	1
Excursion Inlet Lumber Co. Excursion Inlet, AK 99850 Norman Des Rosiers	Circular	Planer/Shaper	Sitka spruce, Lumber hemlock		0.5-1MMBF	5	1
Herring Bay Rt.2, Box 69 Ketchikan, AK 99901 Ben Fleener 225-4458	Twin circular	Circular linebar resaw & planer	Spruce, red & yellow cedar	Lumber	3-5MMBF	40	5

SAWMILLS AND PULPMILLS IN SOUTHEAST ALASKA

Company Name, Address, Contact Person, and Telephone No.	Type of Mill	Associated Equipment	Principal Species Produced	Principal Products	Usual Annual Production	Capacity:	
						MBF day	MMBF year
Ketchikan Pulp Co. Subsidiary of LP-Corp. P.O. Box 6600 Ketchikan, AK 99901 Martin Pihl, Vice President Steve Hagan, Mill Manager 225-2151	Pulpmill			Dissolving pulp	175,000 tons	650	220M tons
Annette Hemlock Mill Div. of Ketchikan Pulp Metlakatla, AK 99926 Jon Sportsman, Mill Manager 886-4521	Sq. band, slabbing chipper & circular	Multisaw edger, debarker	Hemlock, spruce	Lumber, flitches & chips	75MMBF	400	100
KONCOR Forest Resource Mgt. Co. John Sturgeon, Pres. 3501 Denali, Ste. 202 Anchorage, AK 99503 562-3335	Circular	Edger, trimmer, chipper, resaw	Spruce, hemlock	Lumber, cants, chips	15MMBF	75	15
Sales Office: Tom Tucker One Pacific Bldg. 621 Pacific Avenue Tacoma, WA 98402 Phone: (206) 272-2565 Telex: (206) 272-2644							
MenCo. P.O. Box 316 Haines, AK 99827 David B. Menaker 766-2756	Circular	----	Spruce, hemlock	Lumber	0.5-1MMBF	5	1
Mitkof Lumber Co. P.O. Box 89 Petersburg, AK 99833 Ed Lapeyri 772-3816	Twin Circular	Multisaw edger & trimmer, Rosser head debarker, chipper & planer	Spruce hemlock, red & yellow cedar	Cants, lumber & chips	11-20MMBF	100	20
Northwood Lumber Co., Inc. 6590 Glacier Highway Juneau, AK 99801 Steve Nelson 780-6658	Circular	----	Spruce, hemlock	Lumber	0.5-1MMBF	5	1
Olsen Logging Co. Box 950 Petersburg, AK 99833 Ray Olsen 772-3948	Circular	Band saw with tilt table, planer, gang saw, verticle edger	Spruce, hemlock cedar	Lumber specialty products	5MMBF	15	5

SAWMILLS AND PULPMILLS IN SOUTHEAST ALASKA

<u>Company Name, Address, Contact Person, and Telephone No.</u>	<u>Type of Mill</u>	<u>Associated Equipment</u>	<u>Principal Species Produced</u>	<u>Principal Products</u>	<u>Usual Annual Production</u>	<u>Capacity:</u>	
						<u>MBF day</u>	<u>MMBF year</u>
Papke's Sawmill Box 674 Petersburg, AK 99833 Don Koenigs 772-4200	Circular	----	Spruce, hemlock	Lumber	0.5-1MMBF	5	1
Wrangell Forest Products, Ltd. Box 621 Wrangell, AK 99929 Sales Office: P.O. Box 5380 Ketchikan, AK 99901 Ron Gelbrich 225-2181 Sales Office: 1111 Third Avenue, Ste. 728 Seattle, WA 98101 Mark Edy 206/467-1878	Computer- ized band saw	Bandsaw, planer, gangsaw, vertical edger	Spruce hemlock	WCLIB graded Lumber specialty products, railroad ties	75-100MMBF	400	101

SAWMILLS IN SOUTHCENTRAL ALASKA

Company Name, Address, Contact Person, and Telephone No.	Type of Mill	Associated Equipment	Principal Species Produced	Principal Products	Usual Annual Production	Capacity:	
						MBF day	MMBF year
Anchor Forest Products P.O. Box 61 Sutton, AK 99674 Vic Yukonich 745-4581	Circular	Edger, houselog lathe	Spruce, cottonwood, birch	Lumber & houselogs	75MBF	2	0.1
Bald Mtn. Lumber SR Box 3001 Wasilla, AK 99687 Jim Helminiak 376-2085	Circular	Planer, shaper	Spruce, birch cottonwood	Lumber & houselogs	500MBF	5	1
Barnhardt's Mill & Supply SRB Box 7262 Palmer, AK 99645 Paul Barnhardt 745-3836	Circular	Planer	Cottonwood, spruce, birch	Lumber & houselogs	0.1MMBF	2.5	0.2
Butte Log Scalers SRB Box 7221 Palmer, AK 99645 Ditt Werner 745-4961	Circular	Shingle mill	Cottonwood, spruce, birch	Lumber & houselogs	0.1MMBF	3	0.5
Brotherton Enterprises 3137 E. 84th Anchorage, AK 99507 Harley Brotherton	Circular	----	Spruce, birch	Houselogs, lumber	0.5-1MMBF	5	1
Conrad Contracting Co. P.O. Box 829 Girdwood, AK 99587 Don Conrad 783-2936	Circular	----	Spruce	Lumber & houselogs	10MBF	3	1
Engbretsen, Susan Box 54 Anchor Point, AK 99556 235-7426	Circular	----	Spruce	Lumber &	0.3-0.5MMBF	5	1
GooseBay Wood Products P.O. Box 877185 Mile 5.5 Pt. MacKenzie Rd. Wasilla, AK 99687 Richard A. Greeno 373-0628	Circular	Drykln, planer	Birch, spruce	Lumber, paneling	400MBF	5	1
Habighorst Lumber & Timber P.O. Box 1613 Soldotna, AK 99669 262-5482	Circular	Edger, houselog shaper	Spruce	Lumber, houselogs	0.25-0.5MBF	5	1

SAWMILLS IN SOUTHCENTRAL ALASKA

Company Name, Address, Contact Person, and Telephone No.	Type of Mill	Associated Equipment	Principal Species Produced	Principal Products	Usual Annual Production	Capacity:	
						MBF Day	MMBF year
Hill Top Lumber P.O. Box 46 Willow, AK 99688 Joe (Sonny) Spain 495-6391	Circular	Edger, planer shingle mill	Spruce, cottonwood	Lumber, houselogs	0.1MMBF	3	0.5
Kenai Sawmill Rt. 1, Box 1310 Kenai, AK 99611 D & W Enzler 776-8738	Circular	Bull edger, planer & air-dry yard	Spruce	Lumber & sawn houselogs	1-5MMBF	50	5
Log Specialties 13327 Brant Way Anchorage, AK 99515 Jerry Green 345-3323	----	Log Turning Mill	Spruce, cottonwood & birch	Houselogs, posts & log siding	0.3- 0.52MMBF	40	8
Mahan, Jerry P.O. Box 941 Soldotna, AK 99669 262-2891	Circular	Two-saw edger	Spruce, cottonwood birch & aspen	Lumber, sawn & peeled houselogs	0.5-1MMBF	5	1
Mielke, Robert C. SRA Box 6020 Palmer, AK 99645 745-3119	Band	Planer, Belsaw (12")	Cottonwood, spruce, birch	Lumber	0.25- 0.75MMB	5	1
Poppert Bros. Milling P.O. Box 870051 Wasilla, AK 99687 Dave or Randy Poppert 376-8774	Band (resaw)	Planer, edger, T&G shaper, dry kiln	Cottonwood birch	Paneling, flooring, cabinet stock	.09MMBF	1.5	0.2
Sierra Timber Box 1287 Cordova, AK 99574 Max Fackler 424-7355	Circular	Three-saw edger & planer	Spruce & hemlock	Lumber, houselogs	0.5-1MMBF	5	1
Small Potatoes Lumber Co. SRA Box 500 Homer, AK 99603 Steve & Charlie Gibson 235-6487	Circular	----	Spruce	Lumber, houselogs	0.5-1MMBF	5	1
Susitna Mill & Log, Inc. SR Box 470 Willow, AK 99688 Herbert Reim 495-6340	Circular	Planer, air-dry yard, houselog lathe	Spruce, cottonwood, birch, aspen	Lumber, poles, pilings houselogs	0.5-1MMBF	5	1

SAWMILLS IN SOUTHCENTRAL ALASKA

Company Name, Address, Contact Person, and Telephone No.	Type of Mill	Associated Equipment	Principal Species Produced	Principal Products	Usual Annual Production	Capacity: MBF <u>day</u> MMBF <u>year</u>	
Timberline, Inc. Box 722 Kodiak, AK 99615 Reed Oswalt 486-4180	Circular	Two-saw edger, air-dry yard, trimmer, & planer	Spruce	Lumber	2MMBF	20	10
Trapper Creek Timber Products P.O. Box 874530 Wasilla, AK 99687 Mike McGrary 746-2465	Band	Planer	Spruce, birch & cottonwood	Lumber & houselogs	0.5-1MMBF	5	1
Turner, Sam C. Box 13125 Trapper Creek, AK 99688 733-2581	Circular	Planer	Spruce, cottonwood, birch	Lumber & houselogs	0.5-1MMBF	5	1
Valley Sawmill 6231 1st Seward Hwy. Anchorage, AK 99502 Greg Bell 563-3436	Circular, band saw	Edger, chipper, dry kiln, planer	Spruce, cottonwood, birch	Lumber & houselogs	1-2MMBF	10	2
Wood Pecker Wood Products P.O. Box 3 Talkeetna, AK 99688 Stan Murdock 733-2527	Circular	----	Cottonwood	Lumber & houselogs	0.05MMBF	3	0.5

SAWMILLS IN INTERIOR ALASKA

Company Name, Address, Contact Person, and Telephone No.	Type of Mill	Associated Equipment	Principal Species Produced	Principal Products	Usual Annual Production	Capacity:	
						MBF day	MMBF year
Bay, Kelly McCarthy, AK 99588	Circular	----	Spruce	Lumber	100-200MBF	2	1
Copper Valley Enterprises SR Box 252 Copper Center, AK 99573 Ed Carns 822-3614	Circular	----	Spruce & cottonwood	Lumber & houselogs	50MBF	5	1
Logging and Milling Associates 1379 Alaska Hwy. Delta Junction, AK 99737 895-4127, 895-5200	Circular	Planer, edger, shaper	Spruce	Lumber, houselogs paneling	0.5-1MMBF	5	1
Four Star Lumber Co. 3.2 Mile Parks Highway Fairbanks, AK 99701 Al & Bob Pagh 479-5643	Circular	Multisaw edger & planer	Spruce	Lumber, houselogs	1MMBF	10	2
Log Weavers P.O. Box 429 Kenana, AK 99769 Jeff Harrison	Circular	----	Spruce	Houselogs	400MBF	5	1
Nelson Brothers Ent. General Delivery Chuathbaluk, AK 99557 Garry S. Nelson 467-4214	Circular	Two-saw edger	Spruce	Lumber, sawn houselogs & pilings	100MBF	5	1
North Pole Wood Products SR Box 90675C Mi. 46 Richardson Hwy. Fairbanks, AK 99701 Jack Howard 488-3004	Circular	Edger, planer	Spruce, aspens, birch	Lumber & sawn houselogs	500MBF	5	1
Northland Wood Prod., Inc. 4000 S. Cushman Fairbanks, AK 99701 Jerry and Larry Flodin 452-2182	Circular	Vertical edger planer & air-dry yard	Spruce	Lumber, sawn houselogs, pilings & poles	4-5MMBF	50	5
Pine's Sawmill Box 4 Tok, AK 99780 George Pine 883-2182	Circular	Three-saw edger, five-saw gang, planer, air-dry yard	Spruce	Lumber & houselogs	500MBF	8	1
Rustic Alaska Homes P.O. Box 80761 Mile 1 Goldstream Road Fairbanks, AK 99708 Richard Hall 455-6222	Circular	Planer	Spruce, birch, aspens	Lumber & houselogs	500MBF	5	1

