

CITY PORT LOOKS FOR OIL TANKER BUSINESS

Officials Seek Okay From Bond Holders To Add Petroleum Discharge Facilities

By CLARKE WARD
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If Anchorage port officials are successful in convincing the holders of \$8.2 million in port bonds that petroleum discharging facilities should be added to the new dock, their use by major oil companies could mean \$100,000 yearly in port revenue, said Port Director Henry Roloff.

Roloff made the statement prior to his departure for Washington and New York City to sell the project to the bondholders. He and City Councilman Robert Livie will meet Port Commission Chairman Harold Strandberg there this week.

OFFICIALS are making an effort to drum up business for the new port. With total tonnage estimated at 130,000 this season, last week only 4,041 tons had crossed the dock since the first shipment was handled April 21.

An estimated 15 to 20 tankers annually would discharge petroleum products through the port, Roloff said. At the rate of 120,000 barrels per tanker, this would mean a total of up to 2,400,000 barrels yearly.

Major producers supplying the railbelt area are Shell Oil, Standard of Calif., Union of Calif., and Texaco companies.

AT PRESENT, petroleum products are discharged through the Army dock here, and the ports of Whittier and Seward.

When asked whether companies which use the Army dock for discharge of part of their petroleum import would transfer operations to a city port facility, Roloff said "Normal policy is that military facilities will not compete with private. I am sure the military would insist the companies use the private facility if we build one."

Furthermore, these companies discharging through Whittier and Seward would use the city terminal to save on rail hauls from the Kenai Peninsula ports, Roloff claimed.

IN ADDITION, Shell Oil is negotiating for 10 acres of port land for construction of a tank farm to handle its tankers here, Roloff added. At present, the company uses the Peninsula ports.

The petroleum facility could be constructed in one season for about \$300,000, Roloff maintained.

Source of building cost would be the unused portion of the bond issue, Roloff said.

Northland Line To Use City Port

Northland Freight Lines, an ocean carrier serving Anchorage and other Alaskan ports from Seattle, has committed itself to using the city's new dock facilities, said port and freight lines officials today.

Thomas E. Garside, assistant manager of Northland, and Grove Lautzenhiser, port traffic manager, said an anticipated 2,000 tons or more a month will be shipped through the port, providing service to the Anchorage and Matanuska Valley areas.

THE FIRM, operating barges and ships in the Alaskan trade for two years, has been using other Anchorage dock facilities, for the most part.

Northland has filed a tariff—a schedule of rates—with the port which lists rates "equal to or less than those of other carriers serving Anchorage, with minor exceptions," Garside said.

"By entering into this arrangement with the port of Anchorage, we can offer better service to our shippers than other carriers," Garside asserted. He said this would include shipments via ship-rail to Anchorage and vicinity.

GARSIDE said he believed regular use of the port facility "is a benefit to the people of the community" not only to shippers but to taxpayers who are committed to pay off port general obligation bonds.

Just \$2 million of such bonds have been sold to finance the port.

Northland is a "common carrier operating on predetermined sailing schedules," Garside explained.

This means that sailings are regular but dates may vary a few days depending on cargo.

A NORTHLAND barge sailed from Seattle June 5 and is expected to dock at the port Friday, Garside said.

Other approximate sailing dates for Anchorage bound shipments are June 21, July 6 and 15, and Aug. 1.

The firm carried in excess of 2,000 tons to Anchorage last month, Lautzenhiser pointed out.

"This is the first time the people of Anchorage will have a regular service direct to the city's own port facilities," Lautzenhiser said.

THE REGULAR shipments will do much to solve the port's lack of income so far this year. Since the first barge docked April 21, only a little more than 4,000 tons have crossed the \$8.2 million facility.

The port will be formally dedicated July 8 with Gov. William Egan, Senators Ernest Gruening, E. L. Bartlett and Rep. Ralph Rivers attending.



PLAN SHIPMENTS TO NEW PORT

Thomas E. Garside (left), assistant manager of Northland Freight Lines, announced today the Seattle-Anchorage ocean carrier would make the city's new dock its regular port of call for the Anchorage-Matanuska areas. Planning operations with Garside is Grove Lautzenhiser, port traffic manager.

Port Resolution Raps ARR, Other Freight Haulers

Three representatives of the Federal Maritime Board at Washington, D.C., were scheduled to arrive in Anchorage today to investigate sweeping charges brought by the Anchorage Port Commission against the Alaska Railroad and other transportation firms operating here.

