



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