

Dwindling Budget Sidelines Ferry

By JOSEF HOLBERT
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JUNEAU — The State Ferry Tustumena, which burns \$10,000 worth of fuel oil a week on its southwestern Alaska run to Anchorage and Kodiak, has been pulled out of service for an extra two months to allow budgeted funds to catch up with expenses.

The Tustumena went into Seattle for its annual overhaul on Dec. 22. The job normally takes about one month.

But, Gregory W. Mangan, director of the State Division of Marine Transportation, said to-

day the vessel will not resume service to Kodiak until about March 15, a fact which has already caused some alarm in the island community.

Mangan said the state's budget for ferry service for fiscal year 1967 — \$6.1 million — did not include providing ferry service to the Port of Anchorage. And, after Anchorage service was started last year, the division later would have exceeded its budget by \$90,000 if southwestern Alaska service, including service to Kodiak, had not been curtailed for the extra two months.

By holding off on resumption of Kodiak service during what Mangan called "the real slack, nearly dead months," until the middle of March, the state expects to save enough in operating expenses of the vessel to balance that \$90,000.

While the action apparently will balance the state's books, it has not met with unqualified support from Kodiak residents. Rep. Chuck Powell, R-Kodiak, commented "If it's a budgetary problem, I don't feel we should be excluded from ferry service."

"If it's a matter of providing

regular maintenance for the vessel, that's another matter."

Mangan called the situation this way: In 1965 the Tustumena, the only vessel in the four-ship state Marine Highway System fleet designed for open sea operation — did not go into Anchorage on its runs between the ports of Seward, Seldovia, Homer and Kodiak, and Seward, Valdez and Cordova.

At that time, and when the budget was prepared for fiscal 1966-67, the Port of Anchorage was not, Mangan said, prepared

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Tanker vessels operating on a year-round basis at the Port of Anchorage was one step closer with the arrival of Texaco's tanker Texaco California on December 21st.

Anchorage Daily Times 9
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Japan Ship Due In April

Shinsei Maru to Open Direct Shipping Route

The first Japanese carrier service into the Port of Anchorage has been scheduled for late April, Port Commission Chairman Wallace E. Martens said today.

He said he had been informed that the Japanese motor ship Shinsei Maru No. 5 planned to sail from the Port of Kobe, Japan, on April 10 arriving here April 29. It will then go to ports in southern Alaska and return to Japan.

Martens said he got the information in a letter from S. Ohta, manager of "K" Lines Liner Section No. 1. The April schedule is to be repeated in June, August and October, Martens said.

"This schedule should prove extremely beneficial to the Alaskan contractor dealing in structural steel, pipe for the oil industry and Alaska merchants dealing in the many products that come from Japan and the Far East can now order direct from the manufacturer with some assurance as to when they will receive the merchandise," Martens said.

Merchandise from the Far East, Martens said, has formerly gone to the Lower 48 and then shipped to Alaska. "At least two brokerage fees and one or two extra freight charges were added before getting it to the Alaska merchant," he said. "By buying direct from Japan, these high charges can be eliminated."

Official confirmation has also been received, Martens said, of the reduction of the Trans Pacific Freight Conference rates between Japan and the Port of Anchorage. The 10 per cent reduction puts Anchorage on a parity with other West Coast ports, he said.

to guarantee the necessary docking facilities.

Later, after the budget was already finalized, Anchorage port officials determined they could provide necessary docking.

At that decision, the Marine Division directed the Tustumena to begin serving Anchorage — but only on a basis of "stay within your budget."

By the time the Tustumena was due to head for Seattle for overhaul in December, Mangan continued, it was determined the budget would be exceeded by \$90,000 if service were not curtailed somewhere along the line.

Much of the problem apparently stems from greatly increased operating costs for the ferry when it services Anchorage.

The regular circuit to Kodiak and the other southwestern Alaska cities is based on a five-day week schedule. When Anchorage is added to the circuit, the only way it can be served without disrupting the rest of the schedule is by operating the Tustumena on Saturdays and Sundays.

This, in addition to adding two days a week in fuel and other supply costs, brings in the wage factor.

The state deals with three unions in its hiring of crews for the ferry system — the Marine Engineers Beneficial Association, the Inland Boatmen's Union, and Local 6 of the Masters, Mates and Pilots Union.

All three have contracts based on a five-day week. When the Tustumena operates on Saturday and Sunday members of the crew get overtime wages — generally time and a half — for those two days. Zoom goes the payroll.

On top of that \$10,000 a week fuel bill, those time and a half wages for crews raise again with a budget which was not intended to pay for ferry service to Anchorage.