The charges were filed secretly with the Maritime Board at Washington last week when Henry Roloff, di-

rector, Harold Strandberg, commissioner, and Dr. Robert Livie, councilman, were in the capital city. The resolution was marked "confidential" and was dated June 8.

ONE-HUNDRED and twenty-two copies of the documents were distributed to federal administrative offices, senators, congressmen, and state offices. The Anchorage Daily Times learned of the contents only after the copies had been delivered.

Efforts to obtain a copy locally were fruitless, except for one copy that was delivered "in confidence." In accepting the copy, the newspaper advised the port authorities that the contents were already known and a story was being prepared, and that no confidential arrangement was appropriate.

The Port Commission accused the railroad of absorbing terminal charges on freight passing over the Seward dock, to the disadvantage of the Anchorage dock. The documents contended that the railroad was giving preference to freight moved north by the railroad, and that carriers dealing with the railroad were being granted the equivalent to a subsidy.

NUMEROUS violations of requirements of Shipping Act of 1916 were alleged. Parties named as in violation included the Puget Sound Van Line and Garrison Fast Freight, both of which carry freight in conjunction with the railroad; the Anderson Terminal Co., which operates a dock on the Anchorage waterfront; the Alaska Freight Lines, which leases the Anderson dock; the Alaska Aggregate Corporation which operates the concrete barge on Ship Creek as a dock; Pacific Western Lines which uses the dock; Northland Freight Lines; and Weaver Brothers, truckers.

The resolution contended that the Federal Maritime Board has failed to meet its responsibilities and has obstructed commerce. It asked the board to conduct investigations that may lead to corrections.

The resolution was supported by a detailed appendix in which it was claimed that the practices place a disadvantage on shippers using the Anchorage port, and that the railroad "reaches far beyond the scope of its authority" in competing with other transportation agencies.

The document suggested the possibility that the Alaska Steamship Co. and the railroad were conspiring to monopolize railbelt business.

Officials Mum On Secret Resolution

A cloak of secrecy has fallen over a resolution passed by the city port commission June 8.

The "secret resolution" has been sent to 122 persons or groups, including the Federal Maritime Board, Alaska Public Service Commission and the state congressional delegation.

THE RESOLUTION is believed to level charges against the Alaska Railroad and trucking firms charging discrimination in freight rates which are detrimental to increased use of port facilities by shippers.

City Manager Chet Hostetter said the resolution was confidential and he would make no comment. Port traffic manager Grove Lautzenhiser said, "I'll not confirm nor deny the resolution. I'm not even admitting its existence."

Charles F. Herbert, chairman of the Alaska Public Service Commission, just returned to Anchorage and has not been brought up to date. He said the commission has been informed of the document and that William Meehan, director of the Division of Motor Transportation, had been making inquiries. Meehan, however, was not available for comment.

HERBERT said the state commission has no authority to regulate the federally owned railroad, but indicated the state agency may have authority regarding trucking schedules and rates.

The railroad general manager said the document made "rash statements against the railroad and against water carriers." He continued, "I cannot understand why the resolution was passed as all our tariffs are published documents and we have adhered strictly to the rates."

Trio Probes Charges Of Port Group

Federal Maritime Board Investigators Make On-Scene Check

A three-man Federal Maritime Board investigating committee is now at work studying charges of rate schedule violations levied against common carriers and the Alaska Railroad.

The charges were made by the city port commission in a resolution sent to the maritime board and other interested parties.

The investigating team which arrived in Anchorage yesterday began its work immediately and is now out of town studying the problem. The team is headed by William A. Stigler, chief of the Maritime board's office of regulations. Other members are Frank Gormie and Vernon Nightengale.

In Washington the Maritime board said it has three investigators in Alaska to look into alleged irregularities involving the government-owned Alaska Railroad.

Operated by the federal government, the railroad is under the jurisdiction of the Interior Department.

The Maritime board said it will look into charges by the Port Commission that the railroad failed to file with the board required rate schedules as a terminal operator.

IN ADDITION, the board said it will investigate allegations that the railroad and certain common carriers had arrangements which freed some cargoes of all terminal charges when hauled on a door-to-door basis.

Edwin M. Fitch, assistant to the railroad's general manager, denied that the line has been guilty of any irregularities or law violations.

Regarding rate schedules, he said, "We've published our tariffs and have lived up to them."

