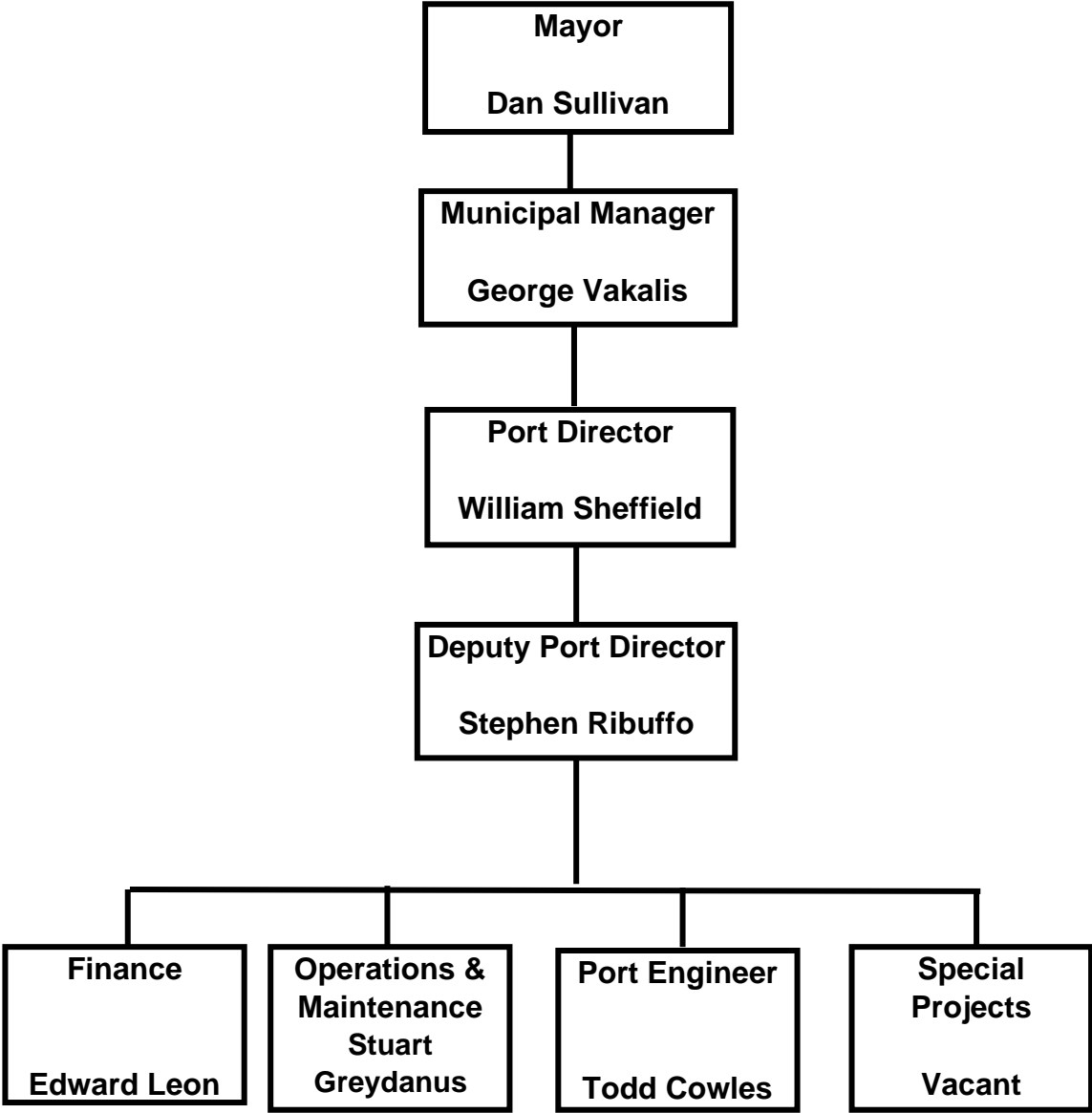


PORT OF ANCHORAGE
ORGANIZATION CHART
2012



PORT OF ANCHORAGE UTILITY PROFILE 2012

ORGANIZATION

The Port of Anchorage (Port) is organized into the following functional areas: Administration, Finance, Port Operations and Maintenance, Engineering, Marketing, and Public Affairs & Special Projects. The Administrative and Finance responsibility entails day-to-day business functions and real estate management. Operations and Maintenance functions include management of vessel movements and dockside activities, general upkeep and operation of the facilities, infrastructure, equipment and security. Engineering is responsible for the capital improvement program. Marketing is responsible for all media advertising and coordinating public outreach, and Public Affairs and Special Projects is responsible for all intergovernmental and media/press relations and any major events involving public participation.

HISTORY

The Port of Anchorage commenced operation in September 1961, with a single berth. In its first year of operation, 38,000 tons of cargo crossed the Port's dock. On average, around four million tons passes over the dock every year. The Port of Anchorage is a major economic engine and one of the strongest links in the Alaska transportation chain. This chain enables residents statewide from Cordova to Barrow to take full advantage of the benefits of inexpensive waterborne commerce through this regional Port. The Port and its stakeholder's have maintained a notable safety record throughout the four decades the Port has been in operation. The Port is one of only 19 nationally designated Department of Defense strategic seaports.

SERVICES

Approximately 90% of the merchandise goods and foodstuffs sold within the Railbelt and beyond (80% of the State's population) move through the Port of Anchorage on an annual basis. Container service is available twice a week from the Port of Tacoma through two domestic ocean carriers. Bulk shipments, both domestic and foreign, involve imports of basic commodities such as cement, refined petroleum products and construction materials. The Port of Anchorage, due to its strategic global position and close proximity to neighboring major military bases, Joint Base Elmendorf-Richardson, is a key transportation node for Department of Defense strategic activities concerning mobilization planning and the shipping/transporting of jet fuel and other related petroleum products and bulk cargo for military use. The Port serves as the primary export facility for the state's largest petroleum refinery in North Pole, and facilitates in the delivery of refined petroleum products from the State's other refineries.

