

Daiwa Wants Shipping In TT

By Diane Maddex
Daily News Staff Writer

Saipan — The Daiwa Navigation Co., Ltd. of Osaka, Japan has renewed a past offer to begin shipping service to Saipan and other Trust Territory ports.

Transpacific Lines now holds an exclusive shipping franchise with the TT government.

In a letter to High Commissioner Edward E. Johnston, Daiwa's Guam representative, Stanley Rice, said it was his understanding

that Transpac "has not enjoyed a degree of success consistent with the expectations or desires of your government or of the people whom your government serves."

A recent report of the Congress of Micronesia castigated Transpac's service and recommended that its franchise be ended.

A public hearing on this report is scheduled for 1:30 p.m. today in the House chamber on Saipan. Transpac officials, who have asked for an opportunity to rebut the report, will testify along with

transportation and business representatives.

The House has also set a hearing on the Daiwa proposal for Feb. 7, at 1:30 p.m. in the House chamber.

Daiwa is one of a number of shipping lines that have asked to regularly serve the TT. Others include Seatrain Lines, Pacific Far East Lines, Dillingham and Tokyo-Sepaku, according to a TT transportation official. He said that the TT has informed them that they may not come in as long as Transpac's franchise remains in force.

Saipan Shipping Co. is the

only other line authorized to serve the TT regularly, but it is limited to runs between Guam and Saipan.

Daiwa has proposed to serve the TT from Japan, Taiwan and other Far East ports, with direct service from Japan to Saipan, Palau and Majuro.

Rice's letter also pointed out that the company's routes to the Gilbert Islands and American Samoa "take our ships within easy reach to Truk, Ponape and Kusaie."

He told the High Commissioner that "our service between Japan, Guam and Taiwan is scheduled to undergo a dramatic change in late February when our newest vessel, Ponape Maru, is placed in service on this route." The "self-sustaining" vessel's capacity includes 232 20-foot containers and 1,000 tons of break bulk freight, said Rice.

He added that Kusaie and Yap might be served on a cargo inducement basis or, more economically, by TT field trip ships.

"With our fleet of wholly-owned vessels," said Rice, "we retain a flexibility

which we feel can only upgrade shipping service to the ports of the Trust Territory to a point where schedules can be relied upon and rates will be within reason."

Transpac's rates, the object of further dissatisfaction in Micronesia, will come under scrutiny on Monday when a TT rate review board convenes on Saipan at 9:30 a.m. in the main conference room at headquarters.

One of the major questions will be whether to extend a temporary 12 per cent rate hike granted in November.

Other agenda items include the adequacy of Transpac's service and unpaid claims.

Ralph F. Bagley, Jr. of Guam is chairman of the board. Members are Elias Okamura of the TT and William Penrose of Transpac.

Still awaited is the TT's promised reaction to a \$20-a-ton fuel surcharge Transpac instituted in January.

A third congressional hearing involving Transpac will be held on Feb. 6, to look into a House joint resolution calling for termination of its franchise.