



Donny Daniels of The Times

This 239-foot Russian vessel docked at the port Wednesday and the cigarette-smoking seamen may come ashore today

## Russian sailors gain shore privileges

A crew of Russian sailors aboard a 239-foot Soviet research vessel which arrived in Anchorage Wednesday afternoon have been granted permission by U.S. immigration officials here to come ashore.

The ship, with 72 people aboard, is in town to pick up four American scientists who will assist several Russian scientists in surveying mammals in the eastern Bering Sea and Bristol Bay. The vessel will remain in town through Friday refueling and gathering food and supplies.

Immigration supervisor Dale Haynes said the Russian crewmen were cleared at 6:30 p.m. Wednesday. Haynes, who speaks Russian, said the captain of the ship told him none of his crew wanted to get off the vessel Wednesday night.

Whether the Russians come into town today is up to the captain, Haynes added.

Within an hour after the vessel pulled into the Port of Anchorage, the Russian ship was met by a battery of U.S. government agents, in-

cluding officials with the Customs and Immigration, a representative from the U.S. Coast Guard, two Maritime Administration officials and a local agent for the Department of Agriculture.

Standing in the cold beside the ice-caked vessel, the Coast Guard representative doubted whether the crew would be allowed into Anchorage.

Asked why, he said matter-of-factly: "Because they're Russians."

The Agriculture official, Carolyn

Talbot, said she was there to make sure "none of their food or garbage is brought ashore."

Meanwhile, the Soviet crewmen, Russia's equivalent of American merchant marines, stood in clusters along the side of the ship. Some of them smoked hand-rolled cigarettes, while others tightened their heavy black jackets to ward off the cold.

None of the spoke English. However, there is a translator aboard the ship.

—by Ellis E. Conklin



Anchorage Daily News/Monte Paulsen

### Soviet ship in port

A 239-foot Russian research ship arrived at the Port of Anchorage Wednesday afternoon to pick up a group of American scientists for a voyage to survey mammals in the eastern Bering Sea and Bristol Bay. There are 72 people on

board, according to William Barrington of Alaska Maritime Agencies, shipping agent. A permit from the U.S. State Department allows the ship to remain in port until Feb. 20, Barrington said.

The Anchorage Times, Tuesday, March 31, 1981

## Shipping business looking up

Associated Press

After some tough years during the economic slump following completion of the trans-Alaska oil pipeline, the major maritime shippers serving Alaska say their business is looking up.

"It's all coming from the oil industry," says Tom Garside, vice president for common carrier services at Crowley Maritime of San Francisco.

"When people say retail sales are up, or the real estate market has revived, it's oil. Oil has got the whole of Alaska moving," says Garside, who supervises Alaska Hydro-Train.

"We turned around last year about May or June," Garside recalls. "Tonnage has held stronger this winter than at any time since the pipeline."

"Until June, 1980, we hadn't seen any growth in tonnage; every year

since the pipeline had seen a decline," says Jack Baker, executive vice president of Sea-Land Service Co.'s operation in Alaska. Since then, tonnage to Anchorage and Kodiak has been increasing at an annual rate of 4 percent, he says.

"The industry still has excess capacity, but this summer, there could be a surge that could give the impression of a capacity shortage," Baker says.

Sea-Land is a worldwide shipping company owned by R.J. Reynolds Industries, the cigarette makers from Winston-Salem, N.C. It hauls roughly 40 percent of the tonnage into Anchorage.

Holding about an equal share is Totem Ocean Trailer Express (TOTE), owned by Sun Co., a Radnor, Penn., oil company. TOTE doesn't serve Kodiak.

Most of the rest of the trade is handled by Hydro-Train, a more specialized barge service.

Until recently, it wasn't a very profitable business for any of them, forcing all three to rely on the checkbooks of their corporate parents. But now Sea-Land and Hydro-Train both report they are in the black and TOTE says it is getting close.

Still, industry observers predict their rates will go up at least 10 percent in the coming year as the shippers try to take advantage of the surging market.