Unfortunately, Mangan pointed out, while Anchorage is the cause of the problem, curtailment of service to Kodiak is the cure. Since even if the Tustumena had not been held in port at Seattle for two extra months, regular ferry service to Anchorage is not scheduled to begin again until May 8.

The 1967 schedule calls for the Tustumena to service Anchorage until Oct. 22, two weeks longer than last year, plus time the vessel was out of service last September when hulls cracked from heavy seas forced a repair in Seattle.

Hopefully, Mangan said, no problems like the current disruption in Kodiak ferry service will occur in fiscal 1968.

The new budget, now under consideration by the legislature, calls for \$6,543,000 for the ferry system. A good chunk of that, \$400,000 more than last year's budget, will cover operating costs of serving Anchorage.

"I'm hopeful," Mangan said, "that someday we'll be able to operate the ferry system at a break-even point."

While the ferry system must be subsidized, the basic concept of the Marine Highway System is founded on the theory that subsidization of the vessels is still well under what it would cost to build and maintain a highway up the coast of Alaska from Seattle.

In the meantime, while the Tustumena is in Seattle, two other ferries, the Matanuska and the Malaspina, are serving the southeastern Alaska run from Prince Rupert to Haines and Skagway.

The fourth vessel, the Taku, is expected back in service next week following an overhaul in Seattle. Then the Matanuska will go in for its annual servicing.

The Tustumena, 240 feet long, carries 200 passengers and 49 vehicles. The only ferry designed for open seas, it is smaller than the other three ferries.

The Taku, Matanuska and Malaspina are identical to each other, at 352 feet long with a

capacity of 500 passengers and 109 vehicles.

The Tustumena never serves Anchorage in the dead of winter because it is not designed for use in ice. The southeastern Alaska ferries provide service on a year-around basis.

New Anchorage Proposed Here

The Corps of Engineers has a well-defined anchorage ground, it is recommended that no anchorage be allowed north of the City of Anchorage dock area, according to Col. Clare F. Farley, Alaska District Engineer.

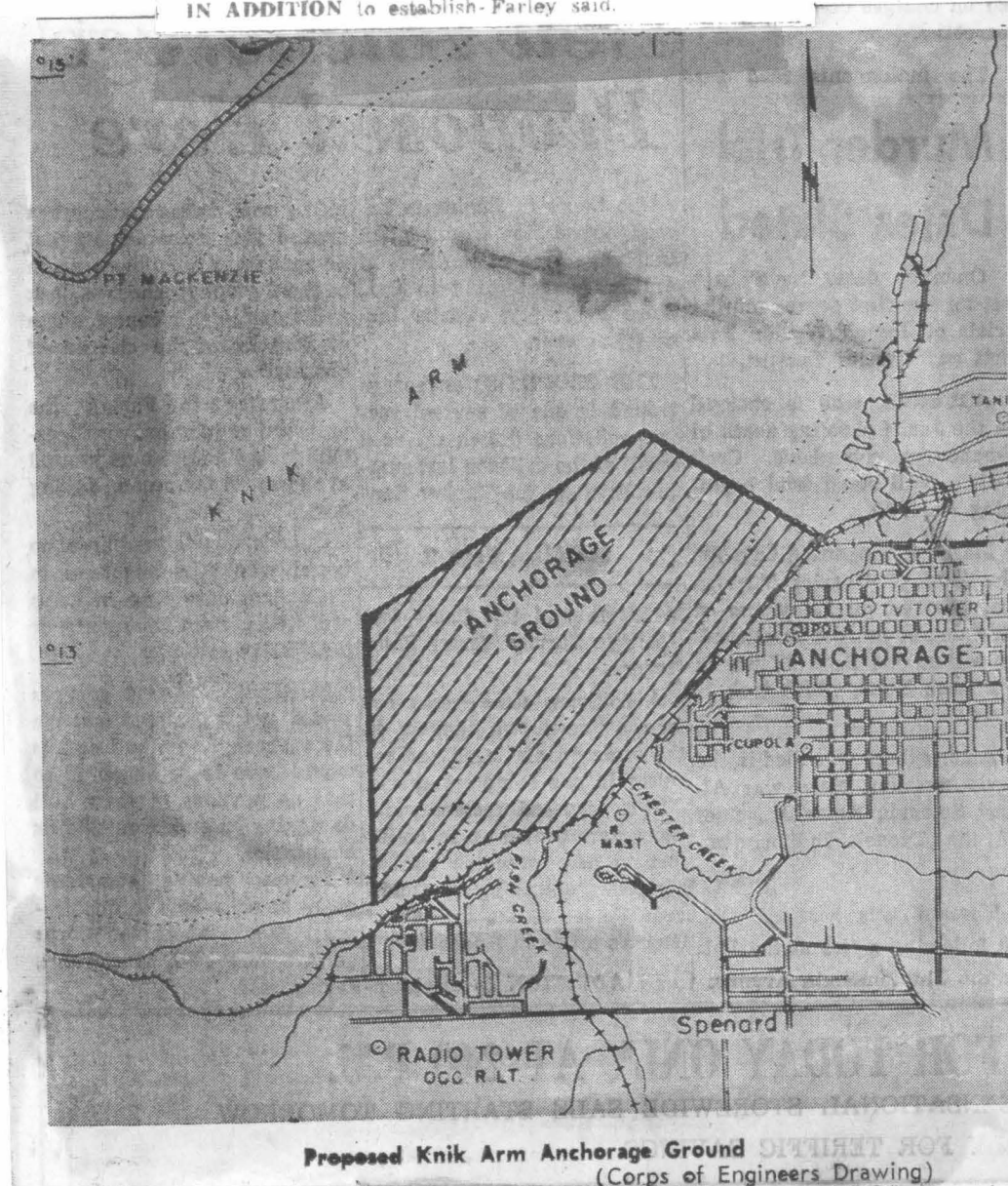
THE PROPOSED anchorage ground is one of several recommendations drawn up as a result of the collision last summer between the Tanker Santa Maria and the Coast and Geodetic Survey Vessel Pathfinder.