The Municipality of Anchorage is the Grantee of Anchorage Foreign Trade Zone (FTZ) No. 160, the only activated FTZ in the State of Alaska. The Port of Anchorage is the Municipal department responsible for the administration of the FTZ program in Anchorage. At the present time FTZ No. 160 is comprised of seven sites totaling some 1,000 acres located at the Port of Anchorage, Anchorage International Airport and at five private sites throughout the Municipality. An application for subzone status for the Tesoro Petroleum refinery in Kenai was approved by the United States Department of Commerce, Foreign Trade Zones Board in May 2001.

REGULATION

Dock revenue rates for the Port of Anchorage are established in the Port of Anchorage Terminal Tariff No. 7 and through contractual Terminal Preferential Usage Agreements. Changes to the

tariff and adjustments to the five year Preferential Usage Agreements' charges require initial approval by the Anchorage Port Commission, and are subject to final approval by the Anchorage Municipal Assembly.

Port Industrial Park Revenue is derived from long-term leases of properties in the 128-acre Port Industrial Park. The leases provide for five-year rate adjustments that are performed in accordance with Anchorage Municipal Code provisions. Leases and lease options are subject to Municipal Assembly approval.

ENVIRONMENTAL MANDATES

The Port complies with a broad range of local, state and federal environmental standards, including all provisions of the National Environmental Policy Act (NEPA), Clean Water Act, Clean Air Act, National Pollution Discharge Elimination System (NPDES), Endangered Species Act and Coastal Zone Management Plan.

PHYSICAL PLANT

Real Estate: 128 acres of developed uplands
400 acres of economically developable tidelands to the north and south of
the existing Industrial Park and dock area
1,000 acres of submerged lands offshore from tidelands holdings
1,528 total acres

Terminals:

- Three General Cargo Terminals, 2,109 ft. of dock face, container, roll on\roll off, bulk cement and break bulk capabilities
- Two Bulk Petroleum Product Terminals with 600 feet each of berthing space with four 2,000-bbl./hr.-product pipelines each
- Operating depth at all facilities: dredged to -35 feet MLLW
- Maximum vessel tonnage: 60,000 DWT
- Maximum length and breadth: No limit
- On-dock Transit Shed with 27,000 square foot heated storage/office space
- One barge berth, available Spring through Fall, and 15 acres of uplands for any type commodity movement

Cargo Handling Equipment:

- Rail mounted, electric Container Cranes:
(2) 30 ton and (1) 40 ton
- Portable Cranes to 150 tons available
- Forklifts to 30 tons available
- Bulk Petroleum Valve Yard capable of accommodating multiple simultaneous marine/shore and/or inter-user shore side transfers.

U.S. Port of Entry: Foreign Trade Zone service available.

PORT OF ANCHORAGE BUSINESS PLAN 2012

MISSION

Provide a modern, safe and efficient Regional Port which stimulates economic development and the movement of goods into and out of Southcentral and Interior Alaska. Expand and maintain existing property, facilities and equipment to meet growth in established marine trade, to encourage natural resource exports and to create employment opportunities by attracting new industry, new cargo and passenger movement. Support and assist increases in cargo and passenger movement that will aid and stimulate domestic and international business activities throughout all areas of the State served by the Port.

BACKGROUND

The Port of Anchorage began operations in September, 1961 and handled 38,000 tons of marine cargo across its single berth during that first year. The Port has since expanded to a five-berth terminal providing facilities for the movement of containerized freight, bulk petroleum, cement and cruise ship passengers. In its high-volume year, more than five million tons of various commodities moved across the Port's docks in 2005.

Marine cargo comes to Anchorage via two major ocean carriers that bring four to five ships weekly from the Port of Tacoma. Additionally, petroleum tankers supply jet fuel for U.S. military bases and airport operations, and all types of gasoline for local service stations; and barges on-load a wide variety of petroleum products for western Alaska.

A 129-acre industrial park adjoins the Port to the east. Approximately 81 acres of the Park are under long-term lease to various Port users. Additionally, there are 31 developed acres for the staging and storage of marine cargo in transit. Additional tidelands are under development to the north of the Port as a part of the ongoing intermodal expansion project. The project is designed in phases, each phase providing independent utility. Currently the project is focusing and prioritizing the first phase, which when complete will provide two new barge berths and two state-of-the-art container ship terminals. The project has already created 65 acres of new land in this northern phase.

PERTINENT ECONOMIC STATISTICS

- Serves as the primary marine transportation link providing an estimated 90% of the merchandise goods to 85% of Alaska's populated areas.
- Stages 100% of the exports of refined petroleum products from the state's largest refinery in Fairbanks and facilitates petroleum deliveries from refiners on the Kenai Peninsula and in Valdez.
- Generates direct and indirect employment opportunities for stevedores, truckers, railroaders, warehousemen, construction industries, the finance-insurance-real estate sector and a limited number of export-related jobs in petroleum products.
- Provides a direct connection to the Ted Stevens Anchorage International Airport supplying 2/3rds of its jet fuel, and facilitating the sea-air movement of cargo to rural Alaska.

- Provides 100% of the jet fuel for Joint Base Elmendorf-Richardson (JBER) delivered by the Alaska Railroad from the refinery in North Pole and from the Petro Star Refinery in Valdez, and by barge/tanker from other refineries.
- Administers the only active Foreign Trade Zone services presently available in Alaska.
- Is poised to expand in direct response to demand driven from various industry sectors such as additional containerized cargo carriers; passenger cruise lines; export-related industries such as mining, oil field gas and pipeline throughput and module assembly/load-out support; and barge consolidation facilities for shipments bound for rural Alaska.

