As the City of Ketchikan considers the recommendation from the Port and Harbors Advisory Committee for a potential closure of the Port of Ketchikan on the 4<sup>th</sup> of July, the Board of Directors of the Greater Ketchikan Chamber of Commerce voted unanimously to oppose this proposal in any form or fashion. We all know with the diminishment of other major economic drivers in Ketchikan, such as timber, cruise tourism is now the top economic engine for our community.

It is of the utmost importance to consider all the impacts of such a sweeping proposition, of which there are sure to be many. At this stage of consideration very little information is known and essentially no vetting has been completed to analyze what the outcome of the port closure would mean for our local economy. However, the things that immediately come to mind are not positive. The City and Borough will lose, at a minimum, tens of thousands of tax dollars from the ships and passengers that would otherwise use the port, with such losses in government revenue having to be absorbed by local residents during times of continuously rising costs and existing economic uncertainty. It is also prudent to note that the Port of Ward Cove has no obligation to close and would still bring tourists to downtown Ketchikan thus rendering any goal of a "locals only" holiday completely moot.

In addition to the loss of tax revenue, our local businesses and entrepreneurs will also be forced to take a loss of sales revenue. It is hard to determine the actual figure of losses that would be created by the port closure, but the tourism industry brings an estimated \$120-\$170 million per year into Ketchikan's economy. As such, it is more than reasonable to assume that the losses to our economy would be in the high hundreds of thousands of dollars, if not far more. It is not even remotely fair to shift that type of economic burden to our hardworking local residents and business owners.

Lastly, a proposal such as this destabilizes the environment of the industry. The 21<sup>st</sup> century cornerstone of Ketchikan's economy is the tourism industry, an industry built on long-term planning and intensive logistics. Not just for the cruise lines, but for our local businesses that serve those passengers. If one of our governing bodies were to summarily adopt arbitrary regulations limiting when the industry can and cannot operate, that creates an untenable environment for the businesses that are no doubt the lifeblood of the local economy.

These reasons serve as the basis for the Greater Ketchikan Chamber of Commerce to strongly oppose the proposed closure of the Port of Ketchikan on July 4<sup>th</sup>. Please visit <u>www.ketchikanchamber.com</u> for updates on this matter as they become available.

Respectfully Submitted,

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Trevor A. Shaw, Chamber President