



Municipality of Skagway

GATEWAY TO THE KLONDIKE

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WWW.SKAGWAY.ORG

SENT VIA EMAIL ONLY

March 8, 2021

The Honorable Jesse Kiehl
Senate District Q
Room 419
Alaska State Capitol
Juneau, AK 99811

RE: Letter of Support -- SJR 9 - Urge Exemption for Cruise Ships

Senator Kiehl:

Please accept this letter of strong *support* for SJR9 – Urging Congress to Exempt Certain Cruise ships sailing to Alaska from provisions in the Passenger Vessel Services Act for the 2021 tourism season.

Skagway will suffer drastic financial consequences as a result of a second consecutive year of no cruise passengers. In 2019, our community welcomed over 1,000,000 cruise passengers. The further loss of this economic activity will rip through our community, affecting every aspect our lives here and leaving no one unscathed.

Anything the Alaska State Legislature, State of Alaska, and the Alaska Congressional delegation can do to affect a work-around following the Canadian Ministry of Transports ban on vessels with over 100 passengers through their waters is greatly appreciated.

Thank you for your swift response to this unfortunate development and we welcome the *all-hands* effort in the Senate as evidenced by the fifteen co-sponsors. Please express our appreciation to each and every one of your colleagues. We stand ready to assist in any manner possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Cremata".

Andrew Cremata, Mayor
mayor@skagway.org

cc: Governor Dunleavy
Senator Lisa Murkowski
Senator Dan Sullivan
Congressman Don Young



ONE SEALASKA PLAZA, SUITE 200 • JUNEAU, ALASKA 99801
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Member of the National League of Cities and the National Association of Counties

The Honorable Jesse Kiehl, Sponsor, SJR 9
The Honorable Tom McKay, Sponsor, HJR 11
Alaska State Legislature

February 24, 2021

RE: AML Support for HJR 11 and SJR 9 – Urging Exemption for Cruise Ships; Waiver from Passenger Vessel Services Act

Senator Kiehl and Representative McKay,

The Alaska Conference of Mayors (ACoM) passed Resolution 2021.03, encouraging State action in support of economic recovery. ACoM encourages State officials to consider all the tools at their disposal to assist in Alaska's economic recovery. The resolution references the impacts to communities of the lack of cruise ships, including as a result of CDC actions.

As we approach the 2021 cruise ship season, having to take into account the Government of Canada's actions restricting calls, we know that this directly limits the size of cruise ships able to serve Alaska. Alaska's communities that are cruise-dependent – ranging from Ketchikan to Whittier to Denali Borough – experienced incredible hardship this last year. A second year of nonexistent or reduced sailings will exacerbate their challenges. This goes well beyond our advocacy for strengthening local governments – the residents and economies of these communities depend on Alaska's economic recovery.

AML appreciates the resolutions that you have put forward, and your and others' sponsorship. Clearly, Alaska needs Congress to act. We hope for action that addresses Canada's concerns, bypasses Canada's decision by waiving provisions of the Passenger Vessel Services Act, and produces from the CDC guidance that allows for safe operations during this summer's cruise ship season.

We recognize that no matter what, this cruise ship season will look and feel different. There are many also looking at a new normal and what the right level of activity should be for any one community. Those are local decisions that will depend on the opportunity to debate it, not the lack thereof. Communities are preparing for many eventualities, and foremost among them ways to effectively and safely ensure operations. At this point Alaska has a strong track record. Local governments involved in this effort need time to plan and adjust to new circumstances.

We encourage the Legislature to act quickly on these resolutions, and for our Congressional delegation to meet that action with urgency on their side.

