

1/17/20

Tourism Task Force Members,

First, thank you for serving on this committee – and thank you to the Mayor for having the foresight to put this together. In looking around the table, I see a diverse group, and we don't always have that on CBJ committees. The community and the cruise industry haven't always communicated well in the past – I'm encouraged that the future will result in a reversal of this trend.

I am a lifelong Alaskan and have lived in Juneau most of my life. I've also worked in the local tour industry since 1990. For most of that period I've served as the Division Manager for HAP Alaska-Yukon providing ground transportation and shore side support for the Carnival family of cruise lines as well as Disney, Norwegian, Crystal, Silversea and a number of other Lines over the years. My perspective on the growth of the industry over the past few decades and the issues surrounding it come from both a ground level and big picture point of view.

While the task force isn't narrowing its focus to the proposed NCL dock at Whittier Street – that proposal is what is looming over everyone's head when they think about tourism related issues in Juneau today and in the future. I would like to offer a different perspective on that proposal that might actually address many of the community's concerns regarding downtown congestion and overall growth

Currently two of the largest ships that call to Juneau are at the AJ dock on the Rock Dump each Tuesday. As discussed by the Task Force in past meetings – these two 4000+ passenger ships hot berth. The operation that I manage is tasked with servicing these ships for shore excursions and the shuttle service that operates between the dock and the Columbia lot downtown. Each ship commands roughly 40 – 50 vehicles of our fleet covering these services upon arrival and throughout their respective visits. This represents a significant number of vehicles (not all big buses) running up and down S. Franklin Street, and this number doesn't include other tour operators that service these ships. Most of this traffic flow is headed out of the downtown area to various destinations around Juneau. An immediate result to moving this activity to the proposed Whittier Street location would result in significant relief to the S. Franklin Street corridor – not to mention that it would be the only cruise dock controlled directly by a traffic light. This move could also result in stronger visitation to the State Museum (a venue that actually needs more visitors) and would fit nicely with Sealaska's plans for their downtown property.

I know the greatest concern from detractors of this proposal is that another big ship is just going to slip in behind them and take the open space at AJ Dock, and with two anchorages, Juneau will become a maximum seven ship port instead of the current six ship port that it is. While I don't discount that such an outcome is possible, I just don't see it happening anytime soon, and certainly not based on the traditional growth pattern of the Alaska market.

First, the origin ports of Vancouver and Seattle really determine when and how many ships will visit Juneau. Those ships that originate in California take longer to get here – so the likelihood of them calling on a Monday or a Tuesday is remote. The same goes for southbound voyages from Seward and Whittier – they currently call to Juneau later in the week.

Second, the CBJ has the ability to negotiate with NCL on the outcome of this dock proposal. We've heard that the Coast Guard has approved the two current anchorages because the industry asked for them – I think the design of the proposed dock might result in one of those anchorages going away, but

if not, the CBJ is in a good position to negotiate with CLIA to ask for the group to only use one anchorage when scheduling ship calls to Juneau – basically the NCL dock replaces an anchorage. When looking at anchorages it's important to point out that while there are two in place, rarely are two in use, and even rarer are they both in use by large ships. In looking at the 2020 port calendar there are more anchorage calls than 2019 offered, but I don't think any of them result in more than one ship at anchor on a given day. Not all ships are listed on the calendar, but those that aren't are very small – less than 50 guests. Some of these may be at anchor, but historically they tie up at the IVF dock. Of the 36 anchorages listed – 14 include ships with greater than 1200 guest capacities and roughly 5 of those include ships with approximately 2000 guest capacities. One would reason to believe that the larger of these ships would take dock if space were available – say AJ Dock if the NCL dock is built.

The other community concern that I would like to address is the overall growth of the cruise industry to close to 1.5 million guests. That is a lot of visitors, and is much more that we've had in the past, but I would argue that Juneau is much better situated to handle this level of growth than it was 10 years ago. We have a more accessible waterfront with a sea walk that has lessened the burden of pedestrians on S. Franklin Street – just as the proponents of that project hoped it would. We also have other potential venues on the horizon that would be instrumental in addressing area-wide congestion and quality of life for locals.

The planning effort put forth by the USFS over the past few years to enhance the visitor experience at Mendenhall Glacier is really a unique effort that takes into account the experience of all visitors to the area. It's also coming 15 years too late – which is why we have the congestion issue we have out there today. That being said, if it can somehow get done on the next decade the community will only benefit from it.

Projects being done by Tlingit-Haida at the old Thane Ore House property and Sealaska at their downtown facility will also provide added areas of visitor interaction, but more importantly provide the indigenous experience that (outside of Mt. Roberts Tram and the State Museum) Juneau has lacked.

The CBJ is already working to address congestion in Auke Bay (namely Statter Harbor) with phase 3 of their enhancement plan, and Parks & Rec is updating their management of commercial use at CBJ parks and trails.

