

Port Opening Viewed As End Of ARR's Monopoly

By CLARKE WARD
Times Staff Writer

The opening of the port of Anchorage means an end to the monopoly the Alaska Railroad enjoys in handling West Coast ocean shipments to Anchorage, indicated Port Director Henry Roloff today as the new port started distribution of its schedule of rates and charges.

Seven hundred of the schedules, called a tariff in shipping circles, have been published and are being distributed locally, nationally and internationally, Roloff said.

THE TARIFF, on file with the Federal Maritime Board, notifies the world that the city's \$8.2 million port facility is open for business.

"Until the port of Anchorage was built, the shipper was faced with a monopoly," Roloff maintained. "He is now faced with an alternative and can take the cheaper of the two."

Roloff said he was referring to the Alaska Railroad handling of cargo for Anchorage through its Seward port. Except for barge shipments direct to Anchorage, the Alaska Steamship Co.—Alaska Railroad combination was the sole means of water shipment from Seattle to Anchorage.

ASSERTING that the Anchorage port tariff is competitive with that of Seward, Roloff said, "We are going to attempt to handle cargo faster and therefore, reduced terminal costs to the carrier will be reflected in lower rates to the shipper," he said.

"Our tariff has to reflect a savings to the shipper or we will not divert a ton of cargo from Seward," Roloff warned.

Publication of the Anchorage port tariff means that scheduled water carriers can now publish their own rates for carrying cargos from the West Coast, Japan and elsewhere since they now know the expense of loading and unloading here, Roloff said.

UNTIL THESE carrier rates are known, an exact comparison of costs to the shipper for use of Seward and of Anchorage cannot be made, he explained.

But Alaska Steam's rates to the docks at Valdez and Seward are the same, Roloff said. There is reason to expect that the rates to Anchorage also may be the same, he added.

Based on this assumption, the Anchorage rate—using Alaska Steam's proportional rate from Seattle to Seward plus Anchorage port terminal charges—compares favorably with the steamship line—ARR total ocean-rail rate to Anchorage, Roloff pointed out (see accompanying chart).

ALASKA STEAMSHIP Co.'s published rates from Seattle to Seward and the ARR's published rates from Seward to Anchorage, when added together, are always higher than the through, or ocean-rail rate, Roloff said.

"But when the steamship company is asked what its rates are to Seward on the through shipments, it says they are the same as the proportional or Seattle-Seward rates," Roloff continued.

"This means that the ARR is hauling some items from Seward to Anchorage for almost nothing," he asserted.

"THE ARR AND Alaska Steam have an interline agreement, so we do not know what Seward terminal expenses are charged against each."

"Whether the ARR can economically justify this in the cost of its operations is a point we have to determine," Roloff maintained.

If the railroad should adjust through rates to reflect costs of rail handling, this may mean an increase in shipping rates for a while, "but they will go down" as

Comparison Of Port Wharfage Costs

(Per 2,000 pounds)

ITEMS	Anchorage	Seward	Sitka	Valdez
Freight (not otherwise specified)	\$2.00	\$2.00	\$1.80	\$2.00
Electrical appliances	2.50	2.50	1.80	2.00
Beverages, alcoholic	2.50	2.50	1.20	2.60
non-alcoholic	2.00	2.00	1.80	2.00
Chemical fertilizer	1.20	2.00	1.80	2.00
Grain, stock feed	1.50	1.80	1.80	2.00
Groceries, canned	2.00	2.00	1.80	1.50
Iron or steel articles; pipe, piling, angles, bars, beams, channels, joists	1.75	2.00	1.80	1.50
Lumber and lumber products (per 1,000 board feet)	1.75	1.50	2.40	2.00
Oil tools, oil well or water well drilling equipment	2.00	2.00	1.80	2.00
Powder, explosives	5.00	(a)	1.80	3.00
Scrap iron or steel	1.50	1.50	1.80	2.00
Vegetables, fresh	2.00	2.00	1.80	2.00

(a)—Seward cannot handle Class A explosives.

THROUGH FREIGHT RATES

ITEMS	(A) Seattle-Anchorage direct (estimated)	(B) Seattle-Anchorage via Seward and ARR
Agricultural implements, other, than hand, in pkgs.	\$34.88 (van load)	\$40.60 (carload)
Distilled spirits, malt liquors, wines	36.78 (loose load)	47.60 (less than carload)
Grocery Group No. 1: dessert preparations; citrus fruit juice in cans, not frozen; certain meats, cooked, canned; flour or corn meal	73.25 (liquor-LCL)	102.75 (same)
Fresh fruits	45.26 (loose stow)	62.60 (LCL)
Frozen fruits or vegetables	69.60	82.20
	148.00	133.60

POSSIBLE SHIPPING COSTS TO NEW PORT — Assuming that Alaska Steamship Co. rates from Seattle to Anchorage will be the same as those from Seattle to Seward, the port of Anchorage compares total shipping costs for cargos from the West Coast port to Anchorage. Column A above shows total Seattle-Anchorage rates, using Alaska Steam's Seward proportional ocean rate plus Anchorage port terminal charges. Column B shows total Seattle-Anchorage rates using Alaska Steam-Alaska Railroad's ocean-rail through charges via the port of Seward. Rates in both columns include Seattle terminal charges. Charges are per 2,000 pounds.

