

Work goes on night and day unloading vessels at busy Port of Anchorage docks.

Port of Anchorage readies for biggest year yet

By VIRGINIA MCKINNEY

THE SIGN which read "Welcome to the Port of Anchorage" no longer greets crew members on incoming vessels or longshoremen arriving to unload cargo. The sign, along with various railings, wooden fenders, and sides of buildings fell victim to the often awkward busi-

ness of the port in better shape to deal with big pipeline-related traffic increases this year than in 1974. The difference lies in 360 feet of new berthing space and about 11 additional acres of staging and storage space. More about them later. Traffic figures at the port (as at virtually every other Alaskan transportation facility) reflect the enormous

impact of pipeline construction, an impact felt significantly beginning last year. Port traffic is no longer a strictly seasonal matter, although the June through September months are still the busiest time. Davis reports it was about two years ago that the port began working full time on a year-round basis, and he attributes this to the pipeline and year-round construction activity by Anchorage builders. In 1974 a total of 609 vessels called at the port, compared with 515 from 1973.

The number of tankers actually declined somewhat, but their size increased. Where in years past a typical oil tanker carried 90,000 to 100,000 barrels, today the average tanker brings in more than 200,000 barrels. Of the 609 total, 71 were tankers, 125 offshore vessels, and 126 were barges (94 of them carrying oil). The Sea-Land schedule called for 156 vessel arrivals, or about three calls a week. In the non-

ness of unloading the two-and-a-quarter million tons of cargo which moved over the Port of Anchorage last year. Despite the frequent scrapes with incoming and outbound vessels, and the temporary loss of one crane, port facilities are already dealing with the increased traffic which has come with pipeline construction. Handling half of Alaska's dry cargo and nearly all the state's petroleum, Anchorage's port ranks as one of the most important links between the 49th State and the outside world. And the port is gearing up for its busiest season ever this summer.

Handling half of Alaska's dry cargo, and nearly all state's incoming petroleum products, Anchorage port is vitally important link with outside world

ness of unloading the two-and-a-quarter million tons of cargo which moved over the Port of Anchorage last year. Despite the frequent scrapes with incoming and outbound vessels, and the temporary loss of one crane, port facilities are already dealing with the increased traffic which has come with pipeline construction. Handling half of Alaska's dry cargo and nearly all the state's petroleum, Anchorage's port ranks as one of the most important links between the 49th State and the outside world. And the port is gearing up for its busiest season ever this summer.

Port Director Erwin Davis foresees a more than 30 per cent increase in general cargo tonnage for 1975. (That's on top of a 31 per cent increase last year.) And Assistant Port Director W.D. "Bill" McKinney is worried about the shortage of staging and storage space if incoming goods are not picked up and moved out on schedule. But Davis says

impact of pipeline construction, an impact felt significantly beginning last year. Port traffic is no longer a strictly seasonal matter, although the June through September months are still the busiest time. Davis reports it was about two years ago that the port began working full time on a year-round basis, and he attributes this to the pipeline and year-round construction activity by Anchorage builders. In 1974 a total of 609 vessels called at the port, compared with 515 from 1973.

The number of tankers actually declined somewhat, but their size increased. Where in years past a typical oil tanker carried 90,000 to 100,000 barrels, today the average tanker brings in more than 200,000 barrels. Of the 609 total, 71 were tankers, 125 offshore vessels, and 126 were barges (94 of them carrying oil). The Sea-Land schedule called for 156 vessel arrivals, or about three calls a week. In the non-

Breaking down these totals, figures indicate by far the greatest amount of cargo tonnage through the port is domestic rather than foreign, and almost none of it is local. Of the 2 1/2 million tons of general cargo last year, more than 1 1/2 million tons (1,687,661.8 tons) was domestic; 564,923.4 tons were of foreign origin; and 2,590.4 tons were local. Besides petroleum, which amounted to 550,123.5 tons, much of the foreign cargo was iron and steel from Japan. These iron and steel articles were used for such projects as roadway bridges and a dock for Kodiak Lumber Company in Lower Cook Inlet. And more than a thousand Japanese cars and trucks moved over the Anchorage docks, according to Davis.

The Port of Anchorage and its rail docking facilities at Whittier share just about fifty-fifty in moving general cargo into the Alaskan railbelt. And Seward is now handling barges and some ship traffic exclusively for the pipeline. Valdez, of course, is constructing its port area to handle the supertankers receiving North

— PLEASE TURN TO PAGE 46

Port plans for busiest year yet- (CONTINUED FROM PAGE 40)

Slope oil once it flows south into that town. The half-and-half division of cargo traffic with Whittier has continued for some years now, but Davis sees an increase in Anchorage's share. "We are in a position to encourage more diverse forms of traffic than Whittier is — they are tied to the rail."

