



March 12, 2009

Representative Mark Neuman
Co-Chair, House Resources Committee
State Capitol, Room 432
Juneau, AK 99801

RE: HB 134, An Act relating to the terms and conditions of commercial passenger vessel permits for the discharge of graywater, treated sewage, and other wastewater

Dear Chairman Neuman:

I am writing to express my support for HB 134 as originally proposed, as well as my concern with Representative Seaton's pending amendment.

As you know, the original intent of HB 134 is to give the Alaska Department of Environmental Conservation the ability to look at all options and use the best science to establish discharge standards that will protect our water and marine environment. This amendment accomplishes the exact opposite.

The amendment appears to make significant changes in environmental policies for coastal communities without any input from coastal communities, and I appreciated your suggestion that input be solicited from potentially impacted port communities.

My concerns with the amendment include:

1. The priorities for port communities are improvements to port infrastructure. For example, Ketchikan's top priority for port-related development is a \$25-30 million upgrade to replace two old wooden cruise berths downtown. Unfortunately, major port communities such as Ketchikan and Juneau do not receive a regular annual distribution from the first five ports of call distribution formula that was in the initiative.

I find it very interesting that those who cleverly designed the initiative to exclude port communities such as Ketchikan and Juneau from the receipt of passenger tax funds are now trying to induce the port communities to accept funds only for expenditures on treatment plants. This further limits our ability to access the passenger tax revenue for needed port infrastructure by diverting a substantial portion of the revenue to a purpose which was never considered by the voters.

2. While the amendment proposes to allocate up to 50% of the passenger tax revenues to the design and construction of wastewater plants in port communities, it appears to saddle the communities with any increased operating costs. For your information, our community received a preliminary estimate last week that an upgrade to its plant would cost \$20-40 million, and operational costs would increase by \$1-3 million per year. Furthermore, the upgrade would not be to the 2010 standard arbitrarily imposed by the initiative on cruise vessels.

3. Section 7 seems to be a "poison pill." It appears to state that, if a court finds the excise tax unconstitutional, two sections are repealed, and there is a return to the status quo on vessel discharge. This appears to be the case even if substantial funds had already been expended on shore-based facilities. I believe that, based upon how the state is distributing proceeds of the passenger tax, federal restrictions on its use are being violated and litigation may be both appropriate and likely.

As you know, local communities such as Ketchikan have a very open process to identify and prioritize local capital improvement projects. With input from the public, we have developed our top priorities that we believe will improve the lives of our citizens. With declining oil revenue and limited budgets, it is safe to say that upgrading municipal wastewater treatment plants to such ultra high standards would not be the top priority of the majority of our residents; we are more interested in funding to repair bridges and trestles, expand our hydro resources, and replace aging facilities such as fire stations, hospitals, and libraries. My familiarity with the state appropriations process is such that I believe that receipt of significant funds for unwanted projects such as wastewater plant upgrades would result in a decrease of funding that otherwise might be available for other capital projects which have actually been requested by our communities.

Furthermore, I have tried - with little success to date - to engage the initiative sponsors in a process to sit down and develop a fair way of distributing the proceeds of the passenger fees to benefit the ports of call actually impacted by the ships and their passengers and crews. I am still willing to do that.

I am not willing, however, to have them tell us what our capital priorities should be.

For the reasons stated above, I respectfully request that you oppose the amendment and move the bill from committee in its current form.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Bob Weinstein".

Bob Weinstein
Mayor

cc: Senator Bert Stedman
Representative Kyle Johansen
Ketchikan City Council