

# City Awaits Decision On \$392,000 Claim On Port

Three days of arbitration hearings on \$392,000 in claims against the city of Anchorage for construction of the city port ended yesterday.

The opponents in the dispute, the city and the De Long Corp. of New York, now await the decisions of the three arbitrators. They are Robert Prescott and Eino Reinikka of Anchorage and Lee Linck of Fairbanks.

NO INDICATION was given by the arbitrators when the results would be forthcoming, according to City Attorney Richard Gantz.

Meanwhile, the city and its consulting engineer on construction of the port facility — Tippetts-Abbett-McCarthy-Stratton of New York (TAMS) — were to meet today with De Long representatives. They will attempt to negotiate settlement of eight other claims by De Long for alleged work done and delays over contract specifications, Gantz said.

The eight claims were not heard by the arbitrators, the city holding they had not been properly presented for arbitration.

EDWARD Higgins, legal counsel for De Long, said today the company "was prepared to hear all of the claims, but the city and the engineer (TAMS) said they were not prepared."

According to City Manager Chet Hostetler, all claims would be heard at the sessions just ended, Higgins said.

Further arbitration and possibly litigation of the year long dispute over terms of the De Long contract with the city was threatened by De Long's stand on the eight unheard claims.

THEY HAD not been formally presented to TAMS, Higgins admitted. But he said if the issues are not "resolved" by negotiation, the claims would be formally presented for arbitration.

Commenting that the city had not paid a previous finding of the same arbitrators for \$55,000 in claims, Higgins said "we are really fed up with the delaying and stalling tactics of the city."

"If they had taken over the port as a completed facility last year there would be no problems," Higgins said. TAMS has not yet recommended the city accept the port as completed.

"THE LONGER the city stalls, the bigger the bill will be," he continued. "And if we go to suit, the bill... will be substantially greater."

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## School, Port Budgets Get City Approval

Very little discussion took place before the city council last night approved the budgets of the Anchorage Independent School District and the port of Anchorage.

The school district's budget for 1962 amounts to \$13,698,803. This figure includes a sum of \$3,888 for teachers' raises added to the original budget proposal of \$13,694,915.

The port budget has previously been approved by the Port Commission and the consulting engineers. It is predicated on a gross of 130,000 tons for the period May 1 through December 31.

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## U.S. Pathfinder Is In Port Here

The U.S. Coast and Geodetic Survey ship Pathfinder, surveying in the Nikiski-Cook Inlet area, docked at Anchorage yesterday. Port officials reported.

After shore leave for members of the 79-man crew and taking on of supplies, the ship will depart Monday to continue operations in the Nikiski area, it was said.

Army dock officials also report the arrival last Monday of the U.S. Coast Guard Cutter Sedge, out of Cordova, for taking on of supplies.

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The iron fabricator also had a separate contract for construction of the cranes in the amount of \$601,900.

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# Rivers Requests \$4 M For Flood Control in State

## Navigation Projects Included

WASHINGTON (UP)—Rep. Ralph J. Rivers, D-Alaska, went before the House public works appropriations subcommittee Thursday to ask for more than \$4 million in navigation and flood control projects for Alaska.

The total was about twice what was requested in President Kennedy's budget for the fiscal year beginning July 1.

Rivers asked for \$650,000 for construction of authorized flood control projects and \$1,785,000 for authorized navigation projects.

The committee's support also was asked \$191,000 for general investigation of 12 navigation projects, of which only two are included in the Kennedy budget.

Rivers asked for \$535,000 for general investigations, for flood control projects.

Among requests not included in the Administration budget was \$500,000 for a \$1,020,000 flood control project authorized in 1946 for the Skagway River.

Another major request not in the budget was \$785,000 for completion of dredging in the Wrangell narrows. Earlier dredging was completed in 1928 and further work was authorized in 1945.

Rivers also asked for \$360,000 for dredging Gastineau Channel at Juneau to eliminate shoaling which has occurred since dredging was completed last summer. The maintenance project was not in the budget.

Rivers said dredging of Anchorage harbor, authorized in 1958 at an estimated cost of \$5,030,000, apparently need not be undertaken until after expansion of city-owned facilities. He said such expansion was not scheduled until the fiscal year beginning July 1 or later.

Sen. Ernest Gruening (D-Alaska) gave a short talk in support of the Rampart Canyon dam project. He said the dam could supply the "lowest cost power under the American flag." This, he declared, would be three mills delivered throughout Alaska, and

HE SAID THE state "is in no danger" of losing any federal aid money. One current problem, he added, is the question of relocation of utility rights of way when roadways are enlarged. Much of the difficulty arises from "lack of understanding and not a lack of cooperation," he declared.

"We in the highway division are willing and anxious to meet with anyone at any time and any place to sit down and talk over problems in an effort to get projects under way sooner," he said.

During exploratory hearings held here in February, representatives of the carriers voiced almost unanimous opposition to a system of construction and operating subsidies.

The decision to re-examine the contents of the bill will probably delay formal introduction of any legislation, but Bartlett said he still hoped to submit a measure to Congress during this session.

Whatever form the final bill takes, Bartlett said, there will be "ample resistance" to it. "Considerable education efforts will be needed," he said.

# \$492,000 Port Arbitration Is Mapped

## City, Builder To Meet But Public Is Out

Another series of closed door arbitration hearings, this time on about \$492,000 of work which the DeLong Corp. of New York claims the city of Anchorage owes it for construction at the new port, is due to begin at 9 a.m. tomorrow in Z. J. Loussac Library Auditorium.

This is the third time the contractor has opposed city and port officials and representatives of Tippetts-Abbett-McCarthy-Stratton, the city's supervising engineer on construction of the \$8.2 million facility, across the arbitration table on disputes over construction claims.

