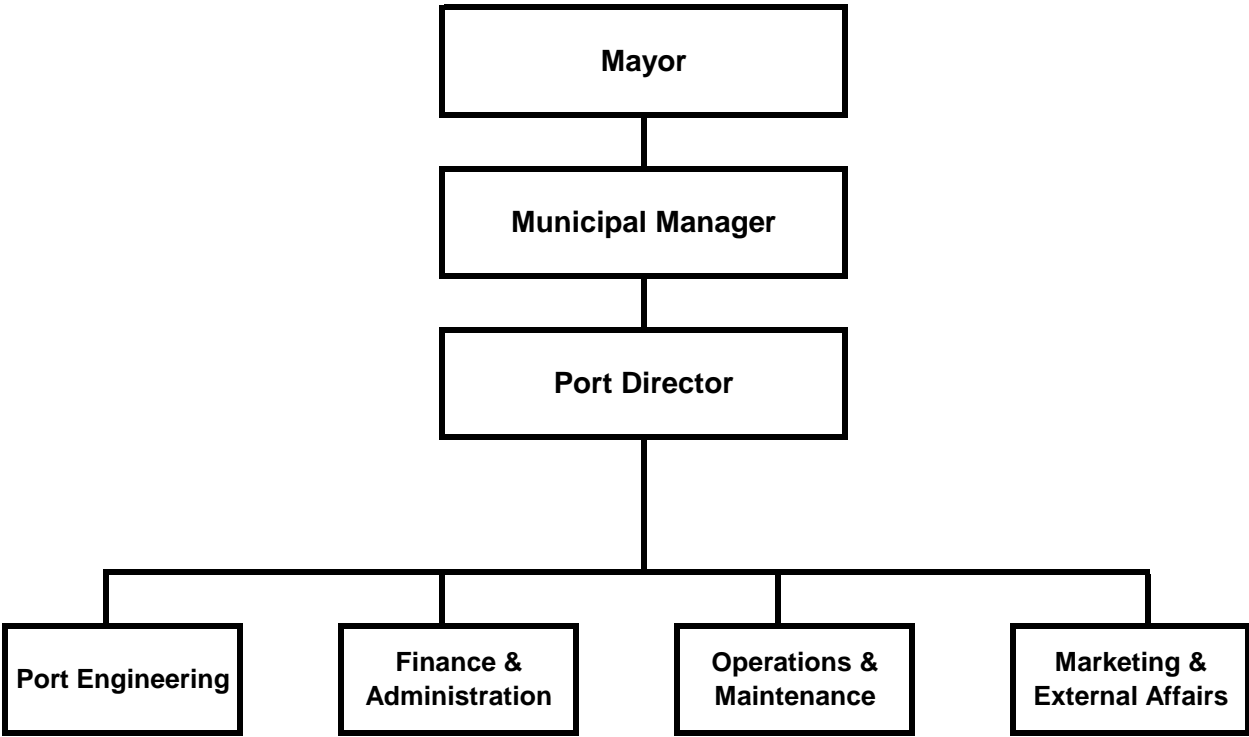


# Port of Anchorage



## **Port of Anchorage Organizational Overview**

The Port of Anchorage is an enterprise function of the Municipality.

The Port Director oversees all Port operations, which include: maintenance, safety functions, management of vessel scheduling, movements and dockside activities, general upkeep and operation of the facilities, infrastructure, equipment, and security. This also includes the upkeep and day-to-day management of all municipally-owned infrastructure, roads, and docks. The Maintenance Section is also responsible for the dredging and upkeep of the Ship Creek Boat Launch and Dry Barge Berth. Further, the Port's Operations Manager also serves in the role of Facility Security Officer, wherein he oversees the contract for Port security forces. Additionally, the Port's Safety Coordinator is in this section. The Deputy Port Director not only acts for the Director in his absence, but is now responsible for overseeing the Port's capital improvement program, to include managing the Port's engineering services contract, and execution of all FEMA port security grant program funds. While managing these programs, the Deputy Port Director will coordinate, as necessary, with the Port Engineer. The Port Engineer has overall responsibility to serve as the contract technical representative for all matters related to the ongoing Port modernization project.

