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SEA-LAND BELIEVED PREPARING FOR A MAJOR CHANGE IN ALASKA OPERATIONS

According to transportation industry sources it appears that Sea-Land Service Co. is preparing to switch to a combination of rail and contract operations on its intra-Alaska freight hauling -- a move expected to produce a showdown with the powerful Teamsters Union. Beyond a comment that "some operating changes are being considered" no information is being released by Sea-Land representatives. Sea-Land's current labor agreement with Teamsters Local 959 expires at the end of this month.

Anchorage sources say that Sea-Land is bringing in 14 flatbed rail cars and shipped out a number of flatbed trailers during the past week. The rail cars could handle 28 cargo containers which is believed to be the approximate amount of freight now being trucked in vans to Fairbanks. In Fairbanks, there is an unofficial report that the number of Sea-Land employees is being reduced from approximately 40 to as few as two, or three, workers. All other line and local delivery hauling will reportedly be done by contract carriers. The company has been seeking quotes recently from firms with Interstate Commerce Commission permits, according to one informed source.

If the switch is made, some observers expect strong reaction from the Teamsters, including possible picketing of all Sea-Land operations. Sea-Land and Kodiak Oilfield Haulers have, in recent years, been the employers making the largest contributions to the Alaska Teamsters coffers.

Totem Ocean Trailer Express, Sea-Land's principal competitor in the state, uses contract haulers for its shoreside operations. More than 95 percent of the work is handled by Mammoth of Alaska Inc. Tom Cole, general manager for Mammoth, said his firm and TOTE could take up the slack if there is any interruption of Sea-Land Service but some additional equipment would be needed. Cole said he has six more local delivery trucks ordered but is not sure when they will arrive. TOTE, which delivers to the Anchorage dock, and Alaska Hydro-Train, which runs to the Whittier rail road terminal, are now running at 70 to 80 percent capacity, according to a Seattle shipping consultant.

U. S. COMMERCE DEPARTMENT FORMS COUNCIL TO PROMOTE ALASKA EXPORTS

As part of a nationwide effort to improve the balance of trade, the U. S. Department of Commerce has formed the "Alaska District Export Council." Sara Hemphill, executive director of the Alaska Fisheries Development Foundation, Inc., is chairman of the council which is comprised of seven Anchorage businessmen, state Chamber of Commerce President Don Dickey and Department of Commerce and Economic Development Commissioner Charles Webber. The group is to hold its first working session in about one week.

Other members of the council are broadcaster Alvin O. Bramstedt, general contractor George Easley, banker Steven Hasegawa, hotel man Walter J. Hickel, Capitol Glass Co. President Richard Lyon, Alaska Sea-Land executive Marion M. Porter, hotel man William J. Sheffield, Jr., and Kenneth Sheppard, a consulting engineer.

Anchorage Times 6/24/80

Sea-Land closure report stuns customers, officials

by Karen Ranspot
Times Writer

Sea-Land Freight Services headquarters officials from Seattle were meeting with Anchorage Sea-Land officials today amid reports the firm's local trucking operations will close down when the Teamster contract expires July 1. About 120 teamsters would be affected by the shutdown.

Sea-Land officials weren't available for comment this morning. But a municipal report released Monday says labor costs may result in shutdown of local trucking operations for Sea-Land.

"Sea-Land has indicated it will terminate its Alaska trucking operations when the existing labor agreement expires on July 1," the municipal report on Anchorage fish processing said.

The report recommends the municipality attempt to identify all trucking companies available to replace Sea-Land's operations.

Jim Davis, who will soon replace Neil Porter as Alaska general manager of Sea-Land, was meeting today with officials from the Seattle office.

Jack Helton, general manager of the continental United States operations for Sea-Land, today declined to comment on the possibility trucking operations within Alaska will be shut down.

Helton, of the company's Seattle office, would say only that headquarters officials involved in the Alaska operation were meeting with the firm's local managers here today. The municipal report, completed

Friday, has taken Anchorage by surprise, Chuck Becker, the municipal economic director said this morning. The impact of discontinuation of local trucking by Sea-Land hasn't been determined yet except for the fish processing industry, but the impact on processors would be serious, Becker said.

One reason Dames & Moore, the consultant firm that prepared the report, was able to get the information is because they assured everyone their comments would be treated with strict confidentiality, Becker said. For that reason the report does not identify Sea-Land officials who said the trucking operations may close down.

In 1978 another trucking firm, Weaver Brothers, closed and officials blamed Teamster labor costs. The firm later re-opened with independent owner-operators driving.

Keith Miller of the Alaska Transportation Commission said he did not think Sea-Land would need state approval to close down local trucking operations.

The firm last month threatened to close all Alaska operations if a 9.5 percent rate increase wasn't granted by the Interstate Commerce Commission. The increase was approved and went into effect June 1.

Larry Snider of Nerland's Home Furniture, a major customer of Sea-Land, said he has not been notified of any discontinuance of service. But he said another customer had advised him to expect a change in dock-to-store delivery.

