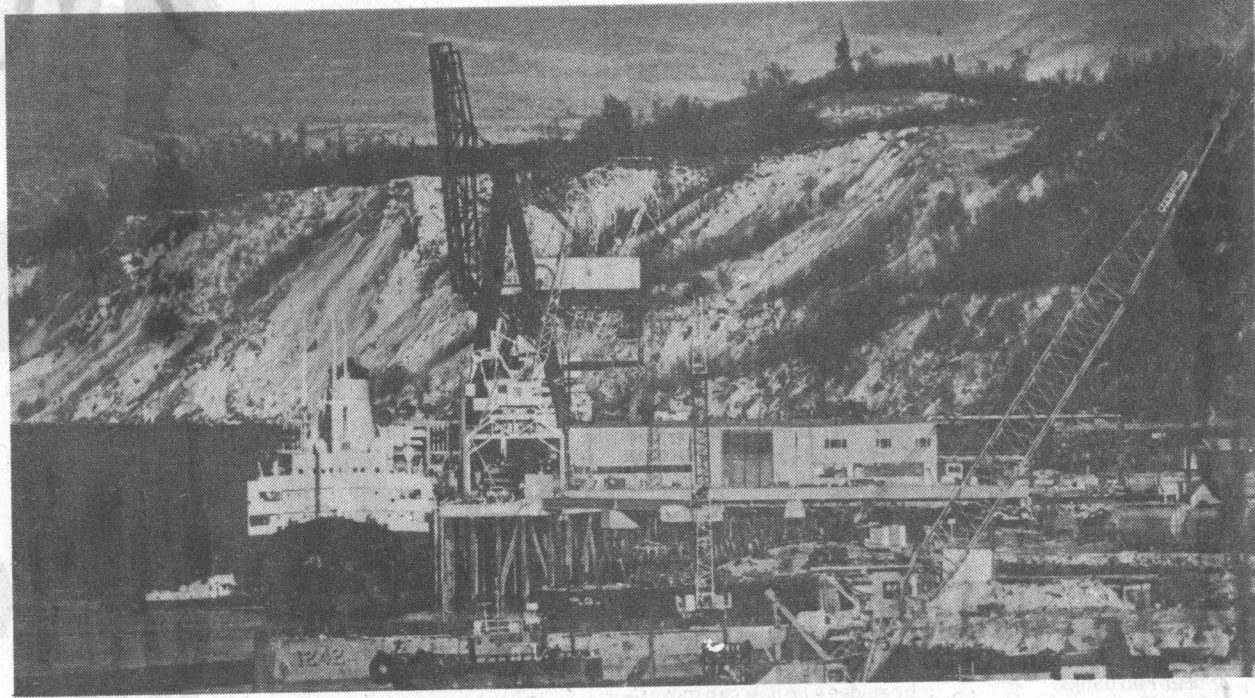


# MONEY



Anchorage: a busy port, getting busier.

## Port asks rate increase

By SALLY W. JONES  
Daily News Staff Writer

The Port of Anchorage has filed new tariff rates with the Federal Maritime Commission that would increase wharfage and dockage rates a total of 16 per cent.

E. Erwin Davis, Anchorage port director, said the rates will be increased because of higher operating costs and also will make Anchorage's conform with tariff schedules used

by other West Coast ports.

**THE TARIFF**, unless overturned by the commission, will go into effect Jan. 7.

Davis said 1975 will be the first time since 1966 that general rates have been increased here.

Under the new tariff, docking fees will be based on the length of the vessel. The existing tariff is based on gross registered tonnage of a ship.

Wharfage tariff com-

putation will continue to be based on the cargo that moves through the port.

The tariff on a barrel of oil also will increase from six to seven cents—or an increase of one-forty-second of one per cent on a gallon of oil, said Davis.

**OTHER THAN** several specific exceptions, Davis said, the port has not increased wharfage or petroleum charges since it opened in 1961.

Docking charges have not been increased since 1965.

The port estimates its revenue for this year will be about \$1.7 million. Anticipated increased tonnage, coupled with the tariff increase, will earn the port an estimated \$2 million next year, said Davis.

