

ALASKA SHIPPING SURVEY SLATED

FMC Eyes Alaska Rate Structures

Tuesday, October 27, 1964

The Federal Maritime Commission rate study of the Alaska trade will take a year, Commissioner George H. Hearn said yesterday.

"The study is starting right now in Washington, D.C.," Hearn told the Daily News. "The field investigation in Alaska is in the future . . . it would depend on the assessment of the information gathered in Washington."

Hearn made these comments after announcing to the regular Greater Anchorage Chamber of Commerce luncheon that the FMC's staff has been directed "to conduct a study into the entire Alaska trade."

"MY PLEDGE to you today is that this undertaking will be undertaken promptly, thoroughly and efficiently," the commissioner said. "In order to assure as thorough a study as possible, the active cooperation of the Interstate Commerce Commission, the state of Alaska

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and the Alaska Railroad will be sought."

The changes in the Alaska transportation picture during the last few years augur well for possible shipping rate reductions, Hearn indicated.

He said: "Since 1960, changes of the first magnitude have occurred. Alaska Steam—identified with this great state for over 65 years—has prominently up-graded its service. It has changed from substantially break-bulk carrier to a container carrier. During the past year it furthered its conversions program to accommodate an additional 4,400 units per year and, I understand, it intends to further modernize its service."

"PUGET SOUND Alaska Van Lines, too, is presently refining its already modern service to include railcar barges. These improvements, I sincerely hope will result in cost savings which will ultimately be reflected in consumer costs here."

"The comparatively new service offered by Sea-Land (Service, Inc.)—a seasoned container carrier—calling directly here in Anchorage, with vessels appropriately named Anchorage and Seattle, should result, by these improved services, in economies that will benefit the consumers here in Alaska."

The government has another tool in its kit for adjusting rates, Hearn intimated.

"WE NOW have the provision of Public Law 87-595 of Aug. 1962, which permits the filing with the Interstate Commerce Commission of single-factor joint rates covering both land and water carriers," he said. "The impact of that statutory provision on the trade has not yet been fully ascertained, but it is a factor that must be considered in making a sound judgment of the rate structure in the trade."

Thus, Hearn said later, the rates of Alaska Steam and the Alaska Railroad, in hauling freight from the Lower 48 to Railbelt points, could be affected by the law.

2 — Anchorage Daily News, Saturday, October 24, 1964

Huge Tanker to Arrive At Port of Anchorage

The largest ship ever to sail into the Port of Anchorage is scheduled to arrive sometime Sunday.

IT IS THE "Chevron Transporter," an oil tanker, which measures 624 feet, 7½ inches from stem to stern. Because of its length, the tanker will discharge its jet fuel cargo while tied up to the dry cargo dock.

Don Walters, acting port director and operations manager, said last night that the ship was too long to be accommodated at the port's Petroleum-Oil-Lubricant facility.

The dry cargo dock is 600 feet long, about 25 feet shorter than the ship.

WALTERS SAID the "Chevron Transporter" was scheduled to tie up Wednesday after the weekly Sea-Land freighter leaves port.

The "Chevron Transporter" is rated at 16,553 gross tons and carries a liquid cargo of 210,012 barrels.

The tanker is owned by the California Transport Co. and operated by the California Shipping Co. under charter to Standard Oil Co. of California.

CITY'S PORT PRAISED BY MARITIME BOARD

"I have not seen a more up-to-date terminal facility anywhere in the United States than the Port of Anchorage," said George Hearn, Federal Maritime Commission, at the Greater Anchorage Chamber of Commerce luncheon meeting today.

"The heavy financial investment in this terminal by a city of this size is indeed a declaration of faith and self-confidence," Hearn said.

"Because the cargo handling gear is so modern, vessel out-turn time here is half that of most U.S. ports," he stated.

"And your utilization of ice breakers, proposed this year for the first time on a regular basis, is particularly laudable," Hearn said in his prepared remarks.

A member of the Federal Maritime Commission for only three months, Hearn outlined the changes in maritime services to Alaska emphasizing the last four years.

"In view of all these changes, our staff has been directed to conduct a study into the entire Alaska trade. My pledge to you today is that this undertaking will be undertaken promptly, thoroughly and efficiently," said Hearn.

"In order to assure as thorough a study as possible, the active co-operation of the Interstate Commerce Commission, the State of Alaska and the Alaska Railroad will be sought," Hearn explained.

"Because freight rates are reflected in the price of the goods bought by consumers, our role is of paramount importance," Hearn explained. He added:

There is no group of consumers more aware of our regulatory responsibilities to them than you people here in Alaska. This is so, perhaps, because your economy so depends upon water transportation.

"Competition for Alaska's cargoes is on the increase and that is a healthy sign. To my mind, it is a concrete expression that experienced businessmen have joined you in your declaration of faith by their substantial investments."

Hearn arrived in Anchorage Saturday with Sen. E. L. Bartlett, D-Alaska, after a meeting in Seattle. His talk was his first major address as a commissioner — "my maiden speech," Hearn said.

