A large white cruise ship is docked, with many passengers visible on its multiple decks. To the right, a tall brick bell tower with a green copper roof stands prominently against a clear blue sky. The ship's decks are filled with people, some standing and some sitting, enjoying the view. The bell tower has a classic architectural style with arched windows and a decorative top.

HARBORING TOURISM

Cruise Ships in Historic
Port Communities

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Cruise Ships in Historic Port Communities

*Report of an International Symposium
held in Charleston, South Carolina, USA
February 6–8, 2013*



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Introduction

CHARLESTON HAS BEEN AT THE CENTER of an ongoing debate about the impacts of the cruise industry on historic ports. The Charleston Historic District was included on the 2012 World Monuments Watch to highlight these concerns and prompt discourse about how best to balance heritage management and cruise ship tourism. To advance the dialogue, World Monuments Fund partnered with the Preservation Society of Charleston and the National Trust to host a conference in February 2013, titled *Harboring Tourism: An International Symposium on Cruise Ships in Historic Port Communities*.

The aim of the symposium was to explore and advocate for cruise tourism policies and practices that benefit historic communities. By ensuring an effective balance of economic, environmental, and social concerns, while also stewarding the important heritage resources that make these places appealing to visitors, port communities can protect both the value of their tourism product as well as preserve quality of life and quality of place for residents.

This symposium gathered experts from around the world to examine various approaches to cruise tourism in historic port communities with the intent of exploring best practices as well as challenging issues. While some cases demonstrated well-managed cruise tourism destinations, there were an alarming number of cases illustrating the negative impact of cruise tourism on port communities, especially smaller historic cities and towns that are challenged by the influx of visitors arriving by ship. Large city ports, such as New York and Los Angeles, have the capacity to absorb thousands of passengers headed to shore. The few smaller city success stories shared a common theme of community collaboration in setting guidelines for cruise ships entering their ports to ensure a return to the local economy, protect natural and cultural resources, and mitigate social and environmental impacts. However, most of the cases presented during the symposium echoed a common theme of costs outweighing benefits due to poor coordination and management of the cruise tourism-port community relationship. This is compounded by the fact that, more often than not, negotiations regarding cruise terminal development and ship dockings are undertaken by port authorities at state, regional, or national levels, rather than by the municipalities directly affected. The international trade and security issues associated with port management understandably require higher government engagement, but failure to include community-level stakeholders often results in the exploitation of local resources and values.

Decision-making about where, when, and how cruise ships call on historic port communities should be participatory, recognizing that there will always be conflicts between meeting the needs of those who live in a place versus those visiting. Tourism and heritage will forever be linked, despite inherent tensions between protecting and allowing access, preserving and promoting for consumption. In negotiating these differences, communities can forge a common vision for how best to balance tourism interests and to preserve the qualities that draw visitors to their port. Author Tony Hiss, who served as the symposium rapporteur, eloquently noted that “historic preservation is a misnomer. It sounds as if we are facing the past, when in fact it is all about the future. It’s about what we want to pass on to the next generation. It is not only about our heritage at risk but our ability to transmit across time and not lead single-generation lives.”

Many who attended the symposium are preservationists; their primary charge is the stewardship of cultural heritage—tangible and intangible. But more and more there is a realization that such stewardship cannot be divorced from broader social, environmental, and economic issues. Preservation is a tool that helps to improve quality of life for communities, a tool that must be balanced against a variety of other societal concerns regarding sustainable development.

There are, in many cases, direct impacts on heritage resulting from cruise tourism, but these must be understood within the larger dynamic of socio-economic conditions, ecological concerns, land use planning, politics, and more in order to work toward positive change. An impetus behind this symposium was a common concern for heritage, but the approach has been to cast a



The oldest cruise ship in the Carnival fleet—moored here in Charleston, SC—carries 2,675 passengers and a crew of 920

much wider net—to engage a variety of professionals and researchers so as to better contextualize the commitment to preserving historic places within a broader agenda.

At the same time, these historic places and this discourse about cruise tourism must be framed in a global context. Many communities rich in heritage resources are grappling with similar issues and looking for effective solutions. By raising the dialogue and sharing experiences from around the world, the aim was to shed more light on some of these complex issues and to foster better connections, not only between different disciplines, but also between communities.

A constant thread throughout the symposium was that positive change requires collective action, and the burden of that collective action falls on local communities. Concerned residents, lawmakers, business owners, and advocates must define a future vision for their community and establish the parameters of change and development. With that in mind, the following recommendations emerged from the symposium with regard to negotiating the relationship between historic port cities and potential cruise tourism:

Within Communities

- Engage all stakeholders
- Work together to establish a common base and enhance political leverage
- Examine a range of tools for collective action to enhance transparency on the part of local/state government and port authorities (legal action, lobbying, etc.)
- Define goals for quality of life and sustainability
- Undertake community-based surveys, polls, and assessments to establish a robust understanding of local opinion and values
- Collect data on the metrics that influence community life and health (traffic, air and water quality, property values, etc.)
- Analyze options within the context of broader land use and transportation/mobility planning, waterfront industry, economic development, and tourism strategies in general
- Establish limits of acceptable change and baselines for impact assessments
- Establish a formal coalition of stakeholder entities and organizations (government, business, civic, etc.) to allow for cooperation, shared decision-making, and effective management of cruise tourism (e.g. DMO—destination management organization)
- Develop plans for social, cultural, environmental, and financial strategies as they relate to tourism and necessary infrastructure. In the case of heritage that means good conservation management plans for sites that define capacities, manage visitation, etc.
- Implement a range of local policy tools to regulate and create incentives/disincentives for complying with local standards and requirements, and also ensure a return on local investment and social costs (laws, taxation, certifications, performance bonds, monitoring, etc.)
- Establish a system for regular long-term evaluation and communication

Between Communities

- Establish a network of organizations across historic port communities to share experiences and information
- Undertake research to understand common challenges and best practices in a range of historic ports
- Develop shared parameters to serve as “minimum” requirements for managing cruise tourism
- Develop vehicles for collaborative negotiating that prevent communities from being pitted against each other
- Form cooperative alliances for lobbying higher levels of government and the industry

Between Communities and Industry

- Work with NGOs and other international organizations to develop methodologies for working with communities and policies for minimizing impacts in port selection and development
- Establish community affairs officers/destination liaisons within cruise companies to allow for direct communication with community representatives

A large cruise ship is shown sailing on the ocean, viewed from a distance. The ship is white with a dark hull and has multiple decks visible. The text "CRUISE SHIP TOURISM" is overlaid on the image in a bold, black, serif font.

CRUISE SHIP TOURISM

Impacts and Trends: A Literature Review

Caroline Cheong for World Monuments Fund

Introduction

IN 2011, the global cruise ship sector hosted 16.37 million people on more than 200 ships. Between 1980 and 2007, the sector averaged an 8% growth and grew their number of berths by 500%, expanding at more than double the rate of land-based tourism (Cruise Lines International Association, 2012). By some accounts cruise travel accounts for no more than 2.2% of overall tourist activity, but the subsector's positive and negative contributions to, and impacts upon, the economy, environment, culture, and infrastructure of global and local communities far exceed its market size. These impacts are intensified as cruise ship operators respond to consumer demand for a fuller onboard experience by building ships that are larger and more amenity-rich. Though some regulatory action has taken place to mitigate and manage these impacts, governmental efforts are hindered by a legal environment in which most cruise operators sail under "flags of convenience," allowing companies to circumvent tax liabilities, safety standards, inspections, and environmental and labor laws.

However, despite the subsector's enormous growth and these profound effects, current academic and professional literature on cruise ship tourism and its impacts is surprisingly limited, an absence that has been noted by many leading cruise ship tourism scholars and practitioners. Papathanassis examines this paucity of research, examining the "poverty of cruise theory" hypothesis through a literature review that addresses the fragmented nature of inquiry in the field and the absence of theoretical and foundational underpinnings (Papathanassis, 2011; Economic Commission for Latin America and the Caribbean, 2005). A further review of existing literature and issues is therefore a pertinent step toward illuminating the challenges and opportunities facing the sector and the communities with whom it interacts.

Research on cruise ship tourism has been conducted and produced by three main groups: the academic, non-profit and non-governmental (NGO), and practitioner sectors. Media reports substantiate this research by providing current and on-the-ground details of popular opinion



and sentiment. Each of these groups carries their own biases and approaches, with academic works seemingly being most objective and methodologically transparent. Scholarly works have a wide range of focus, while NGO-produced publications largely describe environmental concerns or economic impacts. Similarly, publications from cruise tourism practitioners primarily promote the industry's economic and financial benefits as well as its historic and projected expansion.

Cumulatively, these works can be divided into five general categories of focus: cruise ship management and operation, environmental impacts, global and local economic impacts, local communities, heritage values and the built environment, and medical and safety concerns. Though these divisions can be made, the topics and impacts neither exist in isolation nor occur in a linear fashion. Rather, these themes are interconnected and interdependent and many of the resources approach the topic as such—some studies discuss multiple topics at once, addressing the threads that connect environmental and economic impacts or economic impacts and visitor experience.

Of these sources, the majority of cruise ship tourism literature is focused on the management and operations of the ship and the tourist experience. Cruise ship tourism is a profit-driven business. As such, effective marketing and administration of the cruise ship as a product has attracted the attention of cruise ship scholars and practitioners whose aim it is to analyze cruise ship operations and increase the industry's profitability. Subsequent publications are focused on cruise ship tourism's economic impacts, followed by a focus on its environmental effects. Cruise ship tourism's social and cultural impacts are subsumed within broader tourism discussions about authenticity, values, and how to manage change, while cruise tourism-focused interests emerge primarily through case-specific media reports. Similarly, conversations regarding cruise ship tourism's impacts on the physical fabric of port cities are limited to infrastructure required for tourism operations, such as sanitation, berth areas, construction, and maintenance and are discussed in the context of management and business administration. There is minimal academic or professional literature specifically targeted to cruise ship tourism's impacts upon on heritage buildings, though some media reports substantiate the existence and importance of such concerns. Lastly, there are a handful of academic works focused on safety and medical issues aboard cruise ships. An analysis of the content in each of these categories follows.

Prince George Wharf at Nassau, Bahamas



The Cruise Ship Tourism Industry: A Brief Overview

In 1970, cruise ships carried approximately 500,000 passengers worldwide (Weaver, 2005b). By 2011, the Cruise Lines International Association (CLIA) estimated that the industry hosted an estimated 16,365,000 passengers, a figure that likely under-represents the total industry figures as it is based only on CLIA member lines. In its early stages, cruise ship travel was the sphere of elite, upper- and upper-middle-class citizens. However, in 1972 Carnival Cruise Lines was established, introducing their “Fun Ships” that, departing from Miami, were geared toward middle-income mass markets. These ships revolutionized the cruise ship tourism industry, offering themed décor, shopping, entertainment, and other activities and amenities that made the ship itself, rather than the ports of call, the main attraction. The television show “The Love Boat,” which debuted in 1977, and the concomitant expansion in air travel, further popularized and increased accessibility to cruise ship tourism (Wood, 2000; Weaver, 2005b). From a business management standpoint, Carnival’s approach was highly successful. The company is now a dominant player in the industry, with 100 ships and ten distinct cruise lines operating worldwide. Nearly all major cruise operators follow the same model of producing enormous, amenity-rich ships—some of which carry more than 3,000 people—that are increasingly usurping ports of call as passengers’ primary attraction or reason for embarking on a cruise.

Within these models, the cruise ship industry is segmented into four main classes: luxury, premium, contemporary, and budget, with the mass-market premium and contemporary categories accounting for more than 70% of passenger capacity between 2006 and 2010 (UNWTO, 2010). The budget category is not available in North America, which accounts for more than two-thirds of global demand for cruise ship tourism. Europe remains a distant second in origin of cruise ship passengers, followed by Asia and the rest of the world (UNWTO, 2010). Further, both the average age and the average income of passengers have steadily dropped, attracting a younger,

Carnival Spirit at Circular Quay in Sydney, Australia





Crystal Serenity cruise ship in Lisbon, Portugal

more middle-income market. The industry is dominated by three main cruise operators: Carnival, Royal Caribbean, and Star/Norwegian Cruise Lines, with more than half of cruise ship tours occurring in the Caribbean, followed by the Mediterranean, Atlantic Europe, and Alaska (UNWTO, 2010, Economic Commission for Latin America and the Caribbean, 2005).

As the cruise ship industry has expanded and diversified, so has its impact upon the economies, environments, and cultures of the communities with whom it has come into contact. The industry's rapid growth has led to high expectations for further development and profit, but global perspective on ways to both support its positive contributions and mitigate its more detrimental effects in a sustainable manner has not kept pace. This is most often the case when perceived economic gains take precedence over other values and are translated into policy decisions. As Hall notes, "Unrealistic expectations of tourism's potential are unfortunately combined with ignorance or willful neglect by decision-makers of the potentially adverse economic, environmental and social consequences of tourist development that threaten to curtail its benefits" (Hall, 2001). Thus, research is increasingly turning toward ways to better balance cruise ship tourism's advantages and disadvantages by incorporating the economic, environmental, and socio-cultural values and needs of all stakeholders.

Cruise Ship Tourism Management and Operations

Cruise ship tourism is a profit-generating business and its operators manage and direct their companies to optimize revenue and respond to customer demand. In 2011, Carnival Corporation, the world's largest cruise company, registered a 2011 net income of US\$1.9 billion, a slight decrease over the US\$2 billion net income for the previous year. Full year 2011 revenues were US\$15.8 billion, an increase over the prior year's US\$14.5 billion (Young, 2011). Its rapid expansion and potential for growth has garnered a significant amount of attention from academics and professionals who seek to analyze and encourage the industry's development. Thus, a large body of literature has been produced that focuses on cruise ship tourism's management and operations, ranging in focus from revenue optimization and customer segmentation (Pedrick, 2005; Sun, 2011), labor issues (Raub, 2006; Gibson, 2008; Terry, 2011) and most considerably, managing and meeting visitor' experience (Andriotis, 2010; Hung, 2011; Juan, 2011).



Passengers crowd the decks of a cruise ship in Funchal Harbor in Portugal

Though many studies found that cruise itineraries and ports of call remained primary motivators for cruise travelers (CLIA, 2006; Andriotis, 2010)—acknowledging the need to provide satisfactory offshore experiences—the literature indicates that there is a consumer-driven shift toward the ship itself acting as the primary attraction. In 1999, Royal Caribbean commissioned a market study that surveyed current and potential customers and found that customers wanted a diverse assortment of onboard facilities and amenities. The company proceeded to commission the construction of several ships that can carry more than 3,000 passengers and provide a variety of entertainment options (Weaver, 2005b). Other operators have followed suit, increasing the size and offerings of their ships, which are increasingly becoming the main draw and attraction and increasing company profits through economics of scale. Weaver addresses the operational results of the industry's expansion and shift toward self-contained experiences through the lens of "McDonaldization," or the idea that the industry has become more rationalized, standardized, and routinized, adopting the five main principles of efficiency, calculability, predictability, control, and the irrationality of rationality. In one example of increased efficiency, Weaver notes that passengers are given charge cards linked to the passenger's debit card to use on board, creating further distance between the passenger and the transaction and their lives back home (Weaver, 2005b). This furthers what both Jaaksen and Weaver call the "tourist bubble" of the cruise ship as a contained, familiar experience and Weaver's analysis that the industry has evolved to provide a predictable and standardized product and product delivery (Jaaksen, 2004; Weaver, 2005b).

Though the cruise experience may be trending toward standardization and predictability, and therefore increased revenues, the expansion of the market toward lower-income passengers may be counterbalancing financial gains received from the increased efficiency. Many cruise operators offer discounted prices to ensure that their ships are full even though the aggregate fares may not exceed the total cost for operating the ship during the cruise's duration. Petrick notes that, coupled with industry shifts toward decreasing median income and age, the inclusion of customers who are more price-sensitive, therefore being less inclined to spend more on additional amenities, has the potential to erode the cruise's overall quality. Petrick's study further emphasizes the importance of appropriate marketing for the desired customer segment and of finding an appropriate balance between less and more price-sensitive passengers (Petrick, 2005). Sun further observes that the current approach toward pricing, in which each guest is priced and managed separately, and argues for standardized pricing decisions that may improve profitability (Sun, 2011).

Several authors have observed that one way in which cruise operators remain cost-efficient is through their work force, which usually represents a diverse span of countries. As a mobile, international industry, cruise ship tourism has one of the most globalized labor markets in the world. Wood (2006) attributes this to the “deterritorialized” nature of the industry, as ships, flying under flags of convenience, largely operate outside of any legal jurisdiction and are not subject to local hiring laws. This means that ships can hire from wherever they choose. Despite the apparent ubiquity of labor options, Terry (2011) notes that cruise ships face a potential labor shortage in large part due to the industry’s dependence on sourcing workers from the Global South, which is currently undergoing rapid development and producing fewer workers whose skills and desires align with the needs of cruise operators. Given the prolonged exposure to guests in close quarters, workers are expected to provide a higher level of service than they would in a typical hotel environment, and to work an average of 80 hours per week (Gibson, 2008; Klein, 2003). Klein (2003) emphasizes the inequalities of working on a cruise ship, noting that while officers, cruise staff, entertainers, and many retail workers earn equitable wages by North American standards, the majority of ship workers do not—line workers who clean and staff the engine room may earn as little as US\$400 per month, while waiters and room stewards are often salaried at less than US\$50 per month, earning the majority of their income through tips. Still, he notes that 16% of workers earn less than US\$500 per month and more than half earn less than US\$1,000 per month. At this extreme, Klein states that the cruise ship environment “resembles a sweatshop.” Still, Weaver (2005a) notes that for many, these wages are much higher than what they would be paid in their home countries, a phenomenon of globalization that the World Bank notes can lead to swifter equalization of incomes at a global scale (Gibson, 2008). In the face of this daunting job description, Raub (2006) suggests a “realistic” recruitment approach in which recruiters provide potential employees with complete and unbiased information about the job requirements in order to attract only those employees whose skills match the ship’s needs. From an operational standpoint, this would facilitate employee satisfaction and minimize turnover, which is paramount to providing a smooth and positive cruise experience and thus overall revenue generation (Raub, 2006).

The Renoir Restaurant, one of the two main dining rooms on the 2,974-passenger Carnival Conquest



Economic Impacts

Aside from operations and management research, the majority of publications on cruise ship tourism focus on its economic impact at the national, regional, and local levels. Given that the Caribbean accounts for more than half of all cruise activity, a high number of reports focus on countries within that region or the region itself. Data presented in these publications usually serve as the primary selling point for policy makers to expand and support the cruise ship industry by describing its direct, indirect, and induced impacts.² Brida (2008) notes that cruise tourism's economic benefits derive from five basic areas: 1) cruise passengers and crew expenditures; 2) cruise line employment for their headquarters, marketing, and tour operations; 3) cruise lines spending on the goods and services for operations; 4) cruise line spending for port services; and 5) cruise line spending for maintenance. Based on this information, attracting cruise ships has become a default policy for many coastal governments and communities that are keen to stimulate economic development through tourist visitation (Klein, 2005). Further, many policy-makers view the cruise ship industry as a primary economic driver, spending substantial amounts of public money on infrastructure to accommodate the ships and publishing materials on how local communities can attract cruise ship visits. Demand for detailed economic impact reports that justify these actions and expenditures is thus high. Such studies have been conducted by academics, NGOs, and cruise ship professionals, with each having their own perspectives and biases. While industry reports tend to take a more macro-level perspective of aggregate economic impacts, most academic and NGO-generated publications delve into who is generating these impacts and who is benefiting from them. Media reports provide an "on-the-ground" perspective of public perception and experience of the industry's economic contributions.

The pool deck on Royal Caribbean's *Splendour of the Seas*





The 3,080-passengers Emerald Princess dwarfs Akershus Castle in Oslo, Norway

Viewed in isolation, cruise ship tourism has demonstrable economic benefits that make plain why policy-makers turn to cruise ship tourism as a source of economic development. The figures are compelling—in 2004 in the U.S., cruise ship tourism generated an estimated US\$14.7 billion in direct effects, 135,000 direct jobs, US\$30.06 billion in total output, and paid US\$12.42 billion in wages and salaries in the U.S. (BREA, 2004). In 2009 in the Caribbean, which sees more than half of all cruise trips, cruise tourism generated over US\$2.2 billion in direct expenditures, 56,000 jobs, and US\$720 million in employee wages within the 29 destinations that were surveyed (BREA, 2009). These figures represent substantial amounts of economic gain for many of these emerging markets—US\$384.4 million in the U.S. Virgin Islands, US\$255.3 million in Cozumel, Mexico, and US\$246.1 million in the Bahamas. Thus, cruise ships represent a significant and much-welcomed influx of money for several economies. In the Caribbean, cruise tourism indeed plays a significant role in the region's economic health, contributing an estimated 14.8% to the 2004 regional GDP and 2.4 million jobs (ECLAC, 2005). In Antigua and Barbuda, tourism in general contributed 90% of the country's 1990 GNP. In the mid-2000s, the Bahamas, Barbados, and St Martin attributed 60% of GNP to tourism. By 1990, many of these countries hosted more cruise visitors than overnight tourists (Pulsipher, 2006). Lastly, in Europe, the cruise industry in 2008 generated €14.2 billion in direct spending, €32.3 billion in total output, 311,512 jobs, and €10 billion in wages and salaries (GP Wild (International)). Similar accountings of direct, indirect, and induced effects are included in nearly every economic impact report. These figures are quite compelling to policy-makers and communities in both developed and developing countries that are under pressure to grow their economies, often leading them to prioritize economic gains over all else.

However, there is evidence that cruise tourism's economic contributions may be accruing at the expense of other related industries. The shift toward the ship as the primary attraction, rather than the ports of call, has exacerbated a preexisting tension between overnight, land-based tourism—in which vendors have much higher overhead costs and pay higher taxes—and cruise tourism, where costs are fewer and taxes, in some cases, nonexistent. This has obvious economic implications in which the economic contributions of cruise tourists, who generally stay at ports of call for less than ten hours, are significantly less than those of land-based visitors. In Charleston, South Carolina, where the average visitor spends US\$718—ten times more than a cruise tourist—residents are concerned that the expansion of the cruise industry could supplant overnight or daytrip visitors who spend more time in the city. In the long run, if the city's reputation



The increase in ship-based activities means less spending in port communities

is transformed to one that caters to cruise ship tourists rather than welcoming those who wish to stay longer, the overall tourism industry in Charleston may suffer (Miley and Associates, 2011). According to a *New York Times* article, in 2003 residents in Key West were also concerned that a growth in cruise tourists could detract from the city's ability to attract return visitors (McDowell, 2003). Brida (2010) reports that cruise passengers' expenditures are often 30% less than those of overnight tourists, Wilkinson (1999) observed that cruise travelers in the Bahamas have minimal economic impact compared with stay-over tourists. Henthorne (2000) observed that passengers who remain longer in a Jamaican port spend more, even though the shortened visit leaves them with only partial impressions of the place and the local community. In light of these findings, some attention is being paid to converting cruise tourists into overnight visitors. Gabe (2006) examined the factors that affect cruise ship passengers' intentions to return to the town of Bar Harbor, Maine, while in a survey of cruise passengers in Greece, Andriotis (2010) found that the shortened port visits perhaps encouraged cruise travelers to return for a longer stay.

This same tension exists between home ports and ports of call in that cruise tourists in cities of embarkation spend at least one night in the home port, visit attractions that are farther afield than the port itself, and partake more in local restaurants, retail, transportation, entertainment, and other amenities (Brida, 2010; Business Research and Economic Advisors, 2005 and 2009; de la Vina, 1999). In contrast, the economic contributions of tourists in port-of-call cities occur within a few hours and are usually concentrated in the port area. According to the Bureau of Research and Economic Advisors (2009), home port expenditures averaged US\$127.32, while those in ports of call spent US\$96.11. Many studies emphasize the need to maintain a balance between these two tourist types and the importance of converting first-time cruise visits to return overnight stays (Gabe, 2006).

The disparity in economic contributions between land-based tourism and cruise tourism is further exacerbated by governmental policy. Many governments heavily tax overnight tourists and businesses while imposing light taxes, if any, on cruise ship visitors and operators. (ECLAC, 2010). The World Travel and Tourism Council (WTTC, 2004) notes that "[o]ne of the most contentious issues in the region is the inequitable treatment of land-based tourists compared with cruise passengers. The former pay significant departure taxes while the latter pay only a

token port charge, if anything.” This is in part due to the companies’ abilities to evade tax responsibilities by sailing under flags of convenience. However, governments are further hindered when cruise operators threaten to withdraw their business if charged additional fees, as was the case when the cruise lines warned all countries within the Organization of Eastern Caribbean States that they would lose cruise business if their governments moved forward with a planned charge of waste disposal removal (ECLAC, 2010).

Despite these challenges, many governments have instituted policy and fiscal measures to mitigate this inequality between the two tourism subsectors. In Bermuda, the government imposed maximum limits of six ship arrivals per week, 6,500 visitors per day, and an annual maximum of 200,000 visitors. Furthermore, cruise travelers are charged a head tax of US\$60, plus an additional US\$20 for overnight stays in high season (May through August) and US\$15 in low season. These measures are intended to keep a balance between land-based and cruise travelers. Alaska issues a US\$50 flat tax on every passenger, US\$4 of which goes toward the on-board pollution monitoring Ocean Ranger program. According to the *Post and Courier*, in Charleston, South Carolina, the Port Authority capped the number of ships to one at a time or 104 visits per year, though the agreement is not legally binding (Behre, 2011). Other governments are more stringent, such as that of Playa del Carmen, Mexico, which does not allow any ship to dock without paying a certain amount for local development (Brida, 2010).

In some countries, government favoritism for the cruise ship industry also encourages competition between the cruise ship industry and the shipping industry. The Center on Ecotourism and Sustainable Development (CESD, 2007) notes that in Costa Rica, cargo vessels are subject to much higher port fees than cruise ships, which have priority in port. This imposes significant losses upon the transport industry, its workers, and the businesses that rely on the rapid movement of perishable goods, plus the costs of holding the merchandise at port. CEST (2007) observes that “the economic losses caused by reduced cargo capacity and the loss from reduced port taxes represent opportunity costs of cruise ship tourism.”

The *Golden Princess* near Juneau, Alaska



Though cruise tourism's economic impacts are substantial, the degree to which they benefit local governments and communities is highly contested. Because of their economic contributions, cruise operators have been able to consolidate control of businesses onshore and contain many of the passenger expenditures onboard. By many accounts, much of this revenue circulates back to the cruise lines, which require local vendors to pay high amounts to be featured in onboard tourist guides and take a commission from the majority of offshore excursions. Klein (2005) describes how cruise companies retains as much as 70% of the price of shore excursions, while the local tour provider collects less than one-third for the outing. In Belize, Diedrich (2010) found that the majority of cruise tourism's economic benefits did not reach the local community, but rather went to the tour operators, which, more often than not, and especially in the Caribbean, belong to foreign owners. The small amount that did go to local people went to the few tour operators, stores, restaurants, and vendors located near the dock. As is the case with government increases in taxes and fees, land-based tour companies hesitate to demand a larger percentage for fear of driving the cruise line away. Brida (2008) further noted that more than 50% of land-based activities are sold by the cruise lines. Similarly, ships make money from port stores who have to pay to be included on maps, pamphlets, and other marketing materials. In one instance, vendors had to pay US\$3,000 to be included in a shopping map of Seattle, WA. While cruise operators may recoil from proposed fees, vendors in Alaska found that the cruise operators' commission fees steadily increased as the industry became more established and local operators more dependent on cruise tourism. According to Klein (2005), some stores pay as much as 40% of their revenue from cruise passengers to the cruise lines. In the extreme, local communities receive no direct benefits from cruise tourism at all. This is the case when cruise companies own entire islands and all revenues—from dining, accommodation, retail, and aquatic rentals—go to the cruise operator.

Despite these inequities, few governments are taking action to direct expenditures toward the local communities. In some cases, they provide financial incentives to the cruise lines that further reduce local revenues. In San Juan, Puerto Rico, the Port Authority instituted a series of policies to benefit operators that chose San Juan as a home port. These included decreases in cruise passenger fees from US\$13.25 to less than US\$11, discounts for groups, reductions for stops longer than eight hours, and 5–10% markdowns on all meals, beverages, and goods purchased in local shops (UNWTO, 2010). Despite these discounts, the WTTC (2004) notes that cruise lines have consistently declined to join regional Caribbean marketing campaigns, as well as contribute the environmental levy that all land-based hotels are required to pay.

The industry's economic contributions may be further mitigated by local port authority investments into port infrastructure to accommodate the ships and increasing tourist population. In many cases, portions of this investment come from the cruise lines. In Miami, the Caribbean's leading home port, the US\$346 million Miami Capital Improvement Program has renewed and adapted existing facilities and facilitated the construction of new structures. Carnival and Royal Caribbean were involved in the port's development and management, as much of the port was built specifically for their ships. The Port Authority also entered into a 15-year contract with Carnival, who agreed to contribute US\$180 million to the project and to continue using Miami as its home port for six of its ships in exchange for discounted passenger fees.

Accommodating large cruise ships requires substantial initial capital investment in infrastructure and long-term maintenance costs. With the increasing size of ships, these investment costs are likely to rise. Brida (2008) notes that high infrastructure costs coupled with rapid tourism expansion may result in a stagnation of or even a decline in GDP without substantial foreign investment. In Canada, such conditions were worsened by the reverse scenario in which the government invested significant amounts of money into building ports but fewer ships than expected came to call—in Campbell River, British Columbia, the port cost more than US\$19 million in taxpayer money to build, but as of 2011 the terminal has failed to host any embarkations (Scarfe, 2005).

At first glance, cruise tourism has substantial positive economic impacts upon the national, regional, and local communities with whom it interacts. In some countries, the industry contributes a significant portion of GDP and is firmly integrated into an area's economy. However, many of these benefits are diminished by the creation of competition with other industries—land-based tourism and cargo in particular—whose cumulative losses may outweigh the benefits of cruise tourism. The extent to which these impacts reach local communities is also minimal, as cruise operators appear to dominate and recirculate much of the economic activity toward themselves. In most cases, governments exacerbate these inequalities through policies and fiscal measures that prioritize the cruise lines. As Diedrich (2010) notes, cruise ship tourism makes substantial contributions to the development and economic growth of the host communities, but short-term political and financial favoritism results in outcomes that largely occur at the expense of the local communities and the environment.

The Carnival Dream moored off of Costa Maya, Mexico



Environmental Impacts

Given their massive size, hotel-like facilities, and tendency to dock or travel within environmentally sensitive coastal areas, the influence that cruise ships have upon the habitats with which they come into contact is substantial. The Ocean Conservancy (2002) states that, on average, a cruise ship generates “30,000 gallons of sewage (or black water); 255,000 gallons of non-sewage wastewater from showers, sinks, laundries, baths, and galleys (or gray water)... tens of thousands of gallons of ballast water, bearing pathogens, and invasive species from foreign ports... and air pollution from diesel engines at a level equivalent to thousands of automobiles.” Numerous studies have been conducted to analyze these effects and the ways in which governments and the cruise industry have responded to them. Their findings are substantiated by media reports that reflect the public’s experience of these impacts.

The Ocean Conservancy (2002) lists the following as cruise tourism’s most pertinent environmental impacts:

- ✦ Oil Pollution
- ✦ Sewage (“black water” containing human waste)
- ✦ Gray Water (water from activities such as showering, washing clothes, cleaning, and washing dishes)
- ✦ Hazardous Wastes
- ✦ Ballast Water
- ✦ Solid Waste
- ✦ Air Pollution
- ✦ Damage to Coral Reefs
- ✦ Sedimentation
- ✦ Endangered Species

The literature makes a common geographic distinction between impacts to coastal areas (Davenport, 2006), where marine habitats such as coral reefs are particularly fragile, and those that take place in open waters. Of these, marine and air pollution, which occur in both locations, has received the most direct attention from researchers and policy makers. In New Zealand,

MS Asuka II, the largest cruise ship in Japan, moored in Auckland, New Zealand.





Royal Caribbean installed exhaust scrubbers on *Liberty of the Seas* to comply with EPA emissions rules

Howitt (2010) found that cruise travel's emission factor was three or four times higher than that of air travel, making it the more carbon intensive industry. Pollution in the open ocean commonly occurs when cruise operators dump black and gray water at sea. Wood (2000) notes that current laws prohibit dumping of plastics but allow the disposal of nearly everything else subject to certain conditions. However, in 2012, the U.S. Environmental Protection Agency banned ships from flushing sewage within 3 miles of the coast, creating the largest no-sewage zone in the nation, stretching from Oregon to Mexico. Cruise lines stated that they had already been doing so for the past decade, while some claimed that were abiding by the Clean Water Act's regulation of dumping wastewater at 12 miles out (Fimrite, 2012).