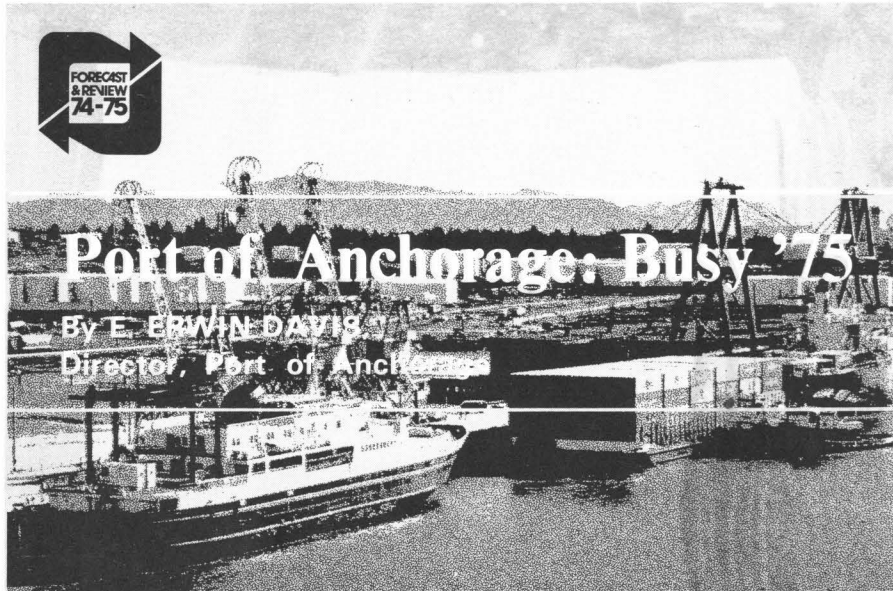
Some 2,012 million tons of cargo moved through the Anchorage port in 1973. Total 1974 tonnage likely will increase to 2.26 million tons. The port estimates 2.5 million tons will move through Anchorage next year.

**DAVIS SAID** it is likely the port will increase the tariff now charged to Sea-Land Freight Services, Inc., which now holds a preferential berthing assignment formula for tariff computation.

That increase, Davis said, will be similar to the rates filed with the federal commission and probably will take effect in February.

Davis said the port probably would operate at a deficit next year without the tariff increase.

Alaska Construction &amp; Oil / January, 1975



## Port of Anchorage: Busy '75

By E. ERWIN DAVIS  
Director, Port of Anchorage

More and More is the key note of Port of Anchorage activities in 1974. More pier area, more back-up staging area for intermodal cargo, more traffic moving than earlier anticipated to feed Alaska's massive build-up in support of accelerated business activities and traffic destined directly for the Trans-Alaska Pipeline project.

The Port's early 1974 traffic projections called for an 18% overall increase in cargo growth. By the early spring of 1974 it was obvious that this growth rate would be far exceeded. By the end of October, general cargo movement across Port facilities was running 30% over 1973. Bulk petroleum through-put was up 5% for the same period. Although the latter may at first glance seem a small growth factor, one must bear in mind the effects of the national fuel crisis on the market, and, of more importance in evaluating the growth rate in the local area, the drastic drop in petroleum use volumes following the cessation of activities in the Far East in 1972.

The major factor in the 1974 increase in petroleum movement is accounted for by fuel moving from Alaska refineries to supply the mass of equipment working on the pipeline haul road.

Total cargo movement for the year is now estimated to be approximately 2,260,000 tons, compared with 2,012,338 tons moved in 1973.

**Port projections for 1975 cargo movement** are best stated as simply more of the same, with a compounding of the accelerated growth rate. There is no indication of any slackening of this pace in the near term.

Happily, the Port enters 1975 in a much stronger position to physically handle these ever increasing volumes.

In November 1974, the Port took occupancy of an additional eleven acres of dockside cargo staging area, seven acres of improved industrial storage and staging area, new lighting, security fencing, improved traffic access via a new pier/shore

trestle, and 366 feet of additional marginal wharf. This first phase of major port expansion work started in 1973 and exceeded \$6 million in cost.