PORT INTERMODAL EXPANSION PROGRAM (PIEP)

The Port has initiated a program of ongoing, extensive efforts to secure project funding through a combination of federal, state and local financial resources. Started in 2003, this Port expansion will occur incrementally over a projected seventeen-year period. The Capital Improvement project provides for flexibility in sequencing for the PIEP as funding becomes available for project development and construction activities.

The PIEP has three primary objectives: 1) stimulate economic development for the Municipality and the region by providing marine and landside transportation system improvements; 2) accommodate existing customer requirements without interruption; and 3), accommodate growth and demand for Port services, especially with respect to potential new customers and the new generation of vessels anticipated to call at the Port. The U.S. Maritime Administration (MARAD) is the Federal Lead Agency for Port development.

The U.S. Maritime Administration (MARAD) is the Federal Lead Agency for port development. The PIEP has received the support of Congress in receiving funds through the Department of Defense, the Federal Highway Administration and the Federal Transportation Administration in the total amount of \$138.6 million dollars. In addition to federal funds the Port has received \$121.2 million in grant funds from the State of Alaska and has set aside or contributed \$72 million in Port earnings.

The Port has a close working relationship with the Alaska Rail Road Corporation and DOT&PF, as well as other transportation agencies. This collaboration will improve intermodal connections to the highway and rail systems as part of the PIEP project. As part of the PIEP, the Port has already completed constructing a road and rail line with two sidings around the eastern port perimeter. By project completion, the rail line will terminate in the North Extension and provide for barge off-load service to a Trailer On Flat Car (TOFC) yard via three rail lines and one road. This road/rail development will also provide access to develop additional areas in the North Tidelands in support of mega-module assembly and load out activities.

Totem Ocean Trailer Express, Inc. (TOTE), one of the major general cargo/container carriers calling at the Port of Anchorage, made a significant decision in 1999 to design and construct new ships for its Alaska trade. These new 840-foot Orca Class roll-on/roll-off vessels accommodate trailers 53 feet or greater in length and provide dedicated vehicle stowage. These two new vessels, the Midnight Sun and the North Star, have both been in service since August 2003. In support of new vessel operations, TOTE and the Port initiated a major development project that reconfigured and renovated Port real estate used by TOTE. Construction activities consisted of vacating Tidewater Road adjacent to TOTE leaseholds,

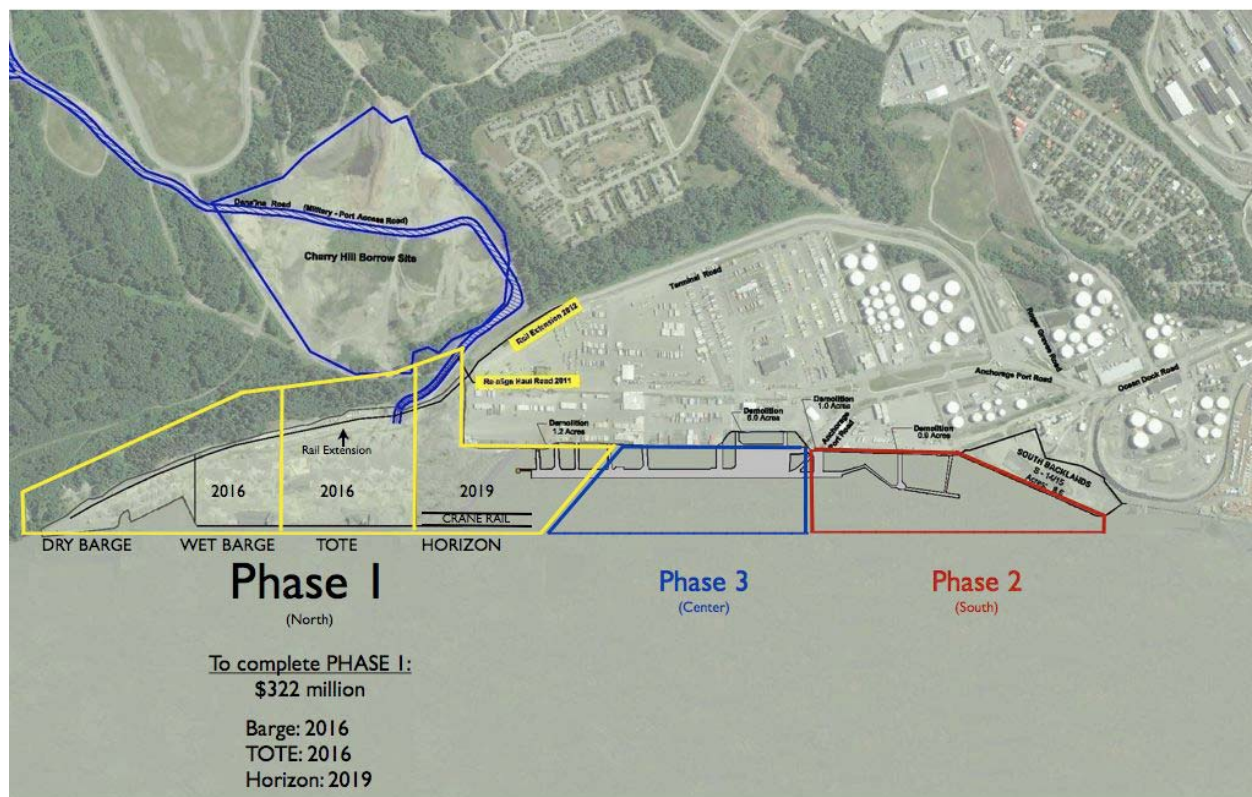
relocating all underground utilities and realigning existing fencing to yield one contiguous staging area for TOTE operations.

