

My turn: It's not about the cruise ships

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By Drew Green | *Juneau Empire*

Since the 2006 cruise ship ballot initiative passed, lines have opted for other destinations in Alaska. This has caused great concern among Alaskans, communities and businesses that rely on a vibrant cruise industry.

Resource-dependent industries have dwindled, government jobs continue to creep away and we are left with tourism. Tourism has grown as a key element of our economic diversity. We cannot afford for our market share to dwindle.

To some, tourism is a nuisance industry. But, think about what a gift this is to Alaska. Multiple billions of dollars in floating assets show up packed with people who want to see Alaska and spend money. There are no factories, our resources are not consumed (OK maybe some fish) and at the end of the day we get our town back after a boat load of people dump off their money.

As a community, we have grown with cruise tourism benefitting from jobs, infrastructure, new businesses, tour development, port improvements and downtown improvements. Cruise traffic volume is needed to support these endeavors. The ships may be going to the Mediterranean or the Canadian East Coast, but we still live here with mortgages and families to support.

This is not about the cruise ships. This is about Alaskans and our cities and our businesses. This is not a cruise ship problem. They can go other places. This is an Alaskan problem. The cruise business is growing six percent around the world and in Alaska it is decreasing by 15 percent. We created a business environment in Alaska with excessive fees, unnecessary taxation, high operating costs, and environmental regulations that no other industry has to come close to meeting. All of it together says, "Alaska is CLOSED for business."

Alaska is the laughing stock of the cruise trade magazines because we got greedy and shot ourselves in the foot. Other cruise destinations are

chomping at the bit for the opportunity to market themselves as the alternative to Alaska. And, they are succeeding. Recently, Gov. Sean Parnell made a historic and unprecedented step on behalf of Alaska. He went to Miami and asked the cruise industry what we can do as a state to be a desirable cruise destination in the world again. Thankfully, we have a Governor who gets the broader picture: That healthy cruise tourism is healthy for Alaskans.

After meeting with cruise industry officials, the Governor came back with a compromise bill and presented it before the State Legislature to fix two major components that are hurting Alaska's tourism business: A compromise on the state excise tax (head tax) and a long-term marketing plan aimed to return our state as a tourism destination. In turn, the industry agreed to drop the state head tax lawsuit against Alaska.

This bill needs to pass, sending a signal that we are open for business in Alaska again. The rest of the world needs to know that they cannot have our market share without a fight.

This is not about the cruise industry. It is about 400 jobs in Juneau lost this year. It is about 142,000 less passengers in Juneau. It is about an estimated 24.9 million less in direct passenger spending in Juneau. It is about Juneau's sales tax receipts shrinking (20 percent is from tourism.). It is about property values and tax revenues decreasing. Loss of municipal revenue means that it is about schools, Fire and Police Department budgets, roads, airports and port infrastructure. This is about opportunity for Alaskans. It is about preventing local businesses from going bankrupt. It is about an estimated loss of 160 million dollars of spending in Alaska this year alone. It is about a stable marketing program for Alaska as a destination. It affects all of us.

If nothing changes, ships will continue to leave Alaska and the lawsuit will keep our cruise market share in limbo. As of this year it is estimated that 5,000 tourism jobs will be lost. If something changes this year it will take two seasons to see a change due to ship deployment schedules. If we succeed now, then traffic comes back in 2012. If we wait, it will be another three years for any change to occur. Alaskans cannot wait that long.

- Drew Green and his wife and three dogs live in Juneau. Drew works for Cruise Line Agencies of Alaska, a private Alaskan-owned company providing maritime agency services to the cruise industry.