

## New Port Director Must Break Cartels

THE NEW PORT DIRECTOR appointed by the city of Anchorage has his work cut out for him and it is not easy.

His first duty must be to get a common carrier to use the port. Without traffic the port is failing to perform the service for which it was constructed.

In approaching carriers, the director should be assured that he has strong backing from the community. This should be easy to get. The people voted for the port and pledged to pay for it in taxes if the business venture was not self-supporting.

Big shippers should be anxious to support the port, for their own good as well as for the public good. The big shippers are usually the biggest taxpayers.

THE PORT PROJECT was conceived and promoted by the people of Anchorage to fill the missing link in the local transportation pattern.

Anchorage was the hub of highway, railroad and air transportation. The port was to make the city a seaport. It opened the way for international trade.

The port was built before the economic groundwork for its success had been properly prepared. The one common carrier using the port was knocked out of business

under the federal maritime procedures.

Had the project been a venture of private capital, more careful studies of the ramifications of competition and federal maritime rules probably would have been made. Nevertheless, the city is now in the port business and it is essential that the venture be made profitable.

ALTHOUGH THE PORT has fallen short of financial expectations thus far, it is not correct to consider it a bust. Since the \$8,000,000 structure was built the transportation services for the city have been improved in frequency, lower tariffs and regularity. The existence of the port has been a factor in inspiring greater performance by carriers not using it.

The port also has substantial value for the military. It is a salt water terminus available for use in event of an emergency. There was a time a few years ago when the military spent some \$50,000,000 at Whittier for such a facility. The Anchorage port represents no military investment.

Full use of the port would benefit interior points where transportation costs would be less on cargo delivered overland from here.

Cartels among carriers appear to operate against the local dock. The port director must find ways to break them.

## Shipper Raps Port On Ladder Situation

A shippers representative has blasted the Port of Anchorage for failing to take any action to correct an unsafe condition that resulted in serious injury to a seaman last Sunday.

U.S. Coast Guard safety inspector Lt. Russell Combs agreed that the situation is dangerous and something must be done to correct it.

Burt Shannon, 33, 1417 F Street, suffered a broken neck in addition to fractures of both arms and wrists as a result of a fall while trying to climb to the dock late Sunday. Shannon is recuperating in the Alaska Native Hospital. Shannon is first mate on the Foss Launch and Tug Co. vessel Roughneck.

Don Wagner, representative of the tug company, said the port has only one iron ladder to the dock and reported one side of it is broken. He said he has refused to let his crews disembark from vessels at the dock following the accident.

HE SAID he intended to move a tug over to an oil company private dock last night in order to give his crews some time off in port. Wagner took a group of Pan American Petroleum Corp. people out on an inspection of the inlet yesterday and had to use the Army dock so that the men could get off the boat when they returned, he said.

When the man was injured Sunday, it was necessary to call a crane operator from his home to haul the victim to the dock.

Wagner said there is not even a night watchman so that if a person fell from the dock or was injured there is no way he could get help unless someone happened along accidentally.

LT. COMBS said gangways to the docks are normally the responsibility of the boat operator but the situation of high tides here make it virtually impossible for a vessel to provide a suitable gangway.

The safety officer said he has no power to act against the port but that if something isn't done quickly to correct the situation he may be forced to require safe

## Pact With Port Readied

City Attorney Clyde Houston is in Seattle today to assist in working out a final draft of a contract between the Port of Anchorage and Alaska Freight Lines to provide a scheduled carrier into the port.

The contract is being readied for possible presentation to the Anchorage City Council next Tuesday, according to City Manager Robert Oldland.

Oldland said the anticipated \$225,000 to \$275,000 annual increase in port revenues which the five-year contract represents makes it probable that the port will be able to meet its August payment of principal and interest on port bonds.

Some doubts previously had been voiced of the port's ability to meet this payment.

Following city council approval of the contract, it will go to the Federal Maritime Commission and to the port's consulting firm and trustees for study.

