

Submitted by: Chairman of the Assembly
At the request of the Mayor
Prepared by: Port of Anchorage
For reading: June 8, 2004

CLERK'S OFFICE

APPROVED

Date: 6-22-04 ANCHORAGE, ALASKA
AO NO. 2004- 101

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
2 AUTHORIZING AN AMENDMENT TO PORT OF ANCHORAGE TERMINAL
3 TARIFF NO. 5 TO ESTABLISH A PORT SECURITY SURCHARGE TARIFF.
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6 WHEREAS, Federal regulation 33 CFR 105 for Port Facilities requires a Facility Security
7 Plan for Maritime Ports; and
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9 WHEREAS, the Upper Cook Inlet Area Maritime Security Committee has recommended to
10 the Port Commission a 40¢ per ton surcharge and an increase in Passenger Fees of \$1.00 to
11 cover anticipated Facility Security Plan contract costs; and
12

13 WHEREAS, the Port Commission recommends the establishment of a security surcharge of
14 40¢ per ton and increasing the Passenger Fees \$1.00; now therefore,
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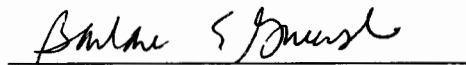
16 THE ANCHORAGE ASSEMBLY ORDAINS:
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18 The addition of 40¢ per ton Wharfage charge and an increase of \$1.00 of the per passenger
19 fee to Port of Anchorage Terminal Tariff No. 5.
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21 PASSED AND APPROVED by the Anchorage Assembly this 22nd day of
22 June, 2004.
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26 Chairman

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28 ATTEST:
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33 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2004 - 101

Title: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
AUTHORIZING AN AMENDMENT TO PORT OF ANCHORAGE TERMINAL
TARIFF NO. 5 TO ESTABLISH A PORT SECURITY SURCHARGE TARIFF.

Sponsor: William J. Sheffield
Preparing Agency: Port of Anchorage
Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>
Operating Revenues:					
	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses:					
Current Security Annual Expense	\$ (190.5)	\$ (381.0)	\$ (381.0)	\$ (381.0)	\$ (381.0)
Revised Security Annual Expense	\$ 112.4	\$ 224.7	\$ 224.7	\$ 224.7	\$ 224.7
TOTAL OPERATING EXPENSES	\$ (78.1)	\$ (156.3)	\$ (156.3)	\$ (156.3)	\$ (156.3)
Non-Operating Revenues:					
Stakeholder's Annual Contribution	\$ 753.5	\$ 1,507.0	\$ 1,507.0	\$ 1,507.0	\$ 1,507.0
TOTAL NON-OPERATING REVENUES	\$ 753.5	\$ 1,507	\$ 1,507	\$ 1,507	\$ 1,507
Non-Operating Expenses:					
Security Contract	\$ 865.9	\$ 1,731.7	\$ 1,731.7	\$ 1,731.7	\$ 1,731.7
TOTAL NON-OPERATING EXPENSES	\$ 865.9	\$ 1,732	\$ 1,732	\$ 1,732	\$ 1,732
NET INCOME (REGULATED)	\$ 78.1	\$ 156.3	\$ 156.3	\$ 156.3	\$ 156.3
POSITIONS: FT/PT and Temp	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

The Security Surcharge Tariff levies a 40¢ per ton charge on all Port of Anchorage stakeholders. Annual revenue will fund 87.5% of security program to comply with Coast Guard regulations. Port revenues will fund the Port's contract share of 12.5%. One year contract with four one-year options will begin July 2004.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Edward Leon, Director of Finance & Admin.
Validated by OMB: _____
Approved by: William J. Sheffield, Port Director

Telephone: 343-6204
Date: _____
Date: _____

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 477 -2004

Meeting Date: June 8, 2004

From: Mayor

**Subject: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
AUTHORIZING AN AMENDMENT TO PORT OF ANCHORAGE
TERMINAL TARIFF NO. 5 TO ESTABLISH A PORT SECURITY
SURCHARGE TARIFF.**

WHEREAS, Federal regulation 33 CFR 105 for Port Facilities, requires that Maritime Ports compile and submit a Facility Security Plan addressing organizational structure, responsible personnel and response activities for each Maritime Security (MARSEC) level of security. The Plan, once approved by the Coast Guard, will be implemented no later than July 1, 2004 and, at minimum, provide a Facility Security Officer and a Security Guard Force to protect Port assets; and,