Nearly 100 per cent of all petroleum for the entire railbelt moves across the port. This means heating oil and gasoline for Anchorage and Fairbanks, and a sizeable portion of all fuel for the pipeline project comes in at Anchorage. Valdez handles some petroleum for the pipeline, and a small topping plant at Prudhoe Bay supplies a bit more. But Port Director Davis says he expects Anchorage to remain the primary funnel for fuel to the railbelt and the pipeline.

Bulk petroleum across the port in 1974 amounted to 1,595,667 tons, or 11,512,752 barrels. This was a six per cent increase over 1973, which was in itself remarkable in light of last spring's oil embargo.

Carriers using Port of Anchorage

facilities include several barge lines (North Land Marine Lines and Coastal Barge Lines among them); tug outfits; oil companies (Texaco, Tesoro, Shell, Union Oil, and Standard Oil); miscellaneous military vessels; the Coast Guard; scientific ships; and a few fishing boats — and, of course, Sea-Land. While exact figures on relative cargo tonnages moved by the carriers are not released, rough totals indicate Sea-Land moves just under 90 per cent of the dry cargo tonnage coming into Anchorage. Of the approximately 660,000 dry cargo tons into Anchorage, somewhere in the neighborhood of 586,000 tons were shipped via Sea-Land's containerized vessels.

In 1964 when Sea-Land first entered the market, it reached a preferential agreement with the port. By its terms, Sea-Land guarantees to move a certain tonnage across the facility (year-round); and in return gets favorable docking arrangements, use of city-owned cranes, warehouse space and parking for its containers, and special rates. This arrangement is valuable to the port because it provides a guaranteed source

of income from the major carrier, even if a longshoremen's strike or other disasters prevent the minimum cargo from moving into Anchorage. The original agreement has been amended five times, including two increases on the rates of both the basic guaranteed tonnage and excess cargo over that. Terms now pending before the Federal Maritime Commission call for a guaranteed payment of \$376,615 for 250,000 tons... and provides for excess cargo at the rate of \$1.51 per ton (up to 400,000 tons) and graduated rate increases as the tonnage goes up.

When a vessel calls at the port, there are usually about 80 people involved in getting the cargo moving from the ship to its next destination. This includes everyone from stevedores to secretaries to security personnel. Three large vessels can dock at one time, one freighter and two barges or vice versa. And that leaves about 370 feet more of berthing space for barge operations. Because of the extensive damage done to port facilities,

— PLEASE TURN TO PAGE 48

SERNCO specialists in consulting services for arctic and sub-arctic environments

• geology

ALASKA GEOLOGICAL CONSULTANTS, INC.

Engineering and geological consultants in the earth sciences and mineral industry.

• communication

COMMUNICATIONS ENGINEERING, INC.

Totally integrated communication service including engineering, design, installation, operation, equipment sales, service and maintenance. 3350 Mountain View Dr., (907) 272-3591.

• exploration

NORTHWEST EXPLORATION SERVICES, INC.

Complete drilling and support services to the soils engineering, mining exploration and construction industries.

• laboratory analysis

ALASKA MINERAL and MATERIALS LABORATORY

Complete laboratory facilities for mineral assays, trace element studies, water and wastewater analyses.

SERNCO ALASKA COMPANIES

Controlling interest owned by Howell Corporation, 800 Houston Natural Gas Building, Houston, Texas 77002. 713-222-8641



For more information and copies of our 1974 annual report, please write Wayne Bolt, Executive Vice President, Sernco Alaska Companies, 702 West 32nd Ave., Anchorage, Alaska 99503. 907-277-7601.

Port plans for busiest year yet- (CONTINUED FROM PAGE 46)

each docking and sailing must be witnessed by port personnel. Assistant Port Director McKinney says repair costs have risen so high that they are now assessed to the vessel causing the damage. There seems to be an informal set of rules governing which ships are allowed to dock first. Sea-Land is presently allowed two preferential dockings a week. (This may go up to three in the near future.) Other than that, says McKinney, it's a combination of planning ahead, first-come, first-served and

common sense. If a ship can get in, unload, then depart quickly, it may get precedence over a vessel which will require long unloading time and extensive use of port facilities.

