

NEWSFEATURE:



Sea-Land's new flatbed truck loaded in Fairbanks before trip to Prudhoe Bay.

What's Sea-Land doing about Tote's Great Land?

YOU BUY a car Outside and get it shipped up instead of driving it yourself. Your business requires a new line of air compressors (or clay pots) which you order from the wholesaler in the Lower 48. Or your military hitch is up and all your belongings are being sent on to your next base.

Chances are pretty good that Sea-Land will be the carrier that will bring up your car or air compressor—and head back south with your TV set and stereo. By far the largest water carrier making Alaskan runs, Sea-Land Services, Inc. handles upwards of 40 per cent of the total market—including air freight and overland up the Alaska Highway. (Some 90 per cent of dry goods coming into Anchorage arrive in Sea-Land containers.)

But the days of Sea-Land's dominance of the Alaskan market seem to be numbered. The entrance of a second major carrier into the trade will challenge Sea-Land's number one position and cut into its business. The 790-foot trailer-ship *Great Land* was scheduled to

make its first Alaskan berthing in mid-September. Owned by Totem Ocean Trailer Express (Tote), the *Great Land* will make weekly trips to Anchorage with the potential of hauling nearly 400 40-foot trailers and 126 cars or trucks.

So what is Sea-Land doing about the competition?

First response has been to try to halt or at least delay the *Great Land's* arrival. A complicated dispute among Sea-Land, Tote, Port of Anchorage and Anchorage city officials had seemingly been worked out in early September. Involved in the confusing negotiations were the issues of preferential berthing and which carrier would get to use which dock at the port.

But at the last minute Sea-Land and Coastal Barge Lines filed a protest with the Federal Maritime Commission charging inproprieties in the handling of Tote's preferential berthing. Sea-Land contended the issue of waterfront congestion had not been properly studied and questioned Tote's starting dockside modifications before final approval was

forthcoming.

Tote officials were reportedly furious about the protest. One charged Sea-Land violated a gentlemen's agreement: that Tote would not challenge Sea-Land's advantageous move down to dock No. 2, if Sea-Land wouldn't challenge Tote's preferential berthing.

As of press time the maritime commission had not ruled on the complaint. But some observers say the protest is a delaying tactic, not a serious blockade.

Once the *Great Land* does enter the market its impact will be felt on every carrier. Sea-Land's new General Manager James Hinchcliff is cautious about its effect on their traffic:

"They undoubtedly will pick up some of our business. But as to the total severity of it, we really don't know at this point in time.

"There's no question they're going to make some inroads into some of the business that we handle."

What type of inroads and into what kind of cargo depends, said Hinchcliff. —PLEASE TURN TO PAGE 33

on what Tote chooses to solicit.

But he predicted, "Probably the impact is going to be felt more by other modes of transportation such as the barges, the railbarge operations."

Hinchcliff added one note of caution: "I don't know what effect competition is going to have on Alaska. I can only hope it has good effects."

"Is there enough traffic to support two major water carriers? Time will tell."

Besides filing the protest with the Federal Maritime Commission, Sea-Land is making changes in its own operation—changes that Hinchcliff said are not necessarily a response to the arrival of the *Great Land*.

They include expanding the company's intra-state trucking capabilities; enlarging the Fairbanks garage to handle the new North Slope route; hiring 40 or 50 new people; and changing the in-house dichotomy between Sea-Land employees who are union members and those who aren't.

Sea-Land has also launched a scatter-shot publicity promotion campaign that reverses the company's long-standing low-profile policy. (Sea-Land's PR department approached *Alaska Industry* to request the interview with Hinchcliff.)

"Sea-Land-committed-to-Alaska" is now the official telephone greeting. The new salutation and more aggressive promotion efforts are innovations made by General Manager Hinchcliff when he took over last spring.

New to Sea-Land and Alaska both, Hinchcliff came to Anchorage from Lake Success, New York, where he was vice president of operations for Republic Freight System, a nationwide freight forwarder.

"I had never worked in an atmosphere that wasn't totally competitive," he remarked.

"The lack of other forms of hard-hitting competition can only have a net result of displacing values in the minds of people who are actually handling the freight."

"Competition is a healthy situation. It's healthy for the consumer and healthy for the employee. And this attitude and change were well under way prior to having any knowledge that Tote was going to pursue preferential berthing at the Port of Anchorage."

The change in attitude toward the consumers is accompanied by extensive

expansion of trucking services within the state, centering mostly around Kenai and Fairbanks. In Kenai six winch tractors have been added, tractors that can go on unpaved backroads. A 40-foot float trailer will enable Sea-Land to accept rig tender stock business on the Swanson River oil fields. Mukluk Freight and KAPS Transport are reportedly retrenching in this area.

