



**Anchorage Port Commission:**

Captain Brad Kroon, Chair  
CAPT (Ret.) Robert Pawlowski, Vice-Chair  
CAPT (Ret.) Paul Mehler, Commissioner  
Mr. Kevin Mackey, Commissioner  
Mr. Garret Wong, Commissioner

Mr. Andrew MacLeod, Commissioner  
Captain Ron Ward, Commissioner  
Mr. Simon Lisiecki, Commissioner  
Mr. Aves Thompson, Commissioner

September 30, 2020

Assembly Chair Rivera;

This report is in response to the Anchorage Assembly's request for the Commission to "to report annually in September to the Assembly on the overall financial status of the Port, the sufficiency of the rate increases approved by this Resolution to finance the capital projects of the Port of Alaska Modernization Program, including savings toward intended capital projects, summary of revenue received and projected, Port users' reactions or response, availability of other financing, grants, or litigation settlement revenues," as directed in AO 2019-141.

With respect to the Port's financial health year-to-date, all revenue and expense projections are on target apart from Cruise Ship revenues, which were significantly impacted by COVID-19. We do not anticipate any significant financial changes for the remainder of 2020. We are pleased with the Port staff's management of their finances and discussion with the Commission in each meeting. As you are involved now in the budget planning for 2021, we assume you have sufficient access to the Port's financial details; so, none have been included here. To date, we understand that there have been no activities with respect to "litigation settlement revenues" to review or discuss. We also understand that a trial date has been set for February 2021. Additionally, the Commission has received no adverse comments from any of the Port users as they pertain to the Port's financial activities.

Attached is a copy of the presentation given to the Commission at our September 30, 2020 meeting in regard to the tariff review portion of your request. As noted, the tariff rate structure that was approved by the Assembly for both the Petroleum-Cement Terminal (PCT) debt service coverage and for support of port maintenance and operations is performing as intended. Specifically to the PCT debt service Plan of Finance and its impact on the PCT-related tariffs, you will note that while an opportunity to adjust the rates in 2021 does not present itself, there will be an opportunity to review again in 2024 for a possible adjustment starting in 2025.

The Port Commission will continue to honor your request for an annual review. Given that market conditions and other unexpected events may occur between these reviews, we are committed to review each in the context of the Port's tariff and react to them if needed.

Very Respectfully,

Brad Kroon  
Commission Chair

Copy to:

Assembly Vice-Chair Austin-Davidson  
Assemblymember Allard  
Assemblymember Constant  
Assemblymember Dunbar  
Assemblymember Kennedy  
Assemblymember LaFrance  
Assemblymember Perez-Verdilla  
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Assemblymember Weddleton  
Assemblymember Zaletel