DURING APRIL of last year, arbitrators settled a dispute over completion date of the port. They ruled that DeLong had to turn over a usable facility to the city by Nov. 23, 1960. DeLong had asked for a completion date of Aug. 19, 1961. The city and TAMS had held out for Nov. 2, 1960.

Again last month, the same arbitrators had settled claims DeLong for work in excess of contract at \$55,000. The contractor had demanded \$110,846.

THE ARBITRATORS again will sit tomorrow to hear claims and counter-claims of the disputants. They are Robert Prescott, of the U.S. Engineers, Alaska District; Eino Reinikka, engineer for the Alaska Air Command; and Lee Linck, a consulting engineer of Fairbanks.

Prescott was chosen by DeLong, Reinikka by the city and Linck by the two arbitrators.

FOLLOWING settlement of the last DeLong claim, City Attorney Richard Gantz attempted to enjoin the arbitrators from hearing the new claims of DeLong. Because of the outcome, Gantz said, he

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sought to have the claims decided in a regular court of law.

But Superior Court Judge James von der Heydt of Juneau, ruled that the city was not entitled to an injunction against the arbitrators, Gantz said.

AT ISSUE in the upcoming arbitration are DeLong claims on 24 items of work. They range from delays in driving of piling for the port dock, changes in piling design, backfilling of unsuitable excavation, builders risk insurance, and extra reinforcing steel. Biggest single claim is \$200,000 in expense over winter due to the city's refusal to issue a notice of completion of the port.

THE CITY'S engineers advise that DeLong is justified to no more than \$14,000 of the \$492,000, Gantz said.

Also at issue is closing of the hearing room doors to the public.

Efforts of citizens to attend the previous hearings have met with orders from the arbitrators to clear the room of onlookers.

THE CITY and TAMS have protested the procedure. "The hearings should be public," said Gantz, "because substantial sums of public money are involved."

The arbitration hearings "are quasi-judicial procedures of a type that the public should have an opportunity to hear."

Today, Prescott said the hearing "definitely will be closed to the public."

"THIS IS A standard procedure of arbitration," Prescott said. "The privacy of individuals are concerned."

The meetings have been closed "so matters will not get out of hand and get in the public eye," he continued.

Those not acquainted with the dispute "might get the wrong impression of the proceedings and without intention get impressions 180 degrees off fact," Prescott said.

The arbitrators are following rules of the American Arbitration Assn., Prescott stated. But he admitted that closed door sessions were up to the "option" of the individual arbitrators.

One citizen said he would appear at the hearings tomorrow.

# Alaska Steamship Not Planning Use Of Port

By CLARKE WARD Times Staff Writer

"The Alaska Steamship Co. does not have a tariff of shipping rates to the Anchorage port and does not intend any service to Anchorage this year," said Port Director Henry Roloff today.

Roloff's statement came in reply to the question, "Why does not the port have more business?"

SINCE the first barge docked unexpectedly April 21, Roloff has handled just 4,041 tons of cargo through the new \$3.2 million facility. Its budget for this first shipping season is based on an estimated 130,000 tons.

"We would have to average 4,000 weekly from now on to meet the estimate," Roloff pointed out.

REVIEWING difficulties in getting business, Roloff said the steamship company, which serves most Alaska ports, has been called on three times this year. Port officials, including Port Commission Chairman Harold Strandberg and member Rodney L. Johnston, were told the company was preparing a tariff showing shipping rates from Seattle to Anchorage, he said.

But Roloff said he learned from R. C. Rose, Alaska Steam's traffic manager, here Friday that the company did not intend service to Anchorage.

THE CARRIER serves the Railbelt via the Alaska Railroad through the latter's port of Seward.

However, hardest blow to the estimate for the first year of operation was failure of the Alaska Freight Lines to divert its barge traffic from Anderson Dock to the new port, Roloff indicated.

Negotiations with former owners of the truck-barge line indicated had an agreement been concluded, 50,000 tons annually would have been shipped through the municipal dock, Roloff said.

UNDER NEW ownership of Anchorage businessman Milton Odum, the freight line extended its contract with Anderson Dock and continues to use it, Roloff stated.

An Alaska Freight Line official has said it cannot change docks because of higher charges at the city port.

The Alaska Freight tonnage was included in the 130,000 ton estimate, Roloff said. The remainder of 80,000 tons was to be made up from handling of cargo from contract carriers, Japanese ships and linerant barges, he explained.

"WE DID NOT even include Alaska Steamship Co. or Pu-

get Sound Alaska Van Lines, Inc., in the estimate," Roloff said. The latter carrier also serves the Anchorage area.

Roloff is confident that time and efforts under way will bring ultimate success.

"It takes time to divert trade to a new port," he said. "It is not like a toll bridge where you open the gates and the cars start traveling through."

"MEANWHILE, financially, we are not in any trouble," Roloff asserted. The interest requirements on all bonds have been paid through the

first quarter of next year, he explained. Main expenses are administrative only, he said.

Furthermore, a Foss Launch and Tug Co. barge is due today with 300,000 board feet of lumber for unloading. A Ghezzi Barge Lines carrier is due Thursday; the troopship U.S.S. Mann, July 11; and the Japanese Kazukawa Maru, July 13.

The shipping picture is not entirely black, Roloff said, plans are under way which are expected to make it brighter... next year, at least.

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The decision to re-examine the contents of the bill will probably delay formal introduction of any legislation, but Bartlett said he still hoped to submit a measure to Congress during this session.

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Grove Lautzenhiser, city port traffic manager, speaking on behalf of Mayor George Byer, who was ill, said Anchorage should have a good future in the realm of world trade. He pointed out that much of the future expansion of world trade will be in the Pacific Ocean area because of the large area and population centers linked by the ocean.

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