

March 29, 2010

Gov. Sean Parnell
P.O. Box 110001
Juneau, AK 99811-0001

Dear Gov. Parnell,

I am a resident of Girdwood and a founding member of Girdwood 2020, a group of concerned citizens who advocate for responsible development. One of our priorities is the economic health of Alyeska Resort, which relies on cruise visitors during the summer to carry it through the shoulder seasons.

The hotel suffered last summer and is so nervous about this season it significantly reduced personnel costs by downsizing its work force and dropping insurance for its employees.

Girdwood 2020 has long been concerned with the negative impacts of the cruise ship initiative and has passed two resolutions supporting repeal or major changes in both its environmental and economic requirements. Here is the text of the one we passed last year:

**Girdwood 2020 Board of Directors
Resolution In Support of Modifying
2006 Alaska Cruise Ship Initiative**

WHEREAS, Girdwood 2020 comprises a group of citizens who want Girdwood to grow and prosper as a unique, internationally recognized mountain resort community through environmentally responsible economic development,

WHEREAS, Girdwood is one of the top destinations for cruise ship passengers in Southcentral Alaska,

WHEREAS, cruise ship passengers are important to the economic viability of Alyeska Resort, along with dozens of other area businesses, including Alaska Heritage Tours and the Alaska Wildlife Conservation Center,

WHEREAS, a 2006 Alaska Cruise Ship Initiative dramatically increased the cost of cruising to Alaska by imposing three new taxes, including a \$50 passenger entry fee, and environmental standards not required by other dischargers, and

WHEREAS, cruise lines have redeployed ships and shifted itineraries in an effort to reduce costs and increase margins, and

WHEREAS, the redeployments will reduce the number of cruise passengers to Girdwood and Southcentral Alaska by one-third in 2010 and cost the region more than \$150 million in lost taxes, local purchases and passenger spending, along with three to five flights per week, and

WHEREAS, no other destination imposes such a costly tax and environmental fee structure and most destinations are offering the cruise industry incentives.

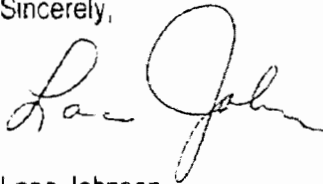
NOW THEREFORE BE IT RESOLVED, the Girdwood 2020 Board of Directors urges Governor Sean Parnell and the Alaska State Legislature to create a panel to evaluate the effects of the 2006 Cruise Initiative and to review, eliminate or lower the \$50 entry fee.

Approved the 12th day of September, 2009

I commend you for your brave move to significantly reduce this onerous tax and return our state's competitive advantage.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Lana Johnson". The signature is fluid and cursive, with the first name "Lana" written in a larger, more prominent script than the last name "Johnson".

Lana Johnson
P.O. Box 708
Girdwood, AK 99587
907.783.1110



March 29, 2010

Dear Legislator;

On behalf of the Board of Directors of Southeast Conference we strongly support Governor Parnell's efforts to reduce the amount of the Alaska cruise ship head tax from \$46 to \$34.50 and encourage tourism marketing tax credit legislation. We have to compete in a global market that is steadily taking away the state's cruise travel market. Bermuda just lowered its cruise ship taxes and fees, which now makes Juneau the most expensive port in North America. These efforts by the Governor will bring our taxes more in line with our competitors.

Southeast Conference is a regional, nonprofit corporation that advances the collective interest of the people, communities and businesses in Southeast Alaska. Members include municipalities, native corporations and village councils, regional and local businesses, civic organizations and individuals throughout the region. Our mission is to undertake and support activities that promote strong economies, healthy communities, and a quality environment for Southeast Alaska. We are the State-designated Alaska Regional Development Organization (ARDOR), the federally-designated Economic Development District (EDD), and the federally designated Resource Conservation and Development Council for Southeast Alaska. Each of these designations requires Southeast Conference to take an active role in regional resource management and economic development planning.