Finally the effort to provide a summer experience at Eaglecrest is very intriguing. The area is already accessible, and could provide a controlled “back-country” experience for visitors and locals alike – more importantly take some of the burden off of Mendenhall Glacier. One thing that would likely garner more support from the community for this project would be if it coincided with a second crossing of Gastineau Channel – another project that is well over due. If this is part of the plan, then access to Eaglecrest from downtown would be via Egan Drive – not N. Douglas Highway.

All of these projects and proposals have the potential to address impacts regarding the growth of the local tourism industry. I urge this task force to look at all of this in a holistic manner. I offer a little history lesson to the last time we saw a growth spurt of the local cruise tour industry in the mid-1990's. To address that growth period USFS remodeled the visitor center and enhanced trails, DIPAC included a visitor center in their facility, the Bowhays opened Glacier Gardens, Allen Marine invested in catamarans to bring more people on the water in fewer boats, and Franklin Dock was built downtown to handle growth. These efforts mirror the efforts to handle growth that I've noted above.

One other area that I wanted to address had to do with what has been the focus of my professional career for the past 23 years – excursion transportation. With the increased numbers of cruise visitors to Juneau, larger ships, and more ships one could reasonably argue that more buses, airporters, and vans would follow. In our case that hasn't happened.

Like the CBJ, HAP has been challenged with managing the growth of the cruise industry – namely over the past three years. We supply transportation support to roughly 40% of the local market. In 2014 we operated 78 revenue vehicles (buses, airporters, and vans). In 2017 that number was 77, and for 2019 and 2020 it fell to 72. To address the anticipated growth, we embraced two guidelines– don't grow the fleet because our parking lot is limited in its ability to expand, and try to keep the same level of staffing because the commitment to the Juneau tourism industry is seasonal, but it's a long season – basically 6 months and bringing on extra staff is difficult. We wanted to do more with less and reimagine ourselves.

Before 2017, the emphasis was to offer as many excursion departures upon arrival for a ship (peak departure times) resulting in most of the fleet leaving at the same time. By 2018 our approach was to spread departures out as much as possible and recycle the same equipment as much as possible over the course of the operating day. On Tuesdays for instance, we have a large portion of our fleet leaving the NCL ship early in the morning. Most of that fleet comes back to town to service the Princess ship – not at the traditional arrival time of 8:30, but closer to 9:30 a.m. That same group of vehicles then services the mid-day Holland America ship then turns for the NCL afternoon arriving ship – we do as much as we can with a single core of vehicles. To achieve this we changed our logistics to fit the desired outcome. These decisions didn't always agree with what marketing would call for, but they have allowed us to do more with less – hence minimizing our impact.

We've also embraced sustainability to best degree possible. I know that one of the key desires in an effort to change the local industry is to require the use of alternative fuel vehicles in local fleets or replace them with a train. The train concept simply won't work because it can't disperse guests effectively without creating pedestrian congestion, can't reach all the venues effectively, is seasonal in nature, and simply isn't feasible in terms of a downtown terminal.

The alternative fuel mandate is a great idea – just impossible to pull off under the current operating environment that exists around the commercial transportation industry. I'm encouraged to see that alternative fuel efforts are succeeding in the transit world all over the country – it makes perfect sense to do so. However, that movement wouldn't exist without FTA grants that municipalities, universities, and other government entities have at their disposal. I'm sure our City Manager would agree that Capital Transit would have no shot at an electric bus without federal assistance. *It's ironic to point out that we recycled Capital Transit buses to take over our downtown shuttle effort that allowed us to redirect motor coaches to shore excursions.*

FTA grant assistance simply isn't available to the private sector in the same manner that it is the public sector – otherwise we would be following the same trend. Alternative fuel options are available to us, but the up-front price of close to million dollars per vehicle and parts is simply too much of a hurdle to clear. This is further impacted by the fact that the Juneau market is seasonal, and sharing fleets with other Lower 48 companies really isn't possible due to taxing issues and insurance issues that exist across State lines. The seasonality of our market would make it very difficult to recoup the cost of these vehicles. There is also the issue that AEL&P may not be able to absorb that many electric vehicles on their grid.

Someday alternative fuel options will be readily available to the private industry. Until then we do what we can to minimize our carbon footprint. In the last 12 years HAP has replaced all of our 2 stroke diesel engines with more efficient and cleaner burning 4 stroke engines. We are also going into our third year of utilizing biodiesel in our daily fueling process – this isn't a money savings measure, as it has to be barged up from Seattle, but it is a step towards reducing emissions output. As our fleet age becomes younger we'll be able to increase our percentage of biodiesel use per gallon (right now it's 5%) then wane off of it should cleaner options become available.

One of the areas that I think the local transportation industry can improve upon is its commitment to sustainability by agreeing to do as much as they can with as little impact as possible on the community. We should be able to craft some measures in TBMP for all of us to follow to achieve this.

Again, thank you all for taking this on. My hope is that we can move forward collectively with an industry that is very important to our present and future as a community. It's easy to bicker and point fingers at something we fear or dislike – it's more difficult to compromise and work together towards solutions – it's also more rewarding to do that which is difficult.

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