This kind of pollution occurs despite the International Convention for the Prevention of Pollution from Ships (1973) as modified by the Protocol of 1978 (Marpol 73/78), which aims to preserve the environment by eliminating marine pollution. Nearly all countries involved in the cruise ship industry are signatories, but according to the convention the country where the ship is registered is responsible for ensuring that the vessel abides by the rules set forth. Since most of the ships sail under flags of convenience from countries that lack the resources for such oversight, these inspections rarely take place. Further, countries where the ships are visiting are allowed to conduct on-site investigations and can detain the ship if it is found to be noncompliant, but if the violation occurs outside of the jurisdiction or jurisdiction cannot be determined, the country transfers the case to the flag country, where it often disappears. As Royal Caribbean and Carnival are incorporated in Liberia and Panama, many claims of noncompliance are never addressed (Ocean Conservancy, 2002; Wood, 2004).

Countries that have greater capacities for enforcement have better track records of enforcing Marpol and other regulations. In the U.S., companies have been customarily prosecuted and high fines have been issued—in 1999, Royal Caribbean paid US\$18 million for the discharge of oily bilge water in Alaska; in 2002, Carnival Corporation paid US\$18 million for dumping oily waste from five ships and admitted that employees had falsified records between 1998 and 2001



A Princess Cruise Line ship near Juneau, Alaska

(Brida, 2008). Klein (2003) reported that cruise lines paid more than US\$60 million between 1998 and 2003, and more than US\$90 million in fines between 1993 and 2003. More recently, U.S. state governments have implemented policies that go beyond fines to monitor violations before they happen. In California, the government passed legislation in 2000 that created a cruise ship environmental task force to assess the procedures and waste streams of large cruise vessels. The law obligates cruise ships operating in the state to monitor and log the discharge of all waste materials and to provide reports to the state legislature, which evaluates the impacts of those releases on water quality, human health, and the marine environment. The state air board also gauges and records the opacity of air emissions of ships while berthed or anchored within the state. Hawaii, Maine, and Washington have all passed or considered similar legislation.

Similarly, in 2001, Alaska's government established an unparalleled monitoring and testing program for cruise ship discharges, prohibiting the release of untreated gray water into state waters and setting standards for gray water. The law further obligates all cruise ship owners and operators to register with the state, keep and provide records of all discharges, gather regular samples of their treated sewage, gray water, and other wastewater, and imposes a port fee to help the state pay for compliance. In 2000, Alaska also banned the use of TBT, a highly toxic, anti-fouling paint, on large vessels that in its waters (Ocean Conservancy, 2002). Scarfe (2011) also reports that in 2006, Alaska created a US\$50 environmental levy on each passenger, known as the Cruise Ship Ballot Initiative, which was implemented in 2009. Ports that receive levy funds are required to phase out local head taxes within one year, but if these head taxes are equal to or exceed the allowable transfer, the local fees are likely to be retained. This most often occurs when local businesses rather than the municipalities own the port facilities. As Scarfe (2011) notes, "[t]his approach guards Alaskan port cities from "divide and conquer" threats from the cruise ship industry to relocate ships away from individual ports that attempt to implement, or increase, a local passenger charge." Such laws exemplify new approaches toward the enforcement and port regulation of global pollution standards by local authorities. Still, numerous countries lack the political will to challenge the cruise industry in this way. As the WTTC (2004) observes, many

cruise operators in the Caribbean refused to pay the environmental levy that all land-based hotels were obliged to pay. These countries lack the resources to monitor and enforce such laws and are thus unable to mitigate the environmental impacts of cruise ship tourism.

Venice, Italy, has had similar issues regulating cruise ships and their environmental impacts. Ballast water is a particular concern among residents, as the massive ships displace vast amounts of water, creating large wakes that beat against the shore and cause erosion. This has significant meaning in Venice, where the city's famous canals are the primary mode of transportation and are heavily impacted by the displacement of such vast amounts of water toward the buildings. Venipedia, a wiki-based website dedicated to the study of Venice, emphasizes that this shifting of water and consequent erosion occurs twice with each ship. In 2008, the city received 535 ships, or 1,070 erosive journeys. In contrast, Venice's Port Authority issued a study that found that the displacement and wake effects of these large ships are not causing any damage to the city's historic buildings or its ecosystem. Despite these findings, a *New York Times* article from 2011 noted that many of the city's residents remain skeptical, noting the shaking windows and buildings with each ship's passage. Like many other port cities, the debate grows more complicated by the city's dependence on tourism as a major, if not primary, economic driver. Venice's citizenry are particularly vocal in their opposition to the cruise ships, forming organizations such Italia Nostra that spearhead local campaigns against tourism. However, response from the city and national government has been limited, with one Venice Port Authority official demonstrating the dominance of economic concerns by saying "We are facing a bottomless demand for cruises to Venice. To the few thousand protesters, I say that millions of visitors come by cruise, and many more millions would like to come" (Povoledo, 2011).

Similarly, cruise ships' negative impacts upon marine life and coral reefs have also received particular attention. A report from the National Marine Mammal Laboratory (2006) described cruise tourism's deleterious effects on the behavior and population of harbor seals in Disenchantment Bay, Alaska. Numerous reports have analyzed how ballast water taken in from one area and released in another introduces pathogens and invasive and foreign species (Ocean Con-

Carnival's *Costa Victoria* in Venice's Giudecca Canal



servancy, 2002). The damage to coral reefs is well documented, in part because the habitats are key tourist attractions whose allure in many places is diminishing because of too much access. A 2006 report from the Center on Ecotourism and Sustainable Development relates that 70% of global cruise destinations are in biodiversity hot spots, with Caribbean coral reef tours accounting for 60% of reef tours worldwide (CESD, 2006). The primary concerns with regard to cruise ships are the impact of their anchors and chains on the fragile reefs and the effect of large amounts of tourism interacting with the coral. This report details how instances of littering and stepping on the reefs are more common with large cruise tours. In 2007, *The Globe and Mail* notes that cruise ships, which make up 37% of all tourism revenue in the Cayman Islands, have marred large swaths of living coral with their anchors and chains. That same year, the government banned cruise ships from anchoring at one of the ports whose reefs were particularly damaged (Shurna, 2007). Further, Davenport (2005) notes that creating channels for cruise ships causes increased turbidity that damages both coral and sea-grass beds. In contrast, Hall (2001) notes that the primary source of cruise tourism's impacts on coral reefs are urban and resort development, land clearing, and pollution. Land-based pollutants often occur as excessive nutrients from sewage and fertilizers, both of which are found in higher quantities in resort septic tanks or deficient sewage systems. Fertilizer run-off from golf courses may also affect the reefs. These excessive nutrients foster algal growth that overwhelms and eventually kills the coral. In a similar manner, sedimentation from port construction, runoff, and other factors causes silting and water cloudiness that disconnects the reef from sunlight and kills it. Hall (2001) observes that there is usually minimal coordination between programs that market tourism and those that oversee coastal and marine areas. Further, environmental or planning agencies generally fail to comprehend tourism, while tourism authorities are usually not involved with the appraisal of its effects or its planning and administration.

Cruise ships in the Cayman Islands have marred large swaths of living coral with their anchors





The Balmoral moored near Bergen, Norway

Coral reefs and other environmental assets are often main tourist draws for many cruise ship destinations. As Andriotis (2010) notes, cruise ship operators have to make sure that visitors enjoy their experience, including their time at port. Within this framework, some cruise lines have begun paying closer attention to the fragile habitats with which they come into contact. The International Council of Cruise Lines and the Florida-Caribbean Cruise Association have introduced voluntary industry standards and reached agreements with Florida and Hawaii, signing a memorandum of understanding to accept industry guidelines as meeting the requirements of state law (Ocean Conservancy, 2002). However, these initiatives are voluntary and hold no regulatory power. As discussed, numerous states have thus passed legislation that more closely regulates and oversees cruise ships' environmental impacts. Various NGOs have also been founded, including the Cruise Ship Stewardship Initiative of the Ocean Blues Foundation and Bluewater Network's cruise ship campaign, both of which stress the common interests of land and cruise stakeholders. In 2000, the United States Environmental Protection Agency accepted a petition from 53 environmental organizations that asked the agency to investigate cruise ship pollution and establish new rules and mechanisms for enforcement (USEPA, 2000).

Further, the UNWTO (2010) and Klein (2005) observe that overall international environmental standards are increasing. Ship technology is also becoming more sustainable and energy efficient, likely as a means of offsetting costs required for environmental cleanup and litigation. The Ocean Conservancy (2002) notes that twelve major cruise operators have implemented Safety Management System plans for creating enhanced waste management systems in addition to increasing auditing management. These plans abide by the International Maritime Organization's International Safety Management Code. In addition, the UNWTO (2010) reports that when a group of Caribbean countries proposed a head tax on cruise passengers to offset the extra spending on environmental cleanup, the cruise lines, led by Royal Caribbean, responded by adopting new propulsion systems for new ship construction, that, though more expensive, are less polluting than diesel engines. Driven by cost-saving and the necessity of gaining public favor, cruise ships have begun implementing more advanced technologies for waste recycling, treatment, pollution monitoring, and other environmental programs. Environmental damage continues, but substantial measures have been taken by both policymakers and the cruise ship industry to moderate these impacts.

Heritage Values and Local Communities

Tourists inherently change the places they visit. Cruise tourism's impact upon socio-cultural values and the built environment are highly localized, as home port and port-of-call communities are the primary point of contact. However, literature focusing specifically on the relationship between cruise tourism and the cultural heritage values of local communities is negligible and most often occurs in the media. Sources on the physical impacts of cruise tourism are almost entirely based in the media. The limited academic and professional research that has been conducted tends to relate the changes resulting from this interaction and the precedence given to cruise ship tourism's economic impacts. Thus, most literature focused on cruise tourism and heritage values is centered on preserving these values in the face of increasing economic pressures. As cruise tourism is usually a form of mass tourism, many of the central issues concerning the cruise tourism's impact upon local heritage values are subsumed under the larger and well-documented discussions about tourism in general and its relationship with host communities. This includes discussions on themes of authenticity—what heritage means and how to preserve it, if it all—the relationship and exchange between the tourist and host community, and how to manage these relationships in a sustainable manner. Criticisms of tourism include the disintegration of physical sites, the erosion of native traditions, the detrimental effects of outside interest and control, and the consequent lack of self-determination. Conversely, tourism's merits are often cited as fostering a revitalization of local heritage and enhancing economic development.

As Andriotis (2010) observes, tourism is often a form of escapism, a relief from the stresses of daily life and an opportunity to experience something different. In witnessing another culture, tourists expect a degree of cultural “authenticity” in which tourists are guests in the normal life of the host community. However, increased interaction between the two groups creates a process through which culture becomes a commodified and consumed product. The concept of “authenticity” is therefore constantly being reevaluated and reimagined through progressions of changing relationships between the actors that participate in its performance (McCannell,

Cruise ship tourists opt to remain within the ship's “tourist bubble” in Zihuatanejo, Mexico





A tourist-oriented waterfront shopping center in Belize

1999). Further, the appearance and persuasiveness of authenticity is paramount to creating marketability. Because of the desire to experience things in their “true” form, to see things as they really are, the tourism industry promotes the intimate experience of authenticity to “[s]ightseers [that] are motivated by a desire to see life as it is really lived, even to get in with the natives” (McCannell, 1999).

In the context of cruise ship tourism, Weaver (2005b) notes that many cruise tourists may not be looking for an extreme degree of authenticity, but rather one that contains elements of the foreign but is strongly rooted in the familiar. In Belize, “tourist bubbles” are specially constructed areas designed for tourists. As Diedrich (2010) observes, “these areas often bear more resemblance to a shopping mall in the United States than the host country.” If the tourists left these areas to go on a tour, most travel in large groups on an air-conditioned bus, increasing the distance between the tourist and an “authentic” cultural experience. Jaaksen (2004) notes in his case study in Zihuatanejo, Mexico that cruise ship tourists opted to remain within the ship’s “tourist bubble” of the immediate port, usually the site of the most intense commodification of local culture, and intermingle with the local community so long as these interactions remain within their comfort zone. Despite this, researchers have found that heritage sites remain a main attraction. In Heraklion, Greece, Andriotis (2010) found that 80% of those surveyed visited archaeological sites and historical places and 77% went on city walks. In this study, respondents’ top three reasons for going on the cruise were “discovering new places,” “experiencing new cultures and way of life” and “visiting historical and archaeological sites.” The UNWTO (2010) states that San Juan’s Spanish colonial cultural heritage is a particularly strong draw for cruise tourists. Thus, while cruise tourists may express a desire to experience different and “authentic” cultures, they tend to do so within the confines of a comfortable and familiar environment, interacting with local communities who are perhaps presenting a distilled, marketable version of their culture.

Host communities are often willing participants in the creation and re-creation of their cultures. In poor and rich communities alike, tourism’s economic contributions are often viewed as



Per *National Geographic Traveler*, cruise ship tourism has had negative impacts on Mykonos, Greece

a path toward prosperity by creating jobs, increasing revenues, and facilitating access to futures that may not have existed before. In many areas, tourism augments cultural pride and self-worth by increasing attention paid to communities and their history and the sense of valorization they receive from being a tourist attraction, from being something worth seeing (Burns, 2003). As a result, tourism can often assist in the preservation and revitalization of cultural traditions when communities examine and reevaluate the significance of their heritage (Pulsipher, 2006). However, the influences of increased financial capital can also lead to the commodification of culture and an environment in which the local community's economy is entirely dependent upon tourist revenue. Particularly in poorer countries, the introduction of globalized, material-based culture can have an enormously detrimental effect upon a society that is not accustomed to having an abundance of physical possessions. While the increased capital has its previously noted purposes, it can, paradoxically, also become an overly influential deciding factor and directive instrument for the cultural development of the host community.

Such changes are part of the Tourism Areas Life Cycle Model, which evaluates a site's evolution through a series of developmental stages that starts with exploration and ends with deterioration. This end stage is reached when tourism's negative impacts exceed its positive effects and is often associated with uncontrolled mass tourism (Diedrich, 2010). Within this framework, processes of change function in a cyclical relationship rather than a linear one, where economic changes facilitate socio-cultural modifications and vice versa. While tourism's economic potential cannot, and should not, be ignored, the loss of economic self-determination caused by over-dependence upon tourist revenue influences the loss of socio-cultural value systems and traditions. Cultures can undergo processes of Disneyfication, in which cultural traditions are transformed into traditions of tourism and become mimetic representations of their original state (MacCannell, 2000). During this process, heritage is essentially "frozen" and simplified into an amusement park-like attraction where the primary function of the community is to entertain the tourists. "Authenticity" is usually lost and the presentation of heritage feels generally contrived. This includes scenarios in which local communities become performers of their own heritage, inventing or presenting highly affected displays of tradition as a response to tourist or

tour agency expectations. Often called “museumification,” such processes also include situations in which architectural styles are frozen in time and neighborhood activities are homogenized for popular consumption. Nasser (2003) notes that though these development patterns have become popular, they “call into question whether tourism-led development is undermining many of the precepts that conservation is based on, particularly an overemphasis on the physical, external aspects of heritage and conservation, at the expense of an in-depth understanding of urban culture.” The community’s response to the pressures of tourism can thus subvert and spoil the original attraction into a perceived falseness, which then diminishes the value of the highly sought-after “authentic” experience. In situations where these customs and styles have been previously lost or diminished, scholars debate whether this revival performs the service of preserving otherwise forgotten customs or is too “inauthentic,” distanced from its original form, and interferes with the organic development of a culture.

Home ports and ports of call are in particular danger of Disneyfication and museumification. In a 2007 review of 111 island destinations, a *National Geographic Traveler* singled out cruise tourism as “clogging the streets” in Mykonos, Greece, “not keeping with the natural aesthetic” in Mount Desert, Maine, and “diminishing quality of life” in Tortola, British Virgin Islands. Given the concentration of tourist activity and revenue generated within the “tourist bubble,” these port communities may be predisposed more so than other tourist areas to commodify their heritage for tourists. Wood (2000) notes that increased interaction between visitors and local communities furthers processes of globalization and homogenization. This process is sped up within the host community when the ratio of visitors exceeds that of the local community, a phenomenon that Brida (2010) and the United Nations World Tourism Organization (2010) note is especially prevalent in the Caribbean. Such inequality threatens to undermine the role of the local community in their own home as they compete with tourists for space and begin to feel like they are guests in their own neighborhood.

Cruise ships alter the natural aesthetics of Mount Desert, Maine



The economic disparity between tourist and local populations can create an antagonistic relationship in which the latter is subservient to the former. In MacCannell's (1992) perspective, the "ultimate goal of travel is to set up sedentary housekeeping in the entire world, to displace the local peoples... to subordinate them... [and] make them the 'household' staff of global capitalists." Though perhaps extreme, he points to a widespread opinion that tourism, when controlled by outside interests, has the potential to subjugate the local population. As described by Pulsipher (2006), this is especially the case in the Caribbean, where, as previously described, fiscal policies that favor cruise operators recreate cultural constructs of hierarchy in a manner that is closely reminiscent of western colonial structures that historically oppressed many of these societies. In this region, cruise tourism offers an impoverished experience that disenfranchises locals in their own place. Further, the brief visits in concentrated port areas leaves little opportunity to interact with local communities. Pulsipher notes, "cruise tourism may be the final deteriorating state in a tourism strategy that once held great promise for both regional development and international understanding" (Pulsipher, 2006).

Such local interaction is necessary because, as Pulsipher (2006) and Diedrich (2010) both note, tourism also initiates a cross-cultural interaction and understanding between host communities and the mainstream population that benefits both parties. This argument assumes that increased contact between the two groups will lead to a more even perception of the other party. In the Caribbean, if cruise tourists leave the "tourist bubble," they will gain a more even perspective of local culture that perhaps negates previous stereotypes. In turn, local populations will acquire a more personable and humane perspective of outside interest groups who, despite their economic contributions, are viewed as objectifying local culture and pushing out local interests. This improved understanding leads to changed perceptions and behaviors that in turn foster a more equitable relationship between both parties.

Brief visits in concentrated port areas leave little opportunity to interact with local communities





The Norwegian Pearl moored near Roatan, Honduras

However, challenges arise when tensions exist between local communities and tourists. Charleston, South Carolina, has encountered particular challenges balancing the heritage needs of cruise tourists with those of the local community. There, the cruise industry's impact upon the town's heritage values is well noted and openly discussed. In 2011, the City Council endorsed a US\$35 million project to convert an old warehouse into a cruise ship terminal that is adjacent to a historic neighborhood. While some residents and business owners support the project and the revenues it will generate, others feel that the ships will worsen an already uneasy relationship with cruise ships. Chief among their criticisms are that size distorts a historic port skyline and emits smoke, so much so that the Coastal Conservation League filed a lawsuit against Carnival claiming that that a docked ship becomes a building, violating the city's height and viewing restrictions (Motter, 2011). Further, many residents feel that the cruise ships attract the wrong kinds of tourist, who concentrate their activities in the port area, to the chagrin of residents. A *Fox News* article quoted one local as saying, "[t]he problem is that too many tourists never get past the rambling open shopping street directly adjacent to the cruise terminal. "They see Charleston as a Disneyland. But it's not, it's our home" (Motter, 2011). Some residents have taken a more moderate stance, stating that the city needs to perform more studies on traffic and environmental impacts before moving forward. Port and city officials have come out in support of Carnival, polarizing much of the community. The issue has been particularly contentious, received a great deal of attention in the media due to the active participation of residents, 200 of whom attended a 2012 hearing on the project (Smith, 2012).



In Venice, cruise ship tourists increased from less than 100,000 people in 1999 to more than 1.6 million in 2010

Similar disagreements have arisen in Venice, Italy, where the city, famed for its canals and picturesque buildings, has seen cruise ship tourists increase from less than 100,000 people in 1999 to more than 1.6 million in 2010 (Povoledo, 2011). There, residents note that the “mammoth, floating condominiums” distort the city’s historic skyline (Melelli, 2012). Though impact reports found that the passing of these large ships through the city’s narrow canals did not harm the adjacent heritage buildings, many residents are skeptical of these claims and wish to see the industry gone, or at least minimized (See *Venipedia, Italia Nostra*). Government officials, however, dismiss such concerns and cite the industry’s economic contributions as paramount to the city’s wellbeing.

In Belize, government was a force of dissent when, pressured by Carnival and other cruise lines to lower fees to national parks and increase visitor allowances, officials issued a statement that cruise ship tourism was complementary to land-based tourism, not the reverse. A *National Geographic Traveler* (2011) article quoted the CEO of Belize Ministry of Tourism as saying “[t]he cruise industry talks about the great strides they are making for the environment, but what about supporting the local economy and safeguarding cultural and natural heritage in the destinations they visit? We want and need cruise tourism as part of our economic development, but we want it based on sustainable practices.” The government has been working to create a sustainable tourism plan that incorporates cruise ships, but does so in a way that retains the country’s ecotourism values and resources. An early 2000 report warned that due to the high number of cruise tourists in Belize’s ecotourism sites, the country was in danger of losing its ecotourism identity and gaining all the traits of a mass tourism destination (Diedrich, 2010).

As cruise tourism is poised to continue growing, particularly in developing countries, its potential to serve as a vehicle for economic advancement cannot be overlooked. However, its negative effects upon the heritage of the local communities must also be considered. Given its concentration of mass visitors in port areas, cruise tourism has the potential to catalyze processes of cultural change in local communities faster than other forms of tourism. As previously described, government-created and -endorsed fiscal measures that favor cruise tourism development perpetuate this cycle, though cities with an active and organized citizenry, such as Charleston and Venice, or a thoughtful government, such as that of Belize, have been able to voice concerns and at times thwart these changes.

Safety and Medical Concerns

The health and wellbeing of a cruise ship's crew and passengers is an obvious priority and concern for operators. The mobile and isolated nature of the ships when they are between ports of call presents particular management challenges when natural and man-made emergencies arise. These risks increase with ship size. The literature focuses on emergency preparedness for safety and medical situations, as well as mitigating measures to preempt such occurrences from happening. According to Weaver (2005b), fires at sea are among the most common and dangerous of situations. Klein (2005) notes that crime is also a growing concern.

The 2012 crash of the *Costa Concordia* ship off the coast of Italy brought safety concerns to the forefront and has been prominently featured in the media. The accident has called into question officer and crew safety training and emphasized the importance of leadership among the upper ranks of ship management in emergency situations (Peterson, 2012). Since then, Italian authorities issued a decree limiting the passage of large ships close to environmentally and culturally sensitive areas (Melelli, 2012). There will no doubt be a renewed sense of urgency in researching ways in which to avoid such disasters from happening again. Prior studies suggested approaches to managing onboard crises range from facilitating evacuation procedures through technology to undergoing formal safety assessment of existing and potential risk (Lois, 2004). Vanem (2006) suggests that using radio frequency identification technology—where passengers are given a card, bracelet, or other article that contains a tracking microchip—would facilitate evacuation procedures because ship operators would be able to easily and quickly locate people. This would minimize risk and decrease the number of missing people should an accident occur. Similarly, Bansal (2007) suggests that better monitoring of stairwells may minimize injuries, many of which come from falls in these areas. Bansal also notes that further research is needed on the typologies of injuries that occur on cruise ships to better inform safety procedures and prevent injury.

Separately, medical issues are of great concern among cruise ship operators as epidemics spread rapidly in a ship's close quarters. Such outbreaks occur when food and water served onboard is not sanitized, leading to viral and bacterial outbreaks. Cramer (2003, 2006) notes that between 1990 and 2000 incidences of gastroenteritis decreased in association with health inspection programs carried out by the 1975 Vessel Sanitation Program, though the slight increase in incidences in recent years highlights that limitations of the program to completely predict and prevent illnesses.

The crash of the *Costa Concordia* off the coast of Italy brought cruise ship safety to the forefront





An agreement with the U.S. Coast Guard and the FBI obligates cruise operators to report crimes against Americans

Crime, particularly sexual assault, is also a serious issue on cruise ships. According to Klein (2009), “[c]ruise ships have instituted insufficient security and safety measures, have high crime rates, and do not adequately report or act on the crime that does occur.” He elaborates that between 1998 and 2005, one cruise line had 451 sexual assaults. The problem of onboard crime and the cruise lines’ propensity to cover it up first came to national attention in 1998, when a *New York Times* article (Frantz, 1998) described a number of incidents where crimes had occurred onboard but the victims were ignored or silenced. The article quoted a former chief of security as saying “[y]ou don’t notify the F.B.I., you don’t notify anybody. You start giving the victims bribes, upgrading their cabins, giving them champagne and trying to ease them off the ship until the legal department can take over. Even when I knew there was a crime, I was supposed to go in there and do everything in the world to get Carnival to look innocent.” This culture of secrecy and cover-up was further revealed when, during the discovery phase of an alleged rape, Carnival revealed that it had 108 allegations of sexual assault in the five years prior to August, 1998. Two years later, the *Miami New Times* (Korten, 2000) found that in each of the five lawsuits they reviewed that were filed against Carnival, the accused had been flown out of the country immediately after the ship reached its home port. One complication in such cases is that there is often a circumstantial lag between when the crime is committed and when evidence can be collected. Rape experts state that forensic evidence collected within a 72-hour time frame is ideal, but the ships’ close quarters and the absence of a rape treatment center onboard often make this time frame unrealistic. The issue of jurisdiction further complicates the prosecution of such crimes if they occur while the ship is at sea, as ports of call do not have jurisdiction unless the assault is committed in their territorial waters (Klein, 2009).

Since then, cruise lines have taken drastic measures to address crime, forming an agreement with the U.S. Coast Guard and the Federal Bureau of Investigation that obligates cruise operators to report all crimes against Americans to American authorities (Klein, 2009). Prior to this, prosecution was more difficult because the majority of ships sail under flags of convenience, forcing passengers to file suit in Panama, Liberia, or the Bahamas. However, Wood (2004) noted that in Florida, courts ruled that the government could prosecute crimes if the ship sailed in and out of the state. Similarly, a U.S. federal court of appeals ruled in 2000 that foreign-flagged ships were not exempt from U.S. anti-discrimination laws and that ships had to comply with the American Disabilities Act.

Conclusion

Bardolet (2008) and Kritz (2008) observe that tourism development requires improved balancing between tourism's economic, social, and physical impacts to ensure a site's sustainable development. All authors emphasize the importance of increased community participation and inclusion in order for tourism to achieve positive symbiosis. The available literature on the impacts of cruise ship tourism reveals a dearth of holistic initiatives that seek to analyze cruise ship tourism as it impacts economic and social development, environmental concerns, management interests, historic preservation needs, and safety regulations. The lack of holistic approaches is largely the result of the complicated nature of each of these general themes and the difficulty in researching all of them together, not to mention the difficulty in coherently presenting them to the public. Moreover, the available literature reveals a tendency toward bias in some studies that are commissioned by the cruise tourism sector.

Despite these difficulties, it can be gleaned from the available literature that cruise ship tourism is a growing market that tends to have a stronghold in regions, like the Caribbean, where it can demand the greatest benefits for large cruise companies while decreasing the benefits afforded to home ports and ports of call. It is not entirely clear from the literature if the economic impacts of cruise tourism in small and/or developing countries amount to positive impacts, particularly when there are other countries nearby who can offer a similar cultural experience.

Similarly, the ability of cruise ship companies to operate under flags of convenience results in negative environmental impacts. The literature reveals that Alaska has been a trailblazer in addressing some of these negative impacts by instituting a more demanding tax policy. However, it is unclear how replicable such an approach may be in other regions. For example, Caribbean ports of call may be unable to institute similar policies without a region-wide coordination effort that could potentially be established via the Caribbean Community and Common Market (CARICOM) initiative. Absent a high degree of coordination, it is likely that many ports of call will remain in a prisoner's dilemma quandary that only further contributes to negative environmental impacts. A positive indicator of a joint initiative is the effort by several Caribbean countries to pressure Royal Caribbean to buy better motors to decrease pollution.

Tourism development requires improved balance among tourism's economic, social, and physical impacts



Likewise, champions of heritage values achieve the most recognition when coordinating their efforts to limit the cruise industry's negative impacts on cultural development. As cruise tourism in most locations is equated with mass tourism, concerns about its heritage impacts are based on the sheer size of tour groups, the limited amount of time they spend in ports, and their tendency to concentrate their activities in port areas. This has implications for the cultural development of affected neighborhoods when cruise tourists outnumber residents and when local expressions of culture become commodified to cater to tourists' desires. Programs and policies that governments have initiated to mitigate environmental impacts can reach a similar outcomes with regard to heritage values—limiting the number of cruise ships that can dock, implementing head taxes, and encouraging tourists to stray beyond the port area—regulate the number of tourists at port and minimizes heritage impacts. However, the economic benefits of cruise tourism are substantial and cannot be disregarded. Nonetheless, the literature reveals that more coordinated efforts between all stakeholders is necessary in order to achieve a greater balance between the economic and heritage values of the host community.

In the health and security aspect, cruise companies have more recently been held to account for failures in security procedures, as well as failures in addressing sexual assaults. This is an area that could still receive further improvement in order to ensure the safety of all passengers. However, in light of the *Costa Concordia* incident, it is very likely that cruise providers will invest heavily on improvement in this area.

As the cruise ship sector continues to grow and its impacts continue to be more palpable, the need to further develop cruise theory is critical. Without such a development the wellbeing of several biodiverse hot spots are placed in peril; some countries are encouraged to invest in costly infrastructure that may not yield the desired results; and historic preservation efforts engage in uphill battles while local culture continues to cater to short-term guests. A properly managed cruise ship industry could most assuredly be mutually beneficial to large corporations and countries alike by promoting return visits to ports of call and prolonged overnight stays in home ports and creating more equitable sources of income for local communities. However, this potential can only be realized by an informed and coordinated effort that is fed by useful and unbiased analysis of the realities of cruise ship tourism.

Notes

¹ Cruise companies often register or flag their ships outside the U.S., allowing them to minimize tax liabilities, take advantage of more lenient safety standards, submit to fewer inspections, decrease operating costs, and hire non-domiciled crews. Foreign-flagged ships are thus often referred to as “flags of convenience.” Crimes committed by these ships are subject to jurisdiction in their flagged countries, which usually have limited enforcement and oversight capabilities. Royal Caribbean and Carnival are headquartered in the U.S. but incorporated in Liberia and Panama.

² Direct impacts are those expenditures made by the cruise lines, crew, and passengers (i.e., a passenger buying something at port). Indirect impacts result from expenditures made by the directly impacted businesses (i.e. the store sourcing its goods). Induced impacts result from spending by the impacted employees for household goods and services (i.e. the employee getting a haircut due to the increased revenue or wage). These three impacts—direct, indirect, and induced—combine to form total economic impacts.