Under the Finance & Administration Section, responsibilities include performing the day-to-day business functions that support to the Port Director and other Port staff. Functions carried out by the staff of this section include: telephone switchboard/receptionist duties; accounts payable and receivable; financial management; and analysis of reports and budgets to Port staff, Commission, the Administration, Assembly, State Legislature, and financial agencies. The finance section is also responsible for real estate management, grant management, financial forecasting and modeling, yearly operating and Capital Improvement Plan budgeting and ensuring compliance, as well as other situational fiscal analysis as required.

The External Affairs section is responsible for all media advertising, coordinating public outreach and media/press relations, any major events involving public participation, business development, and grant writing. Associated duties include management of website and social media presence, coordinating all public speaking engagements, coordinating all port tours for both businesses and the public, interfacing with the public and all media for information inquires and public comments, and writing press releases.

## **Port of Anchorage Business Plan**

### **Mission**

The Port of Anchorage is committed to provide a modern, safe, and efficient facility to support the movement of goods throughout the State of Alaska.

### **Services**

The Port of Anchorage is a landlord port committed to providing safe, efficient, and dependable facilities and support services to our private and public sector customers. The staff of the Port is responsible for maintaining all of the land, docks, and municipal buildings that encompass the Port of Anchorage.

### **Business Goals**

- Provide Port operating expertise and management to the Anchorage Port Modernization Project (APMP) with the Port Engineer serving as Project Administrator.
- Plan for future facility and service needs of business and public entity customers.
- Conduct periodic facility condition surveys to anticipate age-related challenges and to ensure uninterrupted operations and safety.
- Maintain affordable and competitive tariff rates sufficient to cover operating and capital requirements.
- Provide a safe work environment for both employees and tenants.
- Maintain financially sound operating ratios.
- Deliver accurate and timely billings to tenants and customers; demand timely payments from all users.
- Provide required level of Port security under U.S. Coast Guard/Homeland Security directives through a consortium of private tenants and the Port.

### **Strategies to Achieve Goals**

1. Provide year-round access to suitable terminals and docks for movement of containers, dry bulk cargo, and liquid bulk cargo to include petroleum products.
2. Provide seasonal maintenance of and access to the Small Boat Launch.
3. Plan, develop, and operate facilities to accommodate market growth and modernization.
4. Schedule all vessels that call on the Port.
5. Provide centralized Port and tenant security services and emergency management leadership.
6. As a landlord port, manage short-term permits (revocable use permits) and long-term leases of land and buildings.
7. Maintain and ensure uninterrupted 24/7/365 availability of Port owned facilities.
8. Ensure environmental quality of the land within the Port boundaries
9. Assess and manage the collection of all tariffs and user fees associated with vessels calling on the Port and land tenant operations.
10. Manage the Foreign Trade Zone (FTZ) and all FTZ applicants.
11. Coordinate U.S. Army Corps of Engineers dredging of channel, turning basin, and dock face dredging to provide for safe commerce.
12. Host official U.S. Navy, U.S. Coast Guard, NOAA, foreign navy and Arctic research vessels on behalf of the Municipality of Anchorage, as needed.

**Performance Measures to Track Progress in Achieving Goals**

Progress in achieving goals will be measured by:

1. Overtime hours and pay compared to base compensation for current vs prior year.
2. Operating Net Income YTD for current vs prior year.
3. Reportable incidents for current vs prior year (# of incidents, loss of time & cost).

## Port of Anchorage

*Anchorage: Performance. Value. Results.*

### Mission

Develop and maintain the quality of the Port's infrastructure to meet the needs of our stakeholders and ensure safe and modern infrastructure for the timely delivery of consumer goods and commercial cargo.

### Core Services

- Provide all Port users with marine terminals 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-related vehicles.

### Accomplishment Goals

- Ongoing repair of deteriorated dock pile.
- Continued maintenance of valve yard valves and piping through scheduled inspections and timely maintenance.
- Continued maintenance and repair of storm drain systems.
- Inspect dock surface and common areas to ensure cranes, equipment and personnel can operate with minimal threat of damage.
- Assist the Municipality of Anchorage effectively oversee management of the cost and schedule associated with the Port of Anchorage Port Modernization Project (APMP).