SAWMILLS IN INTERIOR ALASKA

<u>Company Name, Address, Contact Person, and Telephone No.</u>	<u>Type of Mill</u>	<u>Associated Equipment</u>	<u>Principal Species Produced</u>	<u>Principal Products</u>	<u>Usual Annual Production</u>	<u>Capacity:</u> <u>MBF</u> <u>MMBF</u> <u>day</u> <u>year</u>	
Sapa Farms SR Box 289 Mile 13 Edgerton Hwy. Copper Center, AK 99573 822-3047	Circular	----	Spruce, cottonwood, aspen	Lumber, houselogs	400MBF	5	1
T&M Transportation Serv. P.O. Box 242 Nenana, AK 99760 Theodore F. Monroe 832-5683	Circular	----	Spruce	Lumber	0.5-1MMBF	5	1
Takotna Sawmill General Delivery Takotna, AK 99675 Dick Newton	Circular	----	Spruce	Lumber	300- 500MBF	5	1
Tolsona Company Mile 173 Glenn Highway P.O. Box 23 Glennallen, AK 99588 Graham Ward 822-3865	Circular	----	Spruce, cottonwood	Lumber	500MBF	5	1

MAJOR PRIVATE EXPORTERS OF ALASKA WOOD PRODUCTS

Alaska Pulp Corporation

P.O. Box 1150
Sitka, AK 99835
Contact: Frank Roppel
Telephone: (907) 747-2232
Telex: 45-350

Cape Fox Corporation

Box 8558
Ketchikan, AK 99901
Bill Williams
Telephone: (907) 225-5163

Huna Totem Corporation

P.O. Box 290
Hoonah, AK 99829
George Cooper
Telephone: (907) 945-3330

Kake Tribal Logging & Timber

P.O. Box 248
Kake, Alaska 99830
Jack Bunch
Telephone: (907) 785-3716

Ketchikan Pulp Company

Box 6600
Ketchikan, AK 99901
Telephone: (907) 225-2151

Portland Sales Office:
Louisiana Pacific Corp.
111 S.W. 5th Avenue
Portland, OR 97204
Contact: Lee Rappleyea
Telephone: (503) 221-0800
Telex: 55-251

Klukwan, Inc.

P.O. Box 594
Haines, AK 99827
Ed Warren
Telephone: (907) 766-2211

Koncor

John Sturgeon, President
3501 Denali, Suite 202
Anchorage, AK 99503
Telephone: (907) 562-3335

Sales Office:
Tom Tucker
One Pacific Bldg., Suite 315
621 Pacific Ave.
Tacoma, WA 98402
Telephone: (206) 272-2565
Telecopier: (206) 272-2644

Mitkof Lumber Company

P.O. Box 89
Petersburg, AK 99833
Ed Lapeyri
Telephone: (907) 772-3816

Sealaska Timber Corporation

400 Mission Street, Suite 205
Ketchikan, AK 99901
Telephone: (907) 225-9444
Telecopier: (907) 225-5736

Seattle sales office:
2333 Seafirst Bank Building
1001 4th Avenue
Seattle, WA 98154
Telephone: (206) 467-8400
Telecopier: (206) 467-1309
Contact: Yoshi Nakatsu

Shaan Seet, Inc.

Box 90
Craig, AK 99921
Glenn Charles
Telephone: (907) 826-3251

South Central Timber

255 E. Fireweed Lane, Suite 104
Anchorage, AK 99503
Contact: Joe Henri
Telephone: (907) 279-1493
Telex: 090 25-246

Wrangell Forest Products

P.O. Box 5386
Ketchikan, AK 99901
Telephone: (907) 225-2181

Sales Office:
P.O. Box 5380
Ketchikan, AK 99901
Ron Gelbrich
(907) 225-2181
Telecopier: (907) 225-5543

Seattle Sales Office:
111 3rd Ave., Suite 728
Seattle, WA 98101
Contact: Mark Edy
Telephone: (206) 467-1878
Telex: 32-9527 HQCOSSEA
Telecopier: 206-621-8688

MAJOR TIMBERLAND OWNERS AND MANAGERS

Ahtna, Inc.

Drawer G
Copper Center, AK 99573
Roy S. Ewan
Telephone: (907) 882-3476

Chugach Native, Inc.

903 W. Northern Lights Blvd.
Anchorage, AK 99503
Mike Chittick
Telephone: (907) 563-8866

Cook Inlet Region, Inc.

P.O. Drawer 4 - N
Anchorage, AK 99509
Roy Huhndorf
Telephone: (907) 274-8638

Doyon, Ltd.

201 First Avenue
Fairbanks, AK 99701
Morris Thompson
Telephone: (907) 452-4755

Koniag, Inc.

Box 746
Kodiak, AK 99615
Frank Pagano
Telephone: (907) 486-4147

Sealaska Corporation

One Sealaska Plaza
Juneau, AK 99801
Telephone: (907) 586-1512
Telecopier: (907) 576-9258

State of Alaska

Division of Forestry
Department of Natural Resources
P.O. Box 7005
Anchorage, AK 99510
Telephone: (907) 762-4465

University of Alaska - Fairbanks

Statewide Office of Land Management
3354 College Road
Fairbanks, AK 99709
Charles E. Nash, Director
(907) 474-7421

U.S. Forest Service

Timber Management Division
P.O. Box 1628
Juneau, AK 99802
Telephone: (907) 586-8871

COMPANIES THAT BROKER ALASKA LOGS AND LUMBER

Alaska Pacific Trading Co.

P.O. Box 6740
Ketchikan, AK 99901
Dick Tsuru
225-1377
Seattle office - (206) 292-8124

Alaska World Trade Corporation

203 West 15th Avenue, Suite 102
Anchorage, AK 99501
Telephone: (907) 276-1980
Telex: 5106008217
Cable: WORLDTRADE
John Daly, Chairman

Anderson & Associates

115A Mill Bay
Kodiak, AK 99615
Les Anderson
Telephone: (907) 486-5993

Kerr & Associates

P.O. Box 111293
Anchorage, AK 99511
Cal Kerr
Telephone: (907) 346-3141
Telex: 26417 SCAN-AHG

Klukwan, Inc.

P.O. Box 2077
Juneau, AK 99803
Bob Loiselle
Telephone: (907)

Konccr

3501 Denali, Suite 202
Anchorage, AK 99503
John Sturgeon
Telephone: (907) 562-3335

Sealaska Lumber Corp.

400 Mission Street, Suite 205
Ketchikan, AK 99901
Telephone: (907) 225-9444
(907) 225-5736

MAJOR ALASKAN SPECIES

Alaska's forests are divided into two types: coastal and interior. Coastal forests are dominated by western hemlock (60%), Sitka Spruce (32%), and other softwoods (6%). Interior Alaska is vast with extensive stands dominated by white spruce (64%), birch (21%), and poplars (15%). The important characteristics of the major species found in coastal and interior forests are summarized below:

Coastal Species:

Sitka Spruce (*Picea sitchensis*):

This tree is the largest and most valuable species in Alaska. It typically reaches a height of 160 feet (49 m.) and a diameter of three to five feet (0.9 - 1.5 m.). The wood is moderately light, does not shatter easily, is easy to kiln dry, straight grained, and is easy to work. Uses include high-grade pulp, airplane parts, boats, pianos, and general construction.

Western Hemlock (*Tsuga heterophylla*):

This species ranges from two to four feet (0.6 - 1.2 m.) in diameter and 150 feet (46 m.) in height. The wood is light and easy to work. Its most important uses include pulpwood, construction lumber, railway ties, and boxes.

Western Red Cedar (*Thuja plicata*):

These trees can attain heights of 70 - 130 feet (21 - 40 m.) and diameters of two to four feet (0.6 - 1.2 m.). The wood is light, straight grained, easy to kiln dry, highly resistant to decay, but has a poor nail holding capacity. Uses include boats, shingles, shakes, poles, and fence posts.

Yellow Cedar (*Chamaecyparis nootkatensis*):

This is a medium sized tree typically ranging in size from 40 to 80 feet (12 - 24 m.) high and one to two feet (30 - 60 cm) in diameter. The aromatic wood is easily worked and takes a beautiful finish. It is suitable for window frames, exterior doors, boats, poles, furniture and cabinets.

Interior Species:

White Spruce (*Picea glauca*):

This species extends over a vast acreage in the interior. On good sites, it attains a diameter of 6 to 18 inches (15 - 46 cm.) and heights of 40 - 70 feet (12 - 21 m.). On the best sites, it reaches heights of 80 - 115 feet (24 - 35 m.) and diameters of 30 inches (76 cm.). The wood has an exceptionally high strength-to-weight ratio, glues easily, has excellent dimensional stability, paints well and is also suitable for high quality pulp.

Paper Birch (*Betula papyrifera*):

This species is small to medium sized, usually ranging from 4 to 12 inches (10 - 30 cm.) in diameter and 20 - 60 feet (6 - 18 m.) in height. On good sites birch can attain 24 inches in diameter (60 cm.) and 80 feet (24 m.) in height. It is used for furniture, cabinets, veneer, boxes, and pulp.

Balsam Poplar (*Populus balsamifera*):

On good sites, this species grows to heights of 100 feet (30 m.) and diameters of greater than 24 inches (60 cm.). Its primary uses are for boxes, crates, and sometimes for house logs. Although the fibers are short, balsam poplar is also suitable for pulp.