After decades of steady growth in the tourism sector, Alaska is facing a 17 percent decline in cruise visitation this summer. That will translate to 140,000 fewer passengers coming here during the four-month cruise season. Alaska businesses have come to rely on the tourism business for the stability they need to run a year round business. These projected reductions will be devastating to our small businesses in Southeast Alaska. This tax reduction is good faith toward the value we put on our most renewable economy, tourism. Support for this legislation will let the cruise companies know that we value their business.

Southeast Conference urges the legislature to support the head tax reduction.

On behalf of the Board of Directors,

Shelly Wright
Executive Director



3/29/10

Governor Sean Parnell
PO Box 110001
Juneau Alaska, 99811

Governor Parnell,

First, thank you for putting forward your hybrid tourism bill (SB422/HB311), to reform the cruise tax structure as well as help our industry market itself. It is not always popular to do the right thing, and you have shown outstanding leadership by acknowledging and battling a dangerous threat to Alaska's economy. The Tourism Industry touches every region of the state, and helps prop up every sector of our economy. As you know, the last two years have been brutal for our industry, and your proposal is the first ray of sunshine we've seen in quite a while. I'm confident that if it passes, it will help pull the Tourism Industry out of the quicksand it's been stuck in, as well as bolster the Alaskan economy in general.

Ballot Measure 2, when it passed, was one of the toughest initiatives to understand that I've ever seen. It was sold to the public as a minor fee that cruise ships needed to pay, in order to offset some of the costs that the State incurs on their behalf. This is a hard message to argue with, everyone should pay their own way and the Cruise Industry is no exception. Hindsight being what it is, we can now see the real, tangible, measurable effects of this legislation. Not only was the \$50.00 tax enough to radically change the economics of the Cruise Industry in Alaska, the initiative as it turns out, was also packed with a whole host of regulations, stipulations and environmental requirements that made Alaska one of the toughest places for these companies to do business. At the time, its authors said to the Alaskan public "don't worry, cruise ships aren't going anywhere" and three years later, the proof is in the pudding. Ships have left, despite the assurances of the Ballot Measure's authors.

The second half of your proposal, the Tourism Marketing Tax Credit is equally important to our industry. When a ship leaves our state, it takes a proportional amount of marketing dollars with it. Add to that the overall decline in marketing dollars this state has spent in the last 15 years, and you can see why Alaska just doesn't compete on a world stage. Cruising has proven very popular, and every region of the world is figuring out how much they have to gain by attracting visitors. Gone are the days where the Caribbean was our only competition. Now Alaska is just one of dozens of exotic cruise destinations, and getting our message out is twice as important as it was even 10 years ago. Luckily we have an easy pitch to make: Alaska is blessed with unmatched natural wonders, accessible wildlife and the most exciting native cultures in the world. We just need to get that message in front of the travelers, and that's going to take more funding.



My grandparents started this business 60 years ago and like any struggling family business, we have had ups and downs; but in all that time the last two years stand out. Last year we had an almost 30% drop in passengers, and bookings for this summer are down another 20% on top of that. In the last two years we have cut over 70, out of what was almost 200 seasonal workers we hired in 2007. We have also cut 4 of our 18 full time positions. These are real people; families who have mortgages and students who pay tuition. Besides the emotional aspect of these cutbacks, they also represent a dramatic decrease in dollars spent in the community. These Alaskans used their wages to pay bills, buy groceries and put gas in their car. This is how tourism touches the entire Alaskan Economy, and why this legislation is so vital, not just for us, but for the whole state.

Thank you for your leadership on this issue, I proudly support these two bills and hope that the Legislature passes them quickly.

Sincerely,

A handwritten signature in black ink that reads "Ryan Binkley". The signature is written in a cursive style with a large, prominent "R" and "B".

Ryan Binkley
President, Riverboat Discovery
Fairbanks Alaska



March 30, 2010

Governor Sean Parnell
PO BOX 110001
Juneau, AK 99811

Dear Governor Parnell:

Hello Governor, first let me say thank you for your recent introduction of House Bill 422 and Senate Bill 311. I would like to take a moment of your time to tell you about the importance of this tourism bill to myself and to countless other members of the Fairbanks community. Over the years I have been lucky enough to have the experience of growing up in a family business; it taught me invaluable skills and life lessons, and it always meant that I had a summer job that I had to show up to everyday. It also gave me the opportunity to work side by side many of my best friends and was a place where I formed lasting friendships with peers from all over Alaska.