### Performance Measures

Progress in achieving goals will be measured by the following:

#### Measure #1: Over time hours and pay compared to base compensation for current vs prior year.

	<u>2015</u>	<u>2016 (YTD)</u>
<b>Total Hours</b>	1,594*	562
<b>Total Cost</b>	\$ 59,084	\$ 23,399

\*Increased OT hours in 2015 due to vacancy in Maintenance Supervisor position. Position was filled in August 2015.

#### Measures #2: Operating Net Income YTD for current vs prior year.

	<u>6/30/2015</u>	<u>6/30/2016*</u>	<u>%Growth/(Loss)</u>
<b>Net Operating Income</b>	\$ 2,293,581	\$ (2,174,419)	(195%)
<b>Total Cash Flow</b>	\$ 5,988,136	\$ 983,067	(83.5%)

\* Unaudited

\*Net Operating Income includes Depreciation (non-cash item).

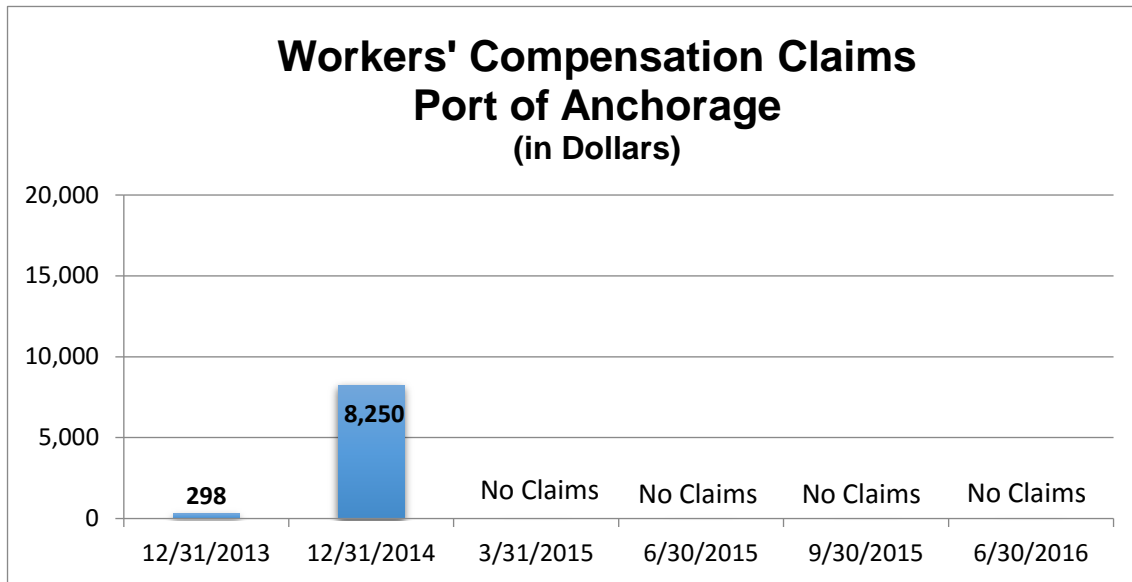
#### Measures #3: OSHA Recordable incidents for current vs prior year (# of incidents, loss of time & cost)

	<u>2015</u>	<u>2016 (YTD)</u>
<b># of Incidents</b>	0	0
<b>Loss of Time</b>	0	0
<b>Cost</b>	\$ 0	\$ 0

<b>PVR Measure WC: Managing Workers' Compensation Claims</b>
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Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



## **Port of Anchorage Highlights and Future Events**

### **Anchorage Port Modernization Project (APMP)**

The Port's existing marine terminals have reached the end of their life span and suffer from severe corrosion on the wharf piling. The APMP will replace two general cargo terminals and two petroleum terminals to ensure infrastructure resilience over a 75-year life cycle. To maintain Port operations during construction, the project will be completed in steps. Step 1, which is fully funded, includes construction of a new Petroleum/Cement Dock and a partial cut-back and stabilization of the north extension area to preserve usable land while improving hydraulics for reduced maintenance dredging and safer navigation. Steps 2 through 4, as yet unfunded, complete the marine terminal construction and stabilization of the north extension.