In preparation for the impacts of the PIEP, and to better utilize Port managed property and roadway systems, the Port of Anchorage vacated the public rights-of-way of Terminal Road, Gull Avenue and two fire alleys. The right-of-way vacation and new designation as internal roads have enhanced Port security and traffic safety. The re-platting action will cause improved cargo access and an increase in customer operating efficiencies. Several small parcels of property will be eliminated, creating a large single tract of land. This will bring about a better functional use of all Port cargo staging and storage areas and allow greater flexibility to meet current and future Port business needs.

STRATEGIC PLAN

The Port of Anchorage Intermodal Expansion Project was started in 2002 in order to address the congestion and constraints that demand has placed on this important transportation and freight facility, and to replace the deteriorating dock structures that are in excess of 25 years passed original design life and are not built to modern engineering standards for operational or seismic integrity.

The overarching goal of the Port of Anchorage Intermodal Expansion Project is to complete the expansion and construction of facilities without interruption of commercial operations. Completion of the North Extension is critical to achieving this goal. Once completed, container ships and cruise ships will be able to use the North Extension facilities, which will allow the Port of Anchorage to demolish and condemn the current facilities. Please refer to the Port of Anchorage Intermodal Expansion Project phasing plan that follows for facility and design layout:



*Assumes full funding
*Preliminary cost estimate



Additionally, in 2010 Holland America Lines' M/S Amsterdam made its first call at the Port of Anchorage making a total of nine visits in 2010 and eight in 2011. Holland America Lines has also announced they will repeat this schedule in 2012.

ANCILLARY GOALS

1. Effectively manage Port financial resources to insure an adequate rate-of-return to sustain Port operations, maintenance programs and to ensure future growth and capital projects.
2. Meet industry demands that require marine transportation and increase economic activity in the Port's regional service area.
3. Provide professional port transportation expertise to existing and potential customers.
4. Effectively use existing Port property to expand or maintain economic prosperity for the Port through across-dock and inter-vendor activities.

EXTERNAL FACTORS

1. Unpredictable petroleum activity from Alaskan refineries.
2. Increased jet fuel requirements from Ted Stevens Anchorage International Airport and increasing fuel deliveries by tanker from foreign sources.
3. Population changes impacting marine cargo transportation activities.
4. The growing in-state military population and greater use of Alaska military training areas by the Department of Defense.
5. Demand for newly developed Port industrial land.
6. Efforts to develop additional marine terminals and port facilities in Southcentral Alaska.
7. Designation of the Port of Anchorage as one of 19 Department of Defense nationally strategic seaports.
8. Continued development and infrastructure replacement at North Slope oil and gas fields.
9. Opportunities created through the availability of two new barge berths.
10. Landside and waterside access to the Port.
11. Availability of Federal funding sources.
12. Implementation of Homeland security laws and regulations.
13. Climate change and the impacts from new polar shipping lanes.

OBJECTIVES / PROGRAMS

1. Maintain, upgrade and expand existing Port facilities
 - Annual repair, renovation and replacement of Port facilities.
 - Provide for safe Port operating facilities during inclement weather by maintaining adequate snow/ice removal and sanding programs at the Port, on certain access routes and other Port properties.
 - Annual modification to various Port facilities to meet current code requirements.
 - Major dock and pile renovations / upgrades to extend the life of the pier until scheduled demolition is complete.
 - Develop a fully integrated Intermodal Marine Facility including new cranes and 135 acres of useable uplands.
 - Support and participate in the U.S. Army Corps of Engineers project to deepen the Anchorage harbor to -45 MLLW.
 - Obtain transfer of former Defense Fuels Property from U.S. Army to Port ownership.

2. Long Range Planning

- Coordinate continued regional State and military Port usage and joint land development for future state and regional transportation infrastructure development.
- Support and/or formulate initiatives which enhance the development of multimodal transportation systems in areas of the State served.
- Improve accommodation of cruise ships in anticipation of nine or more annual port calls in 2012 and beyond.
- Plan for new road, rail and utility extensions by MOA, DOT&PF and ARRC adjacent to the east side of the Port.
- Plan for increased break bulk activity in conjunction with large development projects such as the natural gas pipeline.
- Plan for future natural resource export cargoes.

3. Port landside and seaside access.

- Participate in the development of improved North and South land and sea access to the Port.
- Participate with U.S. Army Corps of Engineers' studies to improve deep draft navigation lanes in Upper Cook Inlet.
- Participate in the planning and development of the Municipality's related plans and projects that enhance or complement the Port.

4. Financial plans and programs.

- Ensure financial goals remain feasible with respect to current and projected economic conditions.
- Manage financial functions, where permitted by Municipal Code, and where economically efficient.
- Actively pursue alternative financing approaches for Port projects; particularly with respect to terminal and harbor development projects.
- Perform cost / revenue projections for each project undertaken.

5. Enhance and Improve marketing program.

- Identify needs of transportation firms and shippers currently utilizing contemplating use of the Port.
- Coordinate market demand with operational characteristics of users and available Port facilities to plan modification, expansion or enhancement designed to improve Port marketability to new users.
- Assist Port carriers in their efforts to market cost-effective backhaul transportation services.

