



Visitor Industry Update

February 13, 2019
Southeast Conference, Mid Session Summit

Visitor Industry Benefits

The visitor industry continues to be the largest private sector employer both in jobs and workforce earnings.

SE by the numbers, 2018

The Whole **Southeast Alaska Economy** 2017

In 2017, Southeast Alaska gained 380 year-round equivalent jobs and \$17 million in workforce earnings. 26.1% of regional workers are non-residents.

Annual Average Jobs

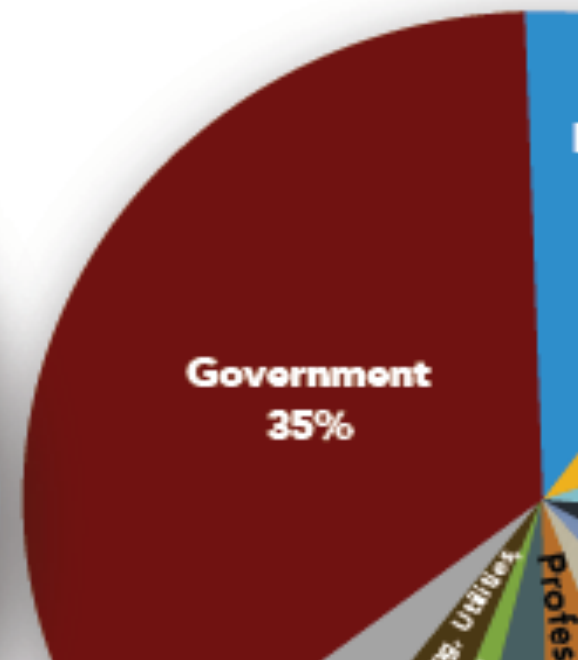
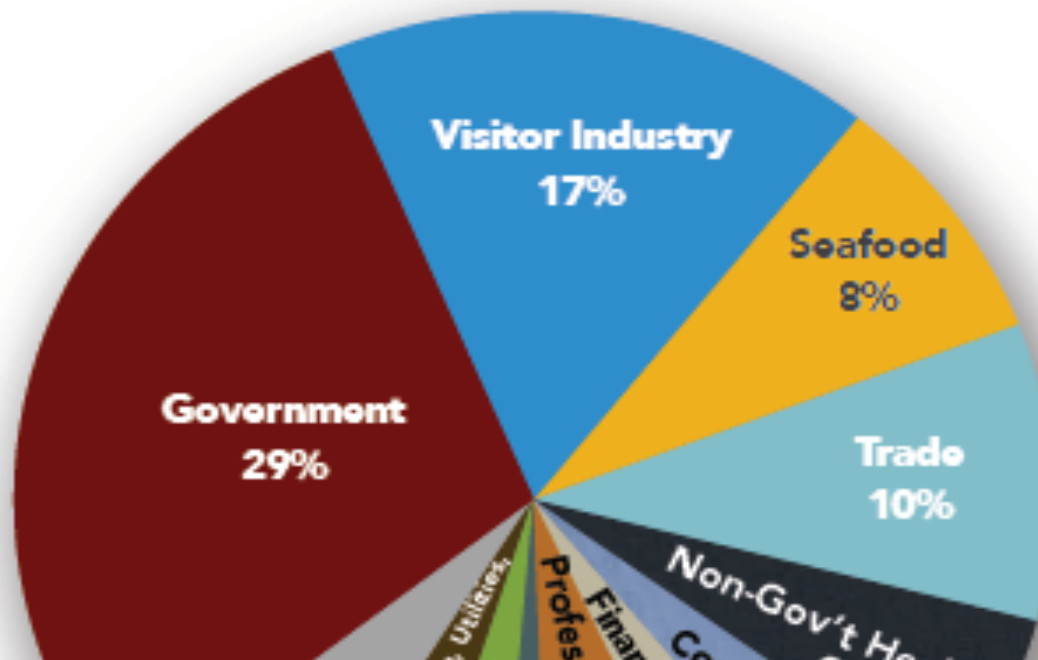
45,640 Jobs