WHEREAS, to comply with Federal regulation 33 CFR 105, and with the approval of the Captain of the Port, the Port of Anchorage joined forces with stakeholders and developed a single Facility Security Plan. The stakeholders, T.O.T.E., Horizon Lines, Tesoro, Signature, Flint Hills Resources, Chevron, Inlet Petroleum, Alaska Basic Industries, and North Star Stevedoring Services formed and chartered the Upper Cook Inlet Area Maritime Security Committee in the fall of 2003. The committee has evolved from the Port Security Committee established after September 11, 2001. The purpose of the committee is to review and recommend Port security enhancements to minimize the vulnerabilities identified in the December 2001 assessment and the cursory inspection conducted in 2003 to determine additional security needs; and,

WHEREAS, the Federal regulation mandated Plan development by a third qualified party. The Port and Stakeholders contracted with the high profile, statewide security company, Doyon Universal Services. The resulting security plan focuses on manpower requirements without need for capital expenditures, but is formatted to reflect the overall Facility Security strategy, using each asset and their countermeasures as additional elements of security for the overall plan. Individual assets and their responses to the MARSEC levels are included in the overall plan; and,

WHEREAS, upon completion of the Facility's plan, the Upper Cook Inlet Area Maritime Security Committee met on several occasions to determine the most equitable way to pay for the new security mandates. There were several scenarios discussed including vehicle traffic to individual stakeholder facility, square footage of each facility, and the degree and requirement for restricted areas. After much discussion, the committee unanimously endorsed levying a security surcharge per ton on all cargo, product and commodities crossing the Port of Anchorage and North Star Stevedore's dock; and increasing Passenger Fees. It has also been agreed to levy 12.5% of the total contract directly to the Port of Anchorage as

its share of security; and,

WHEREAS, in April 2004, under the auspices of the Upper Cook Inlet Area Maritime Security Committee, the Port of Anchorage issued a Request for Proposal outlining the requirements of the Facility Security Plan. After determining the lowest bidder did not qualify, the second bid has been taken under consideration and is expected to be awarded the one year contract with four one-year options in the amount of \$1,731,708.00. The following matrix reflects the percentage of contract cost, plus 3.7% for contingencies, expected to be levied to each stakeholder with the corresponding amount:

<u>Stakeholder</u>	<u>Percentage</u>	<u>Amount</u>
Chevron Products, Inc.	6.78%	121,816
Tesoro Petroleum Company	9.27%	166,663
Williams / Flint Hills Resources, LLC	26.26%	471,884
AFSC / ASIG	2.62%	47,163
Horizon Lines, LLC	19.09%	343,131
TOTE, Inc.	18.10%	325,196
CP Ships	0.13%	2,407
Inlet Petroleum Company	0.10%	1,813
Alaska Basic Industries, Inc.	3.23%	58,030
North Star Terminal & Stevedore, Inc.	1.91%	34,236
Port of Anchorage	<u>12.50%</u>	<u>224,712</u>
Total	100.00%	1,797,051

WHEREAS, the Upper Cook Inlet Area Maritime Security Committee has recommended a Security Surcharge Tariff of 40¢ per ton and an increase in Passenger Fees from \$2.00 to \$3.00; and

WHEREAS, the Facility Security Contract progress will be reviewed after six months and the contract cost allocations will be reviewed and revised annually; and,

WHEREAS, under Anchorage Municipal Code 11.50.030B., the Anchorage Port Commission is charged with promulgating the Port Tariff, subject to approval by the Assembly and the Federal Maritime Commission.

THE ADMINISTRATION RECOMMENDS THE ASSEMBLY TO AUTHORIZE AN AMENDMENT TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 5 BY ADDING A SECURITY SURCHARGE TARIFF OF 40¢ PER TON AND INCREASING THE PASSENGER FEE BY \$1.00 PER PERSON.

- 1 Recommended by: William Sheffield, Director, Port of Anchorage
- 2 Concurrence: Denis C. LeBlanc, Municipal Manager
- 3 Respectfully submitted: Mark Begich, Mayor



PORT COMMISSION MEMORANDUM

NO : R04-02
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DATE: May 27, 2004
FROM: Port Commission
SUBJECT: Port Security Surcharge Tariff

A RESOLUTION APPROVING AMENDMENTS TO ANCHORAGE TERMINAL TARIFF NO. 5 BY ESTABLISHING A SECURITY SURCHARGE TARIFF AND RECOMMENDING THAT THE ANCHORAGE MUNICIPAL ASSEMBLY ALSO ADOPT THE AMENDMENTS TO ANCHORAGE TERMINAL TARIFF NO. 5.

