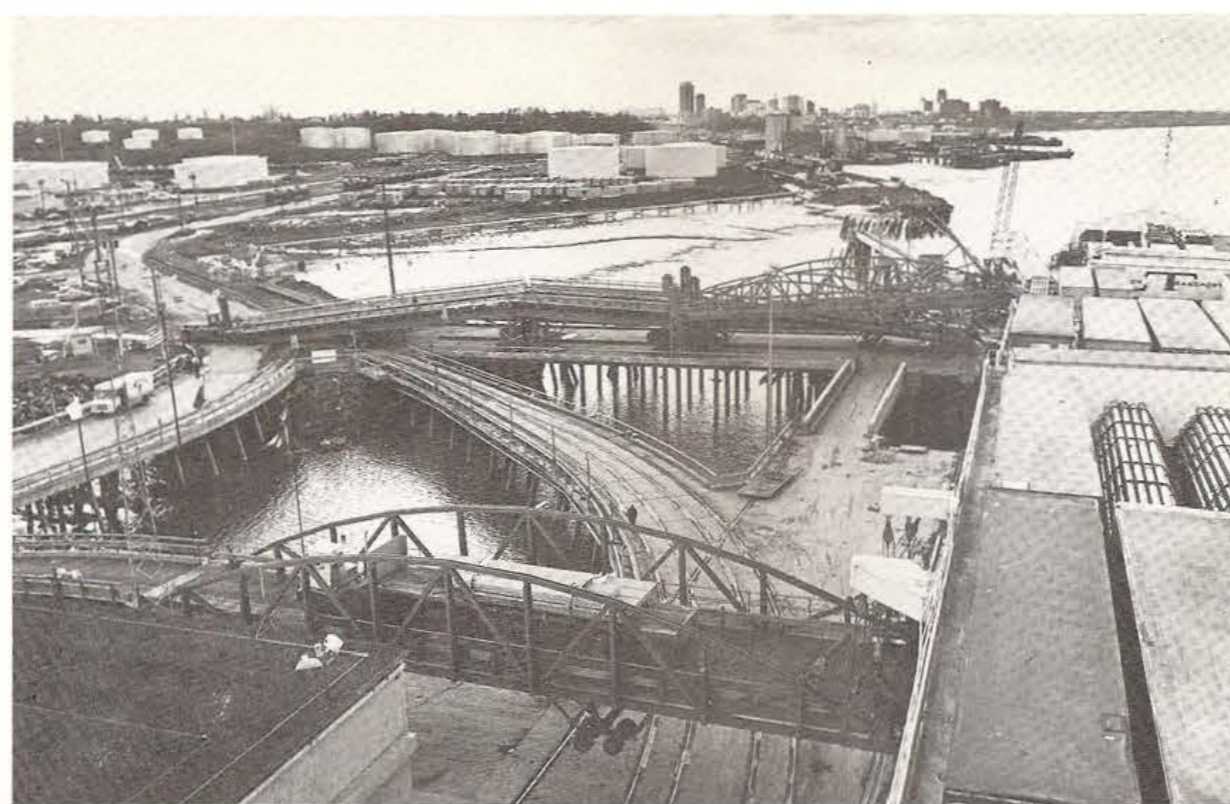




View from the bow of the "Great Land" shows the flexibility of the trailership when it comes to carrying non-containerizable cargo.



TOTE's side ramp system at Terminal One in Anchorage.

## Presenting The Shipper With A Choice

What are some of the reasons for TOTE's immediate impact on the Alaskan market?

Leonard H. Shapiro, vice president-marketing at company headquarters in Seattle, offers this analysis:

"Before our arrival, there were essentially only two major ocean carriers on the Seattle-Anchorage route. They represented containerization and shipping by barge. We offer a third way of doing things. This has caused modifications in the market place, even for people who don't use our service.

"The two companies that were here before us are good carriers. But they had virtually a monopoly in the market.

"Now, there is a third choice avail-

able for shipping service-sensitive cargo. The ramifications show themselves in some type of rate actions. To be sure — there are no across-the-board rate reductions, but rather, the rules are being changed to provide convenience and financial savings to shippers."

An example of such changes is the open mix of cargo which was introduced by TOTE so as to better reach minimum trailer weights. Now, this same system is also being used by the competing containership operation.

Clearly, an open cargo mix actually reduces the shipper's freighting costs.

The advantages of a fast trailership service are especially noticeable

when shipping oversized, non-containerizable cargo that must arrive in Alaska in a hurry. In this context, Shapiro mentions a shipment of panels that had to be put into the ground at a construction site before the start of the winter freeze. The project was successfully completed because the "Great Land" could bring the panels to Alaska within three days. It would have taken two or three weeks by barge and the shipment would not have arrived in time.

"This kind of service makes a difference in how you build," Shapiro says. "When there is such fast service, each week, year-round, regardless of winter weather — a service that moves anything that can roll

over the highway — maintenance of construction schedules and allocation of skilled labor become easier. Indeed, critical supplies, no matter what their size, are now only three days from Alaska."

The movement of house trailers is another example of TOTE's impact on Alaska. An important commodity in this house-starved land, they could be shipped previously only by barge, during the summer season. Alaskan dealers had to stock them for the winter, often at prohibitive costs. With TOTE providing the service, it is no longer necessary to maintain large house trailer inventories. Dealers simply place their orders whenever the market requires it, and they can be certain of the shortest possible delivery time.

