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# Alaska

# Business

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SECTION:**

# MINING

*Begins on page 72*

**Fort Knox Reaches Milestone  
5 millionth ounce of gold in 2011**







Photos courtesy of PRL Logistics Inc.

# Remote Mobilization in Alaska

No dock exists at Cape Lisburne, so PRL and Samson Tug and Barge performed a tactical beach-landing of a ramp barge during load-out operations of contaminated soil.

## Hybrid transportation and logistics

BY TRACY KALYTIK

At about noon on Dec. 6, 2004, the Selendang Ayu was carrying a load of 60,000 tons of soybeans, 440,000 gallons of bunker fuel and 18,000 gallons of diesel oil from Seattle to Xiamen, China, when the captain ordered the main engine stopped so a glitch with a cylinder could be examined.

The 738-foot Malaysian freighter

with a crew of 26 had recently passed through Unimak Pass, into the Bering Sea, 120 nautical miles from Dutch Harbor.

That decision to stop the engine seemed insignificant, routine, but swelled into a matter of huge consequence when it wouldn't restart.

Two days later, the stalled ship had drifted onto the north shore of Unalaska Island, despite efforts to

anchor and tow it. Six of its crew were dead, killed after a massive wave inundated the engine of a rescue helicopter, forcing it to crash into the churning dark sea. Rocks tore the Selendang Ayu in half, spilling 360,000 gallons of its fuel cargo into the water and touching off an 18-month cleanup.

Containing the aftermath of catastrophes like the Selendang Ayu wreck



and spill is just one of the many facets of what remote-mobilization companies do in Alaska.

### LOGISTICAL EXPERTISE

Smaller companies specialize in moving people and equipment to remote construction, mining and drilling sites. Others, like Ron Hyde's Anchorage-based PRL Logistics Inc., formerly known as Pacific Rim Logistics, can do that as well as take up enormous challenges like the Selendang Ayu spill, which it did seven years ago.

"Logistics has always been a passion," said Hyde, who launched PRL in 2002. "I grew up in the Bush, Goodnews Bay, so I was always on the receiving end of logistics."

Hyde worked for Jacobs Engineering Group for 10 years.

"While I really enjoyed my career at Jacobs, logistics wasn't the core competency, core mission, of that company. It's an important element of what they do, but wasn't their primary focus. PRL enabled me to refine logistical tools, planning, on ways to be able to move quickly and support very complex projects."

PRL acts as logistical support contractor for Gallagher Marine Systems as well as a first responder for the State of Alaska when a crisis like the Selendang Ayu wreck and spill occurs. Hyde received a call at three in the morning after the ship started drifting toward the island.

"We worked as initial incident commander and our company was used to provide logistical procurement of helicopters, fuel, passenger jets, housing in Unalaska and Dutch Harbor, organize daily flights, dispatch for passenger transport," Hyde said. "Dutch Harbor was the closest hub so we deployed there, set up a command center, secured local services, local labor, and daily were monitoring the vessel's position and working with other teams to support emergency response and recovery efforts."

The team at PRL has worked in nearly 800 locations around the state - among the Aleutians to Southeast, the North Slope, Interior and Western Alaska.

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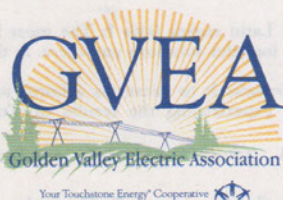
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Hyde said, referring to his staff's readiness for mobilizations. "There has to be a dependable way of communicating, electronically by both data and voice, you need to have a good subcontractor and manpower database. We're fortunate to have good relationships with the main transportation carriers in Alaska."

PRL uses NOMAD, an in-house web-based logistics and planning system, to enhance its communications capability, and has worked with companies that include PenAir, Lynden, Carlile, Bristow Aviation, Sourdough Express, Bighorn Transportation, DHL, Naniq Global Logistics, Alaska Marine Lines, Samson Tug and Barge, Crowley, Foss Maritime and Bowhead Transportation.

"We either have pre-existing agreements in place or develop an agreement on a per-project basis," Hyde said. "The companies are sensitive to the need to mobilize quickly, especially in an emergency."

### OUT OF COUNTRY EXPERIENCE

Another example of PRL's more complicated work took place in Kamchatka, Russia, where the company rapidly mobilized a soft-sided camp, supplies, equipment, and personnel from Fairbanks to Kamchatka in support of an exploration project. PRL completed all customs documentation; set up camps and provided on-site support camp operations; managed multiple camps for up to 160 people; tore down and reconstructed camp as the exploratory rig moved to new locales and set up and provided operations assistance for the client's adjacent camp.

"It was very difficult because many things were coming from outside Russia so we had customs issues to deal with," Hyde said. "We had locals and noncitizens and there were complexities because they weren't able to communicate. It was extremely remote, operated year-round for three years. Operating in that environment, you need to keep your people safe through training in a culture of safety. It was important to have staff on site, your company's leadership on site."

