

Japanese Goods Seen As 'Backhaul' For Alaska Carriers

Anchorage Daily Times
Tuesday, Jan. 16, 1968

City Checks Huge Losses Of Fuel Oil

Detectives Probing Mystery Disappearance Of 58,000 Gallons

By BOB MILLER
Times Staff Writer

City detectives reportedly have completed an investigation into the mysterious disappearance of 58,000 gallons of fuel oil from the Port of Anchorage, but the results of the check apparently have not satisfied the administration.

City Manager Ben Marsh was reluctant to talk about rumors of the investigation today, but he admitted that the city's internal auditor and police investigators have been checking the incident.

Widespread discrepancies in fuel oil consumption between 1966 and 1967 apparently turned up when the port administration began looking into the feasibility of switching from oil to natural gas.

Port records show that in 1965 the port used 33,919 gallons of fuel oil. In 1966 total consumption was 74,902 gallons but in 1967 the total consumption was drastically lower, down to 16,608.

Apparently the investigation was launched to determine why the consumption dropped so sharply between 1966 and 1967. Leakage has been ruled out.

Cost of the fuel in 1966 was about \$11,000 compared to a little over \$4,000 in 1967. Fuel oil costs about 15 cents a gallon so the total cost of the 58,294-gallon discrepancy is almost \$9,000.

Apparently the investigation revealed that most of the fuel oil disappeared during a four-month period between December 1966 and March 1967.

The activities of a former port employee who has since left the state reportedly are being checked in connection with the incident.

Reportedly, however, the city administration finds it inconceivable that one person could have successfully taken over 58,000 gallons of fuel oil without help or a place to market it. The investigation is expected to continue.

The port has a contract with Union Oil Co. for its fuel oil. The investigation reportedly has cleared the firm and its drivers of any implication in the matter.

Since the investigation began, Port Director Russ Painter has instituted stricter checks and controls on procedures concerning fuel oil deliveries and use.

Oil deliveries will be made only after they are requested by the port and then they will be observed by port employees. The oil level in both port tanks will be checked regularly and all oil pipes have been checked for leakage.

Lack of strict controls and checks during the period in question reportedly have complicated the audit and investigation of the discrepancy. It is difficult for the investigators to pinpoint how the oil could have been taken.

Anchorage's Port Could Reap Profits

By BOB MILLER
Times Staff Writer

Tons of Japanese products could pour into the U.S. through the Port of Anchorage if Far Eastern exporters are favorably impressed with its facilities, a railroad man told the Chamber of Commerce here Monday.

George Morley, manager of traffic on flat car and container service for the Soo-Line Railroad in Minneapolis, Minn., said Japanese exports have become "a very juicy economic plum" during the last few years.

Great amounts of Japanese cargo enter West Coast ports each day, he said, bound for inland cities, such as Chicago, Kansas City and St. Louis. Much of that traffic could come through Anchorage, he said.

"Anchorage is closer to Japan than any other American port," he said, "but its geographical location alone will not be enough to attract large amounts of Japanese cargo."

Adequate docking and storage facilities and advertising among the sales agencies and trade journals are among the things that will have to be done in order to attract Japanese business, he said.

Port officials must be able to show the Japanese exporters that getting the freight from here to the Lower 48 is not astronomically expensive, Morley said.

For many years, he said, one of the state's major freight problems has been that motor carriers and the railroad bring freight to Alaska and return empty. If the Japanese products could be used to provide backhaul to the Lower 48, the rates would become more reasonable both ways.

Earlier, those attending the regular chamber luncheon heard Judge Whitney Gilliland of the Civil Aeronautics Board speak briefly about aviation in Alaska.

"Air transportation," he said, "is entirely different here and more important than it is anywhere else in the world."

Federal subsidies to air carriers serving Alaska have been on the decline in recent years and the steadily decreasing trend is a healthy sign, he said. Gilliland is here for a series of meetings with Alaska transportation representatives.

