

Mr. George

TO: District Engineer
Alaska District
Corps of Engineers U. S. Army
Anchorage, Alaska

2 copies to USARAL 22 Sept 55
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From: Morris Plank
Engineering Consultant
Room 207 Citizens Bank Bldg.
Tulsa, Okla.

Report No. 6

Period: 15 August to 31 August 1955

Subject: Haines-Fairbanks Products Pipeline- Operation

SUMMARY:

1. The construction and hydrostatic testing phase of the pipeline job has been completed and the contractor operating phase has officially started. Analysis of the job at this time indicates that engineering design, construction and contractor operation will all meet the minimum requirements of the contract. The design is fair, the construction is good and the contractor operation is lousy when judged by the standards of good commercial practice. However, the whole thing will probably be acceptable with a few minor reservations.

2. The writer has observed the organization and planning of the USARAL people in their preparation for taking over the permanent operation of the system. These observations indicate to the writer that these people are almost totally unprepared to take over the operation at this time.

ANALYSIS:

3. The contractor operators are struggling along from crisis to crisis making big projects out of situations which would be anticipated and handled as normal routine events by experienced products pipe line operators. However if their luck holds out and they do not run into any real problems, they should be able to finish the months performance within the minimum requirements of the specifications.

4. The writer has made a brief study of this pipe line for the purpose of determining the deficiencies that may prevent the system from performing up to good commercial standards. A number of minor items were noted which can be corrected by the permanent operating agency without any considerable expenditure for labor or material. Four major items of faulty design were noted which will probably require supplemental capital accounting. All these items shall be reported in detail in my final report two weeks hence.

5. The dispatchers control board has been on hand since 15 August but no suitable office has been made available for its installation. I can set this board up and put it into operation in eight hours time after I have been given permission to go ahead. I have a promise now for 5 September as the installation date.

Morris Flank

31 August 1955

SUBJECT: Haines-Fairbanks Products Pipeline- Testing and Operation

6. Report number 1 in this series, dated 15 June 1955 called attention to the need for proper operating organization and suggested the approximate structure of a good organization. Subsequent reports have called attention to operating problems and the need for a training program. According to the experience of the writer it requires about ninety days time to organize a group to properly operate a new products pipe line system such as this one. It is also the opinion of the writer that there must be at least one (preferably three) good men in the supervisory staff who are qualified by experience in products pipeline work.

7. I understand that copies of my reports have been furnished to the USARAL people who will be the final operators of this pipe line. I have worked some with these people in the field and I wish to report at this time my activities in this regard.

8. I have contacted a number of their station operators and their chief electrician who will be in charge of instrument maintenance and repair. I have found all these men of excellent caliber but I could not help them much because we were not privileged to manipulate the equipment which is necessary to instruct a person in proper operation limits and proper maintenance procedures.

9. I have contacted some members of their dispatching force but I was not able to help them much for several reasons. First, we have not been able to set up the dispatching board on account of no available office space. Second, they have no chief dispatcher and no firm assignments for shift dispatchers. Third, they have no adequate operating plan. This third condition is, of course, a result of the first and second condition.

10. I have inquired about their pipe line maintenance crews. According to my observations they have done nothing toward organizing or equipping the crews who are needed to repair and maintain the pipe line proper. In my opinion they have no personnel who are fully qualified to handle the pipe line maintenance work.

11. I understand they have one man who has had experience as a mechanical maintenance supervisor on the canal station work. I would venture the opinion that this man may be able to properly maintain the station equipment on the Haines-Fairbanks line if he had ninety days intensive training while working with other people who know the exact requirements of the particular engines, pumps and other machinery as used in the stations on this line. I have observed no efforts by the USARAL people to assemble their maintenance crews or obtain the proper complement of special tools and special repair information needed on this new job.

12. I have had an opportunity to observe the USARAL Supervisory staff during my recent efforts to train some of their people in standard methods of dispatching and directing products pipe line operation. These observations indicate that their staff consists of one male manager and one female assistant who acts as executive assistant and private secretary. It appears to the writer that this manager has been accustomed to operating his business through the private secretary from notes which he carries in his hip pocket. However, I believe this man has recently come

Morris Plank

31 August 1955

SUBJECT: Haines -Fairbanks Products Pipeline-Testing and Operation

to realize that one man can not possibly handle all the details involved in the proper operation of a products pipeline system such as the Haines-Fairbanks line without delegating one or more qualified assistants to handle special sections of the operation.

13. According to my experience it takes at least ninety days to assemble a proper organization to run a products pipeline system. On the basis of this assumption we can estimate that USARAL may be properly prepared to successfully operate this pipeline about 1 January 1956.

14. You must understand that I do not have complete information on the subjects referred to above. I can only report my reactions to the things I have the opportunity to observe. My information may not be complete and my deductions may not be accurate but I have made an effort to report how things look to an observer on the ground. However, you must realize that the opinions I form from my observations will be very much the same as those formed by any other experienced observer who may later be engaged in a survey for the benefit of an unfriendly agency to support their claim of dilatory practices and general incompetency.

15. I plan to be in the Anchorage office 12 September for the purpose of submitting my final reports and other activities incidental to the business of completing my contractual obligations.

RECOMMENDATIONS:

16. I recommend that everything possible be done to accelerate the formation of a permanent operating organization which appears to be at least 30 days behind normal schedule.

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4169