## Port Nears Completion On Contract

### Councilmen May Get Final Draft Tuesday Night

City Attorney Clyde (Pat) Houston flew to Seattle last night to work out a final draft of a contract with Alaska Freight Lines for AFL's use of the Port of Anchorage.

The five-year contract for common carrier service through the city port facility may be ready for presentation to the City Council next Tuesday, City Manager Robert Oldland said today.

TARIFFS in the agreement must be okayed by the Federal Maritime Commission and the contract will also have to be approved by the city's consultant and the bond holders' trustee.

Increased tonnage expected through the city facility could boost port revenues as much as \$275,000 a year, officials estimate.

Revenue resulting from AFL use of the port could possibly enable the city to meet bond payments due August 15, Oldland said.

## MILITARY VESSEL DUE AT CITY PORT TONIGHT

The LST "Harris County," Using these figures, approximately \$40,000 has been taken in by the Port of Anchorage.

This will make a total of 67 vessels which have used the port facilities, 23 of these cargo carriers, since the dock opened April 12, Roloff said.

MOST OF the cargo vessels have been barges, but two Japanese deep water ships, and a United States Military Sea Transport Service ship, the "General Mann," have also berthed here.

Counting tonight's LST, total cargo handled across the dock, inbound and outbound, will amount to approximately 8,500 tons. Of this 7,883 has been inbound, according to Roloff.

The total is considerably behind the February estimate that the new Anchorage dock would handle about 130,000 tons of cargo in the first year.

ROLOFF SAYS value to the port and city, in handling, brokerage fees, transportation and labor costs amounts to \$15 per ton, "as a rule of thumb."

Using this rule and adding the LST's cargo, Anchorage has gained roughly \$142,000 from port activities since April.

The Port of Anchorage directly realizes between \$3.50 and \$4.50 in fees for each ton cargo handled, depending on the commodity, Roloff said.

## City To Ship By Own Port

### Orders To Come Via Local Facility

Aid to the foundering port of Anchorage was extended by the Anchorage City Council last night by a change in city purchasing procedures.

Since the \$8.2 million port facility opened for business April 21, 8,500 tons of cargo have crossed it. Estimates of tonnage this year were 130,000 tons.

ON THE recommendation of City Manager Chet Hostetter, the council approved 5-1 the adding to bid forms on city contracts the provision that bidders ship materials via a carrier serving the port.

"If the port operates seasonally," Hostetter said, "we can remove the requirement for shipments made in the winter season."

"A penalty equal to the amount of revenue lost to the port should be assessed if the shipper fails to comply," Hostetter recommended.

THE ACTION came after Mayor George H. Byer recently pointed out that steel pipe for a city job had been shipped to Anchorage via the port.

## City Port Seen Meeting August Bond Payment

The Port of Anchorage should be able to meet its August bond payment, according to City Manager Robert Oldland.

Some doubt has been expressed that the port would have funds available to meet the \$186,000 interest and \$35,000 principal bond payments due on April 15.

A revised budget, taking into account increased revenue expected as a result of regular carrier service to the port, will go to the Anchorage City Council tonight for its consideration.

The 1963 budget for the city showed a \$70,934 deficit between fund moneys available for debt service in 1963 and funds to meet that service.

REGULAR carrier service, as proposed by Alaska Freight Lines, is expected to provide increased port revenues ranging between \$225,000 and \$275,000 annually.

The revised budget takes into consideration the increased revenue and capital improvements necessary to serve the regular carrier.

Added for capital improvements in the revised budget is \$55,800. Of this total, \$46,000 is for improvements required for the Alaska Freight Lines contract and essential safety items.

OLDLAND said the August 15 payment used almost all the port reserve available.

Interest payments due Feb.

## Freight Line Signs Pact To Use Port

### To Provide Regular Carrier Service To Anchorage Port

Alaska Freight Line officials have signed a contract to provide regular carrier service to the Port of Anchorage.

Milton W. Odom, president of Alaska Freight Lines, put his name to the contract yesterday afternoon in Seattle.

It is expected the City of Anchorage will sign the contract this afternoon or early tomorrow.

The Anchorage City Council on Tuesday authorized City Manager Robert Oldland to sign the contract on behalf of the city.