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An Industry Perspective

Craig Milan

Cruise Industry Snapshot

- An estimated 20 million guests worldwide in 2011
- 7.2% average annual passenger growth rate since 1990
- 281 ships with approximately 400,000 berths
- The cruise line industry contributed more than US\$40 billion in total economic activity to the U.S. economy in 2011
- This economic activity generated 350,000 jobs paying US\$16.5 billion in wages to American workers
- A typical cruise ship has more than 60 safety, environmental, and health inspections each year
- The U.S. Coast Guard inspects all cruise ships in the U.S. to certify compliance with federal and international regulations
- Cruise line waste management and recycling programs are more stringent than those in most cities and ports
- 20 new ocean-going vessel deliveries between 2011 and 2014
- Increasing capacity allows cruise lines to expand beyond their traditional markets like never before
- Cruise operators have moved ships to ports that are more convenient for people to drive to instead of fly

Strong Industry Fundamentals

- Long-term growth
- Great vacation product
- Product innovation
- Low penetration of vacation market
- Favorable demographics
- Consolidated industry
- Ability to absorb new capacity
- Proven resilience

Industry Trends

- Ships are getting larger, which increases the requirements on port infrastructure to adequately support calls
- 12 out of 23 ships delivered through 2012 exceeded 100,000 gross tons. Cruise lines are partnering with ports to build piers and infrastructure capable of servicing larger ships (e.g. St. Thomas, Falmouth, Roatan, Cozumel, Turks & Caicos, etc.)
- A cruise line partnered with Port Everglades, FL, to build a terminal capable of servicing Oasis-class vessels. This has resulted in a huge tourism boost to Ft. Lauderdale and surrounding communities

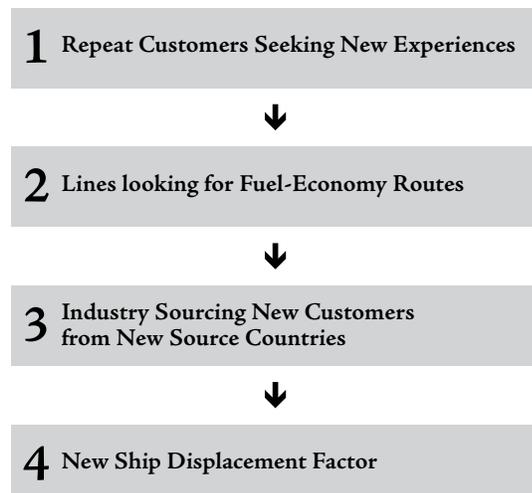
2012 Deliveries

Cruise Line	Ship	Gross Tonnage	Lower Berths	Cost in Millions
AIDA	AIDamar	71,000	2,174	\$565
Celebrity	Celebrity Reflection	126,000	3,030	\$768
Carnival	Carnival Breeze	130,000	3,690	\$738
Costa Cruises	Costa Fascinosa	114,200	2,500	\$726
Disney	Disney Fantasy	128,000	3,012	\$899
MSC Cruises	MSC Divina	140,000	2,500	\$742
Oceania	Cruises Riviera	65,000	1,260	\$530

Largest Cruise Ships Afloat

Cruise Line	Ship	Gross Tonnage	Lower Berths	LOA in Meters
RCI	Oasis Class (2)	225,000	5,400	362
RCI	Freedom Class (3)	158,000	3,643	339
NCL	Norwegian Epic	153,000	4,200	330
MSC	Fantasia	138,000	3,650	306
Carnival	Carnival Dream	130,000	3,650	306
Celebrity	Solstice Class (5)	122,000	2,850	315
Princess	Caribbean Princess	113,000	3,600	290

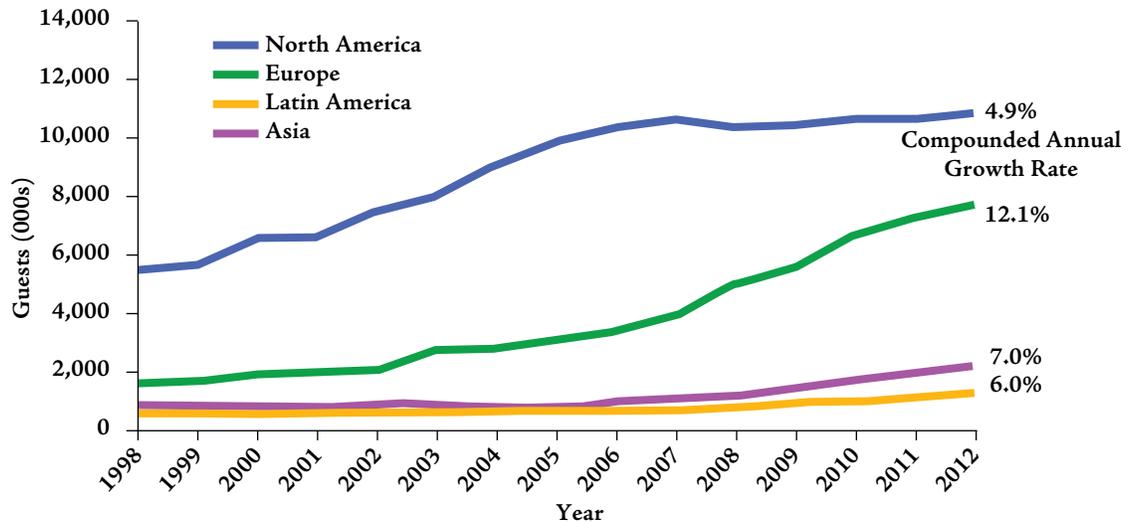
Big Brands Moving East



New Ship Displacement Evolution



Industry Growth by Region



How Do Cruise Lines Determine Where to Deploy Their Ships?

There are 5 basic factors of itinerary planning:

#1 Customer Demand

Like most other businesses, the cruise industry is customer-driven and responds to the demands of the marketplace. The industry surveys where people want to cruise and identifies factors that are important in purchase decisions. Marquee ports are those rated most important by passengers when purchasing a cruise and are generally characterized by the following:

- + Well-known cities
- + Major cultural significance
- + Major historical significance
- + Natural beauty
- + Contemporary significance
- + Excellent cruise infrastructure
- + Sought-after destination
- + Shopping opportunities
- + Excellent shore excursions
- + Interest for guests not on tour

#2 Customer Satisfaction

The industry takes people to the places they like best by asking passengers to rate each of the ports they visited. Customer satisfaction is of paramount importance to the cruise lines and their port partners.

#3 Yield

The industry deploys ships to where they can achieve the best financial returns. Yield equals cruise fare plus onboard revenue minus operating and overhead costs. It is critical that ports and service providers in those ports remain affordable.

#4 Geographic Proximity

A port's location relative to other desirable cruise ports is a critical aspect in itinerary planning. Cruise lines must offer both quality and variety. Itineraries with more ports generally sell better than those with fewer ports, and port associations and collective conferences are important.

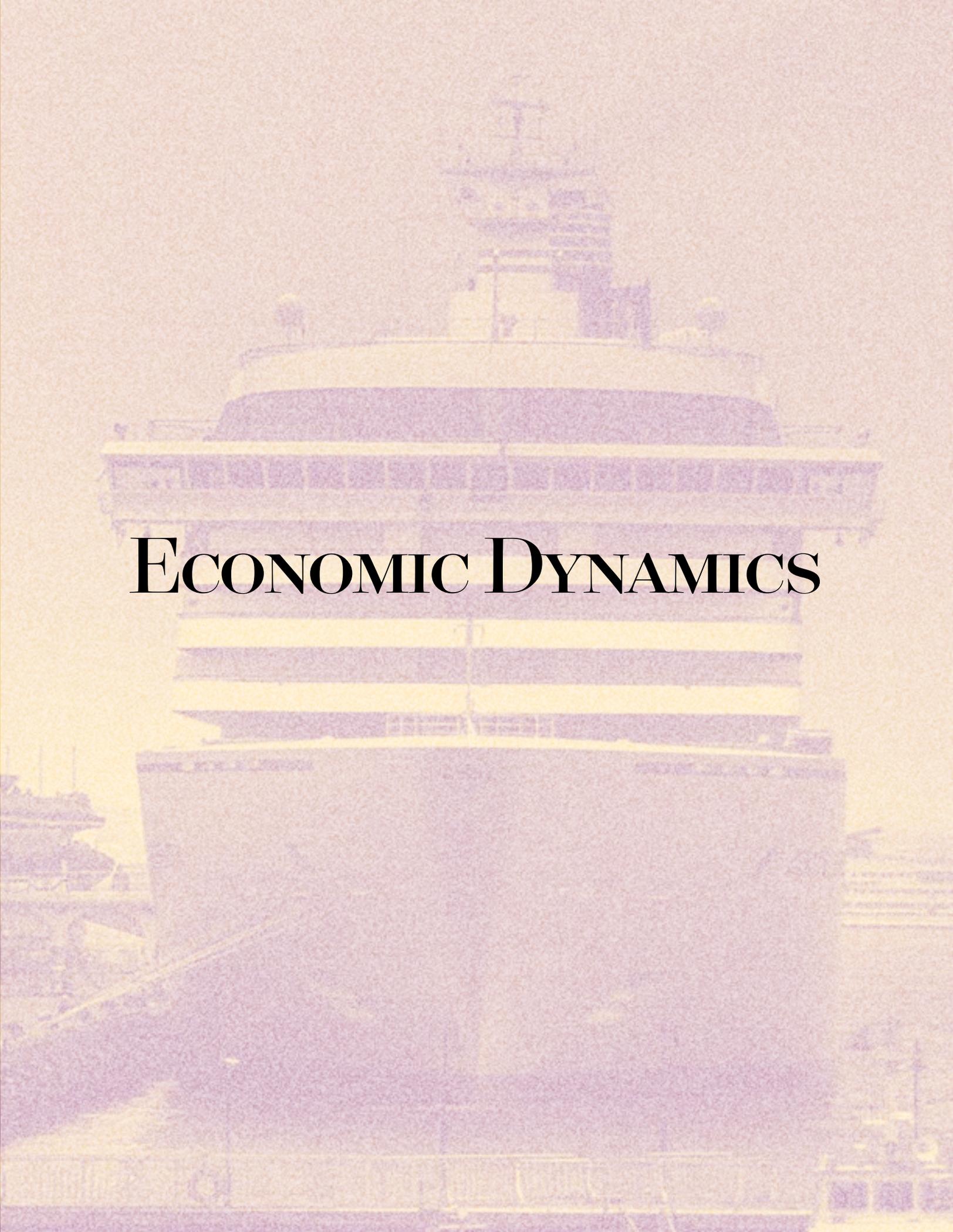
#5 Marine and Other Operational Considerations

This includes port facilities, safety, security, infrastructure, services, costs, and relationships. Ports need to have both the right hardware and software. Home (turnaround) port considerations include the following:

- Overall itinerary fit (time, speed, distance)
- Guest air and ground transportation to/from turn ports
- Provisioning capacity/availability
- Emergency airlift capability
- Population in catchment area around the home port
- Clear berthing policy
- Cruise terminal or alternate facility
- Is the port a willing and strong partner?

The *Costa Victoria* in the bay of Naples, against the backdrop of Mt. Vesuvius



A large, multi-decked cruise ship is the central focus of the image, viewed from a low angle that emphasizes its height. The ship's upper decks are visible, showing railings and windows. The background is a hazy, overcast sky. The title 'ECONOMIC DYNAMICS' is printed in a large, black, serif font across the middle of the ship's upper decks.

ECONOMIC DYNAMICS

The Cruise Industry's Business Model: Implications for Ports

Ross A. Klein, Ph.D.

PORTS AROUND THE WORLD clamor for and compete for cruise tourism, often believing cruise ships are cash cows. They often base their decisions and pursuit on information provided by cruise lines that suggest each and every cruise passenger spends US\$100 or more at each port of call. Port officials and government officials uncritically accept cruise industry claims and rarely look beyond the façade of glitz and glamour associated with cruise ships and cruise tourism.

This essay looks at the cruise industry's business model and discusses the implications this has for ports. The agenda is not to argue against cruise tourism, but rather to assist policymakers and port communities in making fully informed decisions.

The Modern Cruise Industry

The cruise industry today is quite different than it was in the 1960s and 1970s. A report from the U.S. Federal Trade Commission succinctly captures the changes:

Cruising has evolved from a minor offshoot of the oceanic passenger industry of the past into a broad-based vacation business... Today's cruise ships, bearing a far stronger resemblance to floating luxury hotels, or even amusement parks, than to traditional ocean liners, offer their thousands of passengers amenities such as full scale, "Main Street"-style shopping districts, multiple restaurants, spas, basketball courts, and even ice skating rinks and rock-climbing walls. (Federal Trade Commission, 2002)

This reflects the increasing importance of onboard revenue to the cruise line's bottom line. Amenities and experiences are no longer part of the "all inclusive" package, but have become a critical part of the cruise line's income. Onboard sales, including sale of shore excursions, are a significant proportion of the money turned over by a cruise ship. According to Royal Caribbean's Vice President for Commercial Development, John Tercek, US\$100 million of that company's US\$351 million profit in 2002/2003 was derived solely from shore excursions. In that year, a typical Royal Caribbean ship could generate close to a half million dollars in tour income with a single call at St. Petersburg, Russia (Peisley, 2003). The amount generated by shore excursions has continued to increase as cruise lines introduce a range of higher-priced boutique tours.

Consumers buy cruises today for less than they would have paid fifteen or twenty years ago. Prices have scarcely recovered from the first Gulf War in 1991, which coincided with a period of new construction and led to cruise lines lowering prices in order to fill ships. Though prices have from time to time inched up, they have been pushed back at times of international unrest, economic uncertainty, and, as we have recently seen, highly visible cruise ship accidents. Contrary to most consumer products where innovations and change are driven by consumer demand, the cruise industry appears to build new, larger ships and then create consumer demand through advertising and price manipulation, bringing prices to the point where they can fill their ships (Kollwitz & Papathanassis, 2011); for example, in 2013 one could still purchase a cruise for less than US\$60 per day. In order to make up for the lost revenue, cruise lines turned to onboard revenue centers. By the early 1990s, most major cruise lines had corporate managers of onboard revenue. Modern cruise ships were on their way to becoming "little more than floating bed fac-



Shore excursions like “Dolphin Encounters” in Nassau can account for almost one third of a cruise line’s profit

tories with shops and restaurants attached. Time spent at sea is simply a matter of getting from A to B with an emphasis on cajoling those trapped inside into spending their money on shopping, drinks, and other extras” (Ashworth, 2001). Today, a typical cruise ship generates close to US\$50 per passenger per day in net income (profit). For a 3,000-passenger ship this translates into US\$150,000 per day, over US\$1 million per week, and US\$52 million per year.

Making Money

Income from sources other than cruise fares became serious business in the late-1980s and early 1990s. Carnival Cruise Lines was perhaps the first to realize the potential of onboard revenue—largely by necessity in order to meet the weekly payroll—but Norwegian Cruise Line reportedly was the first to establish a corporate manager of onboard revenue. The goal was to get passengers on board with low fares and then to generate income by spending once passengers are on the ship. J. Norman Howard (1993), former Business Director for Cunard Line, succinctly expressed the orientation: “Attract passengers with good pricing and merchandising. Entertain them at all costs. Fill them up. Strip them clean. Send them home happy.”

Traditional sources of onboard revenue included bars, casinos, onboard shops, bingo, spas, photography, and communication services. In the mid-1990s, Norwegian Cruise Line (NCL) introduced art auctions and these quickly became a huge source of revenue; other cruise lines followed suit. In 2000, Park West Gallery reported selling 200,000 pieces of art on cruise ships (Yancey, 2001). The scale has undoubtedly grown considerably since. In addition, Internet cafes were introduced in the late-1990s, wireless Internet connections in 2002, and cell phone service

the following year. When NCL announced that it would introduce wireless telephone service, some lamented that passengers taking a cruise to relax and to get away from the routines of home will now be bothered by having to listen to someone talk about their stock options as they are on deck by the pool getting some sun. Colin Veitch, CEO of NCL dismissed the concern:

“Are you going to be annoyed by sitting next to the pool and having somebody talking on their cell phone? Probably not any more annoyed than just having a noisy person next to you,” Veitch said. “People will just get used to it” (Pain, 2004).

The past ten to fifteen years has seen a range of new revenue sources. Many, such as rock-climbing walls and ice-skating rinks, have been given considerable attention. These are part of a growing group of activities and recreation options offered for an additional fee. They include golf driving ranges, virtual reality games, pay-per-view movies, in-room video games; and fees for yoga, certain fitness classes, and for wine tasting and a range of “optional” activities. Cruise ships have mini-bars, ATMs, and all the other revenue centers found at a hotel or resort. Royal Caribbean’s Voyager and Oasis class ships have a four-story-tall shopping mall (the “Royal Promenade”) deep in the bowels, running a considerable span of the ship (the length of a football field).

Three areas in which income has significantly grown are food, shore excursions, and shopping programs. In contrast to the late 1990s, when Princess Cruises was criticized for charging extra for Häagen Daz ice cream and Royal Caribbean was criticized for charging at its Johnny Rockets restaurant, cruise ships today have a range of food options, and most charge an extra fee. Passengers can spend money at cafés for pastries and premium coffees, and at “extra-tariff” restaurants, an alternative to the normal dining venue where charges can range from US\$5.00 to US\$50 or more, plus beverages and tip. These optional dining experiences are available across the industry.

Shore excursions, another source of income, are convenient for passengers (between 50% and 80% buy an excursion in each port) and provide solid revenue to the cruise line in the form of sales commissions. In some locales as little as 10% of the amount collected for a shore excursion is paid to the person that actually provides the tour; in others it more commonly approaches a 50/50 split. At the extreme, a shore excursion costing a passenger US\$99 may yield the in-port provider just US\$10 (CMC, 2007; Sandiford, 2003). The cruise line and its shore excursion concessionaire share the remainder. This leaves the shore excursion provider in the uncomfortable position of being paid US\$10 for a product that passengers expect to be worth US\$99. If passengers are disappointed, they blame the port, not the cruise ship.

The same companies that provide shore excursions offer port lecture and port shopping programs. Along with lectures on shore excursion options passengers learn about shopping, are provided a map with preferred stores, and are advised that they will get the best prices at the recommended stores. Passengers on shore excursions are also taken to preferred stores, which pay hefty fees and may also kick back money to tour guides. Onboard promotion of shore-side shops evolved into a mini industry by the mid-1990s and continues to thrive today. “What used to happen is that the tour directors on a major line would earn a quarter of a million dollars a year in royalties from port merchants” (Reynolds, 1995). Now, the money is collected as an annual promotion fee and/or a commission fee for all sales and is shared between the concessionaire and the cruise line. The amounts are significant. A retailer in Nassau reported in 1995 paying “more than US\$100,000 a year in such fees to one cruise line alone... but if you don’t pay it, the cruise line will recommend someone else” (Dahl, 1995). The vice president of Royal Caribbean defended these charges, saying “this is just a regular part of doing business” (Dahl, 1995). Today, there may be set fees, or in some locales a payment based on a percentage of sales to cruise ship passengers—reportedly as high as 40%.



Promenade shopping mall on the 6,296-passenger *Allure of the Seas*

Saving Money

The major cruise corporations save significant money by registering “offshore” in countries such as Panama, Liberia, or Bermuda, and operating ships registered with flags of convenience (e.g., Panama, Bahamas, Malta, Bermuda, etc). The result is that the corporation does not pay income tax in the countries where it operates (e.g., United States, Canada, the United Kingdom) and the ships operate relatively free of laws within the countries where they port, including labor laws (there is no enforceable minimum wage on a cruise ship). The ship is governed by laws of the country where it is registered; international conventions are also enforced by that country. Foreign registry also has implications for a cruise ship’s liability when workers or passengers suffer injury or death.

Another way cruise lines save money is by planning itineraries that allow a ship to cruise at slower speeds and to sail shorter distances, both effective means to reduce fuel costs, which typically run more US\$20 per day per passenger. The advent of private islands in the late-1980s was motivated by the same consideration—saving fuel and reducing costs. Most are located in the Bahamas or Haiti. With a stop at the island, ships are able to save fuel by cruising at a slower speed between two primary ports. Rather than sailing non-stop from St. Thomas to Miami, a ship may reduce speed between the two ports with its scheduled stop at the private island.

Norwegian Cruise Line was the first to introduce the concept. In addition to saving money, the innovation provided an alternative to landing passengers in already congested ports. It could also be used on Sundays when passengers would often complain about shore-side shops being closed. The private island has several economic benefits. For one thing, passengers on a private island are a captive market. The cruise line runs all beverage sales and concessions, such as tours, water activities, souvenirs, and convenience shops. It has no competition; so all money spent on the island contributes to its revenue and profit. An added benefit is that passengers tend to enjoy the experience. This provides a positive impression of the cruise line and is an indirect source of increased revenue in the form of future passenger referrals (Lloyd’s List, 1991). In February 2013, Carnival Cruise Lines announced it was replacing 30 port calls at Key West with a call at a

private island. The distance to the private island is less than to Key West, and the revenue generated will likely be significantly more.

As cruise lines have grown, and the industry has become increasingly consolidated, the industry benefits from economies of scale. Carnival Corporation, which operates ten brand names, controls more than 50% of the North American market and has huge purchasing power. Royal Caribbean Cruises Limited, with its five brand names, controls 27% of the North American market, followed by Norwegian Cruise Line, which has close to 14% of the market. Each of these companies is able to negotiate very favorable pricing from suppliers.

Labor costs are another area in which cruise lines save money. In the mid-2000s, cruise ships began centralizing the collection of gratuities—a passengers' onboard account would be automatically charged. In 2013, Royal Caribbean announced the amount added would be US\$12 daily; US\$14.25 for suite guests. This money is used to pay for a large proportion of labor costs. Just one ship such as *Oasis of the Seas* generates over US\$75,000 a day for labor costs, or as much as US\$27.5 million in a year.

From a port's perspective, perhaps the most serious way in which cruise lines save money is by playing ports off against one another (see Klein, 2005). They have an interest in encouraging as many ports as possible to build capacity to host cruise ships, especially ports in close proximity to one another. It is a simple matter of supply and demand. Additional ports mean a cruise line has options, reducing the value of the competitors for its business, and allows the cruise line to put ports in competition with one another. In British Columbia (Canada) it is competition between five ports (Vancouver, Victoria, Nanaimo, Campbell River, and Prince Rupert); in the Canadian Maritimes there is competition between Halifax, Saint John, Sydney, and Charlottetown; and on the east coast of the U.S. there is competition between ports such as Jacksonville, Savannah, Charleston, Norfolk, and Baltimore (among others); and on the Gulf Coast competition between Galveston, Houston, New Orleans, and Mobile. Most recently, Panama City has suggested it is going to open for cruise ship business (Ruiz, 2013). Sadly, some ports lose, such as Mobile, which has an empty cruise terminal and a debt of US\$20 million; Houston, which had a US\$100 million cruise terminal sit idle for five years (but now appears to be taking business from Galveston); Norfolk, which has seen cruise ships come and go. Houston was successful by allowing two cruise lines to use the terminal for free, plus paying an incentive of US\$9.5 million to those cruise lines (Oberger, 2013). Similar scenarios can be found elsewhere in the world.

The Challenge of Being a Port

Given the nature of the cruise industry and its business model, there are several challenges facing a port. The most significant is keeping its fair share of income from cruise ships. One problem is the amount of money made by the cruise ship on shore excursions, often considerably more than the net income generated by businesses in the port city. Another problem is the shopping programs run by cruise ships that take even more money from the hands of local businesses. Ports need to maintain a high level of self-esteem and drive a hard bargain when dealing with cruise lines. Cruise corporations are adept at business and know how to maximize their profit. Ports need to match them with their business acumen and willingness to not go below a bottom line. It isn't like the cruise corporations can't afford to share more of the income—Carnival Corporation, before the *Costa Concordia* accident, was earning as much as US\$2.5 billion in net income (profit) and they paid less than 1% in corporate income tax.

With the industry's profitability in mind, ports need to resist pressure to provide cruise ships subsidies. Ports should place a priority on cost-recovery for the investment in a cruise terminal and for all benefits provided a cruise ship when in port. Port fees should be commensurate with the costs incurred by a port, and anything provided (such as potable water) should be sold at fair market value. Standing up to a cruise line can sometimes be difficult, especially given the indus-

try's generous contributions to political campaigns, their active lobbying efforts, and their degree of influence with mass media. Simply stated, a port needs to maintain a high level of self-esteem to stand up against cruise lines.

There is a temptation in many port cities to see all cruise ships as the same. This is not the case. There are mass market cruise lines, such as Carnival Cruise Lines, Norwegian Cruise Line, and Royal Caribbean International; there are premium cruise lines such as Holland America Line and Celebrity Cruises; and there are ultra-luxury cruise lines such as Seabourn, Regent Seven Seas, and Silversea Cruises. One can also distinguish between mainstream cruise lines and niche operators that deploy small ships and/or that cater to a specific audience. Ports need to recognize the way the cruise industry is stratified and realize that different ships not only operate differently, but may present greater or lesser opportunities for generating income.

Finally, ports need to recognize that most passengers have a finite amount of money to spend. Money a passenger spends onboard means they may have less money to spend onshore. When estimating the value of cruise tourism to the local economy, a port needs to be realistic about what a passenger is likely to spend in their city. This means doing independent research on passenger spending in one's port, rather than relying on figures provided by the cruise line or by researchers paid by and beholden to the cruise line. Cruise tourism is big business and a port needs to look out for its own interests and ensure that it is earning what it needs from that business. Like any business relationship, if the economic value does not meet an acceptable threshold, then the relationship needs to change or be terminated.

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Lessons on the Value of Cruise Tourism in Central American Ports

Economic, social, and environmental effects in Belize, Honduras, and Costa Rica, 2005–2010

Amos Bien

AS PART OF A COLLABORATIVE RESEARCH PROJECT of the Center for Sustainable Travel (CREST), INCAE Business School, and the Inter-American Development Bank, cruise tourism in three countries was surveyed in depth in 2005–2006: Belize, Honduras, and Costa Rica, in the ports of Belize City, Limon, Puntarenas, and Roatan. Research included 500 passenger surveys and 250 crew surveys in each port, as well as 50 to 100 in-depth interviews in each port with:

- Owners and administrators of natural and cultural tourist destinations
- Directors and administrators of natural protected areas
- Owners and administrators of hotels
- Other tourism service providers (transportation, tour operators, crafts, restaurants, etc.)
- Residents of port communities
- Relevant government authorities
- Port authorities
- Ship chandlers and other service providers for ships and cruise lines

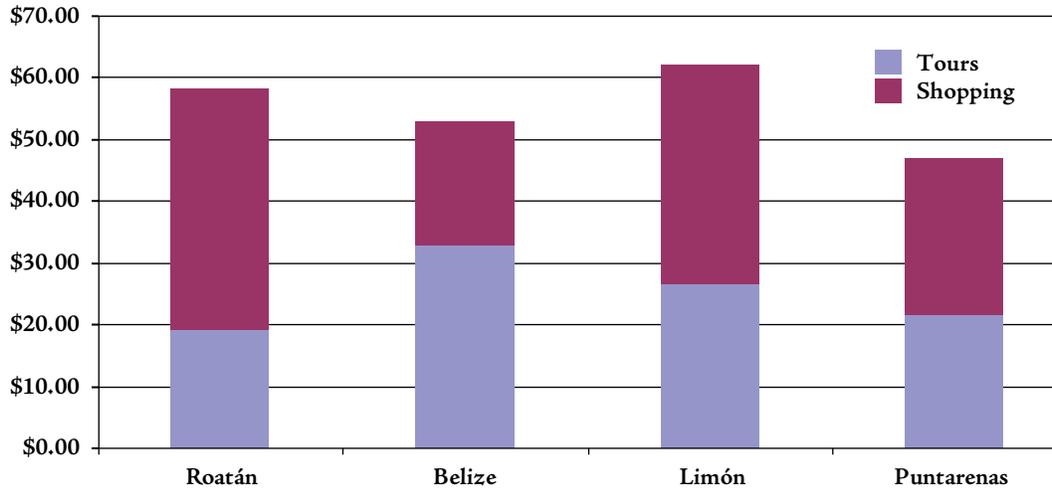
Data was compared with information from the Caribbean, and there was follow-up in 2009–2010.

The research evaluated:

- Shore expenditures and activities of passengers and crew
 - Direct expenditures
 - Activities
 - Willingness to pay
 - Feelings about destination (Likert scale)
- Shore expenditures by ship and cruise line
- Management of solid waste and sewage
- Indirect social and environmental impacts (e.g. crowding in national parks, selection of service providers, etc.)

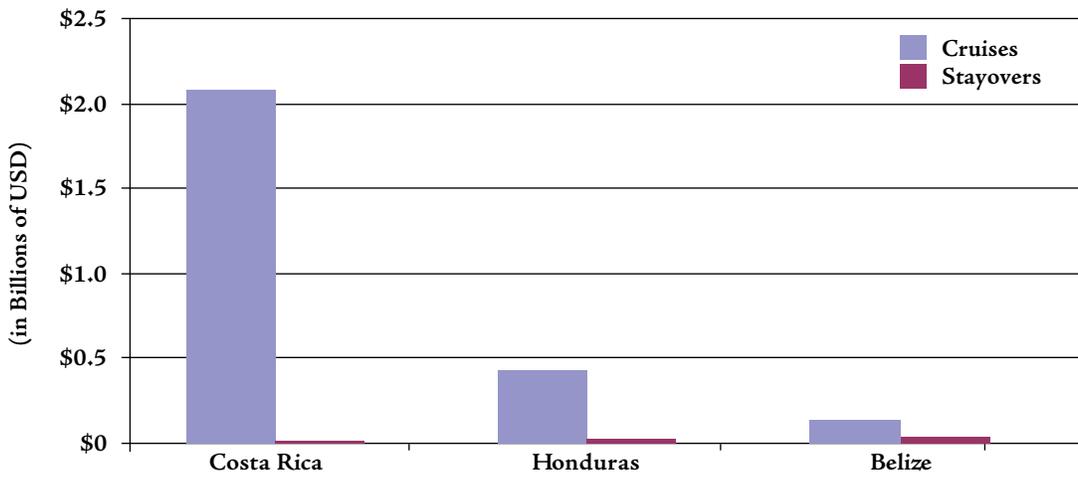
The study also calculated on-shore income, including port fees, provisions and Chandler services, per passenger head taxes, and net expenditures per passenger for both on-shore tours and on-shore shopping.

Net per-passenger expenditures in Central America



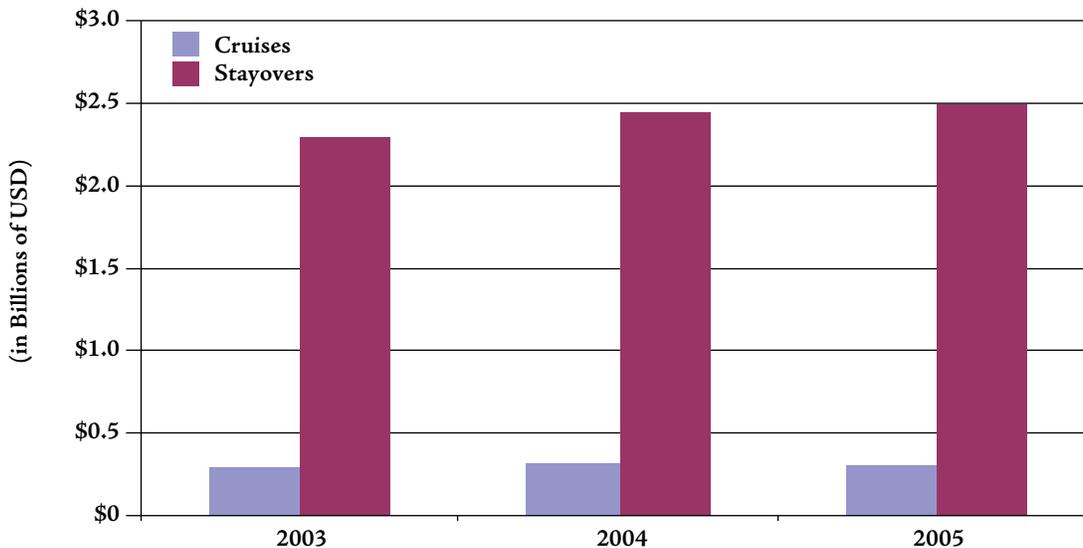
Compared with the expenditures of overnight tourists, cruise tourists spend significantly less, and thereby contribute little to the local economies of port cities.

Central America Visitor Expenditures for 2005



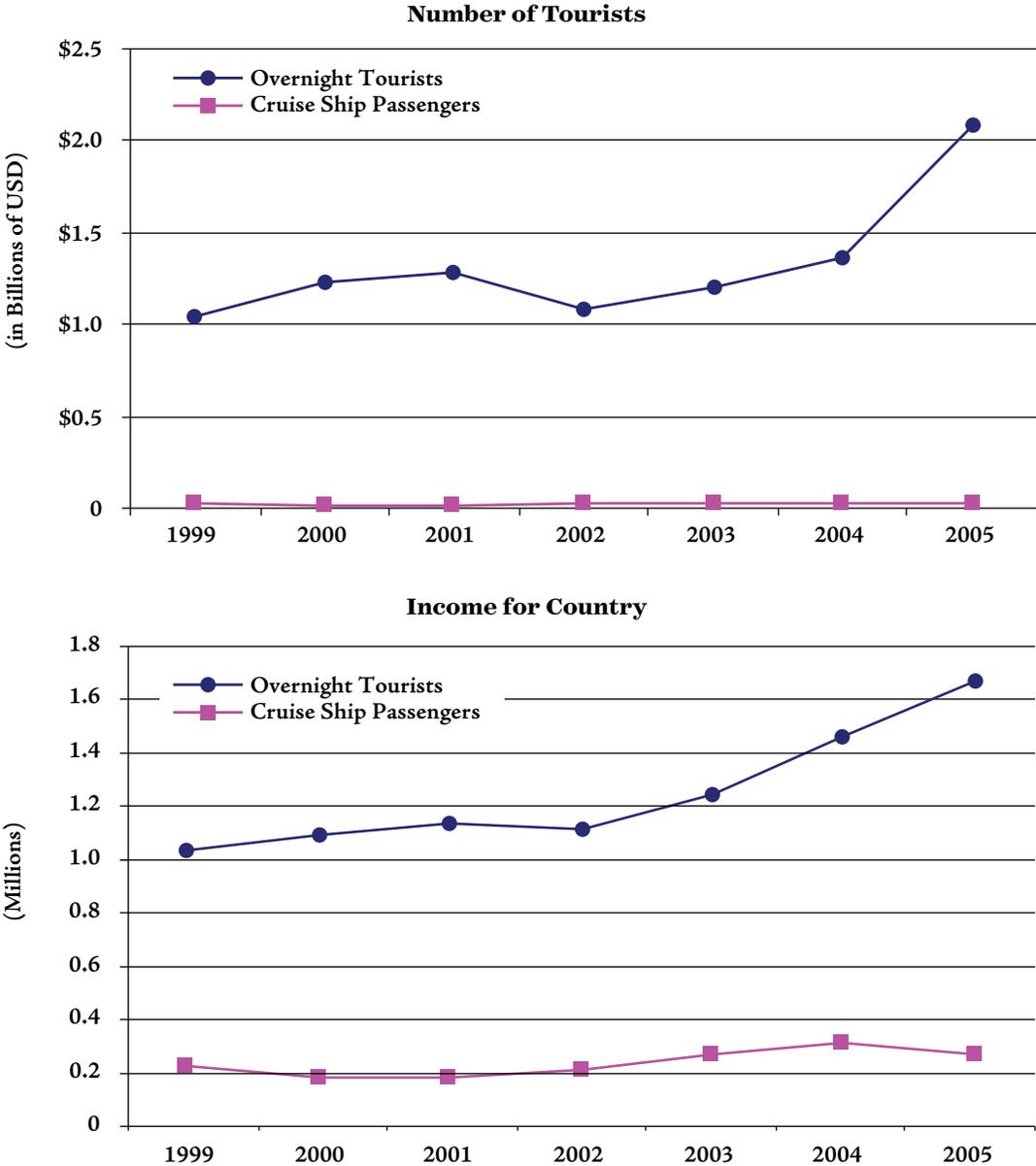
In the Caribbean, cruise visitors pay significantly less in taxes than overnight visitors.

