

Submitted by: Chairman of the Assembly
At the request of the Mayor

Prepared by: Port of Anchorage

For reading: February 12, 2008

CLERK'S OFFICE

APPROVED

Date: 2-26-08

ANCHORAGE, ALASKA

AO NO. 2008- 32

AN ORDINANCE AUTHORIZING AMENDMENT #3 REVISION TO PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 TO ADD A RAILROAD CARS TARIFF RATE EFFECTIVE MARCH 1, 2008

WHEREAS, in 2006, the Port of Anchorage completed the first phase of its expansion project with the establishment of 7,000 feet of rail track connecting the Alaska Railroad main tracks to the Port; and

WHEREAS; this rail line is the start of what will be a Trailer-On-Flatcar load out facility on the east side of the Port, designed to provide an efficient Intermodal capability to all current and potential future port users, and, provide additional access for rail operations, for cargo movement in and out of the Port of Anchorage; and,

WHEREAS, in summer 2007, the Municipality of Anchorage and the Alaska Railroad signed a track use agreement which outlines responsibilities for operations and maintenance of this track; and,

WHEREAS, to date there is no published tariff established for realizing revenues from the use of that track, nor is there a mechanism to provide for security cost recovery for any secondary users that are not already participating in the established Port of Anchorage facility security users group; and,

WHEREAS, the Port Commission recommends the amendment to the Port of Anchorage Terminal Tariff No. 6 adding a Railroad Cars rate of \$45.00 per unit per day and a secondary user rate of \$17.00 per unit per day for security related expenses; now, therefore;

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. That Amendment #3 to the Port of Anchorage Terminal Tariff No. 6, Item No. 211 Railroad Cars rate \$45.00 per unit per day and Secondary User Security rate \$17.00 per unit per day.

Section 2. That, upon passage and approval by the Assembly, this ordinance shall be effective March 1, 2008.

PASSED AND APPROVED by the Anchorage Assembly this 26th day of
February, 2008.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE

Summary of Economic Effects -- Utilities

AO Number: 2008 - 32

Title: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
AUTHORIZING AMENDMENT #3 TO THE PORT OF ANCHORAGE
TERMINAL TARIFF NO. 6 ESTABLISHING THE RAILROAD CARS TARIFF
RATE EFFECTIVE MARCH 1, 2008.

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

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	FY08	FY09	FY10	FY11	FY12
Operating Revenues:	\$ -	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0
TOTAL OPERATING REVENUES	\$ -	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0
Operating Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (REGULATED)	\$ -	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0
POSITIONS: FT/PT and Temp	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

The railroad car tariff was created as part of the Port's expansion project. The rail will provide access to the barge docks for loading and unloading barge cargo and commodities from and unto rail cars. Until usage of the new rail establishes a record, the revenue estimates are based on projected initial barge dock activity and estimated military deployments. This tariff will fund the Port's rail maintenance and yield a return on investment.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

The Port of Anchorage's Terminal Tariff No. 6 Amendment No.3 establishes a Railroad cars and engines charge of \$45.00 per unit per day. Also established is a Secondary Users fee of \$17.00 per unit per day for security-related expenses whenever a Secondary user requests ARRC services for movement of cargo and the Port Expansion Track is used. Until usage of the new rail establishes a record, the revenue estimates are based on projected initial barge dock activity and estimated military deployments.

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 87 -2008

Meeting Date: February 12, 2008

1 **FROM:** MAYOR

2
3 **SUBJECT:** AN ORDINANCE AUTHORIZING AMENDMENT #3 TO THE PORT
4 OF ANCHORAGE TERMINAL TARIFF NO. 6 TO ADD A RAILROAD
5 CARS TARIFF RATE EFFECTIVE MARCH 1, 2008.
6

