

## Study Probes Role of La. Port

By JOSEPH BONNEY

Journal of Commerce Staff

NEW ORLEANS — The Port of New Orleans has launched a \$310,000 study that officials say will take a hard look at the port's basic role in world shipping and the local economy.

"This is not just another study," dock board member Donald Mintz said. "This one will look at the totality of the port — every aspect of it, not just facilities or cargo projections."

He said the Port of New Orleans "is at a crucial crossroads" and must think hard about its immediate and long-term direction.

Carl Sloane, president of Temple, Barker & Sloane, the consulting firm in charge of the study, noted that New Orleans' cargo base has been eroded by profound shifts in transportation patterns.

Intermodalism and deregulation have changed cargo flows and, according to many shipping officials, turned New Orleans' geographic position from a plus into a minus.

Increasingly, U.S. import-export traffic moves on an east-west axis. Much of it bypasses New Orleans, which traditionally has relied upon

north-south traffic through the Mississippi Valley.

Mr. Sloane noted the proliferation of double-stack container trains, which in less than two years have grown in number from zero to 35 per day. "None runs north-south," he said. "They all go east-west."

He cited the growth of intermodal traffic through Savannah, a South Atlantic load center port that he said has outstripped Houston and New Orleans in container tonnage.

Within the past year, some direct ship calls in New Orleans and Houston have been eliminated in favor of double-stack train service between the Gulf and Savannah.

Mr. Sloane said New Orleans remains a major port with some unique attributes, and that the "strategic plan" produced by the study will try to identify and build upon them.

Mr. Mintz said the port expects the top-to-bottom study to provide a "road map" on how New Orleans can regain the edge in international trade. He said Charleston is the only other port that has done such a study.

Mr. Mintz called the study "the most important action taken by the port in recent history."

"The future of the port is crucial to the future of this region and the entire state," he added. "It is no understatement to say that the Port of New Orleans is at a critical crossroads."

Mr. Mintz said the study will recommend specific actions. He said some, involving facilities and land use, could be acted upon within 90 days of the start of the study.

Mr. Mintz said the dock board acted boldly in opening its basic operations and mission to a critical examination. "This exposes us to some risk, because they may tell us some things we don't want to hear," he said.

A 59-member advisory committee, comprising a broad range of maritime and non-maritime representatives, was appointed to review the study periodically.

Subjects to be examined in the 10-month study include cargo patterns, technology, government policies and regulations, land use, non-maritime developments and organization and management.

Separately, a special state panel is considering a controversial plan to combine New Orleans and smaller ports into a statewide port authority.

# Port's total tonnage falls

Thursday, January 16, 1986, The Anchorage Times

Times Business Staff

More than 1.9 million tons of freight passed through the Port of Anchorage in 1985, down 9.7 percent from the 2.1 million tons of cargo shipped through the city-owned port in 1984.

According to the port's year-end report, released this week, general cargo totaled 1.4 million tons, down 5.8 percent from the 1984 tonnage of 1.5 million.

Petroleum shipments dropped by 17.9 percent, from 684,139 tons in 1984 to 561,151 tons in 1985.

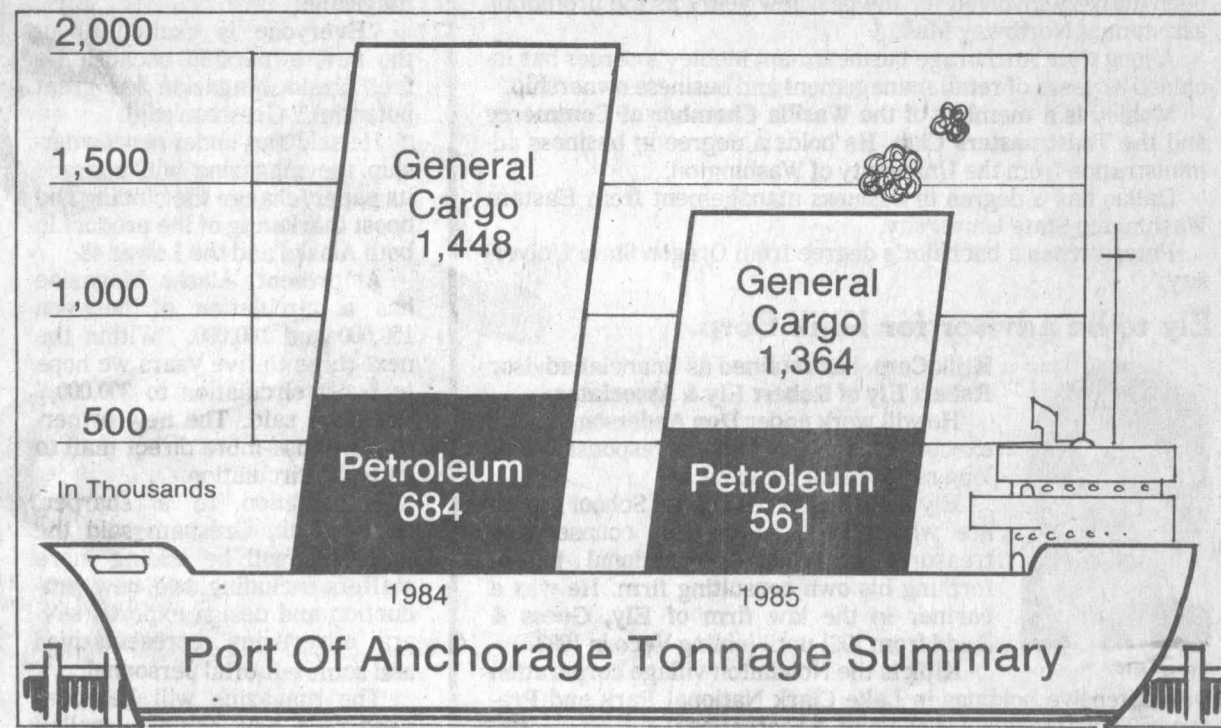
Inbound domestic freight totaled 1.6 million tons in 1985, compared to nearly 1.8 million tons a year earlier. In outbound domestic freight, the port handled 145,670 tons last year, compared to 153,118 tons in 1984.

