



sonnel. The federal government has already chosen Anchorage as the site of a \$71 million, one million-square-foot federal office building. Again, the needs of this largest population center will be supplied primarily through its port.

The Port of Anchorage expansion to accommodate the tonnage increases projected for the state and city growth is already under construction. A five-year, \$15.5 million Capital Improvement Program will include the addition of a third full-sized general cargo terminal, a second petroleum terminal, and the reclamation for cargo storage and staging area of approximately 38 acres of tidelands.

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## NEWS REVIEW

### Anchorage Berth Pacts

The first phase of Federal Maritime Commission hearings on two preferential berthing agreements between the Port of Anchorage and Sea-Land Service and Totem Ocean Trailer Express has ended with the testimony of those favoring approval of the agreements.

Sea-Land has for a number of years had a preferential berthing area at Anchorage's terminal 1.

According to Anchorage Port director E. Erwin Davis, the Port concluded last spring that it would be desirable to move Sea-Land to terminal 2 "to increase the availability of terminal 1, and its petroleum headers, to the petroleum carriers."

#### Sea-Land Move

Although Sea-Land did not at first want to make this move, Mr. Davis said, the carrier later consented to move its operations.

A supplement to agreement T-1685 providing for this move, and for an increase in Sea-Land's vessel calls to 156 from 104 per year, was drafted and submitted to the FMC.

Subsequently, Mr. Davis told the FMC, when Totem asked for a preferential berthing assignment for its new roll-on/roll-off service, the Port wanted to assign terminals 2-3 to Totem and asked Sea-Land to remain at terminal 1.

Sea-Land "adamantly refused to remain at terminal 1," Mr. Davis said; as a result of negotiations, Sea-Land proposed that Totem be given a preferential berth at the terminal 1-petroleum dock location.

The terminal 1-petroleum dock assignment is covered by agreement T-3130 currently before the Commission, an assignment that Sea-Land has now protested.

Mr. Davis asked the FMC to approve both agreements, stressing that there is "a great and urgent need for a second carrier in this trade."

At present, he said, Sea-Land is the only year-round, general cargo, regularly scheduled water carrier operating between Anchorage and the Lower 48.

#### Sea-Land 'Monopoly'

Sea-Land, Mr. Davis declared, "has a virtual monopoly in Anchorage. Anchorage desperately needs a second, competing year-round water carrier which can provide rate competition, improved service, and greater assurance of adequate service throughout the entire year."

Totem, Mr. Davis said, has the capacity to provide services not presently available in Anchorage: it can transport more varied cargo than Sea-Land can carry on its containerships.

Further, the Port director contended, moving Sea-Land from terminal 1 to terminal 2 "will have a net advantage for all petroleum shippers using the Port of Anchorage."

Both Mr. Davis and Totem president William B. Maling stressed that the two carriers should be on equal terms, either both or neither having a preferential berthing agreement.

#### 'Unrealistic' Idea

It would be "very unrealistic," Mr. Davis stated, "to expect a new major carrier to attempt to continue to compete with an existing major carrier, if the new carrier was denied equal preferential usage rights."

"And, during the period when a disparity exists," such as at present, "there is no question that the new major carrier operating without a preferential usage agreement is being substantially damaged, and its ability to compete is suffering greatly."

The service Totem is offering, Mr. Maling explained, has two basic ingredients--reasonable rates and reliable service--neither of which can be provided without an assured berth.

Without preferential berthing, Mr. Maling projected, the Ro/Ro vessel Great Land "could encounter delays of 24 hours every other voyage, based on waiting for oil barges, dry cargo barges or the cement barge that takes three to four days to

## NEWS REVIEW

discharge."

This loss, adding up to approximately 24 days a year, would cost about \$1 million, he said. Additional cost would result from a struggle to maintain a fixed schedule and from the higher docking and wharfage rates non-preferential users must pay.