As I have taken on a more permanent role here at the Riverboat Discovery, I have had the pleasure of hiring and managing a large portion of our full-time and summer crew. It has given me a chance to mentor outstanding young Alaskans and teach them the values and work ethic that I was taught as a young deckhand growing up on the boat. It also provides them with a steady summer income that allows them continue paying for their education, rent, living expenses, etc. This money trickles through various Fairbanks businesses and helps support all sectors of the local economy. I have seen the positive effect that this "simple summer job" has had on young Alaskans a hundred times over, and it has become one of the most rewarding aspects of my job.

Over the last two winters it has been disappointing to see how the severe drop off in Alaska tourism has had such a devastating effect on our crew size. We have been forced to cut 4 year-round positions and have seen our summer crew drop, from nearly 200 two years ago, to 120 for 2010. It is difficult having to turn away so many exceptional young people because we can no longer support such a staff.

While many of us in the industry have been battling to reverse this disturbing trend for the last two years, it has been a lonely fight. That is why I am so grateful for your recent support and leadership on this issue. HB422/SB311 is the first step in getting Alaska tourism back on track and with your continued support, coupled with the help of the legislature, Alaska can once again become a premier visitor destination.

Thank you for stepping up to the plate for all Alaskans on this issue; you have my full support in your efforts.

Sincerely,

Captain Wade Binkley
Vice President of Operations



Our lifestyle, your reward

March 25, 2010

The Honorable Sean Parnell, Governor
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

Thank you for your participation in the Cruise Shipping Miami conference and Sea Trade industry trade show last week. It was a great affirmation of your commitment to our industry to have you join us.

Perhaps more importantly, I wish to convey my thanks for your willingness to demonstrate your support for the tourism industry by offering a solution to two of the issues that most affect my community's viability as a visitor destination- changes to the state head tax and support for increased marketing of Alaska.

The ballot measure that was narrowly passed by voters during the primary elections in 2006 has created unwieldy and punitive measures against the cruise line industry. I appreciate that you understand by lowering the head tax, and eliminating the collection of fees that in the past have been used for somewhat questionable projects, we can move forward. Your proposal ensures that funds will continue to be available for needed infrastructure improvements and strongly signals that Alaska values its relationships with our business partners, who in turn bring visitors to our shores to see our sights, buy our tours, shop in our stores, dine in our restaurants and go home with a positive message about our amazing state.

Marketing Alaska as a visitor destination is equally important. Alaska's appeal is still there, but our message is often lost in the clutter of all of the travel advertising and promotion that exists in the media. While other destinations are ramping up their efforts to bring visitors in, Alaska's budget is flat, and dollars are stretched. The state has a role to play, and it is more important than ever that Alaska commit additional dollars to grow this industry.

While oil is indisputably a large factor in our state's economy, tourism is an important, long term resource that will continue to produce jobs, local and state government revenues and create small business opportunities, not only in Ketchikan but throughout Alaska. It often has taken a back seat as a priority for our elected officials. I can only say again, thank you for your interest in and elevation of solutions that will benefit us all for the long term.

Sincerely,

Patti Mackey
Executive Director



Greater Ketchikan Chamber of Commerce

P.O. Box 5957, Ketchikan, Alaska 99901

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E-mail: info@ketchikanchamber.com

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2010 Officers

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President

Trident Seafoods

Kim Glisson
Secretary

1st Vice President

Alaska Escrow & Title
Insurance Agency, Inc.

Miguel Torres
2nd Vice President
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Nancy Christian
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Alaska Pacific Bank

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Anderes Oil Inc

Doug Ward

Alaska Ship
& Drydock, Inc.