THE BOARD, announcing that the inquiry also will cover a number of terminal operators and carriers in addition to the railroad, said: "The . . . board has been informed from various sources that certain terminal operators may be engaging in practices of violation of their tariffs, or without having tariffs filed with the Federal Maritime Board. These practices are reported to have resulted in undue prejudice to certain Alaskan ports in favor of other ports."

The board said it seeks "the ultimate objective of fostering a sound economic basis of transportation to serve the state of Alaska and to enable its commerce to flow freely and at the lowest possible cost consistent with economic stability between Alaska and the other states and foreign countries and to thus encourage the development of Alaska's vast resources in the public interest."

The port of Anchorage recently was extensively developed through flotation of a municipal bond issue. The new dock facilities were opened a few months ago.

Council Gets Port Report

City Credited With Work Not Completed

Negotiations between the city's supervising engineers on construction of the port and the contractor resulted in the city being credited with \$8,100 for work not completed, the Anchorage City Council was told Tuesday.

Barnett Sylvester, a partner in Tippetts-Abbett-McCarthy-Stratton, also reported to the council that TAMS was prepared to issue notice of completion of the port facility to the city. When approved and sent to the contractor, the De Long Corporation of New York, the notice would close out the latter's contract for building of the dock, Sylvester said.

CITY ATTORNEY Richard Gantz, who introduced Sylvester and assistants to the council, said the negotiations had resulted in settlement whether the facility was considered complete. Also, \$4,000 was credited to the city for unfinished asphalt around the crane tracks, another \$4,000 to bring the fire sprinkler system in the transit shed up to National Board of Fire Underwriters standards; and \$100 for grading of the port road yet to be done.

Earlier this week, an attorney for De Long had threatened further arbitration of the unsettled issues unless the city stopped "delaying."

ALREADY UNDER consideration by an arbitration board are claims in excess of \$300,000 by De Long. The contractor claims the amount is owed for work done in excess of contract specifications.

In an informal discussion with the council, Sylvester asserted the new port would make money.

He also said the port "was more or less unique" in American ports because of faster handling of cargo by dockside cranes.

Arbitration Nears End

Arbitration of claims arising during construction of the Anchorage port is now in the final stages, said city officials and a spokesman for DeLong Corp., general contractor for the port.

Both parties to the dispute are awaiting a final report from an arbitration board with recommended settlements, and if agreement is reached in time the city council is expected to approve the settlement at tomorrow night's council meeting.

The city and the contractor have been arbitrating about \$300,000 in claims filed by DeLong Corp. under the general contract for construction of the facility.

June To Get Port Title

Miss June Bowdish, 1960 Miss Alaska and reigning queen of the Anchorage Fur Rendezvous, will be crowned Miss Port of Anchorage by the City Port Commission at its meeting at 4 p.m. today in the port offices, Fourth Avenue Building.

Miss Bowdish will represent the city port at the annual Marine Exposition in San Diego as a guest of the port authority there, according to Anchorage Port Director Henry Roloff. She will attend the exposition from Feb. 18 to 21, he said.

The commission will also consider the port's preliminary budget of approximately \$471,000 for this year at the meeting. Source of income for the budget are city ports construction bonds, until the port begins producing revenue, Roloff explained.

The budget also must be approved by the Anchorage City Council and the engineering consultant for the bonding firm. The consultant is Tippetts-Abbett-McCarthy-Stratton.

There's Some Hope For Port

There is hope for the Port of Anchorage.

At least that is the impression that engineer Barnett Sylvester gave to the city council in an informal chat about 1 a.m. today.

Briefly discussing the current arbitrations between the city and the DeLong corporation, builders, the partner in the supervising engineers firm of Tippetts-Abbett-McCarthy-Stratton said a notice of completion on the port should be possible when the \$8,100 in credits are accepted by the city.

The argument has gone on for about a year. The credits represent agreements between DeLong and the city for the city to complete the asphalt along the tracks and the sprinkler system.

Sylvester called this settlement "a reasonable one."

When queried about the port's prospects for making money, the engineer said, "I think it will if it gets the business."

Jokingly Councilman Joseph Yesenski said, "I think it's getting the business right now."

Sylvester reiterated his statement, explaining that the city, the state and "everyone" must support and see that it gets business from "the mainland" states and abroad.

As an engineer, Sylvester says the port is a well-built facility. He commented "it looks good, it is good, it's strong and should be able to take care of any cargo."

The siting problem has proved much less serious than originally believed, the TAMS engineer said. "I don't think you're going to have a silting problem," he said. "It was dredged to 35 feet and it is still that now."

