Port of Alaska MODERNIZATION PROGRAM

October 2025

Completion of the North Extension Step 1 project allows for safer vessel landings during Cargo Terminals construction

The North Extension Step 1 (NES1) project removed much of the southern half of the failed North Extension and stabilized the shoreline. Stabilizing the shoreline increased usable land area for the Port, and removing the failing land widened the marine shipping lane for the cargo terminals.

Cook Inlet has some of the largest tidal swings in the world creating very swift currents making them a critical factor in safe vessel docking. Completion of NES1 allows for safer vessel landings that maneuver into a current, versus landing with a current. Cargo vessels from Tacoma can now safely approach from the south and turn around in front of the North Extension to land at the dock into the tidal current, their preferred route.

The Port collaborated extensively with ship pilots working at the Port during the planning and design process to simulate various design ideas and ensure the final design is workable for them. During construction the pilots will have less space than during normal operations to land their vessels. To maximize the amount of space available to land vessels, ship pilots strongly recommended that the PAMP prioritize cutting back the North Extension as much as possible.

Placing the final upper layer of stone on the shoreline.

View of completed NES1.

NES1 was awarded a $68.7M federal grant which was matched with State funding for a total of $137.4M. The Port has been submitting federal grant reimbursement requests and will soon receive the awarded funds.

Ship Pilot Training

The Port is providing ship pilot training to those who will land Matson's vessels during Terminal 1 construction. This training will help minimize the inherent risk of continuing Port operations during construction.

The training will cover both Phase 1 and 2 of the Terminal 1 project.

- **Phase 1:** Landing at the current shortened dock during construction of the majority of Terminal 1 during Phase 2.
- **Phase 2:** Landing at the partially completed new Terminal 1 during construction of the final portion of new Terminal 1.

Status Updates

Petroleum Cement Terminal – Fuel Transfer System

The Port is actively finishing final testing and small repair work in preparation for beginning its fuel transfer operations this winter.

Cargo Terminal 1

- The selected contractor began work this spring and will begin planning the four-year construction effort. Construction will start March 16, 2026, and will be completed by the end of 2029.
- With the exception of the MARAD NEPA decision, all federal permits have been received. The Port has been working closely with MARAD to submit an acceptable Environmental Assessment document and submitted their final draft last week. MARAD's Section 106 decision is also outstanding. The government shutdown has not yet affected progress on these two decisions. However, we anticipate an extended shutdown may affect the positional approvals needed to finalize the decision. The Port is closely monitoring the process.
- All major procurements are in process. The pile fabrication has begun and is ramping up efficiency. The pre-cast concrete fabrication will begin next month.

Cargo Terminal 2

- The Municipality of Anchorage expects to award a design contract for this work in November. The selected designer will provide a concept-level design which will allow the Port flexibility in the contracting strategy with a goal of cost efficiency. It will also allow the Port to more effectively pursue federal funding.
- This contract will be paid using a congressionally directed spending grant of $5M through the Housing and Urban Development grant program.

New Petroleum Terminal

The Port has submitted a grant application for FY25 Port Infrastructure Develop Program grant using the planning, permitting, and design effort of the Petroleum Terminal (PT). The PT will replace the existing Petroleum, Oils and Lubricants Terminal 2 which is deteriorating faster than expected. The Port is planning to complete a thorough condition assessment this winter to assess potential operational restrictions and needed repair work. The PT is planned as the final of four terminals to be replaced under the PAMP.

Further details can be found at: modernization.portofalaska.com