Twenty-four new Peterbilt tractors have been added in Fairbanks to make the Prudhoe Bay run. Enlargement of the Fairbanks garage is just out of the blueprint state. The \$1.7 million project was awarded to Nor-Mac Builders, and should be completed by the end of the year.

Extension of Sea-Land routes all the way to Prudhoe Bay offers the advantages of through container service, Hinchcliff pointed out. Decreases in handling the merchandise mean less exposure to damage claims, and the opportunity for delay is minimized.

Direct through service to the Slope plus a branching out from strictly containerized trucking are part of Sea-Land's master plan: "We hope to offer a total general commodity service by the end of 1976."

Three new stops will also be added

next year to Sea-Land's list: False Pass, Squaw Harbor, King Cove. These three cannery locations were worked into the Adak feeder ship schedule. That route has gotten the smaller and faster vessel *S.S. Summit* which a spokesman says is more maneuverable and therefore more appropriate for the run.

Other stops may also be added, depending on business. "We are going to continue to make market evaluations and studies through the balance of this year and 1976 to broaden our service capability," Hinchcliff said.

No new ships will be added to the Alaska trade for the time being. Sea-Land added its fourth ship this spring, which Hinchcliff said is running at near-capacity.

One thing Hinchcliff said will not change is the claims policy on damaged goods. "Nobody likes claims, least of all the carrier. The expense of handling claims is astronomical, over and above the amount of the claim." The widely-maligned reimbursement schedule will stay in effect.

Hinchcliff conceded claims are "a very sensitive area and part of our total service commitment." He said improvements in handling policies should reduce the claims problem.

Another touchy subject is the recent seven per cent rate hike granted carriers. The relationship of freight costs and cost of goods once they're on the shelf is an area Hinchcliff declined to discuss in detail because Sea-Land's customers (the businesses) are the ones who set the prices.

"Transportation generally is blamed . . . let's say more so than necessary to the cost of the individual product."

For example, the recent rate in-

crease averages out to less than one cent on a can of soup. "However, it's not necessarily true that the direct percentage of increase felt through transportation is going to reflect that."

"And I have no idea or understanding of the pricing structure on a retail level here in Alaska—how they arrive at their prices . . . There should be some restraints. I don't like the word 'price controls' but just common judgment."

Hinchcliff joined Sea-Land at a

time when the company's own revenues are hitting new highs. For the first six months of this year Sea-Land's Alaska revenues came to more than \$36.6 million for 25,460 loads. That's an increase of almost 25 per cent in loads and almost 47 per cent in revenue over the same period last year.

With the impressive revenues and growing workforce, Hinchcliff is concerned about the company's attitude toward its union employees. "You really cannot effectively manage a large operation if you have any anti-union feelings."

To replace the we-they atmosphere of contractual workers versus management, the new manager is trying to introduce a let's-all-work-together-as-a-team spirit. Sea-Land's 550-odd employees are now encouraged to make suggestions and talk out their grievances.

"Perhaps this is a throwback to when I was a Teamster myself," he mused. (Hinchcliff got his start in the transportation industry as a dock hand working summers while he was in college.)

Between expansion of Sea-Land's trucking services and in-state routes, and trying to bring about attitude changes toward the customer and the company's own union worker, Hinchcliff appears to have his work cut out for him. ●

Anchorage Daily Times, Wednesday, December 31, 1975

Ruling Bridges Dock Dispute

By PAUL NUSSBAUM
Times Staff Writer

Sea-Land Service Inc. must accept the decision or lose its not block attempts by Tote Ocean Trailer Express Inc. to obtain docking space at the Port of Anchorage or Sea-Land will lose preferential berthing rights, an administrative law judge in Washington, D.C., has ruled.

In an interim decision which can be modified by the Federal Maritime Commission, Judge Stanley M. Levy moved to settle a docking dispute between Sea-Land and Tote that has simmered since early this year.

Levy's complicated resolution of the complicated issue would provide a compromise 90-day settlement after Feb. 1 and allow both Sea-Land and Tote to dock at the port.

Tote and various petroleum-carrying vessels will use Terminal 1 and the Petroleum Dock on a first-come, first-served basis, according to Levy's decision. Sea-Land would have preferential berthing rights at Terminal 2, to the north of Terminal 1.

Sea-Land has until Feb. 1 to

accept the decision or lose its authority for preferential berthing at Terminal 1, Levy said. Levy's interim decision will become binding unless one or more of the parties object, in which case it would go to the full maritime commission for a ruling. Most observers expect Sea-Land to object to the ruling, with a commission ruling by mid-January.