- Generate increased foreign trade zone activities.
6. Continue to expand organizational and staff development efforts.
- Develop maintenance and administrative skills utilizing Municipal training work shops, available local university courses and professional association training programs available in the private sector.
 - Conduct work sessions on the Port's programs and its goals and objectives.
 - Conduct on-going operational and safety training programs.
7. Management information systems.
- Provide hardware and software to integrate utilization of and expand present systems.
 - Fully automate selected Operations and Maintenance Division records and work scheduling functions into a Maintenance Management System.
8. Government Relations.
- Support Cook Inlet and other joint regional port planning efforts terminal development and economic development efforts.
 - Monitor Congressional actions and opportunities concerning port issues through American Association of Port Authorities and other appropriate agencies and organizations.
 - Sustain staff contacts with legislators and the Alaska Congressional delegation concerning issues related to the Port of Anchorage and affected partners.
 - Continue developing close working relationships with regulatory / environmental agencies involved in port activities.
 - Continue developing close working relationships with Department of Defense agencies.

PORT OF ANCHORAGE HIGHLIGHTS AND FUTURE EVENTS 2012

PORT INTERMODAL EXPANSION PROGRAM (PIEP)

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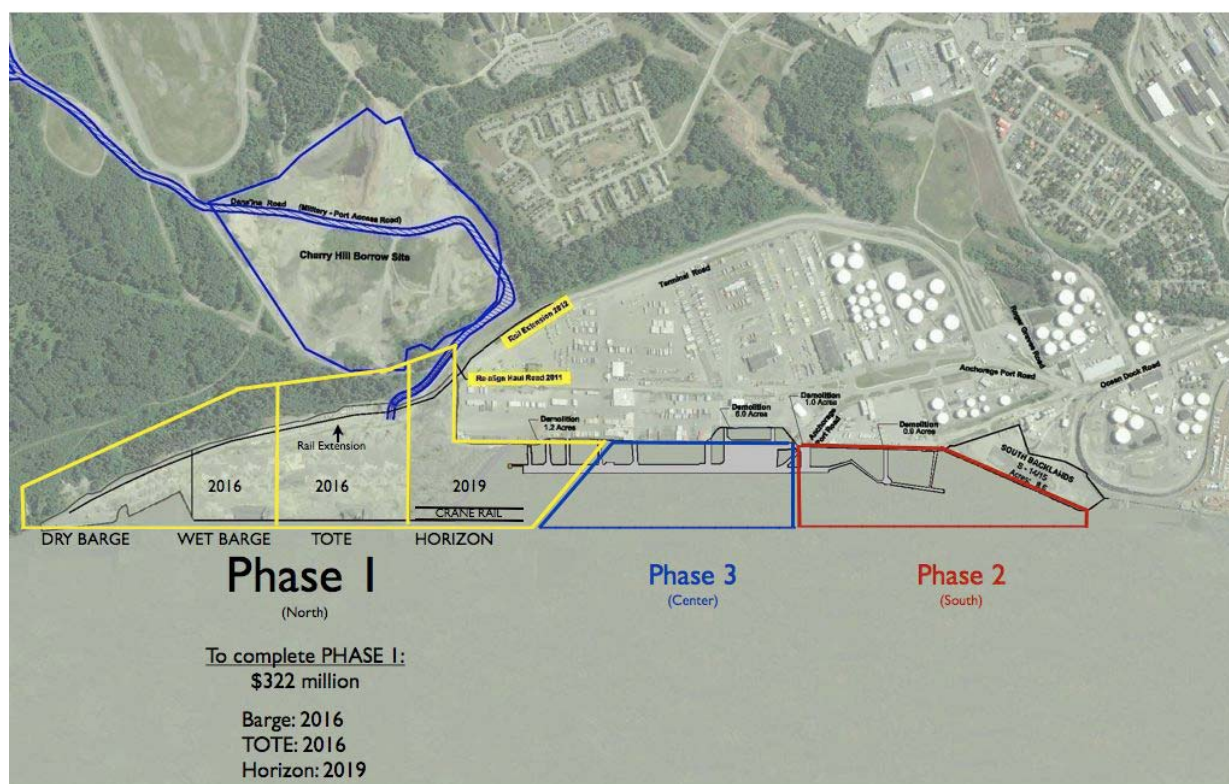
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PORT OF ANCHORAGE
BUDGET ASSUMPTIONS
2012

Below are the general budget assumptions for the Port of Anchorage's 2012 Operating and Capital Budgets.

WAGES

Wage increases were in accordance with current labor agreements. For labor agreements that expire during the budgeting period, wage increases of 2.8% for 2012 were assumed.

For Non-Reps - wage increases of 2.6% were budgeted for 2012.

For Executives – the 2012 budget includes an increase of 3% over the 2011 level of compensation, but has not been approved.

INTEREST

Short-term interest income will be calculated assuming a rate of 0.25%.

BENEFITS

PERS – For 2012 was assumed at the rate of 22% except for Operating Engineers personnel whose rate is assumed at 18.0%.

Social Security (FICA) – 6.20% of factored wage.

Unemployment Compensation – 0.20% of factored wage.

2012 IMPACTS/ASSUMPTIONS SPECIFIC TO THE PORT OF ANCHORAGE

1. Tariff #7 took effect in 2011.
2. The Port assumes MUSA/MESA (in lieu of taxes) to be 1.25% of operating revenues beginning with Fiscal Year 2010.
3. The Port vacated several rights-of-way within the Port area and is in the process of establishing Fragmented Lot Lines to allow the consolidation of multiple leases with TOTE, Horizon Lines and other Port users. Future lease negotiations for additional land by Port tenants may occur as a result of the Port expansion project.
4. 2012 Expenses are anticipated slightly higher than in 2011 primarily due to an increase in facility improvements and accompanying contract engineer work resulting from repairs and maintenance as opposed to renovating in anticipation of complete replacement in the near future; increase in Depreciation resulting from improved asset values and possibly new assets being added to the Port's Plant value; and, a slight increase resulting from application expense for Federal Transportation Infrastructure Grants for the Port's Intermodal Expansion Project (PIEP).
5. The Port has an ongoing Intermodal Expansion Program that will double the acreage and increase berthing capability. Federal agency and State grants, Commercial Paper Issues and Port matching monies will combine to fund construction costs. Grant matching fund amounts have been estimated based on current grant requirements.

