

(S) RES – SB29 – 1/25/13

Testimony by Andy Rogers, Deputy Director, Alaska Chamber  
arogers@alaskachamber.com

Good afternoon madam Chair, Vice-Chair Dyson, and members of the committee.

For the record, my name is Andy Rogers and I serve as the Deputy Director of the Alaska State Chamber of Commerce. The Alaska Chamber is the statewide Chamber of Commerce representing hundreds of diverse businesses from across our state and thousands of working Alaskans. The majority of our members are small business owners from every corner of the state. Together, our members share a common goal: to make Alaska a viable and competitive place to do business.

Thank you for hearing SB 29 today and please note that this bill and its companion in the house, HB80, have the full support of the Alaska Chamber and its members. It is our hope that this bill will enjoy bipartisan support and that you will pass SB 29 out of your committee today.

Each year, Alaska Chamber members gather to identify legislative priorities for the upcoming session. For the past several years, Chamber members have adopted positions in support of changing the way our cruise ship industry is regulated with regards to wastewater discharge. Specifically, the position supports changing the “point of discharge” regulation to a standard that is both attainable and protects the environment.

Current permitting practices also have an impact on several other Alaska Chamber positions. Specifically, Alaska Chamber members have adopted a position to advocate for legislation and regulations that are based on sound science rather than precautionary method.

In 2009 HB134 charged ADEC with the creation of a science panel to evaluate existing technology and also the feasibility and environmental benefit of meeting the 2006 standards. The science panel held their first meeting in 2010 and in total met 15 times. They spent a considerable amount of time evaluating the current treatment systems onboard cruise ships. They also evaluated other technology to determine the feasibility of meeting the initiative standards, reviewed the State permitting process and discussed the impact of discharges on the marine environment.

The results, published earlier in January, affirm that cruise ships operating in Alaskan waters enjoy the most advanced and efficient treatment systems available. The water they discharge meets higher standards than water discharged by any municipal water treatment plant in the state of Alaska.

I believe that this is an encouraging set of results for an industry that is so vital for many of Alaska’s coastal communities.

In addition to supporting regulation based on sound science, Alaska Chamber members support consistency and predictability in Alaska's permitting processes. HB134 allowed AEDC to issue no more than two permits of three years in length. The general permit issued in 2010 was subject to lengthy, costly litigation and administrative appeal. It is reasonable to expect any new permits issued under existing law may be subject to similar litigation. This could threaten Alaska's competitive appeal as a market for an industry where resources are highly mobile and schedules are set years in advance.

This issue is an important one to the economic health of the state. The cruise ship industry has an obvious impact on Alaska's various coastal communities. However, private sector businesses across the state have indicated that the continued presence of cruise ship traffic affects communities and businesses deep into interior Alaska and throughout the state.

This industry is fragile, by Alaskan standards. The resource is renewable, but it's mobile, and the ships that bring tens of thousands of visitors to our port communities can be re-deployed to venues with reasonable permitting and attainable standards. The Alaska Chamber recognizes the economic impact that a reduction or loss of cruise ship passengers will generate.

Most cruise ship passengers disembark and participate in some form of economic activity. Businesses like Alaska Amphibious Tours in Ketchikan and Alaskan Brewing Company, right here in Juneau, create jobs and generate revenue because of cruise ship traffic.

Our railroad, rental companies, motor coach services and restaurants benefit from out-of-state money migrating in from our ports.

According to the Alaska Cruise Association, more than one-fifth of passengers traveling on cross-the-Gulf itineraries also participate in an extended land tour. Many of those move up through Denali and into Fairbanks where hundreds of businesses like Pike's Landing and Hot Licks Homemade Ice Cream provide thousands of jobs to Alaskans and the "Alaskan Experience" to our guests.

Even in the arctic, entrepreneurial companies like Bering Air and Nome Adventure Tours create jobs in economically challenged areas of the state. They do this creatively and in support of our visiting tourists, many of who arrive by sea.

To close, this is an issue with statewide implications and the Alaska Chamber is hopeful that SB 29 will pass Senate Resources and that members of this committee will encourage the passage of SB29 early enough in the session for regulators and industry to generate the necessary regulations and permits for the 2013 season and beyond. Thank you again for the opportunity to testify this afternoon.