Anchorage is a nonoperating port. Administration and maintenance are handled by the port, but the actual unloading is contracted out. At present three terminal use permits are held by North Star Terminal and Stevedoring Company, Alaska Stevedoring, and Sea-Land, which provides its own steve-

dors. The six cranes on the dock belong to the city. One of them, a level luffing gantry crane, was damaged during last October's high winds, but it should be back in operation sometime in May.

Charges for use of the port are based on the space occupied by the vessel at berth (docking charge), plus the cargo tonnage moved across the facility. There are also storage charges after the first free five days. A typical ship 525-550 feet in length pays about \$293 per day while at dock. Tonnage is not the only measurement used when computing charges. Petroleum is assessed seven cents a 42-gallon barrel. Bulk cement moves across the port for 12 cents a barrel, but cement in sacks is charged \$1.25 per ton because of the heavy use of port facilities involved in its unloading. Lumber varies from \$1.85 to \$2.50 per thousand board feet. And freight not otherwise specified (n.o.s.) moves at \$2.10 a ton.

The Port Commission sets the rates without having to get a sign-off from the City Council. Rates are slightly higher than Seattle's, but some rates have come down to compete for the Cook Inlet traffic.

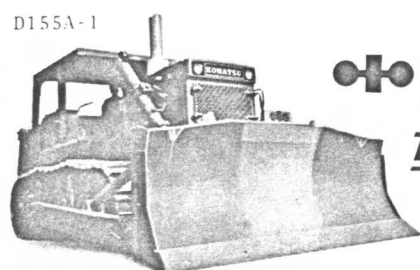
"The port business is not lucrative," Davis points out. "If it were, it would be a private enterprise. Despite this disclaimer, Anchorage's port in recent years has met its operating expenses and made a dent in the payment of the enormous bond debt service. The port was originally funded in 1958 as a city operation with \$6.2 million in revenue bonds and \$2 million in initial general obligation bonds. This \$8.2 million built the original dock, now known as Terminal No. 1, a warehouse, and the approach trestles. From this modest beginning, the port has blossomed with the help of new issues of general obligation bonds, until today the city has upwards of \$20 million invested in its port.

Of this \$20 million in bonds, the port has retired about \$4.5 million, both in the revenue and general obligation bonds, so that presently there is \$15,466,868 outstanding. The early retirement of revenue bonds was a condition of the original trust.

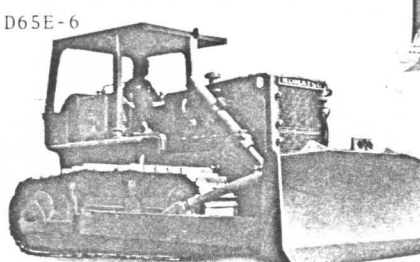
— PLEASE TURN TO PAGE 52

Serving the Entire State of Alaska
SALES - SERVICE - RENTALS
NEW - USED

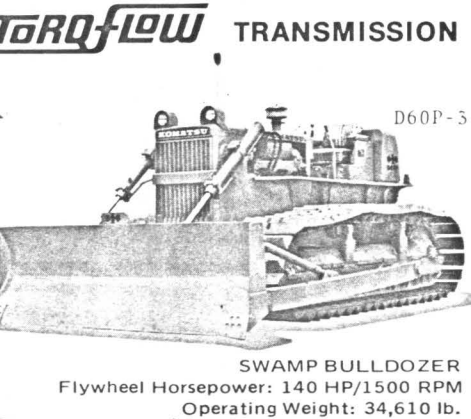
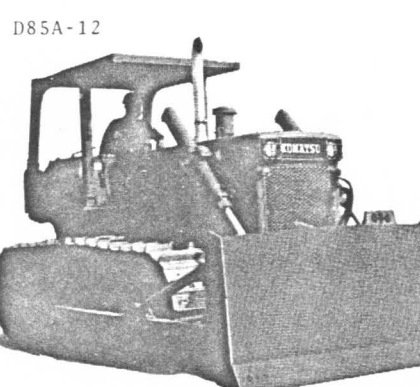
(907) 272-3528
Telex (090) 25-173
2605 East 5th Avenue
Anchorage, Alaska 99501



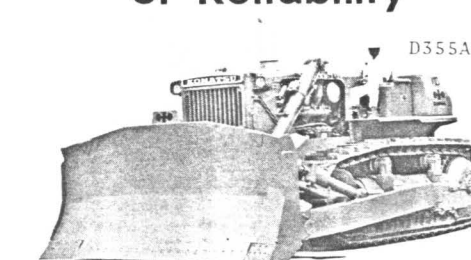
STRAIGHT-TILTDOZER
Flywheel Horsepower: 320 HP, 2000 RPM
Operating Weight: 72,420 lb.
Tractor Operating Weight: 58,270 lb.



