

# New Procedures Outlined For Fixing Freight Rates

## Major Rate Changes Get Public Hearings

A new procedure that will give public shippers and freight carriers a voice in the setting of freight rates in Alaska has been proposed by the Public Service Commission.

ALSO THE Commission announced yesterday that it had lifted its suspension of an interstate freight rate increase put into effect by the Alaska Carriers Association last October.

The new rates will produce an estimated ten per cent increase for the carriers on interstate revenues.

Acting PSC chairman Gordon Zerbetz and Commissioner Harold L. Moats said, too, that the Commission will soon enter an order prescribing rules and regulations "designed to expedite the handling of future truck rate problems."

THE CHANGES contemplated include the establishment of a docket proceeding for deal-

ing with future rate changes "in a more expeditious manner."

According to William F. Meehan Jr., PSC motor transportation director, the new proceeding will permit public hearings on primary "major" contemplated rate changes.

He explained that the hearings would permit parties with a "direct interest" to express themselves on the proposed change.

"UP TO now, the procedure has been for a carrier to file notice of an impending change and 30 days later it became effective — unless or until the Commission took some action," he said.

The proposed new procedure, which will not become a fact until a public hearing on it along with a hearing on additions, and refinements of existing rules has been held, may be new to Alaska but is not new to other states.

According to Zerbetz and Moats it has been used in Oregon for more than 14 years and in Washington State for over 30 years.

THE COMMISSIONERS said the suspension of a rate increase initiated by carriers last fall had been lifted because "upon thorough investigation" of financial data submitted to PSC by the carriers, the Commission found the increase justified.

When the carriers filed for the increase last September the Commission took action suspending the rates for 90 days, fearing that such a great increase would adversely affect public interest.

The carriers promptly went to court seeking to stop the Commission from enforcing its order.

THE COURT made no ruling on the Commission's power to suspend the rates but did hold that the Commission did not have adequate regulations governing accounting and other procedures to be followed in the case.

Consequently, it permitted the new rates to go into effect pending submission by the carriers of financial data to the Commission for evaluation and study of the proposed increase.

Then carriers were also required during the interim to keep an accounting of revenues gained from the rate increase so that refunds could be made to shippers in case the Commission found the increases unwarranted.



New Oil Terminal For Anchorage Port

ANCHORAGE — Pictured are Manson-Osberg employees erecting the hose handling derrick on the city's new \$1.75 million petroleum terminal. The new facility received final inspection Nov. 13, 15 days later than the original completion date due to additional work and pipeline modifications. Dredging for the petroleum terminal is scheduled in early 1966 and first operations planned in June. The new dock will relieve much of the berth congestion experienced at Port of Anchorage City Dock last year. This single berth facility handled 41 tankers and 51 offshore vessels in the first three quarters of 1965 in addition to 53 oil exploration vessels and barges. Increasing traffic at Alaska's No. 1 port has prompted the construction of an additional general cargo terminal. Plans are now being prepared by Lounsbury, Slewin, Kelly and construction of the \$3.9 million pier scheduled for 1966 from funds authorized by C. O. bonds recently approved by the Anchorage voters.

## Fuel For the Planes of Elmendorf

LT. GENERAL Raymond J. Reeves' lucid analysis of Alaska's defense role in the light of world events is reassuring to say the least. He told the Chamber of Commerce and before that this newspaper, that Alaska is looked upon as one of the nation's most desirable "overseas" bases.

It is, first of all, on American soil and within the American family of states. This immediately eliminates a great number of complications that beset outposts because no foreign government entanglements are involved.

The vast terrain of the State of Alaska, much of it still in wilderness, immediately solves a great number of training and maneuver problems for the companion ground support base, Fort Richardson.

Fortunately, so far as modern transportation is concerned, Alaska is situated right on the world map as a hopping off point for the vast perimeter of the Pacific rim known as the Orient.

THE QUARTER CENTURY of Elmendorf's history is proof in itself of General Reeves' predictions. In World War II it was the only base on American soil that actually dispatched bombers westward to chase an enemy from our shores. It was from Elmendorf that huge quantities of supplies were lifted to Mid-Pacific points of operation. The Korean war once again proved the value of the great runways of Elmendorf for keeping vital supplies flowing westward and southward.

