As you know, I have been active in the Ourport group but tonight I am speaking solely for myself.

In 2005 I had a boat built for wildlife tours. As tour boats go, its a small one. I only sell 13 seats. Over 14 years, I personally conducted all of the more than 3000 tours which have taken over 35,000 cruise ship passengers on that little boat. When it rains, somebody usually rides with me in the tiny wheelhouse and over the course of 3 hours we get to know each other well. I dare say, nobody, at this table, knows better than I, why people take a cruise, and what they’re looking for on their trip to Alaska.

But, my customers are not the folks who choose my tour and ride on my boat. I really have only two customers, Royal Caribbean/Celebrity and Princess Cruise Lines which is part of the Holland America Group. These companies will also comprise nearly all of the City’s customer base once Norwegian moves to Ward Cove. We have already heard from Holland America Group and Mike Tibbles, representing all the cruise lines, that they oppose the RFP process and that it could result in even more ships moving to Ward Cove. My tour will not work out of Ward Cove.

Over the past few months I have spent many hours learning everything I could about the RFP, it’s history, goals, and its players, including potential bidders, and then sharing this information with anyone who would listen. It is now clear the process has been driven by the City Manager, a Miami Consultant and outside legal counsel, and that they are not able to objectively represent the best interests of Ketchikan and fairly evaluate all the proposals you are likely to receive on January 21st.

I only reached this conclusion last week after Mr. Amylon and I had an unplanned conversation in his office on December 23rd. It started out pleasant enough. Mr. Amylon asked whether I thought Ketchikan could compete without expanding berth capacity. I think we talked about bonding. Before long we were not agreeing on much. I remember trying to explain that I understood what his game plan was but predicted that it wasn’t going to work. He urged me to let the RFP process play out. These things did not surprise me. What did surprise me were the things he said next.

First, he was adamant that Juneau should have appealed Judge Holland’s decision in CLIAA v CBJ and if Juneau had appealed it would have won.

Then he said this is not a problem just for Ketchikan. It’s a problem in every port throughout the State. He said that Cruise Line Agencies controls everything, that he didn’t know how it all started, and, for some reason, even mentioned Cliff Taro, who passed away many years ago. He said something about their relationship with Carnival or Holland America and how resolving scheduling conflicts, based on historical use, needs to change because other lines want in. He made a point of saying he didn’t want to sign the Berth 4 lease and “they” made me do it.

Toward the end, I remember doing more listening than talking and getting the impression that Mr. Amylon was accusing me (falsely) of working for Survey Point Holdings. I remember saying no, I’m doing what I’m doing because I care about my town and plan to die here to which he responded that he also cared about the town and planned to retire here himself. It was becoming a too personal and animated conversation.

The kicker came when he insinuated I was part of the group which opposed the 2005 bond issue which would have built Berth 4 as a City owned dock if only it had passed. That’s when I got up to leave. As I left I was more perplexed than anything else and over the next few days it really sank in.

Mr. Amylon is too invested in this. It’s causing him to make mistakes, say things that aren’t true and exercise poor judgment.

Why did he dredge up the failed 2005 bond issue with me in our conversation and get it so wrong as to be laughable?

I’ll tell you why. He’s never gotten over the failure of that bond. If it had passed the City would be the owner of Berth 4 not Survey Point Holdings. He resents the fact that Berth 4 is privately owned and that he has had to deal with them over the years on the Berth 4 lease. That resentment is clouding his judgment and your deliberations about how to move forward.

Why accuse me of being part of the opposition to the 2005 bond? I think its part of a narrative designed to discredit the Ourport group. He, and perhaps some of you, would like to think I’m in the pocket of Survey Point Holdings, not only now but have been for many years. If that could be proved the movement would fall apart and you could proceed full speed ahead. It’s wishful thinking and totally reckless and ignorant. The truth is I was totally in support of the 2005 bond issue and I too preferred that Berth 4 be built and owned by the City. It is the height of arrogance and condescending to accuse a person of being unable to pursue his own interests even when they differ from his more affluent friends. I am not that weak.

You know, back in those times there were many ideas about where and how new docks should be built. We in Newtown wanted the ships on the north end. Property owners on the south end of town wanted more ships down that way. Owners in the middle wanted the T-Pier. Everybody was jockeying for position. At one time there were meetings where even Nancy McNulty and I were part of a group that met in the Sea Pilots conference room to discuss how we could work together to bring the ships in our direction. Everybody had a little different perspective based on their own interests. As the tide began to turn our way, even Historic Ketchikan got involved and tried to force owners in Newtown to adopt design standards and a review board like those adopted by the owners on Creek Street.

Now, you all have a continuing responsibility to manage this port in a businesslike manner. That means not allowing emotions or personal feelings about the past, or just pure stubborness get in the way of making the best decisions for the town.