7 In 2006, the Port of Anchorage completed the first phase of its expansion project with the
8 establishment of 7,000 feet of rail track connecting the Alaska Railroad main tracks to the
9 Port. The double rail lines, referred to as the "Port Expansion Track," are the start of what
10 will be a Trailer-On-Flatcar load out facility on the east side of the Port, designed to provide
11 efficient Intermodal capability to all current and potential future port users. In summer 2007,
12 the Municipality of Anchorage and the Alaska Railroad signed a track use agreement which
13 outlines responsibilities for operations and maintenance of this track. However, to date there
14 has been no tariff established for realizing revenues from the use of that track, or a
15 capability to recover security charges for track use by users who are not already Port of
16 Anchorage tenants. Therefore, in accordance with AMC 11.50.030 (B), the Anchorage Port
17 Commission at its regular meeting of January 30, 2008 approved the a resolution
18 recommending revision of Port of Anchorage Terminal Tariff No. 6 adding Railroad Cars,
19 Tariff Item 211 to page 34 of the current tariff.
20

21 The recommended addition of the Railroad Cars Tariff Item No. 211 to Port of Anchorage,
22 Terminal Tariff No.6 is noted below:
23

24 **Railroad Cars**

- 25
26 (a) General Application of Tariff: Rates, charges, rules and regulations provided in this
27 terminal tariff apply to railroad cars, engines and any combination thereof on Port
28 property on that track known as the "Port Expansion Track".
29

30 Prior to vacating the premises, railroad car/engine owner/operator shall ensure tracks
31 are free of obstacles and in good operable condition. Failure to do so will result in
32 the assessment of repair and clean-up charges.
33

- 34 (b) TARIFF RATE: railroad cars and engines will be assessed \$45.00 per unit per day.
35

36 Railroad cars and engines will be assessed an additional \$17.00 per unit per day for
37 coverage of security-related expenses whenever a Secondary User requests ARRC
38 services for movement of goods, and the Port Expansion Track is used.
39

40 NOTE: A Secondary User is defined as any user of Port of Anchorage facilities not
41 already participating in shared payment of the established Port of Anchorage facility
42 security contract, wherein a security tariff is already included.
43

1 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE
2 AUTHORIZING AMENDMENT #3 TO THE PORT OF ANCHORAGE TERMINAL TARIFF
3 NO. 6 TO REVISE THE TARIFF BY THE ADDITION OF THE RAILROAD CARS
4 EFFECTIVE MARCH 1, 2008.
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7 Prepared by: Port of Anchorage
8 Approved by: William J. Sheffield, Port Director
9 Concurrence: Mary Jane Michael, Executive Director
10 Office of Community and Economic Development
11 Concurrence: Michael K. Abbott, Municipal Manager
12 Respectfully submitted: Mark Begich, Mayor
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DATE: January 30, 2008
FROM: Port Commission
SUBJECT: Port of Anchorage Terminal Tariff No. 6, Amendment No. 3

Dany Metafson
Chair

Content Information**Content ID :** 005981**Type:** Ordinance - AO**Title:** Rail Tariff**Author:** scroggsjd**Initiating Dept:** Port**Review Depts:** OMB, OEM**Description:** Railroad Car Tariff**Keywords:** Rail Tariff**Date Prepared:** 1/31/08 2:36 PM**Director Name:** William Sheffield**Assembly Meeting**
Date: 2/12/08**Public Hearing Date:** 2/26/08

2008 FEB -1 PM 2:16
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 M.O.A.

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllOrdinanceWorkflow	1/31/08 2:46 PM	Checkin	scroggsjd	Public	005981
Port_SubWorkflow	1/31/08 2:48 PM	Approve	sheffieldwj	Public	005981
ECD_SubWorkflow	1/31/08 3:21 PM	Approve	thomasm	Public	005981
OEM_SubWorkflow	1/31/08 5:08 PM	Approve	fettermancl	Public	005981
OMB_SubWorkflow	2/1/08 11:19 AM	Approve	phillipswj	Public	005981
Legal_SubWorkflow	2/1/08 11:31 AM	Approve	reevesjn	Public	005981
MuniManager_SubWorkflow	2/1/08 12:02 PM	Approve	abbottmk	Public	005981
MuniMgrCoord_SubWorkflow	2/1/08 1:23 PM	Approve	handysidehm	Public	005981