Taxes Paid in the Caribbean



In Costa Rica, the overall national income generated by cruise tourists is dramatically less than the income generated by overnight tourists.

Overnight vs. Cruise Tourism in Costa Rica



While there were six times more cruise ship visitors than overnight visitors in Costa Rica in 2005, overnight visitors spent more than double that of cruise ship visitors on a daily basis (US\$120 versus US\$55 per person), and overall spending for a visit was 23 times greater (US\$55 versus US\$1260 per passenger). There is no evidence cruise passengers convert to overnight, and despite the large numbers of cruise ship visitors, cruise tourism accounts for only 1 in 10 tourism jobs. The benefits to small operators are concentrated in a few businesses, and there are tangible impacts on sites of visitation.

Overnight tourism offers more economic return and a lighter environmental and social footprint. Cruise tourism provides relatively little in tourism expenditures and employment, and the numbers and short length of visits make management difficult. The largest negative impacts are from crowding in tourist destinations, reducing enjoyment and deterring higher paying overnight visitors.

The study findings generate several recommendations:

1. Approach cruise lines with united and transparent negotiating policies to maximize social and economic value

- Strengthen multi-stakeholder input.
- Coordinate with other ports.
- Use a multi-pronged approach. Some elements may include head tax increases, local industry review of commissions paid and selection process for “preferred” tour operators and vendors, and creation of a community development fund.
- Be prepared to “walk away.”

2. Invest public funds for public benefit

- Empirical evidence shows benefits from cruise tourism do not justify public investment. Future investments should put a head tax toward public benefit, such as the maintenance of public parks and sites, roads, and other infrastructure.

3. Mitigate negative environmental and social impacts and damage to national tourism assets

- Enforce realistic limits.
- Prohibit tourism to pristine and valuable ecosystems and cultural sites.
- Undertake long-term impact studies on most critical sites to determine carrying capacity.
- Prohibit off-loading waste until it can be handled properly.

The Coral Princess off the coast of Puntarenas, Costa Rica



Cruise Ships in Historic Ports: Victoria as a Port of Call

Brian L. Scarfe, D.Phil.

Introduction

VICTORIA, THE CAPITAL OF THE PROVINCE OF BRITISH COLUMBIA, is located at the southern tip of Vancouver Island. Victoria is western Canada's oldest city, growing from a native community to a trading center, including a supply center, during the Caribou gold rush of 1858, to an industrial center focusing on forest operations and shipbuilding and the home (in next door Esquimalt) of Canada's Pacific Naval Fleet, to a relative small capital city with lots of historic charm.

While hinterland B.C. produces a variety of resource products for export to various countries, B.C.'s population is concentrated in the Lower Fraser Valley near Vancouver. Vancouver and Seattle are in competition as home ports for Alaska-bound cruise ships, and each hosts about 200 cruise ship visits during the May through September period.

The population of B.C.'s Capital Regional District, spread over 13 municipalities, is about 335,000, with Victoria proper hosting about 80,000 residents. Expenditures of life-savings by people who retire to Victoria because of its mild climate and attractive setting, public sector institutions, high-tech industries, shipbuilding and repairs, and tourism are the major economic drivers in Victoria.

The postcard elements of Victoria are the Legislature Building and the Empress Hotel by the inner harbor, while it is the outer harbor at the Ogden Point terminal that hosts cruise ship calls. In between the city center and Ogden Point is the neighborhood of James Bay, and it is the James Bay Neighbourhood Association (JBNA) that has coordinated the analytical work on cruise tourism impacts.

The cost-benefit study, "Victoria as a Port-of-Call," is one of the five data-orientated pillars that support the priorities of the JBNA when it comes to cruise ship calls. The other four pillars are the 2009 James Bay residents survey, traffic volume studies based upon City of Victoria data, traffic noise studies conducted by Wakefield Acoustics Ltd., and the sequence of James Bay Air Quality Studies conducted under the auspices of the Vancouver Island Health Authority (VIHA) and the B.C. Environment Ministry.

The multiple accounts, or triple bottom line, approach is used in the cost-benefit study. The four accounts, or areas of assessment, are the government finances account, the economic development (or business impact) account, the social wellbeing account, and the environmental account.

Cruise Tourism in Victoria, B.C.

Cruise tourism represents less than 5% of the overall revenue (or economic output) impact of tourism in Victoria, but creates significant socio-environmental costs in the form of marine effluents, traffic congestion, traffic noise, road repairs, infrastructure subsidies, and atmospheric emissions. Health Canada has identified Victoria as a port with significant sulfur dioxide concentrations during the five summer months when over 200 cruise ships call, mostly on their return from Alaska to their summer home port in Seattle.

Cruise ship activity in Victoria has grown rapidly from 45 cruise ship calls in 2000 to 229 scheduled cruise ship calls during summer 2012. 191 of the 229 calls are from ships that arrive from Alaska and depart for Seattle, their summertime home port. 151 of the calls are short evening calls of under six hours' duration that facilitate next-day turnaround in Seattle, and there are frequently three cruise ships in port at the same time.



The British Columbia Legislature Buildings dominate the Victoria skyline

The U.S. Passenger Vessel Services Act (PVSA) explains why foreign-flagged cruise ships need to make a Canadian call when plying between Seattle (or San Francisco) and ports in Alaska (mostly Ketchikan, Juneau, and Skagway). Were it not for this long-standing piece of protectionist legislation, Victoria would probably receive no more than 50 cruise ship calls, rather than over 200 calls, during the five-month summer period.

Economic output impacts per cruise ship visit are about eight times larger at home ports, like Vancouver or Seattle, than at ports-of-call, like Victoria, because ship provisioning, refueling, and hotel stays occur at home ports but not at ports of call. Moreover, short-duration visits have smaller economic output impacts than longer visits. Every time Victoria gains a full season of cruise ship calls from a ship that home ports in Seattle but that was previously home porting in Vancouver, B.C. loses economic activity.

Estimates of economic output impacts per cruise ship visit in Victoria can be extracted from reports prepared by cruise industry consultants. However, there are many misconceptions associated with cruise industry consultant numbers in relationship to Victoria, a situation that may well be paralleled for other ports of call.

Economic output impacts exaggerate actual economic benefits because input costs need to be deducted from economic output impacts to yield estimates of economic benefits. Cruise industry consultant numbers also include items that are unrelated to cruise ship calls at the Ogden Point terminal, including ship repair expenditures at the Esquimalt Graving Dock and travel agent expenditures made by residents for cruises taken elsewhere in the world.

A recent, but poorly constructed, passenger survey conducted by the Victoria Downtown Business Association seems to suggest that, for those passengers that do come ashore, the US\$56 per passenger expenditure number typically used by cruise industry consultants is about right. In



The Norwegian Cruise Lines ship *MV Norwegian Pearl* docked in Victoria, B.C.

addition, numbers presented at the Harboring Tourism Symposium by Amos Bien in relationship to ports of call in Belize, Honduras, and Costa Rica suggest that, on average, each disembarking cruise ship passenger spends about US\$36 in shopping and US\$20 on shore tours, for a total of US\$56 per passenger, while those crew members who disembark spend about US\$40 per person.

Statistics gathered in Victoria during the summer of 2011 indicate that, on average, 58–60% of a ship's complement comes ashore, varying from 64–71% for daytime ships and 53–58% for evening ships. For passengers, taken separately, about 72–74% disembark, with larger daytime proportions than evening. Taking these disembarkation percentages into account, the economic impact is much smaller than asserted by the cruise industry, which seems to base its estimates on the assumption that all passengers and crew come ashore, even when time in port is quite short.

In particular, the crew expenditure numbers for Victoria are wildly exaggerated, because most crew members cannot leave the ship during short evening stays or do not choose to on successive calls. Most crew members are also poorly paid. As a result, crew expenditures are overstated by at least US\$4 million.

Once all these factors are taken into consideration, the economic output impact, including direct expenditures by the cruise lines themselves, might amount, on average, to about US\$170,000 per cruise ship call. This number consists of about US\$41,000 in direct cruise ship expenditures, which include passenger levies, moorage costs, ship chandler services, and other services (including, in Victoria's case, waste management and recycling services), and about US\$129,000 in passenger and crew expenditures.

Victoria as a port of call also considers the distributional incidence of the costs and benefits, and indicates that much of the profit associated with cruise tourism flows south because key service providers are wholly U.S. owned. GVHA, which owns the Ogden Point cruise ship terminal, needs to manage cruise tourism with much greater attention to adverse community impacts.

Cruise Ship Emissions and Local Air Quality

When air quality studies began, 2006 data from the regional monitoring center, five kilometers from Ogden Point, were examined. The comparison of sulfur dioxide (SO₂) levels on days with cruise ships in port versus days without ships in port demonstrated that cruise ships had become the major single-point source emitter of SO₂ for the region from May through September.

CALPUFF modeling looked at where cruise ship plumes would travel given prevailing winds. Elevated SO₂ levels are not just a problem for James Bay. Elevated SO₂ levels clearly affect the Songhees area on the north side of the middle harbor, and downtown Victoria, on the inner harbor, including areas with major hotels and public spaces. Predicted SO₂ levels were based on industry asserted estimates of the sulfur content of fuel.

In 2009, the B.C. Ministry of the Environment quietly placed MAML, a mobile laboratory, in the middle of James Bay. SO₂ levels were triple modeled values and the World Health Organization 24-hour guideline was exceeded on 24% of the days that cruise ships were in port, even though the ships were in port for just a few hours on these days.

MAML sulfur dioxide levels can be compared with those gathered from Trail B.C., close to a smelter, from Prince George B.C., near to a pulp mill, and from Vancouver Second Narrows, which is located downwind from Vancouver's harbor. Only the smelter caused worse air quality impacts than cruise ship calls at Ogden Point on hourly or shorter period measures. The MAML study also permitted the identification of specific cruise ships that were generating airshed emissions by time of day.

The Health Review and Response to the MAML observations confirmed that sulfur dioxide levels could cause health impacts. In particular, the Health Authority stated that "there are occasions where SO₂ levels are elevated so as to cause health impacts that could affect the quality of life and wellbeing of some area residents," and suggested, on average, one premature death per year.

In spite of scientific analysis, the cruise industry did not alter operational behavior until 2011, when a single sulfur dioxide monitoring station was placed in James Bay, one kilometer to the northeast of the Ogden Point cruise ship terminal. This site measures sulfur dioxide levels quite well during the one-quarter of the time that winds blow from a southwest direction. It is somewhat less successful in measuring these levels when the wind blows from other directions.

Air quality monitoring has led to a gradual reduction in SO₂ emissions in 2011 and 2012, as compared to 2009, because it has changed industry behavior from paying little heed to air quality concerns to burning bunker fuels with lower sulfur content. As the North American Emissions Control Area (ECA) regulations come into full force, SO₂ levels in 2013 can be expected to be about 30% of the levels experienced in 2009 and 2010. Already one has observed that the 2012 post-ECA one-hour maximum of 51 ppb, which occurred on September 8, is smaller than the pre-ECA maximum of 100 ppb which occurred on July 6, as measured at the single SO₂ monitoring site in James Bay.

However, as JBNA became aware of industry intent to sidestep the ECA's lower sulfur content requirements through "fleet and location" averaging, JBNA initiated discussions with the key Transport Canada officer in Ottawa, who in turn worked with the U.S. Environmental Protection Agency (EPA) to ensure that the cruise industry would not avoid the intent of the agreement. The cruise industry appears to be lobbying Alaska to challenge the ECA regulations at this time.

It follows that the health care costs associated with sulfur dioxide emissions from cruise ships have been reduced since the "Victoria as a Port of Call" cost-benefit study was completed in April 2011. Further progress in this area is likely in 2015 as additional ECA improvements come into effect. However, although the ECA may require each cruise ship to use cleaner fuel while close to port, the simultaneous presence of three cruise ships may still create deleterious air quality impacts.

Traffic Volumes, Traffic Noise, and Other Socio-Environmental Impacts

Socio-environmental disruptions continue to occur in Victoria neighborhoods that are impacted by cruise ship calls. The 2009 James Bay residents survey with 573 respondents demonstrated that traffic volumes and traffic noise have worsened over the past five years and are high priorities requiring attention.

Estimates of the transportation modes used by passengers and crew members when they come ashore at Ogden Point are also available. About 31.9% of those who disembark take tour buses that provide shore excursions to places such as Butchart Gardens, 26.0% take shuttle buses to downtown Victoria, 17.5% leave the Ogden Point terminal as walkers, 16.1% take taxicabs, while 8.4% use other modes of transportation such as limousines, vans, classic cars, horse drawn carriages, pedicabs, and bicycles.

On average, every cruise ship call generates 384 additional vehicle movements along Dallas Road near Ogden Point, of which 42 are large highway-sized bus movements. These bus movements are associated with both tour excursions and the shuttle buses that travel about two kilometers to downtown Victoria and which are unnecessarily large for this purpose.

When three cruise ships call together, these numbers are tripled, with up to 120 buses headed out from, and back to, Ogden Point during the evening. JBNA has prepared a number of graphs that capture the impact of cruise ship calls on bus traffic and overall traffic volumes at various times of day along Dallas Road, Douglas Street, and elsewhere in James Bay.

Along Dallas Road and other heavily trafficked streets on three cruise ship evenings, average hourly noise, perceived during the 5:30 p.m. to 11:30 p.m. period, increases by 50–80%, and comes on top of high baseline noise levels. Traffic noise is known to be a major cause of stress and hypertension. Traffic noise is also known to lead to reductions in local property values. The costs associated with each of these impacts have been assessed.

Summary of the Multiple Accounts Results

Social wellbeing costs are associated with noise in the form of stress, hypertension, and strokes, and with airshed emissions where asthmatics and people with respiratory difficulties are most affected. In connection with 200+ cruise ship calls, health care costs are estimated at US\$7 million per year (with US\$4 million attributable to the government sector and US\$3 million to the household or social wellbeing sector), premature death costs at US\$3 million per year, and annualized property value losses at about US\$4 million per year.

The total of these costs has been reduced by about US\$4 million from “Victoria as a Port of Call” because cleaner fuel is now being used when the cruise ships are either in port or close to port. Shore power is not available in Victoria, and might well not be effective, given the short time cruise ships are in port relative to the time spent maneuvering and hooking up to, and getting off, shore power. Much cleaner fuel seems to be the answer to cruise ship emissions here.

Infrastructure costs of about US\$4 million, largely financed through government subsidies, and environmental costs of about US\$6 million, including those associated with nearby marine effluents, round out the overall cost estimate of US\$24 million. Although all of these estimates are based on detailed scans of relevant scientific literature, some of the estimates are likely to have large variances.

Remembering that economic output impacts overstate economic benefits because input costs need to be deducted, the multiple accounts approach identifies net economic benefits totaling about US\$22 million per year from 200+ cruise ship calls, including business income gains of US\$13 million, household income gains of US\$6 million, and tax and license revenue gains of US\$3 million. Since the multiple accounts approach also identifies socio-environmental costs

of about US\$24 million, the net social benefits associated with cruise ship calls may not be significantly different from zero.

When properly assessed, the economic benefits, which accrue to select businesses, are no larger than the socio-economic costs borne by residents. The number of cruise ship calls needs to be optimized, taking scheduling into consideration, rather than maximized. Value is more important than volume, and quality trumps quantity. Since the additional socio-economic costs associated with each cruise ship call increase as the number of calls increases, and particularly when these calls occur simultaneously, while the additional benefits per cruise ship call are at best level, the optimum number of cruise ship calls is clearly much less than the current number.

Mitigation Requirements

Cruise industry consultants believe that the Alaska destination cruise ship industry will continue to grow in both ship numbers and ship sizes over the next 20 years, with annual passenger number growth in the 3.5% range. Any mirroring of this growth forecast in “Victoria as a Port of Call” numbers will place the industry on a collision course with peace and harmony in Victoria, B.C. There are clearly limits of acceptable change. Our real challenges may have only just begun.

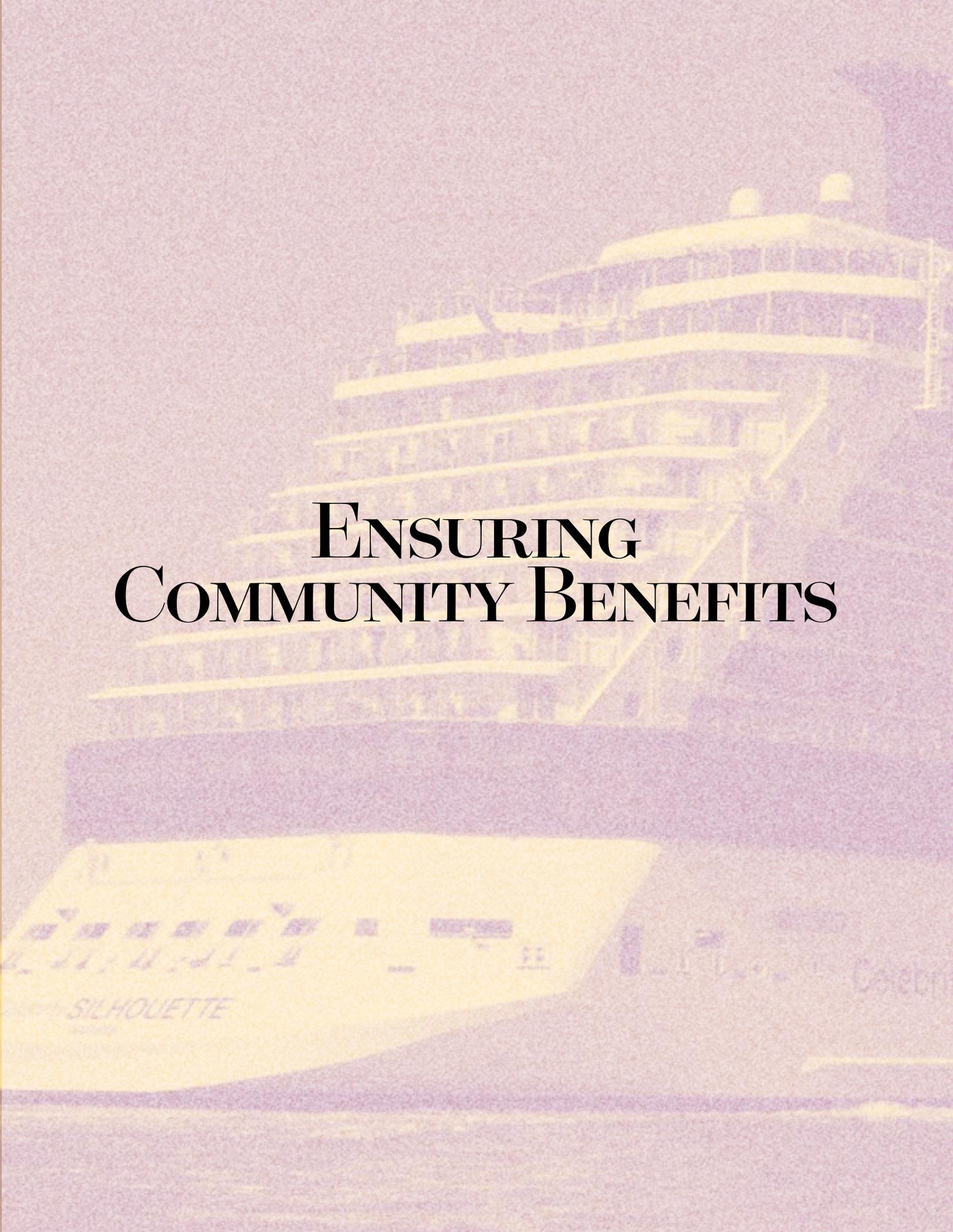
Victoria needs to define the role that cruise ships play in our lives and not be subservient to this multi-billion dollar offshore industry. A great deal of work on environmental metrics has been completed, and/or participated in, by JBNA over the past several years. Measurement is one thing; mitigation is another. JBNA has long recommended to GVHA and the City of Victoria steps that would help mitigate cruise ship environmental impacts on the neighborhood and on Victoria more generally.

Monitoring and reducing cruise ship emissions must continue, with cleaner fuel being the main answer to the air quality problem and its health-related impacts. The mitigation of traffic volume and traffic noise impacts on our community requires 1) optimization of cruise ships scheduling rather than kowtowing to the needs of the Seattle-based industry; 2) promotion of alternative itineraries, including longer daytime calls and fewer evening calls; 3) movement toward transportation vehicles that are more appropriate than large buses, including watercraft transportation; 4) encouragement of more walking; and 5) enforcement of speed limits. JBNA plans to use all the powers of persuasion to steer GVHA's coming Master Plan for Ogden Point in the direction of community friendly diversification and away from ever more cruise ship industry growth.

Two of JBNA's underlying mottoes are “build a city for residents, and tourists will love it; build a city for tourists, and it will be unlivable,” and “good tourism interacts with the community; bad tourism impacts on the community.” There were several examples provided at the Harboring Tourism Symposium that indicated that bad tourism drives out good tourism.

While our environmental mission in the historic City of Victoria may be a lonely one, it is important to know, with the other players at the symposium, that we are not alone.

The above provides a brief overview, and update, of the report, “Victoria as a Port of Call: the Costs and Benefits of Cruise Ship Visits,” which was published electronically in April 2011, on the web-site of the James Bay Neighbourhood Association (www.jbna.org) in Victoria, B.C.



ENSURING COMMUNITY BENEFITS

SILHOUETTE

Policies for Maximizing Positive Impacts for Cruise Tourism: A Destination Perspective

Juan J. Luna-Kelser

IT IS WELL KNOWN that the effects of cruise tourism on destinations are diversified and significant. They can range from direct and indirect economic spending to undesirable environmental pollution and social impacts, the latter being the result of absent or ineffective policies that should be in place to regulate the behavior of cruise ships and its passengers while, respectively, berthing and visiting a destination. As a result, misperceptions and disappointments are generated that, in turn, cause further wear and tear on the part of both hosts and guests.

Whether cruise lines and destinations act as partners or competitors will depend on their disposition to engage constructively in defining the rules of their long- or short-term relationships—that is, the extent to which they encompass all relevant aspects such as preserving the destination's image and core attractors, providing a memorable experience to the cruise visitor sustained by well-managed tourism offerings, generating local employment and revenue, mitigating environmental impacts, providing adequate port/terminal infrastructure, and accessibility to the destination.

Furthermore, since the destination is the place where the visitor consumes the product—i.e., where the natural and cultural resources of the destination are expended and where the impacts both good and bad take place, and where the traveler's ever-demanding expectations need to be met and satisfied by a plethora of services provided by an array of different local stakeholders with diverging interests and goals—cooperation and building consensus among these local actors is critical. Too often, however, this is not the norm, especially in emerging destinations where local stakeholders lack the capacity and the resources necessary to cooperate, much less manage the destination.

Due to this limitation, the cruise industry is able to dictate the terms of trade whereby the promise of bringing a certain number of visitors per port call ensures a profitable return by having the host country (the port authority, in most cases) provide docking facilities and services to the cruise lines at a minimum cost through favorable long-term concessions and leasing. In addition, the cruise lines, together with shipping agents, are able to shape the cruise package deal by having the latter act as the general sales agent that together with inbound transportation providers manipulate land activities, thus crowding out inbound tour operators and travel agencies that depend economically on the inbound market of travelers.

Moreover, there are cruise destinations that are just not equipped to handle the solid and liquid waste generated by cruise ships, despite the technological advances gained by these vessels in terms of being able to process internally such waste. On the other hand, there are also gas emissions spewed into the atmosphere while the ships are docked and idling at the port of call, as well as discharged ballast water and potential fuel spills that, all combined, constitute threats to the destination's marine ecosystem and climate change.

As the cruise tourism business grows¹ and as their operating units increase in size,² there is a growing trend and pressure to regulate the cruise industry to ensure compliance with both the international regulatory framework and the national legislation of host countries. At the international level, there are several instruments that have been developed and implemented with the aim to ensure security and protection of maritime transport and the property and persons at sea and on land, as well as to fight against marine pollution.

The International Convention for the Safety of Life at Sea (SOLAS) provides the international framework for channeling cooperation among contracting governments, local administrations, and the shipping and port sectors for detecting threats to security and adopting measures to prevent threats to the security of ships or of port facilities used in international trade. The Maritime Port Protection and Code ISPS-2004, also known as the SOLAS amendments, pro-



According to Cunard, the *Queen Mary 2* exceeds several MARPOL requirements

vide special security measures for mitigating the danger of terrorist and criminal acts against maritime transport and property and life at sea. These measures were taken after the September 11, 2001, terrorist attacks. It applies to passenger and cargo ships of 500 GT and upwards on international voyages, as well as the port facilities serving such ships.³

On the environmental side, there is a progressive global framework for international cooperation in the fight against marine pollution. The International Convention for the Prevention of Pollution from Ships (MARPOL) covers pollution by oil, chemical products, harmful substances transported in packaged form, sewage, and garbage. Because of the enormous quantities (tons) of liquid and solid waste produced by cruise ships, these vessels are especially subject to its rules and penalties. In areas such as Alaska, the Caribbean, the Baltic, and other high-biodiversity reserves, MARPOL is very strict about waste management.⁴

Moreover, there are internationally designated Particularly Sensitive Sea Areas (PSSAs) where navigation is restricted in order to protect the marine environment. Under measures adopted by the International Maritime Organization (IMO), these areas receive special protection because of their recognized ecological, socioeconomic, or scientific importance and because their environments are vulnerable to damage as a result of maritime activities. Some of these areas are as follows:⁵

- ✦ The Great Barrier Reef, Australia
- ✦ The Galapagos Archipelago, Ecuador
- ✦ The Canary Islands, Spain
- ✦ Antarctica

Despite these designated zones, one of the major environmental concerns is the discharge of ballast water created by cruise ships. The introduction of foreign invasive species into new marine environments through ship ballast water has been identified as one of the four most important threats to ocean life by the United Nations, together with over-exploitation of marine resources,



Cruise ship moored in the port of Barcelona, Spain

marine pollution, and destruction of the aquatic habitat. To address and close the gap of vulnerability to this threat, governments have come together and signed the International Convention for the Control and Management of Ships' Ballast Water and Sediments.⁶

At the national and/or destination level, the cruise industry is progressively becoming subject to national policies and legislation. In the case of the United States of America, the cruise industry is already required to comply in areas of labor and environmental law, protection of minority rights (Disabilities Act), and fiscal affairs.⁷ In the case of Mexico, there is a public policy for the cruise industry. This is an excellent benchmark for emerging cruise destination markets. The policy requires Mexican port destinations to establish broad-based local cruise committees with the aim of addressing the impacts caused by the cruise industry and for problem-solving between the actors involved in the cruise industry. In addition, there's a high-level cruise working task force within the Inter-Ministerial Commission of Tourism that oversees these local cruise committees.⁸

Despite these two examples, there is still a dire need to assist host cruise destination countries in enacting policy frameworks that can effectively address the economic, environmental, social, and political impacts caused by the cruise lines while berthing and visiting the destination. What is critical for local destination stakeholders is to possess a strategic vision and an organization with a clear mandate and the necessary resources to know exactly how best to manage cruise tourism vis-à-vis other tourism market segments.

International best practices and experience have demonstrated that for destinations to compete globally an effective destination management organization (DMO) is required.⁹ A DMO's organization is ultimately decided by the stakeholders at the destination in terms of what they believe will be the best organization to advance their overall interests and those related to the management and coordination of tourism policy, planning, and marketing for the destination.

The Turisme de Barcelona, a public-private tourism consortium created after the 1992 Olympics, is an excellent example of a DMO dedicated not only to the promotion and positioning of Barcelona as an international sustainable tourist destination, but also to be one of the leading destinations for cruise passengers and leading ports for cruise ships in the Mediterranean. Promoting cruise tourism in Barcelona is based on joint problem-solving, which translates to settling

disputes that may arise between private companies and public agencies in a flexible manner and in coordination with leading actors (public institutions, the port authority, the airport authority, customs, security, immigration, private companies, etc.) using existing organizations, and aligning as necessary with the cruise business.¹⁰

Each destination is unique. There are some destinations that have embraced cruise tourism where others have rejected it. An interesting case study is Belize. Despite the leadership undertaken by the Belize Tourism Board (BTB) to improve cruise tourism in Belize City by enhancing the Fort George Tourism Zone, the local community stakeholders in the southern destination of Placencia have rejected the notion of becoming a second cruise port of call. Based on an independent assessment commissioned by the BTB to analyze the social viability of establishing a second port of call, the overwhelming majority of the local residents surveyed and interviewed determined that the costs outweighed the benefits.¹¹

Cruise destinations face numerous challenges. Following are several key policy areas that need to be considered by local stakeholders in conjunction with the cruise industry for maximizing positive impacts at the destination level:

1. Modernization of cruise port/terminal facilities and services: elimination of bottlenecks by:
 - a. Balancing port concessions and leasing arrangements between cruise company and host destination.
 - b. Separating port cargo berthing facilities from cruise facilities—most ports in the Caribbean are multi-ports.
 - c. Enacting appropriate legislative framework to attract private investment to upgrade infrastructure and operate the port or compel the cruise industry to undertake the investment.
 - d. Implementing training standards to build labor skills for managing port facilities.
 - e. Modernizing information and technology systems for facilitating port operations.
2. Environmental safeguards for handling cruise vessels waste and CO₂ emissions:
 - a. Development of urban cruise terminals with “cold ironing” or shore-side power facilities, whereby ships can connect to the destination’s power grid with the aim to reduce the environmental impact of docked ships. In 2001, the port of Juneau in Alaska was the first in the world to offer shore-side power for cruise vessels. Seattle followed with two installations in 2005 and 2006. In 2009, Port Metro Vancouver also introduced it. In Europe, cruise destinations such as Barcelona and Civitavecchia have also taken the initiative to install these systems. It is estimated that for an average cruise ship some 17,000 liters of fuel can be saved in a 10-hour docking period.¹²
3. Regulating the head tax, commissions, and other fees to create value for the host destination:
 - a. Bermuda is an excellent benchmark. This overseas British territory at one point in time was the only island in the Caribbean region to charge a head tax of US\$60. It also obligated cruise ships operating in its waters to employ more Bermudians, and to pay a contribution of US\$1.5 million to an educational fund to assist young people. In addition, the country requested from the Cruise Lines that each passenger coming onshore be provided with a US\$30 voucher at the ship’s expense. This situation has changed. Nonetheless, it is a policy worth revisiting.
4. Cruise visitors management plan based on local community consultation:
 - a. Local stakeholders, through the DMO, need to decide on how best to manage the flow of cruise tourists upon disembarkation on the destination to avoid overcrowding, traffic congestion, and interference with the daily routine of its local citizens.

5. Master conservation plans for all historical, cultural, and natural heritage assets based on scientific data and Limits of Acceptable Change (LAC):
 - a. LAC is based on the premise that all human uses will impact natural and cultural environments to a certain degree. Therefore, the methodology, which is a management system, should be applied to identify management options necessary to maintain or sustain conditions at the desired level based on standards that measure the limit beyond which change will be judged unacceptable. This management system will provide the baseline for managing those assets most affected by large volume of visitors.
6. Education and training/workforce development:
 - a. The need for the provision of education and training of individuals, as well as small and medium size enterprises that provide services to the cruise industry.
7. Cruise market research:
 - a. The geography of cruises remains an under-researched academic field in maritime and tourism studies.

Effective policies, whether in the form of direct regulations, indirect incentives, or voluntary programs will contribute to create and achieve standards and guidelines to ensure that tourism is developed responsibly. However, effectiveness may be hindered by obscure regulations, lack of standardization, or weakness in enforcement.

Following is a menu of regulatory instruments available to governments, as well as voluntary tools that require understanding and support from the local stakeholders in the destination on how best to use them effectively and selectively:

- ✦ Contracts between government agencies (port authorities, local government) and cruise lines and private sector agents are necessary to ensure that regulations are followed.
- ✦ Licenses and permits are useful in the direct control over what type of tourism activities can be developed.
- ✦ Taxes: useful to create a disincentive for undesirable activities and raise revenue to support conservation and community development.
- ✦ Entrance fees for publicly owned natural areas and cultural heritage attractions could help to regulate access and raise funds for management.
- ✦ Subsidies can help to encourage responsible behavior by creating positive incentives (e.g., grants for technical assistance, tax breaks, subsidies for training of local labor, and importing environmentally sound building materials and equipment).
- ✦ Performance bonds can provide incentive for positive environmental and social activities and ensure the availability of funds for mitigation of potential damages (it is an insurance policy to mitigate impacts and provide compensation).
- ✦ Trust funds can provide resources for proactive conservation, community wellbeing, and responsible tourism development.
- ✦ Quid pro quos can provide resources for long-term conservation and community development efforts by offsetting the effects of development.