### CAPE LISBURNE SUPPORT

On another project, in Cape Lisburne, PRL supported a construction and



environmental services company with planning marine logistics, as well as transporting approximately 12,000 tons of PCB- and fuel-contaminated soil and extensive heavy machinery, vehicles and project supplies.

The contaminated material had to be transported from Cape Lisburne to Seward and then on to Seattle, involving mobilization and demobilization of more than 300 ISO bulk-soil containers, 500 soft-sided 12-ton containers, and ISO bulk-fuel tanks. PRL provided management, field labor, dedicated chartered tugs, barges, beach landing preparation and equipment, staging and crane work.

### FACILITATING SUCCESS

While PRL handles complex, larger-scale mobilizations in remote areas of the state, another company, Horst Expediting, is an example of a company that hurdles small- and medium-sized logistical obstacles.

Josh Horst founded Horst Expediting and Remote Operations with a half-ton pickup, an iPhone, and a computer out of his dry cabin

outside Fairbanks in January 2008.

Horst moved to Alaska in 1997 to study business management at the University of Alaska Southeast. He graduated in 2001 and launched into field work in the summer of 2006 – first as a deck hand on a Bristol Bay fishing boat and later as a geo-tech at a minerals exploration project in the Brooks Range. In 2007, he returned to the Brooks Range as camp manager for the exploration project.

“It was during that year that I really learned firsthand how deeply these remote projects depend on having someone in town who can keep them supplied,” Horst said. “There were several other companies in the field services market that are extremely good at what they do, but the feeling I got as the guy placing the orders was that our project was too small to really be important to them. In my mind, a half-million or million-dollar project seems huge, but to others if it’s not big gold, big government, or big oil it’s not really that big of a deal.”

Horst decided to start a company that would, he said, “facilitate success”

for small- to medium field-based projects serviced out of Fairbanks.

### HELPING THE LITTLE GUY

“The ‘little guy’ was a niche that seemed underserved and desperate for help and that’s who we wanted to help,” Horst said.

Horst said 2008 was a “total flop” as economic uncertainty tightened the investment market and projects that were sure deals in 2007 vanished overnight.

“I made just enough money to buy enough heating oil and Top Ramen to get me through the winter,” he said.

In December 2008, he decided he would offer an in-kind expediting sponsorship to the Yukon Quest. He landed a contract to provide logistics and guiding services to a Japanese production company doing a tourism show on Alaska and the Yukon, centered on the Yukon Quest.

“It was an excellent project and it carried me through to spring when things took off like mad, and we haven’t looked back since,” Horst said.

Horst Expediting has two major components – expediting and remote operations.

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PRL arrives at Cape Lisburne with containers and equipment for packing and transport of PCB-contaminated soil and debris.

The expediting services keep camps and crews stocked with everything from groceries to tools and parts.

“We source products and repairs from vendors throughout Alaska, then the Lower 48, and tackle the logistics required to get what our customers need quickly and accurately,” Horst said.

The remote operations component varies.

For camps, the company rents completely outfitted tent camps for crews

of one to 24 people, rents camp equipment, constructs tent camps owned by its customers, and provides procurement services for customers who prefer to own their own camp but need help getting the right equipment.

Guiding can range from what Horst refers to as “bear guiding” – keeping a crew out of harm’s way in bear country, “marmot guiding” – which involves mammal watching, and film guiding – doing such things as

supporting two Japanese production companies’ efforts to film the Yukon Quest. Field work involves putting just a few people out in the field for a project, doing soil sampling, carpentry, cooking or claim staking.

As Horst’s company has grown, it has added two more vehicles, about a dozen tents of various sizes and styles, tons of camp equipment, a shop, an office with a shipping and receiving hub adjacent to the Fairbanks airport, and, most importantly, it has added employees and developed crucial subcontractor and vendor relationships.

### DEVELOPING RELATIONSHIPS

Horst uses technology as its primary tool for the work it does.

“Five years ago, a small camp wouldn’t have any communications at all except for maybe a satellite phone,” Horst said. “Today, Hughes Net has changed everything. We’ve developed systems utilizing simple technologies from Google docs to place, track and complete orders through shared documents stored

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online. It's streamlined our ordering without costing anyone any money and has improved communications drastically. Internet in these smaller field camps is a game changer."

Aside from Horst's ordering system, the company has expanded relationships with the people who fly freight out to its camps, which has helped the company get priority freight moved quickly from its trucks, onto the planes, and up to the camps.

"Again, it goes back to people and relationships," Horst said.

Horst Expediting has performed services for companies that include Goldrich Mining Company, Black Rock Drilling, Cruz Construction, Alaska Gold Company, UCore Minerals, AuruMar, State of Alaska, University of Alaska, Marsh Creek, NHK Japanese television, Yukon Quest, Wild and Free Mushing, Cedar Mountain Exploration, Iniakuk Lake Wilderness Lodge, Spirit Lights Lodge and Brooks Range Aviation.

