

Ports of Brawl

With millions invested in new facilities and port capacity outdistancing demand, Seward, Anchorage, Valdez and Whittier have begun sparring for market share. Now there's a stranger in the ring as well, and he's threatening to restructure the balance of power.

By PAUL LAIRD

VALDEZ HAD JUST climbed into the ring and removed the warmup cape from its new floating dock and Alaska's first foreign trade zone.

New heavyweight barge service from SeaWay Express and a growing marine industrial center were beginning to shoot adrenaline through Seward's clogged economic veins, and Whittier, strengthened by Alaska Hydro-Train's new roll on-roll off service and the only railcar service between Seattle and Alaska, was putting on its gloves as well.

Anchorage, poised as always within easy reach of more than half of the state's population, still clung to the champion's belt despite the threats of challengers.

The era of overcapacity had come to Alaska's ports. The opening bell had rung, and each port was poised for 15 rounds of fiscal fisticuffs as it sparred for the attention of an overflooded crowd of marine carriers and shippers.

That's when the stranger appeared at ringside. At first he seemed familiar. But when he climbed into the ring and shrugged the cape from his shoulders, it was obvious something had changed. He'd shaken the flab of federal ownership that used to droop from his midsection, and there was a new competitive gleam in his eye.

Since then the prospect of his unfettered fury has triggered fear in some, hope in others. No one questions his mettle or his might. This stranger could be the one who crowns the victors and conquers the vanquished among Southcentral's ports of brawl.

He's the "new" Alaska Railroad. In

one fist he packs track stretching from Southcentral Alaska's southernmost port through its largest city to its mineral-rich Interior. In the other he holds a mandate from his new promoter to fight like a business instead of languishing with operating subsidies that made him lethargic before.

Transferred from federal to state ownership earlier this year, he wasted no time flexing his new competitive muscles. Less than 48 hours after officially becoming the property of the state, the railroad struck the first blow toward becoming a major market force in the port struggle.

It filed with the Interstate Commerce Commission to slash tariffs on iron and steel products in order to recapture pipe imports lost in recent months to the Port of Valdez, and 10 days later the new tariffs went into effect. Now, with its born-again bottom-line emphasis, it's aggressively pursuing new market opportunities to bring even more freight into Southcentral and Interior Alaska through the Railbelt corridor.

Says John Gray, manager of marketing and sales for the Alaska Railroad, "In our dream world, everything comes into Alaska through Seward and Whittier." The railroad owns and manages both ports, and railroad revenues generated by Interior-bound freight are greater than if the same shipments originate in Anchorage.

Delusions of grandeur? Gray is the first to admit it's never going to happen. But you can't blame a railroad for trying, and that's exactly what the Alaska Railroad is doing. It's evaluating its rate schedule to regain a competitive edge in key markets and boosting capacity by adding equip-

ment and services.

The dramatic reduction in iron and steel tariffs earlier this year was only the first volley, and it proved the railroad isn't going to be influenced by the potential for political backlash that comes with state ownership when it makes marketing decisions.

Rates for iron and steel shipments are based on volume, and rates in some weight categories were slashed more than 30 percent. "The market governs the prices, and the market would no longer support what we'd been charging," the railroad official says.

THE REDUCTION TRIGGERED an immediate response from the Port of Valdez, which has captured a healthy share of the North Slope-bound pipe market since securing its first shipment of pipe in September. Since then, pipe and other iron and steel shipments have accounted for most of the port's revenues.

Jerry Zoet, port director in Valdez, says the city financed its new \$53 million floating dock with general obligation bonds because officials believed pipe shipments would provide a healthy source of income for years to come.

"We'll continue that concentrated emphasis," he says. "There's a lot more oil up on the North Slope that hasn't been found, and all of it is going to require casing pipe."

Valdez worked with four trucking companies—three non-union and one union—to assure competitive rates and timely deliveries between Valdez and Fairbanks.

Zoet estimates the port had re-

Article continued on following page.

Item	Assembly Action	Administrative Action Required
	Public Works, was APPROVED.	Assembly action and proceed as authorized.
10.	Assembly Memorandum No. AM 512-85, construction of Eagle Street/15th Avenue terrace stairway, Public Works, was APPROVED.	Purchasing Officer will notify all bidders of Assembly action and proceed as authorized.
3.	Ordinance No. AO 85-65, amending the zoning map and providing for the rezoning from U (unrestricted) to PLI (public lands and institutions), W (watershed), R-5	Municipal Clerk will advertise for public hearing for the meeting of May 21, 1985.

Monday, April 29, 1985, The Anchorage Times B-9

Danish firm to serve port this summer

by Chriss Swaney
Times Business Writer

A Danish-operated freight service will be one of the first European lines in several years to serve the Port of Anchorage when it begins service this summer.

Bengt I. Henriksen, president of First Ocean Marine Co., the American agent for P.V. Christensen Lines Inc., said the company sees an under-served market in Alaska.

"We think we can cut shipping costs and cargo handling by coming to Alaska via Europe," he said. "We want to make about six runs this summer."

The European line's first shipment of steel for dock construction at the North Slope and gold mining equipment for Cook Inlet will arrive in Anchorage June 22.

However, there is still some indecision about whether the freighter will make all six dockings at Anchorage.