"We're perceived by many of our customers to be a very profitable business," says Baker. "Rate increases get a lot of publicity, but we're not getting full value out of those increases."

The reason they're not is because of volume discounts and rate breaks

on special items in a continuing struggle to attract business.

"Alaska is one of the most competitive transportation markets in the country," says Leonard Shapiro, vice president for pricing for TOTE. "We simply (have) had a rate war going on."

TOTE jumped into the Alaska market in 1975 at the peak of the pipeline boom, carrying truck trailers from Tacoma to Anchorage.

Its roll-on, roll-off service is flexible for customers because it accommodates unusual trailer sizes. But it is a less efficient use of ship space than Sea-Land's practice of stacking uniform sized 35-foot boxes.

TOTE's entry into the market spoiled the dominance of Sea-Land which had a free rein on the Alaska route since 1964, when it pioneered year-round container service between Seattle and Anchorage — knocking out the old Alaska Steamship Co.

"We're tooth-and-nail with Sea-Land after being nowhere five years ago," says Ronald Gumbaz, TOTE vice president for finance and administration. "We're slightly ahead into Anchorage."

While TOTE admits it's never made a nickel in Alaska trade, it says its been averaging 80 percent capacity.

"This is the first year we're anticipating enjoying full ships with some consistency during the peak months," says Everett W. Trout, TOTE vice president for operations.

A product that cost \$100 to ship in July of 1978 would cost \$159.63 today but the revenue for the companies hasn't risen that same 59.6 percent.

Sea-Land says its revenues dropped every year from 1975 to 1979, from a peak of \$96.3 million to \$74.7 million. During that period, the price of bunker fuel nearly doubled.

In 1970, Sea-Land's average revenue per northbound container was \$900 the end of 1980, although rates had more than doubled, the revenue was just under \$1,800.

It was in 1980 that "for the first time since TOTE had been in the market, we saw revenue-per-trailer rising in line with general rate increases," says Shapiro. "The trend is continuing."

While the big two firms slug it out, Hydro-Train concentrates on a more specialized market. It ships rail cars on barges, a slower but cheaper shipping method appropriate for hauling bulk fuel, drilling mud, pipe, steel and generally high-volume low-value cargo.

Because it uses rail cars, cargo must be unloaded and reloaded into vans if the customer is not on the Alaska Railroad.

Hydro-Train, which docks at Whittier, says its barges — which sail from Seattle every five or six days — usually run 65 percent to 70 percent full.

Garside says this year they have averaged 90 percent of capacity and the company is showing a profit.

## Korean company wants to buy Alaska coal

By PAT O'BRIEN  
Daily News reporter

A major Korean coal firm says it will buy at least a million tons of Alaska coal annually as soon as transportation and seaside loading can be arranged, Commissioner of Natural Resources Robert LeResche said Thursday in a

telephone interview from Tokyo.

Sun Eel Co. Ltd., which late last year bought 33,000 metric tons of coal from the Usibelli Coal Mine for testing, now says it can guarantee the additional purchase immediately, LeResche said.

The initial agreement could lead to sales of up to four

million tons a year to Sun Eel by the mid-1980s, LeResche said. However, transportation and dockside loading arrangements will have to be worked out first, he added.

In the short term, any Alaska coal sold would have to come from the Usibelli mine, Alaska's only active coal operation, located about 125 miles

southwest of Fairbanks. Even sales of relatively small amounts of coal will require construction of tidewater loading facilities, LeResche said. Possible sites could be Anchorage or Seward.

The natural resources commissioner has spent the last two weeks meeting major political and industry officials in

Korea and Japan to convey state government's message that Alaska is extremely interested in fostering coal exportation.

LeResche said he was surprisingly successful. "They were literally waiting for someone to walk through the door."

He said his visit was "definitely a big deal in Korea,"

where he met with the prime minister and was interviewed a number of times on Korean television.

"The prime minister now feels this is the time to take some action. We talked about the decisions Ketco (Korean Electric Co.) is making about

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## More data sought for port challenge

3/24/81

By ANN CONY  
Daily News reporter

Anchorage officials have not yet decided whether they will challenge a recommendation to build coal and grain exporting facilities at Seward rather than in Anchorage, the municipal transportation director said Monday.