See Map, Page 2

A collision some years before between two tankers in the same general area had resulted in one being set ablaze.

The proposed recommendations were drawn up in an effort to help preclude similar accidents, according to Cmdr. Fred Folger of the U.S. Coast Guard's office in Anchorage.

IN ADDITION to establish Farley said.



Anchorage Daily News, Wednesday, March 8, 1967

Painter Gets Port Position

H. Russell Painter has been named to the position of Anchorage Port Director by City Manager Bernard Marsh.

Painter was appointed assistant manager of the port last March and has been serving as acting manager since January. In addition, Painter has had considerable experience with Alaska Railroad and Alaska Steamship Co. in Seward.

Commenting on the appointment, Marsh said succinctly: "He has proven himself on the job."



ICE COATED ICEBREAKER

The Knik Bay, a uniquely constructed icebreaker, docked here today around 2 a.m. following two days of delay due to weather. Able Seaman Jim Legg makes a last check of the ropes tying the 134.5-foot vessel to the dock before joining in the work of de-icing the ship. Owned by Alaska Aggregate Corp., the craft will be used primarily to supply offshore oil operations through the Inlet even when the waters are jammed with ice.

Three Answers . . . But No Solutions

Tuesday, Jan. 31, 1967 Anchorage Daily Times

Council, Others Study Port Snarl

Three widely varying ideas were aired as possible solutions to the port commission's problems as councilmen and commissioners met Monday afternoon in a work session to hash out their differences.

City Manager Ben Marsh suggested changing Ordinance 1460, which deals with administration of the port and seems to be in conflict with the City Charter in some areas, so the two statutes would be in accordance.

Port Commission Chairman Wallace E. Martens wanted to change the City Charter, which requires a vote of the people. The mayor and council didn't seem to respond readily to the idea of a charter change.

Mayor Elmer Rasmuson said he thought nothing at all need

be done. "I really don't see any conflict in the ordinance and I've read it more than once," he said.

The mayor indicated he thinks it is very clear that the administration of the port comes under the jurisdiction of the city manager. The manager is to make decisions after consultation with the commission, the mayor said.

Martens reiterated his belief that "the only sound way to run a port is to give it as much autonomy as possible."

Quite apparently, however, Martens' view is not shared by all members of the commission. Commissioners Bob Logan and Bill O'Neill, both of whom were appointed by Mayor Rasmuson, expressed their support of the mayor's view.

Virgil Deane's pending resignation from the five-man Port Commission wasn't discussed at the session, but it may very well have been the most important thing that went unsaid.

Deane has indicated he plans to resign within the next two months because he intends to move out of the state following his retirement from Standard Oil Co. Mayor Rasmuson, of course, will name the new commissioner after Deane's resignation.

Deane's successor is expected to be someone who will share the views of the mayor, O'Neill and Logan. The three commissioners could have opinions that differ from those of Martens and Robert Baum, vice chairman of the commission.

Councilmen did agree with a proposal that the port be given additional legal help, but were decidedly against the idea of separate legal counsel for the commission.

Marsh explained that a new attorney is to be hired to assist in the city attorney's office because the city's legal work quite frequently gets behind.

Councilman Clifford J. Groh suggested that one of the assistant city attorneys be assigned to work with the port commission.

Martens, who earlier had asked for "legal counsel outside City Hall," agreed with the suggestion and added it "would solve 90 per cent of our legal problems."