The project will enable the Port to accommodate deeper draft vessels by allowing for a harbor depth increase from 35 feet to 45 feet when needed. New ship-to-shore container cranes will increase reach for wider vessels. Completion of this project is critically important for the Port to continue to serve 87% of Alaska's population and to maintain its role as one of 23 designated Department of Defense Strategic Seaports.

Based on a 15%-complete design, assuming full up-front funding, and assuming timely permit issuance, the project is estimated to be completed in 2024 at a total cost of \$600M. State capital grant and general obligation bond funding available to the project totals approximately \$126.8M, which is sufficient to complete Step 1.

### **Ongoing Facility Maintenance**

The Port continues to work diligently to meet its commitment to offer continued operational capability for Port customers while new facilities are in design and construction. Aging facilities not included in the early phases of infrastructure improvements continue to be managed and maintained to the highest standards possible with great attention being paid to the highest priorities addressed first. The recommendations in the Port's Capital Improvement Budget address items needing immediate attention outside of the APMP. Those include, but are not limited to, Wharf Pile Enhancements, adding backup emergency power capability, and Ship Creek Boat Launch restoration and repairs. Additionally, continued work on the Port's Storm Drain system is required to maintain proper drainage over the footprint of the Port.

## **Port of Anchorage External Impacts**

### **External Factors**

Continued development and infrastructure replacement at North Slope, offshore, and Cook Inlet oil and gas fields, including potential construction of a pipeline to tidewater for LNG export.

Catching up with the changing equipment and infrastructure needs of the maritime shipping community so as not to lose relevance, to keep port users competitive, and to keep the cost of goods to the consumer reasonable.

Emergence of a market for LNG/CNG fueling to serve natural gas powered vessels due to environmental regulation and increased supply of natural gas in Cook Inlet.

Sustaining the response to jet fuel requirements from Ted Stevens Anchorage International Airport and Joint Base Elmendorf-Richardson.

Designation of the Port of Anchorage as one of 23 Department of Defense National Strategic Seaports.

Declining availability of State and Federal funding.

Unpredictable terrorist events affecting implementation of Department of Homeland Security laws and regulations.



## Port of Anchorage Workforce Projections

<b>Division</b>	<b>2015</b>	<b>2016 *</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Administrative / Engineering	8	7	7	7	7	7	7	7
Operations / Maintenance	13	13	13	13	13	13	13	13
<b>Total Full Time</b>	<b>21</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Part Time / Temporary	1	12	8	2	2	2	2	2
<b>Total Positions</b>	<b>22</b>	<b>32</b>	<b>28</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
<b>Total FTE</b>	<b>21.5</b>	<b>26</b>	<b>23.5</b>	<b>20.5</b>	<b>20.5</b>	<b>20.5</b>	<b>20.5</b>	<b>20.5</b>

\*Per AO 2015-107 (S), Assemblymember Flynn amendment, PCN 6600 reduced to 0.5 FTE (PT).