Sincerely,

Nils Andreassen
Executive Director



Haines Chamber of Commerce

*“Promoting economic growth and advocating
for the Haines Borough business community”*

219 Main Street, Suite 14

PO Box 1449 · Haines, AK 99827

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Mallory Ramsdell
Elgee Rehfeld

February 17, 2021

The Haines Chamber of Commerce is in full support of Senate Joint Resolution 9, a resolution **“urging the United States Congress to exempt cruise ships from certain provisions of the Passenger Vessel Services Act and other applicable provisions of federal law for the periods during which Canadian ports are closed to cruise ships carrying more than 100 people; and urging the President of the United States not to fine or take actions against cruise ships sailing to the state.”**

Canada’s recent decision to ban cruise ships in Canadian waters has sent shock waves through the State of Alaska and the Southeast Region, whose economy depends on tourism. It hits even harder here in Haines, as we are a small community in the Southeast that has recently been devastated by flooding and landslides triggered by a record-breaking storm and the overlapping COVID-19 emergency.

As we heal, we must look towards economic recovery to rebuild our future. Tourism is one of the top revenue generating industries for the Haines economy and our community depends on this for their livelihood. There is no doubt that a second missed cruise season will cause irreparable economic damage to our already overwhelmed community.

SJR9 asks the United State Congress and the President to take actions needed for cruise ships to return to Alaskan routes this season. This is our best hope to mitigate the economic blow during the waning months of the COVID-19 pandemic.

Sincerely,

Tracey Harmon
Executive Director
Haines Chamber of Commerce



100 E. Marine Way STE 300 Kodiak, Alaska 99615 • (907) 486-5557 • Fax: (907) 486-7605

February 18, 2021

Senate Transportation Committee

RE: Senate Joint Resolution NO. 9

To Whom it May Concern,

The Kodiak Chamber of Commerce Board of Directors fully supports Senate Joint Resolution NO. 9 for the urging of the US Congress to exempt cruise ships from certain provisions of the Passenger Vessel Services Act.

Currently, without exemptions, Canadian government decisions effectively prevent an Alaskan cruise season. Exemptions from certain provisions of the Passenger Vessel Services Act, that would be time limited request, would allow cruise ships to waive the requirement of stopping in a foreign port. The United States Centers for Disease Control and Prevention has published stringent COVID safety protocols for responsible cruising in American waters.

Tourism, including cruise ships are an essential part of many coastal community economies, including Kodiak. Southeast Alaska would lose income from approximately 1,000,000 passengers, with Kodiak losing income from six ships accounting for under 10,000 passengers. Having no cruise ships in 2021 as was the case in 2020 will be devastating for Southeast Alaska and also have an economic impact on Kodiak.

The Kodiak Chamber of Commerce Board of Directors urges passage of Senate Joint Resolution NO. 9.

Yours in economic prosperity,

Sarah Phillips

Sarah Phillips
Executive Director
ChamberDirector@Kodiak.org
(907) 486-5557

Julie Bonney
Julie Bonney (Feb 18, 2021 11:42 AKST)

Julie Bonney
President
jbonney@gci.net

SJR 9 Letter of Support

Final Audit Report

2021-02-18

Created:	2021-02-18
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"SJR 9 Letter of Support" History

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Greater Juneau Chamber of Commerce

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Scott Bergmann

The Alaskan Fudge Co.

Ray Thibodeau

Alaska Marine Lines

February 12, 2021

Ref: Senate Joint Resolution 9

To Whom It May Concern:

The Greater Juneau Chamber of Commerce strongly supports the passage of Senate Joint Resolution 9 urging Congress to exempt cruise ships from certain provisions of the Passenger Vessel Services Act and other applicable provisions of federal law for the period during which Canadian ports are closed to cruise ships carrying more than 100 people; and urging the President of the United States not to fine or take action against cruise ships sailing to the State of Alaska.

The economic importance of tourism to the state is well known, and the loss of the 2020 cruise season has had a devastating impact on all businesses directly and indirectly serving the visitor industry. The many local small businesses serving this industry, their employees and their families have had to find ways to survive with the total loss of the 2020 cruise season. Liquidation of personal assets, SBA loans and CARES grants have allowed most to survive this winter. But the loss of a second full cruise season will result in catastrophic business losses that will create a cascading set of events that will dig deep into Alaska's economy far beyond just tourism.

Each day that passes without a federal solution to this problem brings us closer to the loss of the entire cruise season. We urge your timely action to this resolution.

