

Port security contract goes to assembly

By JOHN LINDBACK
Daily News reporter

The testy question of eliminating the Port of Anchorage's security force in favor of contracting for the service will face the Anchorage Assembly Tuesday.

The panel has been asked to approve a \$68,240 one-year contract with Stanley Smith Security. The Municipal Transportation Department has estimated the cost this year of the present security force at \$159,412.

Approving the contract would eliminate five security guard positions,

whose collective wages add up to more than \$100,000 a year in personnel costs, according to transportation department estimates.

Guards at the port have argued contracting out for the service would mean a decrease in security.

"The reason the port has such a low crime rate is because of aggressive patrol and aggressive police work by previous officers," said Frank Ellington, a guard at the port whose job will be eliminated if the contract is accepted.

Ellington said guards at the port

used to be "commissioned" peace officers, with authority to write citations and make arrests. The commissions were pulled earlier this year, Ellington said, so the force now has no more authority than a security guard.

"As a security guard, you really don't have any more authority than John Q. Public on the street out there," Ellington said.

Assembly member Lidia Selkregg said over the weekend she opposes contracting for the service and that she's received letters from port users, such as Sea-Land, Union Oil and

Texaco, all of which oppose the proposal.

In a memorandum to the Anchorage Assembly, Port Director William McKinney said a recent management review of the Department of Transportation performed by Leonard Lane Associates and Alan M. Voorhees and Associates recommended the switch.

Municipal officials have recommended that Smith Security take over at the port on Nov. 1.

Smith Security would be responsible for guarding the port's petroleum dock and associated buildings, the valving

station and the approach to the facility, three terminals and their buildings, and the port's maintenance building.

A memorandum from Transportation Director Jim Dunn states the contract calls for round-the-clock security at the port. Under existing personnel levels "104 shifts per year must be scheduled vacant and 312 are double staffed," Dunn said.

"With the contract, all shifts will have a security person on duty. Contract security is currently provided at many Municipal Utility facilities," he added.

The Anchorage Times, Wednesday, November 19, 1980

First coal exports could open trade, add local jobs

by John Knowlton
Times Writer

A Korean firm is on the verge of signing an agreement which may lead to the first-ever export of Alaskan coal and at least 100 new jobs, most of them in Anchorage.

The agreement, expected to be signed this week, may lead to the export of 500,000 metric tons of coal a year from Healy to the Korean firm Sun Eel Ltd. of Seoul. Partners with Sun Eel in the agreement include Usibelli Coal Mines Inc., the Alaska

Railroad and the Municipality of Anchorage.

"It looks like we're finally going to make it into the market," Arnie Polanchek, assistant to the general manager of the railroad, said today.

The agreement likely would commit the parties to signing the 10-year contract if a test shipment of 33,000 metric tons demonstrates to the Korean firm that the coal will burn in its power plants. Laboratory tests already have shown that the coal can be burned but a final decision is ex-

pected within two or three months.

If the long-term contract is signed, considerable rearranging and improvements would be made at the Port of Anchorage, said Jim Dunn, transportation director for the municipality.

He said a conveyor system, rail extension and off-loading facilities would be constructed to handle the 500,000 metric tons annually if the test shipment proves feasible.

Dunn said about 16 ships a year would transport coal to Korea. The largest stockpile of coal at the port at any one time would be about 35,000 metric tons.

More than 8,000 metric tons of the test shipment will have been delivered to the port docks by this evening. A metric ton is equal to 2,200 pounds. The test shipment will be loaded beginning Dec. 10.

The contract also would mean more than 6,000 railroad cars — each filled with 80 metric tons of coal — would be winding their way into Anchorage each year, Polanchek added.

"We're kind of playing this thing low-key for now until we find out if the test shipment will work for them. If it doesn't, then there'll be no contract," he added.

Dunn also said the coal contract could hasten the creation of a foreign trade zone in Anchorage. He said Korean ships could bring imported goods here and take back coal. The imported goods could be transferred

Anchorage Daily News Friday, November 21, 1980

Prospects brighten for coal industry

Alaskans will be watching closely as the test shipment of Interior coal moves through the Port of Anchorage for a Korean market next month — and so will many others.

The project has considerable immediate significance for our economy; perhaps 100 permanent jobs could be created in Southcentral and Interior Alaska if the project works. Careful planning and enthusiasm are behind the test, and we share high hopes for its success.

Equally important is what it could mean for the future. Alaska has vast coal reserves, but the economic potential of the resource has been clouded by questions of economic feasibility in exporting it. The test market with Korea can help answer those questions — and maybe uncloud the horizon to a bright new Alaska industry.

Friday, November 21, 1980, The Anchorage Times

Koreans excited over coal exports

by John Knowlton
Times Writer

When the holiday season rolls around next month, some Korean officials will find their Christmas stockings filled with lumps of coal.

And that will suit them just fine. "This is what I have dreamed of for several years," an excited Tae Il Kim, president of Sun Eel Shipping Co. of Korea, said today.

"Korea has no way to get any natural resources except from overseas. We expect to get a lot more from Alaska."