WHEREAS, pursuant to Anchorage Municipal Code 11.50.030.C, the Anchorage Port Commission is charged with promulgating the Port's Terminal Tariff subject to approval of the Anchorage Municipal Assembly and the Federal Maritime Commission; and,

WHEREAS, the United States Department of Homeland Security, in response to security threats poised to the Nation since September 11, 2001, has enacted new security requirements for qualified marine terminals under 33 CFR 105; and,

WHEREAS, the Captain of the Port, United States Coast Guard, has convened a Upper Cook Inlet Area Maritime Security Committee, consisting of all the major users of the Port of Anchorage, and

WHEREAS, the members of the Upper Cook Inlet Area Maritime Security Committee have adopted a facility security plan consistent with the requirements of 33 CFR 105; and

WHEREAS, the United States Department of Homeland Security is mandating that the facility plan submitted by the Upper Cook Inlet Area Maritime Security Committee be in effect by July 1, 2004; and

WHEREAS, the additional cost of putting the facility security plan into effect in order to meet these federal security mandates is substantially more than the security costs that the Port of Anchorage has incurred in past years; and

WHEREAS, the members of the Upper Cook Inlet Area Maritime Security Committee, representing all the major Port users, have recommended that the Port of Anchorage adopt a tariff amendment in order to pay for a security force necessary to meet the facility security plan; and

Anchorage Port Commission
Resolution R04-02
May 27, 2004

WHEREAS, the Port of Anchorage, acting on behalf of the Upper Cook Inlet Area Maritime Security Committee, issued a Municipality of Anchorage procurement in order to identify the actual costs of providing a security force to meet the facility security plan; and

WHEREAS, a successful, qualified vendor has been selected to provide these contractual security services at an annual cost of \$1,731,708; and

NOW THEREFORE, the Anchorage Port Commission resolves:

Section 1. That the Port Commission approves the following amendments to the Port of Anchorage Terminal Tariff No. 5:

Section 2. Passenger Fees, Item 222, the schedule is amended to read:

Passengers embarking from pier to vessel, each	\$3.00 [2.00]
Passengers debarking from vessel to pier, each	\$3.00 [2.00]
Passenger fee per person for commercial carriage compensation at designated Ship Creek Point facility per round trip	\$2.00

Section 3. Wharfage, Item 250, a new paragraph is added to read:

H. Notwithstanding any other schedule of charges, The Port of Anchorage shall assess a security surcharge of \$0.40 per ton for all commodities crossing the Port of Anchorage.

Section 4. That the Port Commission and Port staff will undertake a review of the Port's security surcharge tariff for appropriate modifications and adjustments annually. Within six months of the effective date specified in section 5, Port staff will provide the Port Commission with a comprehensive status report on implementation of the facility security plan, including the port security surcharge tariff.

**Anchorage Port Commission
Resolution R04-02
May 27, 2004**

Section 5. These amendments shall be effective July 1, 2004.

PASSED AND APPROVED by the Anchorage Port Commission, this 27th day of May, 2004.

Mary H. Howell
Chair

Content Information**Content ID :** 001868**Type:** Ordinance - AO**Title:** Security Tariff-Port**Author:** scroggsjd**Initiating Dept:** Port**Description:** Port Security Surcharge Tariff**Keywords:** Security Tariff**Date Prepared:** 6/3/04 9:35 AM**Director Name:** William Sheffield**Assembly Meeting Date MM/DD/YY:** 06/08/04**Public Hearing Date MM/DD/YY:** 06/22/04

2004 JUN -4 AM 9:36
M.O.A.
CLERK'S OFFICE

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	6/3/04 9:38 AM	Checkin	scroggsjd	Public	001868
Port_SubWorkflow	6/3/04 9:41 AM	Approve	sheffieldwj	Public	001868
ECD_SubWorkflow	6/3/04 10:24 AM	Approve	thomasm	Public	001868
OMB_SubWorkflow	6/3/04 10:47 AM	Approve	lohrra	Public	001868
Legal_SubWorkflow	6/3/04 11:40 AM	Approve	fehlenrl	Public	001868
MuniManager_SubWorkflow	6/3/04 4:46 PM	Approve	leblancdc	Public	001868
MuniMgrCoord_SubWorkflow	6/3/04 4:56 PM	Approve	katkusja	Public	001868

ADDENDUM – CONSENT AGENDA-INTRODUCTION