

# Sea-Land to drop trucking service

By BOB SHALLIT  
Daily News business reporter

Sea-Land Service Co. is quietly preparing to eliminate its statewide trucking operations in a move that could lead to a bitter battle with Teamsters Local 959.

Shipping industry sources say Sea-Land — one of the state's two major ocean-going carriers — is planning to

replace its Teamster-operated trucking operations with a combination of rail and contract hauling services.

The move could come as early as July 1 when the current contract between Sea-Land and Local 959 expires.

Sea-Land currently employs more than 120 people in its trucking opera-

tions in Anchorage, Fairbanks and Kenai.

It is unclear how many of those workers will lose their jobs, because union carriers may pick up some of the transferred business.

Sea-Land officials acknowledged Monday that operational changes are under consideration, but they refused to elaborate on their plans.

Informed sources, however, say the company has been increasingly dissatisfied with the union arrangement, and is intent on getting out of the trucking business.

"This is the only place in the country where Sea-Land has trucking operations," said Tom Cole, general manager of Mammoth of Alaska, an Anchorage-based freight hauler.

"They've just had so much trouble that they don't want anything to do with it anymore."

Fred Tolan, a Seattle shipping consultant, said Sea-Land lost nearly \$5 million last year, in large part because of the Teamster contract.

"The problems with the union have

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## Showdown on the horizon over Sea-Land trucking cuts

By BOB SHALLIT  
Daily News reporter

A showdown is likely next week between Teamsters Local 959 and Sea-Land Service Co. if the freight hauling firm proceeds with plans to drop its statewide trucking operations, informed sources said Wednesday.

Faced with mounting financial losses, the company is planning to replace its Teamster Union-operated trucking deliveries with a combination of rail and contract hauling services.

More than 120 union members in Anchorage, Fairbanks and Kenai would be idled by the change, which may come as early as Tuesday, when Sea-Land's current contract with the Teamsters expires.

As they have for the past three days, Teamster and Sea-Land officials declined Wednesday to comment on the situation. But sources indicated both groups are gearing up for a possible confrontation.

"Both sides are very serious," said one insider who asked to remain anonymous. "(Teamster Boss) Jesse Carr is pretty unhappy, and the company is unhappy because it's been losing money."

"The Teamsters are very

upset. They figure to lose a lot of jobs and they may very well picket."

Fred Tolan, a Seattle shipping consultant, said earlier this week he was expecting Teamster protests if the jobs are eliminated.

Sea-Land, meanwhile, has continued to meet this week with a variety of trucking companies and with representatives

### analysis

of the Alaska Railroad.

Frank Jones, the railroad's general manager, said Wednesday that negotiations on a freight-hauling agreement were held Monday, Tuesday and Wednesday. He said still another meeting is planned for Friday but declined to comment specifically on the matters under discussion.

Dalton Coor, president of Gold Streak Freight Lines, Inc., said his company and several other trucking firms also have been meeting with Sea-Land.

"Sea-Land has been in contact with us and we have expressed interest in taking over their long-haul work," he said.

He said the railroad also is interested in a contract for Sea-

Land's long-haul business to Fairbanks. A number of other trucking companies are interested in taking the LTL — less than truckload — work in the local area.

"I think there are ample independent trucking companies to take over the business," he said.

Tolan said Sea-Land has been forced to sever its 16-year association with the Teamsters because of mounting labor costs.

He said the firm, which lost \$5 million last year, could recoup \$3 million annually by dropping its trucking services.

He added that the firm's aging fleet needs to be replaced and the company cannot afford to continue operating in the red.

"The crunch for Sea-Land will not come now; it will come in five years when its ships need to be recapitalized," he said. "We need to get them into a profitable position so they can get the new ships they need."

Sea-Land and the company's main competitor, Totem Ocean Trailers Express, received a 9.5 percent freight rate increase early this year to offset what they claimed were mounting operating expenses.

E-2 The Anchorage Times, Sunday, June 22, 1980



Annual dredging clears silt that builds up in Anchorage's port



Bill Kossen of The Times

Scrap metal, often in the form of crushed cars, is one of largest exports from the Anchorage port

## Port study projects its future

by Lyn Whitley  
Times Writer

More than 1.4 million tons of cargo arrived in Anchorage's port this past year — cargo that is eventually purchased as cars, furniture, fuel, groceries and other everyday commodities by the people of this town and folks across the state.

To help reduce the consumers' cost for these items that reach the state by water, the city has commissioned a study of the port.

The \$273,000 development study will tell port authorities what the future holds in store for the port's physical facilities and services through the year 2000.

"The study will tell us what we can do to generate new, expanded uses of the port," port marketing

manager Chris Gates says.

"We're going to start doing rather than let things happen to us. With this approach, we'll be more in control of existing and potential economic opportunities here at the port."

Already the Anchorage port handles about 50 percent of all state's general cargo. About 20 percent of the goods that go through the city's port go on to Fairbanks and other parts of the state. "So we actually influence the economy of the entire state," Gates said.

The cargo comes to the port on huge ships — an average of about five ships each week. By far the greatest inbound cargo (about 800,000 tons last year) is containerized freight — everything from

matchboxes to toyboxes. The containers are off-loaded with cranes that dolly up and down the port's 2,700-foot dock.

Last year there were also about 650,000 tons of petroleum shipped into the state by way of the Anchorage port. This fuel, most of which is jet fuel, is off-loaded at the specially-equipped petroleum dock.

Gates says one way to reduce the cost of goods to Anchorage consumers is to find ways to send these ships back Outside or to their foreign ports loaded with Alaskan goods.

Only about 168,000 tons of cargo was shipped out, compared with the approximately 1.4 million tons that came into the port last year. The port development study, being done by the consulting firm of Booz-Allen &

Hamilton Inc., of Bethesda, Md., will attempt to outline ways the city can put more cargo on the outbound ships — thus helping to reduce the cost of goods to Alaskans, Gates said.

Today the ships are leaving with scrap metal, vehicles, fish and miscellaneous containerized freight.

Gates says the study will look at the potential for shipping out things like minerals, petrochemicals and more fish.

"Another object of the study is to plan ways for the port facility itself to simulate and handle new industries and economic development for Anchorage, like energy intensive industry such as an aluminum plant," he said.

The consultants will also outline ways the city can make the best use of its limited land. The 85-acre industrial park is bounded by Alaska Railroad property, a steep rocky cliff, Elmendorf Air Force Base and the powerful waters of the Cook Inlet. There are only 17 acres left in the park that can be developed, according to Gates.

"We're running out of land, so to make sure it's developed properly, we'll need a plan," Gates said. "We can go up and out (into the inlet) and maybe a little north (to the cliff). The development plan will help tell us the best ways to do this."

The plan will also look at other municipal lands that could be used for a free trade zone and more harbor and industrial projects, Gates said.