Inbound foreign shipments totaled 168,044 tons, compared to 187,601 tons in 1985. Outbound foreign shipments dropped from 15,949 tons in 1984 to 3,441 tons last year.

In December alone, general cargo shipped through the port increased by nearly 3 percent to the same month a year earlier — from 92,428 tons in 1984 to 95,105 tons last month.

But petroleum shipments plummeted 71 percent, from 102,462 tons in December 1984 to 29,179 tons last month.

In all, freight shipments through the port dropped by 36 percent in December, compared to the same month a year earlier.



Graphic depicts the general cargo and petroleum shipments, in tons, which passed through the Port of Anchorage in 1984 and 1985, according to the port's year-end report released this week

## Protests Bring End To Lykes-Totem Deal

By JOSEPH BONNEY

Journal of Commerce Staff

NEW ORLEANS — Totem Resources Corp.'s plan to buy control of Lykes Bros. Steamship Co. has been dropped by company officials who cited the prospect of drawn-out litigation.

"The deal is off," Lykes President W.J. Amoss Jr. said in an interview. He and Totem Chairman Stanley H. Barer blamed the likelihood of delays due to challenges under Section 805 (a) of the 1936 Merchant Marine Act. The section prohibits

leakage of international carriers' operating subsidy into domestic services. The companies had pledged to keep Lykes' subsidized operation separate from Totem, whose subsidiary Totem Ocean Trailer Express Co. (TOTE) operates two trailerships between Tacoma, Wash., and Alaska.

However, 10 companies and unions protested the sale on various grounds. They asked for restrictions, more information and a full hearing before the Maritime Administration approved the sale. Lykes and Totem said they had hoped to close the sale by Dec. 31 but could not due to the number of intervenors, "the variety of economic and trade interests they represent, the wide range of legal issues raised

and demands for highly restrictive domestic trading rights."

As a result, the companies withdrew their application for Marad approval of the sale. They said the effort "is no longer in the best interests of either party."

Mr. Barer said in a telephone interview that Totem and Lykes could have prevailed on the legal issues but were unwilling to endure months of legal wrangling.

"If you have to spend six months or a year in litigation to determine whether you can make an acquisition, it doesn't serve anybody's purpose," he said. "You've got to put everything on hold for a year."

Mr. Barer said Totem remains "an acquisition-minded company and will continue to look at maritime properties." He would not be more specific.

Mr. Amoss said the cancellation of the deal was disappointing but not devastating to Lykes. He said his company will continue as before, but regrets that it "will not have the strength of (Totem's) involvement and interest."

Mr. Amoss complained that some of the objections to Totem's purchase dealt only loosely with the real issue of subsidy leakage to domestic operators. And he said the case

SEE PROTESTS, PAGE 12A

## Protests Bring End To Lykes-Totem Deal

CONTINUED FROM PAGE 1A

exposes flaws in the Merchant Marine Act.

"We think a lot of the petitions were fairly frivolous and without substance," Mr. Amoss said. "Some that had substance in terms of the provisions of Section 805 really appeared to be aimed at cutting competition."

"It has been apparent for many, many years that the Merchant Marine Act, written as it was in 1936, carries into today's deregulated world the opportunity to hold U.S. flag carriers to concepts of business long since abandoned."

Mr. Amoss said the act "should be broadly amended to permit American-flag carriers the same operational flexibilities enjoyed by foreign carriers trading in the commerce of the United States."