Port Opening May End ARR Monopoly

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the effects of competition are felt, Roloff said.

THE CRUX of the competition between the port of Anchorage and the ARR "is that the railroad is non-regulated and can change rates at a day's notice without justification to any regulatory agency," Roloff declared.

"Because of this, it can effectively control cargo by rapid rate adjustments. No other carrier can do this."

The question is, should the ARR and its port of Seward be regulated? Roloff asked. "I believe they should be."

"TRUCK CARRIERS are regulated and so is the port of Anchorage," Roloff continued. The latter is to the extent that it must file tariffs and contracts and any changes to them with the Federal Maritime Board.

Opening of the Anchorage port may result in greater competition among water carriers because of the alternate choice of ports open to the shipper, Roloff reiterated.

"Barge lines rates in most cases are only a few cents cheaper than steamship rates, yet it is safe to assume that operation of a barge line is less expensive," Roloff explained.

"IF BARGE lines establish rates which reflect the true cost of doing business, there is reason to believe they will be cheaper than steamship rates."

There also may be new water carriers in the business of hauling to Alaska, Roloff said. "A vessel with maximum speed and minimum turn-around time is what Alaska needs."

The type of carrier which will serve Alaska most efficiently—and most cheaply—is one designed specifically for containerized cargo," he explained.

INCLUDED IN the port's tariff are the rates and charges for wharfage, handling, storage, car loading and unloading, equipment and utilities services and dockage, Roloff said.

In an accompanying chart is a comparison of Anchorage wharfage charges compared with Seward, Sitka and Valdez for several items. Wharfage is defined as "the charge made against merchandise for its passage over..." the dock.

No 'Cousin John' Rates From ARR, Official Asserts

By CLARKE WARD
Times Staff Writer

The Alaska Railroad "does not like the implication that it has a lot of 'Cousin John' freight" rates" on through shipments of goods bound for Anchorage through its port of Seward, an ARR official said.

The comment came from John Manley, ARR assistant general manager, after an allegation by Anchorage Port Director Henry Roloff that the railroad "is hauling some items from Seward to Anchorage for almost nothing."

IN A RECENT interview on opening of the city's new port, Roloff said Alaska Steamship Co.'s rates from Seattle to Seward and the ARR's published rates from Seward to Anchorage, when added together, are always higher than the through, or ocean-rail rate.

"But when the steamship company is asked what its rates are to Seward on the through shipments, it says they are the same as the proportional or the Seattle-Seward rates," Roloff has said.

Therefore, the railroad must be absorbing some terminal costs, Roloff indicated. **BY "COUSIN JOHN"** rates Manley said he meant special rates favoring certain shippers or carriers.

"The ARR absorbs nothing at Seward that would ordinarily be charged to the carrier or the shipper," Manley asserted.

Furthermore, contrary to Roloff's charge, Alaska Steamship's local class rates to Seward and the ARR's local class rates from Seward to Anchorage are less than Seattle-Anchorage through, or ocean-rail rates, Manley said.

THE DIFFERENCE results from the shipper or consignee paying some terminal costs at Seward on the non-through shipments, Manley said.

He defined class rates as

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(Continued from Page 1) to expect miracles out of the Anchorage Port Commission for three to five years."

The \$8.2 million facility faces its first season of operation with a commitment from a Japanese ship line to dock at the port May 10. The ship is expected to be carrying structural materials, cement and pipe out of Yokohama.

As a publicly-owned carrier operated by the Department of the Interior, the ARR submits its rates to the Interstate Commerce Commission and the Seward terminal charges to the Federal Maritime Board, Manley explained. But the ARR is not supervised by either agency, he admitted.

YET THE railroad follows ICC regulations in announcing increases 30 days before they occur and decreases 10 days, Manley said. In special cases as with other railroads, changes may be made in one day, he added.

In addition, the ARR rates are examined by the Interior department and ultimately by the U. S. Congress, Manley said. The possibility of Cousin John rates being charged would be small, he added.

Manley announced the railroad is instituting a charge of 10 cents per 100 pounds for delivery of carload shipments from the ARR Anchorage yards to the consignee. The charge goes into effect April 22, he said.