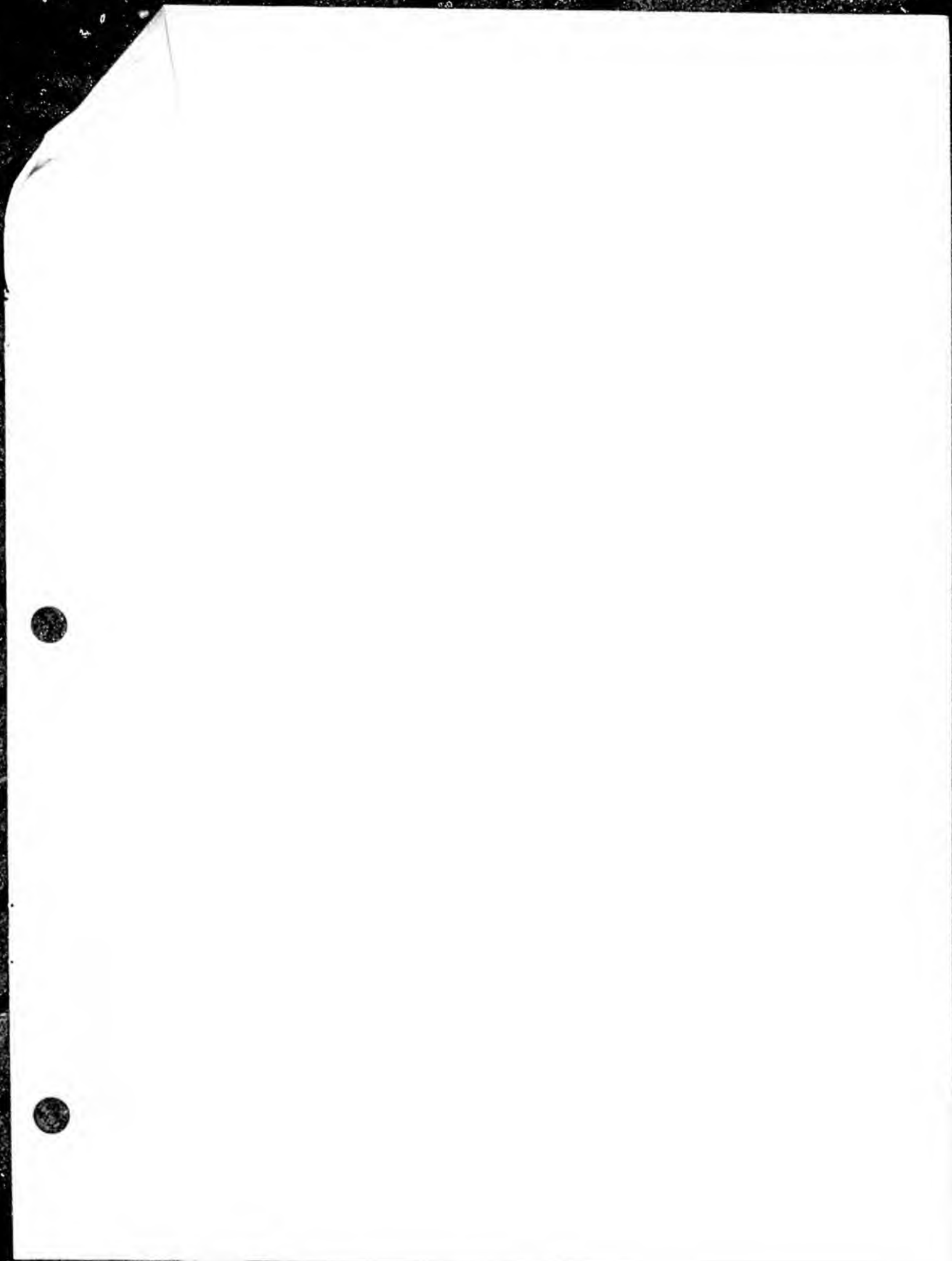
Black Cottonwood (*Populus trichocarpa*):

This large tree grows 80 - 100 feet (24 - 30 m.) tall and 3 feet (1 m.) in diameter. This tree is very similar except bigger than balsam poplar. The wood is used for boxes and crates, pulp, veneer and lumber.

Quaking Aspen: (*Populus tremuloides*):

This tree typically grows 20 - 40 feet (6 - 12 m.) high and 3 - 12 inches (7.5 - 30 cm.) in diameter. It often occurs in dense pure stands. Aspen is suitable for pulp, boxes, and waferboard.

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672
5533 SSTA SCR 15 - SCR 27 1105







Department of Commerce and Economic Development
Division of Minerals and Forest Products, P.O. Box D, Juneau, Alaska 99811

valley sawmill

March 3, 1987

Honorable Steve Cowper
Governor of Alaska
Third Floor, State Capitol
Pouch A
Juneau, Alaska 99811

SUBJECT: State Support of Local Timber Products

Dear Governor Cowper:

I am writing this letter to summarize many of the frustrations and lack of progress that I have encountered during my efforts over the last year to encourage the use of locally produced and manufactured wood products on various state, municipal and other agency projects.

While the concept of supporting local hire and the use of local products is touted by the politicians as being an economically sound policy; and worthy of support, in practice, it is far from a reality. While most other states actively support their state's resources, the purchasing agents within this state seem firmly entrenched in the use of outside products.

Local suppliers have gone to great lengths and costs to prove the quality and competitiveness of local wood products to these agencies, and while we have been many times encouraged by the lip service of these officials, the contracts always end up going to the outside supplier. Rarely, if ever, have we seen a contract issued by a governmental entity that specifies Alaska wood products, despite repeated efforts by the producers to educate officials on the subject.

Keeping Alaskan dollars within our own economy can only strengthen our economic base. The local timber industry estimates that six jobs are created for every one million board feet of lumber sold. The railbelt network consumes approximately 100 million board feet annually. This translates to approximately 600 jobs that are being lost to outside suppliers each year. The bureaucratic lack of support and roadblocking of local manufacturer's efforts to join the marketplace, has created a situation where it is easier to lay off workers, than to fight city hall for access to the market.

Steve Cowper, Governor
March 3, 1987
Page 2

Tables currently in use in the forest products industry were developed in the 1940's based on tests conducted on old growth Douglas Fir, the predominant timber utilized at that time. At present, timber products from the Lower 48 are primarily manufactured from second and third growth Douglas Fir, while our locally manufactured wood products utilize structurally superior old growth Alaskan Spruce timber. Old growth timber is stronger than the faster growing second and third growth timber, and therefore, more dense. With no recent published data available, the Anchorage Wastewater and Utility, and the Municipality of Anchorage chose to accept the hypothesis of an outside supplier, that Alaskan wood products are inferior. (See attached Exhibit B).

In response to the lack of published data, I requested a nationally certified test lab, Alaska Test Lab, to conduct testing on some of the local woods. As you can see by the attached (Exhibit C), some local woods exceed the strengths of outside wood, now being used extensively in local projects. The false and negative assumptions regarding local forest products are not based on scientific fact or economics, but based solely on the traditional use of outside wood products.

I have encountered numerous examples of prejudices against using Alaskan produced wood. Almost every invitation to bid issued by state and other agencies, includes specifications for wood that is not produced in Alaska. This exclusion of Alaskan wood products must be addressed at the top, during the planning process. Three specific examples of this prejudice can be seen in the following examples:

- 1) In 1986, the Municipality of Anchorage issued bid requests for 50 park projects requiring between \$2,000 and \$50,000 of rough cut timbers each. The specifications called for outside wood species.
- 2) Anchorage School District - does not include one Alaska wood species in their invitation for bid for lumber for shop purposes.
- 3) Kenai Peninsula Borough - Bid documents for Chakok and Dorothy Road Bridges specify coast region Douglas Fir. Bid date, March 16, 1987. \$25,000 lost revenues to Alaskan suppliers.

The legislature expressed its support of local products by passing an Amendment to A.S. Section 36.15.010 - 020. (See attached Exhibit D). While this is a good law, the intent has not been implemented, and without enforcement, it is merely empty words.

Steve Cowper, Governor
March 3, 1987
Page 3

While a spirit of open cooperation between legislative intent and implementation of this intent by all agencies would serve to strengthen the state, it is apparent that the entities involved require specific direction and regulation before they will comply with state law.

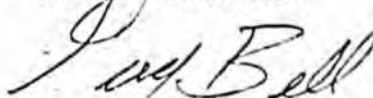
All agencies, including the Municipality of Anchorage, must be accountable to the state for compliance with state law, when receiving public grant funds for projects. The regulations covering the use of local forest products must have some teeth in them, that will further enforcement. One way to ensure that grant recipients purchase Alaskan products and comply with state law would be to prepare the contracts so that grant money could be withheld if the entity did not follow contract provisions.

At this time, the intention is not clear cut in the law, and is too open to interpretation. I have enclosed a memorandum (see Exhibit E) from the Matanuska-Susitna Borough attorney, offering a legal opinion on this law, which indicates that they are not legally bound to the law. According to his opinion, once the state turns money over to a local government, the state has no further control over the funds, despite provisions in most grants that require the local governments to follow state laws. Page 3 of the 4 page Standard Agreement Form for Municipal Grants, is devoted entirely to the adherence of grant recipients with State law, yet as I have illustrated, this is not being accomplished.

I strongly urge your support of Alaskan products by whatever means necessary - be it tighter legislation to require recipients of state funds to buy Alaskan, or by giving strong direction to the government agencies charged with overseeing state funds.

Respectfully submitted,

VALLEY SAWMILL



Greg Bell
President

cc: All Senators
All Representatives
Commissioner Garrey Peska
Commissioner J. Anthony Smith
Commissioner Judith A. Brady
Commissioner Mark S. Hickey
John Galea, Director, Alaska Loggers Association

EXHIBIT A

valley sawmill

January 2, 1987

Mr. Jim Barnett
Municipal Assembly
P.O. Box 196650
Anchorage, Alaska 99519-6650

Dear Jim:

Throughout the past year, the local forest products industry has been working with the Municipality of Anchorage to encourage the use of locally produced and manufactured wood products in a variety of municipal projects. Although the response has not been entirely negative, in almost every case some form of barrier has arisen/or been created that either specifically excludes or strongly discourages the use of local wood products. We have not asked for any subsidies, only that the Municipality support local industry through the purchase of products that are equal in quality, competitively priced and locally manufactured.

The Eklutna Water Project (EWP) is a prime example of the extent of our efforts. We felt that the Water Division Tunnel portion of the E.W.P. would mesh well with the present capabilities of our industry. Specifically, it called for 68,000 pieces, 4" x 6" x 4' timbers; over one half million board ft. Through various Municipal channels, we stressed the importance of keeping local dollars within our economic system to maximize their benefit, and still almost no local wood has been used.

The following reviews the key events regarding the E.W.P.:

- °In December of 1985, I contacted Municipal officials, pointed out the existence of AS 36.15.010 - 020 (see attached) and requested compliance.
- °M.O.A.'s response was resistive, but members of the legislature and the Governor pushed for compliance and demonstrated support by the adoption of SB 371, Executive Order 87, etc.
- °These prompted the April 16, 1986 letter by Charley Bryant, Special Projects Manager at Anchorage Water and Wastewater Utility A.W.W.U. which outlined the Municipality's position of compliance with AS 36.15.010 - 020 and made special assurances that these statutes would be adhered to on all A.W.W.U. projects.
- °On May 1, 1986, the tunnel contractor, Frank Colluccio Construction Company informed E.W.P. that they intended to use only select Douglas Fir and Oak as logging because, in their opinion, Alaskan wood products would not meet the structural strength requirements.

Mr. Jim Barnett
January 2, 1987
Page 2

°On June 20, 1986, the local forest products industry consulted with experts in wood strength analysis at the U.S. Forest Service Test Lab in Missola, MT. These experts noted only slight differences in the strength characteristics of Douglas Fir versus Alaskan Spruce. They also expressed confidence that Alaskan Spruce would meet or exceed the design criteria for this project.

°On September 12, 1986, the contractor made the value judgment that local product would not meet the design criteria and that he would use material from outside our state.

°On September 15, 1986, Douglas Fir logging material arrives at the construction site and is comprised of approximately 20% #1 or better, 40% #2 and 40% #3 or poorer. In effect 40% of the material on site does not meet the contractor's own design criteria.