These additional costs, Mr. Maling predicted, would make the service non-competitive; the Great Land, he noted, is a capital-intensive vessel; if its efficiency is destroyed by inability to employ it to its optimum productivity, "then the entire service would be frustrated."

Totem's marketing strategy, Mr. Maling explained, is to run the vessel on a firm weekly schedule, departing Seattle every Friday and arriving in Anchorage on Monday.

Monday arrival, he pointed out, "is critical for certain receivers because this is the beginning of the week when most consumer oriented goods are required."

Assurance of such delivery, he added, is particularly important for perishable goods.

The problem, he contended, is "subtle but significant. Lost days mean we lose our weekly tonnage capability and end up with a random, erratic schedule."

#### 'Erratic' Schedule

"This erratic schedule means that our market penetration of the perishable food cargoes, the refrigerated cargo, groceries, and high value cargo market is severely hampered."

Further, Mr. Maling said, shifting from one berth to another on a voyage by voyage basis is no solution for a Ro/Ro vessel which needs specific and suitable shore facilities, such as trestles and ramps (which Totem has already constructed at its own expense at Anchorage).

Both Totem and the Port also cited usage statistics which they contended demonstrated that other port users would not only not be disadvantaged, but would actually benefit from approval of the preferential berthing agreements.

If Totem has no such agreement, Mr. Maling informed, it will still use the terminal 1-petroleum dock facility, but on an unpredictable basis; this, he claimed, "can only cause greater interference with other users."

DECEMBER 1, 1975 PACIFIC SHIPPER

## Inlet icepack slows shipping

THURSDAY, DECEMBER 11, 1975

A faster and thicker-than-normal ice buildup in Cook Inlet has begun to affect some shipping into the Port of Anchorage.

Tesoro-Alaska Petroleum Co.'s Crowley Maritime Corp. barge has ceased its runs from N. Alaska refineries to Anchorage because "that ice is keeping our little barge from crashing through," said Jim Burns, Tesoro operations chief.

On the average, Tesoro's bargeships about 45,000 barrels of petroleum products such as gasoline, fuel oil and jet fuel into Anchorage every other day. Burns said the company has made other arrangements to move the products north and is looking into the possibility of using tankers if the ice doesn't break soon.

Sea-Land Freight Service Co. also experienced difficulties because of thick ice in the inlet. A spokesman for the company said Wednesday the S.S.

Galveston was delayed at least six hours getting into the port because the ice slowed progress in the inlet.

The Galveston "missed by 15 minutes" the high tide necessary for navigation over a shoal in the inlet. As a result, the ship was to arrive into port at about 10 p.m. Wednesday, instead of 4 p.m., he said.

The National Weather Service's marine forecaster said Wednesday the inlet ice in Anchorage, at 22 inches now, is about six inches thicker than normal. The forecaster said the lengthy cold snap gave rise to the ice.

"I haven't seen the ice this bad in years," said acting port director Bill McKinney Wednesday. "The ice was late, but it came with a vengeance. It usually doesn't get like this until January and February," he said. McKinney said a barge loaded with steel, lumber and house trailers was forced to turn back last week because of the heavy ice.



Inlet shipping lanes clogged by thick icepack.

Daily News photo by Henry Peck

10-Anchorage Daily News, Friday, October 10, 1975

## PAC, Crowley sell Alaska operations

The barge and tug fleet that successfully battled Arctic ice to carry oil field supplies to Prudhoe Bay has been sold.

Pacific Inland Navigation Co. (PAC) of Seattle and Crowley Maritime Corp. of San Francisco sold part of PAC's tug and barge fleet and its shore based operations in Western Alaska. The PAC vessels sold were engaged primarily in operations as part of Arctic Marine Freighters, a joint venture between PAC and Crowley which has conducted the North Slope sealift since 1968.

Majority shareholders of PAC sold their interest to Federal Bulk Carriers, Inc., of New York in conjunction with the sale.

PAC retained tug and barge service in the North Sea, Southeast Asia and operations on the Columbia River.