Respectfully,

A handwritten signature in black ink that reads "Craig E. Dahl".

Craig E. Dahl, Executive Director

A handwritten signature in black ink that reads "Eric Forst".

Eric Forst, President



PO Box 7432
Ketchikan, AK 9901

My name is Michelle Masden and I am the owner and operator of Island Wings Air Service LLC here in Ketchikan and have been for 28 years.

I am writing to you today in support of your efforts to secure a waiver for the Passenger Services Vessel Act of 1886 to allow cruise ships to bypass requirements for a foreign port call while Canadian ports are closed to large cruise vessels.

Without the waiver to counter the closure of the Canadian ports Ketchikan stands to lose another season. The impact of this will be catastrophic not only to small business such as mine but for our entire community. Overall the projected loss to Ketchikan for just May and June of 2020 was over \$66 million dollars. What that estimate does not include is the amount that will be loss over the rest of the season.

Should we lose the yet another season there will be many businesses such as mine that will not be able to recover the losses and the trickledown effect of these losses will be devastating to our community. Not only will tour operators suffer but the support businesses will as well. Current estimates are that there are over 1700 jobs that are driven by the visitors industry with an annual payroll of more than 75 million dollars if you take even a portion of that away from our town it will be catastrophic and if our season does not happen that will be the case.

To give you an idea of the financial impact that one small local business can have please see the attached breakdown of my company's spending for 2019. As you can see Island Wings contributes over 1 million annually to the Alaskan economy. This includes my five employees, fuel companies, commission sales people, local utilities, auto and aviation mechanics, barge services, building and plumbing contractors, office and business supply companies, grocery stores and many more. In comparison Island Wings grossed only \$171,341 for 2020, roughly 17% of our 2019 gross.

These are very challenging times for Ketchikan, the state of Alaska and our entire country and it can't be easy to balance the need to protect our visitors industry as well as stem the spread of COVID-19 but I implore you to do your very best.

Thank you,

Michelle Masden
Owner and Operator
Island Wings Air Service LLC

2019

Wages and Commissions	\$	252,948.00
Aviation Fuel	\$	108,986.00
Business Rents	\$	10,272.00
Business Supplies	\$	6,779.00
Building and Aircraft Maintenance	\$	188,781.00
Professional Fees	\$	5,801.00
Contracted Services	\$	2,142.00
Utilities	\$	9,738.00
Advertising	\$	9,718.00
Taxes	\$	134,051.00
Federal Permits	\$	16,055.00
New Purchases	\$	114,995.00
Insurance	\$	56,528.00
Loan Payments	\$	76,306.00
Merchant Fees	\$	24,519.00
Total	\$	<u>1,017,619.00</u>

From: Sarah Leonard <[REDACTED]>
Sent: Thursday, February 11, 2021 2:15 PM
To: Senate Transportation Committee <SenateTransportation.Committee@akleg.gov>
Cc: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>; Jillian Simpson <[REDACTED]>; Julie Jessen <[REDACTED]>
Subject: Alaska Travel Industry Association (ATIA) written testimony re to SJR 9

On behalf of the Alaska Travel Industry Association (ATIA) - Alaska's leading statewide organization for travel and tourism and over 600 tourism business owners and community partners, I respectfully submit this written testimony related to Senate Joint Resolution: 9.

The health and safety of Alaska's visitors and residents, along with its member businesses, remains a top priority of ATIA. We know that providing safe experiences to visitors will help tourism businesses and our industry stay on the path toward economic recovery.

ATIA continually advocates for a safe return for cruises in Alaska. Because the industry is supported almost exclusively by out-of-state and international visitors, Alaska is highly susceptible to national and international affairs. Transport Canada's continuation of prohibiting cruise vessels in Canadian waters until Feb. 28, 2022, further threatens Alaska's already fragile tourism industry, predominately made up of small businesses.

ATIA is working closely with Alaska's congressional delegation on brainstorming solutions to safely resume cruising operations. ATIA supports the Centers for Disease Control and Prevention (CDC) and its work with the industry to identify safety protocols for cruise operations and to keep passengers and communities healthy. ATIA also seeks possible changes to complicated federal regulations, such as a temporary waiver to the Passenger Vessel Services Act of 1886, that would allow cruise ships to sail between U.S. ports without stopping in Canada.

