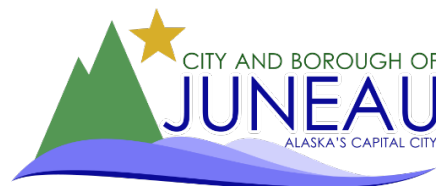


ASSEMBLY COMMITTEE OF THE WHOLE WORKSESSION WITH CRUISE LINES INTERNATIONAL ASSOCIATION ALASKA (CLIAA) MINUTES



April 24, 2025 at 12:00 PM

Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Mr. Smith called the Assembly Committee of the Whole worksession to order at 12:00pm.

B. LAND ACKNOWLEDGEMENT

Ms. Adkison provided the following land acknowledgement: "We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. Gunalchéesh!"

B. ROLL CALL

Assemblymembers present: Mayor Beth Weldon, Deputy Mayor Greg Smith, Wade Bryson (joined at 12:09pm), Paul Kelly, Ella Adkison (left at 1:00pm), Neil Steininger, and Maureen Hall

Assemblymembers absent: Christine Woll, Alicia Hughes-Skandijs

Staff Present: City Manager Katie Koester, Deputy City Manager Robert Barr, City Clerk Beth McEwen, Visitor Industry Director Alix Pierce

D. AGENDA TOPICS

- Introductions

Assemblymembers introduced themselves.

Mayor Weldon noted the cruise ship season had started. She said the Marine Passenger Fee allocation process had started but that funding decisions were not final yet, including a possible \$200,000 allocation to support tourism at the Mendenhall Glacier Visitor Center due to instability with federal funds.

Sandra Weir, Vice President of Global Government Relations and Public Affairs, Norwegian Cruise Line Holdings. Ms. Weir said they have been touring Southeast Alaska for regional discussions. She said they developed a solution to hot berthing for the 2026 cruise season and one of their ships would not be coming as early in April or staying as late into October. She thanked the Assembly for their work with Huna Totem and Áak'w Landing, the potential new cruise ship dock, and thought the dock would help with the disbursement of people in the downtown area.

Robert Morgenstern, Senior Vice President of Alaska Operations, Carnival Corporation which includes the Princess, Holland America, Carnival, Cunard, and Seabourn cruise lines. He said they also operate motor coaches, hotels, and trains in Alaska. He said they used shore power when docked and recently switched to biofuel in the motor coach fleet; he said later this summer they planned to do a biofuel demonstration for one of their ships.

Russell Benford, Vice President of Government Relations, Royal Caribbean Group, which includes Royal Caribbean, Celebrity, and Silversea cruise lines. He said communication had become more frequent, deeper,

and impactful recently and thanked the Assembly for the opportunity to provide feedback on issues in Juneau.

Jon Olav Stedje, Sustainability and Community Engagement Manager, MSC Cruises. He said that MSC would begin sailing in Alaska in 2026, with their luxury brand Explorer. He noted that MSC was a privately owned family company that prioritized sustainability. He said he wanted good communication and open dialogue.

- Meeting objectives

Mayor Weldon said this meeting was an opportunity for industry representatives to meet members of the Assembly, and for the Assembly to ask questions directly to industry representatives.

- Q&A

Mr. Smith asked what the cruise lines were doing on board to inform guests of local rules and obligations, such as using crosswalks and not littering. Mr. Morgenstern said Carnival Corporation has a pre-Alaska meeting with all ships where they reviewed policies and procedures for Southeast Alaska, including items codified in the Memorandum of Agreement (MOA) such as the prohibitions on public announcements and video screens. He said for guests there were notices in the daily activity sheets that included information such as not feeding bears. Ms. Weir said NCHL also had pre-season meetings, including both officers and crew members. She said that for guests they have a presentation called “This is Alaska” and offered to add content to that presentation.

Mayor Weldon asked, on behalf of Ms. Woll, about the development of cleaner fuel for ships in Alaska and the usage of scrubbers to remove sulfur oxide from exhaust, which results in increased water pollution. Mr. Morgenstern said fuel transition was a huge issue for all marine transport; he said the cruise industry pledged to become carbon neutral by 2050 which would require the development of fuels that do not currently exist. He said two transition fuels, biofuels and liquified natural gas (LNG), were available but not necessarily scalable. He said cruise ships and Port of Seattle were working on the Pacific Northwest to Alaska Green Corridor Project to explore low and zero-greenhouse gas emission cruising. He said there was no quick solution. Mr. Benford echoed the green corridor project and said some of their ships used LNG. He said they follow federal maritime law and operate closed loop scrubbers that did not discharge in Alaska. Ms. Weir said biofuel testing involved having itineraries where they used different fuel proportions and calculated engine and ship performance. She said that 40% of fuel usage went to propulsion and 60% to hotel load; she said they were working on improvements to hotel load including LED lights, efficiencies in laundry systems and faucets to increase fuel efficiency and reduce greenhouse gases (GHG). She said Norwegian cruise lines had hybrid scrubbers that could be open or closed loop, and that they turn off their scrubbers two hours before entering Juneau. Mr. Stedje said MSC focused on LNG and that in 2023 they made their first net zero cruise voyage. He said they will no longer have normal combustion engines in their ships and that all ships will be able to run multiple types of fuel.