**Port of Anchorage**  
**8 Year Summary**  
(\$ in thousands)

Financial Overview	2015	2016	2017	2018	2019	2020	2021	2022
	Actuals	Proforma	Proposed	Forecast				
Revenues	14,396	18,998	13,316	13,649	13,990	14,340	14,698	15,066
Expenses	26,661	24,006	22,040	19,922	20,718	21,340	21,767	21,984
<b>Net Income(Loss)</b>	<b>(12,265)</b>	<b>(5,008)</b>	<b>(8,724)</b>	<b>(6,273)</b>	<b>(6,728)</b>	<b>(7,000)</b>	<b>(7,068)</b>	<b>(6,919)</b>
Budgeted Positions	22	32	28	22	22	22	22	22
Capital Improvement Program	3,800	71,839	228,789	3,500	3,250	3,250	3,250	3,250
Long Term Debt**	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Net Plant (12/31)	128,849	134,846	363,635	367,135	370,385	373,635	376,885	380,135
Total Net Assets	163,152	165,243	162,984	161,488	160,305	159,250	158,115	156,679
General Cash Pool	10,113	12,928	12,601	14,151	15,246	16,069	16,823	17,728
Construction Cash Pool	4,230	7,069	12,857	13,629	14,174	14,741	15,331	15,944
<b>Total Cash</b>	<b>14,343</b>	<b>19,997</b>	<b>25,458</b>	<b>27,780</b>	<b>29,420</b>	<b>30,810</b>	<b>32,154</b>	<b>33,672</b>
IGCs - General Government	591	686	761	761	761	761	761	761
MESA	2,056	2,114	2,665	2,732	2,800	2,870	2,942	3,015
Total Outstanding Debt 12/31 - (Long Term Debt)	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Debt Service Coverage (Short Term Note Interest)	1,832	428	456	456	456	456	456	456
Debt/Equity Ratio (12/31)	30/70	28/72	29/71	29/71	30/70	30/70	31/69	31/69
<b>Tariff Wharfage Rates (01/15):</b>								
1250 Petroleum, Bulk / Barrel	\$0.130	\$0.135	\$0.141	\$0.146	\$0.152	\$0.158	\$0.164	\$0.171
1250 Cement, Bulk / Ton	\$1.43	\$1.48	\$1.54	\$1.60	\$1.67	\$1.74	\$1.81	\$1.88
<b>Statistical/Performance Trends:</b>								
Tonnage (in thousands)	3,776	3,783	3,783	3,840	3,897	3,956	4,015	4,075
Operating Revenue/Ton	3.25	3.05	3.04	3.04	3.04	3.04	3.04	3.04

\*\* Note renewed in June 2016 - 3yr term

**Port of Anchorage**  
**Statement of Revenues and Expenses**

	2015 Actuals	2016 Proforma	2016 Approved	17 v 16 \$ Change	2017 Proposed	17 v 16 % Change
<b>Operating revenue</b>						
Dock Revenue	6,615,401	6,316,564	5,791,074	511,413	6,302,487	8.8%
Industrial Park Revenue	5,357,778	4,701,596	4,426,599	36,827	4,463,426	0.8%
Other Operating Revenue	297,418	525,813	720,926	20,000	740,926	2.8%
<b>Total Operating Revenue</b>	<b>12,270,597</b>	<b>11,543,973</b>	<b>10,938,599</b>	<b>568,240</b>	<b>11,506,839</b>	<b>5.2%</b>
<b>Non Operating Revenue</b>						
Interest Income (Loss)	344,603	320,919	200,000	-	200,000	0.0%
Pipeline Right-of-Way Fee	164,678	157,811	160,000	-	160,000	0.0%
Miscellaneous Non-Operating Revenue	1,616,092	6,975,345	1,394,643	54,537	1,449,180	3.9%
<b>Total Non Operating Revenue</b>	<b>2,125,373</b>	<b>7,454,074</b>	<b>1,754,643</b>	<b>54,537</b>	<b>1,809,180</b>	<b>3.1%</b>
<b>Total Revenue</b>	<b>14,395,970</b>	<b>18,998,047</b>	<b>12,693,242</b>	<b>622,777</b>	<b>13,316,019</b>	<b>4.9%</b>
<b>Operating Expenses</b>						
Labor						
Labor and Benefits	2,881,248	2,736,203	3,078,813	(88,176)	2,990,637	-2.9%
Overtime	51,350	45,915	68,040	-	68,040	0.0%
<b>Total Labor</b>	<b>2,932,598</b>	<b>2,782,118</b>	<b>3,146,853</b>	<b>(88,176)</b>	<b>3,058,677</b>	<b>-2.8%</b>
Non Labor						
Non Labor	11,505,961	10,144,207	8,345,127	(1,108,204)	7,236,923	-13.3%
Travel	9,117	28,360	30,000	10,000	40,000	33.3%
Transfers (MESA and Gross Receipts)	2,056,004	2,114,268	1,787,340	877,660	2,665,000	49.1%
Depreciation and Amortization	7,733,967	7,822,938	7,456,583	366,355	7,822,938	4.9%
<b>Total Non Labor</b>	<b>21,305,049</b>	<b>20,109,773</b>	<b>17,619,050</b>	<b>145,811</b>	<b>17,764,861</b>	<b>0.8%</b>
<b>Total Direct Cost</b>	<b>24,237,647</b>	<b>22,891,891</b>	<b>20,765,903</b>	<b>57,635</b>	<b>20,823,538</b>	<b>0.3%</b>
Charges from other departments	591,109	686,033	686,033	74,441	760,474	10.9%
<b>Total Operating Expense</b>	<b>24,828,756</b>	<b>23,577,924</b>	<b>21,451,936</b>	<b>132,076</b>	<b>21,584,012</b>	<b>0.6%</b>
<b>Non Operating Expense</b>						
Financing Costs on Short-Term Obligations	1,832,310	428,188	456,400	-	456,400	0.0%
<b>Total Non Operating Expense</b>	<b>1,832,310</b>	<b>428,188</b>	<b>456,400</b>	<b>-</b>	<b>456,400</b>	<b>0.0%</b>
<b>Total Expenses (Function Cost)</b>	<b>26,661,066</b>	<b>24,006,112</b>	<b>21,908,336</b>	<b>132,076</b>	<b>22,040,412</b>	<b>0.6%</b>
<b>Net Income</b>	<b>(12,265,096)</b>	<b>(5,008,065)</b>	<b>(9,215,094)</b>	<b>490,701</b>	<b>(8,724,393)</b>	<b>-5.3%</b>
<b>Appropriation</b>						
<b>Total Expenses</b>			<b>21,908,336</b>	<b>132,076</b>	<b>22,040,412</b>	
Less: Non Cash items				-		
Depreciation and Amortization			7,456,583	366,355	7,822,938	
Total Non-Cash			7,456,583	366,355	7,822,938	
<b>Amount to be Appropriated (Cash Expenses)</b>			<b>14,451,753</b>	<b>(234,279)</b>	<b>14,217,474</b>	

