



May 2, 2024

Katie Koester, City Manager
Alexandra Pierce, Visitor Industry Director
City and Borough of Juneau
155 Heritage Way
Juneau, Alaska 99801

Dear Ms. Koester and Ms. Pierce,

I am writing in response to your correspondence regarding the City and Borough of Juneau's (CBJ) proposed passenger fee projects.

Cruise Lines International Association (CLIA) and our member cruise lines greatly value the relationship we have with CBJ. The collaborative and communicative relationship we enjoy stems from a tremendous amount of work done together over the last five years and it is in the best interest of all that we strive to maintain it.

It was our hope that the objections we raised would be considered and that they would be taken in the manner with which they were shared – in good faith. Unfortunately, despite the best of intentions, we reached an impasse. While CLIA maintains that the projects identified clearly fall outside the law, we understand you will be moving forward with them. Please be aware that by continuing to work with the CBJ on fee use issues in an effort to reach consensus, we do not waive our objections or remedies, either now or in the future, regarding the fee uses to which we have objected. We reserve all rights, including our continuing right to question or contest fee uses which we believe fall outside the applicable legal parameters and/or our settlement agreement with the CBJ.

CLIA and our member cruise lines believe that this recent exchange highlights the necessity for CBJ and CLIA to continue a robust, ongoing dialogue to improve the passenger fee project consideration process, for the benefit of the community, municipality and industry. Together, I believe we can adhere to the solution-based process outlined in our settlement agreement (SA) which allows all parties to feel heard and to solve disagreements amicably, even though future mediation of disputed projects may be necessary. As charted in our SA, we would like to work together with the following annual timeline:

1. Annually, the parties will meet in the first quarter of the new year to discuss in good-faith any new proposed projects and services for which fees are sought to be expended in the following Fiscal Year. At the initial meeting, and in no event later than January 15 of each year, the CBJ will submit a written proposal with sufficient detail to enable CLIA



to ascertain whether the proposed uses of passenger fees are lawful, and appropriate under the parties' SA.

2. The parties will meet in subsequent sessions, as necessary, to fully evaluate the fee use proposals and projects. No later than February 15 of each year, CLIA will provide a written response to the proposal indicating what projects and expenditures are agreeable to industry and which projects and/or expenditures are objectionable or require more detail.
3. In the event of any dispute, claim, question, or disagreement arising out of or relating to this letter, the SA, or the annual project planning meeting, the Parties hereto shall use their best efforts to settle such disputes, claims, questions or disagreements through direct discussions and, if the matter cannot be settled through direct discussions, the parties agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation.

Thank you for your ongoing partnership and we look forward to continuing our good work together in keeping cruise a sustainable industry in Juneau.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ree", with a long, sweeping underline.

Renée Limoge Reeve
Vice President of Government and Community Relations
Cruise Lines International Association