STRAIGHT-TILTDOZER
Flywheel Horsepower: 180 HP/k850 RPM
Operating Weight: 47,930 lb.
Tractor Operating Weight: 39,460 lb.



SWAMP BULLDOZER
Flywheel Horsepower: 140 HP/1500 RPM
Operating Weight: 34,610 lb.



STRAIGHT-TILTDOZER
Flywheel Horsepower: 410 HP/2000 RPM
Operating Weight: 95,020 lb.
Tractor Operating Weight: 75,400 lb.



STRAIGHT-TILTDOZER
Flywheel Horsepower: 155 HP/1850 RPM
Operating Weight: 35,580 lb.
Tractor Operating Weight: 28,840 lb.

50 Year Tradition of Reliability

Port plans for busiest year yet- (CONTINUED FROM PAGE 48)

The \$6.2 million in revenue bonds went into a special trust fund. Provisions of that trust gave the port some unusual authority beyond that accorded other city departments, but it also placed cash-flow restrictions on revenues taken in by the port. Among the special functions of the port are doing its own billing and collecting and banking its own funds.

Incoming revenues are deposited in the First National Bank of Seattle, which acts as trustee. From this kitty, the city is reimbursed for operating costs, payrolls, and other expenses. According to the provisions of the trust, half of the money left over after expenses are met must be used to retire general obligation bonds, while the other half is used for early retirement of the \$6.2 million in revenue bonds. (If there is nothing left over after expenses, then early retirement of revenue bonds is not required.) Last year the port retired an additional \$381,000 on the revenue bonds. That was on top of the regular \$325,567 payment.

Because of the restrictive terms of

the trust, a direct profit and loss picture for the port is not appropriate. Port Director Davis says, "I can make the statement that if the cash flow of the port... were available for distributions without any encumbrance by a trust, then we could and have for several years been able to cover all our operating expense, plus our debt service and interest on all bonds outstanding, general obligations and revenues... The end result is the same — bonds are being retired. But it's not the cash from the port that's directly paying all the debt service on the general obligation bonds. Rather, that excess cash is being used to call revenue bonds early, for which we do pay some penalty."

But the real value of the Port of Anchorage lies not in the revenues it earns, but in the cheaper transportation costs for Alaska-bound goods. (And to a much lesser extent, in cheaper transportation costs for Alaskan exports.) Statistics are available which compare non-port transportation costs with today's rates. The differences are sobering.

In 1964 for the first time Anchorage got a scheduled, high-volume shipping service direct from outside. Prior to that, most goods had moved up the Alaska Highway or via Whittier, Seward or Valdez, then overland to Anchorage. But the 1964 earthquake destroyed the ports of Valdez and Seward, making Anchorage the only deep sea port in use

for some time. Comparing 1964 tariffs with today's rates, Davis says transportation costs are "generally lower than, or no more than, those rates in 1964, which is pretty significant." For example, fresh produce brought to Alaska from Seattle in 1964 via ship and railroad had a transportation fee of 8.9 cents per pound — that's over and above the cost of the produce itself. Today, the shipping cost via Sea-Land is 5.7 cents a pound. And coming up the Alaska Highway adds on a hefty 8.1 cents per pound to the already-high cost of imported fresh fruits and vegetables. Eleven years ago, it cost \$350 per unit to bring up a car or truck. Today, that has been whittled down to \$291.84 per

— PLEASE TURN TO PAGE 54

CREDIT UNION SERVICE AVAILABLE... to pipeline contractors and subcontractors.

ALASKA Command Federal Credit Union currently serves employees of Alyeska Pipeline Service Company, Bechtel Incorporated, and Fluor Alaska, Incorporated, and is authorized to serve contractors and subcontractors not served by another credit union.

ALASKA Federal offers worldwide lifetime membership. ALASKA Federal's current share savings annual dividend of 7% is compounded and paid quarterly to return 7.17%. ALASKA Federal's assets exceed \$85,000,000.

To confirm credit union eligibility for you and your employees contact:

Services Manager
ALASKA Command Federal Credit Union
Anchorage, Alaska 99506
(907) 279-8181



ALASKA COMMAND FEDERAL CREDIT UNION