By BOB SHALLIT

Daily News business reporter

The story of the Port of Anchorage, to a large degree, is a tale of two pipelines: the trans-Alaska line which boosted the port's tonnage figures to record levels in 1975-76, and the Nikiski-to-Anchorage tube which sharply reduced its petroleum-related business.

During the heyday of the trans-Alaska pipeline construction, nearly three million tons of goods passed through the state's largest port each year, mostly headed for the North Slope. But the completion of the Nikiski line on the Kenai Peninsula in 1977, coupled with the general business downturn, has resulted in a steady decline, and total business last year amounted to just over 1.6 million tons.

Under the direction of Christopher Gates, the newly appointed manager of marketing and development, port officials are now busily charting a path aimed at removing the municipally owned corporation from the vicissitudes of oil-related activity.

The key task, said the 29-year-old Gates in a recent interview, is to devise a long-term plan that relies on the exportation of Alaska's natural resources.

Accordingly, port and municipal leaders are in the process of selecting a consulting firm to conduct a port marketing study and a decision on the winning firm or firms will probably be made by mid-March, Gates said.

The first phase of the two-part study will investigate the potential for expanding business in fisheries, coal, aluminum, forestry products and petrochemicals, as well as other areas. The second phase will examine what facilities will be needed to handle the new business.

"We're looking at nuts and bolts information that you can plan around," Gates said, adding, "You can get studied to death."

Gates' hope is to have the first phase completed within the next 18 months and have the second phase, involving de-



Anchorage Daily News/Fran Durner

Christopher Gates, manager of marketing and development for the Port of Anchorage, looks toward developing new areas of expansion for the facility.

sign and implementation, finished within another year.

New construction, if it is deemed desirable, will get under way before 1983, he said.

The emphasis on exports, which mirrors economic priorities recently established by the state Department of Commerce and Economic Development, is aimed at reversing the port's historic role as a one-way operation.

"If we have a vulnerability to competition — and right now we have none — it would be the fact that we are essentially a facility for one-way haul into Anchorage," Gates said.

"Twenty five hundred containers in and out," he continued, "is better than 10,000 one way because balance is a very important factor in reducing costs and increasing efficiency. And right now, we don't have balance."

Despite the port's declining business, Gates said the port has not had a money-losing year since 1967, and net revenues in 1979 amounted to \$646,770.

The port's capital debts have been reduced from about \$60 million to a current total of less than \$18 million, he added.

Unfortunately, Gates said, the port's quiet successes have gone virtually unnoticed by Anchorage residents. "One of the big problems is that the port is not a very sexy item and it's difficult to make people aware of what the port contributes," he said.

That problem is all the more worrisome in light of the expansion plans currently underway. "I don't think you can implement anything without broadbased support and that's what concerns me about the

lack of appreciation for what the port has done," Gates said.

In addition to exports of the state's natural resources, Gates said the port has enormous potential to become a major transshipment point for goods originating in the Orient.

"We are right on the Great Circle Route, and geographically and commercially, we are about 1,300 miles closer to Japan than (is) Seattle. When we are in a position to take advantage of that, the sky is the limit," he said.

Trade from the Orient has been limited in the last, Gates said, by the absence of a rail link to the Lower 48 and the perception among some Asian shippers that Alaska waters can not be navigated.

Overcoming the latter problem is primarily a matter of education, he said.

The Great Lander, April 9, 1980

Port Plans to Dredge Anchorage Boat Basin

There's good news for Cook Inlet small boat skippers.

The boat basin is going to be dredged out this season, according to Bill McKinney, the local port director.

"If everything goes to plan, the dredging will be completed this month and the slips installed by May 1," McKinney reports.

The intent is to remove the silt down to the original construction level of the basin. This will give boaters considerable extra time to get in and out of the small boat port on the Cook Inlet tides.

Glacial silting has been a major problem here, McKinney points out, but the present dredging is expected to hold the facility for the next three years.

The Municipality plans to keep an eye on the results and see what solutions may be resolved on the silting problem. Consideration may even be given to relocating the small boat harbor to a spot that the tides would help keep it flushed of silt.

The state has funds for the project and the work should only take about a week after a contract is let, McKinney said. Then the floating slips would be added and boaters can go to work on the 1980 Cook Inlet season.

The silting problem has limited the use of the harbor in recent years. The "low" Cook Inlet tides of 23 and 24 feet put little water into the basin and small boaters have been confronted with the problem of getting in and out.