Stop badmouthing Survey Point Holdings and the Berth 4 lease. It makes it seem impossible for you to fairly evaluate any proposal you might receive from them or their shareholders on January 21. You know it wasn’t they who made you sign the lease. Read the minutes of the Council meeting on June 28, 2006 which record the comments of those who spoke in favor of the lease and the 5 to 1 vote by the City Council to approve the lease and the comments by Mayor Weinstein who ”reminded everyone the payments will come out of the Port Enterprise Fund and **staff is projecting very conservatively that the payments are affordable**”.

Stop misleading people into believing Cruise Line Agencies has too much control over the port. In your Response to Ourport you say:

“Cruise Line Agencies of Alaska . . . act as agents for the City and communicate directly with cruise lines regarding scheduling, berthing needs, and capital improvements requests. These services are delivered with little oversight or involvement on the part of the City. In order for the Port to remain competitive and successful, the City believes it is imperative that it have increased involvement and oversight in the above mentioned services. “

But this ignores the fact that your own ordinances state “**The port and harbors director . . . . shall be the final authority for berth assignments.”** and  “**The city manager or his designee shall be permitted to participate in berth scheduling conferences between cruise line agencies and participating cruise lines when such participation is requested by the city manager.** “ . . . . and “**The city manager or his designee will provide written consent of the berth assignments along with any required or recommended changes.”** KMC 13.08.045 (b)(c)

You already have full oversight and total control. If you’ve chosen not to exercise it maybe it’s because Cruise Line Agencies has not only done an excellent job of filling the docks with ships but provides that service at no charge whatsoever either to the ships or to the City.

You’re speaking out both sides of your mouth. On one hand you say you want more control but in the RFP, the draft agreement and in your 12/17 Answers to Proponent’s questions you’re willing to hand it all over to a private company. Not just the docks and scheduling, but the bus staging areas, the KVB building, the security shack, the vendor booths, all the loading floats, security, the security shack, permitting, longshoring, the agency work, even to the extent of sharing your current and future Port revenues and reserves – everything. And now you state you’re even willing to negotiate for a more than 30 year term! If you don’t believe it, look at the City’s answers to Proponent Questions 4, 20, 48, 49 and 52 and sections 8 and 13 of the draft agreement.

Stop poisoning the well for another bond issue. Over and over again you have said we are $161 million in debt and the voters will never approve another bond. You might be right. But it is also reckless for you to be saying things now which could foreclose that option in the future and it also seems deliberate. You cannot expect anyone to support another bond after throwing around so many different numbers that are so inflated, anywhere from $60 to $150 million, and failing to remind them that of the $161 million it is only the $24 million outstanding on the 2006 port bond that they will never have to pay themselves, through sales or property taxes, or any other way, unless they happen to visit Ketchikan on a cruise ship.

You must know this is true. If it’s not true, then the City lied to the voters in its ads promoting the bond in the first place. The ships and their passengers are already paying for all the improvements to the port and you know it full well; so why promote the “make the ships pay” idea as if they’re not?

I believe Mr. Amylon is preparing a scapegoat - for a process that has already gone wrong with the loss of Norwegian and could get even worse before it’s over. But if you abandon it, he can’t very well blame you or your Miami consultant because he was chosen by Mr. Amylon himself. He’s incapable of admitting any mistakes himself so he has to find someone else to blame just in case.

He’s convinced the people that they shouldn’t even consider another port bond in order to show that only through the RFP process can the ships be forced to pay more money to spend however you want - unrestricted by the courts’ interpretation of the tonnage clause. You have been warned by CLIAA that it won’t work. After spending 3 years and over $2 million on attorneys fees it didn’t work in Juneau yet Mr. Amylon seems prepared start that fight all over again here in Ketchikan and then take it up on appeal if you lose.

Why is that? Because he is being advised by your new outside counsel that he can win, the same one who represented Juneau and lost. Does he have a grudge too? What makes him think he can win this time? This would explain why Mr. Amylon hasn’t taken the initiative himself to sit down with CLIAA and hasn’t already programmed into this year’s budget the more than $1.7 million he could have transferred from the port enterprise fund to defray the “operational services” costs of other departments and the $1.4 million that CLIAA apparently did agree Juneau could spend however it wants.

Instead of doing that, he wants to delay meeting with CLIAA until after January 21 and then hold meetings with them in “parallel” with negotiations with the bidders. He has apparently convinced you this is the way to get more money. But I ask you: Is that the way a smart business person would treat its last two big customers? To try to pit them not only against each other, but against third party middlemen who don’t even have any ships. That’s not the way I would treat my best customers, especially after I’ve already lost one to a new competitor.

I don’t think it’s going to work. You might get some bids that have some big numbers but, in my mind, they’re not going to be anywhere near what would justify handing over the port for 30 years, turning us into a company town and risking the loss of more existing customers than you have to gain from new ones in the process.

I continue to stand firmly opposed to the RFP and its methods and goals. I don’t want any company to take over the port. It would irreversibly change our town and the businesses which support it, not, just for a few decades, but forever.