Now the third demonstration of Elmendorf's vital role is here in the build-up in Viet Nam and General Reeves has predicted that by early summer there will be more than 800 landings a month by the Military Air Lift Command's huge C-141 aircraft.

These are the largest planes flying today and each one makes the familiar "Flying Box Car" of Korean war days seem puny by comparison. Their fuel consumption, as can be imagined, is tremendous; and it was for this reason that the military planners many months ago proposed a pipe line from Whittier to the air base.

It has gotten considerable non-military objection in Anchorage. In the light of General Reeves' revelations of the future of Elmendorf, these should be immediately withdrawn.

"The total capability to support military operations in the Pacific area by ALCOM, via airlift through Elmendorf Air Force Base, must be assured if we are to retain this very large and important mission," General Reeves said. In other words, there must never be any question of fuel for those gulping monsters.

It would seem the better part of wisdom at this time, instead of throwing road blocks in the way of the fuel line, to push it with greatest enthusiasm. —N.C.B.

## Sea-Land Eyes Aleutian Runs

A shipping route along the Aleutian chain with headquarters at Kodiak is being studied by Sea-Land Service, Inc., the general manager of the company's Alaska division confirmed today.

C. I. Hiltzheimer said Sea-Land is "considering the feasibility of operating a vessel approximately 175 feet long on a route down the chain and around the island of Kodiak."

The route under consideration might also include operations within a few hundred miles radius of the island, toward Prince William Sound," he said.

Hiltzheimer said the proposed route was not being considered "particularly with an eye to-

ward the Bristol Bay salmon pack."

"We would handle the salmon pack around Kodiak and down the chain, and we would handle frozen crab and other items," he said.

The vessel under consideration would be able to carry from 59 to 70 cargo vans 35-feet long. It would be equipped to carry both refrigerator trailers and regular cargo vans.

The size of the ship would allow it to serve "most any port where fish and crab products are handled," he said.

Cargo from the ship would be transferred to other Sea-Land vessels at Kodiak, Hiltzheimer said.

The shipping route contemplated would involve only a single ship, he said, "but studies are not far enough along to determine the frequency of service."

Discussing cost figures for the proposed operation would be "premature" at this time, Hiltzheimer said.

"We are hopeful that we can make a decision and go forward with a schedule of definite plans by mid-1966," he said.

"That doesn't mean that we will be operating then," Hiltzheimer said, "but we will know definitely what we plan to do." Alaska Steamship Co. currently operates the only shipping service which handles the Bristol Bay salmon pack.

## Small-Boat Harbor Meeting Set

Anchorage's long-sought small boat harbor will be the subject of a Corps of Engineers briefing when the Anchorage Port Commission meets Feb. 7.

COL. CLARE F. Farley, district engineer, is scheduled to meet with the commission to discuss the Corp's study of the facility.

Members of the Greater Anchorage Chamber of Commerce's Marine and Port Committee and former Small Boat Harbor Committee have been invited to attend, according to Robert Baum, commission vice chairman.

Baum said both groups have actively supported construction of a small boat harbor for Anchorage in the past.

FARLEY'S presentation will include engineering feasibility and cost-benefit ratios for two proposed harbor sites.

One is at the mouth of Ship Creek. The second is located to the north of the municipal terminal.

Although a former port commission favored the Ship Creek site, the possibility of locating a marine repair and supply facility in the port area has given added weight to selection of this site.

The commission will meet at 7:30 p.m. in the City Council Chambers. Commission meetings are always open to the public.

## Union Merger Report Draws 'No Comment'

Speculation arose today over the possible affiliation of local longshoremen with the Alaska Teamsters Union.

Officials of both unions would only say "no comment" to a report of a Thursday night meeting of the two labor organizations.

Anchorage longshoremen presently are affiliated with the Seafarers International Union, AFL-CIO — the same union which five years ago lost its Skagway local to the Teamsters.

Bob Erickson of the Western Conference of Teamsters declined comment on the reported meeting, telling the Anchorage Times he had "nothing to say." He advised checking with the longshoremen.