°In October, Meet with A.W.W.U. officials and informed that they are powerless to enforce AS.36.15.010 - 020, and are concerned with possible delays in construction. However, assurances are made that they make every effort to incorporate Alaskan forest products in the PT. Woronzof Out Fall Extension Project tunnel.

Throughout these discussions two issues have surfaced as rationale for not utilizing local forest products.

- 1) Structural suitability
- 2) Cost

Enclosed please find Attachment 1, which includes the cover letter and pertinent findings of Alaska Test lab, which conducted comprehensive tests on local wood strengths. Their findings show that two of the three Alaska species tested exceed Douglas Fir in strength and the Sitka Spruce tested at 95%.

With regards to cost competitiveness, A.W.W.U. made a recent cost comparison for the upcoming PT. Woronzof project. The contractor, again Frank Colluccio Construction Company, has a quote of \$295.00/1,000 bd. ft. from a lower forty-eight supplier. Local suppliers estimates range from \$450.00 to \$505.00 per 1,000 bd. ft. There are several reasons for the disparity in cost:

°Local suppliers would be required to make delivery in three to four weeks. The outside supplier had an approximate 6 month lead time.

Mr. Jim Barnett
January 2, 1987
Page 3

- °This short lead time required the local industry to commit to a barge load shipment of logs from Afognak Island in order to insure the necessary volume and avoid delays in supplying a project of this size. Barge operations involving logs have not been attempted through the Port of Anchorage, so initial start up costs and the short time frame added to the overall cost.
- °The prior shipment of logging material to the E.W.P. was comprised of 40% number three or poorer material. If the Pt. Woronzof shipment includes a similar proportion of substandard wood, then this is reflected in an artificially low price.
- °Manufacture cost are greater during cold-winter months. If the local industry been afforded the same production time frame these production problems and costs could have been substantially minimized.
- °Short time frame would require overtime work to meet the delivery schedule.

With Alaska's economy in a tailspin, we feel that local government should become more attentive to supporting Alaska's basic industries. Instead of creating barriers that discourage or exclude local products, the Municipality should take steps to promote their use. The level of effort and input that the E.W.P. has received, and still almost no local products were used, is ridiculous. We need to place much more emphasis on the importance of incorporation of these products and the need to foster a climate that removes barriers instead creating them.

We urge you to send a strong message to all Municipal departments that local industries need their support. The State of Alaska has adopted SB 341, which calls for a 15% preference, as a step toward developing a strong and prosperous economic base. In addition, Alaska Statute, Section 36.15.010, adopted in 1949 (See Attachment 2), was amended and clarified in 1986.

We feel that the Anchorage Assembly can take effective steps toward this state wide goal by adopting an ordinance modeled after SB 341. This will assure that jobs will be created and retained in Alaska. If forest products are purchased from outside the State, we are simply generating and retaining jobs somewhere else, such as Oregon, Washington or Canada. Let's keep the jobs here in Alaska by buying locally grown and produced forest products. That is a sound investment for the M.O.A., to assure a stable and strong economy now, and in years to come.

Respectfully submitted,

Greg Bell
President

EXHIBIT B



MATHEUS LUMBER COMPANY, INC.
Wholesale Forest Products

P.O. Box 3058
850th-131st Avenue NE
Kirkland, WA 98083

(206) 284-7500
TELEX: 32-1116

November 12, 1986

Mr. Wayne Moses
Loluccio Construction Company
9600 Martin Luther King Way S.
Seattle, Wa. 98108

Dear Wayne:

In response to your questions concerning the feasibility of using Alaskan Paper Birch as lagging for your Eklutna tunnelling operation.

Research has moved this writer to contact the National Hardwood Lumber Association (NHLA), in Memphis, Tennessee, concerning the appropriate properties: strength, bending, modulus of elasticity, compression, etc. Mr. Allen Medlin, General Manager, advised me that the Hardwood Association has not done any engineering studies since some time in the 1940's and that any pertinent information could be found in a U.S. Department of Agriculture Forest Products Laboratory Wood Handbook #72. We have referred to this and attached for your information copies of the general description, as well as comparative properties. (See enclosure). As you can see, the comparison, based on green (specific gravity) shows a consistent lessor relationship between Douglas Fir (Coast) and Birch (Paper), except the last two columns.

Having absorbed this I moved on to the University of Washington and talked to Dr. Ben Bryant who verified that, to the best of his knowledge, there was no national association connected with the manufacture of any of the Alaskan Hardwood species.

More importantly, Dr. Bryant reminded me that all strength property charts were assessed from computations based on a common norm, i.e., the wood piece is to be clear, dry and straight grained and that all grading rules are based on values over and above the known defects.

The two major defects of strength are angle of grain and knot configuration. As such Paper Birch is not known as a straight grained specie and size basically forbids its being cut in any quantity for use commercially in construction. There are NO stress grades established by a known association for Paper Birch as far as I know.

As suggested by Mr. Bill Tomkinson of G.W. Martin, one of Canada's premier hardwood producers, Paper Birch is only fourth from the bottom of the hardwood chain as pertains to strength characteristics.

You might want to verify from the potential suppliers if they have any proof that a known association has developed guaranteed strength properties for the use (i.e. size

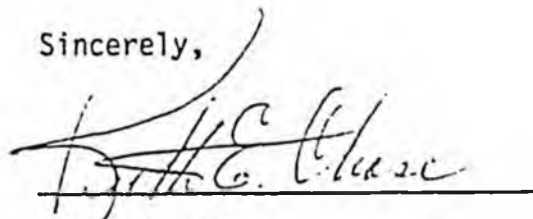
Continued Page Two....

November 12, 1936
Mr. Wayne Moses
Coluccio Construction Company

length) intended plus an absolute responsible contract for delivery-always to be at an acceptable price.

Please advise if I can be of any further help in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Keith E. Chase", written over a horizontal line.

Keith E. Chase
Matheus Lumber Company

Enclosures



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. A T M

Meeting Date:

From: Mayor
Subject: Alaska Wood Preference/Point Woronzof Tunnel

Based on a request from Assemblyman, Jim Barrett, the Anchorage Water & Wastewater Utility offers the following information on why Alaska forest products were not specified in the Point Woronzof bid documents since State statutes require the use of Alaska forest products when practicable.

The Point Woronzof Expansion Project has been under way since design inception during the summer of 1983. The project is scheduled for completion in October, 1987.

The total project, comprised of six phases, has received over \$26,000,000 (million) dollars to date of Federal EPA funding. The amount equates to about 75% of the total cost. Phase V is a 2,700 foot effluent tunnel.

AWWU has been successful in obtaining EPA funding by complying with EPA grant guidelines. EPA and DEC officials have advised that AWWU could lose grant eligibility if we specified a specific product. The loss could amount to about \$262,500 which is the approximate cost given by one of the local lumber firms.

Despite this potential loss, AWWU, on October 31, 1986, requested proposals from the contractor to use 100% Alaska wood in the Point Woronzof tunnel initial support system.

The contractor requested prices from the Wrangell Forest Products LTD, one of the largest mills in Alaska. We were informed by a letter, dated November 4, 1986, that the mill could not provide the required timber within the next six months. This mill produces western-hemlock which can possibly meet the contractor's specifications for strength. Additionally, the contractor solicited proposals from The Valley Saw Mill and Trapper Creek Timber Products, Inc.

Preliminary indications are that the local available wood, spruce and/or birch, will not meet the contractor's strength requirements. The delivered cost is prohibitive. This makes the use of Alaska wood in the tunnel non-practicable.

Douglas fir which meets the contractor's specifications and is processed in the Northwest will cost \$295/1000 BF delivered to the Point Woronzof job site. Preliminary indications are that wood produced in Alaska will cost about \$525/1000 BF. The wood

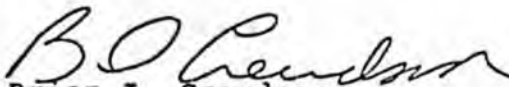
will be used for timber lagging in the initial support system for the tunnel.

These timbers must be able to withstand the surrounding earth loads and more importantly, be able to withstand the compressive force generated by the tunnel boring machine (TBM) which can produce in excess of 1.5 million pounds of thrust in order to move the TBM forward.

Our information indicates that douglas fir and oak are the only species of wood used in the northwestern United States tunnels because of the demanding strength requirements. Additionally, the contractor is solely responsible for the design and construction of the tunnel initial support system, and the safety of the tunnel.

In summary, it does not appear to be practicable to use Alaska wood for the tunnel initial support system. The cost is prohibitive and the responsibility for safety must remain solely with the contractor.

Prepared by:



Brian I. Crewdson
Acting General Manager
Anchorage Water & Wastewater Utility

Respectfully submitted:

Concur:

Tony Knowles
Mayor

Robert E. Smith
Municipal Manager

dw.AM.5

EXHIBIT C



Alaska Testlab



4040 "B" Street

Anchorage, Alaska 99503

Telephone (907) 562-2000

December 19, 1986
W.O. #A23279

Mat-Su Loggers Association
c/o Valley Sawmill
6231 Old Seward Highway
Anchorage, AK 99502

Attention: Greg Bell

Project: Local Wood Strengths

Subject: Test Results

Gentlemen:

At Greg Bell's request, Alaska Testlab tested the compressive strengths and flexural strengths of local wood and Douglas-Fir. This wood was tested essentially in accordance with ASTM D-143. The local woods tested were: Sitka Spruce, White Spruce, and Birch. These test results were compared to second growth Douglas-Fir.

Greg Bell delivered to Alaska Testlab all the wood tested for this project. It is our understanding that the local wood was all processed at the Valley Sawmill and the Douglas-Fir was purchased from a local lumber yard. We were not involved in the sampling process.

As per ASTM D-143, Section 55 through Section 62, all the test specimens tested for compression parallel to grain were 2" X 2" X 8" in size. These specimens were first loaded in our triaxial shear device. This is comprised of a Geotest loading frame attached to a Hewlett-Packard Model HP9121 computer through a load cell. The test specimens were then loaded at a continuous rate of 0.003 in/in/min., (0.024 in/min.) We continued to load the test specimens at this rate until a load of 10,000 to 12,000 lbf., was reached. During this time the deformation associated with the different loads were recorded. With this information the stress-strain curves were developed. The modulus of elasticity parallel to the grain of the wood was determined by the slope of the stress-strain curve. The maximum load that our triaxial load machine will handle is 10,000 to 12,000 lbf. These test specimens were still in the elastic range while

Mat-Su Loggers Association
c/o Valley Sawmill
Greg Bell
December 19, 1986
Page 2

under this load. After this initial loading, these specimens were loaded to failure in compression parallel to the wood grain with our Forney 400,000 lbf., compression machine. This determined the maximum compressive strength parallel to the grain of this wood.

The flexural strengths of these wood specimens were tested essentially in accordance with ASTM D-143, Section 47 through Section 54. The test specimen size was 2" X 2" X 30". These specimens were tested as a simple beam expanding over a 28.5 inch span with a point load concentrated at the center of the span. The deformation of the center point load was at a rate of 0.10 in/min. This rate of deformation continued until the failure of the beam. From this test, the stress-deformation curve was developed. The maximum flexural stress of the wood fiber was obtained through this test as well as the modulus of elasticity perpendicular to the grain of this wood. The moisture of each of these test specimens was estimated with a Delmhorst moisture meter.

