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**NORTH WEST  
CRUISESHIP  
ASSOCIATION**

December 7<sup>th</sup>, 2001

Passenger Fee Proceeds Committee, and  
Mr. David Palmer, City Manager  
City and Borough of Juneau  
155 Seward Street  
Juneau, AK 99801

Dear Committee Members and Mr. Palmer:

I regret that I am unable to be present at this evening's discussion of proposed projects for funding from the proceeds of the cruise ship passenger fee. However, on behalf of the member lines of the North West CruiseShip Association, I would like to provide the following comments on the appropriation of passenger fee proceeds.

Adhering to the spirit and letter of the Ordinance, we believe that the projects considered must meet the tests of (a) addressing real community impacts of cruise business in Juneau, and (b) dealing with projects that are directly connected with the cruise ship industry.

With this in mind, there are three general types of projects that we wish to state our support of:

1. Projects that ameliorate the public impact of noise from aircraft involved in cruise passenger flight excursions. Proposals to develop a satellite heliport pilot project have the potential to reduce this impact in an economically feasible and efficient manner.
2. Projects related to dock and ship security and minimizing any negative community impact of security measures.
3. Projects related to the efficient handling of passengers who come ashore, and the safe maneuvering in the harbor and docking of ships at the public

NWCA Member Lines.

Carnival Cruise Lines • Celebrity Cruises • Crystal Cruises • Holland America Line-Westours • Norwegian Cruise Line  
Princess Cruises • Radisson Seven Seas Cruises • Royal Caribbean International • World Explorer Cruises

Exhibit DR  
Page 1 of 2

docks in Juneau. On this point we would not be averse to a set annual allocation to the Docks and Harbors department for the purposes of helping to fund capital improvements specifically for cruise ship operations. These projects, though ship and passenger related, can indeed fit the criteria by reducing impacts on local residents and services.

NWCA strongly recommends that the Committee recommend, and the Assembly approve the establishment of a contingency reserve of 20% of the cruise passenger fees collected in 2002. This is prudent considering the uncertainties following the events of September 11<sup>th</sup> for both passenger and revenue shortfalls, and unanticipated needs for additional security or other expenses.

I would like to raise a question about one project now in progress, namely the Auke Bay small craft dock improvements. While we recognize that this is driven to some extent by the demands for fishing charters and boat excursions by cruise passengers, it would be helpful if the City staff could clarify the degree to which the passenger fee proceeds are being used to fund a project that goes beyond the impact caused by the cruise lines or the passengers.

NWCA would also appreciate seeing a list of last year's expenditures and to what extent those allocated funds were fully spent. I request that you fax me a list of items that are currently under consideration for funding with the coming year's receipts. Finally, I would ask that the NWCA receive a broad brush accounting of funds allocated to CBJ "general operations", as the last summary of expenditures seemed to indicate this category was well over \$1 million.

If you have any questions, I would be pleased to discuss the points outlined in this correspondence.

Sincerely,



John Hansen  
President

Cc: Mayor and Assembly Members  
John Corso, City Attorney  
CBJ Docks and Harbors Board