For the short run, Horst said, economic uncertainty will likely keep gold prices high, resulting in increased exploration from companies of varying sizes.

"We work with a couple of big boys, but more and more of the smaller outfits are trying their hand at it and that'll likely expose us to more opportunities to help them get the ball rolling," Horst said. "Those customers are showing up with a small amount of investment dollars and often with little experience working out of Fairbanks. They know their rocks and they know how to mine, but they don't necessarily know where to get the right type of steel, fittings, parts, tools, tents or clothing they require, nor how to get it out to their site. That's where we come in."

Horst says the weak U.S. dollar seems to be creating a more attractive investment community in Alaska.

"It's no coincidence that I'm sending invoices to Canada and South Africa almost as often as I'm sending them to Alaska and Lower 48 companies," Horst said. "Money is coming to Alaska from all over the world now that we're 'cheap' and that'll likely help my company. The local knowledge we offer is very valuable in Alaska." □

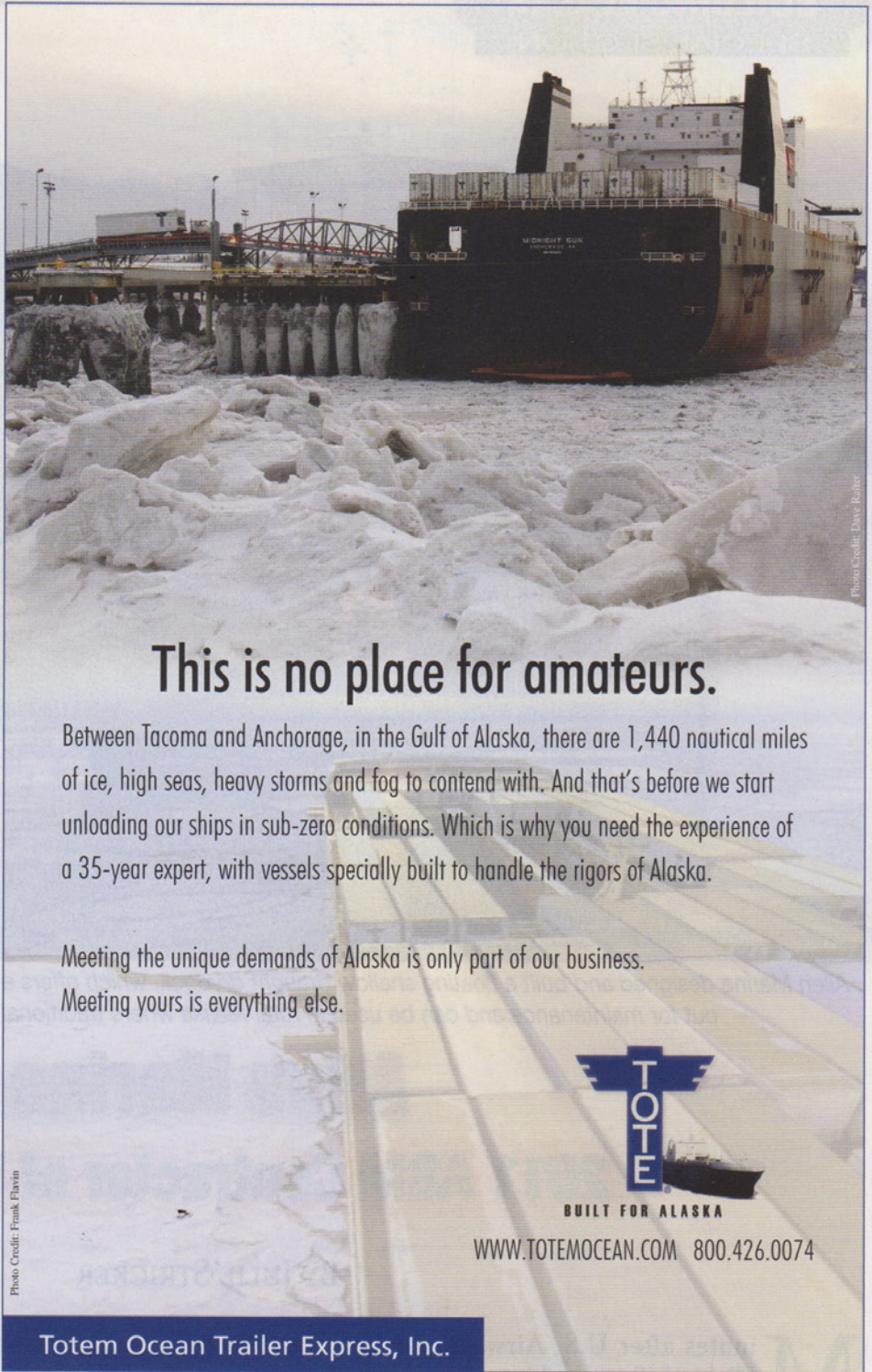


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