COMMENTING on possible competition between the Anchorage port and the railroad in serving the Anchorage area, Manley said: "The railroad is going to continue its policy of compensatory rates which aid in the development of Alaska, as provided in the Presidential enabling act which created the rail carrier."

"We have to have rates which pay their way," he added.

But should the port be able to offer a rate from Seattle to Anchorage lower than a present ocean-rail rate, "we would have to attempt to meet it," Manley said.

MANLEY revealed that the Anchorage port has asked the ARR to submit an export rate for coal from the Malanaska Valley, to be shipped via rail through the port of Anchorage. It is reported that interests in Japan are considering import of Alaska coal for electric power generation.

D. J. Smith, ARR general manager, called for cooperation between the port and the railroad "for the betterment of Alaska."

"The port is a good investment in the long range view," Smith said. "It most certainly will be a major export dock. But it would be unfair

New Port Is Used First Time

Anchorage Times 4/15/61

The "Kev Alaska," a barge owned by Pacific Western Lines, was the first barge to dock at the new Port of Anchorage facility.

The barge, carrying 4,900 tons of general cargo, lumber, mobile homes and bulk cement, landed at 9 a.m. The barge came from Portland and was towed in by the tug, "Mary Foss."

Since Pacific Western is a subsidiary of Alaska Aggregate Corporation, the "Kev Alaska" was expected to land at the ALAGCO dock. However, low tides made it necessary for the barge to use the city's dock instead.

On Monday the barge will be shifted into its own dock. At that time, the second barge of the season for the city dock will put into port, according to Jim Haagen of the port staff.

The "Kev Alaska" is actually the second barge to come into Cook Inlet this spring. The first, an Army LST, arrived about a week ago and pulled into the Army dock for unloading.

Tug, Barge Due In Port

19 April 1961

2 Later Arrivals Also Are Listed

The new Port of Anchorage expects to receive its first customer this week or next when a tug and barge loaded with lumber and collapsible moving vans arrives from Ketchikan.

The port office said the tug, operated by Foss Tug and Launch company of Seattle, and barge, leased by the Permanente Cement Co., is scheduled to dock sometime between Friday and April 27.

AN ESTIMATED 350,000 board feet of lumber will be aboard for the Ketchikan Spruce Mills here from the concern's mill at Ketchikan. The vans are for the Smyth Overseas Van Lines, which moves belongings of military personnel to and from Alaska, the port said.

Thus far, the new port has two other dockings scheduled. On May 10, the Japanese ship Kazukawa Maru will arrive from Yokohama loaded with building materials. The USS Mann will disembark military personnel and families at the dock July 11.

Also, tugs of Alaska Freight Lines occasionally take on water at the dock, the port said.

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Paperwork Menace To World Shipping Lanes

NOT THE LEAST of the problems confronting the Port of Anchorage is the mass of paperwork requirements.

The red tape that ties up activity in the shipping business is a national—and international—problem that certainly will present itself here once the Port of Anchorage begins business. Right now, the ocean is cluttered with more paperwork than sea weed.

The Federal Maritime Administration assigned one of its auditors to look into the possibilities of putting the shipping records in electronic data processing machines to simplify bookkeeping.

The auditor discovered the required paperwork was so complicated that no electronic brain possibly could absorb all the facts.

That was three years ago.

It was then decided that it was necessary to simplify some of the forms and documents used by the various government agencies and the shipping industry. The government is working on this now.

IT WAS DISCOVERED that more than 300 forms were used by governmental agencies and the shipping firms engaged in international commerce.

On these 300 forms were 4,400 blank spaces that have to be filled out by somebody.

A further review, according to a Washington columnist, revealed that a ship clearance form needed to move a vessel in or out of port still used practically the same language adopted in the year 1710, during the reign of Queen Anne of England.

This clearance form is loaded with such terms as "all whom it doth concern" and "hath here entered" and the like.

Moreover, it takes 24 such documents

to clear a ship in and out of the New York harbor, 39 in Buenos Aires and 44 in Manila. In the latter port, a total of 213 carbon copies are required before the ship can enter or leave the port.

The forms cover a wide range of detail, including tariffs, passenger lists, crew lists, health certificates, immigration and customs information and all manner of statistics.

It has been estimated that at least five billion words a year have to be written to America's foreign commerce.

All of this prompted the San Francisco Marine Exchange to publish a book entitled, "Merchant Shipping on a Sea of Red Tape."