Inland source loading is another innovation that has come about through TOTE's presence. It benefits

in particular the appliance shipper whose refrigerators, washing machines and other goods of this category were often damaged when re-handled pierside. True, he was reimbursed for the damage, but he had nothing to sell to his customers.

"We source load in Utah, Georgia, Texas — and we've just begun to scratch the surface as far as such through movements are concerned," Shapiro says.

TOTE is also a member of the Realco railroad pool, using the same trailers that move in rail piggyback traffic all over the United States. Interchange agreements have been concluded with almost all major trunk line carriers that serve Seattle. "There is virtually no railroad of any major size in the entire U.S.A. that we would not be able to interchange equipment with," Shapiro points out. "This means that trailers

can be shipped to Alaska via TOTE from anywhere in the United States."

In Anchorage, general manager Howard Acton concurs with Shapiro.

"TOTE does present an alternative, and Alaskans are fast becoming aware of this fact," he comments. "That's why our acceptance here has been so great. It's almost as if the Alaskans have been waiting for a service like this.

"For many years, up to 70 percent of the Alaskan market has been serviced by two companies only. There was no other way — it was a captive market.

"Alaskans in general like competition because, historically, many years ago, there was none at first and it developed very slowly. But then, they've seen what competition means — reducing prices, getting



From left to right: John T. Owens, Vice President-Finance/Administration; Ruddle E. Irizarry, Vice President-Operations; L. H. Shapiro, Vice President-Marketing; Howard Acton, General Manager-Anchorage; Jack Anderson, Marketing Manager-Anchorage; William B. Acton, Executive Vice President.

better quality merchandise — and that holds true for transportation also. That's why our acceptance by the business community has been so outstanding."

Marketing manager Jack Anderson elaborates:

"The Alaskan shipper is somewhat unique in that he has a depth of understanding of shipping methods and shipping tariffs, and he has built up his business accordingly.

Both Acton and Anderson are long-time Alaskan residents and well-known throughout the state. Howard Acton is a veteran of the Alaskan transportation scene. Jack Anderson's record as civic leader since 1939 includes a wide range of public service. Among other positions, he was chairman of the Civilian Advisory Council to the U. S. Army in Alaska; founder and first president of the Alaska State Chamber of Commerce; and twice president of the Greater Anchorage Chamber of Commerce.

"The TOTE venture represents the largest single investment of private capital in the entire history of transportation in Alaska," states Anderson. "Sixty million dollars have been put into a new concept, and an Alaskan corporation has been organized to realize it.

"It's a real challenge to bring this investment to Alaska, the more so as we have not applied for any relief from state taxes—something investors are entitled to. But we want to make it on our own and I have no doubt whatsoever that we'll succeed.

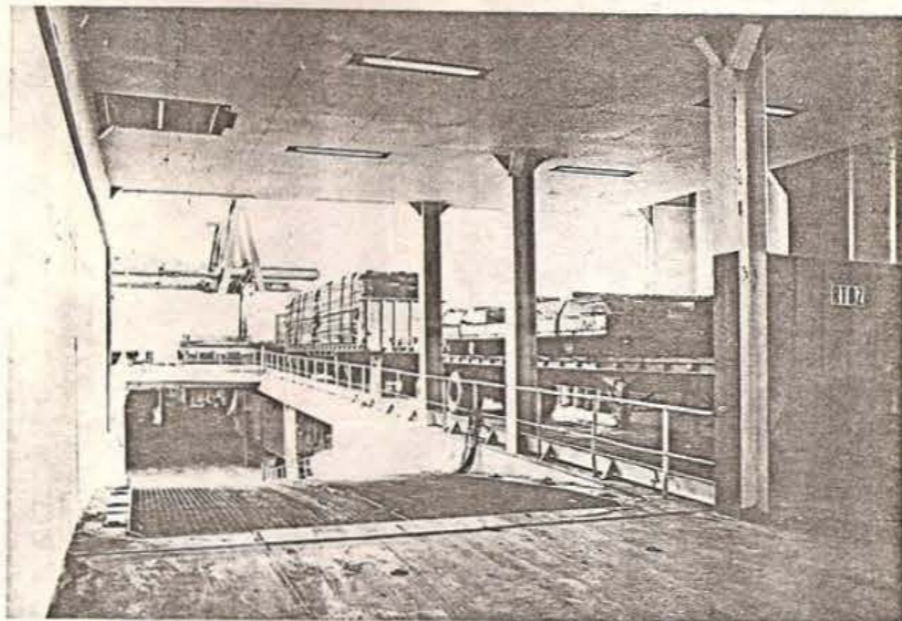
"Of course, some educating must still be done, to help the business community to realize what our full potential is. We are not selling rates—we are selling a superior concept, a new system. We are presenting Alaskan business with an additional choice.

"The TOTE system will revolutionize freight transport to Alaska. But it does not aim at replacing existing services."

On this last point, Shapiro summarizes:

"There is no question in anybody's mind that there is room for all. There is a place for barge transport, for the containerships, and for our trailership service.

"It is one of the duties of the capitalistic market place to see to it that the shipper has always a choice when it concerns the movement of his goods. Only an open market offers the proper way to resolve which service meets best the individual requirements of a customer."



Top: Stern ramp traffic at TOTE's Seattle terminal.—Center: The Great Land's ramp structure to lower decks.—Bottom: Hustler truck discharging shipment of plywood.