A final decision on the berthing dispute is expected before May 1.

Tote has been operating its weekly dry cargo service into Anchorage since September, using Terminal 1 and Terminals 2 and 3 on a first-come, first-served basis.

Last July, the Anchorage City Council approved preferential berthing agreements for Tote at Terminal 1 and for Sea-Land at Terminal 2, subject to Federal Maritime Commission approval. But in August, Sea-Land and several petroleum and barge companies protested the arrangement between Anchorage and Tote.

Sea-Land's preferential berthing in Terminal 1 under the existing agreement allows 104 dockings per year with guaranteed docking space. Sea-Land, making three and four trips to Anchorage per week, used up the 104 dockings last fall and has operated since then—as have other port users—on a first-come, first-served basis.

Starting Feb. 1 Sea-Land would, under the original agreement with the city, have authority for 104 more guaranteed dockings at Terminal 1.

"The issue thus becomes quite simple," Levy said in his Monday ruling. "Unless the berthing provision of Sea-Land's present preferential agreement is suspended, or Agreement T-1685-6 (giving Sea-Land Terminal 2) is conditionally approved for an interim period, Sea-Land will be able to bar its only major competitor from berthing and thus will be able to retain its monopoly over general waterborne cargo into the Port of Anchorage."

"There appears to be an important public interest in maintaining Tote as a competitor in the trade."

Because the Tote vessel, the *SS Great Land*, is 790 feet long, when it uses Terminal 2 it also

occupies much of Terminal 3. Using Terminals 2 and 3, it is unable to use some of the roll-on, roll-off ramps designed to speed loading and unloading. And, according to Tote, winter icing conditions make it dangerous for the *Great Land* to dock in Terminal 3.

Further complicating the docking issue is the use of Terminal 2 by Coastal Barge Lines. Coastal's operations include a 327-foot cement-carrying barge which must use Terminal 2 because the cement headers, which connect with the cement discharge pipes on the barge, are on Terminal 2.

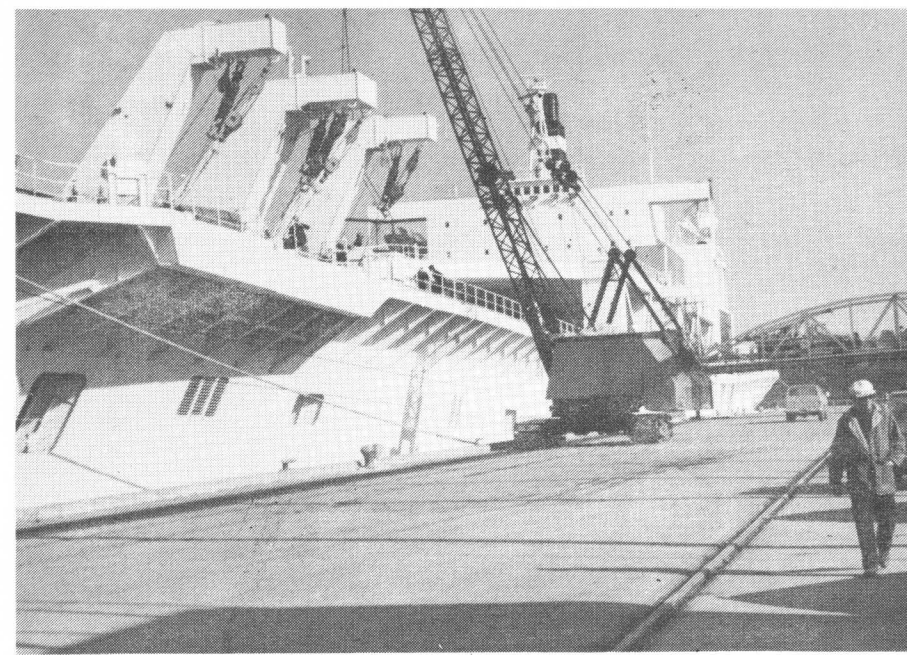
Sea-Land's use of Terminal 2 could block the discharge of cement by Coastal's barges, which normally operate between April 15 and Nov. 15. Port authorities have indicated the cement headers could be moved to the southern end of Terminal 2 before Coastal's barges begin operating in 1976, eliminating the conflict between Sea-Land and Coastal.

Levy's interim decision accuses Sea-Land of dragging its heels in the efforts to settle the berthing dispute.

"Sea-Land has not shown any willingness to cooperate in resolving the impending February 1976 crisis. (All other parties in the case have) consented to interim conditional approval as well. Sea-Land strikingly is the only party in the proceedings not to endorse conditional approval of its own agreement."

