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Ballot measure 2 a hot topic in Alaska

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Ballot Measure 2, a measure in which the State of Alaska would impose a \$50 head tax on each cruise ship passenger is not sitting well with people in the travel industry.

“My impression of a cruise tax would be to both increase safety, security and water quality as well as to gain money for ports or the state,” said Chris Anderson, Co-Chair of Alaskans Protecting our Economy.

According to Anderson the state has about \$1 billion in the bank so the state isn’t really looking for cash. “Why is this thing being proposed?” asked Anderson. He says his view of the supporters of this initiative is that most likely they are really not strong supporters of the visitor industry.

Pricing does affect the travel industry. Anderson took part in a survey in Oregon where 56% of people had cancelled their summer travel plans because of a \$1.00 increase in gas prices. “Pricing does hurt us in the type of market that we’re in,” said Anderson.

In 1994 Alaska had about 8% of the total cruise market in the world and today that number has decreased to about 5%. “What has happened is that people are finding other places to go cruising and cheaper routes to take,” Anderson explained.

As a business owner Anderson is very concerned because what could happen because of this tax is about a 10% decline over the first year followed by another one or two percent decline over the next five years. “A 10% decline in my business means jobs, it means jobs for me, jobs for taxi drivers, it affects everyone in the visitor industry in Alaska,” added Anderson.

Gershon Cohen, a drafter and sponsor of Ballot Measure 2 says that Petersburg should be in favor of this proposal for two reasons. One, is that a major component of the initiative is requiring the cruise ships to meet all Alaska quality water standards. “Right now they don’t have to do that,” said Cohen. “They currently only have to meet standards for sewage discharges.”

Given Petersburg’s dependence on fishing, Cohen says Petersburg should strongly be in favor of these provisions. “If you don’t have clean water you don’t have healthy fish,” he explained.

Secondly, Cohen adds the opponents are trying to claim that the \$50 head tax is going to hurt the tourism industry. The cruise lines would have to pay that tax when they first arrive in Alaska. “Since they know they have to pay that tax, they are going to pass that tax on to the passengers,” said Cohen.

Passengers on cruise ships are paying head taxes everywhere they go in the world; it’s a common thing for them. “Many people we have spoken with are surprised they don’t have to pay a statewide head tax when they come to Alaska,” Cohen said.

According to Cohen the \$50 represents about 1\_ percent of the cost of their cruise. “The idea that these people are going to spend thousands of dollars on a cruise and that \$50 is going to make them cruise somewhere else is absurd,” explained Cohen. It’s on that basis that the whole attack on the ballot measure falls apart in Cohen’s opinion.

“If the \$50 isn’t going to keep them from coming then there is no negative impact on the economy,” said Cohen. “This isn’t about the money, the issue is control.” People all over the world are watching people for the first time set the rules on people coming to visit a destination.

The money that this will cost the cruise line industry, according to Cohen, is probably about \$20 million a year. “We don’t know exactly because they don’t tell us what they make in gambling and they don’t tell us what their marine revenue is so we don’t know exactly what it would be.”

Cohen is a resident of Haines and has been living in Alaska for about 25 years. Ballot Measure 2 is on the August 22 primary election ballot.