## Port of Anchorage Reconciliation from 2016 Approved Budget to 2017 Proposed Budget

	Appropriation	Positions		
		FT	PT	T
<b>2016 Approved Budget</b>	21,908,336	20	2	10
<b>Transfers (to)/from Other Agencies</b>				
- MESA and Gross Receipts	877,660	-	-	-
- Charges by/from others	74,441			
<b>Changes in Existing Programs/Funding for 2017</b>				
- Legal Services	(1,108,204)	-	-	-
- Depreciation	366,355	-	-	-
- Salary and benefits adjustments	(88,176)	-	-	(4)
<b>2017 Continuation Level</b>	<b>22,030,412</b>	<b>20</b>	<b>2</b>	<b>6</b>
<b>2017 Proposed Budget Changes</b>				
- Increase in travel for legal	10,000	-	-	-
<b>2017 Proposed Budget</b>	<b>22,040,412</b>	<b>20</b>	<b>2</b>	<b>6</b>
<b>2017 Budget Adjustment for Accounting Transactions (Appropriation)</b>				
- Depreciation	(7,822,938)	-	-	-
<b>2017 Proposed Budget (Appropriation)</b>	<b>14,217,474</b>	<b>20</b>	<b>2</b>	<b>6</b>

**Port of Anchorage**  
**2017 - 2022 Capital Improvement Program**  
(in thousands)

<b>Project Category</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Anchorage Port Modernization Project	223,000	-	-	-	-	-	223,000
Anchorage Port GIS Mapping	250	-	-	-	-	-	250
Ship Creek Boat Launch Repairs	2,039	-	-	-	-	-	2,039
Storm Drain Repair & Enhancement	500	500	250	250	250	250	2,000
Wharf Pile Enhancements	3,000	3,000	3,000	3,000	3,000	3,000	18,000
<b>Total</b>	<b>228,789</b>	<b>3,500</b>	<b>3,250</b>	<b>3,250</b>	<b>3,250</b>	<b>3,250</b>	<b>245,289</b>

<b>Funding Source</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>Total</b>
Equity/Operations	5,100	3,500	3,250	3,250	3,250	3,250	21,600
State/Fed Grants	223,689	-	-	-	-	-	223,689
<b>Total</b>	<b>228,789</b>	<b>3,500</b>	<b>3,250</b>	<b>3,250</b>	<b>3,250</b>	<b>3,250</b>	<b>245,289</b>

