

Panel Probes Transpac's Debts

By Diane Maddex
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WASHINGTON — Transpacific Lines' recent system "will never work," a Trust Territory transportation official has flatly told two Congress of Micronesia committees looking into a recommendation that the shipping company's IT franchise be terminated immediately.

"Right now the shipping line costs us so much money that we can't advance them even one penny," Elias Okamura informed the House and Senate Committees on Resources and Development on Friday. "We're not in the loan business."

Neither, apparently, are the Commercial Port of Guam, Mobil Oil, Pacific Far East Lines

and Micronesian stevedoring companies, among others — all creditors whom, it was revealed at the hearing, have just begun a policy of pay-up-or-no-ship-out toward Transpac.

The hearing was called, in part, to allow Transpac to respond to the committees' recent report urging the High Commissioner to revoke the line's exclusive franchise and replace it with a new shipping system for the IT.

During the packed five-hour session, Transpac Managing Director C. Douglas Echols, variously referred to his company as being on "the threshold of success" and "the brink of disaster."

Also appearing for Transpac were General Manager William Penrose and legal counsel James

E. White. Other witnesses included the IT attorney general and transportation spokesmen, Harry Schnell of the Commercial Port of Guam and IT businessmen.

Schnell's recitation of the Commercial Port's tale of woes with Transpac drew the most consternation from committee members, and from Transpac as well. The port last week refused to load any more of the company's IT-bound containers, said Schnell, after the Governor of Guam personally told me not to incur any more debts of Transpac."

This includes \$61,000 currently owed for work on recent voyages, plus a \$10,000 installment due on Transpac's old \$103,000 debt to the port. In addition to the 163

containers sitting at the dock last week, 66 more with IT goods were to come in yesterday, and about 85 more are due soon on the Hawaii Bear, Schnell said.

According to Transpac, 25 of the oldest have been stranded there since October and November, 35 since December and the remaining 103 since January.

"For four months, people in the outer islands of my district have had no rice," said Marshall's Congressman John Meine. This has caused the young people to flock to the district center, he said, where the rice was sold out as soon as it landed. Recent visitors to Meiner report that shelves are still bare there.

Asked what Transpac can Micronesia's people backlogged container moved off Guam so said they would "make a special effort to see the oldest get out on vessel."

But first, Schools port Transpac must come to agreement with the port if it will resume loading company's ships.

In a letter said Commissioner Edward Johnston to intercede, Echols said that Transpac now has receivables totaling \$102,000 that it could assign to the port.