As part of the match for federal funds, the Port has requested state reimbursable capital funding for the Port's Intermodal Expansion Program.

At the federal level, Department of Defense, Federal Highway Administration and the Federal Transportation Administration have committed to assist the Port's expansion project.

PORT OF ANCHORAGE
WORKFORCE PROJECTIONS
 2012 - 2017

<u>DIVISION</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Administrative / Engineering	10	10	10	10	10	10
Operations / Maintenance	11	11	11	11	11	11
Subtotal	21	21	21	21	21	21
Part-time/Temporary	0	0	0	0	0	0
TOTAL	21	21	21	21	21	21

PORT OF ANCHORAGE
11-YEAR SUMMARY OPERATING BUDGET

Financial Overview	Actual				Proforma		Forecast				
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues	14,237	12,886	13,184	12,428	13,657	13,751	13,697	13,934	17,485	17,424	14,069
Expenses	10,809	12,031	11,658	10,993	12,275	12,901	12,434	14,682	14,814	15,307	15,551
Net Income (Regulatory) (*)	3,428	856	1,526	1,434	1,382	850	1,263	(749)	2,671	2,116	(1,482)
Budgeted Positions	21	21	21	21	21	21	21	21	21	21	21
Capital Program	12,500	48,515	25,008	29,093	50,633	331,310	9,300	10,900	10,800	7,800	7,800
Commercial Paper - Short Term Debt (**)	-	-	40,000	40,000	40,000	40,000	55,000	55,000	55,000	55,000	55,000
Net Plant (12/31)	26,576	24,749	25,606	23,488	21,286	19,299	17,211	30,560	27,737	24,814	21,790
MESA	495	481	447	508	513	510	478	446	417	665	623
Total Net Assets	52,327	53,183	54,709	56,143	57,525	58,375	59,638	58,890	61,561	63,677	62,195
General Cash Pool	17,332	21,884	26,359	26,359	26,359	10,000	10,000	10,000	10,000	10,000	10,000
Construction Cash Pool	30,301	27,859	26,351	20,000	22,000	5,000	6,000	6,000	6,000	6,000	6,000
Bond & Other Loan Reserve Cash	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Cash (12/31)	48,633	50,743	53,710	47,359	49,359	16,000	17,000	17,000	17,000	17,000	17,000
IGC's - General Government	409	430	486	347	592	375	369	369	379	379	390
Total Outstanding Debt 12/31 - (Com'l Paper)	-	-	40,000	40,000	40,000	55,000	55,000	55,000	55,000	55,000	55,000
Debt Service - Cm'l Paper Cost - Capitalized	-	-	400	400	400	550	550	550	550	550	550
Debt Service Coverage (Cm'l Paper Interest)	-	-	10	10	13	10	11	11	17	17	10
Debt/Equity Ratio (12/31)	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100
Tariff Wharfage Rates (01/11):											
1250 Petroleum, Bulk / Barrel	\$0,125	\$0,125	\$0,125	\$0,125	\$0,135	\$0,135	\$0,135	\$0,135	\$0,135	\$0,135	\$0,135
1250 Cement, Bulk / Ton	\$1.10	\$1.20	\$1.25	\$1.25	\$1.37	\$1.37	\$1.37	\$1.37	\$1.37	\$1.37	\$1.37
Statistical/Performance Trends:											
Tonnage (in thousands)	4,316	4,370	3,798	3,917	4,528	5,078	5,098	5,108	5,692	5,707	5,168
Revenue/Ton	2.32	2.27	2.55	2.76	3.20	3.08	2.71	3.11	3.11	2.45	2.20
(*) The Port's ability to service debt is a combination of Net Income PLUS the Expense Category "Depreciation".											
Net Income Above	3,428	856	1,526	1,434	1,382	850	1,263	(749)	2,671	2,116	(1,482)
PLUS Depreciation	4,108	4,649	4,660	4,667	4,622	4,707	4,807	7,050	7,150	7,250	7,350
Available to Service Debt	\$7,536	\$5,505	\$6,187	\$6,101	\$6,004	\$5,558	\$6,070	\$6,301	\$9,821	\$9,367	\$5,868
(**) Commercial Paper - Short Term Loan funds will be used to help complete the Port expansion. Interest rate is projected at 1.00%.											