Jacob Hasty

Computer HQ

John Malouf

Alaska Amphibious Tours

Eric Nichols

Alcan Forest Products

Jason Harris

Guardian Flight

Chamber Staff

Blaine Ashcraft
Executive Director

*Governor Sean Parnell
Third Floor, State Capitol
PO Box 110001
Juneau, Alaska 99811-0001*

Dear Governor Parnell,

On behalf of the Greater Ketchikan Chamber of Commerce and its 324 member businesses, I would like to thank you for your introductions of proposals that we feel would greatly benefit our members and our community. As you may realize our community has undergone a huge transition from a resource extraction based economy to a community that presently predominantly tourism based economy.

We are extremely fortunate that during the waning years of the timber industry, that we were at the same time seeing the offsetting growth in the tourism industry; that growth was arguably the savior of our community. As such, over the last 15 years, Ketchikan has made significant investment into our infrastructure and into reinventing and itself to be a part of this competitive market.

Although we are continually looking at ways to diversify our economy, the fact of the matter is: our community could not survive without tourism or the tourism industry.

We are in full support of your proposed solutions, specifically;

- *Reducing state head tax from \$46.00 per person to \$34.50 per person*
- *Providing credit for local head taxes*
- *Requiring the state to review tax rates every three years to help insure that funds are aligned with infrastructure needs.*
- *Allowing tourism revenue to be reinvested in marketing Alaska, through a corporate tax credit.*

Sincerely,

Blaine Ashcraft

Executive Director

Greater Ketchikan Chamber of Commerce

Governor Sean Parnell
PO Box 11001
Juneau, AK 99811-0001

Governor

Bill # HB 422 and SB311

I'm glad you are supporting this effort to reduce the head tax and with the Alaska Tourism Marketing Tax credit. I have been involved with the Eldorado Gold Mine for 16 years and have been in a position to hire local Alaskans for our operation in the last 12 years. Last year we had a decline in passengers and with the cruise ship cancellations for 2010 we are hiring less crew members again this year.

What this results in is less college students working to help pay for their college expenses. I have seen reductions across the board in our company, full time and seasonal positions cut and not filled. This has an effect on families like my own with a son in college and my daughter going to college in the fall of 2011. With reductions in crew we have lots of college and high school students still looking for work. If they don't find work it will cost more to go to college and in fact may be the deciding factor whether they can afford to go to college at all.

We need to make Alaska more competitive in the market and this will be a huge step in achieving this. When I go to the grocery store and see parents in town here, I have had some ask about seasonal work for their kids, I hope in the future we can hire these students in the Fairbanks area with the return of the cruise passengers to the interior.

I like what you have done so far in supporting this measure it really will have an effect on jobs and the local economy in parts all across Alaska.

Sincerely

Jayson Kowalchuk
VP Eldorado Gold Mine
Fairbanks, Alaska
907-590-0849



March 29, 2010

Governor Sean Parnell
PO Box 11001
Juneau, AK 99811-001

Dear Governor Parnell:

The decline in the visitor industry is hurting our business, our community, and our residents. The loss of revenue due to the decrease in tourism (i.e. bed taxes, sales taxes, etc.) is hurting us. The loss of three additional ships in 2010 will be felt throughout the entire State. Alaska will see a loss in revenue of \$165 million in 2010 and we will lose the marketing funds that go with each ship. Fairbanks will have 33 percent fewer passengers visit our community this summer. This is a trend that we cannot afford to see continue.

In order to reverse this downward spiral, we must take action. We must reduce the cost of operating in Alaska for the cruise industry and increase the State's marketing efforts. Our great State is no longer competitive in the global market in either of these areas. As other destinations are lowering fees and increasing markets, we increased fees with ballot Measure 2 and have no money to increase our marketing efforts.

I fully support the plan you have proposed and truly believe that it is our best chance to save our tourism industry. The reduction of the head tax and the Alaska Tourism Marketing Tax Credit bills (SB 311/HB 422) are the best hope for the survival of the Alaskan-owned small businesses. The passing of these bills will create a sustainable mechanism that will support marketing Alaska and hopefully bring more visitors to Alaska. Your leadership has given strength and momentum to these bills and I greatly appreciate it.

