

Sea-Land closes shop; 140 crewmen laid off

By STEVE SEPLOCHA
Daily News business editor

Sea-Land Service Inc. Monday laid off 140 crewmen, began laying up four ships that serve the state and notified customers that its Alaska division will be closed indefinitely.

The action resulted from a week-old strike by Teamsters Union Local 959 against the state's largest waterborne carrier. It meant the company is prepared to endure the strike for several months while unfair labor practice charges

against the union are deliberated by an administrative law judge, according to sources close to the company.

Meanwhile, the cities of Kodiak and Cordova, which have no other cargo alternatives to Sea-Land, have appealed to the unions involved in the strike to allow their goods to be moved.

"Sea-Land is our only carrier," said acting Kodiak city manager Herman Beukers. And while the cities say they can use air carriers to supply essential grocery items, there is concern about non-essential

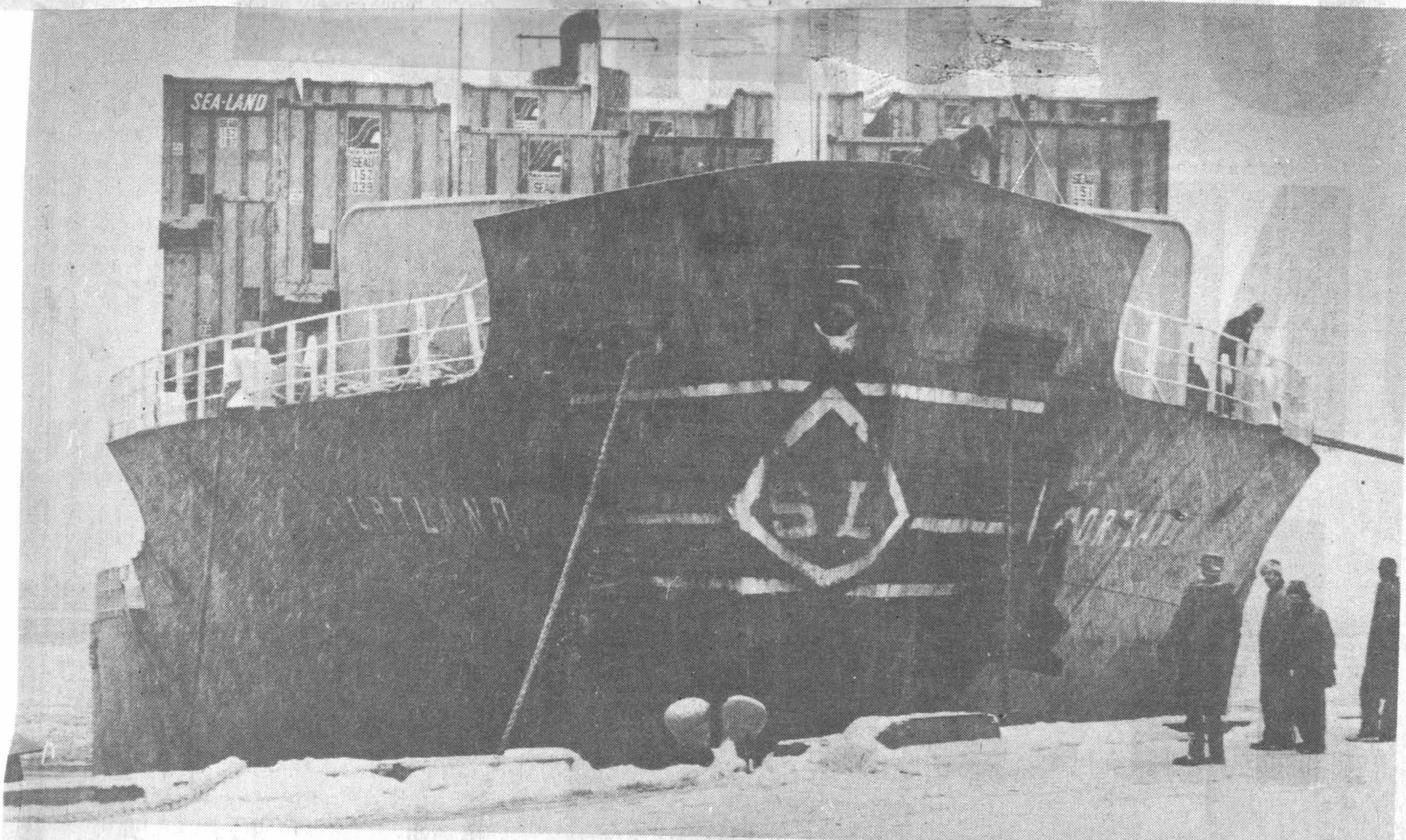
deliveries and exporting of frozen and canned seafood products, Beukers added.

The cities sent a joint resolution to Teamsters, longshoremen and harbor pilots asking that their goods be moved.

Sea-Land said it is willing to move a small ship to those ports for essential service if the union will permit it. The union has not responded.

There were no talks going on and company officials in Seattle indicated that the

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The Sea-Land ship Portland, which docked in Anchorage Monday, may be the last Sea-Land vessel here for months.

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next move was up to the union.

The company has maintained that it has fully neutralized the grievance that started the strike but that the union has refused to return to work.

That grievance concerned

whether the company would continue to allow subcontractors to pay less than union scale to drivers who handle Sea-Land cargo.

Sea-Land delivered about 1,000 containers of goods a week to the Port of Anchorage prior to the strike.

The cargo ship Portland,

which was at sea when the company's Seattle docks were closed, arrived here Monday with about 200 containers aboard. The company said that was the last shipment of goods and there will be no attempts to move ships with management personnel.