"U.S. carriers ought to have the same rights as foreign carriers — in mergers, service, trade routes, everything," he added. "That was the intent of the 1936 act — to make U.S. carriers competitive with foreign carriers."

He said the act discourages companies from entering new trade routes and establishing new services.

Mr. Barer expressed similar views and said he was disappointed the deal did not go through. He said he was "surprised at how strong some of the protests were."

"Not many companies are making an investment in the U.S. maritime industry," he said. "To see the industry turn on itself like this — it doesn't make a lot of sense."

Mr. Barer said the cancellation of the sale was no reflection on Lykes. "Lykes is a fine company," he said. "We think it has a good future. It has positioned itself well for the Pacific trades. We were excited about working with it."

When the sale agreement was announced Nov. 4, Mr. Barer said the transaction would diversify Totem's operations and strengthen Lykes with an infusion of capital.

Financial terms of the proposal were not revealed. Both Totem and Lykes are privately held.

Totem proposed to buy the Lykes family's reported 90 percent share of the company. The balance is held by Mr. Amoss and two other Lykes Steamship executives, Robert J. Brennan and Eugene F. McCormick.

The Lykes family and the three executives took the company private in 1983 after buying it from LTV Corp. for \$150 million.

Since selling 18 of its older freighters to the Navy and restructuring its financial credit arrangements, Lykes has begun a \$240 million ship construction program in Japan.

Lykes recently launched the first of six new containerships, each with capacity of 3,000 20-foot-equivalent units, that will sail between the U.S. Pacific Coast and the Far East.

The New Orleans-based company has 32 ships on seven subsidized trade routes, mostly from the U.S. Gulf. Lykes' new ships being built in Japan will operate without subsidy.

TOTE operates two roll-on/roll-off trailerships between the Pacific Northwest and Alaska.

B-8 Friday, January 31, 1986, The Anchorage Times

## Alaska shippers predict hard times

SEATTLE (AP) — No relief is likely this year in the Alaska shipping wars, partly because of low oil prices, the local Chamber of Commerce has been told.

At a recent chamber meeting, officials of Sea-Land Service Inc., Totem Ocean Trailer Express and Alaska Marine Lines predicted low prices and hot competition for cargo shipments.

Everett Trout, TOTE operations vice president, predicted a 1 percent decline in industry tonnage for the Rail belt this year and little change in flat tonnage through 1988.

"The reduction in all types of private investment as a result of the price of oil is kind of dramatic and scary up there," Trout

said. Jack Helton, vice president of Sea-Land's Alaska division, noted that three ships were being built for his company but added, "We don't intend to fill them up right away."

He agreed with Trout's tonnage forecast but said the ships were needed to reduce operating costs.

Bill Troy, president of Alaska Marine Lines, a subsidiary of Lynden Inc., complained that barge rates had been depressed by competition from smaller companies and "an oversupply of (towing) equipment here and in the Caribbean" which made it easier to buy tugs and barges.

## Railroad not yet ready for commitment to city

by Mitch Lipka and Chriss Swaney

Times Writers

Alaska Railroad officials today said they were continuing to discuss a city plan to develop railroad-owned land at the mouth of Ship Creek, but they were not ready to make a commitment on the proposal.

Railroad President Frank Turpin and Board Chairman Jim Campbell will, at the request of Mayor Tony Knowles, appoint two railroad representatives to a committee to oversee the potential Ship Creek development, said Vivian Hamilton, railroad spokeswoman.

The committee is expected to include representatives of the municipality, the railroad and private industry, city officials said.