As the manager of the state's destination marketing program, ATIA is sharing information about independent and air travel as accessible ways to safely travel to Alaska. Promoting safe travel to Alaska can help generate much needed economic activity for tourism business owners, their employees and communities across Alaska.

Thank you for your consideration.

Sarah Leonard
President & CEO



Alaska Travel Industry Association
610 E. 5th Ave., Ste. 200, Anchorage, AK 99501
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AlaskaTIA.org | sleonard@alaskatia.org

Alaska's leading statewide nonprofit membership organization for the travel industry

From: jwendell <[REDACTED]>
Date: Friday, February 12, 2021 at 1:47 PM
To: <Sen.Jesse.Kiehl@akleg.gov>
Subject: support for SJR9

To Whom it May Concern,

As business owners in Skagway Ak, we are writing in support of SJR9.
Skagway's economy has been devastated by the pandemic due to the absence of cruiseships in 2020.
If Skagway is to survive as a community we need to see the return of the cruiseship industry this summer.
SJR9 would make that possible.

Thank you for your attention to this.

Best Regards

Jeanie Wendell-Vogel
Dave Vogel
A Fine Line Alaskan Gifts

From: [REDACTED]
Date: February 15, 2021 at 22:21:01 AKST
To: "Sen. Jesse Kiehl" <Sen.Jesse.Kiehl@akleg.gov>
Cc: Senate Transportation Committee <SenateTransportation.Committee@akleg.gov>
Subject: SJR 9

Dear Senator Kiehl:

This is my expression of full support for SJR 9, a resolution urging the suspension of provisions in the Passenger Vessel Services Act (PVSA) that require large cruise ships to visit a foreign port when sailing between two U. S. ports. Canada's closure of its ports to these cruise vessels has decimated the cruise-related industry in Alaska both last year, in 2020, and now, for the duration of 2021.

A 2020 survey by Raincoast Data for Southeast Conference revealed that 30% of Ketchikan respondents said they are at moderate or significant risk of closing permanently. Ketchikan respondents averaged 67% revenue declines from COVID-19 in 2020 compared to 2019. Layoffs of existing workers and cancellations of planned hires totaled almost 800 by the June date of this survey. By contrast, the pulp mill closure in 1997 caused a loss of 320 jobs and a resulting cataclysmic effect on the economy at that time. 38% of Ketchikan respondents said that they plan to reduce jobs in the next 12 months. 55% of Ketchikan businesses see the current business climate as very poor, and an additional 33% see it as poor.

In 2021, these effects will be much worse as the government funding programs supporting some of these businesses have become intermittent or have completely run out.

The cruise industry is the number 1 economic driver for Ketchikan. Without it, the economy is suffocating. This shutdown has been sudden. There has been no time to make adjustments or develop alternate economic sectors. There is great need to have a suspension of the PVSA and allow us some commercial activity for our devastated economy.

Sincerely,



*Deborah Hayden, CEcD, EDFP**

Executive Director

907-254-5300

*Certified Economic Developer, Economic Development Finance Professional

From: Tara Edwards <[REDACTED]>

Sent: Tuesday, February 16, 2021 8:13 AM

To: Senate Transportation Committee <SenateTransportation.Committee@akleg.gov>

Subject: PVSA (allow Cruise Ships access to Alaska's ports and waters)

To whine it may concern,

Please consider the tourism in SE Alaska and our need on tour ships. I ask Congressional Delegation and the President to waive certain Federal laws and regulations within the Passenger Vessel Services Act to allow Cruise Ships access to Alaska's ports and waters.

Living in Ketchikan I have seen a number of small business close over this pass year. My friends who have been able to hold our have stated that they have only been barely to break even and if they go through another summer without cruise ships they will have to close up shop.

Since the Roadless rule passed during the Clinton administration, tourism is now the primary income of this town and many others in south east Alaska. Without the cruise ships or even passenger vessels will destroy our economy.