Hearn accompanied Mrs. Hubert Humphrey to Fairbanks Sunday morning and returned that evening. He plans to leave Alaska Wednesday. He will be meeting with Port of Anchorage officials during his visit.

Col. Bernt Balchen, retired Air Force polar expert, was introduced at the meeting as the special guest of the Air Force activities for Arctic Airlift Week. It is the 40th anniversary of the airlift.

Ten other people associated with the Airlift commemoration were introduced.

Two "Servicemen of the Month" also were scheduled for introduction. Airman I.C. Willis, J. Townsend of the 504th A & I Maintenance Squadron represented Elmendorf. Spec. 4 Raymond Kallgren of Company D 40th Armor, 172 Infantry Brigade, represented Ft. Richardson.

West Here

Anchorage Daily Times Saturday, October 24, 1964

New Cargo Rate Schedule Listed As A Possibility

A survey of ocean shipping to Alaska has been ordered by the Federal Maritime Commission, according to George H. Hearn, a commissioner now visiting Alaska.

Hearn revealed Friday the survey could result in an entirely new cargo rate schedule.

Newly appointed to the maritime governing body only last summer, Hearn is on a fact-finding and get-acquainted visit. He spoke in Seattle Friday and will address the noon luncheon of the Greater Anchorage Chamber of Commerce Monday at the Anchorage-Westward Hotel.

Chamber officers, shippers and maritime business leaders will attend a dinner for Hearn in the Kenai Room of the Anchorage-Westward Monday evening.

There also is speculation Hearn will be asked to meet with some city officials on the city's agreement with Sea-Land Service Inc. and its preferential wharfing agreement feature, but so far such a meeting has not been set.

"The commission has instructed the staff to undertake a detailed study of the rate structure and over-all conditions of the trade. This study will be undertaken and concluded in the most thorough and most expeditious manner," Hearn said.

The study is dictated, Hearn said, by a revolution in ocean shipping between Seattle and Alaska this year.

The Alaska Steamship Co. has fully containerized two of its freighters. Puget Sound-Alaska Van Lines has introduced an efficient new service aboard its rail-barge "hydrotrains." The Sea-Land Service has entered the trade with two big freighters carrying vans and break-bulk cargo.

In addition, Hearn said, this year's earthquake and Alaska's brisk growth have changed the ocean cargo picture.

Alaska Sen. E. L. Bartlett said the 49th state will welcome the Maritime Commission survey. However, he cautioned that it cannot be established until after the survey whether any major rate changes will be made.

Hearn is an expert in maritime law. He served on the New York City council and also was special assistant to Civil Aeronautics Board member Joseph Minetti.



GEORGE HEARN

2 Anchorage Daily Times Monday

Master And Pilot Of Santa Maria Charged By CG

Charges of negligence have been issued against the master and pilot of the American-registered tanker, SS Santa Maria, which last Monday collided with the Dutch-registered tanker Sirrah off the Port of Anchorage.

The collision also resulted in a \$2.5 million damage suit being filed against the Sirrah Saturday afternoon by the Union Oil Co. of California, charterer of the Santa Maria. The suit re-

sulted in the attachment of the Sirrah for a few hours Saturday afternoon until bond was posted for the Sirrah owners.

Commander Robert F. Hornbeck, officer in charge of the Coast Guard marine inspection office here, issued the charges against Santa Maria master, Capt. Austin P. Tomter, 63, of Long Beach, Calif., and pilot Robert Kamdron, 78, of Seattle, late Sunday night.

Hornbeck said today both Santa Maria officers have been notified of the charges issued against them after the three-man Coast Guard board of investigation wound up at 11 p.m. Sunday its inquiry into the collision which claimed the life of a Santa Maria crew member, Eugene Hughes, of Portland, Ore.

He said a hearing on the charges, which could result in revocation or suspension of marine licenses of the two Santa Maria officers, will be held in Anchorage, beginning at 10 a.m. Nov. 12.

Officers of both vessels had been advised during the investigation that evidence of "incompetence, misconduct, unskillfulness and willful violation of law . . ." could lead to the filing of such charges.

Hornbeck would not say today which testimony during the five-day inquiry led to the Coast Guard action. He pointed out, however, that the charges do not necessarily mean the Coast Guard has concluded that the sole fault of the collision lies with officers of the Santa Maria.

The Coast Guard officer said the three-man board of investigation must first submit its report to the commandant of the Coast Guard for review and approval. After this, the findings of fact, conclusions and recommendations of the board are to be made public together with remarks of the commandant.

Officers and crew members of both the Santa Maria and Sirrah testified before the three-man board.

Among the last to testify were the chief mate and second mate of the Santa Maria who gave evidence which indicated miss-

ing crew member Hughes apparently lost his life in the water, rather than aboard the fire-ravaged vessel.