Anchorage Daily Times
Thursday, Jan. 25, 1968

Plan Readied On Extension Of City Dock

By BOB MILLER
Times Staff Writer

Design plans for the first phase of construction on the north extension to the dock at the Port of Anchorage will be ready early next month, but the city won't invite bids on the project until a \$5,000 economic impact study is completed.

The City Council's decision to hold up the bid invitation until Development Research Associates finishes the economic study could cause considerable delay in the port's construction plans.

The study is not slated for completion until April 15. Earlier, the city agreed to ask for bids in February or March and possibly start construction in April.

City Manager Ben Marsh said today the study might be completed sooner than expected and he didn't think the construction would be delayed too much. It is quite possible, he said, construction can still begin in April.

The economic study is necessary because the city plans to apply for federal funds and the study must accompany the application. As it stands now, the city plans to ask the Economic Development Administration for a \$1 million grant and seek another million from the Department of Housing and Urban Development.

The \$2 million would enable the city to use the \$1.3 million it has on hand for construction of a 600-foot dock extension.

The first phase of construction calls for a 273-foot extension, according to the design engineers, Tippetts, Abbott, McCarthy and Stratton (TAMS). The first phase would be built with the money remaining in the city's bond funds.

Now that amount is about \$1.3 million but it could be cut to around \$900,000 if the city has to pay out some claims that have been made because of the first extension that was damaged by ice and finally demolished.

The Port Commission has said the port can get by with a 273-foot extension for the first phase, but it definitely needs a 600-foot extension.



GERMAN TANKER SETS A RECORD

The John Augustus Essberger a German tanker chartered by Shell Oil Co., set a record today when it became the first vessel ever to arrive this late in the year at the Port of Anchorage. Rex Eckert, a Shell Oil plant clerk, is shown here checking some of the jet fuel being pumped from the tanker into

storage tanks. The Essberger brought in 140,000 barrels of jet fuel and the skipper reported little difficulty in maneuvering the vessel through the Cook Inlet ice. The tanker broke the record set last year by the Texaco California which arrived here on Dec. 21.

Anchorage Daily News, Saturday, February 3, 1968

Early Winter Ship Arrival Due Feb. 10

A Standard Oil of California tanker is due here Feb. 10, almost a month earlier in the year than any previous one.

THE SHIP, the Hillyer Brown, is now in Seattle. It will stop at Nimitz a day before landing at the city port, a Chevron spokesman said yesterday.

Although the port has been in year-round operation since 1964, tankers have heretofore shied away from the Cook Inlet during winters. Sea Land Services, Inc., freighters, here every week, are the only regular winter visitors.

The earliest tanker to dock here so far landed March 9, 1966.

"WE'RE GOING to try it and see if it works," the spokesman said. He said such voyages were possible if the skipper was experienced and took advantage of the tides.

William Shelton, reportedly a long-time veteran of Alaskan waters, is commanding the ship.

Such winter visits by tankers will probably grow common in future years. As the area's fuel needs increase, oil companies will either have to send tankers up in winter or build additional storage tanks.

Plans for New Dock Ready in February

Plans and specifications for rebuilding the extension to the Port of Anchorage pier that was destroyed by ice last winter should be ready by the first week of February, the Port Commission was told Monday.

BIDS CAN be invited and work commenced by the time conditions in Cook Inlet permit such activities, about mid-April, said George Treadwell, the dock design engineer who is working on the project for the commission.

He is associated with the firm of Tippetts - Abbott - McCarthy - Stratton (TAMS) of Seattle and New York and last night presented the commission with a preliminary description of the structure.

An estimation of the cost of the project, Treadwell said, will have to wait until the plans are better developed.

IN RESPONSE to a question by Commissioner B. J. Logan as to whether there is enough money available to do the job, Treadwell said that by using materials that remain unused from the earlier structure "there'll be sufficient, we hope."

But, he added, "The proof of the pudding will be when we take the bid."

Two alternate plans are being prepared, each lesser in size than the main one, against chances of inadequate funds. The principle plan calls for a pier addition 271 feet long by 70 feet wide. Alternates are narrower.