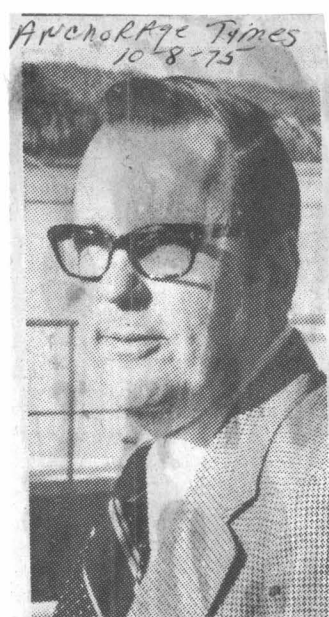
Scheduled for construction start in 1975 is an additional \$6 million in port expansion, with design work now underway by the Port's Consulting Engineers, Tippetts-Abbett-McCarthy-Stratton.

Phase II will include the completion of a 710' x 69' general cargo pier, an additional trestle and causeway connection to shoreline to approximately six new acres of staging area to be reclaimed from tidelands.

Funding for the work will be provided from a City of Anchorage General Obligation Bond issue of \$3 million, \$311,000 of State Impact funds and from additional matching funds as of yet unidentified.

From all indications the maritime industry, hard pressed in early 1974 to supply the vessels' need to serve both the pipeline traffic and the booming local business, should be in 1975 better equipped for the job at hand. Sea-Land Service, Inc., with four all-container vessels committed to the Alaska trade increased carrying capacity in 1974 approximately 50%. Sea-Land's operations from the Port of Seattle to the Port of Anchorage schedules three vessel calls per week, with feeder vessel service to other Alaska ports. Coastal Barge Lines, Northland Marine Lines and the Crowley Corporation all have indicated increases in schedules and vessels in the Alaska trade in 1975. The latter group generally have not operated on a strictly scheduled service, but rather as traffic offerings dictated. Big news in early 1975 will be the announcement of an additional scheduled marine operator into the Port of Anchorage.

In summary, one can see 1975 as an outstanding growth year, with the Port and maritime interests generally meeting the challenge of mounting cargo volumes, with some, but not serious, delays occurring due to lack of physical capacity. □

WILLIAM MALING  
Totem President

## Firm Says Agreement Is Problem

Two protestants to a proposed berthing agreement between Totem Ocean Trailer Express Inc. and the Port of Anchorage have withdrawn their opposition to the agreement, but another firm has lodged a protest with the Federal Maritime Commission.

Standard Oil and Shell Oil, at the urging of Totem president William Maling, withdrew their protests to the agreement, but Ideal Cement Co. of Seattle lodged a protest with the maritime commission.

The maritime commission is investigating agreements that would give preferential berthing rights to Totem and to Sea-Land Services Inc. at the city dock. Sea-Land and Totem have entered protests to the agreements for each other, and oil and barge interests have filed protests to the Totem agreement, contending it would create docking problems for them.

Ideal Cement contends the docking agreement between the city and Totem would make it difficult to unload cement in Anchorage.

A prehearing conference in the controversy is scheduled for tomorrow.

Maling yesterday told a local Rotary Club costs created by the commission investigation "may ultimately be paid by Alaska customers as future transportation expense."

E. Erwin Davis, director of the port, has asked the maritime commission to hold hearings on the berthing battle in Anchorage. No response has been received from the Washington office.

Anchorage Daily Times, 4/16/75

## AGREEMENT ENDS TIDELAND DISPUTE

A long-standing dispute between the City of Anchorage and the Alaska Railroad concerning ownership of tidelands located near the Port of Anchorage has been resolved, according to a joint statement from Mayor George Sullivan and Alaska Railroad general manager Walker Johnston.

The dispute, first came up in 1959 and involves ownership of tidelands generally located between the port facilities and Ship Creek, along the waterfront and Ship Creek, including areas occupied by Union Oil, Tesoro, Standard Oil, Kaiser Permanente and Alaska Aggregate.

The land originally was part of the Alaska Railroad terminal reserve; prior to statehood and was claimed by the city as part of the lands conveyed to it by the state under the statehood act of July 7, 1958. The matter has been under litigation since May 21, 1963.