**Port of Anchorage**  
**2017 Capital Improvement Budget**  
(in thousands)

<b>Project Title</b>	<b>Debt</b>	<b>State/Fed Grant</b>	<b>Equity/ Operations</b>	<b>Total</b>
Anchorage Port Modernization Project	-	223,000	-	223,000
Anchorage Port GIS Mapping	-	-	250	250
Ship Creek Boat Launch Repairs	-	689	1,350	2,039
Storm Drain Repair & Enhancement	-	-	500	500
Wharf Pile Enhancements	-	-	3,000	3,000
<b>Total</b>	<b>-</b>	<b>223,689</b>	<b>5,100</b>	<b>228,789</b>

## Port of Anchorage Statement of Cash Sources and Uses

	2015 Actuals	2016 Proforma	2017 Proposed
<b>Sources of Cash Funds</b>			
Net Cash by Operating Activities	(4,307,311)	(3,321,254)	(4,745,942)
Interest	358,336	320,919	200,000
Grant Proceeds/Capital Contributions	6,152,664	2,839,000	228,789,000
<b>Total Sources of Cash Funds</b>	<b>2,203,689</b>	<b>(161,335)</b>	<b>224,243,058</b>
<b>Uses of Cash Funds</b>			
Additions to Plant	2,762,657	2,839,000	228,789,000
<b>Total Uses of Cash Funds</b>	<b>2,762,657</b>	<b>2,839,000</b>	<b>228,789,000</b>
Net Increase (Decrease) in Cash Funds	(2,850,523)	2,814,873	(327,549)
Cash Balance, January 1	17,193,519	14,343,146	19,996,869
<b>Cash Balance, December 31</b>	<b>14,342,996</b>	<b>17,158,019</b>	<b>19,669,320</b>
<b>Detail of Cash and Investment Funds</b>			
Equity in General Cash Pool	10,113,362	12,928,235	12,600,686
Equity in Construction Cash Pool	4,229,634	7,068,634	12,857,634
<b>Cash Balance, December 31</b>	<b>14,342,996</b>	<b>19,996,869</b>	<b>25,458,320</b>

## About Port of Anchorage

### 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, equating to about 250,000 commercial truck trips through Port property. 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 stakeholders have maintained a notable safety record throughout the five decades the Port has been in operation. The Port is one of 21 nationally designated Department of Defense strategic seaports.

The Anchorage Port Modernization Project (APMP) began in 2003 as the Port Intermodal Expansion Project (PIEP). What started as an expansion effort, is now solely focused on replacing the deteriorating dock structures that have reached their original design life and were not built to current engineering standards for operational and seismic performance.

### Physical Plant

Real Estate: 128 acres of developed uplands  
                   65 acres currently under construction  
                   48 acres of newly acquired land from JBER  
                   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  
1,641 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 dry 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.



## **Services**

Approximately 50% of all waterborne freight entering the State, and 90% of all refined petroleum products sold within the Railbelt and beyond (87% 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 military bases, Joint Base Elmendorf-Richardson and Fort Wainwright are key transportation nodes for Department of Defense concerning mobilization planning, shipping/transporting of jet fuel and other related petroleum products and bulk cargo for military use.

The Municipality of Anchorage is the Grantee of 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. 8 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 220-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), the Marine Mammal Protection Act (MMPA), Endangered Species Act and Coastal Zone Management Plan. The Port area was also granted a categorical exclusion from Cook Inlet Beluga Whale critical habitat for reasons of its strategic importance to the Department of Defense and the State.

## **Port Safety Security and Emergency Preparedness**

Because the Port is a lifeline to the state of Alaska, safety, security and emergency preparedness are key parts of Port operations. Threats of natural disasters, accidents, or terrorist potentially disrupting the commerce and fuel supply for 87% of the state's population is of utmost importance. Efforts will continue to prevent and minimize these threats as well as establishing recovery procedures. These efforts are done in conjunction with the Port stakeholders, MOA, state, and federal agencies. The Port continues to undergo security upgrades via Federal Port Security Grant applications and awards. Emergency preparedness planning and drills continue to be held to establish up to date disaster action and mitigation plans.