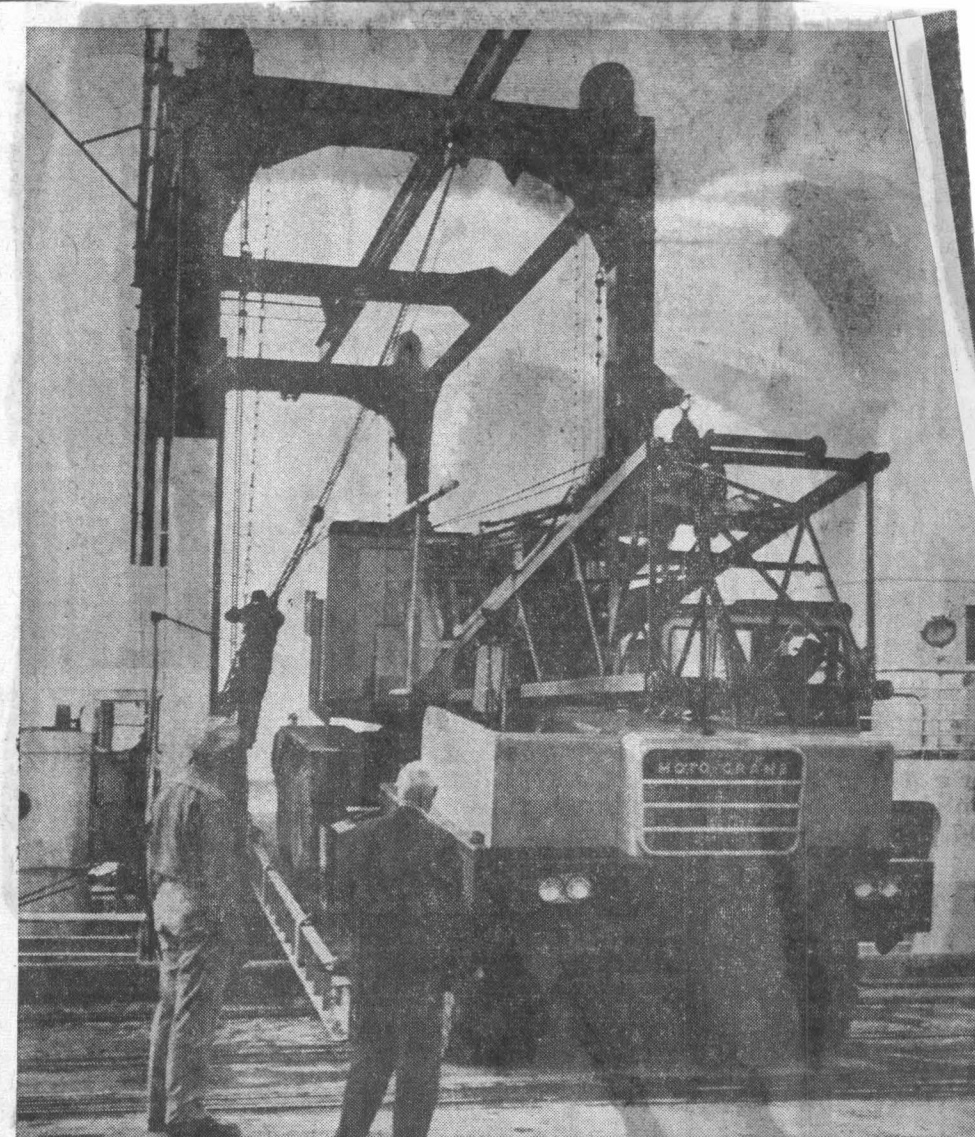
Santa Maria crew members in returning to the vessel found no evidence of Hughes. In checking for personal effects, they found the wallet of Hughes missing. A porthole in Hughes' quarters, which had been secured, was found open.

In the suit filed against the Sirrah, the owner is listed as Van Nievelt, Goudriann and Co.'s Stoomvaart Maatschappij N.V., (Netherlands).

Representing Union Oil is the Anchorage legal firm of Burr, Boney and Pease. The Sirrah is represented by Hughes, Thorsness and Lowe.

Ted Pease represented Union Oil and the Santa Maria in the Coast Guard investigation together with Gilbert C. Wheat and Donald Harris, both of San Francisco. Representing the interests of the Sirrah were Seattle attorneys Thomas F. Paul and Robert J. Stowell.

Sitting as the Coast Guard board of investigation were Capt. John J. Juneau, marine inspection officer, with the 14th Coast Guard District, chairman, and Cmdr. Dan F. Swach, officer in charge of marine inspections, Juneau, and Hornbeck.



LARGE CRANE LOADED ON FERRY

This 45-ton crane was loaded aboard the ferry Tustamena in Anchorage Friday for shipment to Kodiak. It is the largest single item ever shipped by ferry to the island. The crane's 17,000-pound counterweight had to be loaded separately because the ferry's loading elevator could not take the combine weight. The crane was consigned to Odin Jensen and Son by Yukon Equipment Co.