On Sept. 18, 1970, the U.S. Ninth Circuit Court of Appeals decided that the railroad was entitled to the tidelands and referred the case back to the lower court to establish exact boundaries. Litigation followed over these boundaries.

As the result of numerous meetings between Sullivan and Johnston, the matter finally was resolved by mutual agreement. The city acquired,

in the agreement, the railroad's old Army dock location and adjoining property, thereby eliminating potential land problems in locating a proposed new petroleum dock. The railroad takes the land to the south of this area.

## Port OKs Sea-Land Fee Hike

The Anchorage Port Commission has unanimously approved a 15 per cent increase in annual user charges assessed Sea-Land Service Inc. for material moved across the port.

The proposed contract, which is renegotiated every five years, will go to the City Council at its regular meeting Tuesday.

The increase will raise the guaranteed payment which Sea Land pays the city from \$327,500 a year to \$376,625. Tonnage in excess of the guaranteed 250,000 tons will be charged an additional 15 per

cent fee.  
The new charge is in line with a general tariff increase which went into effect at the port Jan. 7.

Anchorage Daily News, Friday, January 31, 1975

## Shoal stalls shipping in port here

A vexsome 400-foot-long ridge of boulders has caused delay of cargo heading into the Port of Anchorage.

The ridge lies on the southern edge of the port's shipping channel into the port and is 19 feet below the average low tide level.

**ERWIN DAVIS**, port director, said Sea-Land Freight Services already has notified port authorities that delays caused by the ridge will force that shipper to send 17 vessels fewer than planned into the port this year.

The vessels would haul 94,350 tons of cargo.

The ridge was discovered in August after a National Oceanic and Atmospheric Administration survey of the inlet.

"Since then, the shoal's been the subject of all kinds of meetings with just about everybody who has anything to do with cargo or shipping here," Davis said Thursday.

The Army Corps of Engineers, the agency that holds the primary authority for maintaining navigable waterways, is studying the ridge, but no decision about what to do about it has been made.

The ridge has caused problems for big vessels attempting to enter the port in low tides, for many vessels hulls lie deeper in the water than the ridge.

**AS A RESULT**, Davis said, some vessels since August have been delayed further out in the inlet waiting for high tide in the shoal area.

The port has not received word whether other carriers may be forced to cut shipments into the port.

## Port shoal poses problem

The second meeting between members of the Anchorage Chamber of Commerce and the U.S. Army Corps of Engineers Friday did little to settle the situation arising from the underwater shoal in the shipping lanes in Cook Inlet.

The shoal was discovered last August, and is only 19 feet below sea level at mean low tide. Most large ships need a draft of 32 feet or more.

**"WE DECIDED** to present a program to the Chamber of Commerce as a whole Feb. 17," a spokesman said, "to try and let the public know just what the economic impact of this shoal is."

At present, ships have to wait as long as 10 hours in Kenai before crossing the reef at high tide.

"And this means money to the transportation people, which shoots the shipping rates up," he said.

**THE CORPS** of engineers said it cannot justify blasting the shoal unless there is an emergency, and the chamber is contending there is an economic emergency in not clearing the shoal.

"Bigger and bigger ships are being used by the oil companies," the spokesman said, "and the shoal isn't going to get any better. I don't think the companies will go to using canoes just to help Anchorage."

He said if the shoal is not considered an emergency, "then the only thing we can figure is that we have the port in the wrong place."

8—Anchorage Daily News, Friday, February 7, 1975

## Port cost studied

A meeting between representatives of the U.S. Army Corps of Engineers and civic leaders in Anchorage Wednesday ended in general agreement that a more thorough study of the economic hardships Anchorage would suffer from leaving a 400-foot shoal right where it is—blocking traffic in the Cook Inlet.

They will take up the talks again today at 10 a.m. at the Greater Anchorage Chamber of Commerce office, where Wednesday's talks were held.

**AT PRESENT**, this shoal has greatly reduced ocean traffic to the dock in Anchorage, due to ships having to wait in Kenai for high tide before crossing the bar.

