



April 5, 2024

Renee Limoge Reeve
Vice President of Government and Community Relations
Cruise Lines International Association
360 K Street, Suite 300
Anchorage, AK 99501

Dear Renee,

I received your letter citing CLIA's concerns about CBJ's proposed passenger fee expenditures and outlining the Commerce Clause and selected sections of the March 2019 Memorandum of Agreement between CBJ and CLIA (hereafter referred to as the settlement agreement). We do not dispute the language of either document. However, the settlement agreement states that we as the Parties should meet annually to, *"discuss in good-faith any new proposed projects and services for which Fees are sought to be expended in the following Fiscal Year with the ultimate decision resting with the Assembly"*.

As noted in my February 1 memo to the Assembly Finance Committee, this meeting took place on January 8. At that time, you were agreeable to the proposed budget, which we in fact discussed twice. While some of the personnel involved in the meeting have changed, CBJ does not view this process as different from previous years. As a result, I was disappointed to receive your letter, which suggests that CBJ willfully ignored the terms of the settlement agreement. In fact, we noted industry support for our proposed budget to the Assembly on February 7.

Regarding the discussion on private docks, you will see that CBJ staff has proposed to fund restroom maintenance and security personnel at both private docks. Additionally, as you know, we are currently working with the private dock owners on an agreement that would provide equal allocations to CBJ Docks & Harbors and the private dock owners. We have chosen to build on the success of our negotiated agreements with CLIA and its member lines by bringing the parties together to achieve a cohesive and well-functioning port, with the understanding that the private docks and our Docks & Harbors enterprise should be funded similarly. This, of course, will require CBJ to significantly raise its dockage fees to be competitive with the private docks. I will not expect to see a letter of opposition from CLIA regarding these rate increases.

You close your letter by mentioning our history of collaboration and of working to achieve shared goals and objectives. We are grateful and fortunate for this positive relationship, which has allowed us to achieve world-leading agreements around port behavior and ship limits. We are currently collaborating on a further agreement that will help ensure that Juneau remains a world-class destination and place to live. I will add that this relationship was born out of the negotiating process around the settlement agreement. As with any positive, collaborative relationship, ours continues to evolve. I agree that we need to reform our process for future years, and I commit to working with you on a passenger fee review process that is agreeable to both CLIA's member lines and the CBJ Assembly. However, I take exception to the suggestion that any of the items in our proposed budget is out of line with the

settlement agreement because we met, reviewed, and discussed each item. The agreement notes that the final decision rests with the CBJ Assembly.

While I knew CLIA's letter was coming, I was never informed of what line items CLIA opposed and why. The CBJ budget happens on a tight timeline and out of respect for our decision makers, we would appreciate feedback early in the process, which is why we solicited that feedback in January.

I look forward to working with you on an improved Marine Passenger Fee budget process for FY2026, and I am confident we can find a solution that respects CBJ's budget timeline, educates the community on the restrictions applied to these funds, and provides CLIA with a clear and timely process for review.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Pierce". The signature is fluid and cursive, with a large initial "A" and "P".

Alexandra Pierce
Tourism Manager
City and Borough of Juneau