Sincerely,

Susan Fischer
Vice President of Administration
Gold Dredge No. 08

Bell, Susan K (GOV)

From: Laura Cloward [director@seward.net]
Sent: Tuesday, March 30, 2010 2:18 PM
To: Parnell, Sean R (GOV)
Subject: Seward Chamber Support for Gov Parnell Tourism Marketing/Cruise Industry Efforts

March 30, 2010

The Honorable Governor Sean Parnell
Governor of Alaska
Juneau, AK 99801

Dear Governor Parnell:

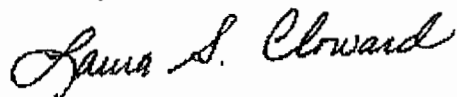
The Seward Chamber of Commerce, Conference and Visitors Bureau would like to thank you for your efforts to strengthen Alaska's economy through tourism marketing and partnership with the cruise line industry. We applaud your travel to Miami and your willingness to engage with the cruise industry, and important facet of Seward's economy.

On March 15th, the Seward Chamber Board of Directors approved Resolution 2010-03 urging the Alaska State Legislature to support the passage of the Alaska Tourism Marketing Tax Credit bill (SB 138/HB 167). Since our passage of Resolution 2010-03, we were pleased to see your proposed legislation introduced into both the State Senate and House, legislation which both encourages investment into tourism marketing and sustains jobs by reducing the cost of doing business in Alaska.

It is critical in today's economy that the State take action to help our businesses remain viable and retain those jobs tied directly and indirectly to tourism. Seward is fortunate to have a diversified economy; tourism plays an important role in that balance. Beyond seasonal employment, this impact is year-round: government positions tied to Kenai Fjords National Park; a rail line that supports not only seasonal passenger travel, but year-round coal export and barge activities; cruise ship-capable berths and terminal facilities that support cargo dockings, AMHS maintenance, and visits by military vessels; and purchase of locally-processed commercial fish.

We fully support your respective bills, SB311 and HB422, which, in addition to implementing a tourism tax credit, goes a step further by reducing the fees associated with cruise visitors traveling to our great state. Thank you for your leadership on this important issue.

Sincerely,



Laura Cloward, Executive Director
Seward Chamber of Commerce

cc: Alaska State Legislature

3/31/2010



American Society of Travel Agents
1101 King Street, Suite 200
Alexandria, VA 22314

Tel 703.739.2787
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800.ASKASA

askasta@asta.org
www.ASTA.org

The Honorable Sean T. Parnell
Alaska State Capitol Building, Third Floor
P.O. Box 110001
Juneau, AK 99811-0001

23 March 2010

Dear Governor Parnell:

On behalf of the American Society of Travel Agents (ASTA) and its approximately 3,500 domestic travel agency firms, I applaud and strongly support your recent proposal to reduce the state "head tax" on cruise ship passengers from \$46 to \$34.50.

Travel agents are responsible for over \$14 billion in annual cruise sales--approximately 80% of all cruise travel sold. As part of its advocacy mission on behalf of the travel agency community and the travelling public, ASTA supports the reduction of regulatory and tax barriers that make travel more expensive.

The predictable effect of a tax reduction such as the one you have proposed will be an increase in the number of cruise passengers visiting your state—a welcome result for passengers, travel agents, and Alaska-based businesses alike. We look forward to working with you to help this measure to become law.

Thank you for your leadership on this and other issues affecting the travel industry.

Very Truly Yours,

Chris Russo
President and Chair

CC: Sen. Lyman Hoffman, *Co-Chairman*, Senate Finance Committee
Sen. Bert Stedman, *Co-Chairman*, Senate Finance Committee
Rep. Mike Hawker, *Co-Chairman*, House Finance Committee
Rep. Bill Stoltze, *Co-Chairman*, House Finance Committee
Rep. Jay Ramas, *Chairman*, Special Committee on Economic Development,
Trade, & Tourism