

Private carriers to ship gear for war games

By ROBERTA GRAHAM
Daily News business reporter

In what is viewed as a surprise move by local military and transportation officials, the Defense Department has decided to use private ocean carriers instead of military ships to mobilize equipment for biennial winter maneuvers next month.

The exercise, called Brim Frost '83, is a joint war-game exercise conducted at the Blair Lakes military operating area near Fort Wainwright and Fort Greely between Jan. 26 and Feb. 4.

Citing economic reasons, officials with U.S. Readiness Command, the military unit controlling the exercise, took advantage of a existing contract between the military and Totem Ocean Trailer Express and Sea Land Service Co. instead of using Navy-chartered ships, said Maj. Robert Williamson, chief of the Military Transportation Management Command in Anchorage.

The \$850,000 contract calls for Tote to carry 2.7 million pounds of Army equipment — including eight Blackhawk helicopters and an undisclosed number of jeeps, trucks and other armor — from Fort Lewis, Wash. into the Port of Anchorage. Sea Land will haul it on the southbound run back to Washington, Williamson said.

Currently the two carriers have a contract with the traffic command to carry private vehicles, household goods, refrigerated items and dry goods to Alaska for use by the Armed Services stationed here.

"But this is believed to be the first deployment of a military unit to Alaska utilizing a commercial ocean carrier," said a Tote press release.

The debate centered on whether to use the private carriers instead of Navy ships during a readiness



Tote cargo ships will transport military equipment for war games near Fort Wainwright and Fort Greely.

Associated Press wirephoto

exercise.

In past winter exercises, "enemy" troops were airlifted from military bases in the Lower 48 to Alaska by Air Force transport. Equipment already in Alaska was divided up between friendly and opposing forces.

But this year, officials with Readiness Command decided the war games called for the opposing unit — the 9th Infantry Division stationed at Fort Lewis — to bring

its own equipment.

And instead of using ships managed by the Military Sealift Command (MSC), the private carriers won the contract.

A spokesman for the Anchorage MSC office said if Readiness Command had decided to use MSC, ships would have to have been chartered or taken from the existing fleet.

The cost of doing that, he said, could have run between \$30,000

and \$35,000 a day. Readiness Command planners had to stage the exercise within a certain budget, he said. And it was less expensive to use the private carriers than MSC ships.

The purpose of Brim Frost '83 is to evaluate joint forces in a winter wartime environment. Additionally, it gives Army and Air Force commanders a chance to practice issuing orders and controlling battles.

Sea-Land suffers from strike

by Jeff Berliner
Times Writer

The state's biggest shipping firm, Sea-Land Service Co., has reduced its Alaskan operations because of a downturn in its business.

The downturn is tied to the recent strike waged against the firm by the Teamsters union.

Officials of both Sea-Land and the Port of Anchorage confirmed that Sea-Land never resumed full service to Alaska following a strike against Sea-Land by Alaska Team-

ster Local 959 in early October.

Sea-Land's normal three dockings per week in Anchorage have been cut to two. And one of the four ships in Sea-Land's Alaskan fleet has been taken out of operation, said Sea-Land's Alaska sales manager, Doug Tipton.

Anchorage port director Bill McKinney said that while port traffic and freight tonnage is near normal for this time of year, Sea-Land's shipments are down.

Alaska's shipping industry is

seasonal and freight is normally low at this time of year, but Tipton acknowledged that the company cut back sooner than planned.

The strike was settled Nov. 8, after Sea-Land had laid off its ship crews and was preparing to dry dock its fleet.

The first ship set sail for Anchorage two days after the strike ended, and the full fleet was to be back in operation with the sailing of the Newark from Seattle on Nov. 18.

But the Newark never set sail and has now been taken out of commission, at least until April or May when the company hopes business will pick up again, Tipton said.

"That ship was planned to be taken out of service," Tipton said, "but, yes, it came out of service sooner than expected."

The cargo just wasn't there to warrant returning the Newark to service, Tipton said.

See Strike, page A-4

Strike

(Continued from page A-1)

After the strike settlement, Sea-Land's executive vice president of the Alaska Division, Jack Baker, said, "Sea-Land Service is keenly aware of the hardships this work stoppage has caused the people and businesses of Alaska and the Pacific Northwest. Both the nearness of the holiday season and the closing in of winter make the need for a quick resumption of service all the more imperative."

Service was not completely resumed, Tipton said, because business which Sea-Land had at the time of the strike was not there after the strike — goods had made their way to Alaska by other means, and some of Sea-Land's customers stuck with their alternative means of shipping.

