

AAPA Cruise Associations -- Policy Issues

Introduction

- California Policy Issues
- Political & Environmental Attention to Cruise Ship Industry

Cruise Industry Growth Strong in California

- According to ICCL, embarkations have increased 80% since 2001 and almost 14% of all US embarkations are from CA cruise ports
- ICCL estimates that in 2004, the cruise industry accounted for 45,000 jobs in California with wages of \$1.9 billion

San Francisco Cruise Port

- Passenger volumes have increased in SF three fold since 2001 – may reach 240,000 in 2006
- Cruise ship calls have doubled since 2001 to 88 in 2006
- The economic impact to the City of San Francisco is estimated to be \$60 million per year

San Diego Cruise Port

- Cruise ships calls up to 202 in 2005 from 129 in 2001
- Total passengers up almost 200% from 187,119 in 2001 to 517,529 in 2005

Legislation and changing times...

- AB 906 (Nakano) Ch. 494/2003
- Prohibits discharge of hazardous or other waste in CA marine waters
- Requires ship owner/operator to notify State Water Resources Control Bd. immediately of any water release

2003 Legislation Continued...

- AB 121 (Simitian) Ch. 488/2003 – prohibits sewage releases into state marine waters or national marine sanctuaries
- AB 433 (Nation) Chj. 491/2003 – Reauthorizes Marine Invasive Species Act and includes coastwide traffic in ballast water management

2004 Legislation

- AB 471 (Simitian) Ch. 706/2004 – prohibits onboard incineration while operating within 3 miles of CA coast
- AB 2093 (Nakano) Ch. 710/2004 – prohibits graywater releases in CA waters
- AB 2672 (Simitian) Ch. 764/2004 – prohibits ships from releasing sewage in CA marine waters

Current Political Environment

- Cruise industry now represented in Sacramento
- Cruise industry is an active participant in CA policy discussions
- Opportunity to influence dockside infrastructure projects

Infrastructure Bonds

- Governor Schwarzenegger:
- \$26 billion over three separate ballot authorizations
- \$6 billion in GO bonds each for Nov. 06 ballot and 2008; \$14 billion in 2012 – paid with fuel tax and commercial weight fee receipts

Senator Don Perata

- \$10.275 billion in GO bonds
 - ◆ \$2.5 billion for Port Infrastructure
 - ★ \$2.0 billion for Global Gateways allocated by the CTC and requires 1:1 matching funds
 - ★ \$400 million for the Carl Moyer Air Quality Program
 - ★ \$100 Port Security – distributed via the CA Infrastructure Bank

Speaker Fabian Nuñez

- Amount of bonds unspecified
- Includes “goods movement”
- “Community and Environmental Mitigation”
- Repayment of Prop 42 transfers

Summary

- Political obscurity in the past
- Cruise industry active in CA policy discussions
- Must maintain active posture and involvement into the future