Policies need to be formulated and implemented to ensure that cruise tourism is truly beneficial to the local residents and businesses of the destination. Rules need to have the necessary “teeth” (safeguards) that will ensure that quality of life, social fabric, and the preservation of the destination’s natural and cultural resources are sustained for the enjoyment of future generations.

Notes

- ¹ The global cruise industry carried about 20.1 million passengers in 2012, up from 7.2 million in 2000 (Cruise Lines International Association, 2011).
- ² Allure of the Seas: 220,000 GT and 5,400-passenger capacity (double occupancy). Source: López-Pulido based on data from Seatrade Review.
- ³ *Cruise Tourism – Current Situation and Trends*. UNWTO, 2010.
- ⁴ Ibid.
- ⁵ Ibid.
- ⁶ Ibid.
- ⁷ *Cruise Tourism – Current Situation and Trends*. UNWTO, 2010.
- ⁸ Ibid.
- ⁹ DMOs may be a public sector agency or a mixed public-private sector entity. It can also be a private sector-driven organization, which, in this case, it would be a destination management company.
- ¹⁰ *Cruise Tourism – Current Situation and Trends*. UNWTO, 2010. Confirmed by a personal conversation with Joan Torrella I Reñé, Barcelona City Council Member on March 8, 2013 at the Spanish Embassy in Washington D.C.
- ¹¹ A Social Viability Assessment of Cruise Tourism in Southern Belize. Seatone Consultants, 2011.
- ¹² Rodrigue, J-P., and Notteboom, T. *The Geography of Cruises: Itineraries, not destinations*. Applied Geography 38 (2013) 31–42.

Destination Stewardship and the Cruise Industry

Jamie Sweeting

A NUMBER OF GROUPS AND FORUMS have sought to address how tourism can serve as a force for good in communities. Within the cruise industry itself, discussions about the role of cruise companies in destination stewardship have generated more questions than answers, so there is still much more work to be done. To advance efforts and understanding with regard to tourism impacts in general, the Global Sustainable Tourism Council has developed a set of destination criteria and indicators. The goal is to describe the minimum standards that a destination must achieve in order to move toward social, cultural, and environmental sustainability—maintaining the cultural and natural attractions that tourists come to see while benefiting the local population. Working with Sustainable Travel International, a toolbox was created for destinations to better evaluate and monitor local impacts and to improve strategies for public and environmental benefit. Six destinations participated as pilot sites in testing and refining the guidelines and criteria. These early adopters are committed to working collaboratively—including destination management organizations, tourism sector, public and private agencies, and other stakeholders—to evaluating existing sustainable tourism standards for their community, facilitate public consultation, and undertake a pilot launch of the criteria and indicators to test their application. Such destination stewardship efforts provide a potential vehicle-cum-framework for historic port communities to develop strategies for managing cruise tourism impacts and ensuring local benefits.

Protecting Vulnerable Communities

Gustavo Araoz

A MARRIAGE MUST EXIST between tourism and heritage protection as we seek to simultaneously maximize access to historic resources and cultural traditions while also stewarding them for future generations. However, this marriage is fraught with tensions, especially in the area of cruise tourism. While the cruise industry seeks to maximize its market potential, this is often done to the detriment of the key product it sells: the places and experiences in ports of call. The often-unregulated influx of tourists can have potentially negative effects on cultural sites, community life, natural resources, intangible cultural traditions, and local self-image and cultural identity. In some cases, tourists are completely isolated from the local community, thereby providing no real benefit to the local economy or residents. In Labadee, Haiti, prime waterfront has been leased to Royal Caribbean until 2050; the company has constructed a port and private beach resort fenced off from the local community and guarded by a private security force. In Falmouth, Jamaica, a new cruise terminal is also segregated from the local community and includes its own shopping facilities, discouraging exploration and spending in the city.

Managing these impacts and dynamics is challenging because communities are often at a significant disadvantage in decision-making about where and when cruise ships will dock. Agreements are often negotiated with higher authorities, bypassing the host communities, who are the most affected. Better tools and criteria are needed to inform communities about the costs and benefits of being a cruise ship port and how it can be effectively managed. Heritage impact assessments can serve as an effective vehicle for evaluating cruise tourism impacts on communities, cultural resources, and intangible heritage by examining

- + Type of attraction offered vs. type of attraction expected
- + Wealth of host population vs. perceived wealth of tourists
- + Size of host population vs. disembarking population
- + Ability of local tourism products and services to influence or secure tourist spending
- + Strength of cultural identity of the host community
- + Carrying capacity of the property
- + Disruption of community life
- + Final destination of revenue: national government, local government, host community



In Labadee, Haiti, Royal Caribbean has constructed a port and private beach resort fenced off from the local community and guarded by a private security force.



In Mayport, Florida—to the right of the airstrip in the photo above—a proposed cruise terminal has had unintended consequences

A Lesson from Mayport, Florida

Michelle Baldwin

MAYPORT IS NOW PART OF JACKSONVILLE, FLORIDA, and is located on an estuary of the St. Johns River. Established in 1562, it is the oldest community in the United States. The village economy has been largely derived from its 250-year-old fishing industry, which at one time supported more than 300 fishing lines generating US\$12.5 million in annual seafood sales. In 2007, the Jacksonville Port Authority (Jaxport) purchased an eight-acre plot on the Mayport waterfront for potential redevelopment. The community anticipated redevelopment to preserve access to the waterfront and ensure environmental protection as part of economic restructuring. However, Jaxport identified Mayport as a location to which Jacksonville's Carnival cruise terminal could be relocated (the terminal had been built as a temporary facility in 2000). The proposed terminal would have occupied two-thirds of Mayport's waterfront and heavily impacted the village's fishing industry. The terminal would have been partially built on the Timucuan Ecological Preserve and raised other environmental concerns. The Mayport Civic Association and many local residents sought to prevent the cruise terminal construction. After mediated negotiations between Mayport and Jaxport failed to reach a satisfactory outcome, the Public Trust, on behalf of the Mayport Civic Association, filed suit against Jaxport. While construction of the cruise terminal was thwarted, the waterfront property under Jaxport control remains inaccessible and undeveloped, and thus prevents revitalization of the waterfront and the overall village economy. Property values have dropped dramatically, and there has been an exodus of residents and an increase in crime as livelihoods have been lost.

Implementing Cruise Tourism Policies that Work for Local Communities

Joseph Geldorf

CITIZENS AND CIVIC-MINDED ORGANIZATIONS attempting to regulate cruise ship activities in their communities are confronted with a difficult political and economic environment. Cruise vessels initially arrive in communities in small numbers during a port of call or as part of a limited series of embarkation or disembarkations. Not surprisingly, the impacts of these inaugural voyages are modest. Local politicians and regulators often have little or no experience dealing with the cruise industry and tend to welcome these newly arriving vessels and their passengers with open arms.

The tendency to welcome cruise vessels warmly is based on the perception that any new business is bound to be beneficial. Typically, the cruise industry deploys vessels to new destinations in a manner that initially avoids overwhelming a particular community. The first year or two of cruise vessel operations to a particular port are essentially pioneering efforts that explore the feasibility of continued cruise vessel deployment.

The relatively low impact of the initial efforts where vessels make limited calls to new ports or embark passengers on a trial basis garners support from local merchants, excursion operators, and some local political leaders. Early local participants in the ancillary cruise activities at a new port and the members of the political caste who become the first proponents of the pioneering cruise activities often become a dominant voice guiding cruise development in most communities. The cruise industry works quietly and effectively in most communities with early advocates to increase cruise activities.

To be sure, cruise vessel traffic and the passengers and crew they bring to communities generate economic activity. How much of the financial activity actually stays in any local community and the degree to which the community benefits as a whole are difficult questions that often go unanswered for years and only become obvious when a community is in the middle of what appears to be a large and unanticipated boom in cruise activities.

At the point where increased cruise traffic and amplified cruise passenger activity is interfering with traditional community activities, select citizens and local civic organizations often begin to question whether or not the cruise industry should be regulated. The immediate result of this desire to regulate is an almost instantaneous polarization of the discussion on whether and how to regulate cruise related activity. The arguments quickly tend toward hyperbole and meaningful debate based on facts is often nonexistent. The local vendors selling excursions, fudge, and short-sleeved shirts rally around familiar political bromides calling for increased commerce while local activists point out obvious, if narrow, problems with increased cruise commerce, e.g., congestion, pollution, loss of community identity, etc. Not surprisingly in an environment that is charged with emotion, the local politicians dither and wait for the local electorate to advance some sort of consensus. When confronted with cruise-related problems in your community, do not wait for political "leaders" to solve the problem, as it is unlikely any leadership will take place. In the world of politics most of us now inhabit, genuine leadership will probably commence from local citizens and civic groups who identify and articulate positions that your elected politicians may adopt.

Individual citizens and concerned civic groups concerned with increased cruise activities in their community generally feel isolated and at a loss for how to deal with the emerging coalition of local merchants, local politicians, and other cruise advocates aligned with the cruise industry. One key to properly regulating the cruise industry is for local citizens to understand that while they may sense that they are isolated, they are not alone. The struggle to regulate cruise activities in local communities has taken place around the United States and internationally for decades and it is possible to divine certain strategies and tactics that will work toward successful adoption



It is essential for concerned local citizens to have a basic understanding about how the cruise industry operates

of a regulatory regime that works for local communities without harming the cruise industry.

First and foremost, it is essential for concerned local citizens to have a basic understanding about how the cruise industry operates. Cruising is a large, trans-national business operated by a relatively few consolidated corporations. The cruise industry is excellent at marketing, finance, and typically good at earning decent financial returns in an industry that is both capital and labor intensive, which is no small feat. The industry is not particularly good at working with local citizens and has demonstrated little desire or ability to negotiate with concerned citizen groups. At best, the cruise industry might “listen” to local community advocates while using local merchants, port commissioners, and sometimes local politicians to advance their interests during some community forum, possibly sponsored by your local government. Understand that the real communications about your community conducted by the industry is relentlessly taking place in quiet meetings where industry lobbyists and lawyers present their views to your local elected officials, media, and decision-makers. Often, during these quiet meetings, the cruise industry representatives accompanied by a few local residents affiliated with the cruise industry, a phenomenon that gives greater weight to cruisers perspective.

In order to effectively persuade local and state politicians and administrators to address local concerns and regulate cruise ship and cruise passenger activities, it is critical for local citizens to identify specific problems and call for locally relevant solutions. Knowing what your local community wants and expects is the fundamental first task for concerned activists and concerned civic groups seeking to protect their communities from the impacts of unregulated cruise commerce. Each community is different in what it expects and desires but it is possible to develop a realistic regulatory agenda that can be cast in positive terms and implemented in order to protect the essential community concerns.

Whatever differences any individual community may call for in terms of regulations of the cruise industry should not obscure the fact that virtually all communities seeking to regulate cruise activities eventually go through a process that is nearly universal. First, know that by the time the cruise industry is embarking or disembarking passengers in your community that you are already behind the decision-making curve in terms of properly regulating the industry and passengers. Next, even though concerned local citizens and civic groups may be behind, remember that local politicians respond to local concerns, particularly if soundly developed and thoughtfully advocated. The single best thing a community confronted with cruise-related problems can do is contact citizens and organizations in other jurisdictions like Key West, Florida, or

Juneau, Alaska, and find out what worked and what did not work in terms of ensuring that local community's legitimate concerns are actually addressed as cruise tourism expands.

The essential power of local citizens and concerned civic groups rests primarily in being residents of the cruise destination. Local citizens have certain natural advantages in terms of knowledge about their home and represent a potentially strong political voice. Local residents vote in local elections. Local residents have a natural network of potential allies within the community. Essentially, local residents have a guaranteed interest in the place they call home. As stakeholders with a guaranteed voice in any debate about cruise tourism, it is essential to grasp fully the advantage afforded to local residents who identify significant problems and then give voice to shared community concerns related to cruise activities.

Identification of genuine problems caused by the cruise industry, which are shared by various locals across the geo-political spectrum and various income levels, is the essential foundation before calling for political and regulatory action. Some communities will focus on air pollution generated by cruise vessels while in port. For other communities, traffic and pedestrian congestion when one or more large vessels disembark thousands of tourists in a small area in a compressed time will resonate as an important issue. Certainly the impact cruise activities have on historic, scenic, or small ports may be cause for concern. As well, the issue of how the local government will pay for upgrades to infrastructure to accommodate sizeable crowds of cruise tourists is often a topic of discussion by local residents.

Successful local advocates and civic-minded organizations addressing cruise activities identify all relevant community concerns and avoid the temptation to advocate for a single issue. While historic preservation may be a driving force for regulation in one place among a group of strong-willed advocates, it is a mistake to overlook other issues that resonate with local residents. A parent with a child having respiratory issues exacerbated by cruise vessel pollution can be an engaging and effective advocate for proper regulation just as much as a concerned resident living in a historic section of a community swamped by cruise passengers. The local taxpayer removed from where the impacts of cruise activities are directly felt can be an effective advocate for comprehensive regulation if they perceive their property taxes are being deflected from immediate local needs to provide for cruise related infrastructure.

It is essential to identify a set of legitimate public concerns about cruise-related activities harbored by a clear majority of entire community. This is the most important initial step for concerned citizens and civic organizations before they start talking about solutions. Be inclusive and expansive in identifying public concerns but rigorous in not including marginal or obscure issues. Make sure the concerns and issues are grounded in facts. Then prioritize these issues and concerns and cast them as a set of principles with a realistic time frame for adoption that can be easily explained to political and other governmental decision-makers.

When working to identify cruise-related public concerns, it may be beneficial to consult with attorneys and other professionals, particularly knowledgeable media consultants, and pollsters. Media consultants and polling experts can provide valuable advice on what cruise-related issues resonate in local communities. Lawyers can provide invaluable assistance in suggesting potential remedies and solutions to cruise problems that exist within your community; however, utilization of professional services while addressing potential cruise-related issues should not deflect civic-minded groups from identifying the actual problem or set of problems that are of genuine concern to a local community. Not surprisingly, attorneys tend to view potential problems through a legal lens. Media consultants have a particular way of looking at problems based on their experience. The trick is to insure that any issue identified as problematic is actually shared by a significant number of community residents. Only then can local citizens and organizations work toward a political or legal solution.

It is also worth considering how local residents and citizen organizations concerned about cruise ship activities structure their organizational response to cruise issues. The care and main-

tenance of a new organization takes time, effort, and resources. Before establishing a new organization to address cruise-related issues in your community, consider whether an existing local organization could provide a vehicle in which cruise industry problems can be addressed. Instead of devoting time and treasure to the establishment and maintenance of a new organization, scout out existing civic-minded organizations that might provide an adequate base where individuals can assemble and address cruise-related topics.

In communities that have successfully adopted a regulatory framework that works for locals and cruise passengers, the local citizens and civic groups understand that:

- Local concerns (properly identified and forcefully articulated) held by a clear majority of residents will eventually get adopted.
- Don't waste time discussing "voluntary" standards or compliance with the cruise industry or your local politicians. Figure out what your community really needs and when it is realistic to achieve these goals and then doggedly pursue your goals.
- Forge a coalition with all local residents who can articulate a legitimate local concern about cruise tourism as long as that particular concern resonates with a clear majority of local residents. Hard as it may be, ignore the obscure and marginal concerns.
- Stick to your goals and principles. Don't spend a disproportionate amount of time on how the local government or industry will implement the desired goals. One of the great dodges used by the cruise industry and local politicians to deflect citizen activity is to set up commissions or study groups on how to solve a problem. If your community has an air pollution problem caused by cruise lines, demand that the problem be addressed within a reasonable time and leave the fix to the regulators and industry. Set standards and time lines, not methods.
- Make sure your goals and principles are held by a clear majority of the voters in your community and that they can be outlined on a single page, including the justification for action. Show up at any meeting or forum and deliver your goals and principles in five minutes or less with a call for action.
- Make sure the local media understands your goals and the basis for positions held by your organization. Particular care should be spent on addressing comments made about cruise related issues in blogs. The best responses to blog postings are based on facts, devoid of emotion and entered by known individuals instead of the common anonymous practice.
- If your local political leaders fail to follow your community's goals on how to make cruise tourism work for everyone, then find politicians who will represent the values and principles of your community.

While every community has unique characteristics, the communities where the cruise industry has been successfully managed all share a common experience: local citizens worked together to identify common areas of concern and then demanded that local politicians adopt principles that protect the interests of their communities. It is possible to be a welcoming and sustaining cruise port where the local residents are not displaced by throngs of tourists and other problems, but only if the local decision-makers are held accountable and made to protect the essential features that make each local community valuable.



**MAINTAINING
ENVIRONMENTAL
BALANCE AND A
STRONG PRODUCT**



Greenpeace “eco-warriors” secretly trailed a cruise ship and videotaped it illegally dumping garbage overboard.

Cruise Ships and the Environment: A Brief History

Martha Honey, Ph.D.

- In the 1980s, garbage dumped at sea by cruise ships started washing up on Florida beaches and Gulf of Mexico coastlines.
- In the early 1990s, Greenpeace “eco-warriors” secretly trailed a cruise ship and videotaped it illegally dumping garbage overboard.
- In 1993, Princess Cruises was fined US\$500,000 after passengers videotaped the crew dumping 20 bags of garbage overboard in the Florida Keys.
- Legal as well as illegal practices began to raise environmental concerns, as ships were allowed to dump sewage three miles offshore and can release wastewater almost anywhere. Only plastics and oil are clearly prohibited from overboard dumping.
- Concerns led to action, and a steady stream of fines was levied against cruise ships for environmental infractions. Between 1998 and 2002, cruise lines paid over US\$50 million in fines, and these—along with advocacy campaigns and negative media coverage—led to a series of steps to clean up cruise ship practices.
- In recent years, more attention has been directed toward the environmental impacts of cruise tourism on land, including ports of call and home ports, islands, and coastlines where cruise ships operate.
- Quantitative studies have been undertaken to demonstrate the economic costs and benefits of cruise tourism, but evaluating the impacts of cruise tourism on the natural environment has, to date, been more qualitative.
- The case of Charleston and other historic port cities raise the issues of cruise tourism impacts on the built environment and communities. More sophisticated metrics are needed to fully assess the interrelated environmental, economic, and social impacts of cruise tourism.

Grading the Cruise Industry's Environmental Footprint

Marcie Keever

An average cruise ship (3,000 passengers and crew) generates, per week:

- 200,000 gallons of human sewage
- 1 million gallons of gray water (water from sinks, galleys, showers, and laundries)
- 25,000 gallons of oily bilge water
- More than 130 gallons of hazardous waste
- Up to 11,550 gallons of sewage sludge

Cruise ship air emissions contain particulate matter (soot), sulfur oxides, and nitrogen oxides. The bunker fuel used by cruise ships is some of the dirtiest fuel on the planet, and lower sulfur fuel is still more than 650 times dirtier than on-road diesel truck fuel. The U.S. EPA estimates that a single cruise ship burning bunker fuel emits the same amount of soot as 1.06 million cars every day. However, few states regulate the environmental impacts of cruise ships.



Friends of the Earth ranked 148 cruise ships from 15 cruise lines according to three environmental criteria: sewage treatment, air pollution reduction, and water quality compliance. The assessments were compiled in the Cruise Ship Report Card.

2013 Cruise ship report card					
Cruise line	Sewage treatment	Air pollution reduction	Water quality compliance	Change from 2012	2013 final grade
Disney Cruise Line	A	B	A	▲	A
Holland America Line	B+	C	A	▲	B
Princess Cruises	B-	B-	A	▼	B
Norwegian Cruise Line	A	D	A	▲	B
Celebrity Cruises	A	D	N/A	▲	C+
Royal Caribbean Int'l	A	F	N/A	▲	C
Carnival Cruise Lines	F	C-	A	▲	C-
Cunard Cruise Line	A	F	N/A	▬	C-
Seabourn Cruise Line	A	F	N/A	▬	C-
Regent Seven Seas Cruises	C+	F	B	▼	D+
Silversea Cruises	F	F	A	▬	D
Oceania Cruises	B	F	F	▼	D-
MSC Cruises	D	F	N/A	N/A	F
P&O Cruises	D-	F	N/A	▬	F
Costa Cruises	F	F	N/A	▬	F
Crystal Cruises	F	F	N/A	▬	F

A number of cruise lines have committed to Advanced Sewage Treatment, including Disney, Celebrity, Cunard, Seabourn, Royal Caribbean, and Norwegian.

Cruise ship shore power prevents the need to burn fuel while in port. Several communities have built shore power hookups, including: Juneau, Alaska; San Diego, Los Angeles/Long Beach, and San Francisco, California; and Seattle, Washington. Shore power hookup is under consideration in Brooklyn, New York, and Florida. Several cruise lines have also worked to install hook-up capacity in their ships, including Princess (9 ships and over US\$7.4 m invested), Holland (7 ships), Disney (3 ships), Carnival (2 ships), and Norwegian (2 ships).

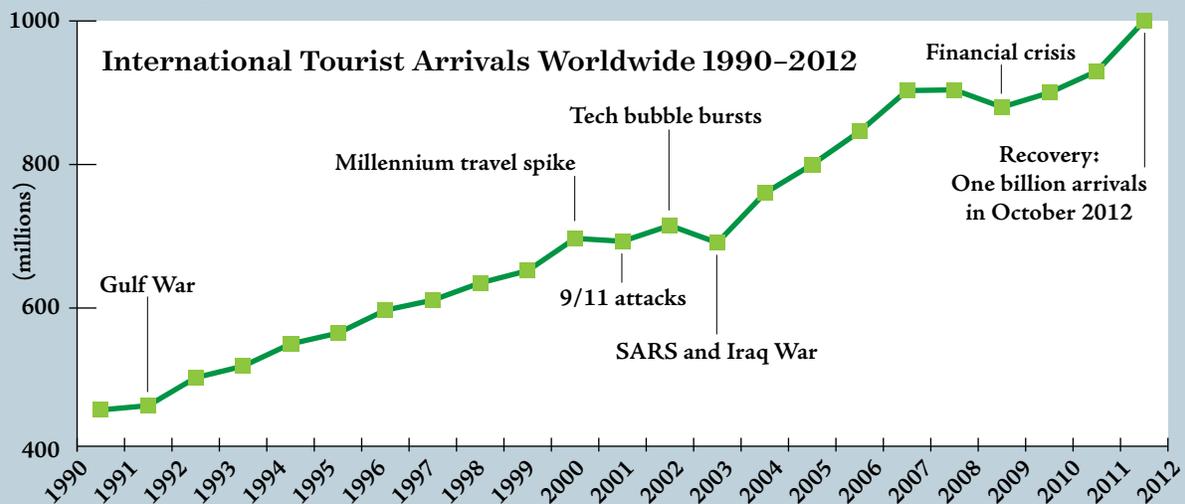
Volume vs. Value

Jonathan Tourtellot

THE LONG-TERM GROWTH OF TOURISM, measured in annual international arrivals, has been undeterred by terrorism, war, or disease, passing 1 billion in 2012. While visitation numbers have soared, the destinations visited have stayed the same size. Managing the volume becomes a more critical challenge every year. Cruise ships can flood historic sites and towns with thousands of tourists simultaneously. In Sint Maarten, three cruise ships dock simultaneously and disgorge thousands of passengers into Philipsburg, a town only two blocks wide. Generic souvenir and duty-free shops dominate the street of old downtown Nassau, catering to tourists. In Dominica, the Caribbean's "Nature Island," important natural resources, such as the charming little Emerald Pool, have become sacrificial attractions for cruise ship excursions. With a parking lot for tour buses and an artificial walkway around the grotto, the sense of place that originally gave the pool its appeal is destroyed.

For seven years, *National Geographic Traveler* has conducted surveys of expert opinion on destination sustainability. Panelists evaluate the destination using six criteria: environment, cultural/social impact, aesthetics, built heritage, tourism management, and general outlook. The 2007 survey focused on island destinations and involved 522 experts in the rating process, which highlighted the negative impacts of cruise tourism. Islands like St. Thomas, Cozumel, Key West, and Aruba all received low scores due to cruise ship impacts. However, the potential of cruise tourism could be better tapped to generate benefits to local communities by promoting, for example, the conversion of cruisers to stay-over tourists, on-shore public education through excursions, on-board destination interpretation, improved support for sites and attractions, in-port markets for local artisans, and small business assistance. In cities large enough to absorb cruise crowds, tourism can support local entrepreneurs and enterprises. Through effective management, rural locales can also benefit. Icy Strait Point, Hoonah, Alaska, is an award-winning port excursion manager. Only one cruise ship is allowed to dock at a time, and most employees are from the indigenous Tlingit community. Passengers are diffused via 21 excursions to prevent overcrowding, and the native community designs and presents their own cultural demonstration. Some general strategies can help to better manage cruise tourism:

- Manage passenger crowds to avoid flooding small city historic districts.
- Encourage excursions that provide economic support for locally distinctive assets.
- Favor excursions that provide enjoyable educational experiences for passengers.
- Consider limiting mega-ships to large cities that can absorb thousands of day trippers.
- Adopt destination management policies that do not endanger beneficial stay-over tourism with excessive daytime crowds.





The Fjords of Norway: Iconic and Threatened

Kristian Jørgensen

IN 2004, *National Geographic Traveler* rated the Norwegian fjords the world's most attractive unspoiled travel destination. The longitude, the coastline, the fjords, the mountains and the valleys, and the communities all contribute to a diverse cultural landscape as well as an important tourism product. In 2005, UNESCO included the fjords of Norway, exemplified by Geirangerfjord and Nærøyfjord, on the World Heritage List. The following year, *National Geographic Traveler* rated the Western Fjords of Norway the best cared-for UNESCO World Heritage Site, and in 2009 it was ranked the world's most iconic destination. However, the dramatic environment and visitor experience found in the Fjords is under threat due to the significant increase in cruise ship tourism since the mid-2000s. In 2013, there were an estimated 2,300 calls to port and over three million cruise visitors, constituting an 11% increase in cruise calls and a 21% increase in cruise passengers. People are looking for cheap, all-inclusive, and cost-guaranteed vacations. Cruising has become a very inexpensive travel option, which is driving market growth. However, that growth is threatening the experience sought by travelers. Overcrowding and congestion, environmental challenges, and negative impacts on communities are degrading the fjords and thus the tourism product. The historic city of Bergen has multiple daily cruise dockings during the peak season. The village of Flåm, population 450, can experience an influx of up to 12,000 cruise visitors in a single day, and Geiranger, a village of 250, can swell to 15,000 on a peak day. These cruise visits contribute very little to the local economy, as passenger spending on land is limited. As a result, the cruise industry is harvesting freely on the iconic fjords. It is not creating benefits through land-based spending and joint marketing, and this is particularly problematic in rural areas. The growth of cruise tourism incurs sustainability costs, and the beautiful fjords pay the price of a decline in value and reputation. In an international survey by Vestlandsforskning (Western Norway Research Institute), 6–25% say that they are less likely to choose Norway's fjords as a travel destination if the nature product is spoiled or influenced by unnatural visual elements. This potential decrease in tourist consumption would result in a US\$175 million (5%) to \$875 million (25%) annual loss in revenue. Fjord Norway is developing sustainability criteria and working directly with the cruise industry to ensure that the tourism product remains strong and the value of the fjord landscape is protected.

Isla Cozumel and the Sustainability of Tourism Growth

Dora Uribe

Environmental policy must become a tool that allows us to solve the complexity of the environmental crisis as a distinctive phenomenon of globalization in international, regional, and local contexts. The globalization age enables us to come together in a space at the same time and has brought about the creation of a new market, a market closely linked with all that is environmental and ruled by the sustainability paradigm generated in the 1990s—a market that, I dare say, is built by the economic actions and policies of stakeholders who hold the power to safeguard the environment. The crisis in the nature-economy-society relationship and appropriateness of sustainability must be the goal of the policy instruments we achieve in this symposium.

It is common knowledge that the number of cruise ship passengers worldwide has tripled since 1990, and the plans are to build 75 to 120 new ships from 2006 to 2020. Therefore, the estimated annual 13.2 million passengers from 2004 may double by 2020. A current dilemma is to decide whether we take a chance on restoring the coexistence between nature, tourism, and community, with the goal of a sustainable destination for all, or if we continue pretending we are working to achieve sustainability.

For the last decades, excessive and unrestrained growth of tourism and population in Cozumel has become, without a doubt, a risk to its fragile ecosystems.

The importance of the cruise ship tourism industry to the island is a good example of global success in business and administration. But, now more than ever before, participation must be heightened in order to generate directives together with local governments that execute policies, standards, and programs for the rational use of resources.

The diversity of the natural surroundings have become a seemingly inexhaustible economic resource in Cozumel, but this has been reevaluated as a result of recognized damages, some of them irreversible, and has given rise to greater sustainability concerns.

Addressing environmental issues and introducing new growth processes with a sustainability dimension demand significant coordination between private interests and public objectives. This can be achieved by using a wide range of instruments made available by the laws and existing institutions, which are fundamental action tools of the government as well as of society. Potential success will depend on the generalization or individual application, on the number of stakeholders involved in processes that should be regulated, on the type of products and activities involved, on the biophysical nature of affected environmental systems, on technical application possibilities and control systems, on the administration and compliance cost, and on socioeconomic and regional conditions that regulate each case.

Concerned with the vulnerability and fragility of the ecosystems that shape the island of Cozumel and the government's decision to increase cruise ship calls and construct additional port infrastructure, in 1996 three nongovernmental organizations (NGOs), the Protección de los Recursos Naturales A.C. (Natural Resources Protection) Committee, over which I had the honor to preside; the Grupo de los Cien Internacional A.C.; and (the petitioners) the Centro Mexicano de Derecho Ambiental A.C. (Mexican Environmental Law Center) submitted a petition before the Secretariat of the Commission for Environmental Cooperation (CEC) concerning the "lack of effective implementation by Mexican authorities of the environmental law in the comprehensive project of Playa Paraiso port terminal in Cozumel, Quintana Roo," currently known as Puerta Maya Pier, in accordance with Article 14 of the North American Agreement on Environmental Cooperation (NAAEC).

For the first time the mechanism provided by the Free Trade Agreement in its section con-



Cruise ships at Puerta Maya Pier

cerning the environment was set in motion through the Commission for Environmental Cooperation; however, in the interest of sovereignty, the powers and scope of the treaty only allowed a series of recommendations.

The core environmental commitment of the free trade agreement is the enforcement of environmental national laws, and having the proper legal and internal framework within the countries involved is critical. This commitment requires parties to have executable environmental rules as well as judicial control mechanisms. Thus, countries must have the internal foundation for their environmental statutes to operate effectively.

An environmental cooperation agreement offers a valuable opportunity to have information about the conditions of the environment at a regional level, addressed globally and locally. It can serve as a basis for finding synergies between member countries to improve environmental performance.

In 2001, by express order of CCA's Board in NAFTA, a debate and consultation process defined the Strategic Plan for North American Cooperation in the Conservation of Biodiversity, passed in 2003. This plan defines a long-term vision for trilateral cooperation, orientation on the general activities to be tackled jointly, and systematic follow-up mechanisms.

An example of trilateral cooperation success is the North American Bird Conservation Initiative, one of the few that has remained for several years. It has had tangible results, influenced national policies in the three member countries, and been an effective unifier of the protocol followed in each of those countries for bird conservation.

There have been important results in the joint management of some endangered species that are of common interest, and this is presented as an attractive element for Mexico regarding work initiated in natural areas that cross national borders, especially concerning marine areas for which a network on a sub-continental scale has been established. Work has been undertaken developing geographical information systems (GIS) for priority areas identified within the marine area that runs from the Baja California gulf, in Mexico, through the Bering Strait in Canada.

These are initiatives, plans, and programs that could be applied to benefit biodiversity in the Caribbean, oceans, and the island of Cozumel; however, if these are not carried out in a steady,

permanent, joint manner with funding, the ecosystem declared as a hot spot by several renowned environmental groups will surely be lost.

In accordance with Mexico's National Commission for the Knowledge and Use of Biodiversity (CONABIO), there are several biological elements that give Cozumel its uniqueness. It is recognized as a Mexican island with a wealth of amphibian and reptile species in addition to the presence of endemic species. The marine area adjoining its mangrove site is part of the Meso-american Reef Barrier, considered the most important in the western Atlantic.

Sustainability encourages competence; the informed and collective involvement of stakeholders is thus inserted in the creation process of the "added value" or "environmental market" concept.

We can say that direct impacts to the environment caused by solid waste, wastewater, water consumption, and fuel discharge have been adequately controlled by the government policies in effect, as well as by cruise lines. But, the hypothesis that the lion fish—an invasive species that arrived in Cozumel three years ago—was transported by cruise ships in their ballast waters discharged close to Cozumel is feasible, and its introduction has created a problem as the lion fish has no natural predator. Currently a program to decrease lion fish reproduction has been implemented, promoting its fishing for consumption, fostering the local economy, and bringing benefits to the community.