During the strike, firms used trucks, barges and Sea-Land's competitor, Totem Ocean Trailer Express.

TOTE's Alaska sales manager, Tom Barry, said his firm "may have picked up a couple minor loads" from Sea-Land, but that TOTE had not permanently assumed a significant part of Sea-Land's business.

Two barge companies, Alaska Hydro-Train and Pacific Western Lines, picked up a lot of freight business during the strike and have not relinquished it all.

For the first time, Pacific Western Lines general manager Bill Troy said his company is continuing to operate through the winter, towing barges into the Port of Anchorage and defying icy waters and what other industry officials say is the slowest shipping time.

Tipton said freight has dropped off because companies reduce their taxable inventories at this time of year. Freight will pick up again in the spring, he said.

Sea-Land had added the fourth vessel to its Alaska fleet last April. Between 900 and 1,000 containers were arriving in Anchorage every week during Sea-Land's

three dockings. Its capacity is now 720 containers.

TOTE's two vessels can carry roughly the same amount of freight. TOTE ships trailers instead of containers.

Since port revenue is measured by tonnage, a drop in tonnage means a drop in revenue for the port, officials said.

Previously approved rate increases for both Sea-Land and TOTE were go into effect Saturday, officials of both companies said. They termed the 5 percent increases "minimal" and said consumers should not notice the increase.

Rates are based on 100 pounds of freight and a 5 percent increase per hundredweight. "Is so minor that it should not be felt — maybe a penny here or there," Tipton said.

Barry termed the rate hike "so minimal" that consumers should not notice. All the company's shippers have been notified of the increases, he said.

Area ports plan unity commission

by Carl Gidlund
Times Business Writer

Officials of several area ports are attempting to form a Southcentral Alaska Regional Port Commission.

The commission would allow the ports to work together politically and to coordinate their activities, supporters say.

Making up the commission, under to preliminary discussions, would be Anchorage, Cordova, Homer, Seward, Valdez and Whittier.

Seward City Manager Ron Garzini, one of the leaders in the attempt to form the commission, said principals involved would not have decision- or rule-making authority. Instead, he said, "participation would allow us to discuss areas of common interest, make sure that we're not unknowingly competing with one another, and we could do some fairly effective lobbying on matters of common interest."

The proposed commission would serve to avoid conflicts such as those which occurred when grain terminals were built in both Seward and Valdez, he said. The Seward facility was state-funded while Valdez used local funds to build its elevators in a competition for grain shipments from the state's Delta barley project.

Valdez Mayor Jim Watson, said the commissioners for the proposed organization would not undertake projects requiring capital expenditures, because the organization would have no budget. "But as a political force, we'd have a lot of clout," he said.

Watson also said he would eventually like to include Fairbanks in the proposed group for discussions related to overland transport of goods that arrive in Southcentral Alaska by ship or barge.

Anchorage's harbor chief, Bill McKinney, is enthusiastic about the group's potential for political action — and as a mechanism for getting state funds for port development. "Think how effective we could be if we weren't battling one another for state money for our own favorite projects. And I'm sure we would be very successful with the legislature if we backed each other's non-competing projects."

McKinney described Southcentral's ports as essentially non-competitive now, and that's the way he'd like them to stay. Here's how he describes their current and potential roles:

- Anchorage is the area's principal port for consumer goods, most of which come on Totem Ocean Trailer Express and Sealand ships. It also has limited facilities for handling barge traffic.

- Cordova is a good fisheries port and has a potential future as an export base for coal, large deposits of which are in the vicinity of that eastern Prince William Sound community.

- Homer is another fisheries port with potential for developing an increased capability for processing Southcentral seafood products for export.

- Seward has the land and location suited for development of export activities as Southcentral coal and grain production operations increase. It also is a good fishing port and has the capability of becoming a ship repair center.

- Valdez has been developing the capability to handle shipping containers destined for Interior Alaska. It also is a natural destination for barges laden with pipe and other petroleum-related material for North Slope operations.

- Whittier is an excellent deep-water ice-free port that currently functions as the terminus of the Seattle-Alaska hydrotrain, which ships rail cars on barges. Those cars are filled with goods produced principally in the Midwest and Eastern U.S. Additional development of the port is hampered by the fact that the majority of useable land in the vicinity is controlled by the Alaska Railroad. Additional development could occur in Whittier after the state takes possession of the railroad, McKinney said.