PORT OF ANCHORAGE

STATEMENT OF REVENUES AND EXPENSES

	2009 Actual	2010 Actual	2011 Budget	2012 Budget
OPERATING REVENUE				
Dock Revenue	4,976,854	5,290,246	6,611,470	6,924,847
Industrial Park Revenue	4,301,791	4,333,539	4,883,420	4,600,504
Other Operating Revenue	406,878	362,120	580,540	625,625
TOTAL OPERATING REVENUE	9,685,523	9,985,905	12,075,430	12,150,976
OPERATING EXPENSES				
Labor	2,318,382	2,250,784	2,838,880	3,280,005
Supplies	199,428	193,627	212,210	245,194
Other Services & Charge	2,115,068	1,754,989	2,226,580	2,452,594
IGCs	486,147	347,435	592,160	375,358
Depreciation / Amortization	4,660,449	4,666,881	4,622,230	4,707,239
Municipal Enterprise Service Assessment	447,479	507,773	471,770	510,316
TOTAL OPERATING EXPENSE	10,226,953	9,721,489	10,963,830	11,570,705
OPERATING INCOME	(541,430)	264,416	1,111,600	580,271
		772,189		
NON-OPERATING REVENUE (*)				
Interest Income	2,043,010	974,656	-	-
Pipeline Right-of-Way Fee	140,074	161,522	170,000	170,000
Gain / Loss - Disposal of Property	-	-	-	-
Miscellaneous Non-Operating Revenue	-	-	-	-
Other Non-Operating Revenue	1,315,225	1,305,539	1,411,150	1,429,828
TOTAL NON-OPERATING REVENUE	3,498,309	2,441,717	1,581,150	1,599,828
NON-OPERATING EXPENSE				
Interest on Long-Term Debt	-	-	-	-
Other Non-operating Expense	1,430,699	1,271,761	1,311,150	1,329,828
TOTAL NON-OPERATING EXPENSE	1,430,699	1,271,761	1,311,150	1,329,828
NON-OPERATING INCOME	2,067,610	1,169,956	270,000	270,000
NET INCOME (REGULATORY)	1,526,180	1,434,372	1,381,600	850,271
ADJUSTMENTS FOR GAAP	-	-	-	-
NET INCOME GAAP	1,526,180	1,434,372	1,381,600	850,271

(*) GASB 33 capital grant revenue not included

PORT OF ANCHORAGE
STATEMENT OF CASH SOURCES AND USES

	2009 Actual	2010 Actual	2011 Budget	2012 Budget
SOURCES OF CASH FUNDS:				
Net Income GAAP	1,526,180	1,434,372	1,381,600	850,271
Depreciation / Amortization	4,660,449	4,666,881	4,622,230	4,707,239
Equity / Operations	-	-	-	-
Grants	-	-	-	-
Bonds and Commercial Paper	40,000,000	40,000,000	40,000,000	15,000,000
Amortization of Debt Discount	-	-	-	-
Principal Payments, Financing Leases	11,190	7,800	-	-
Disposition of Assets	-	-	-	-
State Debt Repayment	-	-	-	-
TOTAL SOURCES OF FUNDS	46,197,819	46,109,053	46,003,830	20,557,510
USES OF CASH FUNDS:				
Additions to Plant	1,897,281	1,700,000	1,700,000	2,000,000
Bond Principal Payments	-	-	-	-
Contributed Funds to MARAD (**)	5,400,000	4,000,000	4,000,000	4,000,000
Net Effect of Changes on Balance Sheet Which Affect Cash				
TOTAL USES OF FUNDS	7,297,281	5,700,000	5,700,000	6,000,000
NET INCREASE (DECREASE) IN CASH FUNDS	38,900,538	40,409,053	40,303,830	14,557,510
CASH BALANCE JANUARY 1,	38,900,538	77,801,076	118,210,129	158,513,959
CASH BALANCE DECEMBER 31,	77,801,076	118,210,129	158,513,959	173,071,469
DETAIL OF CASH BALANCE				
Equity in General Cash Pool	13,190,583	10,000,000	10,000,000	10,000,000
Equity in Construction Cash Pool	23,881,146	20,000,000	20,000,000	20,000,000
Revenue Bond Maintenance Reserve	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL CASH DECEMBER 31,	38,071,729	31,000,000	31,000,000	31,000,000

PORT OF ANCHORAGE **2012 OPERATING BUDGET DETAIL**

	2009 Actual	2010 Actual	2011 Budget	2012 Budget
LABOR				
Wages	1,411,308	1,340,246	1,741,430	1,946,411
Overtime	25,601	37,942	76,720	98,036
Benefits	710,023	695,233	889,590	1,085,716
Other	171,451	177,363	131,140	149,842
SUBTOTAL	2,318,382	2,250,784	2,838,880	3,280,005
SUPPLIES				
Office & Operating Supplies	47,957	85,015	50,430	80,994
Fuel	43,427	41,763	45,000	45,000
Repair & Maintenance Supplies	96,718	59,464	111,100	115,000
Other	11,326	7,384	5,680	4,200
SUBTOTAL	199,428	193,627	212,210	245,194
INTRAGOVERNMENTAL CHARGES				
IGC's From Others	-	-	-	-
IGC's To Others	486,147	347,435	592,160	375,358
SUBTOTAL	486,147	347,435	592,160	375,358
OTHER SERVICES				
Professional Services	992,047	854,013	1,000,000	1,127,000
Contributions to Outside Organizations	41,000	41,050	44,000	45,000
Repairs & Maintenance - Contracted	96,365	72,866	25,000	74,000
Municipal Enterprise Service Assessment	447,479	507,773	471,770	510,316
Contract Services	153,729	38,082	215,800	135,000
Rentals / Leases	146,097	156,793	7,930	20,000
Utilities	406,323	401,228	330,000	400,000
Other	279,507	190,957	603,850	651,594
SUBTOTAL	2,562,547	2,262,762	2,698,350	2,962,910
OTHER EXPENSES				
Depreciation / Amortization	4,660,449	4,666,881	4,622,230	4,707,239
Interest on Long Term Debt	-	-	-	-
Other	-	-	-	-
SUBTOTAL	4,660,449	4,666,881	4,622,230	4,707,239
TOTAL OPERATING EXPENSES	10,226,954	9,721,489	10,963,830	11,570,706

PORT OF ANCHORAGE
2012 - 2017 CAPITAL IMPROVEMENT PROGRAM

PROJECT CATEGORY	2012	2013	2014	2015	2016	2017	Total
Intermodal Expansion Program*	6,410	5,500	5,000	5,000	5,000	5,000	31,910
Port Development	323,000	1,900	4,000	4,000	1,000	1,000	334,900
Repairs and Renovation	1,700	1,700	1,700	1,700	1,700	1,700	10,200
Equipment	200	200	200	100	100	100	900
TOTAL	331,310	9,300	10,900	10,800	7,800	7,800	377,910