The test results are on the attached figures. Wood is a nonisotropic substance. This explains why the modulus of elasticity is 7 to 8 times greater in flexural bending perpendicular to the grain than it is in compression parallel to grain. These test results indicate that compressive strengths and flexural strengths of local Sitka Spruce are slightly less than that of Douglas-fir. The compressive strengths and flexural strengths of local Birch and White Spruce are greater than those strengths in the Douglas-fir.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely yours,

ALASKA TESTLAB

Greg Luther
Greg Luther, E.I.T.
Materials Engineer

APPROVED:

M. R. Nichols
Melvin R. Nichols, P.E.
President

HRN:GL:pok



MODULUS OF ELASTICITY AND MAXIMUM COMPRESSIVE STRENGTH, PARALLEL TO GRAIN

Wood Type	Moisture Content	Test Load (lbf.)	Maximum Compressive Strength (psi)	Modulus of Elasticity Parallel to Grain (100,000 psi)	Average Maximum Compressive Strength (psi)	Average Modulus of Elasticity Parallel to Grain (100,000 psi)	Percent of Douglas-Fir Strength
Sitka Spruce	15%	12800	3200	2.00	3250	2.13	95%
	17%	14475	3620	2.18			
	19%	15000	3250	2.16			
	19%	11000	2750	1.59			
	22%	13200	3300	2.39			
	25%	13500	3380	2.35			
Birch	15%	22200	5500	2.73	4700	2.43	138%
	17%	15400	3850	2.12			
				2.43			
White Spruce	16%	16800	4200	2.31	4420	2.35	130%
	20%	10500	4630	2.39			
Douglas-Fir	17%	14400	3600		3410		100%
	20%	14700	3680				
	22%	11750	2940				

MAXIMUM BENDING STRESS AND MODULUS OF ELASTICITY PERPENDICULAR TO GRAIN

Wood Type	Moisture Content	Test Load (lbf.)	Maximum Bending Stress (psi)	Modulus of Elasticity Parallel to Grain (Million psi)	Average Maximum Bending Stress (psi)	Average Modulus of Elasticity Perpendicular to Grain (Million psi)	Percent of Douglas-Fir Strength
Sitka Spruce * (Less than Grade #1 not used in average)	14% 19% 30% 30%	1010 970 1060 590	5150 4950 5400 3000*	1.55 1.54 1.14 1.20	5200	1.41	95%
Birch	14% 16%	1700 1700	8650 8700	1.98 2.27	8700	2.13	158%
White Spruce (Both were less than Grade #1)	17% 20%	1110 1190	5650 6050	1.67 1.71	5900	1.69	107%
Douglas-Fir	20%	1070	5500	2.85	5500	2.85	100%

EXHIBIT D

Chapter 15. Forest Products Preference.

Section

10. Use of local forest products required in projects financed by public money

Section

20. Insertion of clause in calls for bids and in contracts

Collateral references. — 64 Am. Jur. §§ 2, 3, 7, 10, 18; 81A C.J.S., States, 2d, Public Works and Contracts, § 94. §§ 154, 158, 161.
72 C.J.S. Supplement, Public Contracts,

Sec. 36.15.010. Use of local forest products required in projects financed by public money. In a project financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber, and manufactured lumber products originating in this state from local forests shall be used wherever practicable. (§ 14-3-1 ACLA 1949) See 1986 Amendment

Sec. 36.15.020. Insertion of clause in calls for bids and in contracts. A clause containing the substance of AS 36.15.010 shall be inserted in all calls for bids and in all contracts awarded. (§ 14-3-2 ACLA 1949)

Chapter 20. Purchases and Supplies.

Section

10. Preference of producers or dealers in Alaska

Collateral references. — 64 Am. Jur. §§ 2, 3, 7, 10, 18; 81A C.J.S., States, 2d, Public Works and Contracts, § 94. §§ 154, 158, 161.
72 C.J.S. Supplement, Public Contracts,

Sec. 36.20.010. Preference of producers or dealers in Alaska. In making purchases or awarding contracts for supplies, commodities or materials for an office or institution of this state preference shall be given, whenever practicable, to producers and dealers in the state, price and quality being equal. (§ 14-4-2 ACLA 1949)

Cross references. — As to preference for Alaska bidders under the Fiscal Procedures Act, see AS 37.05.230.



LAWS OF ALASKA

1986

Source

HCS CSSB 57(Fin)

Chapter No.

16

AN ACT

Relating to preferential use of Alaska agricultural or fisheries products; and providing for an effective date.

* Section 1. AS 36 is amended by adding a new chapter to read:

CHAPTER 16. PREFERENTIAL USE OF ALASKA AGRICULTURAL OR FISHERIES PRODUCTS.

Sec. 36.16.010. USE OF LOCAL AGRICULTURAL AND FISHERIES PRODUCTS REQUIRED IN PURCHASES WITH STATE MONEY. (a) When agricultural products are purchased using state money, only agricultural products harvested in this state shall be purchased whenever competitively priced, available, and of like quality compared with agricultural products harvested outside the state.

(b) When fisheries products are purchased using state money, only fisheries products harvested or processed within the jurisdiction of the state shall be purchased whenever competitively priced, available, and of like quality compared with fisheries products harvested or processed outside the jurisdiction of the state.

(c) As used in this section, "agricultural products" includes timber and lumber harvested in the state and products manufactured in the state from timber and lumber that has been harvested in the state.

Sec. 36.16.020. INSERTION OF CLAUSE IN CALLS FOR BIDS AND IN CONTRACTS. A clause containing the substance of the relevant subsection of AS 36.16.010 shall be inserted in all calls for bids and in all contracts awarded that involve agricultural or fisheries products.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Approved by the Governor: April 23, 1986
Actual Effective Date: April 24, 1986

EXHIBIT E



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-4801

DEPARTMENT OF PUBLIC WORKS

October 14, 1986

Valley Sawmill
6231 Old Seward Hwy.
Anchorage, Alaska 99518

Attention: Mark Stearns

Gentlemen:

As you requested, I am sending a copy of the Borough Attorney's review of the Alaska statute that deals with the use of wood products produced in Alaska on state funded projects. As I stated in our conversation, this is strictly a legal interpretation and is not necessarily the position being taken by the Matanuska-Susitna Borough. That is, we would very much encourage contractors to utilize materials produced within the State of Alaska but we don't feel that we have the legal, contractual power to require the purchase and utilization of Alaska wood products. This is especially true on projects that were bid prior to the adoption of this Alaska statute.

If I can be of further assistance, please don't hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "C.J. Horner".

C.J. Horner
Deputy Director of Buildings

CJH:nt
Enclosure



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-9687

BOROUGH ATTORNEY'S OFFICE

August 11, 1986

MEMORANDUM

TO: C. J. Horner, Deputy Director - Buildings
Public Works Department

FROM: Michael Gatti, Deputy Borough Attorney *M. G.*

SUBJECT: July 15, 1986 Opinion Request

You have asked for a legal opinion on the operative effect of state Administrative Order 87, AS 36.15.010, 36.30.322 and 36.16.010 relating to use preferences for forest agricultural and fisheries products.

1. Administrative Order 87

Administrative Order 87 establishes a state preference policy to encourage the use of Alaskan products provided such products are competitively priced with similar products available outside the state. The order applies only to state agencies purchasing such products and requires a preference clause in all state contracts and invitations for bids. By its own terms, the order does not apply to local governments. Even if it did require local compliance, it is doubtful the governor could constitutionally invoke his executive power to unilaterally affect a local government by administrative order. This is so since the power of a local government is constitutionally vested in the assembly pursuant to Article X, sections 1, 2 and 4 of the Alaska Constitution.

2. AS 36.15.010, AS 36.18.010, AS 36.20.010 and AS 36.30.322

Each of the foregoing statutes provide a preference for state products or producers when the state government is involved in a procurement. AS 36.15.010 requires projects financed by state money to use timber, lumber or manufactured lumber products originating in-state to be used when practicable. AS 36.20.010 requires state offices or institutions to award contracts for supplies, commodities or materials to in-state producers and dealers if practicable and equal in price and quality with outside products.

AS 36.16.010 and 36.30.322 require agricultural and fisheries products purchased with state money to be purchased from state producers if they are of comparable price and quality to outside products. AS 36.30.326 requires state agencies to include the state preference for state products in-state procurements.

The statutes referenced above, by their own terms, do not apply to local governments because the language refers to state agencies using state money for procurements. While most of the statutes do not express the scope of their applicability AS 36.30.850 does. It provides that AS 36.30 et seq. does not apply to grants or to political subdivisions (local governments) of the state. In reviewing these preference statutes without an expression of the scope of their applicability, a court may apply AS 36.30.850 to those statutes with similar language in order to assist in its search for the legislature's intent. Because all the use preference statutes discussed herein contain language similar to AS 36.30 et seq. it is reasonable to assume that a court would hold the legislature intended them to be limited in the same manner as AS 36.30 et seq. Even if a court refused to extend the limitation by analogy, the use preferences by their own terms may be limited to state agencies using state money. The key to ascertaining the legislature's intent in this area is found in the language "state money." Since local governments receive money from the state in the form of grants, municipal assistance and revenue sharing is it all state money or is state money limited to that money used by the state for state projects? One answer is that state money is money used by the state for its own projects. This approach recognizes that money simply originating from the state and passed through to local governments loses its characterization as state money since the money has now been transformed into local money once accepted by the local government. This approach follows the generally accepted rule of statutory construction which provides that general words will be construed according to their plain meaning. The plain meaning of state money is money belonging to the state and not money belonging to a local government.

3. Commerce Clause

The use of preferences by a state raises constitutional issues involving the commerce clause. United States Constitution Article I, Sec. 3, Clause 8. The commerce clause provides congress with the "power to regulate commerce with foreign nations, and among the several states, and with the Indian tribes." Under the commerce clause, the federal government retains exclusive regulatory jurisdiction over subjects of commerce which are national in character and require uniformity of regulation. The states retain exclusive control over commerce which is completely internal. Where national uniformity is not essential or where state regulation only incidentally affects interstate commerce the state regulation may be upheld. To determine whether a state regulation affects interstate commerce

the competing demands of state and national interests must be balanced. In balancing state regulations affecting commerce a court will review such factors as whether a direct or indirect substantial burden is placed on interstate commerce, whether the regulation discriminates against interstate commerce, and whether the state is acting solely as a market participant or a market regulator.

In South-Central Timber v. Wunnicke, ___ U.S. ___, 81 L.Ed 2d 71, 104 S.Ct. _____ (1984) the U.S. Supreme Court reviewed an Alaska forest products use preference which required all contracts involving the sale of timber on state land to include a clause requiring the primary manufacture of the timber to take place in Alaska. The state's asserted purpose for the primary manufacture requirement was to protect industry, establish new industry, derive revenue and manage the state's forest. The state in defending against the challenge to the regulation argued a comparable federal policy for the removal of timber on federal lands established congressional intent to authorize similar state action, that it was solely a market participant, and that the regulation did not substantially burden interstate commerce. The supreme court rejected the state's claims and struck down the regulation holding the regulation to be a downstream restriction having a substantial regulatory effect on interstate commerce. The state, the court held, was not merely choosing its own trading partners but was attempting to govern the private, separate, economic relationships of its trading partners by restricting past purchase activity rather than merely purchasing activity.