The Agricultural Action Council had made a preliminary recommendation in January that export facilities be constructed in Anchorage. But council Chairman Bob Palmer announced Saturday the council has unanimously selected Seward as the proposed site of the grain elevator and dockside shiploading facility.

Port of Anchorage officials were taken aback by the announcement, but say they need more information before deciding if they should challenge the agriculture council's decision.

"We'd like to see the information that caused the council to reverse itself," said municipal Transportation Director Jim Dunn after a meeting Monday with Mayor George Sullivan and port officials.

Dunn said the municipality has requested the information from the agriculture council and hopes to receive it today.

The proposal to build export facilities at the Port of Seward must clear the state legisla-

ture, which holds the purse strings to the project.

A \$7.7 million appropriation bill will probably be reviewed by the House Finance Committee this week, according to Rep. Sam Cotten, committee chairman.

Cotten said Monday he is convinced of the need for export facilities to take care of an estimated 15,000-ton surplus of grain this year from the state's Delta Junction barley project. But he said he is not yet convinced Seward is the best possible site for those facilities.

Cotten suggested Valdez might be a better alternative.

It might make more sense to truck the barley from Delta to Valdez instead of trucking it to North Pole, loading it on the Alaska Railroad and shipping it to Seward via Anchorage, Cotten said.

The \$7.7 million appropriation bill would allot \$6 million to construction of the export terminal, \$1 million for the purchase of rail cars to transport the grain, and \$700,000 for building a sub-terminal and loading facilities at North Pole.

The Alaska Railroad has offered to fund a portion of the export facility if it is built at Seward, which would drop the pricetag on the project by close to \$2 million.

### Korean firm wants to buy Alaska coal

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the future and how (Alaska's) coal may fit in," LeResche said.

The companies and officials, LeResche met wanted to know the state position on helping to finance the necessary transportation system. He said the state does not yet have a clear policy in this area, but he made it clear the state would agree to issue tax-exempt bonds.

Besides the Sun Eel negotiations, LeResche said he convinced Ketco to begin testing Alaska coal now for its potential use in two generation stations undergoing conversion from oil to coal.

The time is particularly right for pushing Alaska's coal resources on the world market, LeResche said, because many of the Pacific Rim countries are remodeling their electric generation systems.

LeResche said that Japan and Korea will be designing boilers to burn particular types of coal.

The Koreans fear the Japanese will contract for coal supplies and effectively cut off Korea from sufficient quantities to satisfy energy and industrialization needs, LeResche said.

The basic difference between the Korean and Japanese segments of his trip, LeResche said, were that the Koreans are

looking "to start small and soon," while the Japanese want to make long-term plans — up to eight years in the future — for coal supplies.

A major selling point for Alaska coal, LeResche said he told the Orientals, is that severance and other taxes are low.

He said the Asians are particularly sensitive to the possibility of prices and taxes being raised after long-term deals and boiler modifications have been made.

From the beginning they want tax levels they can count on, he said.

### Port support

3/24/81

The Port of Anchorage is one of the most economically viable ports on the West Coast. It operates on its revenues with assistance in capital improvement programs from both the State of Alaska and the U.S. government. A large part of its success is due to the conservative and businesslike supervision of its operations by the Anchorage Port Commission.

The Port Commission consists of five members appointed by the mayor and confirmed by the Anchorage Assembly. They have varied business or professional interests and expertise. The group acts partly as liaison between the citizens of Anchorage and the local government.

The commission, at its regular meeting of March 16, 1981, endorsed the administration's efforts to have Fire Island included as one of the areas to be studied by the Dow-Shell Group.

The commission's actions are based upon the belief that they are acting in the best interests of all of the citizens of Anchorage. They certainly will not advocate any arbitrary action that is contrary to the will of the people. They are well aware that the proposed study does not commit us or Dow-Shell to the construction of anything on Fire Island.

Why all the fuss?  
— W.D. McKinney, Port Director