

Anchorage Port Commission: Captain Ron Ward, Chair Mr. Garret Wong, Vice-Chair Ms. Peggy Rotan, Commissioner Mr. Chris Manculich, Commissioner Mr. Aves Thompson, Commissioner

Mr. Mike Robbins, Commissioner Captain Paul Mehler, Commissioner Mr. Kevin Mackey, Commissioner Mr. Scott Selzer, Commissioner

July 5, 2023

TO: Anchorage Assembly Members

SUBJECT:Anchorage Port Commission Letter of Continued Support for Adopting a Port of Alaska Tariff Surchargefor PAMP Debt Service Coverage

Assembly Chair Constant & Vice-Chair Zaletel;

The members of the Anchorage Port Commission would like to take this opportunity to restate our support for adopting into the existing Port of Alaska Terminal Tariff a uniform surcharge to be put towards the debt service coverage for all future Port of Alaska Modernization Program (PAMP) revenue bonding requirements.

We initially made this recommendation to the Assembly in Port Commission Resolution 23-01, submitted for your action through AO 2023-23 on the March 21, 2023, Assembly agenda and subsequent action scheduled for a Public Hearing at the May 9, 2023 meeting. The resolution was signed after the Commission's October 24, 2022 public meeting where the motion passed with a vote of 5 to 4, where a quorum was present, and where there is no requirement for unanimity in order to take or voice the Commission's position. As you recall, in an EUOC work session prior to introducing this Assembly action held on December 14, 2022, we stated that the Commission met three times in public work sessions to fully vet our position before voting. But because so much time has passed since then, with no action yet taken, we felt it important to restate our position to you.

Recall also in the December 14, 2022, EUOC work session, we explained that the commissioners who were opposed felt that more time to examine the facts and details of the surcharge plan was needed. Their objection was not to the idea, but rather to the timing of introducing it. As of this date, 36 weeks have passed since that vote, several more public meetings on the matter have been held, and this body feels its position is unchanged. In fact, three of the four commissioners who previously were opposed, and who were present at the July 5th Port commission meeting, no longer are. So it is also with a desire to inform you of this new dynamic that we submit this letter to you.

Additionally, while it is not one of our duties to take a position on the matter, we would also like to state in writing our support for the cargo dock basis of design concept that is being recommended in AO 2023-60. It is the position of the Commission that this concept, in the long run, provides the Municipality and the Port the greatest degree of flexibility in how to respond to future maritime industry changes without incurring large amounts of future construction costs to meet those needs. We also believe that this concept will support all three missions of the Port of Alaska—support commerce, support the DoD, support federal and state disaster response and recovery—throughout what will be the 70-year PAMP design life. It is a far wiser decision to be ready now for what the future may send your way than it would be to fear the overall cost, stop short of what would be necessary, and then find yourself without it when the need arises because you chose to wait. There is only one port in Alaska that can do what the Port of Alaska does in support of the federal government, the state and its citizens—there is no back up. Build a port with both redundancy and resiliency and kill those two birds with one stone! It's what Alaska can easiest afford!

Thank you for your time and attention. Please reach out to any of us if you'd like to discuss these matters more.

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Captain Ron Ward, Chair

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Aves Thompson, Vice-Chair