

Sea-Land Shipping Rates to Alaska Are Object of U.S. Maritime Probe

Over the Side



SUITING UP



BATTEN THE HATCH



GOING DOWN



Daily Newsphotos

INSPECTION DIVER, Bill Billar, of Associated Divers here, prepares for dip in Cook Inlet to inspect damage to tanker Evje IV, which struck a reef Tuesday off Fire Island. Ralph Everett, in sweater, served as tender. Handling lifelines is Bob Underhill, crewman aboard Foss Launch and Tug Co. boat, the Josie Foss. (See related story page two.)

ANCHORAGE DAILY NEWS, Friday, May 5, 1967

Ship May Leave This Weekend

Officials hope the Norwegian tanker Evje IV, damaged when she ran aground last Tuesday will be able to leave the Port of Anchorage this weekend.

CMDR. FREDERICK Folger,

Coast Guard port commander, said he was looking forward to the Evje's departure so that normal port activities could resume.

The port commander said last night that taking of testimony in an investigation has been concluded.

He said additional investigation will now be conducted to determine if ample notice had been given that the buoy marking the shoal had been taken off station and whether charts and soundings were correct.

"WE WANT to find out what happened and how we can prevent it in the future," Folger said.

Meanwhile, efforts were being made late yesterday afternoon to complete plans for emptying fuel from seven flooded compartments of the tanker so that the unloading could be speeded up.

Special pumps with floating suction are to be used to "skim off" the good fuel in the flooded compartments so that normal unloading can proceed in the other tanks.

THE VESSEL is having to be counter-ballasted with fresh water as it is unloaded to maintain a water lock and prevent spillage of fuel from the ruptured tanks into the water.

Unloading is to be completed today if possible but port authorities said there is no urgency as the next tanker is not due until Monday.

Folger said his office has received a preliminary report from divers that indicates the tanker's hull suffered substantial damage in the grounding.

Folger said examination of the Evje's frame members has not yet been made.

The Federal Maritime Commission has ordered an investigation of Sea-Land Service's rates and practices in the Seattle-Alaska trade.

A PREHEARING conference has been set for June 6 in Seattle.

Late last year, the shipping

firm filed a 10 to 14 per cent rate increase on certain commodities shipped south from Kodiak, according to Robert M. Skall, FMC area representative for Alaska.

These cargoes included fish, wool, household goods, automobiles and machinery and became effective in late January.

ALTHOUGH no protests were filed, the commission ordered an investigation of Sea-Land's increased southbound rates.

Then, on March 28 and 29, Sea-Land filed a second round of tariff increases that would have boosted all rates to and from Kodiak not previously changed 10 to 12 per cent, according to Skall.

The FMC suspended the second round of rate increases until Aug. 30 or pending the commission hearing.

ON FEB. 20, Sea-Land asked that the commission take no action until a decision has been reached in investigations into Alaska Steamship Company's rate increases in the Alaska Peninsula, Bering Sea and southeastern areas of the state.

Sea-Land stated that its rates under investigation are identical to Alaska Steam's Kodiak to Seattle rates. That request was denied.

Both Alaska Steam and the State of Alaska have petitioned to intervene in the Sea-Land case.

ALASKA Steam holds that it has "a substantial interest in any investigation into the reasonableness" of Sea-Land's rates.

The state's protest is based on four points, according to Skall.

These points are: The proposed rate increase is "unjust and unreasonable"; the rates are similar to those proposed by Alaska Steam; Sea-Land's rates should be established on the basis of its costs rather than Alaska Steam's costs and suspension is the only way in which the commission can protect the consumer in Alaska.

ON APRIL 27, the commission expanded the rate investigation to cover the lawfulness of all of Sea-Land's rates and practices in the Seattle-Alaskan trade.

The investigation will determine, among other things, whether the increased rates to and from Kodiak will yield a return in the Alaska trade which is unjust and unreasonable and whether the increased Kodiak subject this cargo or port to "undue or unreasonable prejudice or disadvantage."

Sea-Land ships serve Kodiak and Anchorage.

Anchorage Daily Times
Tuesday, May 2, 1967

Reports, Memoranda, Notes: They All Tell The Dock Story

By BOB MILLER
Times Staff Writer

Over two years ago Anchorage voters went to the polls and approved a \$750,000 bond issue for construction of a 160-foot extension to the city dock at the Port of Anchorage.

Today, twice that amount has been spent and the unfinished structure, heavily damaged by ice, reaches only 140 feet farther north than it did two years ago. And it's a shaky 140 feet at that.

What happened? The answer to that question lies in a maze of engineering reports, Port Commission minutes and memoranda from the city administration to the City Council. As the saying goes, it's a long story.

Voters approved the \$750,000 bond issue in March 1965 and Lounsbury, Sleavin and Kelly, an engineering firm, was

hired to design a 160-foot extension to the dock. When the design was completed, bids were invited on the project which had a price tag of \$410,415 according to LSK estimates.

According to council memorandum 65-317 dated July 13, 1965, two bids, both considerably higher than the engineers' estimate, were received and rejected by councilmen.

Constructors, Inc., submitted a bid of \$770,655 and Manson-

Osberg put in a bid of \$892,882.