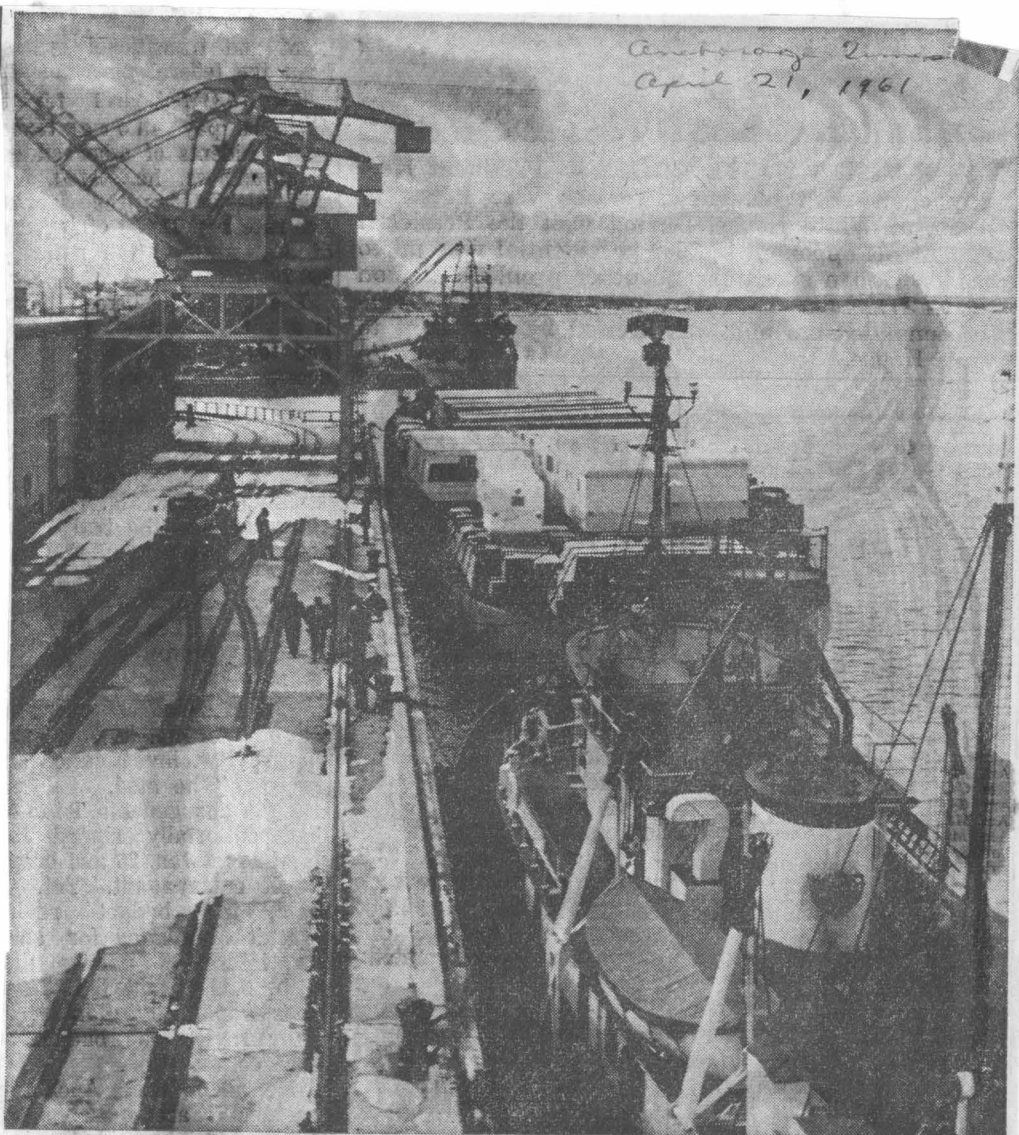
A LOT OF BUREAUCRATIC fooling around is necessary before the ham-stringing effects of too much paperwork is eliminated.

It is interesting to note that at least part of this problem is so acute on an international level that the United Nations has been asked to accept at least a portion of the trimmed-down paperwork procedure.

The Port of Anchorage has an abundance of problems locally. When coupled with the horror story of mountainous stacks of forms, certificates, registries, declarations and other documents, the task that lies ahead is not insignificant.

It would be of considerable help if the federal agencies involved got off the dime and speeded up its program to simplify the paperwork.

Anchorage is on the bring of a new era in international trade with the Orient. It would be unfortunate if the initial tonnage in forms and documents is greater than other types of freight.



FIRST CUSTOMER DOCKS — First commercial use of the new \$8.2 million city port was marked today by docking of the barge Kevalaska, loaded with house trailers, lumber and other building materials. The tug Mary Foss which hauled the barge from Seattle is seen in the foreground. Edward Saling is skipper. The port will unload 400 tons of the cargo, then the barge will proceed to Alaska Aggregate Corp.'s ship warehouse to unload the remainder. The barge was too low in the water to berth at the Aggregate slip.