FUNDING SOURCE	2012	2013	2014	2015	2016	2017	Total
Lease/Revenue Bonds	-	900	3,000	3,000	-	-	6,900
Equity**	6,410	5,500	5,000	5,000	5,000	5,000	31,910
Equity/Operations	323,000	1,000	1,000	1,000	1,000	1,000	328,000
Beluga Contributed	1,900	1,900	1,900	1,800	1,800	1,800	11,100
TOTAL	331,310	9,300	10,900	10,800	7,800	7,800	377,910

* Federal grant matching portion remitted and controlled by Maritime Administration (MARAD) for Port Expansion.
Federal funds are received directly, if any, by MARAD and expansion components are reflected as Work-in-Progress.

** MARAD contribution and Port Development

Anchorage: Performance. Value. Results

Port of Anchorage

Anchorage: Performance. Value. Results.

Mission

Maintain the quality of the Port's infrastructure to meet the needs of container, petroleum and general cargo marine transportation companies to ensure the timely delivery of consumer goods and commercial cargo.

Core Services

- Provide Port users with a marine terminal and staging yards free of defects.
- Provide Port petroleum terminal operators with an operable and efficient valve yard and petroleum docks.
- Provide clean and safe roads and transfer yards for use by commercial and port-based vehicles.

Accomplishment Goals

- Repair and replace damaged fender panels and repair deteriorated dock piles.
- Periodically inspect valve yard valves and piping.
- Inspect dock surface and common areas to ensure cranes, equipment and personnel can operate with minimal threat of damage.
- Effectively oversee management of the cost and schedule associated with the Port of Anchorage Intermodal Expansion Project (PIEP).

Performance Measures

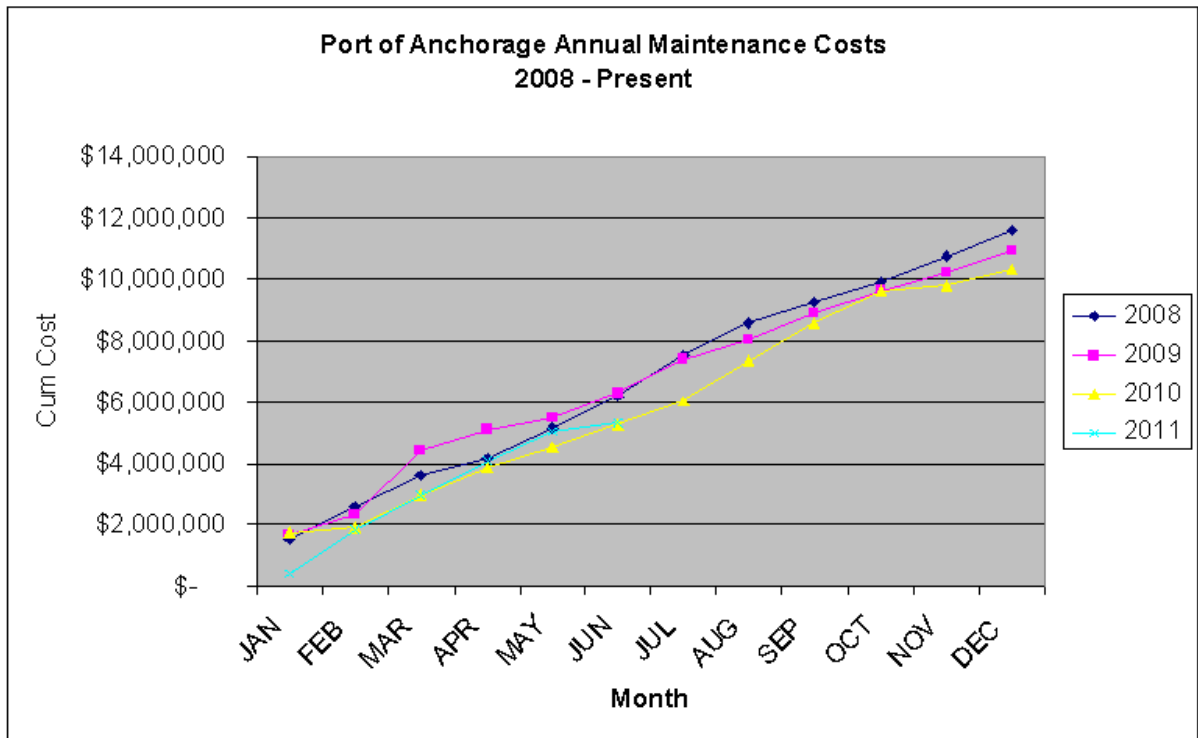
Progress in achieving goals will be measured by:

Measure: Solicit feedback from port users, vessel, tanker and barge Captains regarding dock and infrastructure condition or problems.

No customer issues raised regarding facility condition or snow/ice removal efforts.

Measure: Maintain open communications with crane repair crews and operators for input on crane infrastructure condition. Constantly survey common and leased Port property for hazards or surface repairs. Periodically engage outside professionals to inspect the overall infrastructure.

All required facility and equipment inspections are up to date. Maintenance expenditures remain within programmed. U.S. Army Corps of Engineers has just issued us a permit for dredging the dry berth in order to maintain the berth bottom at +10 feet MLLW.



Measure: Track actual PIEP cost and schedule execution against planned.

As a member of the Project Oversight Committee, George is aware of the latest status information on this issue. That said, diver tail wall inspections are underway on Phase 1. No new damage has been found. Dive inspections will continue on a second section.