Dock officials at Valdez want the freighter to serve Alaska through its newly designated foreign trade zone. The designation means foreign goods can be imported and exported through the port free of U.S. customs. Duties are required only if the goods are shipped for sale in the United States.

"We have been talking to the European freight line for some time now and hope to entice them to our port," said Jim Watson, Valdez city manager. "We have everything they need to accommodate them," he said.

Tyler Jones, Anchorage port director, also lobbied for the freighter line to dock here. "We have the state's largest population and good access to the North Slope and Interior communities," Jones said.

Freight line officials Wednesday said the 21,000-ton ship that will be the first to come to Anchorage will begin its ocean journey at Norrköping in southwest Sweden. From there it will travel to Bremen, Germany, where it passes through the Kiel Canal to Rotterdam and across the Atlantic Ocean. It then will go through the Panama Canal and make port calls at Long Beach, San Francisco and Anchorage. The entire trip is estimated to take between 31 and 33 days.

In addition to shipping cargo into the state, J.V. Christensen Lines hopes to haul fish from Kodiak to Europe.

"We've talked to some Kodiak officials and fishermen and they seem interested in the idea," Henriksen said. He also said the freight company is exploring ways of hauling pulp from Sitka's Alaska Pulp Corp., which produces 600 tons of pulp a day.

Inlet current shift suspected in crash

By DAVID POSTMAN
Daily News reporter

A sudden shift in Cook Inlet's treacherous currents may have caused an 800-foot freighter to ram a dock at the Port of Anchorage Sunday, a Coast Guard official said Monday.

"The question of currents is a real one, and that is what we are looking at," said Capt. Glenn Haines of the Coast Guard's marine safety office in Anchorage.

But Haines stressed that it would be several weeks before officials would be able to tell for sure what caused the Totem Ocean Trailer Express Inc. vessel Great Land to slam into the dock.

A 30-foot hole was ripped in the ship's bow and a portion of the port's Terminal 3 was destroyed in the early morning accident.

The ship was attempting to make a U-turn in the inlet at 1:10 a.m. to bring its port side up to the dock when it hit Terminal 3 nearly head on.

The Great Land left An-

chorage for Seattle at 1 p.m. Monday after approval from Coast Guard inspectors.

"Although it is badly damaged... the way the ship was configured we thought it was seaworthy to travel to Seattle for repairs," Haines said.

The Coast Guard completed a preliminary investigation of the accident Sunday night. Haines said investigators will attempt to reconstruct the incident and will release a report on their findings next month.

In October 1983 another TOTE vessel, the Westward Venture, rammed the dock just north of where the Great Land hit. The Coast Guard determined that sudden changes in the wind and current caused the accident. The 1983 accident caused little damage to the ship or the dock.

Haines said there was no evidence of an abrupt change in the wind Sunday. But, he said, there is "some reason to believe" that a sudden shift in the current during Sunday's flood tide was a factor in the mishap.

Upper Cook Inlet has the second greatest tide range in North America with a daily range of almost 40 feet between low and high tide.

The ship was being docked by a TOTE harbor pilot when the accident occurred, Haines said. Federal and state laws require a licensed pilot be aboard all ships navigating Cook Inlet.

Some ships pick up a Southwest Alaska pilot in Homer on the way to Anchorage. Others, as in TOTE's case, already have a pilot on board.

Haines said the Great Land's pilot was "very, very experienced with almost 200 trips" through the inlet.

The Great Land is scheduled to arrive in Tacoma Thursday for unloading and Friday will go to a Seattle shipyard for repairs, said Tom Barry of TOTE.

He did not know how much it would cost to repair the damaged \$70 million vessel.

Meanwhile, divers worked Monday to assess damage to Terminal 3. Port director Tyler Jones said when the bow of the ship ran under the dock it knocked down at least 12 of the dock's steel pilings, some as thick as 42 inches.

Workers were scheduled to use cutting torches to clear some of the damaged pilings sticking out into the water that Jones said could be a hazard to docking ships.

C-8 Sunday, March 3, 1985, The Anchorage Times

Public Meetings

NOTICE

ANCHORAGE PORT COMMISSION MEETING

The regularly scheduled meeting of the Anchorage Port Commission for Monday, March 4, 1985 has been cancelled.

P.O. #266-85
Pub. 3/3/85

ANCHORAGE PORT COMMISSION MEETING

March 11, 1985
Special

LOCATION: Terminal No. 3
Conference Room
Port of Anchorage

TIME: 7:30 p.m.

AGENDA

I. Call to Order

II. Minutes
January 21, 1985

III. Old Business

Land Development Status Report

Terminal Use Permit Procedures Work Session - PC Memorandum No. 85-4

IV. New Business

Westinghouse Crane Renovation Contract - PC Memorandum No. 85-5

V. Port Director's Reports

VI. Persons/Items Not On Agenda

VIII. Adjournment

P.O. #267-85
Pub. 3/3/85

Date: April 24, 1985

To: All Departments

Thru: Bob Smith, Municipal Manager

From: Wanda Ryan, Manager, Office of Agenda Control

Subject: Regular Meeting of April 23, 1985

Item	Assembly Action	Administrative Action Required
2.	Assembly Memorandum No. AM 505-85, construction of the Port of Anchorage land development project, Port, was APPROVED.	Purchasing Officer will notify all bidders of Assembly action and proceed as authorized.