THE COMMISSION members were also briefed about financing aspects of the port by Dean Brown, an officer of Seattle First National Bank which is trustee for the facility's bond holders.

Brown explained that the trust agreement entered into by the City of Anchorage in 1958 when the port was established requires that all dock revenues as well as other proceeds, includ-

ing revenues from additions or improvements, must be deposited in the trust fund to retire indebtedness, maintain reserves and pay interest before operational costs.

Brown also told the commission Anchorage would suffer a penalty of about \$300,000 if it were to redeem the unpaid port bonds, and added that, with current conditions that prevail on the bond market, "you're going to have to pay an awfully high rate of interest" in any refinancing or expanding move.

COMMISSIONERS indicated by their questions and discussions that they were exploring ways to enhance the port's operations. They also indicated that they would like to "broaden the base" of the facility beyond the City of Anchorage at least into the Greater Anchorage Area Borough.

"If we don't step out and move with this port it's going to lose out and could sink," remarked Commissioner Logan.

"The barging into Kenai docks with twice monthly service is already cutting into us and I'm afraid that it's apt to grow," he explained.

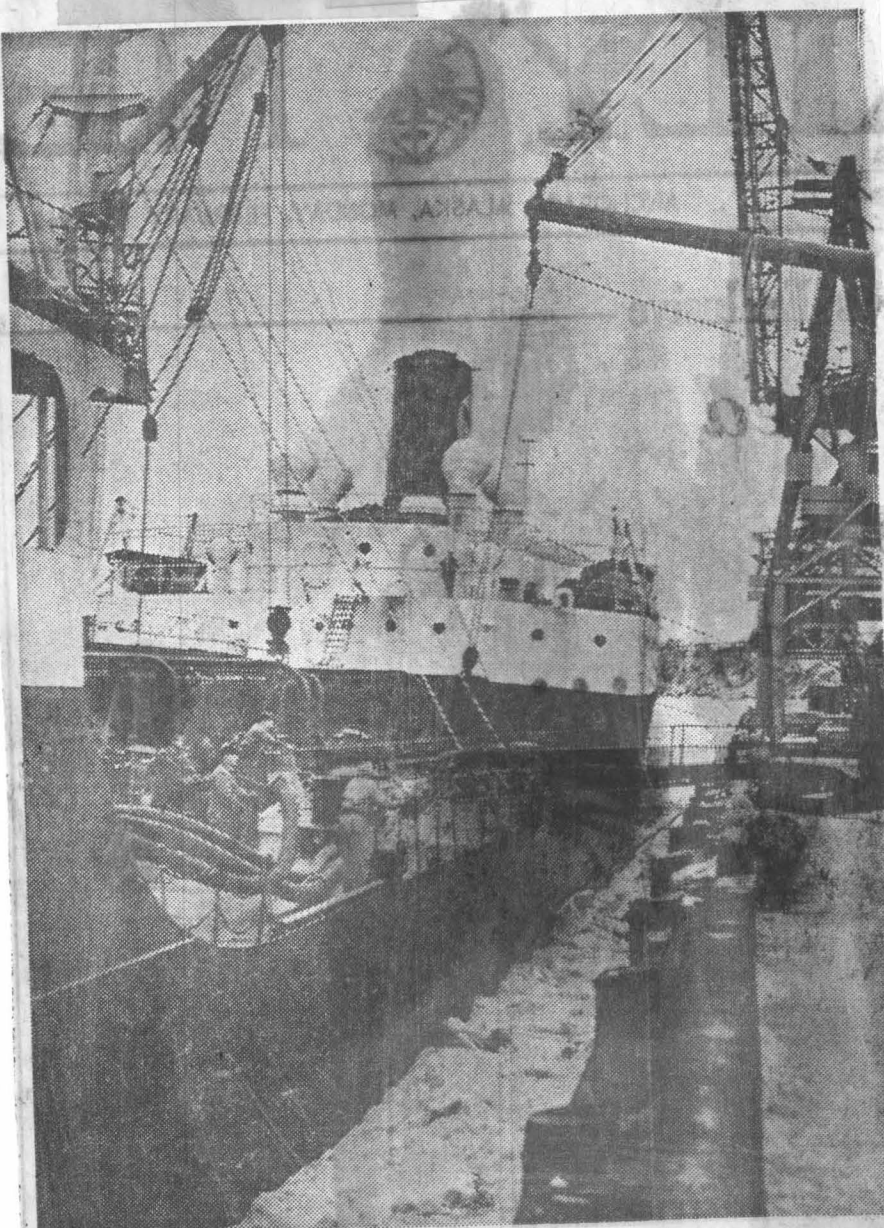
COMMISSIONER Wally Martens said that business people outside Anchorage city limits get the benefit of the operation of the port but they do not add, taxwise or as a basis for bonding, to the financing picture associated with the establishment.