World's Largest Roll-On-Roll-Off Trailer Ship Enters Alaska Trade

By BETZI WOODMAN



The 792-foot "Great Land," world's largest roll-on-roll-off trailer vessel now has more than a month of regular weekly sailings behind it in the Seattle-Anchorage trade.

The company formed for the operation is known as TOTE, an acronym for Totem Ocean Trailer Express, Inc. whose parent firm is Sun Ship Building Co. Sun Ship designed and built the *Great Land* especially for the Alaska trade at a cost of nearly \$60 million. This vessel, whose steam turbines can develop more than 30,000 horsepower and travel in most circumstances at 24 knots, is ninth in a series of such ships but the first with additional length.

The height of the ship—the bridge is five stories—means it takes little spray, an important factor in winter when icing must be considered.

TOTE officials see the vessel's speed as an important advantage in bringing fresh foods to Anchorage, including competition with the trainship which connects at Whittier weekly with the Alaska Railroad. Lynden Transport has started to bring tank cars of fresh milk for

delivery to Arden Dairies with 7,000 gallons in two tankers on the early trips.

The capacity of the vessel—368 vans—with protected areas for privately-owned vehicles is also a significant factor in competition for trade, officials say. Already Alyeska, Bechtel and Fluor have used the ship with the third voyage bringing north 13 of the huge—56,000 pounds each—valves for the trans-Alaska oil pipeline.

A number of innovative features contribute to speed and efficiency of the operation which aims at a 24-hour turnaround at Anchorage.

On its maiden voyage September 13, the *Great Land* brought 20 tractors specifically designed for this operation. Built by the Ottawa Corporation, they have a short wheel base and make tight turns which facilitates unloading.

The ship's steel decks, all enclosed, are color-coded for precise loading placement. Special "four leaf clover" perforations in the deck are shaped to receive a locking device for trailers. Called Rol-loc, this device, too, was invented and designed by Sun Ship. It

eliminates front end lashing and supports the weight of the load. This system requires only two cable lashings on the rear and saves time in loading and unloading.

Weatherproof doors protect the inner decks. Fresh air circulates and is monitored by an alarm system to signal too high a concentration of carbon monoxide. Inside ramps are heated electrically to prevent any ice problems and exit ramps are perforated for traction.

At Seattle, stern loading makes a fast operation. At Anchorage, the first three trips depended on mid-ship ramps for unloading pending completion of trestles south of berth 1 at the Port of Anchorage. Because these ramps are off the main deck, tide water "holdovers" of 1 ft. 6 in. cause a halt in operations. With a 3-ft. holdover, an hour is lost. Anything over 3 ft., "we stay in business," explains Russ Painter, long-time Alaskan and new operations manager for TOTE.

Tides at the Port average 28 ft. with a high of 33 ft. In September, for example, there were 15 minus tides and another eight or nine days down to 1 ft. of holdover at low tide. Problems related to preferential berthing were still unsettled as AC&O went to press. Anchorage City Council okayed the special treatment but the Federal Maritime Commission, which must give final approval, is disallowing preferential rights for either Sea-Land or TOTE pending a hearing on the situation scheduled for next March. Now it is first-come-first-served.

Because of the *Great Land's* length, it requires more than one berth, protruding into the POL dock. Painter points out that if the vessel is given preference for berth 1, which also has petroleum headers, it would mean, with the *Great Land's* rapid turnaround, that two petroleum docks would be available for six days rather than one for seven days if Sea-Land keeps berth 1 preference rights. □

Alaska Industry June, 1975

Port development contract awarded

A multi-million-dollar contract for Port of Anchorage development has been awarded by the Anchorage City Council to the joint venture of General Construction Co., Swalling Construction Co., and SKW Construction, Inc. The bid of \$4.69 million was awarded for pier trestle and dredging for the north portion of Terminal No. 3.

The joint venture's total bid for the project was \$6.89 million, nearly \$1 million higher than city estimates for the work. The council arrived at the \$4.69 million figure by dropping the yard fill provisions, other yard-related items such as lighting and fencing and by reducing the amount of inlet dredging.

One portion of the bid quoted prices which were 92 per cent higher than those from a year ago for similar work. Last year, the city paid \$3.75 per cubic yard for fill. The price this year was \$7.20 per cubic yard. The council has agreed to readvertise for bids on the portion of the work in

hopes of saving on the fill material. Inflationary price increases also hit the city on four contract awards which totaled \$186,000. The cost of a bulldozer rose 60 per cent over the cost of a similar piece of equipment purchased in 1973. Telephone equipment purchased reflected a 52 per cent increase over 1973 prices. An eight per cent increase in topsoil for the parks and recreation department was noted over last year; and two front-end loader vehicles rose 49 per cent over a similar purchase last year.