What Kim had been dreaming of wasn't a white Christmas but signing a contract with Usibelli Coal Mining Co. to get Alaska coal. Three years in the making, the contract was inked late Thursday afternoon amid a crowd of industry and government officials.

Because the coal will pass over the docks at the Port of Anchorage, the Municipal Assembly must approve the contract. That is expected

to happen Tuesday.

The contract calls for the delivery of a test shipment of 33,000 metric tons of coal to Ssang Yong Cement Co. of Seoul, Korea. The coal will be burned in the cement plant's burners. Ssang Yong is the largest cement company in the world, Kim said.

If the test burn is successful, Usibelli, Sun Eel, Alaska Railroad and the municipality will negotiate a long-term contract for the first-ever export of Alaskan coal. Officials have said the contract would be for 500,000 metric tons a year for 10 years. A metric ton is equal to 2,200 pounds.

Kim, whose firm acts as a broker for Ssang Yong, said the cement company is converting from oil to coal as a fuel because of the cost and unreliability of Korea's supply of crude.

It is importing some coal now from Australia and negotiating with firms along the West Coast for addi-

tional coal supplies, he added.

Usibelli predicted today that the test shipment will burn successfully in Ssang Yong's plant. Laboratory tests already have shown that it will work, he noted.

The test shipment alone will have about a half million-dollar economic impact on the Anchorage area, but the long-term contract will have a much greater impact locally, he said. Municipal officials say an additional 100 jobs will be created if the export agreement is inked.

"This means that we'll substantially increase our operation, hire more people and be getting more efficient utilization of our equipment," Usibelli said from his Healy coal mine.

"It can mean a lot of things for all of Alaska."

The price being paid for the test shipment of coal is \$16 per short ton at the mine while the delivered price, after the 12-day trip across the

North Pacific, will be \$46.60 per metric ton.

Officials expect to know by early March if the test shipment is successful. If so, the large-scale exporting operations would begin in the fall of 1981. That will leave them just enough time to make track and port improvements to handle the cargo.

Railroad and municipal officials say no estimates on what the improvements would cost have been made. But the facilities to ship the coal would probably include an elevated trestle. Rail cars using a belly dump mechanism would deposit the coal in a container.

It would then be taken by conveyor to a stockpile area and later by conveyor again onto ships bound for Korea. Some 16 ships a year would make the trip.

Municipal officials also hope the coal agreement will hasten the day when a foreign trade zone can be established in Anchorage.

Anchorage Daily News Wednesday, October 22, 1980



Anchorage Daily News/Fran Durner

A bit of Japan arrives at the port

A shipment of 500 Subarus, one of the most popular small cars in the state, arrived at the port of Anchorage earlier this month from Japan. They'll make their way to Continental Motor Co. in Anchorage and another dealer in Fairbanks over the next several months.



Alice Puster of The Times

Coal waits at the Port of Anchorage for export to Korea

Coal . . .

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to Sea-Land or Totem Ocean Trailer Express ships and transported to the Lower 48.

Joe Usibelli of Usibelli Coal Mines was en route to Anchorage from Fairbanks this morning and was unavailable for comment. Representatives of Sun Eel were on their way to Anchorage from New York today.

The agreement probably will be signed Thursday or Friday, culminating nearly three months of secret talks between Sun Eel, Chris Gates, marketing director for the port, and Frank Jones, general manager of the railroad.

The Healy coal is low in sulfur and ash but has a 25 percent mois-

ture content. It wasn't known this morning if the Koreans intend to "dewater" the coal in Seoul before burning it in their power plant.

Because the port isn't equipped to handle large shipments of coal, the

test shipment had to be taken to Alaska Sand and Gravel where it was dumped from an elevated trestle onto the ground. Then it was loaded into trucks and taken to the port.

alaska
business news letter

TEST RUN STEAM COAL SHIPMENT IS BEING MADE TO KOREA FROM HEALY

A trial shipment of 33,000 metric tons of steam coal from the Usibelli mine near Healy is being stockpiled at the Port of Anchorage for shipment to Korea by the end of the year. The test burn will be for electrical generation. If successful, the test will reportedly lead to a contract for 500,000 tons per year of Usibelli coal. If that happens, the Alaska Railroad and the Port of Anchorage will acquire handling equipment. Meanwhile, 800 hopper car loads of the coal are being hauled to the Anchorage Sand and Gravel aggregate yard south of the city for dumping and being trucked back to a staging area at the port for stockpiling into a 33,000 ton shipment.

While the Korean purchase is possibly the most promising development in Alaska's coal mining industry since World War II, it should be kept in mind that there have been at least half-dozen such experimental shipments since the Russians made the first one from Port Graham to California in 1856. Changing economic circumstances, plus the fact that most Alaska coal is subbituminous with a high ash and moisture content, have made the coal difficult to market even though it has a low sulphur content.

If the venture is successful, however, the economic impact will be large. In addition to creating about 100 new permanent jobs, substantial storage and handling facilities would have to be installed at the port of Anchorage and a new tipple will be required at Healy. Unless the Alaska Railroad greatly upgrades its track and roadbed and switches to unit trains, it will be running about 300 hopper cars each way, every day, over the 250 miles of track between the mine and the port.