UP 380 JOBS IN 2017 +1%

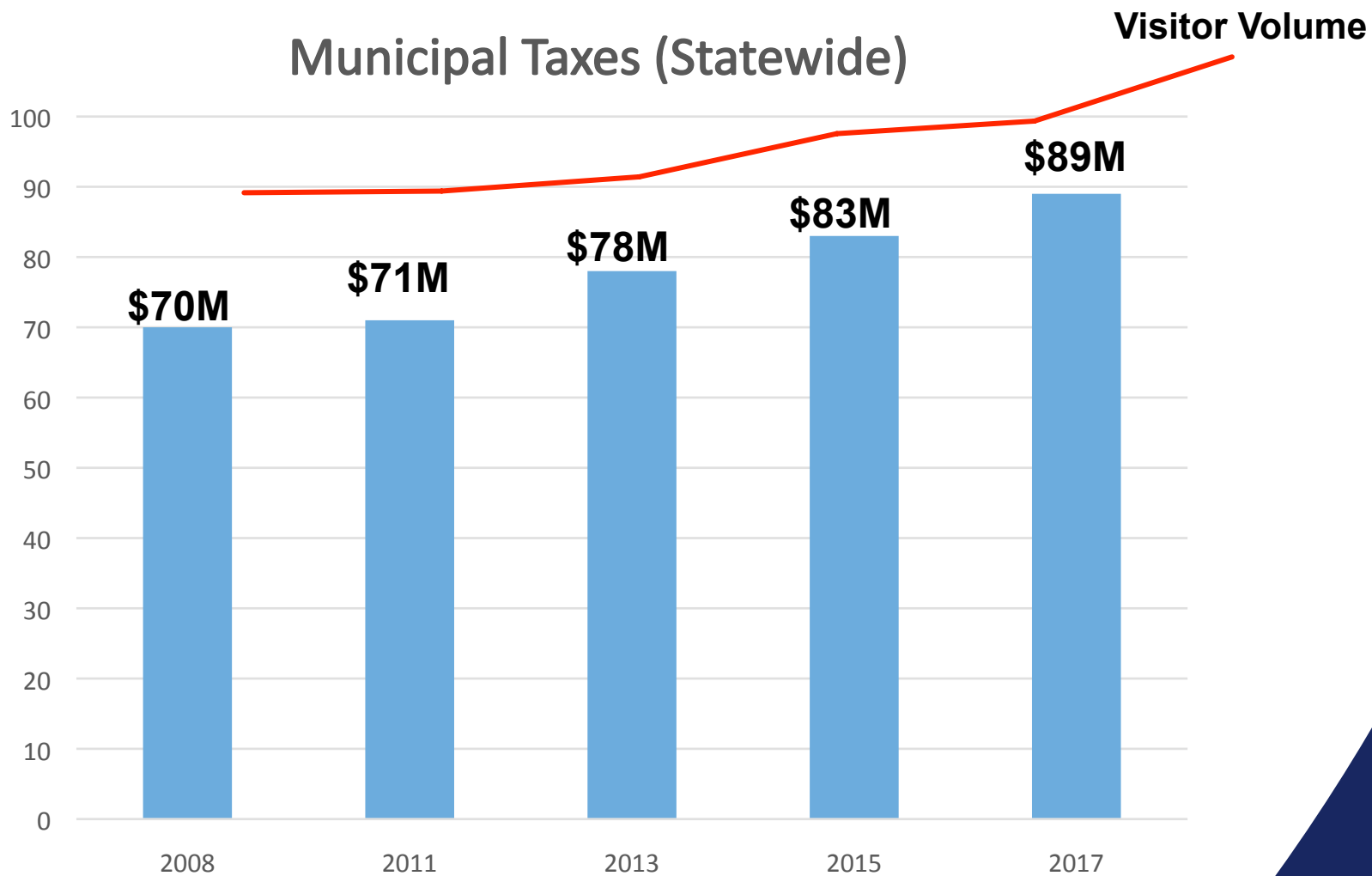
Employment Earnings

\$2.2 Billion Workforce Earnings

UP \$17 MILLION +



Municipal Taxes (Statewide)



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Our Focus is Sustainability

- Sustainable vessel operations
 - Protect the environment
- Sustainable operations in communities
 - Improve quality of life in communities we visit

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Sustainable Vessel Operations

- Cruise ships comprise less than 1 percent of the global maritime activity
- Cruise lines are at the forefront in developing responsible environmental practices and innovative technologies
- Cruise ships lead in environmental stewardship

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Environmental Sustainability

Three main areas of focus

- Waste water treatment
- Solid waste handling
- Air quality

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Advanced Wastewater Treatment



Alaska has been the leader in driving new technology and setting the toughest standards in the world. In 2002, under Governor Tony Knowles, industry invested hundreds of millions to develop treatment systems that could meet these tough standards. This technology is standard now across the world and on new ships.

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Solid Waste Management



**reduce
reuse
recycle**



Cruise ship waste management professionals recycle 60 percent more waste per person than the average person recycles on shore each day. That adds up to 80,000 tons of paper, plastic, aluminum and glass recycled each year.

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Commitment to Cleaner Air



Juneau was first port to install shore power

Plugging in to shore power while in port allows vessels to completely shut down engines, eliminating emissions

Industry has been supportive of expanded shore power around the world

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Legal Requirements Have Changed

- International Maritime Organization (IMO) established new emission standards to go into effect in 2020
- U.S. and Canada petitioned IMO to implement more stringent rules on accelerated time schedule
- Industry had to move quickly to develop technology to comply with new sulfur limits

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\$1 Billion Invested in EGCS and Clean Fuels

- EGCS were designed to meet ultra low sulfur requirements, not visual opacity
- Systems are very effective, removing 98%-99% of sulfur
- Additional benefits of reduction in NOx and over 50% of particulate matter
- All systems are equipped with continuous monitoring equipment to automatically record all required parameters

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\$8 Billion Invested in LNG Vessels

SWITCHING FROM MARINE DIESEL TO LNG

0	Sulfur Dioxide Emissions
95-100%	Reduction in Particulate Matter
85%	Reduction in Nitrogen Oxides
Up to 20%	Reduction in Carbon Emissions



*AIDA Nova – First ship with LNG capability, sailed from shipyard 2018

There is More to Do

- Even with billions in technological advances, more innovation is needed to keep improving emissions
- Industry takes local concerns very seriously
- We have executive and technical group actively engaged evaluating options for this season

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Sustainability In Alaska Communities

- Sustain a high level of quality of life for local residents
- Sustain high level of guest satisfaction
- To accomplish these goals, we need strong partnerships with port communities

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How We Move Forward

- Industry recognizes hosting visitors has an impact on community
- We must work together to ensure communities and visitors both have a positive experience
- Tourism Best Management Practice (TBMP) has been a good model to address community impacts - more can be done

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Closing Thoughts

- Visitors bring substantial economic benefits and opportunities to communities
- The beauty and majesty of SE Alaska is a valuable natural resource....We need to make certain it is sustained for generations to come
- SE Conference is a good platform to engage communities and discuss best practices and ways to achieve long term sustainability both environmentally and in our communities

Thank You!



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