

Web posted August 23, 2006

## **Cruise ship tax holds lead in early election results**

**By ERIC MORRISON**

*JUNEAU EMPIRE*

Alaska voters appeared to favor a \$50 cruise ship head tax in a tight statewide election Tuesday night.

As of the press time, Ballot Measure 2 was winning approval from 53 percent of the voters, with returns from 67 percent of the statewide precincts reporting results by press time.

"There's still breath on the mirror of democracy in Alaska," said Juneau attorney Joe Geldhof, a sponsor of the initiative. "The average Alaskan appears not to have been suckered for the big-money boys in Miami and the mendacious campaign."

The initiative also taxes gambling in state waters, calls for cruise ships to disclose commissions for promoting on-shore businesses or excursions, and requires state permits to dump waste in Alaskan waters.

John Shively, vice president of government and community relations for Holland America, says the passing of the initiative will have more negative than positive repercussions in Alaska.

"It punishes us, it punishes the people we do business with and I think it will have a real bad impact on the Alaska economy," Shively said.

The issue is more than just a \$50 per passenger head tax that initiative supporters have been touting, Shively said. There are some highly expensive environmental implications that will be passed off to the passengers, he said.

"Alaska is already a real expensive place to come and this will just make it more expensive," he said.

The initiative requires that a U.S. Coast Guard ocean ranger be stationed on each cruise ship to monitor the pollutants. The reports are required to be sent to the Alaska Department of Environmental Conservation. The program will be paid for with \$4 from the \$50 per passenger tax.

Daily records also must be kept of daily discharges of waste into state waters. Copies of the records must be provided to the state on a monthly basis, along with samples of each vessel's treated sewage, gray water from sinks, showers and washing machines, and any other wastewater.

Under the initiative, the cruise ship industry is required to have permits to dump waste in state waters, as are all Alaska cities and the oil, mining and seafood industries.

The costs to monitor these regulations, as well as the other portions of the bill, will lead to higher prices for cruises in Alaska, Shively said.

"The passengers may just decide to go someplace else less expensive and they have lots of other opportunities," he said. "It affects the passengers and if the passengers don't pay then it affects Alaskans," he said.

Reforming the powerful and lucrative cruise ship industry that doesn't have the best interest of Alaska in mind was important to bring to the voters, Geldhof said.

"The Miami cruise industry hired all the A-list lobbyists they could get their hands on and they blocked even the discussion on taxes and water pollution," he said.

Geldhof said he is pleased to see that the outside money did not appear to sway the voters from looking after Alaska interests.

"It's unbelievable how much money they spent," he said. "We only spent a little more than \$7,000 and the industry spent over \$1.5 million."

The initiative also imposes a 33 percent tax of adjusted gross income from gambling aboard cruise ships in state water.

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