Six days later, in a memo from Capt. A. E. Harned, then port director, to the Port Commission, it was pointed out that further conversations with contractors had revealed bid prices probably wouldn't get much lower if bids were invited again.

"Construction problems unique to the Anchorage waterfront were among the reasons for high bids, according to the memo.

Harned suggested that the port staff work with LSK in bringing a 1964 feasibility report up to date. The study was to "explore the feasibility of constructing a 600-foot north extension plus a 320-foot trestle to the industrial park area..."

The study, which revealed that the 160-foot extension would be "inadequate to meet the needs of present or future shipping," was completed in August.

Council memorandum 65-358 dated August 5, 1965, signed by former City Manager Robert Oldland, requested authority from the council for the administration to "cancel the present 150-foot (sic) project and negotiate final payment with its engineers."

Approval was given by the council.

At this point, five months after voters had authorized the expenditure of \$750,000 for the extension, an estimated \$347,623 had been spent.

Engineers pointed out that the money was not lost even though the 160-foot extension project had been dropped. The plans already drawn up, they said, would be incorporated into the plans for a 600-foot extension.

With \$402,376 of the original bond issue remaining, however, it was a matter of simple arithmetic to figure out that additional funds would be needed in order to get on with extending the city dock.

The issue went to the voters in October 1965 when they were asked to approve bonds totaling \$3.2 million for construction of a dock extension 60 feet wide and 600 feet long.

The measure was approved by a vote of 2,515 to 1,168, better than two-to-one.

Added to the \$402,376 left over from the bond issue of the year before, funds for the dock extension totaled \$3,602,376.

After the August 5, 1965, action that terminated the LSK contract concerning the short extension, the Port Commission met and decided to recommend that LSK be hired to replace the firm of Tippetts, Abbott, McCarthy and Stratton as the port's consulting engineers.

TAMS' contract was to expire Dec. 31, 1965.

The City Council went along with the recommendation by approving memorandum 65-378 dated August 20, 1965.

One month later — Sept. 20, 1965 — the Port Commission approved LSK as the firm to design and supervise construction of the north extension. Three days later memorandum 65-460 went to the council for approval.

The memo, signed by Lyman L. Woodman, acting city manager, said: "Financing is expected to be authorized by the \$3.2 million general obligation bond issue on the Oct. 5 ballot."

Subject to voter approval of the bond issue, the memo was approved. It called for a contract with LSK "at an estimated cost of not to exceed \$252,000, payable from the bond proceeds."

Working with S. Charles Dearstyne of Seattle, LSK engineers completed the design in the spring of last year. Completed plans called for a 63 by 610-foot dock extension with a 355-foot trestle connecting the north end of the new wharf to the shore and allowing for a continuous flow of traffic from the existing facility to Ocean Dock Road.

The extension was to be built of prestressed and precast concrete piling with a prestressed panel deck structure.

The project was advertised for bids and the sealed bids were opened at 1 p.m. April 1, 1966, according to memorandum 66-167 dated April 6, 1966, from City Manager Robert Oldland to the City Council.

The memo recommended approval of a contract in the amount of \$2,541,629 between the

Anchorage Daily Times

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EDITORIAL PAGE

Saturday, May 6, 1967

Councilmen's Dilemma: Problems At The Port

YOU CAN'T ACCUSE the City Council of rushing ahead thoughtlessly in trying to find an answer to what now is commonly referred to as "the port problem."

In fact, the council — to its credit — is using all deliberation and care in attempting to figure out just what to do about the \$1.9 million mess.

As just about everybody knows, "the port problem" is the north dock extension construction project — which began two years ago as a good idea and which has turned into an enormous financial dilemma today.

The plan was to build a 610-foot extension to the existing Port of Anchorage at a total cost of something like \$3.2 million. Things seemed to be pretty much on schedule when construction shut down for the season last winter after 140 feet of the new dock had been put in place.

THE TROUBLE BEGAN with the spring breakup — and breakup in this case was not just a routine use of an old Alaskan phrase describing the change of seasons.

When the winter's accumulation of ice began shearing off the new dock, the weight and force of the shifting ice battered the concrete and caused extensive damage.

The engineers now are trying to decide whether it is so severe that everything has to be torn out for a fresh start. So far, two engineering reports have produced conflict-

ing opinions — and a third has been ordered.

Meanwhile, an investment of nearly two million dollars has been made for a pier that now is posted as off limits and unsafe pending a decision on what to do next. And construction crews scheduled to resume work have been idled while new designs for the dock project are being prepared and reviewed.

INTO THE MAZE OF technical engineering data and design work now step the members of the City Council, tiptoeing through a thicket of differing views and tangled legal possibilities.

It's up to the councilmen to decide what to do now, and where to put the blame if any is to be placed.

It's a difficult position for the council to be in, because it also must bear the ultimate responsibility for what has happened. It endorsed the concept of the extension, it went to the voters for the funds to build, it stamped as approved the designs the experts said should be used.

Now it must solve a massive headache that rates as a real crisis in local governmental affairs. What the solution will be isn't known — and whatever it is, it won't be easy.

In fact, at this stage, the difficulty of the situation is about the only thing that is clear about the problems at the port.