South-Central Timber defines an area of permissible regulation in a states purchasing activity. If the state is solely a market participant, that is, an entity exercising its independent discretion as to parties with whom he will deal; the commerce clause does not limit the state's refusal to deal with particular parties when participating in the interstate market in goods.

In the instant case a court may hold that the state is solely involved in interstate commerce as a market participant since it does not control the flow of the goods once the contract is executed. The regulation is a pre-purchase condition which the state imposes as a condition of conducting business with it; the impact on interstate commerce may be only incidental and the state does not make the choice of disposition of goods for the other party to the contract. A regulation involving the foregoing condition may be upheld as a permissible state regulation.

MG:jr

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF GENERAL SERVICES AND SUPPLY

STEVE COWPER, GOVERNOR

POUCH C
JUNEAU, ALASKA 99811

(907) 465-2250

March 12, 1987

C

The Honorable Mitch Abood
Chairman, Senate State Affairs
Alaska State Legislature
P.O. Box V
Juneau, AK 99811-3100

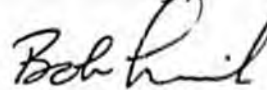
Dear Mr. Chairman:

Re: Lumber Bill

At the March 11, 1987, hearing on ~~SCR-157~~ the committee requested a copy of our latest lumber bill. Invitation to Bid #11627 is enclosed in draft. It references products available in Alaska. The enclosed memorandum from the Department of Natural Resources advises that western hemlock is an Alaskan wood. Preferences for Alaskan timber products are also stated. Since this bid is still in draft, it should not be released to the public. We expect to distribute it later this week.

At the end of the hearing, Mr. Greg Bell provided a copy of an invitation to bid which specified a non-Alaskan wood product. That bid was cancelled February 25, 1987, prior to opening, so the specifications could be revised.

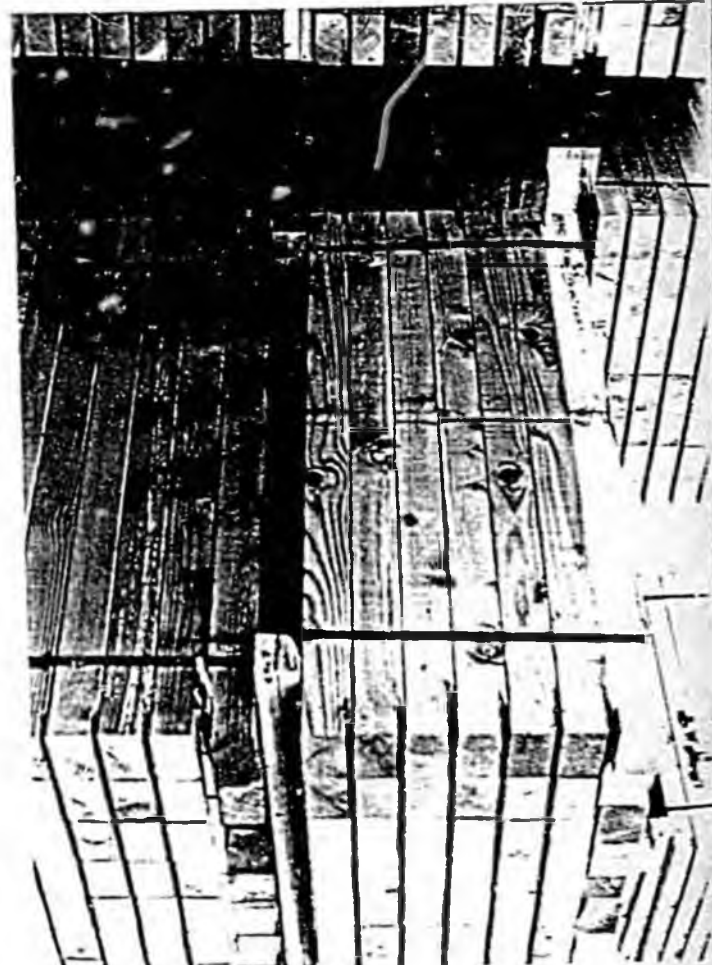
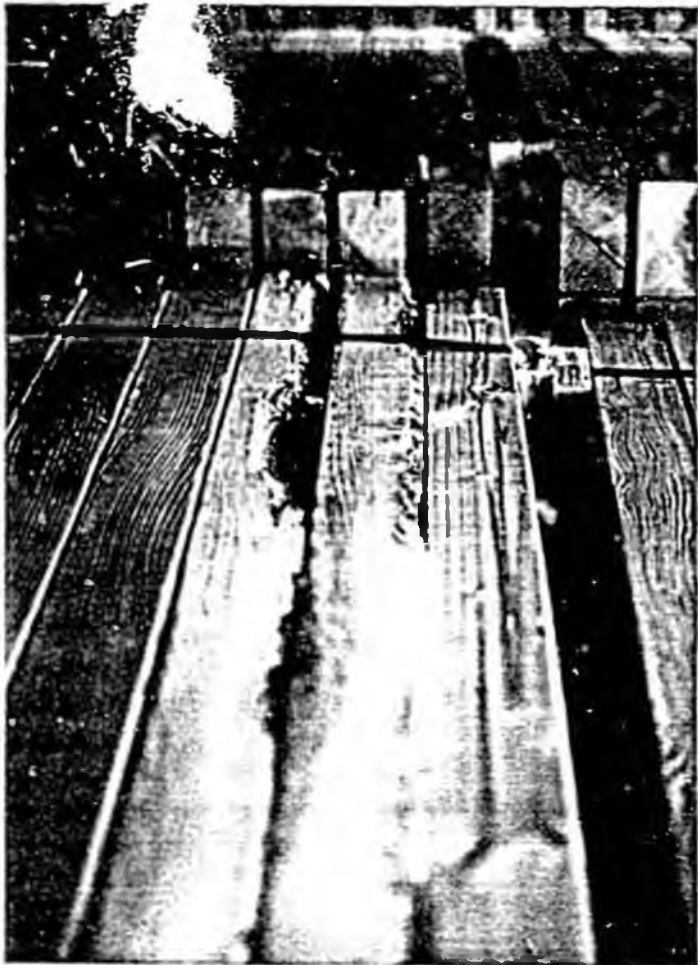
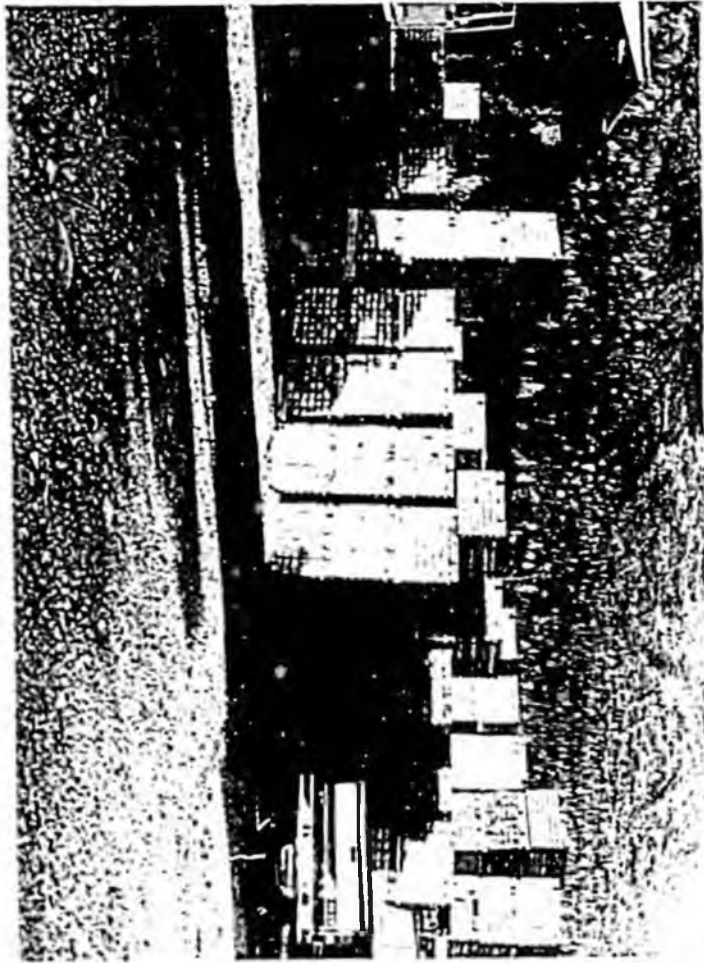
Sincerely,

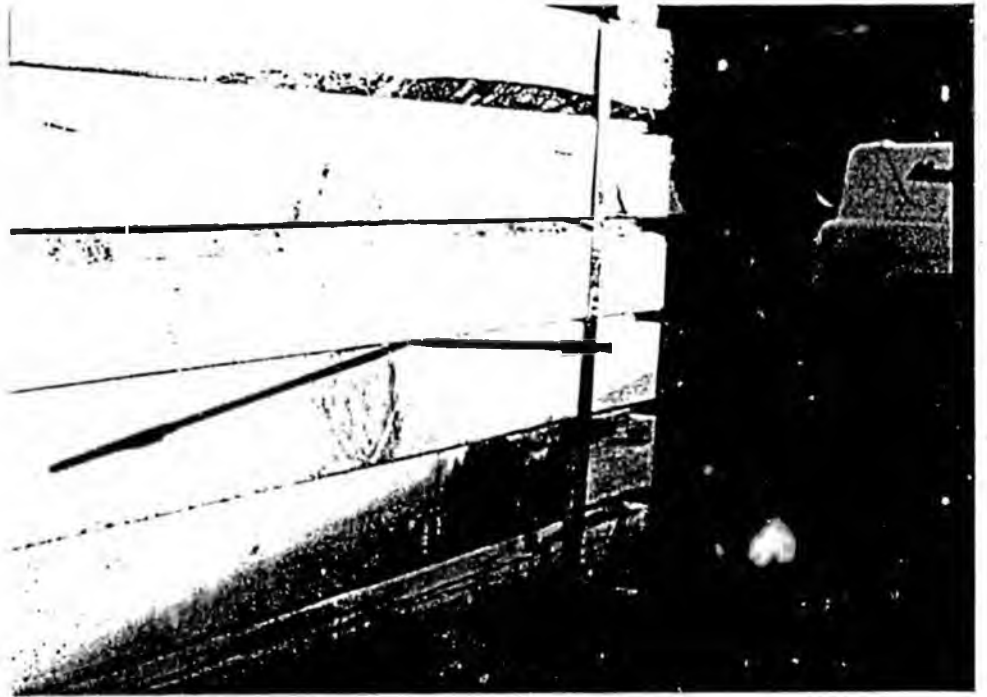
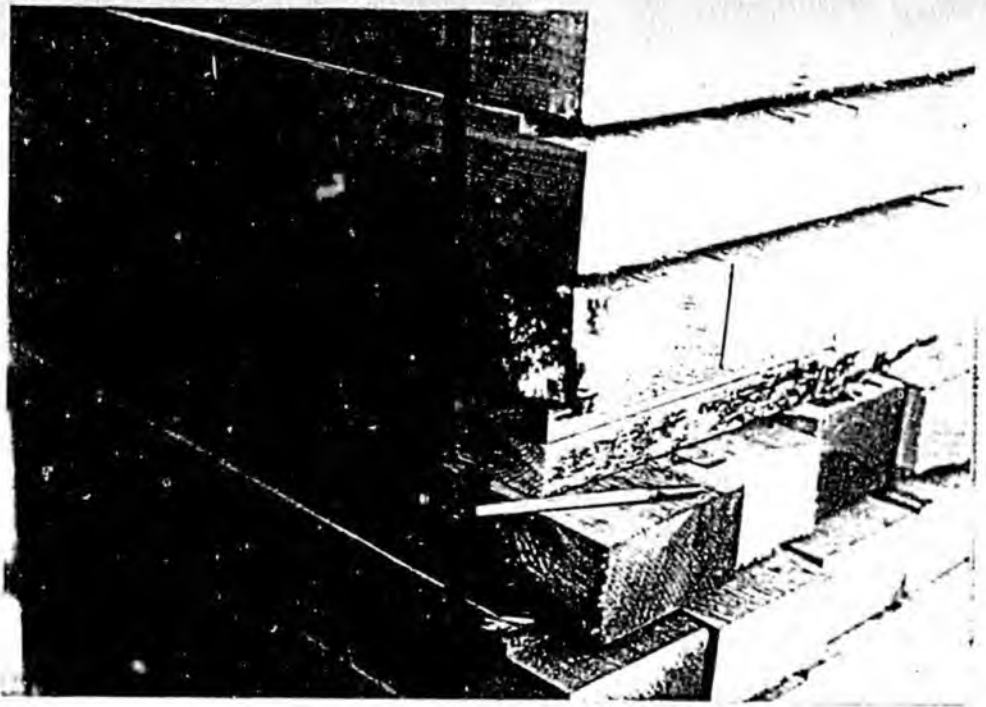