Erickson is temporarily in charge of the local office in the absence of Jess Carr, the Teamsters chief official here. Carr presently is outside the state.

Lew Dischner, Teamsters legislative representative who was in on the Skagway change in 1961, was tied up today in workmen's compensation hearings and could not be contacted.

Bud Kowalski of the Longshoremen's Union also would say only "no comment" when asked about the joint meeting.

Kowalski, questioned further about what business might be going on between the two unions, said, "Nothing at present."

When the Skagway longshoremen affiliated with the Teamsters, it was reported as the first time any longshore group in the U.S. had directly affiliated with the Teamsters.

## Ferry's Berthing Schedule Set Up

Details of the summer berthing of the ferry Tustumena were reviewed Monday night at a meeting of the Anchorage Port Commission.

In a letter from the state commissioner of public works, Richard A. Downing, the berthing charge to be paid by the state and the ferry timetable were outlined.

According to the agreement, the Tustumena will have preferential berthing rights each Friday afternoon. The length of the stay is not to exceed four hours, and the cost to the state will be \$100 per call.

This amount will include tie-up and let-go, stevedoring and other fees.

The letter also states that the port may act as a ticketing agent for the ferry here, and will be eligible to collect the usual seven per cent fee on sales.

The commissioners also approved a tentative outline of the specifications for the port's terminal number two, slated for completion about June 1, 1967.

Bids for the \$1.5 million project are due to begin the first week in March, and the notice to proceed will be announced the first part of June.

Dredging operations by the Corps of Engineers also is slated to begin in June of this year. The Corps of Engineers previously advised the commission

that the proposed small boat harbor would be more practical, if it were placed in the port industrial park area rather than the previously discussed Ship Creek area.

The commissioners will meet with Cpl. Clare Farley, the district engineer, and his staff to discuss the boat harbor. Members of the city's Small Boat Harbor Committee will be invited to attend.

The commission now is working with the military in hopes of receiving several small military land parcels near the port area. The parcels would be used to run a road around the Industrial Park. The military, however, previously stated that the availability of the parcels would depend upon the outcome of the Whittier pipeline proposal.

## Firm Claims City Contract Is Invalid

Woodland Equipment Co., Inc. has brought suit against the City of Anchorage claiming a bid awarded to a Seattle company in December for diesel equipment is not valid.

The company seeks to either have the contract re-awarded to it as low bidder or an award of \$9,000 in damages.

The equipment company claims it was second low bidder on a contract to supply the city with four diesel engine driven alternators.

The contract was awarded to Instrument Laboratory, Inc. of Seattle, on a low bid of \$80,664.

Woodland claims the bid was not valid because the bidder was not qualified under specifications outlined in the contract.

## City Alters Opposition

Although claiming that many economic questions regarding the proposed Whittier pipeline still remain unanswered, the city administration has withdrawn its recommendation that the Anchorage City Council oppose the project.

In a memorandum to the council, City Manager Robert Oldland suggested that the council take no further action on the question, scheduled to come to the council Tuesday.

The city manager said it is not the administration's intent to oppose projects necessary to the national defense.

## Port Employee Resigns Position

Don Walter, operations-sales manager for the Port of Anchorage, has resigned his position, effective Feb. 4.

Walter has been associated with port operations since Feb. 1961. He is resigning to take a post with Carrs starting Feb. 1.

## City Accepts Engines' Bid

A contract to provide diesel engines to power four cranes at the Port of Anchorage will be awarded to Instrument Laboratory, Inc., of Seattle, for \$80,664, City Manager Robert Oldland said today.

Award of the contract has been contested by another bidder, who claimed that Cummins Engine Company, represented by the Seattle firm, could not meet contract specifications for the engines.

The City Council last Thursday awarded the bid to Instrument Laboratory, subject to verification by Oldland of the fact that Cummins Engine Company could meet the contract specifications.

"All information received indicates that Cummins substantially meets the specifications to the satisfaction of the city attorney and the administration," Oldland said.

## Walter Resigns From Port Job

Don Walter, operations - sales manager for the Port of Anchorage, said today he has submitted his resignation, effective Feb. 6.

He has been employed at the port since 1961. Walter said he will be taking a position with a local grocery store chain.