The Port of Anchorage was started in 1958 as a city venture with a revenue bond issue of about \$8.25 million. Remaining indebtedness now is slightly more than \$6 million, discussion disclosed.

Much of the actual operating cost of the port is paid from city taxes, it was also revealed.

Anchorage Daily News, Monday, February 12, 1968

Record Breaker



THE HILLYER BROWN, Standard Oil of California tanker docked yesterday at 2:45 p.m. to become the earliest tanker to arrive in Anchorage during winter months. A companion tanker is expected Feb. 21 with a cargo of heating fuel, also the cargo for the Hillyer Brown. Sea Land Services Inc., freighters have heretofore been the only year-round visitors to the Port of Anchorage.

Anchorage Daily Times
Tuesday, Jan. 23, 1968

Anchorage Ferry Appears Unlikely For 2 More Years

There is little chance that ferry service will be extended to Anchorage for at least two years.

That's the word from Marvin L. Cook, deputy commissioner of the Department of Public Works, to Russ Painter, director of the Port of Anchorage. Cook wrote that escalating costs and inadequate funds have made it impossible to acquire a new ferry for Cook Inlet or buy a replacement for the Tustumena.

Cook said it will be at least two years before Anchorage can expect to be included in a regular ferry run.

Anchorage Daily Times Thursday, Jan. 18, 1968

MISSING OIL REPORT IS DUE IN A FEW DAYS

A report on the investigation into the disappearance of 58,000 gallons of fuel oil from the port will be mailed to members of the City Council within the next few days, City Manager Ben Marsh said today.

The police investigation was prompted by discrepancies in fuel oil consumption that turned up when the port administration began looking into the feasibility of switching from oil to natural gas.

Total consumption in 1966 was 74,902 gallons compared to 16,608 gallons in 1967. The city's internal auditor and city detectives were called in to determine why the consumption dropped so sharply.

The subsequent investigation revealed that most of the fuel oil disappeared during a four-

month period between December 1966 and March 1967. Leakage has been ruled out, but city detectives so far have been unable to determine who was responsible for the huge loss.

Marsh has said the investigation will continue.

Plans for the conversion probably will be dropped because actual fuel oil costs are not as much as previously believed.

Port Director Russ Painter has indicated the conversion would cost about \$20,000 and would not be justified in view of the fuel oil cost of about \$4,000 for all of 1967.

In 1966, the port paid about \$11,000 for fuel oil, but obviously it paid for oil that was never actually used to power the port's three furnaces.

Anchorage Daily News, Saturday, February 10, 1968

Record Tanker Arrival Due This Weekend

Standard Oil of California's tanker, the Hillyer Brown, is due here late Saturday or Sunday, the company said yesterday.

When it arrives here it will become the earliest tanker to arrive at Anchorage during winter months. The current record was set March 9, 1966.

A Chevron spokesman said the ship was due in Valdez yesterday. From there it will head for Nimitz, and then here.

The spokesman added the ship was carrying heating fuel, and said another Standard Oil tanker is due about Feb. 21.

Sea Land Services Inc. freighters have heretofore been the only year-round visitors to Anchorage waters.