Indirect impacts are more acute, permanent, and, in spite of several initiatives, their mitigation has not been achieved in the same proportion as the growing numbers of cruise ship visitors. Massive cruise ship tourism and competition with other tourist destinations has driven Cozumel to carry out high-impact works, misuse of caves, removal of vegetation, and construction of artificial beaches, resulting in the obliteration of mangroves and coastal resources. The damage to the biodiversity is incalculable as well as to the future losses in revenues. To the extent highly accessible reefs lose their attraction it will be more difficult to attract cruise ship and hotel tourists. Therefore the destination is eventually forced to continue the destruction in order to offer another kind of recreation, especially to cruise ship tourists, thus jeopardizing the fragile Island ecosystem. The economic, social, and environmental cost is enormous.

Ecosystems are complex open systems that interweave biological diversity with ecological processes to produce a range of services for the planetary biosphere and human society. Protected areas play an important role to counterbalance those processes, as these lands and waters are national territory that represent different ecosystems and their biodiversity. In these areas, nature has not been considerably altered by man and is subject to special protection, conservation, restoration, and development schemes.

Creation, funding, and administration of natural areas are critical instruments for biodiversity protection and conservation of a large number of vital environmental functions, and also for defining new sustainable parameters and indicators, possibly applied through institutions strengthened by the hands-on and co-responsible participation of society.

Cozumel Includes:

- The 45.935-square-mile Marine Reef Park of Cozumel.
- The 0.054-square-mile Chankanaab Natural Park, protecting the wild flora, fauna, and aquatic areas of this water body, in addition to the surrounding botanical garden.
- On the south of the Island and subject to ecological conservation is the 2.602-square-mile Colombia Lagoon.
- The Flora and Fauna Protection Area: the northern and eastern coastal strips, land, and maritime portions of the island covering a total surface of 146 square miles.
- Two RAMSAR sites, wetlands, whose polygon areas are similar to those of the federal areas.

Cozumel receives close to three million passengers each year and has the distinction of being the second most visited cruise ship destination in the world after Miami.



A tourist mall in Cozumel

Surrounded by the Mesoamerican Barrier Reef, Cozumel is not immune to the impact caused by the high number of visitors. Poor tourism development destroys coastal and marine habitats. The situation is compounded by the inapplicability of the law, the vast generation of solid waste and lack of environmental education (particularly on recycling), an inadequate water treatment plant, and constant public works projects without the slightest regard to environmental impact.

To help the cruise ship tourism industry in Cozumel improve management of calls and safeguard the natural resources that make this site so attractive, the Mesoamerican Reef Tourism Initiative (MARTI) launched “Protecting the natural heritage of Cozumel: development of an action plan for shared management of a cruise ship destination” with support from the National Fish and Wildlife Foundation Coral Reef Conservation Fund and the International Association of Cruise Lines.

Conservation International (CI) joined forces with the Department of Tourism of Cozumel and the Florida-Caribbean Cruise Association to facilitate a series of focus groups and workshops with different stakeholders bringing together more than 80 local, state, and federal agencies, private sector, civil society, and cruise lines leaders to define high priority environmental issues related to cruise visits and reach a consensus on the collaborative actions needed to address them.

Launched in 2006 as a component of MARTI—together with Conservation International, Amigos de Sian Ka’an, and Coral Reef Alliance—they were joined in 2009 by the Association of Hotels of the Riviera Maya as well as by the Grupo Intersectorial Isla Cozumel, A.C in 2010. The coalition was driven by a vision that tourism should be a stronghold for the conservation of biodiversity and sustainable community development.

As a result of the work in 2010, the stakeholders designed an education campaign for the destination in order to teach cruise ship visitors about the conservation of Cozumel’s natural heritage. A locally based task force integrated representatives from all sectors and produced a 30-second video, which for a year would be shown aboard several major cruise lines as well as in vessels that connect the Island with the continent. The video was estimated to reach 500,000 people

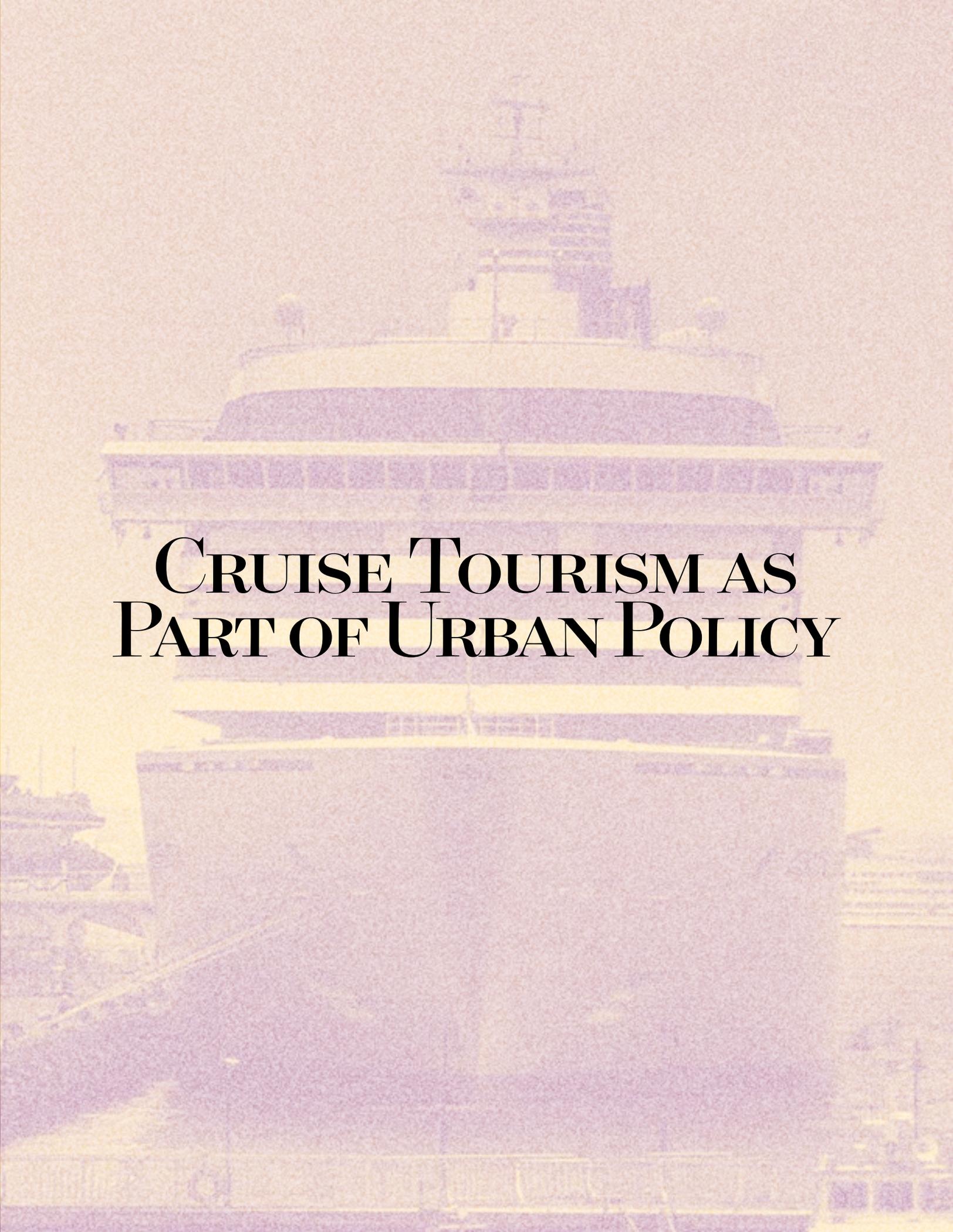
in six months. Along with a city recycling movement, Cozumel tour operators implemented a waste-separation campaign aboard all tour operators' boats to help improve management of solid wastes generated by visitors. The third project was an "environmental walk," which consists of a visual display of images and delivering well-built conservation messages placed at strategic points where cruise ship visitors gather and go ashore. The messages emphasize the importance of protecting Cozumel's natural resources and encourage visitors to reduce their impact during visits to the Island. The next step will be taking the lessons learned and campaign successes to develop an additional plan focused on local residents.

CI has created the first "Action Plan for a Shared Management of the Natural Heritage of Cozumel" providing guidance on how to sustainably manage cruise ships tourism.

Despite the initiatives, plans, and programs that resulted from joint efforts between businessmen, trade organizations, civil society organizations—both local and international—and government agencies, negative environmental impacts continue. This requires the tourist destination to reconsider its future.

In short, the following policies, engaging cruise lines, the local government, and the community, should be considered:

1. Establish a comprehensive plan for conservation with short-, medium-, and long-term strategies to preserve its biodiversity through collaboration, coordination, and integration of efforts of the Mexican government, scientists, researchers, and the general public in order to maintain and recover habitats as well as native and endemic species within a sustainable development framework.
2. With the support of civil society and the business sector, identify and implement alternative economic activities aimed at the integration of biodiversity into tourism activities in ways that will not compromise its future existence.
3. Promote and ensure the presence and course of action of inspectors who perform monitoring and inspection tasks in natural areas.
4. As an immediate policy, establish that cruise ships keep their boilers off while in Cozumel.
5. Amongst passengers, promote and encourage good practices and as well encourage service providers to promote them.
6. Urge the promotion of ecotourism.
7. Provide technical and financial support for programs and control measures for the eradication of invasive alien species.
8. Fund monitoring programs that allow the generation of enough information for making decision.
9. Raise resources to improve treatment plants with state-of-the-art technology, thus strengthening the current capabilities of the municipality.
10. Establish local standards through certifications generated by local and international organizations to promote good environmental, social, and business practices.
11. Promote the hiring of established tourism service providers and who must meet the agreed standards.
12. Generate international initiatives to preserve resources that will impact more than one country and where the island of Cozumel is included.
13. Raise awareness that in Cozumel there is no tourist tax and the cost burden is transferred to the community.
14. Support a meeting for sustainable development of islands off of Mexico and in the Caribbean.
15. Strengthen international mechanisms, such as the CCA, aiming to achieve a coordinated work program, with results that benefit signatory countries.

A large cruise ship is docked at a pier, viewed from a low angle. The ship's upper decks and funnel are visible against a hazy, overcast sky. In the background, a city skyline with various buildings is visible. The overall image has a muted, purple-tinted color palette.

CRUISE TOURISM AS PART OF URBAN POLICY

Tensions between Cruise Tourism and Land-Based Tourism: The Case of Key West and Dubrovnik

Ross A. Klein, Ph.D.

MOST PORT CITIES AND ISLANDS embrace the opportunity to develop cruise tourism if given the chance. In some cases, the prospect of cruise tourism is a boom for the tourism industry, especially if the location receives relatively few land-based tourists. However, in other cases cruise tourism is on top of an already vibrant and active level of land-based tourists. In these cases, cruise tourism has the potential to overwhelm a port community and negatively impact a well-established source of income from tourists who stay at hotels, dine at restaurants, shop at stores, and who patronize local taxis and other service providers. The resulting tension between cruise tourism and land-based tourism can have serious implications for a port city and its tourism product.

The Problem of People Pollution

People pollution refers to the point at which the carrying capacity of a port is exceeded (Baekkelund, 1999). The carrying capacity is obviously quite different in large cities such as New York City, Miami, San Francisco, or Vancouver versus smaller communities such as Key West, Dubrovnik, and small island states such as Sint Maarten and Antigua. In the latter locales the number of cruise passengers can overwhelm the number of tourists who arrive by land. The United Nations Committee on Sustainable Tourism notes that when the social carrying capacity of an island is surpassed, the cost of living increases along with overcrowding, traffic congestion, and noise pollution. A lower standard of living results for a significant segment of the population and an attitude shift occurs whereby the tourist is blamed for the majority of social problems (Baron, 1999).

Curson (2009), referring specifically to cruise passengers, describes the problem differently, calling it pack behavior:

[A]lmost as if all passengers were connected by a common behavioral umbilical cord, is the order of the day. Thousands disembark together, congregate in the terminal area, and then proceed through the city center en masse, often producing more than a ripple of unease to run through the local population, who may well avoid the downtown area when large cruise ships are in.

This can be seen in most ports in Alaska that see 10,000 or more passengers a day in communities such as Skagway with a year-round population of less than 1,000. The effect of the domination of cruise tourists is accentuated in Ketchikan where in 2004 there were 43 jewelry stores downtown (only 1 locally owned); a decade earlier there were only a handful (Markell, 2003). "Locals call the migrants who own and run these jewelry and curio shops taking over downtown the 'Pirates of the Caribbean,' since they follow the wake of the ships" (Dunning, 2000) and because many of these stores are owned by the same companies that own the stores on Caribbean islands. The stores open the first day of cruise season and close the last day of the season, leaving downtown something of a ghost town.

The problem of people pollution has most notably been seen in recent years in two small port communities: Key West and Dubrovnik. This essay will briefly discuss the situation in each location and conclude with discussion of the challenges faced by ports dealing with an overwhelming influx of cruise passengers.



National Geographic Traveler assigned the “getting ugly” label to Key West in 2004

The Case of Key West

Problems caused by huge numbers of cruise passengers led to community-based citizen action in Key West, Florida. Cruise passenger numbers had risen sharply, from 132,840 in 1990, to 375,000 in 1995, and a million in 2004. Many on the two-by-four-mile island saw cruise tourism as a major reason for the “getting ugly” label assigned by *National Geographic Traveler’s* 2004 “Destination Scorecard.” Key West scored forty-three out of one hundred (it received forty-six points in 2007).

Concerns extended beyond the congestion at tourist attractions, the kitschy shops that had sprung up around the port, the disruption caused by Conch Trains running cruise passengers around the town, and the assertion by *National Geographic Traveler* that the city’s character was lost. Restaurant and hotel owners saw that cruise tourism was displacing people who in past would stay at a hotel for a week, spend money in restaurants and bars, and shop in the stores. The president of the Lodging Association of the Florida Keys and Key West says cruise passengers change the nature of a destination:

Our whole advertising and marketing program is around Key West being an easy-going, laid-back, relaxed destination with interesting shops and stores and great cultural and historical resources ... Put yourself in the position of a visitor who comes for the first time, checks into one our fine hotels, and then decides to take a stroll down this town’s main drag—Duval Street—and encounters crowds more reminiscent of Times Square. (Babson 2003)

Tom Oosterhoudt, a Key West city commissioner, captured the essence of the issue—that the industry’s commitment is not to local economic needs and interest:

Cruise ships have changed the dynamic; it’s budget, budget, budget and volume, volume, volume... There was a time when we all thought of cruise ship customers as high rollers. Today that is not necessarily so... We need to evaluate where we are going with the extreme increase we are seeing each year with the number of cruise ships... We need to stand back and evaluate where we are at and make sure we are controlling the cruise ships and they aren’t controlling us. (Babson 2003)

Citizens in Key West directly confronted the problem in January 2003. A grassroots organization, Liveable Oldtown and its political action arm Last Stand, held a panel discussion titled “Keys in Balance,” which looked at the good, the bad, and the ugly of cruise ships in Key West. While acknowledging that cruise ships generate approximately US\$2.5 million in disembarkation and docking fees for the city’s yearly budget (which is less than the infrastructure costs associated with cruise tourism), there were questions about the impact of cruise ships on the fragile marine environment surrounding the lower keys, the risk of dependence on cruise ship dollars and the social impact of thousands of cruise passengers pouring into town each day. The overarching question was stress on Key West’s 27,000 residents from the daily influx of cruise ship passengers. A public education and political action campaign followed from the forum.

Anger peaked in March 2004 when local residents learned that the city had been violating a 1993 resolution that placed a limit of seven cruise ship visits per week at Pier B—a privately owned dock adjacent to the Hilton Hotel (now the Westin Hotel). Liveable Oldtown called for a protest on March 11, 2004, when there would be five ships visiting the city. They encouraged residents to drive up and down Duval Street between 11 a.m. and noon. Though cruise passengers barely noticed the added congestion the point was well made with city residents and city councilors by the hundred or so protestors (see O’Hara 2004).

The protest had the desired effect. Solidarity increased in calls from the community to cut back cruise tourism. The city was forced to address the concerns, which a year later were lent support by a city-funded quality of life study (see Murray 2005). City councilors who favored scaling back cruise tourism were elected following the study’s release, and the city began reducing cruise passenger numbers.

The matter lay dormant until late in 2012, when the city was asked by the cruise industry to widen the entrance to the port. The local community expressed concern on two counts. First, that the widening (like dredging done in the mid-2000s) would negatively impact the water quality and have disastrous effects on coral reefs and on the sport fishery (especially tarpon). Second, that widening the channel would permit larger ships to enter the port and would exacerbate the problem of people pollution. The city council deferred making a decision, deciding instead to send the matter to a public referendum in November 2013. In the meantime, proponents for widening the channel pursued an environmental impact assessment. Curiously, the report produced by Murray in 2005 clearly articulates many of the environmental problems that can be anticipated from widening the channel.

The Case of Dubrovnik

Concern about the growth of cruise tourism in Dubrovnik, a city dating back some 1,300 years and a UNESCO World Heritage site, is much more recent, largely because it is only in the past five or ten years that the number of ships and passengers has for some reached an unacceptable threshold. This growth followed rebuilding of the city following the Croat-Bosniak War in 1992–1994; in 2005 the city was removed from UNESCO’s List of World Heritage in Danger.



Cruise ship in Dubrovnik

The table below shows the number of cruise ships and passengers calling at the port from 1998 to 2013. It reveals an increase in passengers of more than 500% between 2001 and 2013; almost 1,200% between 1998 and 2013. The numbers speak for themselves. The situation, as described by the Lonely Planet guide, is that Dubrovnik has become a main port of call for Mediterranean cruise ships, whose passengers are sometimes elbow-to-elbow in peak season.

Number of Cruise Ships and Passengers Calling at Dubrovnik, 1998–2013*

Year	Ships	Passengers	Percent Increase in Ships	Percent Increase in Passengers
1998	146	89,830		
1999	32	15,167	-350	-492
2000	168	126,841	+425	+736
2001	279	205,095	+67	+63
2002	343	264,902	+23	+29
2003	480	395,342	+40	+49
2004	504	457,224	+5	+14
2005	553	510,641	+10	+11
2006	574	603,047	+4	+18
2007	606	667,769	+6	+11
2008	700	850,828	+16	+27
2009	628	845,603	-10	-1
2010	705	916,089	+12	+8
2011	681	985,398	-3	+8
2012	654	950,791	-3	-4
2013	711	1,074,442	+9	+13

* Figures for 2013 are projected. Source: Port of Dubrovnik



Queen Victoria in Dubrovnik

Dubrovnik's old city is a typical walled city in which there is no vehicular traffic. While a couple of main streets are wide enough for two-way traffic, more typically the old city is comprised of narrow alleyways and passageways that can only accommodate three or four people across. These become exceedingly congested when there are a large number of visitors; the crowds negatively impact the quality of the experience for all tourists, especially those who stay in the city for several days. As one blogger pointed out, one can't walk the major streets without walking into the frame of picture-takers and often the congestion makes it unpleasant to walk through the city. In my own experience, on a day with just one cruise ship, the number of people funneling into the city through the gate used by arriving cruise passengers made it difficult to walk through the gates and make one's way up the steps to the city beyond the walls.

A second problem with the volume of cruise passengers is the difficulty of getting around the city beyond the old city walls. On my 2011 visit to the city, taxi drivers talked about traffic jams and that getting from one point to another, which on a non-cruise ship day could take 10 or 15 minutes, could take 45 minutes or more when a cruise ship is in port. The implications are not just the inconvenience suffered by tourists, but the negative impact on the quality of life of people who make Dubrovnik their home. This issue of overcrowding and negative impact on local people's lives is at the heart of a growing grassroots movement to contain the size of cruise tourism, and an increased interest by local media about the problems associated with unbridled growth of cruise tourism.

In understanding the situation in Dubrovnik, it is worth noting that the city receives visits from ships of varying size: from niche, ultra-luxury ships with 200 passengers or less to megaliners owned by mass market cruise lines that carry 4,000 passenger or more. These ships can dock in one of two places. Most use a fixed pier terminal about 1.5 kilometers from the old city and use tour buses to get to the old city (there are discussions of building a light rail between the points, but no plans are yet on the table). Others may anchor in a harbor area adjacent to the old city and tender, bringing on lifeboats, passengers ashore. The anchorage area is normally used as an overflow from the cruise terminal.

Challenges to Ports

There are several challenges facing ports, particularly ports that are relatively small (as is the case with Key West and Dubrovnik). Perhaps the most significant challenge is striking a balance between cruise passengers and land-based tourists. As seen in Key West, cruise passengers negatively impacted the number of land-based visitors staying at hotels and patronizing restaurants.

With the exponential growth of cruise passengers in Dubrovnik, it would seem predictable that cruise tourism there will negatively impact the attractiveness of the destination for land-based tourists. The problem is that land-based visitors spend considerably more in a destination than do cruise tourists, so sacrificing them can be a major economic concern. In addition, the money spent by land-based tourists stays onshore, contributes to the tax base, and unlike cruise tourism has a significant impact on employment.

With this in mind, the true challenge is to manage the number of cruise passengers. More isn't always better. It isn't only the issue of whether cruise tourism negatively impacts land-based tourism, but unbridled growth of cruise tourism has deleterious effects on the quality of life of local residents (as seen in Key West and as clearly reported in Murray's 2005 report). It also potentially impacts the reputation of the location, particularly on social media (such as TripAdvisor), travel blogs, travel guides, and popular magazines such as *National Geographic Traveler*.

Another challenge for a port is to build cruise tourism on its own terms. It is important that a port community (the whole community) have a sense of what scale of cruise tourism is manageable and constitutes responsible tourism (see Klein, 2011). The cruise industry will always pressure a port community to accept more ships and more passengers, arguing that the economic benefits will be significant. However, a port needs to draw the line at the number of passengers it believes is consistent with the integrity and the quality of the destination.

Cruise lines also have a tendency to quote research to support what they want, often research they have undertaken and/or that they have paid for. It is essential that a port undertake its own research, using independent researchers who are not associated with the cruise industry. This is certainly the case in Key West—the results from the independent researcher are quite different than that claimed by the cruise industry—and in Dubrovnik where the Croatia Institute of Tourism undertook research in 2007. The cruise port has to live with the decisions around the number of cruise passengers visiting; these decisions should be fully informed by reliable and objective information.

The biggest challenge to a port is maintaining a high level of self-esteem, meaning it is willing and able to stand up to a multi-billion-dollar industry and protect the interests of its constituents. More importantly, it has an interest in protecting the destination so that tourists continue to come in the future. There are many examples around the world where ports have become overly dependent on cruise tourism and have either marginalized or destroyed tourism by land-based visitors. Once a reputation for being a tourist-friendly destination is lost, it is very difficult to reclaim or resurrect.

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Key West and Venice: A Cruise Industry Perspective

Craig Milan

- ✦ Key West is a historic port that has faced and continues to face challenges with the growth of the cruise industry.
- ✦ Key West can only accommodate two large ships today. With some modifications it should be able to dock two of the larger vessels in operation or under construction, no more.
- ✦ During its busiest year (2002), Key West welcomed over 1 million cruise guests, and 800,000 in 2012.
- ✦ When Cuba opens, Key West will still be used on itineraries and will become an increasingly important port of call.
- ✦ Cruise operators with large ships would be calling today on certain itineraries if the channel could safely allow it under most conditions. Dredging is needed.
- ✦ Cruise lines will continue to replace smaller vessels with newer, larger ones.
- ✦ A typical port call for a 3,400-passenger ship class means US\$400,000 in direct economic impact per call
- ✦ Key West residents generally look favorably on the cruise industry for the economic benefits that ships bring year round.
- ✦ Key West businesses receive somewhere between US\$50 and US\$80 million annually from cruise passenger spending, in addition to the percentage of fees the city receives from its privately owned port.
- ✦ There are vocal opponents of the industry who want no growth and/or elimination of cruise ships altogether. These are residents who do not want the volumes of cruise ship visitors.
- ✦ City leaders are working with constituents to develop a plan to address future growth while maintaining the quality of life for residents.
- ✦ Venice is easily the most historic and environmentally fragile home port used by the cruise industry
- ✦ Despite the global financial crisis, Venice has seen growth in its cruise traffic from 479 calls and 1 million passengers in 2007, to 654 calls and 1.8 million passengers in 2011.
- ✦ Home port cruise passengers spend an average of US\$140 per person in Venice.
- ✦ Post-*Concordia*, there have been suggestions that the large ships try a new approach to the terminals with only smaller ships passing in front of St. Marks. There are still a number of issues to be managed in Venice, including wakes, emission of pollutants into the air, noise, vibrations, and safe navigation.

Venice: A Challenge of Integrated Planning

Paolo Motta

IF THERE IS A PLACE IN THE WORLD where the conflict between cruise ships and historic communities is most critical, it is Venice. Ships navigating the Giudecca Canal travel in dangerously close proximity to monuments and fragile heritage, compromising the environment and the historic urban landscape. The influx of thousands of visiting passengers likewise negatively impacts local mobility and quality of life, and has dramatically altered community dynamics and contributed to a growing exodus of residents from the city.

An estimated 20% of annual visitors to Venice now arrive by cruise ship, an increase of over 400% in less than a decade. In 2005, 407 cruise ships called in the port of Venice, with 700,000 passengers. By 2010, the number had increased to 800 ships carrying 2,000,000, and for 2012 the estimates are over 1000 cruisers and more than 2,800,000 passengers. During peak season, some 20,000 cruise tourists disembark in Venice daily.

Managing cruise tourism in Venice means also preserving the historic fabric and ensuring quality of life for the community. Comprehensive planning and inter-agency collaboration are needed to examine the possible relocation of cruise ship terminals and other related infrastructure and development of new modes of transit and access to the city so as to better filter visitors into the historic center and encourage engagement with the local economy.



Cruise Tourism and Sustainable Mobility in Valletta, Malta

Paolo Motta

Harbors as “Attraction Poles”

Harbors and their surrounding cities have always served as important “attraction poles” for exchange, economics, culture, and development throughout history and across societies. The bustling urban waterfront communities, services, exchange and trading flows became natural “melting pots” for diverse civilizations and cultures. In the Mediterranean, this phenomenon has been particularly relevant given the many civilizations that grew on its shores, including Egyptians, Phoenicians, Greeks, Romans, Turks, and Spaniards. Their ports and harbors represent some of today’s major cities and attractions, including Alexandria, Istanbul, Athens, Venice, Naples, Marseille, Barcelona, Algiers, Bizerte, and Valletta.

Recent Changes and New Compatibilities

Most of these urban areas have evolved over centuries, progressively adapting their harbor infrastructure to the modification of trading flows and navigation systems. Now new vessels and modern technologies are impacting them in a new and profound way. Today, there are clear compatibility challenges between the required modernization of port facilities and the sustainable development of the surrounding urban areas. As they have been throughout time, these are integrated endeavors. The maritime shipping and cruise industries are increasing flows and require more and larger carriers, wider piers, berths, and deposit areas, and need specialized and devoted port areas or new facilities segregated from the urban areas and completely autonomous.

Ongoing Modifications

These changes represent a loss of identity and way of life for the traditional ports, especially those demonstrating a strong relationship between the port and surrounding city, where most of the economy derived from the harbor and a high percentage of citizens worked in related activities and services. City revenues were mostly generated from those facilities; these and the skills associated with a working waterfront are progressively disappearing.

However, the port activities within historic urban areas are progressively changing to other type of flows and traffic, including huge cruisers, private smaller vessels, and local coastal trading ships. This incurs a very profound modification not only for port areas, but for entire urban agglomerations surrounding them, both tangible and intangible. Physical modifications to receive the new vessels are required, circulation and traffic patterns are altered, and tourist flows increase. This shift from traditional port activities to new ones trigger profound socio-economic transformations.

The list of historic port cities is long, and they exist on every continent, with diverse solutions and rehabilitation tools. But all share the common aim of renewed integration of the harbor/port areas with the urban fabric surrounding them, with an eye toward creating a new destination of warehouses and buildings converted into commercial, cultural, or leisure facilities, or for residential and other uses. These efforts modify the relationship of the waterfronts to the overall sustainable urban development and are almost always intended to create a positive impact on the port city economy. Thus, compatible strategies and uses must be developed if ports are to retain their traditional role of engines for effective and sustainable urban development. Tools should address physical as well as economic concerns, especially in light of the negative impacts on both local economy and quality of life that many local port cities have suffered as part of unregulated change.



The *MSC Opera* leaves dry dock in Valletta's Grand Harbour

The Impact of Cruisers

Particular attention has to be devoted to the phenomenon of cruise tourism, which in the last 20 years has manifested an unpredictable increase in vessel dimensions and numbers, and therefore of tourists as well, the numbers of which can surpass that of residents within the historic port communities they visit. These sudden influxes of huge numbers of visitors—each cruiser now carries several thousand passengers—invade the traditional, existing urban fabric in a fast and superficial tour, leaving almost no significant economic returns to local economies, and instead creating problems of traffic, mobility, waste, and so on.

This cruise industry is a market monopoly of very few operators who often do not engage in dialogue with local communities to find new and mutually beneficial solutions, such as through more regulated turn-over, planned seasonal frequency, and financial benefits for local residents.

Mobility Issues

Many cities have successfully modified their urban-waterfront relationship through a complete redefinition and upgrading of the harbor areas, which involved comprehensive planning and implementation across multiple authorities, competences, and operators. These efforts often establish a unique management structure, strictly connected to the urban and municipal authority. In other cases one can still find, even now, highly segregated ports, often with fences and physical barriers that isolate the port from the city and destroy the original relationship with the sea and maritime activities. To reverse this model it is necessary first to integrate the management of the two—city and harbor—and then guarantee the possibility of physical contact by improving access and mobility, both for residents and visitors, so as to reinforce the “magnet” role to port cities, which can only be achieved through a continuing process of socio-economic development.

Mobility as a Tool of Integration

Mobility and accessibility between harbors and historic cities has been a primary focus of several recent cases of cruise ship ports of call, with an aim toward minimizing the negative impacts of re-use and facilitating the integration of diverse urban components for sustainable development. A notable case is the practical experiences developed few years ago within a European Union program called PAGUS (Program of Assistance for Governance of Urban Sustainability), in which we implemented several projects and strategies to mitigate the impact of huge tourist flows in the historic center of Valletta, Malta. Some have been completed or are under implementation, so there is still much to be learned about the long-term efficacy of these solutions.

General Recommendations

- Eliminate the existing barriers between harbor and city areas;
- Unify planning and management tools for both zones to favor real integration;
- Give greatest attention to mass-maritime tourism flows (cruisers);
- Identify the necessary balance between economic growth and deep respect of the existing tangible and intangible heritage;
- Maintain as much as possible the traditional land uses and human skills of the original inhabitants;
- Use the harbor areas as new attraction poles within the urban context, combining traditional uses and new services;
- Redesign the wide open spaces such as quays, piers, and docks for recreational use by the entire community;
- Facilitate the accessibility of the port areas by implementing public and innovative mobility systems and parking facilities.

Valletta Case Study

Valletta inner harbor area was a particular challenge due to the geography, complicated morphology, and partitioning in several urban areas and neighborhoods, all close in proximity but distant in terms of physical access. The main objective of the studies and projects focused on solving the dramatic and increasing daily accessibility problems for the huge number of resident commuters while also maintaining the old historic city center as a vibrant attraction for visitors and residents alike (it had been progressively losing thousands of residents in recent decades). The task was not easy, and very suspiciously received in the beginning, as planning efforts engaged many different agencies and competences. It approached the traffic and mobility with a comprehensive strategy, from the entire island to small pedestrian areas, and involved public transport networks, traffic rules and parking facilities, transit and access limitations, enlargement of pedestrian areas, control and monitoring systems, and so on.

A key challenge was the increasing huge flows of cruise tourists, whose number reached that of the city residents and workers. In response, creative mobility systems were explored such as elevators and escalators. At present, many goals have not yet been reached, but as projects advance—such as the implementation of the “park and ride” facilities, the streamlining of public transport networks, and the creation pedestrian areas—things are moving in a more positive direction.



Before she sank, the *Costa Concordia* was a regular visitor to Valletta

The Study in Brief

The Malta Transport Authority (ADT) engaged consultancy services to provide the authority with a new service agreement with public transport operators in Malta and to:

- ✦ Assess the operation of the market for bus services in Malta;
- ✦ Evaluate feasible options for the future regulation of that market;
- ✦ Bring forward recommendations for a preferred regulatory framework within which the quality and efficiency of bus services could best be improved;
- ✦ Move the bus network toward a more sustainable future with increased patronage, playing a greater role in the day-to-day transport needs of the country and offering an attractive alternative to private car for some journeys;
- ✦ Improve access to Valletta and the inner and outer harbor area;
- ✦ Improve the Valletta Bus Terminus and car-parking facilities.
- ✦

Background and Data Collection

The road transport industry structure in Malta is unusual, with a high proportion of owner operators—660 land passenger enterprises have 930 employees. Local scheduled bus services are provided by 508 plated vehicles owned by approximately 440 individuals. Moreover, the division of service duties for buses such that each vehicle operates on alternate days means that scheduled service fleet and driver utilization is very low. With approximately 30 million passenger journeys a year the productivity of buses in Malta is about 60,000 passenger journeys per bus per year. This compares, for example with 75,000 in Great Britain, which has very low bus utilization by European standards, and 200,000 in Austria, which has high bus utilization compared with the European average of around 120,000.