See Railroad, page A-8

A-8 Friday, February 21, 1986, The Anchorage Times

## Railroad

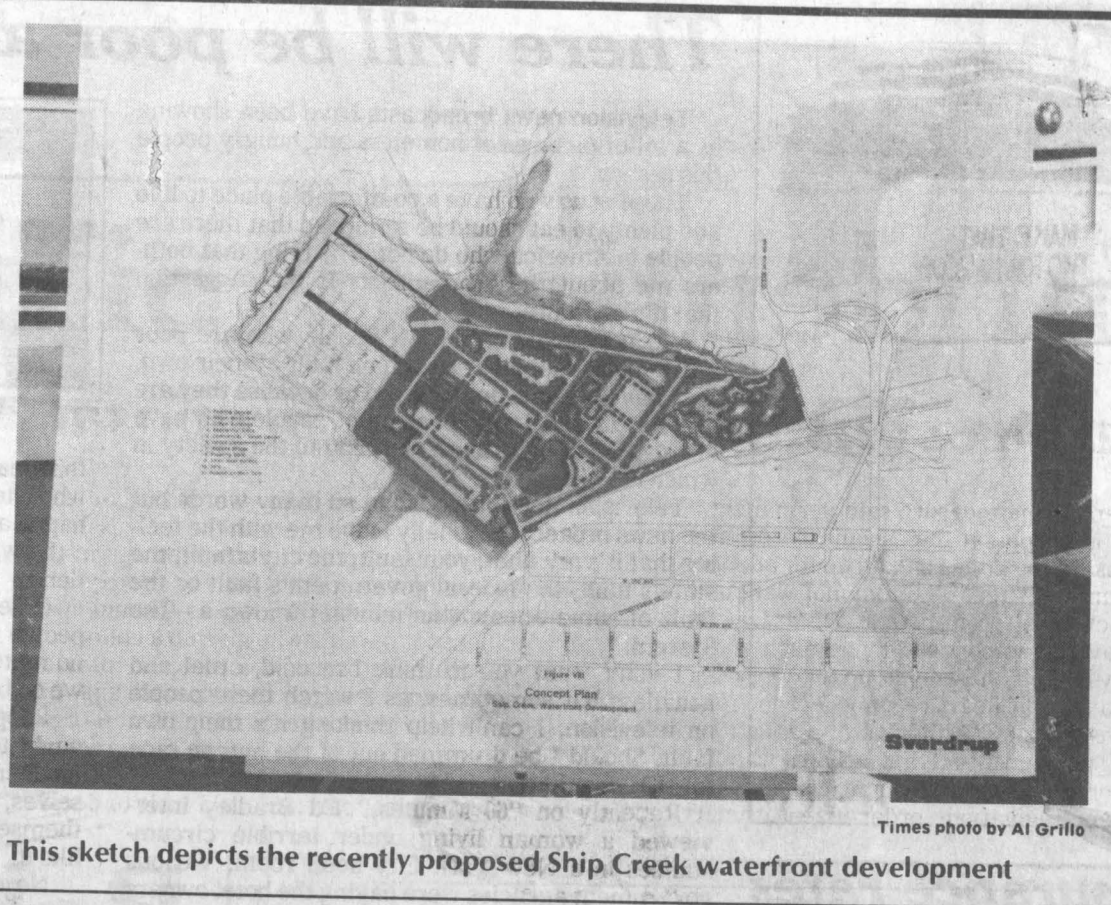
Continued from page A-1

Knowles emphasized to the railroad board the urgency of moving the plan forward because money and gravel are available now, and because interest has been expressed by two "large private corporations."

"We are extremely pleased that the railroad board of directors is willing to devote two people to sit on the Ship Creek Landing steering committee," said Dee Frankfourth, municipal communications director. "We stand ready to work with the board and provide further information to them in order to achieve the working partnership the city seeks."

She said the city is unsure how a delay might affect the project until it is known how long the delay will be.

Turpin and Campbell were unavailable this morning to discuss the railroad's plans for the development. Both men were involved in a closed-door meeting of the railroad board.



This sketch depicts the recently proposed Ship Creek waterfront development

D2 Anchorage Daily News Thursday, February 27, 1986

## Port of Anchorage fees increase

Sea-Land Services Inc. and Totem Ocean Trailer Express will pay hefty increases in Port of Anchorage fees under new five-year tariff agreements with the municipality.

The two agreements, approved by the Anchorage Assembly this week, are expected to bring the port about \$2.76 million annually, said Tyler Jones, port director.

The new Sea-Land contract contains a 31 percent rate

increase over rates charged the container shipper during the past half decade, Jones said. The new TOTE contract is 22 percent higher than the company's old contract, he said.

The new contracts also will let the port charge the companies for some dredging costs, Jones said.

The two container ship companies are major suppliers of merchandise that arrives in the state through

Anchorage. They pay lower fees than tour ships, barges and other occasional port users because they are the principal users of port facilities, Jones said.

The port made a profit last year, but Jones said he doesn't yet know how much.

The port's annual budget is drawn from operating revenue, which also helps foot the bill for capital improvements, he said.

## Totem Drops Bid for Stake In Lykes

By JOSEPH BONNEY

Journal of Commerce Staff

NEW ORLEANS — Totem Resources Corp. dropped plans to buy a majority share of Lykes Bros. Steamship Co.

Lykes President W.J. Amoss said the "deal is off" in an interview.

He said objections by various companies and unions to the purchase by Totem, a domestic ocean carrier, of a share in Lykes, a subsidized international liner company, made it impossible to close the transaction by Dec. 31.

"We think a lot of the objections were fairly frivolous and without substance," Mr. Amoss said.

Lykes and Totem said "the number of intervenors, the variety of economic and trade interests they represent, the wide range of legal issues raised and demands for highly restrictive domestic trading rights have made it apparent that these issues cannot be successfully resolved and the transaction closed within a time period considered reasonable by the parties."

1-2-86 Journal of Commerce