While McKinney said he did not know exactly how much silt would be removed, he said the plan was to take the fill out to the

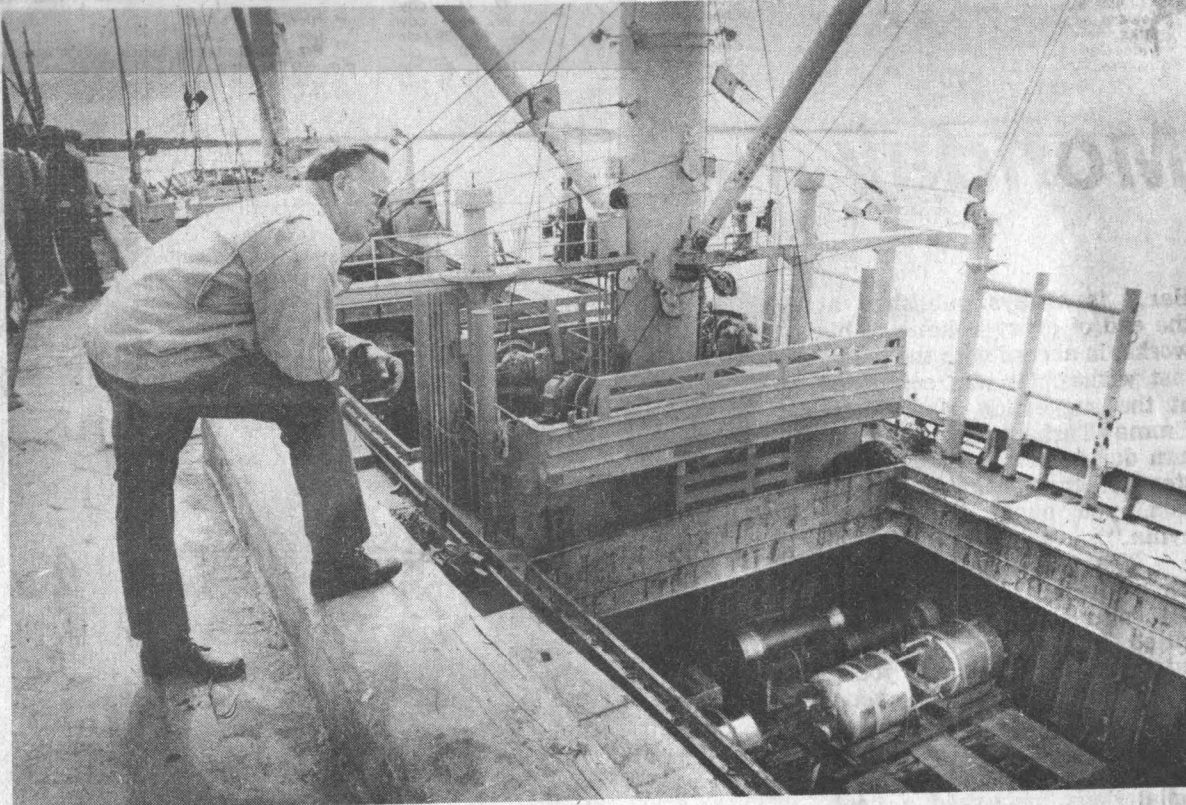
original construction level of the basin.

Oldtimers estimate this should add upwards of ten feet of extra water for boaters.

The basin receives considerable traffic in the May through September months for Cook Inlet fishermen, freight operations, sports fishermen and hunters, and those with recreation cabins on Cook Inlet and contributing rivers.

"If there are no major problems, the boat basin should be ready for action by May 1," McKinney said. The Inlet is already rapidly clearing of floe ice, a bit earlier than in most previous years.

Anchorage Daily News Monday, June 16, 1980



Anchorage Daily News/Marc Olson

Packing up a brewery

David Lewis watches the operation as equipment from the former Prinz Brau brewery is loaded aboard a Liberian freighter at the Port of Anchorage. Even-

tually, the equipment will find a new home — producing beer for a new brewery in Santo Domingo.

Wednesday, June 25, 1980, The Anchorage Times

Sea-Land trucking end forecast; effect to be slight

If Sea-Land Freight Services shuts down its local trucking operations, there will be little effect on Anchorage customers, according to a local trucking firm.

There are enough common carriers to absorb Sea-Land's business, Scottie Carlisle of Weaver Brothers Trucking said Tuesday. The only people really affected would be those who work for Sea-Land, Carlisle said. About 120 Teamsters are employed by Sea-Land in their local trucking operation.

While Sea-Land officials here re-

mained unavailable for comment today, the Seattle office did confirm the company is talking with Anchorage trucking firms.

If Sea-Land does shut down the Anchorage local delivery network, the firm will make an effort to see the impact on consumers is minimized, said Jim Littlemark of Sea-Land's Seattle office.

Seattle officials from Sea-Land are meeting in Anchorage with local managers to decide the fate of the local trucking operation. And until those meetings are over, no one knows what Sea-Land's decision will be, Littlemark said.

"The high cost of Teamster labor is reported to be the reason Sea-Land is considering stopping local delivery."

An official of the Safeway grocery chain confirmed Sea-Land is seriously considering closing down its local trucking operation.

Red Davis of the Bellevue, Wash., distribution center of Safeway said he was meeting with Sea-Land officials today to discuss dock-to-warehouse delivery in Anchorage.

"Apparently they haven't really figured it (whether to close down local trucking) out yet," Davis said. After today's meeting, Davis said he would know what Sea-Land intended to do. "I just don't know much right now."