The bus network has matured in recent years, more as a result of individual initiatives by operators than as a result of a general scheme for the network as a whole. While individual service initiatives may have been a reasonable response to local circumstances, this does not necessarily result in an optimum pattern overall. Examples of features that indicated that the system would benefit from a complete comprehensive review, both operationally and in terms of planning and regulation, include:

- Poor inter-working of schedules manifesting itself on the road (i.e. different services running at the same time over sections of a common route);
- Irregular service headways making service provision less “legible”;
- Inadequate facilities at “natural” interchange points;
- The routing of a high proportion of services to or through Valletta when there may be benefit in more direct routes, reducing the need for interchange.

The further understanding the existing conditions in Valletta, the following were undertaken or will be done as the study proceeds:

Analysis of the road network

- Identification of major routes and links to Valletta;
- Gathering and compiling geometrical data including road widths, number of lanes, etc.;
- Identification of junctions including roundabouts, priority intersections, and traffic signals.

Analysis of public transport systems

- Location of bus interchanges and bus stops;
- Identification of bus routes;
- Bus patronage, frequency, and use along the identified routes;
- Identification of other public transport services (taxis, minivans, horse cabs, etc.).

Data collection

- Collection of traffic accident data and identification of the accident-prone locations;
- Mapping of the existing traffic signal installations and pedestrian crossings;
- Identification and mapping of emergency routes for civil protection and ambulances;
- Identification of existing/proposed car parking areas.

Traffic flow and regimes

- Collection of existing traffic flows on links;
- Collection of traffic data of freight/fleet transport with respect to Valletta port operations;
- Collection of existing traffic flows at junctions;
- Identification of peak traffic flow.

Bus route mapping

In order to have a clear identification of the current public transport situation, the public transport network of the whole of Malta has been mapped. It was necessary to include the entire island because currently the main bus routes depart from Valletta (the capital). This network is mostly laid out on the model of a hub-and-spokes system. In this case Valletta is the hub.

Traffic surveys

Regular traffic surveys capture the amount of traffic at various times at critical links and junctions in the study area. This will be complemented by car occupancy surveys to measure modal shift. These traffic surveys will be carried out in conjunction with the Malta Environment and Planning Authority to make use of their equipment and expertise.

Parking surveys

Regular on-street and off-street parking demand surveys will be carried out in conjunction with the University of Malta. These will be categorized by type, location, and also by average price paid. A distinction between different drivers will be made, especially between residents, visitors, and those working in commercial entities in Valletta.



Valletta seeks to manage cruise tourism as part of broader urban improvements

Attitude surveys

Attitude surveys will be carried out before the implementation and throughout the initial six months to be able to study the change in attitude toward the project. The questions will be prepared by experts, who will conduct the surveys and present the final reports.

Public transport patronage

Public transport patronage information will be extracted from systems and analyzed for any impact.

“Park and ride” usage

The usage levels of the “park and ride” system will also be studied to evaluate the success of implementation.

Valletta Strategy Overview

To date, the strategy in Valletta has focused on the following core efforts:

- *Park and ride*—Reusing the Hornworks and Crownworks ditch to provide 950 parking spaces, replacing on-street parking in Valletta, and providing shuttle bus service from the site to Valletta center.
- *Pedestrianization*—Extending the pedestrian areas in Valletta center.
- *Controlled vehicular access*—Change of licensing to a pay-per-use model that charges for parking in and vehicular access to Valletta. The goals include less commuter traffic, more parking turnover, reduced congestion and pollution, and better living and working environment.
- *Alternative modes of transportation*—Developing additional transit resources, including sea ferries, electric minicabs in the historic city center, vertical connections between the harbor and city center through elevators and mechanical stairways (to move cruise tourist flows), and bus rapid transit networks throughout the entire urban area.

Ultimately, the aim is to facilitate the interconnections between the harbor waterfront and the urban surrounding area, so as to better manage visitor and other traffic flows and ensure that tourism—especially cruise tourism—is balanced with the needs and quality of life of residents.

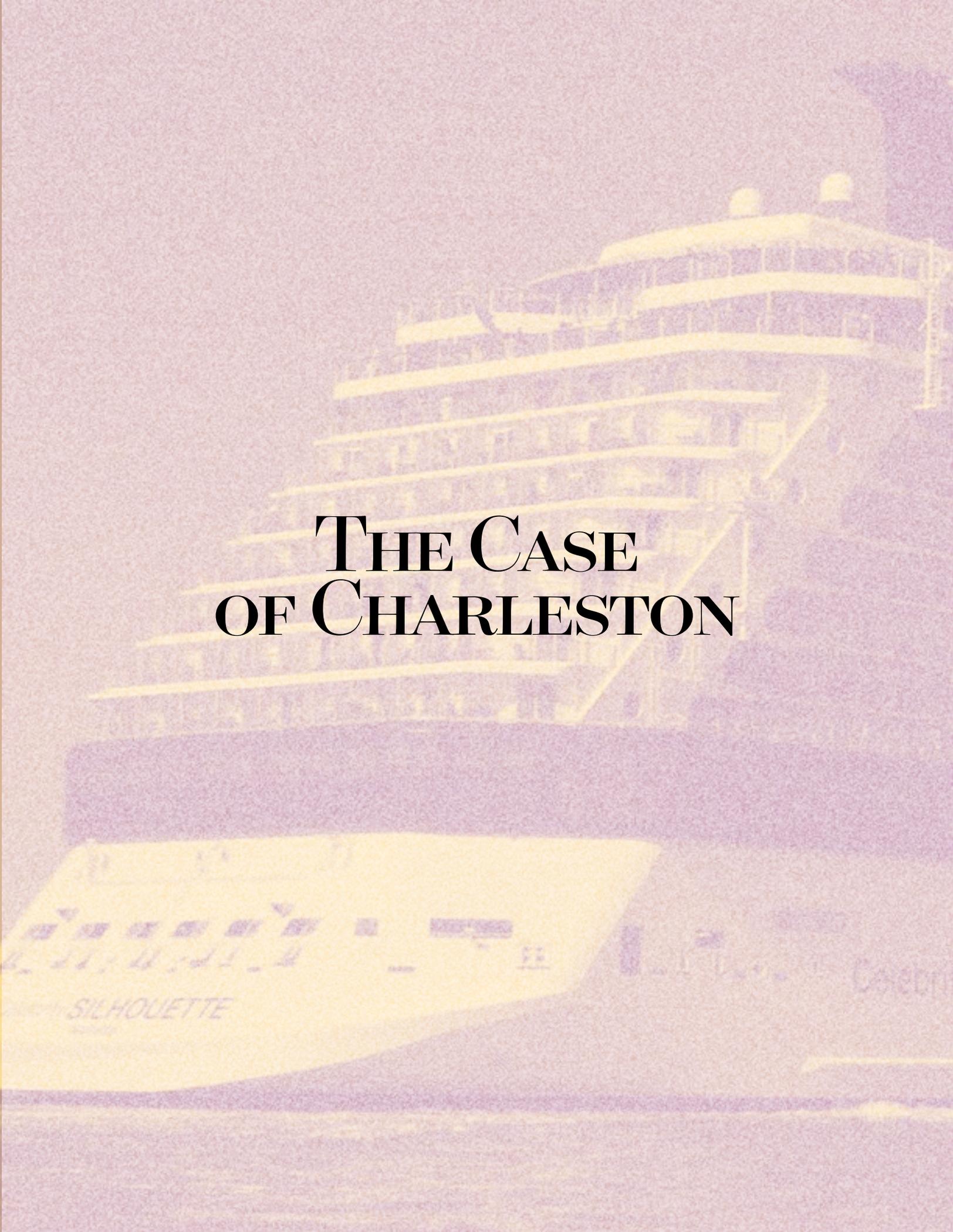
Management in the Port City of Valparaiso, Chile

Paulina Kaplan

VALPARAISO IS THE MOST IMPORTANT container and passenger port in Chile, receiving 10 million tons per season and 50 passenger ships. Approximately 30 cruise ships also dock in Valparaiso each year. The city was inscribed on the UNESCO World Heritage List in 2003 because of its historic role in early nineteenth-century globalization through port trade and its unique city design, which includes elevators from the lower sections of the city (near the port) to higher elevation neighborhoods. Many of these elevators are no longer in operation, creating access challenges throughout the city and separating the port from the community. Cruise tourists do not penetrate the city, and the ships are perceived as temporary buildings within the urban landscape, trumping historic landmarks. Nonetheless, cruise dockings are an urban event as they are seen from many vantage points within Valparaiso, and residents often congregate to view the ships from the city heights. Ultimately, there may be more cruise ship calls to port, and while there is concern about how it will affect the historic city, Valparaiso is not a museum. Its working waterfront is critical to the livelihood of the city; the needs of the port will always remain a priority. The key will be integrating increased dockings into management of the historic city and ensuring infrastructure improvements mitigate negative impacts.

A cruise ship in Valparaiso's harbor





THE CASE OF CHARLESTON

SILHOUETTE

Cruise Ships in Charleston: A Brief Overview

Lauren Perez Hoogkamer

CHARLESTON, SOUTH CAROLINA, once one of the most important ports in the country, is now ground zero for developing cruise ship management best practices in the context of heritage tourism. Charleston is the first and only historic port city in the United States to gain international attention for opposing the cruise industry in order to protect its historic character. As the city's cruise tourism is still in the development stage, Charleston, once again, has the potential to set the precedent for best practices in terms of creating a comprehensive heritage-based cruise tourism management strategy.

Background

Established in 1670 and incorporated in 1783, Charles Town, now Charleston, is the oldest city in the state—its city market is one of the oldest in the country. Charleston was also the seat of the congress that created the state of South Carolina and served as its first state capital. The city was one of the country's most important ports, especially for trade with the Caribbean and the transport of indigo, rice, and cotton. It was the richest and largest city south of Philadelphia.¹ After the invention of the cotton gin, Charleston's plantation's community was booming and, by 1820, had a population of 23,000. In the 1860s, Charleston also led the South in secession; the capture of Fort Sumter precluded the Civil War. From 1901 to 1993, Charleston was home to a U.S. naval base on Cooper River, which increased port activity. The city still leads South Carolina in finance, trade, and commerce.² In 2012, Charleston was named Top U.S. City and Top Destination in the World in *Condé Nast Traveler's* 2012 Readers' Choice Awards.³

Charleston's prosperous history led to the construction of its many historic mansions, civic institutions, and churches, which characterize the historic port city. It has a long history of careful preservation and planning in order to appeal to both residents and tourists.⁴ In 1783, Charleston adopted the motto "she guards her customs buildings, and laws." By the 1900s, the local chapters of the Daughters of the American Revolution had already started purchasing and preserving some of Charleston's oldest institutional buildings, such as the 1761 Old Exchange. In 1920, real estate agent Susan Pringle Frost founded the Society for the Preservation of Old Dwellings, now the Preservation Society of Charleston. The city also created the Committee on Planning and Zoning, now the planning and zoning commission, to regulate building and use in its historic areas. At that time, Standard Oil was growing and had begun building stations that the city found aesthetically incompatible.⁵ Problems were also arising as buildings began to be demolished—and sold for parts—to make room for wider streets, parking, and commercial buildings for the expanding city.⁶

Between 1920 and 1931 Charleston created the first U.S. historic district and preservation ordinance; it also established the Board of Architectural Review, which the New York City Landmarks Preservation Commission is modeled after. In 1931, with more than 1,400 historic structures, the city pioneered current historic district practices by becoming the first and most complete historic district in the U.S. In 1940 Charleston hired Frederick Law Olmsted Jr. to create a master plan for managing tourism and urban growth as well as a historic resources inventory and rating system. Since 1959, the city has also been proactive in using easements for the continued maintenance of its structures through the first nonprofit organization, the Historic Charleston Foundation, whose purpose was to fund the rehabilitation of historic neighborhoods.⁷ While the organization was very successful in accomplishing its preservation goals, it also gentrified Charleston's historic districts and displaced many black residents. By the 1970s, the foundation changed to encourage low-income home ownership and in the 1990s it began to focus on the interpretation and preservation of African-American heritage.⁸



Broad Street, Charleston

Historically, Charleston has maintained its social and architectural character through a mix of regulation and grassroots efforts. Historian Charles Bridgham Hosmer wrote that “Charleston stands alone among America’s historic cities because the sense of continuity has been so clearly reflected in the life of its people. The old buildings are part of the Charlestonians, who infuse a sense of vigor into the structures that they try to save.”⁹ Currently, Charleston has ordinances that regulate the size of walking tours, house carriages, tour vehicles, signs, building alterations and construction, and motorized vendors. The tourism ordinance even states:

It is the purpose of such regulation to maintain, protect, and promote the tourism industry and economy of the city and, at the same time, to maintain and protect the tax base and land values of the city, to reduce unnecessary traffic and pollution and to maintain and promote aesthetic charm and the quality of life for the residents of the city. The city council finds, further, that the numbers of unregulated tour vehicles and other commercial vehicles entering the city for the purpose of touring the historic districts are having adverse effects upon the health, safety, and welfare of the citizens of the city and that traffic accidents, damage to property, traffic congestion, and other problems require the enactment by the city of a comprehensive tourism management ordinance. The council also finds that responsibilities for tourism management are of sufficient scope and complexity to justify a separate ordinance and organizational entity from that required for the administration of the arts and history interests of the city.¹⁰



Proposed Union Pier cruise ship terminal

Despite Charleston's long history of prioritizing preservation in its urban development, the city finds itself unprepared to address the potential pressures and threats cruise ship tourism poses to its historic fabric. Charleston's historic character is defined by the relationship of the city to its port, yet because of the peculiarities of port regulations, which fall under the jurisdiction of the state, the city claims to have no control over the port. Furthermore, the city does not support residents' efforts to impose review or regulation on the ports activities. I will now turn to analyze how this problem might be addressed.

The Conflict Over Charleston's Port

Charleston's Union Pier terminal was built in December 1972 when the South Carolina Ports Authority (SPA) anticipated an increase in traffic and economic activity due to cruise tourism. However, this prediction was incorrect and the first ship did not arrive until April 1973. In 1977, Charleston's newspaper the *News and Courier* wrote that the terminal was a failure.¹¹ From then until the early 2000s, cruise ships were a minor aspect of port activity, and the city even considered repurposing the port for non-maritime uses. In 2010, Charleston became home port for Carnival's Fantasy ship; it was the first time the city had year-round cruise dockings. Since then, Charleston's cruise traffic has increased from 66 to 88 ships. That equates to about 200,000 cruise passengers per year and the ships being in port for an approximated total of two months.¹² SPA is also in the process of redeveloping Union Pier's terminal for the increased cruise traffic. The new US\$35 million cruise terminal facility, which will be moved to the northern end of the port's property, will sit on the footprint of an existing warehouse and include nine acres of surface parking. The rest of the 63 acres of waterfront property will be opened up for redevelopment, although there are no specific plans for this yet. The plan would also restore the historic granite wharf and open up the waterfront to the public as green space. Since this terminal is being repurposed for cruise ship passengers, existing cargo activity is being moved to SPA's northern locations in North Charleston and Columbus Street. SPA says the terminal is for one ship at a

time, but could hold two if need be. It also claims that the new design will improve current traffic flow and reduce pollution, as cargo ships will be relocated.¹³

Because the port is adjacent to the city's historic districts, but on state land, the terminal's location has created a jurisdictional conflict over how, and by whom, the port area can be managed. Even though the port is subject to local zoning and the City Council and Charleston's Board of Architectural Review (BAR) approved the port's proposal for the new terminal, the city claims to not have the authority to regulate the port's activities.¹⁴ SPA was not required to go before the BAR, but volunteered to do so. Charleston's city planners have not been involved with planning Union Pier's redevelopment, but the mayor supports the Port Authority and Carnival.¹⁵ SPA says the goal of the Union Pier planning process was to "better serve passenger vessels and appropriately and efficiently handle people, vehicles, luggage, supplies, and security processes." SPA did not mention if this took into account how the project would affect the surrounding neighborhood. Union Pier has been receiving passenger vessels since 1913; the port considers this project the maintenance of non-historic property since the only current structure is noncontributing to the historic district.¹⁶

Both the city and SPA have yet to release documents regarding the port's cruise ship business and redevelopment. When the Coastal Conservation League submitted a Freedom of Information Act request, they were told these documents were either unavailable or "privileged."¹⁷ Furthermore, both the South Carolina Department of Health and Environmental Control (DHEC) and the U.S. Army Corps of Engineers approved permits, allowing SPA to construct five pilings in the northern end of Union Pier that are necessary for the new construction, without any environmental assessment or impact statement or Section 106 review.¹⁸ The Army Corp of Engineers issued a NWP 3, which is a nationwide "maintenance" permit. The permit description states "that the structure or fill is not to be put to uses differing from those uses specified or contemplated for it in the original permit or the most recently authorized modification."¹⁹ The original 1979 permit states that the structure in question, Building 322, is a "cargo transfer shed," and not a cruise passenger terminal.²⁰

Similarly, DHEC also claims to not have the authority to regulate the port's cruise ship activity. DHEC staff wrote, "Additionally, the long-range cumulative effect of this project will not have any substantive impact to the general character of the area because the general character of this area has been for more than a century an existing commercial pier, S.C. State Ports Authority's Union Pier, with grandfathered activities that include cargo and cruise ship operations."²¹ Impact studies, if conducted, have yet to be released. Previously, DHEC had written SPA stating that the port would need to notify DHEC of any changes to its *Voluntary Cruise Management Plan*. DHEC also told SPA that it needed to file environmental traffic plans and studies, as well as a more detailed description of the activity that would occur at the new terminal.²² Although this additional information was not provided, DHEC approved the permit.²³

The *Voluntary Cruise Management Plan between the South Carolina State Ports Authority and the City of Charleston* states that:

1. The number of cruise ships will be no more than 104 calls per calendar year.
2. The port will host no more than one ship at a time at the cruise terminal.
3. The terminal will be designed at the northern end of Union Pier to accommodate ships consistent with the size and profile that have called on Charleston in the past (1,900- to 3,500-passenger design capacity).
4. A Traffic Management Plan which removes maritime cruise traffic from City streets as soon as possible as well as continued coordination and communication with the Charleston City Policy Department and the City Special Events Committee.
5. A continued commitment by the SCSPA to contribute an allocation to the DASH Downtown Shuttle program, as described in the City Agreement with the SCSPA, providing free shuttle rides to those traveling in the downtown areas of the city.²⁴

However, the above agreement is not binding and changes only require written and public notice. Additionally, the permit calls for the use of low-emission vehicles, excluding cruise ships, at the site.²⁵ The Historic Charleston Foundation drafted a proposed ordinance that would create a “Cruise Overlay Zone.” The ordinance would bind SPA to the commitments it made in the *Voluntary Cruise Management Plan*. The ordinance would also ensure that cruise arrivals and departures don’t add to downtown congestion by arraigning the schedule to avoid large city events and rush hour; mitigating traffic impacts and processing vehicles and passengers onsite; and using parking structures instead of surface parking.²⁶ Although the ordinance reaffirms SPA’s voluntary limits, both the Port Authority and the City of Charleston refused to ratify it. Charleston’s mayor, Joseph Riley, said the ordinance was unnecessary and SPA President and Chief Executive, James Newsome, told the *New York Times* that the “port is a business and businesses don’t typically accept regulation on the amount of business they do.”²⁷

In fact, SPA is in a grey zone between government and business. Its board of directors is appointed by the governor and confirmed by the state senate; however, it “operates like a private business” and funds its operations and investments from the revenue it generates.²⁸ The SPA is a public agency; as such it has a responsibility to be accountable to the public.

The Coastal Conservation League, the Historic Ansonborough Neighborhood Association, the Charlestowne Neighborhood Association, the Historic Charleston Foundation (HCF), the Preservation Society of Charleston (PSC), Charleston Communities for Cruise Control, and several neighborhood groups are concerned about the ships altering the historic skyline and views; incompatible new infrastructure for parking lots, retail, and hotels juxtaposing the historic district; and the congestion, environmental, economic, and social impact of turning Charleston into a mass-tourism market. There are also claims that soot from the ships’ engines is covering historic buildings and requiring special cleaning methods.²⁹ Since 2010, the coalition for cruise control has been seeking regulations and environmental and economic review for the new cruise activity and redevelopment, as unregulated cruise tourism may damage the character of the historic city, driving away residents and stay-over tourists.³⁰

Without any regulations or environmental review, there is no guarantee that the new development and increase in tourism will be compatible with the historic district or that the terminal will not attract an unregulated amount of ships and traffic that congest the historic core and make it unappealing for residents. Although the BAR approved Union Pier’s concept plans, it only considered design and did not analyze traffic impacts, environmental or social effects, limits of acceptable change, or any additional effects the cruise industry or its infrastructure could have on the surrounding historic districts or its community. Furthermore, the BAR approval has been disputed because preservationists feel that the concept does not represent appropriate or compatible design—it allows nine acres of surface parking, which is not in keeping with the subtle parking structures located throughout the rest of the city.³¹ This is open for debate because of the underlying issue that the BAR does not use specific design guidelines when interpreting the “Charleston Standards” for alterations or new construction.³²

Even though SPA and the preservationists groups have participated in more than 100 public meetings and forums about this issue, there has been very little conciliation or information sharing.³³ Conflict has escalated to the courts. Charleston’s preservation and neighborhood groups—including the Historic Charleston Foundation, the Preservation Society of Charleston, Charleston Communities for Cruise Control, the Southern Environmental Law Center, the Charlestowne Neighborhood Cruise Ship Task Force, the Coastal Conservation League, and the Historic Ansonborough Association—are in the midst of three ongoing lawsuits:

- *Historic Ansonborough Neighborhood Association, Charlestowne Neighborhood Association, Coastal Conservation League, and Preservation Society of Charleston v. Carnival Corporation, D/B/A Carnival Cruise Lines, The South Carolina State Ports Authority, and The City*



A Carnival whale-tail smokestack dominates Charleston's skyline

of Charleston—The plaintiffs allege that Carnival is a public nuisance that is violating preservation and environmental laws by discharging air and water pollution and violating height, noise, and accommodations ordinances.³⁴ A judge has since ruled that only the nuisance claims have standing.³⁵

- *Preservation Society of Charleston and South Carolina Coastal Conservation League v. United States Army Corps of Engineers and The South Carolina State Ports Authority*—The plaintiffs argue that the U.S. Army Corp of Engineers issued a maintenance permit for pilings that will allow the building to be redeveloped into a cruise passenger terminal, which violates the permit and allows the project to circumvent environmental and Section 106 review, as well as a study of alternatives.³⁶
- *Preservation Society of Charleston, Historic Charleston Foundation, Historic Ansonborough Neighborhood Association, South Carolina Coastal Conservation League, Charlestowne Neighborhood Association, Charleston Chapter of the Surfrider Foundation, and Charleston Communities for Cruise Control v. South Carolina State Ports Authority and South Carolina Department of Health & Environmental Control*—The plaintiffs believe that the law was violated when DHEC issued the permit without requiring an analysis of impacts.³⁷

The Historic Charleston Foundation also commissioned the *Jurisdictional Survey and Legal Authority Assessment* in order to understand the city's role and authority in managing the Union Pier project, which is owned by SPA. Union Pier is zoned for light industrial use, which does not reference cruise ships. South Carolina's statutes say that public projects, such as Union Pier, are subject to the Planning Commission's review, which can take into account location, character, and extent. Charleston also has a broad home rule, police power, and zoning power. This study found that the city has 10 areas through which it could regulate cruise ships and the port development. The city's options include: Establishing a "City Cruise Monitoring and Advisory Committee;" imposing impact fees; establishing architectural standards; requiring impact studies and public workshops; "adopting compatibility criteria and limits" similar to those for other high-impact uses; regulating noise; regulating the frequency and types of calls; regulating ship capacity; and creating a binding agreement between the city and the Port Authority.³⁸

The Need for Additional Research

Until further studies are completed, it will be difficult to draw conclusions about the specific environmental, economic, and social impacts of cruise tourism on Charleston. However, the experience of other historic ports indicates that careful management is needed to prevent the negative environmental, social, and economic impacts of cruise tourism and to ensure positive effects for the local community.

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The Economic Impacts of the Cruise Industry in Charleston

Harry Miley, Ph.D.

Introduction

IN THE FALL OF 2011, Historic Charleston Foundation (HCF) commissioned Miley & Associates, Inc. (M&A) to conduct an impartial analysis of the impact of the cruise industry on the city of Charleston. HCF directed M&A to provide an assessment of the positive and negative, short-term and long-term impacts that the cruise industry has, or may have, on Charleston's economy and quality of life as they relate to the historical, architectural, and cultural character of the city. Funding for the report was made possible in part through a contribution from the National Trust for Historic Preservation.

This report is intended to provide analysis and perspective on the cruise industry's impacts on the city so that community leaders can establish policies to address the cruise industry's presence in the historic district. It is important to note that while other groups and studies have focused on the benefits to the Charleston region from the cruise industry, this study also considers the cost to the city from the cruise industry. This report provides Historic Charleston Foundation with findings related to the cruise industry, economic impacts, opportunity costs, and quality of life issues that are an inherent part of accepting the cruise industry into Charleston's cultural fabric. Included are examples, case studies, analyses of third-party data, expert testimony, and observations of solutions both deployed and avoided by other similar communities.

Central to the issue is the volume of the cruise industry (number and size of cruise ships) in Charleston and the proposed development of the Union Pier Passenger Terminal to be built by the South Carolina State Ports Authority (SPA). The SPA proposed renovating an older building on SPA property at a cost of US\$35 million. The SPA's proposed new terminal is supported by many in the Charleston area. The SPA and its supporters have focused attention on the claims that the cruise industry and the new passenger terminal provide (and will provide) a boost to the city's economy. The SPA has commissioned numerous studies supporting these economic impacts, and two of the more recent ones are discussed in this report.

Concerns about the cruise industry are multi-pronged. Some think that the cruise industry is hurting the historic character and charm of Charleston that has made the city one of the most attractive places to visit in the country. Others believe that it hasn't hurt the city yet, but could hurt the city if the volume of the industry is allowed to grow unchecked. This issue is frequently referred to as "killing the goose that lays the golden egg." Charleston has a well-known legacy of thoughtful and comprehensive tourism regulation that has protected the character and livability of the city thus far, and many in the community would like to see the cruise industry regulated in the same manner.

Most of the analysis and discussion to date has completely ignored the fact that whatever benefits may accrue to one or more groups or to certain jurisdictions may not be shared with all the groups, and that some of the groups that may bear some or all of the costs may not receive any of the benefits that might be generated. This non-alignment of benefits and costs can be seen in the relatively minor economic impacts to the city from the industry. For example, it is estimated in this report that the SPA will collect as much as US\$9 million in parking and head tax fees in a typical year from the cruise industry. However, none of these revenues goes to the city of Charleston, yet all of the services to meet the needs of the passengers once they are off the boat fall on the city or other local governments. The SPA released a study purporting to show that the cruise industry has made a large impact on local hotel occupancy. However, it is estimated that the vast majority of these impacts is on hotels outside Charleston.



The exact economic impacts of the cruise industry in Charleston are under debate

There are some stakeholders that support the cruise industry. For one, the SPA—the cruise business generates revenues and profits for the agency. The cruise business helps diversify the SPA's operations and may help offset declines in revenue over the last few years.

The SPA is a well-respected, well-run port operator and has served the Charleston area, the state of South Carolina, and the many exporters and importers in the region exceptionally well for many years. As in other cruise ports, the SPA is one of the largest and most vocal supporters of the cruise industry in Charleston. This report should not be interpreted as a negative report on the SPA or the cruise industry.

The purpose of this report is to help clarify the key issues that concern the city of Charleston and its residents. This report focuses on the most visible reasons that the SPA and others support the cruise industry—the claims by the SPA and others that the cruise industry generates major positive impacts on the Charleston economy. In addition, this report addresses the issue of whether the cruise industry could grow so large that it could harm the overall tourism industry in the city. And finally, this report provides recommendations for the city of Charleston and its leaders to consider in future cruise industry negotiations.

What Is the Actual Economic Impact of the Cruise Industry on Charleston?

There has been a great deal of discussion about the economic impacts that the cruise industry has on the Charleston economy. In order to reach a consensus about its value and impact it is extremely important for all stakeholders to accept the estimates utilized when discussing the industry. The de facto data regarding the economic benefits of the cruise industry is the February 2010 report *An estimate of the economic contributions of the SC State Ports Authority's 2010 cruise ship activity to the region's economy* prepared by John Crofts and Frank Hefner, two professors in the School of Business at the College of Charleston. The figures of US\$37 million per year and



Charleston Market—a favorite souvenir destination for the cruise-ship set

407 new jobs presented in that report have been widely cited by the SPA, the city government, and the General Assembly and in other important discussions. Our assessment casts considerable doubt about these estimates, and we believe that it is important for all parties to fully understand the methods and assumptions used to generate these numbers. The following is a list of some issues:

- ✦ The estimate of US\$37 million per year overstates the impacts on the city of Charleston due to the study area used in the analysis. The study used the three-county area of Charleston, Dorchester, and Berkeley counties. The impacts on the city of Charleston are a fraction of that US\$37 million.¹
- ✦ The passenger spending estimates reported are larger than other comparable studies and represent above-average spending compared to research of spending by cruise passengers.
- ✦ The majority of passengers embarking on cruises originating from Charleston (77% of all passengers served by the SPA in 2011 and projected to be 83% in 2012) are on Carnival Cruises.²
- ✦ The estimated impacts from Carnival purchases of supplies in the Charleston area are overstated and contradict industry procedures and other research. Industry standard operating procedures are for long-term, national contracts with established cruise industry suppliers that serve multiple ports in multiple countries. The industry typically leverages its large-scale spending by ordering many products directly from the manufacturers and not from local merchants.
- ✦ Based on the volume and timing of the embarking and disembarking of passengers and the SPA's security procedures once passengers are on SPA property, the potential for spending in the city by Carnival passengers (78% of all passengers using the port of Charleston) is relatively limited.
- ✦ Based on the volume and timing of port-of-call passengers, there are only three ships per year that stay in port longer than four hours. These three ships have a maximum stay of eight hours. This relatively short time period leaves very little time for large-scale spending or dining.

- It is most likely that the majority of any spending by port of call (POC) passengers is within a 15- to 30-minute walking distance of the SPA terminal.
- Carnival (as well as the entire cruise industry) is an extremely well organized and managed business. The industry typically attempts to maximize the spending by the passengers onboard the ship and minimize the spending by the passengers when they are off the ship. The industry is well known for being vertically integrated to a very high degree. Industry averages suggest that typical passengers spend 40%–50% above the price of their tickets on-board or through the cruise ship.³
- In addition to being vertically integrated, the cruise industry also pre-sells many of the off-ship excursions when they are in port and negotiates heavy discounts on many attractions. The result is that even if passengers spend a dollar in Charleston, a large portion of that dollar goes back to the cruise line and does not impact the Charleston economy.
- The analysis released by the SPA on the cruise industry’s impacts on the hotel industry in Charleston has the same geographic and government jurisdiction shortcomings as the Crotts and Hefner study. The hotels that are most impacted are not in the city of Charleston. Supporting this conclusion is the preponderance of hotels that are all outside the peninsula that offer cruise passenger packages (including free parking and shuttle to the terminal for the five-day cruise).⁴
- Whatever positive spending and lodging impacts may occur, it is not clear that they are net increases to overall tourism spending—i.e., there is most likely some displacement of spending and visitors that would visit Charleston but do not due to the volume of cruise visitors.
- The displacement issue is significant in that it may not be a one-to-one displacement. Research indicates that the average visitor to Charleston spends an estimated US\$718.00—10 times more than the typical day visitor from a cruise ship.⁵
- Even if one assumes the estimate of US\$37 million per year in impacts to the area from the cruise industry is correct and that it is all net benefits and there is no displacement effect, that level of spending is only about 2% of the total tourism industry in Charleston. If adjusted for overestimates and displaced activity, it is estimated to be less than 1% of the total tourism business in Charleston.

What are the Risks Presented by the Cruise Industry for Charleston?

While there has been a great deal of attention paid to the potential positive economic impacts of the cruise industry on Charleston, there has been little discussion about the costs and risks of the cruise industry on the city. There are many costs associated with serving the visitors and passengers on cruise ships. Estimating the costs of these services is beyond the scope of this analysis. However, it is strongly recommended that the city undertake such an analysis. This is especially important given that the city receives no revenues directly from the cruise ships or the SPA but is responsible for providing city services that benefit visitors.