Thank you for your consideration,

Tara J. Edwards
Ketchikan, Alaska

From: Reflections In Art <[REDACTED]>
Sent: Tuesday, February 16, 2021 2:58 PM
To: Senate Transportation Committee <SenateTransportation.Committee@akleg.gov>
Cc: Sen. Jesse Kiehl <Sen.Jesse.Kiehl@akleg.gov>
Subject: Save Alaska's Tourism Season
Importance: High

Good afternoon-

I am writing to you as a new business owner in Ketchikan to plead with you to pass resolution SJR9 and ask our Congressional Delegation and the President to waive certain Federal laws and regulations within the Passenger Vessel Services Act (PVSA) to allow Cruise Ships access to Alaska's ports and waters.

My business is like thousands in Alaska...by February of 2020 I had started my new art gallery and signed my lease, set up my utilities and insurance coverage, purchased items/stock and prepared my gallery for the fast-approaching 2020 summer tourist season...then March arrived and everything came to a screeching halt with the national emergency declaration due to the Covid 19 pandemic.

I have received none of the available PPP loans, grants, or any government-funding available to local small businesses suffering from this pandemic due to the timing of my opening, among other things. With the waning of the pandemic in the beginning of January and the promise of imminent availability of vaccines, I felt positive about this coming season, and was cautiously waiting for the arrival of May, then June...and then we hear that Canada has shut down their waters/ports to all large and foreign ships until February of 2022, effectively ending our season due to an antiquated law/act.

I am begging you, along with other businesses in Ketchikan, and I'm sure all of SE Alaska, it is imperative for our economy, for our families that depend on the tourism industry, that our Congressional Delegation work diligently and swiftly to waive certain Federal laws and regulations within the PVSA and allow cruise ships access to Alaska's ports and waters regardless of Canada's actions. Without this waiver, the disastrous effects will be far reaching...please...help us to get back on our feet by giving our economy the boost it desperately needs with even a partial tourist season.

Sincerely,
Lana Boler, Owner
Reflections In Art
P.O. Box 1362
Ward Cove, AK 99928
[REDACTED]



March 5, 2021

LEGISLATIVE TESTIMONY
Senate Joint Resolution 9
Urge Exemption for Cruise Ships

To: Alaska Senate Labor & Commerce Committee
Senator Mia Costello, Chair
Senator Roger Holland, Vice Chair
Senator Josh Revak, Member
Senator Gary Stevens, Member
Senator Elvi Gray-Jackson, Member

The Alaska Policy Forum and the Grassroot Institute of Hawaii support the resolution being considered by your committee, Senate Joint Resolution 9, that urges Congress to exempt Alaska from the federal Passenger Vessel Services Act due to its adverse impact on the state's struggling tourism industry.

According to the resolution, Alaska hosted more than 2.26 million visitors in 2019, of which 1.34 million arrived by cruise ship, accounting for 90% of the visitors to Southeast Alaska.¹ The Resource Development Council for Alaska estimates that before the COVID-19 crisis, one in 10 Alaska residents worked in tourism, thanks to visitor spending totaling more than \$2.2 billion a year.²

But now almost all of that has disappeared. The COVID-19 lockdowns that started in March 2020 forced the suspension of virtually all cruising worldwide, crushing tourism economies around the globe. Now, a year later, things are starting to open up. But for Alaska tourism, there still are some hurdles.

¹ ["Alaska Senate Joint Resolution 9: Urge Exemption For Cruise Ships."](#) Legiscan.com.

² ["Alaska's Tourism Industry."](#) Resource Development Council for Alaska, accessed March 4, 2021.

Even though the U.S. Centers for Disease Control and Prevention eased its ban on cruising in October 2020, Canada continues to prohibit cruise ships from landing at any of its ports, and intends to keep doing so until at least February 2022.³

This is a problem for Alaska tourism because under the PVSA, only ships flagged and built in the U.S. and mostly owned and crewed by Americans may transport passengers from one U.S. port to another. Foreign-flagged and built vessels may transport passengers from one U.S. port to another, but only if they also stop at a foreign port, which in this case would be in Canada.

