

Alaska's economy has been struggling for over a decade. According to recent U.S. Bureau of Labor Statistics, the sectors of Alaska's economy that have grown since 2010 are:

- Construction (only slightly improved)
- Trade, Transportation & Utilities
- Education & Health Services
- Leisure & Hospitality (***the only sector with consistently upward growth trend since 2010***)

All other sectors:

- Government Employment
- Mining & Logging
- Manufacturing
- Information
- Financial Activities
- Professional & Business Services
- Other Services

are flat or down compared to 2010 levels.

Cruise ship tourism offers opportunity for Juneau and Alaska. A bright spot in our economic future.

The success of businesses and communities that partner with the cruise industry rests on small margins. Even minor reductions in volume significantly impact operations and profitability which in turn negatively impacts our economy. In Alaska, cruise ship volume ebbs and flows over time. Numerous variables impact the deployment of ships and most are completely out of our control. We should ensure the variables within our control do not negatively impact our opportunity.

As a business owner for over 20 years in Sitka, my family as well as our team of 25 plus employees and subcontractors lived the challenge of a downturn in cruise passenger volume. It was driven by geopolitical events, economic dynamics and a sentiment in town at the time, sometimes driven by the leadership, that there was no need to partner with the industry to encourage stability and growth. The perception of many was cruise line arrivals were a given, they would always come and furthermore, something needed to be done to limit them. Ultimately, the cruise lines considered other alternatives. The downturn in cruise volume eroded the town's economy for the better part of a decade with devastating effects on many local businesses. Only recently has Sitka experienced what most now call a welcome increase in cruise passenger volume. Poor economic conditions have a way of changing attitudes.

According to the World Economic Forum, global tourism revenue steadily increased from 2010 to 2018. 2018 was the 9th consecutive year of sustained growth. According to the United Nations World Tourism Organization, revenues from visitor spending have grown faster than the world economy. With burgeoning middle classes throughout many parts of the world, tourism is an economic bright spot not only in our economy but globally.

My family and I now reside in Juneau and continue to work in tourism. In addition to sharing our amazing and beautiful community with appreciative cruise guests, our company provides meaningful annual income for our employees and contributes significantly to Juneau's economy.

At a time in Alaska's history when many economic sectors continue to experience ongoing erosion, tourism offers opportunity for stability and growth. Juneau has opportunities to secure long term mutually beneficial partnerships with the cruise industry. I encourage you and Juneau's leaders to ensure variables within our control do not negatively impact this opportunity.

Mike Wallisch