He praised the "unique" crane system which lets two cranes work in tandem to handle an 80-ton load at one time. Such dockside cranes are rarely found in United States ports, he said.

If the port fails to make money, Sylvester said the blame will be on the people who failed to sell it to potential users, rather than on inadequacies of the facility.

The first common carrier to use the Port of Anchorage regularly reported this morning that its decision was based on recent steps taken by the port "to put itself in business."

Thomas E. Garside, assistant manager of Northland Freight Lines, said his company will now be able to serve the greater Anchorage area, the Matanuska Valley and the Kenai peninsula on a very competitive basis.

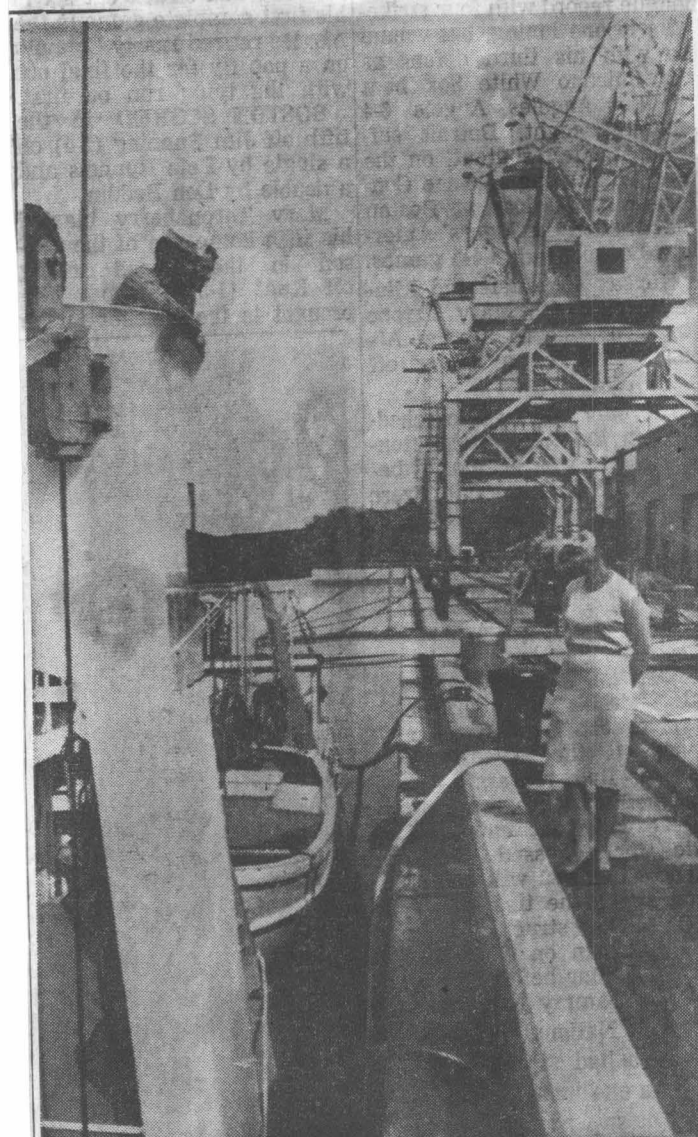
Barges will use the port about twice monthly with other "filler" shipments.

Substituting Garside's comment, port traffic manager Grove G. Bautzenhiser said the "port has made numerous revisions recently to make it more competitive, less conflicting within its own tariffs. We have changed substantially those points that appeared necessary to give the city and Alaska a fair, equitable and more reasonable rate structure."

Garside said that if these revisions had not been made, Northland would have had to continue using other Anchorage ports as it has during previous years.

Port director Henry Roloff, port commissioner Harold Strandberg and other city officials reportedly have accomplished "what they set out to do" on their trip to Washington, D. C. Their return date has not yet been decided, Lautzenhiser said.

The director and his staff are actively engaged in a study of competition and other problems, the traffic manager said. The study has led and will lead to steps which will allow the cargo to "move across" the new \$8 million port facility.



CUTTER SWEETBRIAR HERE — The U.S. Coast Guard cutter Sweetbriar docked at the new Port of Anchorage today where it will be open for public inspection tomorrow and Sunday in observance of Armed Forces Day. The Sweetbriar usually is stationed in Juneau. In photo above Margaret Sentelick, secretary to Port Director Henry Roloff, greets Robert Barker and Kenneth Sumner, two of the cutter's crewmen. Open house tomorrow on the cutter will be 11 a.m.-1 p.m., and Sunday from noon to 2 p.m.