OLDLAND SAID today the city has been advised of the freight line's approval of the contract which is now on its way to Anchorage.

The contract will go to the port consultants and trustees for the port bond holders for review after the city has signed it.

New lowered tariff rates provided in the contract will be filed with the Federal Maritime Commission after the contract has been approved, Oldland said.

The regular service is expected to up port revenues by a quarter of a million dollars annually.

Alaska Freight Lines already is making deliveries to the port dock under the old tariff. A reduced tariff is included in the contract.

## POL Facility Given Okay

Negotiations for obtaining a POL facility for the Port of Anchorage were given a green light yesterday by the port commission.

The commission decided to go ahead with negotiations with oil companies who have indicated they would use the petroleum oil, lubricants facility which would be erected off one end of the present dock at the cost of \$450,000.

Accelerated public works funds will be asked for the structure which is viewed as an important factor in the port's ability to meet debt service requirements next February.

The facility has been previously approved by a commission and the city council. In yesterday's session the commission actually recommended its earlier stand because of interim discussions of a possible POL facility completely apart from the present dock.

## Ferry Visit Is Scheduled

### Malaspina To Sail Cook Inlet In May

The state ferry, Malaspina will come to Anchorage next month and probably schedule a number of cruises on Cook Inlet, it was learned today.

The vessel, first of three state ferries to be put into operation, is tentatively scheduled to visit here from May 9-12.

John Alcantra, Gov. William A. Egan's assistant here, confirmed that the Malaspina will come to Anchorage.

En route to Anchorage it will stop at Valdez, Cordova, and Seward. No passengers will be carried across the Gulf of Alaska.

ALCANTRA SAID the Coast Guard has given permission for cruises on Cook Inlet because the waterway is considered inland waters.

The Anchorage Athletic Roundtable has asked the city port commission to allow it to operate concessions at the port during the Malaspina's visit.

Alcantra said he planned to confer with port director A. E. Harned to arrive at a firm schedule for the vessel's visit here.

## Port Service Okay Given Wagner Tug

Common carrier barge service to the Port of Anchorage by Wagner Tug Boat Co. has been approved in a Federal Maritime Commission ruling, a Port of Anchorage spokesman said today.

The ruling was handed down Feb. 12 in Washington, D.C., the spokesman said.

Service by the tug boat company, a subsidiary of Foss Launch and Tug Co. and Northland Freight Lines, was held by the commission to be in the public interest "because the agreement envisages additional direct water service to the Port of Anchorage, and at a cost to shippers which is apparently less than the combination water-rail rate to Anchorage via the Port of Seward."

Northland Freight Lines provided service to the Port of Anchorage in 1961, the first year the port was in operation.

IT WAS ORDERED by the Federal Maritime Commission to discontinue service in 1961 when Puget Sound Alaska Van Lines, claiming Northland's rates were "unreasonably low" and the service was contrary to the public interest, instituted proceedings against Northland.

It was claimed by Puget Sound Tug and Barge Co. that freight rates charged on the Puget Sound-Alaska runs were so low as to be non-compensatory and destructively competitive.

In mid-November of last year, maritime examiner E. Robert Seaver ruled the freight rates were not unreasonably low.

BOTH THE State of Alaska and the City of Anchorage intervened in the case. Representing the port and the city were Cal Jacobson of Associated Traffic Services and Richard Gantz, former city attorney.

The commission's decision now permits mixing of common carrier cargoes of Northland and Wagner on the same barge or tug tow, the port spokesman said.

## Supply Routing Through Port Raises Questions

A request that the school district order its supplies shipped over the city dock by Alaska Freight Lines ended up tabled last night after school board member Cliff Groh questioned its validity.

SCHOOL DISTRICT attorney Harold Butcher also said such action by the district stood a good chance of being ruled "in conflict with free trade laws." He recommended against school board approval of such an arrangement.

The request was made by George Jackson, Chamber of Commerce port committee chairman. When Groh asked Jackson if the chamber supported favoring Alaska Freight Lines, Jackson said the chamber was backing use of the port and that Alaska Freight was to be the designated carrier.