Cargo aboard another vessel caught in the Seattle port

was returned to its owners.

Competing carriers have claimed that most, if not all the cargo handled by Sea-Land, can be accommodated on existing carrier capacity.

This may not apply to Kodiak, Cordova and other points in the Aleutian chain served only by Sea-Land.

The Anchorage Times, Tuesday, November 9, 1982

Sea-Land considers purchase of new ships

by Jeff Berliner
Times Writer

Now that Sea-Land Service Co. and Alaska Teamsters Local 959 have reached an agreement ending a strike, Sea-Land may be considering a new fleet of ships for Alaska.

Industry sources say the company was considering the purchase of three new larger ships — at a cost of about \$360 million — to replace the older vessels in Sea-Land's fleet when the Teamster strike forced the firm to shelve its plans.

Now that the dispute has been resolved, the Sea-Land expansion is "more probable," according to Port of Anchorage director Bill McKinney.

If Sea-Land does buy the new ships, the municipality may have to spend about \$4 million for new cranes and up to \$20 million to reconstruct the berth and dock to handle larger Sea-Land vessels, McKinney said.

The city has hired an engineering consulting firm "to give us a rough idea of the alternatives for meeting Sea-Land's expanded needs," he added.

CH2M Hill Inc. engineers are examining details of port expansion and port reconstruction to handle larger Sea-Land vessels. Because the new ships would be wider, larger berths would be necessary and new cranes would have to be installed which would be capable of a longer reach to lift containers off the ships.

The engineering firm will come up with cost estimates to meet Sea-Land's expected needs, McKinney said.

Corporate officials at Sea-Land's Menlo Park, N.J., headquarters refused comment today on the reported plans by the company, and its parent firm, R.J. Reynolds Industries, Inc.

However, two industry officials confirmed the existence of such plans — saying that while labor strife may have delayed the Sea-Land venture, the plans remain intact.

McKinney acknowledged that Sea-Land has presented its plan to municipal officials, but he said there will be no action on the consultants' report until the municipality receives a commitment from Sea-Land.

Meanwhile, Sea-Land plans to resurrect its trucking operations to satisfy Teamster grievances that Sea-Land goods had been hauled to market by truckers making less than union-scale wages.

An agreement hammered out in Anchorage over the past several days calls for Sea-Land to employ union drivers to haul cargo over the road. Although union drivers had previously picked up Sea-Land goods at the port, the goods often were turned over to non-union trucking firms for distribution from warehouses.

Sea-Land phased out its trucking operation two years ago, claiming it was losing money.

The first Sea-Land vessel to sail since the strike settlement will leave Seattle Wednesday and arrive in Anchorage this weekend.

Sea-Land officials said the settlement was reached Monday and Teamster pickets were removed Monday in Anchorage. The Seattle pickets were taken down Saturday night following a breakthrough in negotiations between Teamster boss Jesse Carr and officials from Sea-Land's New Jersey corporate headquarters.

Anchorage Daily News Tuesday, November 9, 1982

Sea-Land to resume its trucking operations

By STEVE SEPLOCHA
Daily News business editor

Sea-Land Service Inc. will go back into the trucking business as a result of the weekend agreement with Teamsters Union Local 959 that ended a 13-day strike against the company.

Jim Witt, attorney for the union, confirmed Monday that the company will resume its line haul operation for all deliveries of cargo to points more than 50 miles from the several terminals in Alaska.

The company will retain its subcontracting operation for deliveries of less than 50 miles but will use one primary carrier for these deliveries.

Witt said the agreement will not force Sea-Land to make expensive investments in equipment since the company will hire Teamsters who own their own tractors for the line haul

force. This force will consist primarily of owner-operators who were terminated by Sea-Land when it dropped its truck force two years ago.

The company will hire the drivers this week and will begin using them with the first ship arrival scheduled for Sunday.

The agreement reclaims for the union job opportunities it said it lost when Sea-Land started contracting out its trucking. At that time the union said it had an agreement that union scale pay and benefits would be provided to any driver employed by subcontractors.

However, the union charged that agreement eroded as the company experienced turnover in subcontractors.

Terms of the new agreement also shore up the union's position with regard to local deliveries.

Witt said the company probably will use Alaska Rapid Transport for all deliveries not

covered by so-called trailer interchange agreements. The trailer interchange agreements allow certain customers to pick up their own cargo at the port and to make multi-stop deliveries of that cargo.

Alaska Rapid Transport employs Teamster drivers and use of the firm will satisfy the union demand for union scale handling of cargo.

William Meehan, owner of Alaska Rapid Transport, said Monday that he had been contacted by the company regarding taking on the house carrier role. He said the company called him Sunday and that he spoke with the company again briefly on Monday.

Meehan said he was prepared to take on the additional freight but that the deal had not been completed. He added he would have to hire about 25 Teamsters to do the additional work.

The net effect of the negotiations is not

only that practically all the Sea-Land cargo handling will be done at union scale, but it will also be done by Teamster members.

The union agreed to recognize existing agreements with certain customers who pick up their own merchandise at the port. The company made these agreements so it could cut transport costs and be in a better position to compete for business with other carrier companies.

Notable among these agreements is one with Anchorage Cold Storage, a wholesaler and distributor, which has been struck by the union for the past 16 months.

Sea-Land's handling of goods for Anchorage Cold Storage was said to be an underlying factor in the recent strike.

The union denied any connection and Witt said that the Anchorage Cold Storage local haul deal will be honored by the union.