The shoal is only 19 feet

below the surface at mean low tide level, and most ocean vessels serving Anchorage have a draft of 32 feet.

The Chamber of Commerce members at the meet are asking local businessmen to give them statements on the economic hardships they

would encounter if the goods were routed to Seward or Valdez because of the obstruction.

**CLAIRE BANKS** of the Chamber, is worried the shoal might eventually end all practical shipping to Anchorage due to increased costs in

waiting outside the shoal for high tide.

"Waiting is just the same as cash for someone in the transportation business," he said, "and when you have to wait 8 or 10 hours for high tide, your cost for shipping materials goes up."

Friday, February 7, 1975, Anchorage Daily Times

## Port Users Ready Arguments For Removal Of Shoal

Shippers using the Port of Anchorage are formulating arguments to convince the Army Corps of Engineers that removal of a 400-foot shoal in the channel leading to the port is economically justified.

The boulder-strewn obstruction was discovered to be 19 feet below the zero tide level this summer. Most of the oil tankers and Sea-Land vessels coming to the port draw 32 feet of water and the shippers and port manager consider it dangerous.

The corps has taken the position unofficially that the shoal is not a hazard because the shippers can wait until the Cook Inlet's unusually high tides can carry them over the obstruction between Fire Island and Pt. Woronzof.

Cook Inlet tides are exceeded only a few places in the world including the Bay of Fundy in Eastern Canada and perhaps at Inchon, Korea.

The corps must evaluate the "cost of the project versus its net worth," economist Charles Welling told a meeting of port users convened Wednesday at the Greater Anchorage Chamber of Commerce offices.

The three categories the corps will look at, Welling said, are the costs associated with damages to vessels from the shoal, the costs associated

with delays and the costs associated with using alternate ports.

"Area loyalty cannot be a factor," he emphasized, noting the historic rivalry between the ports of Seward, Whittier and Anchorage for shipping.

"The fact that there is \$26 million invested in the Anchorage port will be weighed against the fact that there is \$19 million invested in Seward that is in mothballs," Welling said.

A report prepared by the Army engineers in 1970 after four vessels grounded in the channel leading to the port in less than three years concluded that the cost of the accidents and delays did not justify what it estimated as a \$2.5 million project.

Two of the four vessels that hit bottom sustained serious damage. Two others had to

wait until high tide to be lifted off the obstructions.

"Even if you take those knobs off to nothing you still don't have an all weather really good port," Welling said.

More than \$1 million damage was sustained by the Sea-Land vessel SS New Orleans on Oct. 19, 1969, when it ran aground at a spot where nautical charts indicated there was 31 feet of water at zero tide, but there was only 25 feet.

Boulders on the bottom of the inlet "ripped the ship open like a can opener," recalls the vessel's pilot, Keith Collar. The vessel was out of service for six weeks being repaired.

On May 2, 1967, the Evje IV, a Norwegian tanker carrying jet fuel to Anchorage for the Standard Oil Co. of California, scraped the inlet bottom between Fire Island and Pt.

Woronzof. The shoal ruptured seven of the Norwegian tanker's 27 tanks spilling about 50,000 gallons of jet fuel.

Sea-Land appears to be the firm most interested in seeing the shoal removed, but Tesoro-Alaskan Petroleum Corp., which moved about 3.5 million gallons of petroleum products from its refinery at North Kenai to the Anchorage petroleum dock in 1974, also expressed its concern Wednesday.

Tesoro's head of shipping, Russ Painter, who has served both as Seward mayor and Anchorage port director, said Tesoro currently uses 17-foot draft barges for the movements, but that demand for products in Anchorage is growing so rapidly it may have to use larger vessels soon.

"The question is when we'll start using tankers," said

Painter. Anchorage Port Director Erwin Davis told the corps of engineers economist he didn't feel removing the newly discovered shoal would have to be a multi-million dollar project.

"The corps could run out there this summer with equipment already in the area," for the annual dredging of the port area and remove the 400 foot shoal and its two 19 foot peaks, he said.

"We consider this an emergency right now," Davis said emphatically, "but the corps apparently does not."