At that point John Osborn, of Puget Sound-Alaska Van Lines and a port committee member, interrupted to say that the port committee had not approved the request Jackson was making of the school board.

GROH THEN moved that the

matter be tabled until the chamber made its position clear.

Butcher said the routing procedure Jackson was suggesting to favor Alaska Freight "ran very close to moving in restraint of trade."

"This kind of effort, though it's a mild case, would restrict competition," he said.

## Port Ladders Under Study

Port of Anchorage officials are considering a proposal to provide additional gangway facilities at the port dock.

Although port officials claim they are not legally responsible for providing ladders or gangways for ships lying alongside the dock, they are attempting to aid in solving the problem according to Port Director A. E. Harned.

A floating platform north of the dock is being constructed by Pan American Petroleum Corp. It is connected to the dock by a gangway.

Under consideration is a portable metal Jacobs ladder, a short lightweight gangway and a longer gangway.

Costs of these ladders and gangways may be shared by the ships served, the stevedoring company which serves the port and the city, Harned said.

## Japanese Ship Due Tomorrow At City Port

The Japanese Motor Vessel Kazikawa Maru is due to tie up at the Port of Anchorage dock tomorrow evening in its first visit this season.

Port authorities said the first oil tanker for the season is due early in May. Cargo of the vessel, not yet identified, is 140,000 barrels of petroleum.

An Alaska Freight Lines LST will arrive next Thursday with a second one scheduled in at the port on April 25.

## Oil Facilities Of Port May Be Extended

### Officials Are Optimistic On Port's Future

An accelerated public works application for extension of the petroleum, oil and lubrication dock at the city port will be filed as soon as negotiations on the project are completed with petroleum companies, City Manager Robert Oldland said today.

IN A PORT commission meeting yesterday, commission members outlined plans for the extension and reported that the petroleum company negotiations are progressing.

The oil dock would be extended to the south so tankers can tie up for unloading at the same time cargo ships are using the port. The project was approved by the City Council several weeks ago.

In the lengthy meeting yesterday, the port commission members discussed many of the port's general needs and reviewed its operation.

IN ADDITION to the oil dock extension, port commissioners reported that plans are progressing on purchase of two more gangways and a Jacob's ladder to speed up operations. Those purchases also have been approved by the council.

The meeting yesterday was

the first the commission chairman Harold Strandberg, an Anchorage Republican representative, had been able to attend since the Legislature convened in January.

After the meeting, Strandberg and Capt. A. E. Harned, port director, said they felt everyone had a "feeling of optimism, an enthusiasm for the future, not only about expanded business, but about the port situation in general."

## Port Pact Authorized

### Council Okays New Facilities

The City Council last night authorized the city manager to sign a contract for the city with Alaska Freight Lines for common carrier service through the Port of Anchorage—a move officials estimate will boost port revenues about \$250,000 a year and possibly enable the troubled port to meet bond payments in August.

APPROVAL WAS also given for use of remaining port construction funds to finance \$46,000 in capital improvements at the port. The provision of the improvements is part of the contract package with AFL.

The work includes provision of eight and a half acres of open storage, office space, a scales, gangways and ladders, a railroad crossing and storage area lighting.

The council also okayed the expenditure of \$800 for the first

year lease fee on a lot at Point McKenzie where the Coast Guard will install a navigation aid (range) to assist vessels in and out of Anchorage. The Coast Guard would pay the yearly lease fee beginning in 1964, but currently has no funds budgeted for the item, the council was told.

THE LOT is owned by Mr. and Mrs. Ed Fortier of Anchorage.

Approval of a vastly-revised port budget was postponed until members of the port commission can meet with city officials to review the document.

The contract with AFL will have to be approved by the trustee of the city port bonds and the Federal Maritime Commission must okay tariffs called for in the contract. The tariffs under the contract would be \$2.25 a ton for closed vans for 1963, and \$2.28 beginning in 1964. Current tariffs for cargo across the city dock are \$2.32 a ton.