Robert J. Link
Director

RJL/dkk
9/11D1/0312-17
Enclosures
cc: Michael P. McMullen
Special Assistant to the
Commissioner
Department of Administration

RECEIVED
MAR 13 1987





BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

PO BOX 7-005
ANCHORAGE ALASKA 99510
PHONE (907) 561-2020

October 9, 1986

Mr. John J. Simpson, Director
Engineering and Operations
Standards Division
Department of Transportation and
Public Facilities
P.O. Box 2
Juneau, AK 99811

Dear Mr. Simpson:

We recently acquired a copy of DOT's Standard Specifications for Highway Construction and noted with interest the chance to provide greater opportunities for the use of Alaska wood provided by the language in 506-2.01 and the requirement of 713-2.01. The current language of 506-2.01 specifically mentions the tree species of Douglas-fir and western larch and the lumber species combinations of Southern Pine and Hem-Fir. A couple of clarifications are needed here. Lumber is graded and sold in standard species combinations or as individual species. Western larch is graded and sold with Douglas-fir in the species combination Douglas-fir-Larch. Southern Pine is a species combination of four of the southern yellow pines. Hem-Fir is a species combination which includes the species Pacific silver fir, noble fir, grand fir, California red fir, white fir and western hemlock. Design values for these species combinations are determined from samples of all of the species in the combination. Thus western hemlock's strength characteristics are diluted or masked when it is a part of the Hem-Fir combination. Western hemlock, a species of which Alaska has a very large volume, has design values superior to Hem-Fir in every instance!

Western hemlock is also graded and marketed as an individual species. Consequently, western hemlock could be specified in paragraph 506-2.01, along with the correct species combinations of Douglas-fir-Larch, Southern Pine, and Hem-Fir and thereby provide an opportunity for the Alaska producer to meet bridge timber specs! The Alaska producer is at present either excluded outright, discouraged from trying to meet the specs, or discriminated against since his western hemlock strength is only allowed the design values of the Hem-Fir.

We urge you to add the species western hemlock to the species identified for bridge construction in 506-2.01.

Attached is a comparative listing of the design values for some species combinations for your personal use and consideration. Note that mountain hemlock is also graded and marketed individually and that its design values exceed Hem-Fir in 4 of 6 instances. It also grows in Alaska. Sitka spruce

has the highest strength to weight ratio of any American wood and its design values equal or exceed Hem-Fir in 3 of 6 instances, are only slightly under in 2 of 6, and below in 1 of 6.

We believe that with a little realism, determination, and careful design the market for Alaska wood in Alaska projects can be significantly enlarged.

Let us hear from you. Can't we improve the specs for the benefit of Alaska?

Sincerely,

GEORGE K. HOLLETT
Acting State Forester

cc: Thyas Shaub, Office of Forest Products, DCED
Ron Gelbrich, Wrangell Forest Products
Tommy Heinrich, Central Region, DOT/PF

INVITATION TO BID

INVITATION NUMBER
11627

RETURN THIS BID TO:

State of Alaska
Division of General Services and Supply
P.O. Box C (MS 0210)
Juneau, Alaska 99811

DRAFT

THIS IS NOT AN ORDER

DATE ITB ISSUED: _____

=====

SEALED BIDS WILL BE RECEIVED IN SINGLE COPY AT THE ABOVE ADDRESS UNTIL 1:30 P.M. ON _____ AT WHICH TIME THEY WILL BE PUBLICLY OPENED.

ITEMS ARE FOR DELIVERY TO: DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, MAINTENANCE AND OPERATIONS AT STERLING LANDING, (KUSKOKWIM RIVER), MCGRATH, NOME, & SHELDON POINT, ALASKA.

DELIVERY DESIRED AT FINAL DESTINATION: NO LATER THAN JUNE 30, 1987.
F.O.B.: FINAL DESTINATION

=====

BID TITLE: PURCHASE OF TREATED AND UNTREATED LUMBER AND NAILS FOR THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, MAINTENANCE AND OPERATIONS, AT STERLING LANDING (KUSKOKWIM RIVER), MCGRATH NOME, AND SHELDON POINT, ALASKA.

**** IT IS NOT NECESSARY TO RETURN THIS FORM IF YOU DO NOT WISH TO BID. ****

BIDDER'S NOTICE: By signature on this form, the bidder certifies that he/she is complying with (1) the laws of the State of Alaska; (2) the applicable portion of the Federal Civil Rights Act of 1964; (3) the Equal Employment Opportunity Act and the regulations issued thereunder by the State and Federal Government; and (4) all terms and conditions set out in this Invitation to Bid. If any bidder fails to comply with (1) through (4) of this paragraph, the State reserves the right to disregard the bid, terminate the contract, or consider the contractor in default.

REJECTION OF BIDS: A bid will be rejected when the bid contains a material alteration or erasure which is not initialed by the signer of the bid.

=====		
	PAGE 1 OF 5 PAGES PLUS i&i	INDICATE IF YOU QUALIFY FOR THE ALASKA BIDDER'S PREFERENCE: ___YES___NO
----- David Sekstrom CONTRACTING OFFICER	----- COMPANY SUBMITTING BID	
TELEPHONE NUMBER (907) 465-2253	----- AUTHORIZED SIGNATURE	----- ALASKA BUSINESS LICENSE NUMBER
TELEX NUMBER (099) 46-308	----- PRINTED NAME	----- TELEPHONE
REV 10/24/86	----- DATE	

FOR PURCHASES AND SUPPLY CONTRACTS

INSTRUCTIONS TO BIDDERS

DRAFT

1. Samples of items, when required, must be furnished at no cost to the State. On request, samples will be returned at the bidder's expense provided they were not consumed in testing.
2. Prices are to be stated in the units of issue in this invitation. Prices quoted shall be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the f.o.b. point so that upon transfer of title, the commodity can be utilized without further cost.
3. Unless otherwise stated in the invitation to Bid, the following terms and conditions will apply. Time of proposed delivery must be stated in definite terms if different from that indicated by the State. Bidder's exception to the stated delivery time may cause the bid offer to be considered nonresponsive by the State. If time varies for different items, the bidder shall so state. Delivery date is defined as the date upon which delivery is required at the destination specified in the bid invitation.
4. If the item bid upon has a trade name or brand, bidder should state such trade name or brand and model number in the bid.
5. All bids shall be submitted exclusive of federal, State, and local taxes. However, if the bidder believes that certain taxes are properly payable by the State, they may list such taxes separately, in each case directly below the bid price for the affected item. The State is exempt from Federal Excise Tax under Registration No. 92-73-0006-K.
6. Bidders are requested to carefully review this invitation, without delay, for defects and questionable or objectionable matter. Questions, objections or comments should be made in writing and received by the purchasing authority no later than ten (10) days prior to bid opening, so that any necessary amendments may be published and distributed to bidders to prevent the opening of a defective bid upon which award cannot be made, but which will result in the exposure of bidders' prices. Bidders' protests based upon any omissions, or errors, or the content of the invitation to Bid will be disallowed if not made known prior to the bid opening.
7. An aggrieved bidder responding to a competitive bid may appeal to the Department of Administration, Office of the Commissioner, or the office of the Division of General Services & Supply which issued the bid, for a hearing. A bidder requesting a hearing shall: (1) submit an appeal in writing within five (5) days of date of abstract, Saturdays, Sundays and other legal holidays excluded; (2) explain in detail all of the reasons for the appeal and (3) send a copy of the appeal to all interested parties, including all other bidders.
8. Bidders are instructed to use this and attached forms in submitting bids. A photocopied bid may be submitted.
9. Directions for submitting bids: Envelopes containing bids must be sealed, marked, and addressed as shown in the example below. Do not put the bid number and opening date on the envelope if you are requesting bid information. Envelopes with bid numbers referenced will not be opened until the scheduled date and time.

 Bidder's Return Address

Department of Administration
 Division of General Services & Supply
 P.O. Box C
 Juneau, AK 99811-0210

Bid No.: _____

 Opening Date: _____

CONDITIONS

1. Any offer and acceptance resulting from this invitation to Bid shall be expressly limited to the terms and conditions as shown on this form and its attachments.
2. Bidders must submit with their bid: bid bonds, descriptive product literature, samples and drawings as required. Failure to include these items will cause the State to reject the bid as nonresponsive.
 Prior to bid award, the lowest responsive bidder must submit satisfactory evidence of workers' compensation and liability insurance, surety deposits, performance bonds and any other documents required by the State. Failure to supply these documents within the time required will cause the State to declare the bidder nonresponsive and to reject the bid.
3. Unless otherwise specified, all materials, supplies or equipment offered by a bidder shall be new, unused, of recent manufacture, and suitable for the manufacturer's intended purpose.
4. It is the sole responsibility of the bidder to ensure that their bid and any pertinent amendments are in the issuing office of the Division of General Services & Supply prior to the scheduled bid opening time. Formal bids will be rejected if not received at the issuing office prior to the time set for opening.
 If there is any doubt that your bid or amendments will be received timely, you must provide written notice to the specified office prior to bid opening time that your bid is in the mail. This will reserve your right to have your bid read when it is received provided there is evidence from the U.S. Postal Service, on the face of the envelope containing your bid, that your bid was in the hands of the U.S. Postal Service no later than the a.m. of the day of bid opening and provided that your bid is received at the issuing office of the Division of General Services & Supply within seven (7) calendar days of the date of opening. Do not include prices in the notice.
 The State reserves the right to reject any late bid for which the circumstances of bid opening times in concert with time zone changes could have made it possible for the bidder to obtain bid prices after the bid opening time and yet still comply with the requirements stipulated above.
5. The State reserves the right to reject any and all bids, to waive minor deviations from the specifications, and to waive any informality in bids received, whenever such rejection or waiver is in the best interest of the State, and unless otherwise specified by the bidder, to accept any items in the bid. A bid may be rejected when: (1) the bidder is in arrears on taxes due the State; (2) the bidder has failed to perform satisfactorily on a previous contract with the State or is not in a position to perform the contract; and (3) the bidder has failed to use this bid form. A bid will be rejected when the bidder fails to sign the bid or makes a material change in the specifications or terms or conditions of the invitation to Bid.