Mr. Kelly asked about lobbying the Federal government regarding reduced staffing at the Mendenhall Glacier Visitor Center. Mr. Benford said they have not had discussions at the federal level. Renee Limoge Reeve, Vice President Government Affairs, Cruise Lines International Association (CLIA) said she had discussions with Alaska’s federal delegation, and that she would be travelling to DC next week. Mr. Morgenstern said Carnival Corporation had also met with Alaska’s federal delegation.

Ms. Adkison asked Mr. Benford about communication from Royal Caribbean, citing the announcement of cruise ship docks and the clearing of land on North Douglas which came as a surprise to CBJ. Mr. Benford said that Royal Caribbean listens to the community. He said if there were specific things he could do to improve communication between Royal Caribbean and CBJ he would be happy to do it. Mayor Weldon said CBJ had not been included in conversations about the docks at North Douglas. Mr. Benford said communications needed to happen between the developer, landowner, and CBJ.

Mayor Weldon, on behalf of Ms. Hughes-Skandijs, asked what cruise lines could do to promote goodwill within the community. She noted that CBJ was looking at a second year in a row with a potential ballot initiative to limit cruise ships. Mr. Stedje said the cruise industry had not done a good enough job communicating with destinations they visit. He said they needed to be more proactive about providing correct information and listening to the community. Ms. Weir agreed that they needed to listen to community needs and cited the three MOAs with CBJ that limit the number of ships and passengers. She said they also shortened their season based on feedback from the community. Mr. Benford said they made a concerted effort through the Marine Passenger Fees to support the community. He said they would be open to supporting large capital projects like Centennial Hall. He noted they work with small businesses and encourage guests to buy locally. Mr. Morgenstern said the cruise industry has collaborated more with Juneau through the Memorandums Of Agreements (MOA's) than any other community. He cited the Seawalk, double-decker buses, and biofuel investments as things they have done to help alleviate issues.

Ms. Hall asked about efforts to increase housing, noting that many cruise lines bring in seasonal staff. Mr. Morgenstern said they have a longstanding relationship with a seasonal hotel where they rent rooms for staff. He said they were in discussions with another local operator about developing permanent housing.

Mr. Smith asked if the cruise lines would take a position if CBJ tried to implement a seasonal sales tax. Ms. Weir said she did not think the industry would take a position on a seasonal sales tax. She said the industry did appreciate knowing what's coming early so they can plan.

Mr. Smith asked about other countries and communities' relationships with the cruise lines. Ms. Weir said other communities cited Juneau's MOAs and Tourism Best Management Practices as groundbreaking.

Mr. Kelly emphasized that Juneau would like to see cleaner and more environmentally friendly policies and fuel. Mr. Morgenstern said there have been incremental changes to optimize operations and which resulted in reduced emissions beyond their current target. He said there were diminishing returns for these incremental changes and what was needed was cleaner fuel.

Mayor Weldon asked about scheduling. Ms. Pierce said that hot berthing, having multiple ships at the same berth at different times in a single day, had mostly been eliminated for the 2026 season through coordinated effort. She said it was an effort that affected the entire Southeast Alaska region, not a single ship, cruise line, or community. She said discussions on limits and capacity needed to be regional.

Mr. Steininger asked the cruise lines about regional conversations. Mr. Benford said every community was unique and it was important to understand how they all worked together. Mr. Morgenstern said when they plan itineraries, they look at Alaska as a whole unit so regionalizing conversations was a natural next step. He said many of the communities had similar issues, like limited shore excursion capacity, and they should be looking at how to help solve problems through the region and not just in a single community. Ms. Weir agreed with the previous speakers and added they would like to expand to new communities.

- Closing remarks

Mayor Weldon thanked everybody.

E. STAFF COMMENTS - None

F. SUPPLEMENTAL MATERIALS - None

G. ADJOURNMENT

With no further business to come before the Committee of the Whole, they adjourned at 1:27pm.