Incredibly, there is only one large ship that qualifies under the PVSA to transport passengers between U.S. ports: the MS Pride of America, a 2,500-passenger, mostly foreign-built vessel that received a congressional exemption from the PVSA to sail in U.S. waters, but only in Hawaii.⁴

There are smaller PVSA-qualified ships that serve the Alaska market, but collectively they bring in only a fraction of the visitors that the larger foreign-flagged and built ships do.⁵

The PVSA was enacted in 1886, long before either Alaska or Hawaii joined the United States. Its purpose was to protect U.S. maritime jobs, but it has failed in that mission. The last large ocean cruise liner built in a U.S. shipyard was in 1958, and the only large PVSA-qualified ship still remaining operates under an exemption and is restricted to Hawaii.

Considering the ineffectual nature of the PVSA, there seems to be little or no reason to continue it, especially when the costs so clearly outweigh the benefits.

Even during pre-COVID-19 times, the act was a harmful restraint on trade.

As the Grassroot Institute of Hawaii explained in its October 2020 report “Cruising in Hawaii,” the PVSA has limited the Aloha State’s tourism potential, too.⁶

³ Johanna Jainchill, “[With Alaska season on the ropes, lines challenged on cabotage law](#),” Travel Weekly, Feb. 15, 2021.

⁴ “[Maritime Law Exemption: Exemption Provides Limited Competitive Advantage, but Barriers to Further Entry under U.S. Flag Remain](#),” Report to the Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, U.S. General Accounting Office, February 2004. See also “[Pride of America](#),” Wikipedia, accessed March 3, 2021.

⁵ Personal correspondence with Craig Dahl, executive director of the Greater Juneau Chamber of Commerce, March 2, 2021.

⁶ Jonathan Helton, “[Cruising in Hawaii: How the federal government’s 1886 Passenger Vessel Services Act has limited the Aloha State’s tourism potential](#),” Grassroot Institute of Hawaii, October 2020.

In the remote Hawaii market, the PVSA has discouraged cruise ship tourism by requiring foreign vessels to stop at foreign ports such as Ensenada, Mexico, or Fanning Island, Kiribati, 1,000 miles south of the Aloha State. The law is one reason cruise ship visitor arrivals to the islands are a fraction of those to Alaska.

Now with Alaska feeling the brunt of the PVSA's role in restraining economic growth, it is clear that this 135-year-old protectionist maritime law needs attention.

Hawaii and Alaska have a history of working together to push for less costly federal shipping regulations. Back in the 1960s and 1970s, bipartisan lawmakers from both states tried to reform the protectionist Jones Act, but to no avail.⁷ Today, we want to rekindle this spirit of cooperation and support Alaska's plea that Congress grant it relief from an archaic and expensive law.

As University of Hawaii professor emeritus of economics James Mak concluded about the PVSA more than 10 years ago, "The current, and antiquated law imposes costs on a lot of people but confers few, if any, national benefits."⁸

Mak went on to recommend that the PVSA be repealed. It is also possible it could be meaningfully reformed. At the very least, however, a waiver should be granted to help Alaska's tourism industry recover after the nonexistent cruise season of 2020 — and the Alaska Policy Forum and the Grassroot Institute of Hawaii support Senate Joint Resolution 9 as a step toward that goal.

Sincerely,

Bethany Marcum

Bethany Marcum
CEO
Alaska Policy Forum

Joe Kent

Joe Kent
Executive Vice President
Grassroot Institute of Hawaii

⁷ Jonathan Helton, "[Remember when U.S. Sen. Daniel Inouye led the charge for Jones Act reform?](#)" Grassroot Institute of Hawaii, Oct. 25, 2020.

⁸ James Mak, Christopher Sheehey and Shannon Toriki, "[The Passenger Vessel Services Act and America's Cruise Tourism Industry](#)," Working Paper No. 2009-1, University of Hawaii Economic Research Organization, Jan. 22, 2009, p. 27.