6. Where the description of an item includes both specifications and a brand name and number, the specifications will govern in case of conflict. Brand name and number are for reference as to the type and quality required and do not preclude offers of a comparable or better product, provided full specifications and descriptive literature are provided. Failure to provide such literature with the order may be cause to reject the offer.
7. In case of error in the extension of prices in the bid, the unit prices will govern; in a lot bid, the lot prices will govern.
8. In each instance assignment of contractor subcontracts shall not be permitted unless authorized in advance by the Department of Administration, State of Alaska.
9. For the purpose of award, offers made in accordance with this Invitation to Bid shall be good and firm for a period of ninety (90) days from the date of bid opening unless the bidder specifically limits their offer to a shorter period by written notification on the bid documents. However, bids so modified may be declared nonresponsive.
10. Unless otherwise provided in the Invitation to Bid the successful bidder/contractor agrees: (1) that any holding over of the contract excluding any exercised renewal options, shall be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) both the State and the contractor agree to provide written notice to the other party of their intent to cancel such month-to-month extension at least thirty (30) days prior to the desired date of cancellation.
11. In case of default of the contract, for any reason whatever, the State of Alaska may procure the articles from another source and hold the contractor responsible for any excess cost occasioned thereby.
12. The State shall not be liable for any costs incurred by the bidder in bid preparation.
13. The contractor will indemnify, save harmless and defend the State, its officers, agents and employees from any and all claims or actions for injuries or damages sustained by any person or property arising directly or indirectly from the contractor's performance of this contract; however, this provision has no effect, if, but only if, the sole proximate cause of the injury or damage is the State's negligence.
14. Time, in connection with payment discount offered, shall be computed from date of the delivery of the material at destination when final inspection and acceptance are at this point, or from date correct bill or invoice is received, whichever is later.
15. An officer or employee of the State of Alaska may not seek to acquire, be a party to, or possess a financial interest in, this contract if (A) the officer or employee is an employee of the administrative unit that supervises the award of this contract; or (B) the employee has the power to take or withhold official action so as to affect the award or execution of the contract.
16. Unless otherwise stated in the Invitation to Bid the term "final destination" is defined as the unloading ramp or unloading point at the receiving station. Unless otherwise stated in the Invitation to Bid, the successful bidder shall prepay the necessary charge to cause his agent, or the common carrier, to off-load the goods from the delivering vehicle and place them on the unloading ramp or unloading point at final destination, free of any further charges.
17. Due to high administrative cost associated with processing of purchase orders, a single low bid of \$50 or less may, at the discretion of the State, be awarded to the next low bidder receiving other awards for consolidation purposes. This paragraph is not subject to the protest terms enumerated in instruction no. 7 above.
18. Disputes: Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order and any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the First Judicial District of Alaska.
19. Preferential use of Alaska agricultural or fisheries products: Agricultural, seafood and timber products harvested in the state or within the jurisdiction of the state will be given a purchasing preference over products harvested or processed out of the state of Alaska whenever competitively priced, available and of like quality. Tie bids will be awarded to the low responsive bidder offering a product harvested or processed within the state of Alaska or within the jurisdiction of the State.
20. 5% Alaska bidder preference (Alaska Statute 37.05.230): A bid shall be awarded to an Alaska bidder if his/her bid is not more than five percent (5%) higher than the lowest nonresident's bid. An Alaska bidder is defined as one who: (1) holds a current Alaska business license (business license number must be shown in space provided on first page of the bid); (b) submits a bid for goods or services under the name as appearing on the person's current Alaska business license; (c) has maintained a place of business in the state for a period of six (6) months immediately preceding the date of this bid; and effective August 29, 1985, (d) if a joint venture, is composed entirely of parties that qualify under this paragraph.

Check the box on the front page of the bid which indicates your eligibility.

21. Bidder's notice: By signature on this form, the bidder certifies that he/she is complying with (1) the laws of the State of Alaska; (2) the applicable portion of the Federal Civil Rights Act of 1964; (3) the Equal Employment Opportunity Act and the regulations issued thereunder by the State and Federal Government; and (4) all terms and conditions set out in this Invitation to Bid. If any bidder fails to comply with (1) through (4) of this paragraph, the State reserves the right to disregard the bid, terminate the contract, or consider the contractor in default.

PAYMENT FOR STATE PURCHASES: Payment for agreements under \$500,000, for the undisputed purchase of goods or services provided to a state agency, will be made within 30 days of the receipt of a proper billing or the delivery of the goods or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement which establishes a lower interest rate or precludes the charging of interest.

PREFERENTIAL USE OF ALASKAN AGRICULTURAL, TIMBER, OR FISHERIES PRODUCTS: Agricultural, timber, and fisheries products harvested in the State of Alaska or within the jurisdiction of the state will be given a purchasing preference over products harvested or processed outside the state when the Alaskan products are available, of like quality, and competitively priced. Tie bids will be awarded by line item to the low responsive bidder offering a product harvested or processed in the state or within the jurisdiction of the state.

Bidders must indicate in the space provided under Bid Schedule whether the item bid is an Alaskan agricultural, timber, or fisheries product. Failure to make an entry in the space provided will cause the state to consider the product as being harvested or processed outside the State of Alaska.

DELIVERY: Delivery at Final Destination is required prior to June 30, 1987.

FINAL DESTINATION: Final Destination will be either Sterling Landing (on the Kuskokwim River near McGrath), Nome, or Sheldon Point, Alaska as indicated in the Bid Schedule.

AWARD: Award will be made by line item to the lowest responsible bidder.

SPECIFICATIONS FOR TREATED LUMBER

1. Lumber specified in items numbered 3 through 6 and 9 through 12 of this Invitation to Bid, will be pressure treated, Western Hemlock or equivalent, structural grade #2 or better, S4S2E., kiln dried before treatment and air dried after treatment, incised. Treated with CCA or equivalent in accordance with the latest standards of AWPB-LP22, minimum retention of 0.60 lbs. per cubic foot.

2. Lumber specified in items numbered 15. and 16. of this Invitation to Bid, will be pressure treated, Western Hemlock, structural grade #2 or better, S4S, kiln dried prior to treatment and air dried after treatment. Treatment will be in accordance with latest standards of AWPB C-2-82, LP-22 for CCA treatment or equivalent. Minimum net retention required is .40 lbs per cubic foot.

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BID SCHEDULE

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ITEM NO.	QTY.	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
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ITEMS # 1. and 2.

Note: Final Destination for items 1 and 2 will be:

Department of Transportation and Public Facilities
 Western District - Maintenance and Operations
 Nome, Alaska 99762

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|----|-----|------|--|---------|---------|
| 1. | 112 | ea. | 3" x 12" x 18' rough cut Spruce, or equivalent, planks, air dried for bridge decking. | \$_____ | \$_____ |
| | | | Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/> | | |
| 2. | 300 | lbs. | 60d Spikes, Domestic, 6" long, diamond point, flathead, galvanized, in 50 lb boxes. | \$_____ | \$_____ |

ITEMS # 3. through 8.

Note: Final Destination for items # 3. through 8. will be:

Department of Transportation and Public Facilities
 Central Region - Maintenance and Operations
 Sterling Landing - (Kuskokwim River)
 McGrath, Alaska 99627

Shipment must have a sidemark indicating the following:

Independence Creek Bridge,
 Sterling Landing
 Notify: Lee Chamberlain, 524-3241, on barge arrival.

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|----|----|-----|--|---------|---------|
| 3. | 50 | ea. | 3" x 12" x 12' pressure treated Cross Planks. See Specification # 1. | \$_____ | \$_____ |
| | | | Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/> | | |
| 4. | 20 | ea. | 2" x 12" x 16' pressure treated Running Planks. See Specification # 1. | \$_____ | \$_____ |
| | | | Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/> | | |
| 5. | 6 | ea. | 6" x 6" x 16' pressure treated Bull Rail. See Specification # 1. | \$_____ | \$_____ |
| | | | Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/> | | |
| 6. | 20 | ea. | 3" x 6" x 16' pressure treated Girder Rails. See Specification # 1. | \$_____ | \$_____ |
| | | | Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/> | | |

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BID SCHEDULE

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ITEM NO.	QTY.	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
7.	100	lb.	60d Spikes, Domestic, 6" long, diamond point, flathead, galvanized in 50 lb. boxes.	\$_____	\$_____
8.	50	lb	20d Spikes, Domestic, 4" long, diamond point, flathead, galvanized, in 50 lb. boxes.	\$_____	\$_____

ITEMS # 9. through 14.

Note: Final Destination for items # 9. through 14. will be:

Department of Transportation and Public Facilities
 Central Region - Maintenance and Operations
 Sterling Landing - (Kuskokwim River)
 McGrath, Alaska 99627

Shipment must have a sidemark indicating the following:

Takotna River Bridge,
 Sterling Landing
 Notify: Lee Chamberlain, 524-3241, on barge arrival.

9.	255	ea.	3" x 12" x 12' pressure treated Cross Planks. See Specification # 1.	\$_____	\$_____
			Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/>		
10.	100	ea.	2" x 12" x 16' pressure treated Running Planks. See Specification # 1.	\$_____	\$_____
			Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/>		
11.	32	ea.	6" x 16" x 16' pressure treated Bull Rail. See Specification # 1.	\$_____	\$_____
			Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/>		
12.	20	ea.	3" x 12" x 16' pressure treated Girder Rails. See Specification # 1.	\$_____	\$_____
			Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/>		
13.	300	lb.	60d Spikes, Domestic, 6" long, diamond point, flathead, galvanized in 50 lb. boxes.	\$_____	\$_____
14.	100	lb	20d Spikes, Domestic, 4" long, diamond point, flathead, galvanized, in 50 lb. boxes.	\$_____	\$_____

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BID SCHEDULE

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ITEM NO.	QTY.	UNIT	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
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ITEMS 15. and 16.

Note: Final Destination for items # 15. and 16. will be:

Department of Transportation and Public Facilities
 Local Service Roads and Trails
 Sheldon Point, Alaska 99666

Bundles must be marked on three (3) sides in high contrast paint:

Department of Transportation and Public Facilities
 Local Service Roads and Trails
 Sheldon Point, Alaska 99666

Notify: Savior Joseph, phone: 498-4226 (work) or 498-4937 (home).

15.	14	ea.	Bundles 2" x 6" x 8' pressure treated boards, 128 pieces per bundle. See Specification # 2.	\$_____	\$_____
			Lumber offered is an Alaska timber product? yes <input type="checkbox"/> no <input type="checkbox"/>		
16.	450	lb	20d Spikes, Domestic, 4" long, diamond point, flathead, galvanized, in 50 lb. boxes.	\$_____	\$_____

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FOR STATE USE ONLY: This Invitation to Bid covers PR's #25-176-87; 25-197-87; 25-259-87.