Perhaps the greatest risk of the cruise industry is that it becomes a negative influence on the historic “charm” of Charleston. As stated earlier, the average visitor staying in Charleston spends a longer time and more money than the typical cruise ship visitor or passenger. The major concern is that if the cruise business becomes too large it could choke off and displace other visitors to Charleston. If the reputation/perception of Charleston is damaged in the national and international tourism market (even if the reality is different), the overall tourism industry in Charleston could suffer. It is unclear what the level of cruise activity would need to be to reach that “tipping” point. However, it is clear that the reputation of Charleston today in the industry is as high as it has ever been. Recent ratings by Condé Nast and others cite Charleston as one of

the best places to visit. The qualities and infrastructure that have produced this wonderful place did not happen by accident or overnight. However, the city's reputation could be harmed by the perception that it has been overrun by the cruise industry.

And finally, there is the risk of the cruise lines leaving Charleston as quickly as they have come. Mobile, Alabama; San Diego, California; and Norfolk, Virginia are three recent cases of communities that spent millions of dollars trying to lure the cruise industry and building expensive new terminals, only to see the cruise companies leave their ports and leaving the communities holding the bag (and the bill) for the new multi-million-dollar facilities.⁶ There is certainly no reason to expect Carnival to do that in Charleston, yet it did happen to two of the city's southern neighbors and there is no guarantee that it will not happen to Charleston.

1. Recommendations:

- a. The city government should create a separate citizens monitoring board/commission to oversee and provide advice to the City Council on issues related to the cruise industry. This monitoring board should be comprised of individuals representing the wide variety of stakeholders identified in this report.
- b. It is of utmost importance that the city government, the SPA, and other stakeholders cooperate in a transparent, unified manner. All stakeholders need to work together. As a major stakeholder in the process, the city government should become more involved with the negotiations with the cruise industry and the SPA.
- c. To protect the "goose that lays the golden eggs," the city government should ensure that the cruise industry is managed and controlled like virtually all other attractions and activities.

2. Post-Symposium Conclusions

Perhaps the most profound observation at the February symposium hosted by World Monuments Fund, Preservation Society of Charleston, and the National Trust is that the threats to Charleston are not unique to the city. Speaker after speaker documented multiple examples of historic cities around the world threatened by the impacts of a growing cruise industry. It would be wise for the leadership in Charleston to remember that "the cruise industry needs Charleston much more than Charleston needs the cruise industry."

(The above brief analysis is based on the report "The Cruise Industry in Charleston: A Clear Perspective," sponsored by the Historic Charleston Foundation and the National Trust for Historic Preservation, conducted by Miley & Associates, Inc. 2012.)

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The Alabama Cruise Terminal in Mobile has not hosted a permanent cruise ship since October 2011.



Cruise Ship Code of Conduct

Carrie Agnew

CHARLESTON COMMUNITIES FOR CRUISE CONTROL (C4) is a grassroots educational nonprofit organization. The group was created in July 2011 to give individuals worried about unregulated cruise tourism in Charleston a voice, a concept that could well serve any port city where melding residential life with cruise tourism growth is a concern.

The organization has grown dramatically since its inception by word of mouth alone, and now has members apprehensive about Charleston's plight from 27 states and 5 countries.

Through C4's petition and website (www.CharlestonCruiseControl.org), the group is able to reach out to and keep informed all those who share the concerns about impacts on quality of life, providing a positive tourist experience, and maintaining the city's historic integrity and "brand" that, in 2012, resulted in being named the number one tourist destination in the world by *Condé Nast Traveler*.

The creation of a "Cruise Ship Code of Conduct" was developed and posted on the website as a guideline that cruise companies coming to Charleston should consider and adhere to. This can be adapted to the needs of individual ports and their specific areas of concern. The concept makes good sense, especially given the recent efforts in the federal government try to offset taxpayer costs for Coast Guard rescues and to create "Bill of Rights" for cruise ship passengers. Why should port cities, especially home port cities, be treated any differently?

C4 has sent eight letters and the Cruise Ship Code of Conduct to Carnival Corps, which home ports in Charleston, along with Carnival Cruise Line's president and board, asking questions regarding the company's lack of adherence to standards claimed to be utilized on the cruise line's own website. Enclosures of editorials, commentaries, and other information were likewise utilized.

The power of the people, so to speak, can be extremely strong. Using Charleston as a specific example, our organization—along with several much larger non-profits and neighborhood associations—has managed to impact the start of construction of the proposed new terminal. The purpose has been to bring the realities and impacts of cruise tourism growth to light; to put a spotlight on an industry that will only increase and create further hardship on citizens, businesses, and tourism in general; and to show that Charleston's reputation as a National Historic Landmark could be placed at risk.

Giving further credence to these concerns is a recent poll conducted by Charleston Magazine (March 2013). Their findings were as follows: 72% of respondents indicate being concerned about impact of cruise ships due to congestion, pollution, and more, and the same percentage of people said shore power was extremely important or should be strongly considered.

The importance of garnering a strong and diverse grassroots presence cannot be underestimated. Illustrating how impacts, which some people may deem as irrelevant to their own personal lives, actually do relate to them is extremely important. Examples such as the effects of carcinogenic airborne emissions that can travel many miles can bring these facts "home" and become relevant to those outside the specific port surrounds.

By doing these things in a visible nature that garnered media attention, C4 was voted "Best Dueling Billboards" for our initial "Save Charleston. Support Cruise Control." effort in 2012 by a local paper. (A group supporting the State Port Authority replaced it with their own visual, mimicking our original, stating "Cruise On In...Welcome and Thank You.") In 2013, C4 was again recognized, this time for producing the best protest for our campaign to have shore power used by cruise ships.

These awards are proof positive that a relatively small organization can garner media attention, and this has proven to be an extremely effective means of conveying our message to a much



A billboard sponsored by C4 to raise awareness

wider audience. Petition-signers and letters of support further validate this point.

Creating specific URLs for different efforts or other means to identify how petition-signers and/or members learned about the group enables a community organization to see the most effective areas to invest to generate interest and website visits, as well as which messages resonate best with others.

Like any home-grown startup, progress can be slow, but awareness is building and support increasing. The key is to have persistence and staying power, to not give in, and to show that there are those who care just as much about maintaining the character, resources, and identity of the home port as those who want to “grow” it.

One of the most significant points is that by working together, the many can counter the powerful forces of big business and government, as long as the convictions are deep and there is perseverance. A modern day “David vs. Goliath,”we hope.

Time will tell, at least for Charleston.

Health Concerns in Charleston

J. Gilbert Baldwin, Jr., M.D., F.A.C.P.

CRUISE SHIPS BURN BUNKER FUEL, which is the least processed product of crude oil. When burned, this fuel emits sulfur, carbon dioxide, lead, and carcinogenic compounds derived from benzene. These toxic compounds, in turn, may cause chromosome damage resulting in cancer of the liver and lung, several types of leukemia, and aplastic anemia. Respiratory diseases, including asthma, bronchitis, and pneumonia, may also result when berthed ships burn bunker fuel.

The use of shore-side power can significantly reduce the concentration of the air pollution and toxic emissions. Studies have shown a reduction in respiratory diseases and in pediatric hospital admissions for asthma and bronchitis with the use of shore-side power.

Many United States and foreign ports now require shore-side power, reducing toxic exposure to residents, workers and tourists in these areas. Why can't it be installed in Charleston, South Carolina?

No “One Size Fits All Solution” for Historic Ports

J. Randolph Pelzer

ONE STRONG CONCLUSION EMERGED from the Charleston symposium on cruise ship tourism. That conclusion is that there’s no “one size fits all” solution for cruise activity at historic ports. The Charleston “Harboring Tourism” experience shows that not only are the impacts (positive and negative) from cruise activity different for each historic port (origination or port of call), but the solutions to the negative impacts (legal limits or relocation of cruise terminal) are also different.

General Lessons from the Symposium

- Port of call cruises (POC) generally confer less economic benefit than origination cruises. Yet in Charleston, the opposite holds true. That’s because in Charleston, Carnival provisions all origination cruises from Florida, and the Carnival budget customers mostly just drive here to board the ship directly or stay at inexpensive lodging in cheaper hotels offering free parking and shuttle services that are located outside the historic city.
- Most ports experience harm from POC cruises unloading large groups in small delicate areas as well as damaging fragile environments. But in Charleston, origination cruises are more damaging due to the traffic congestion caused by passengers arriving and departing by car on the same day in the congested historic area, as well as the noise, soot, and skyline visual impairment from the larger ships docking off a National Historic Landmark district.
- Many ports, such as Valparaíso, welcome any positive (albeit overstated) economic impact from cruises and collect a head tax. But in Charleston no head tax revenues go to the city, yet police and ambulance services required by these ships must be paid for by the city’s taxpayers. Worse, perhaps, many residents and tourist businesses bases fear that cruise tourists will diminish the experience of the millions of land-based tourists who spend 14 times more in Charleston than these cruise tourists.

Charleston and the SPA

In Charleston, various groups have tried to convince the city and state government to force a solution on the State Ports Authority (SPA), a quasi-independent state entity. The two solutions that we have tried to advance are 1) locating the planned new cruise terminal to one of the other industrial SPA terminals further away from the historic and other residential areas, and 2) setting legal limitations on the size and number of annual visits of cruise ships. In order to understand why each of these solutions may (or may not) be available to other historic ports, it is necessary to understand the scope of SPA operations in Charleston as it relates to the historic district.

Ninety-five percent of SPA’s revenues come from cargo operations, primarily container ships. These cargo operations are conducted out of six different terminals in Charleston harbor; these terminals total almost 1,500 acres.

SPA built the current cruise terminal about 40 years ago off the historic area at its 65-acre Union Pier terminal on the Cooper River. Since its opening, it has served primarily POC, mostly smaller and often luxurious ships with passengers from other parts of the world interested in visiting Charleston. Charleston seldom had more than 20 or 30 calls per year and felt little negative impact.

In 2009, the SPA contracted with Carnival to be an origination port for the Carnival Fantasy,



In Charleston, cruise ships obscure waterfront views

a ship with over 2,000 passengers and a crew of about 1,000. The SPA announced its plans to build a new cruise terminal at Union Pier by retrofitting a 100,000-square-foot warehouse five or six times as large as the existing terminal, which it claimed did not meet the security and other needs of these large new ships and their loading and provisioning requirements.

The new terminal will only be several blocks up the peninsula on Union Pier, so it will still be next to the historic district, specifically Ansonborough, a part of the National Historic District containing a unique collection of Greek revival houses dating back to between 1830 and 1840.

In spite of its obligation to do so, the SPA failed to study any of its other five terminals or any other available property up the Cooper River as a possible cruise terminal site that would avoid the negative impacts on the historic or other residential areas but preserve any economic benefits of cruise activities. Not incidentally, The SPA itself is the primary beneficiary as it receives a US\$75 per passenger fee for origination cruises and a US\$15 a day parking fee for about 500 cars that park for the five- to seven-day cruises.

On the other hand, the city of Charleston and its residents receive no direct revenues from cruise ships, yet the residents in the historic district bear both the costs and negative impacts of cruise operations. A major traffic artery is closed to allow for the arrival and departure of cars, causing additional traffic congestion in the already crowded historic area. Soot and smoke from the idling ship engines create health problems and property damage. Noise from ship horns and PA systems disturb the tranquility of neighboring residential areas. And cruise passengers, unleashed all at once onto the city streets, create enormous congestion for residents and traditional land-based tourists alike.

Our beautiful skyline of steeples (for which we are called the Holy City) is impaired by the “whale fin” smokestacks that are as high as our tallest steeples, with larger ships on the horizon as the Panama Canal is widened.

The SPA currently receives over 70 origination visits a year and about 15 POC visits. Most origination passengers drive here from localities in South Carolina and neighboring states on the day of the cruise and immediately board the ship in the late afternoon. After the cruise, they mostly get back into their cars and drive back home because they are not permitted to remain in the cruise parking lot and, importantly, their destination was the cruise ship itself to head to the Caribbean, not Charleston.

Alternative Terminal Site

Various civic, environmental, and historic organizations have suggested other feasible and more desirable sites for the new cruise terminal that would avoid the negative impacts and preserve the positive benefits from cruise operations, but the SPA has defiantly refused to consider any other option. SPA makes general statements that it needs all its other space at the other five terminals for cargo operations. But the facts are that the cruise terminal only requires about 20 acres of space and cargo operations have fallen significantly so that SPA appears to be operating at about 50% of present capacity and 33% of planned capacity. That means that plenty of space for a cruise ship terminal is available at other SPA locations without impacting cargo operations.

Charleston is lucky. From the symposium it became apparent that an alternative siting of the cruise terminal is not possible for many historic ports as it is in Charleston. Either there is no other possible port site (as in Key West or other Caribbean ports) or the cost to relocate is prohibitive. Venice, Italy, because of extensive damage to the cultural fabric of this historic city and problems for the local population, is actively considering a plan to relocate the cruise terminal to an industrial site on the mainland reached by a channel away from the historic area. This can only be done now at an astronomical cost in the billions of dollars. Charleston can site its proposed cruise terminal away from the historic city right now, before it's built, at little, if any, additional cost. Given the negative experiences of other historic port cities, it makes it unconscionable that the SPA won't consider relocating this proposed cruise terminal away from the historic city center.

Legal Limits

The other solution that various neighborhood and preservation groups have urged is for the city or state to enact laws to limit the size and number of cruise ships. The SPA has stridently fought legal limitations, and city government has ignored calls for legal limits suggesting that it doesn't have the power to limit port operations. The mayor of Charleston has just won reelection for his tenth four-year term; he is unlikely to change the course of city government. The city and SPA have put forth some voluntary limits of 104 visits a year by ships with no more than 3,500 passengers, but SPA has every economic incentive to go beyond those limits at its proposed large new US\$35 million terminal capable of handling two cruise ships at a time, including the largest cruise ships now afloat. Other historic ports with more responsible governments might achieve a solution by legal limits.

Even if the city were to enact legal limits, there is a concern that it would later change the ordinance or grant a variance so that the legal limits were increased or eliminated. This, in fact, happened in Hamilton, Bermuda. Given that the rapidly growing cruise industry is valued at US\$60 billion, far more than the resources of any city government, most of which are struggling financially, it is hard to imagine any city being able to oppose such a formidable industry's desires for long. For that reason, some believe that any legal limits should be contractual with the various preservation/conservation groups in settlement of pending litigation.

What is Next for Charleston?

In Charleston there presently are lawsuits challenging cruise ship compliance with local law, the permit to build the new terminal, and the failure to comply with the consultation process required by Section 106 of the National Historic Preservation Act. The terminal cannot be built until the resolution of these lawsuits. Some believe that the only positive solution for Charleston will be if one of these lawsuits against the SPA prevails and forces this entity to reconsider the site of its terminal location.

Others hope that the SPA will decide that the wisest course for it and the historic district is to adopt one of the suggested solutions. The preferable solution is to find an alternative cruise terminal site. The other solution is legal limits. Under either solution, shore-side power should be required to stop air pollution while the ships are docked.

Sunset for a way of life in Charleston?



Appendix A: Annotated Bibliography

Compiled by Caroline Cheong for World Monuments Fund

IN 2011, the global cruise ship industry hosted 16.37 million people on more than 200 ships. With an 8% average growth rate between 1980 and 2011 and a 500% increase in the number of berths on offer between 1980 and 2007, cruise ship tourism is the fastest growing sub-sector of the tourism industry, expanding at more than double the rate of land-based tourism (Cruise Lines International Association, 2012). Though by some accounts cruise travel accounts for no more than 2.2% of overall tourist activity, the sub-sector's contributions to and impacts upon the environment, economy, culture, and infrastructure of global and local communities far exceeds its market size. This is coupled with a shift toward larger, more amenity-rich ships that are attractions in themselves and a legal environment in which most cruise operators sail under "flags of convenience," allowing companies to circumvent tax liabilities, safety standards, inspections, and environmental and labor laws.

However, despite the sub-sector's enormous growth and these profound effects, current academic and professional literature on cruise ship tourism and its impacts is surprisingly limited, an absence that has been noted by many leading cruise ship tourism scholars and practitioners (Wood, 2000; Papathanassis, 2011; Economic Commission for Latin America and the Caribbean, 2005). A review of existing literature and issues is therefore a pertinent step toward illuminating the challenges and opportunities facing the sub-sector and the communities and environments with which it interacts.

Research on cruise ship tourism has been conducted and produced by three main groups: the academic, non-profit and non-governmental (NGO), and practitioner sectors. Media reports substantiate this research by providing details of current and on-the-ground popular opinion and sentiment. Cumulatively, these works can be divided into five general categories of focus: cruise ship management and operation, environmental impacts, economic impacts, interaction with local communities, and medical and safety concerns. It should be noted however, that these topics and impacts neither exist in isolation nor occur in a linear fashion. Rather, these themes are interconnected and interdependent and many of the resources discuss multiple topics at once, addressing the threads that connect environmental and economic impacts or economic impacts and visitor experience. Sources are therefore divided according to primary focus and intent, though they may contribute valuable information related to another other category.

Key Sources and Comprehensive Studies

Below is a list of studies and reports that provide an excellent overview of the current issues, challenges, and opportunities facing the cruise ship tourism industry and the communities with which it interacts. The Center on Ecotourism and Sustainable Development released two comprehensive reports on cruise tourism's impacts in Belize (2006) and Costa Rica and Honduras (2007). Dowling's (2006) book contains a number of insightful essays that span a wide range of topics, ranging from cruise ship industry operations and management from both supply and demand perspectives, economic, social and environmental impacts, and industry issues. As a leading cruise tourism researcher, Klein has produced a number of comprehensive studies on the industry's varied impacts and recommendations for policy makers. Finally, a series of short publications from Gibson and Papathanassis (2009, 2010, 2011) provide current summaries of key issues presented at the International Cruise Conference.

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Cruise Tourism Management and Operations

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Economic Impacts

Publications on the economic impacts of cruise ship tourism are bifurcated between those reports coming from the cruise ship industry—whose reports have an obvious promotional bias—and those from the academic and NGO community. These works are substantiated or refuted by media reports that lend a public perspective to the reality and perception of these impacts. All are location-specific, ranging from city, country, and region in focus. Given that more than half of all cruises take place in the Caribbean, many of these studies are focused on countries in that region.

As a profit-driven business, cruise ship tourism's economic impacts are usually discussed in terms of direct, indirect, and induced effects, focused mainly on jobs and expenditures. The extent of these economic contributions vary greatly depending upon whether the port is a home port or port of call, while some scholars report that the economic impacts in either case are negligible (Brida, 2012). The literature highlights distinctions between the two ports, as Brida and others observe that cruise tourists in cities of embarkation spend at least one night in the home port, visit attractions that are farther afield than the port itself, and partake more in local restaurants, retail, transportation, entertainment, and other amenities (Brida, 2010; Business Research and Economic Advisors, 2005 and 2009; de la Vina, 1999). In contrast, the economic contributions of tourists in port-of-call cities occur within a few hours and are usually concentrated in the port area. Many studies emphasize the need to maintain a balance between these two tourist types and the importance of converting first-time cruise visits to return overnight stays (Gabe, 2006).

While cruise ship tourism does generate expenditures and create jobs, the literature notes that these benefits are usually tempered by flags of convenience that allow cruise lines to avoid tax payments. The industry's economic contributions may also be mitigated by the investments made by port authorities into port infrastructure to accommodate the ships and increasing tourist population. In many cases, portions of this investment come from the cruise lines, but nonetheless require substantial investment from home port or port-of-call governments (de la Vina, 1999; Economic Commission for Latin America and the Caribbean, 2005; United Nations World Tourism Organization, 2010). Chase also emphasizes the importance of considering leakages, in which tourism-generated revenues are lost to other economies, in accurately determining economic impact (Chase, 2003).

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Environmental Impacts

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ample, an Ocean Conservancy report states that, on average, a cruise ship generates “30,000 gallons of sewage (or black water); 255,000 gallons of non-sewage wastewater from showers, sinks, laundries, baths, and galleys (or gray water)... tens of thousands of gallons of ballast water, bearing pathogens and invasive species from foreign ports...; and air pollution from diesel engines at a level equivalent to thousands of automobiles” (Ocean Conservancy, 2002).

Nearly all sources note the legal impediments to prosecuting such infractions, as well as the challenge of enforcement due to lax governance. Further, all authors note that flags of convenience—often issued in countries with minimal or nonexistent environmental regulations—and a lack of clear jurisdictional boundaries impede uniform regulation and enforcement on these issues, despite the existence and passage of various maritime laws. The Ocean Conservancy notes that enforcement has been most rigorous in the U.S., where some state governments have passed environmental restrictions upon cruise ship activity. Further, the United Nations World Tourism Organization (2010) and Klein (2005) observe that international environmental standards are increasing and ship technology is becoming more sustainable, likely as a means of offsetting costs required for environmental cleanup and litigation.

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Heritage Values and Local Communities

Cruise ship tourism's impact upon social and cultural values and the built environment are highly localized. Home port and port-of-call communities come into the most immediate contact with cruise ship tourists and the impacts of cruise ship tourism. Literature is therefore most concerned with the relationship between the ships and their passengers and the host communities. These impacts include both the socio-cultural and physical changes resulting from this interaction but are directly related to cruise ship tourism's economic impacts, which are often given precedence in policy decisions. Thus, most literature focused on heritage values is centered on preserving these values in the face of increasing economic pressures. Bardolet (2008) and Kritz (2008) observe that tourism development requires improved balancing between tourism's economic, social, and physical impacts to ensure a site's sustainable development. All authors emphasize the importance of increased community participation and inclusion.

Conversations about the heritage-based impacts of cruise tourism are, for the most part, subsumed under the larger and well-documented discussions about tourism in general and its relationship with host communities. This includes impacts upon both socio-cultural and physical heritage values. Much of this analysis is focused on themes of ownership and authenticity (Kirshenblatt-Gimblett, 1999): what heritage means and how to preserve it, if it all; the relationship and exchange between the tourist and host community (MacCannell, 1999); and how to manage these relationships in a sustainable manner (Low, 2003). Diedrich (2010) describes the Tourism Areas Life Cycle Model, which evaluates a site's evolution through a series of developmental stages that starts with exploration and ends with deterioration. This end stage is reached when tourism's negative impacts exceed its positive effects and is often associated with uncontrolled mass tourism, which, she asserts, is reaching a critical point in Belize through cruise ship tourism. "Disneyfication" or "Disneyization" is a common term for such a stage when a community's culture is homogenized and sanitized for popular consumption, though this can also be countered by claims of cultural revitalization (Weaver, 2006).

There are limited academic and professional sources that focus specifically on cruise ship tourism's impacts upon heritage values, but increased discussions in media reports, likely due to the precedence given to economic impacts. In a case study of a cruise ship terminal proposal on Australia's Gold Coast, Dredge (2008) asserts that the government interpreted public interests in such a way that the site's economic potential was favored over local and diverse interests

(2008). Jaaksen (2004) notes in his case study in Zihuatanejo, Mexico, that cruise ship tourists may opt to remain within the ship's "tourist bubble" of the immediate port, usually the site of the most intense commodification of local culture, and intermingle with the local community so long as these interactions remain within their comfort zone. Pulsipher (2006) observes that these interactions can foster important learning experiences and exchanges between tourist and host community, but if not properly managed can lead to neo-colonial attitudes between the tourists and host communities. Wood (2000) notes that increased interaction between visitors and local communities furthers processes of globalization and homogenization. This process is sped up within the host community when the ratio of visitors exceeds that of the local community, a phenomenon that Brida (2010) and the United Nations World Tourism Organization (2010) note is especially prevalent in the Caribbean.

Physical impacts upon heritage sites are most discussed through media sources, with the exception of a handful of academic sources. McCarthy (2003) discusses cruise ship tourism's potential to catalyze urban regeneration. Venice, with its narrow canals and fragile historic buildings, has been paid particular attention (Povoledo, 2011) in the media and through active citizen groups (Venipedia, Italia Nostra). Again, all sources emphasize the importance of active local inclusion and participation.

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Safety and Medical Concerns

The health and wellbeing of a cruise ship's crew and passengers is an obvious priority and concern for cruise ship operators. The mobile and isolated nature of the ships when they are between ports of call presents particular management challenges when emergencies arise. Publications thus focus on emergency preparedness for safety and medical situations, as well as mitigating measures to preempt such occurrences from happening. Case study examples of past safety and medical emergencies are provided in most documents. Suggested approaches to managing on-board crises range from facilitating evacuation procedures through ship design (Vanem, 2006) to undergoing formal safety assessment of existing and potential risk (Lois, 2004). Similarly, methods for handling medical emergencies entail ensuring better stairwell monitoring and construction to deter injuries resulting from falls (Bansal, 2007), to increasing food safety standards to prevent outbreaks of illnesses. Burke takes an alternative perspective, addressing passengers'

legal rights and options in cases of consumer complaints. Crime is also a significant concern and is paid much attention in the media and by Klein (2005). Lastly, the 2012 crash of the Costa Concordia ship off the coast of Italy brought safety concerns to the forefront and has been prominently featured in the media. There will no doubt be a renewed sense of urgency in researching ways in which to avoid such disasters from happening again.

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Current Events

Media reports from around the world provide nuanced and on-the-ground insight into the issues currently facing the cruise tourism industry and the communities with which it interacts. Those listed below are a sampling of recent or topical news reports, divided according to geography, and are intended to represent the general media trends in these areas. In regions where the cruise tourism industry is more developed, such as North America and the Caribbean, issues are more focused on negative environmental and cultural impacts, though there are a handful

of factual, event-based reports. In these articles, the most frequently cited stakeholders are the NGO sector representing community interests, government officials with their response to these concerns, and sometimes the cruise operator with their own response to the issue at hand. Issues discussed from media sources in these regions thus tend to be discursive rather than a reporting of facts and events. In other areas where the cruise tourism industry does not yet have a strong foothold, such as Asia, Africa, and the Middle East, media sources are heavily focused on the industry's development and economic potential. These include pieces describing at the investment in and construction of new infrastructure for ships, as well as government expenditures and efforts to attract cruise ship operators. Accordingly, stakeholders highlighted in the articles are most often government officials and cruise operators, with little to no mention of community opinion. Newspaper articles regarding Antarctica and polar voyages are, unsurprisingly, focused on environmental impacts. Actors discussed in the articles in are most often representatives of the scientific community.

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Appendix B: Conference Program

Wednesday, February 6

6:30–7:30 PM Craig Milan, Keynote Speaker, *Cruise Line Drivers of Deployment: Placing Ships in Historic Ports*

Thursday, February 7

8:45–9:00 AM Welcome and Introductions

9:00–10:00 AM Panel: **VOLUME VS. VALUE**

Jonathan Tourtellot (moderator), *Cruise Tourism: A Rising Tide That Floods All Ports?*

Ross Klein, *Tensions between Cruise Tourism and Land-based Tourism: The Case of Dubrovnik and Key West*

Amos Bien, *Lessons on the Value of Cruise Tourism in Central American Ports*

Kristian Jørgensen, *The Fjords of Norway—How the Growing Cruise Business is Becoming the Greatest Threat for an Iconic Destination*

10:10–11:10 AM Panel: **ECONOMIC IMPACTS**

Ross Klein, *The Cruise Industry's Business Model: Implications for Ports*
Brian Scarfe, *Victoria as a Port-of-Call: Costs and Benefits of Cruise Ship Visits*

Harry Miley (moderator), *Costs and Benefits of Cruise Ships on the Economy*

11:30 AM–12:30 PM Panel: **POLICY TOOLS**

Will Cook (moderator), *Using Law to Manage Cruise Tourism Impacts*
Joseph Geldhof, *Cruise Taxation Issues: Finding the Balance between Generating Revenue and Mitigating Impacts*

Juan Luna-Kelser, *Policies for Maximizing Positive Impacts for Cruise Tourism: A Destination Perspective*

Dora Uribe, *Isla Cozumel and the Sustainability of Cruise Tourism Growth*

1:30–2:30 PM Panel: **ENVIRONMENTAL CONCERNS**

Martha Honey (moderator), *Assessing Environmental Impacts—at Sea and on Shore*

Dana Beach, *A Charleston Perspective on Environmental Impacts*

Jamie Sweeting, *Destination Stewardship and the Cruise Industry*

Marcie Keever, *Grading the Cruise Industry's Environmental Footprint*

2:45–3:45 PM Panel: **ORIGINATION MANAGEMENT**

Evan Thompson (moderator), *Welcome to Our Home Port: Community Perspectives on the Impacts of Cruise Operations*

J. Gilbert Baldwin, Jr., *Cruise Ships and Health Impact*

Michelle Baldwin, *Size and Scope—Will it Fit?*

- 4:00–5:00 PM Panel: **HERITAGE BALANCE**
Gustavo Araoz (moderator), *Historic Places and the Impacts of Cruise Tourism*
Paulina Kaplan, *Management of the Historic Area in the City Port of Valparaiso, Chile*
Paolo Motta, *Cruise Tourism & Sustainable Mobility in Valletta, Malta*
- 7:00–9:30 PM Lecture: Mr. Paolo Motta, *An Integrated Program for Venice Urban Renaissance*

Friday, February 8

- 9:00–10:30 AM Forum: **CRUISE TOURISM IN CHARLESTON**
Tony Wood (moderator), Randy Pelzer, Dana Beach, Blan Holman, Carrie Agnew
- 10:45 AM–12:30 PM **CONCLUSIONS AND RECOMMENDATIONS**
Tony Hiss (rapporteur)

Harboring Tourism conference in Charleston



Appendix C: Contributor and Speaker Biographies

CARRIE AGNEW

Carrie Agnew is the Executive Director of Charleston Communities for Cruise Control (C4), a grass-roots, educational non-profit working to obtain legally binding regulations on the burgeoning cruise industry in Charleston. Carrie grew up in Pittsburgh and attended Princeton University. Carrie has lived in Charleston's historic Ansonborough neighborhood for the past 12 years, working first at The Bosworth Group, an advertising, marketing, and public relations agency, and later as a partner and marketing director for a local company that produced an international award-winning animal water-exit device. Charleston is a vibrant, living city that is internationally recognized for its historic integrity. Carrie has devoted the majority of the past two-and-a-half years to trying to protect the delicate balance between Charleston's heritage tourism-based economy and quality of life for its residents and businesses.

GUSTAVO ARAOZ

Gustavo F. Araoz has focused his career on heritage conservation from an architectural private practice, academia, and institutional management. After serving two terms as Vice President of the International Council on Monuments and Sites (ICOMOS), he was elected its president in 2008. His private practice has included work on sites all over the United States and internationally, including several World Heritage Sites. A frequent international lecturer, Mr. Araoz was in charge of the conservation studio of the University of Pennsylvania Graduate Program in Historic Preservation for six years. From 1995 to 2009, he was Executive Director of US/ICOMOS. Mr. Araoz holds a B.A. in architecture from the Catholic University of America, an M.A. in Latin American Studies from Georgetown, and an architectural conservation certificate from the Instituto Nacional de Antropología e Historia in Mexico.

ERICA AVRAMI

Erica Avrami is the former Director of Research and Education at World Monuments Fund, and is currently an assistant professor of historic preservation at Columbia University. Erica directed the World Monuments Watch program, which highlights challenges facing heritage sites around the globe and recognizes issues of interest to the preservation field. She also developed research projects, training activities, publications, and symposia for WMF. Erica taught in the preservation programs at the University of Pennsylvania and Pratt Institute. She formerly served as a Project Specialist at the Getty Conservation Institute and holds a B.A. in architecture and an M.S. in historic preservation, both from Columbia University, and a Ph.D. in planning and public policy from Rutgers University. Erica was a Trustee and Secretary of US/ICOMOS from 2004 to 2010, and she currently serves on the editorial advisory board of the journal, *Change Over Time*.

J. GILBERT BALDWIN, JR., M.D., F.A.C.P.

A native of Richmond, VA, Dr. Baldwin received his undergraduate and medical degrees from the University of Virginia. He completed post-graduate training in internal medicine and hematology/oncology at the Medical University of South Carolina in Charleston. He is board certified in internal medicine and a Fellow of the American College of Physicians. Publications include articles in the *American Journal of Medicine*, *Geriatrics*, and *Archives of Internal Medicine*. Dr. Baldwin has practiced in Charleston for 38 years on the faculty of the Medical University of South Carolina, in private practice, and, currently, as Associate Medical Director of Select Health of South Carolina, Inc. In addition, he served in the U.S. Army Medical Command Europe and on active duty during Operation Desert Storm. His community service includes work as the Volunteer Medical Director of Hospice of Charleston and serving on the boards of My Sister's House and the American Cancer Society, Charleston.

MICHELLE BALDWIN

Mikki Baldwin has spent the past 20 years in the seafood industry and is based out of Mayport Village, Florida, one of the first of 27 designated Working Waterfront Communities in the state. Her background as a legal assistant has served her well in bridging the gap between the City of Jacksonville, the Jacksonville Port Authority, and residents in this small historic community. She has been recognized by the Mayor of Jacksonville for her efforts in saving small communities. Currently, Ms. Baldwin serves as president of the Mayport Village Civic Association, as well as serving on and advising countless other organizations, private and public. Her most recent endeavor has been saving the St Johns River Ferry, the river's last moving bridge.

DANA BEACH

Since founding the Coastal Conservation League in 1989, Dana has received awards from many institutions, including the United States Environmental Protection Agency, the South Carolina General Assembly, and the American Institute of Architects. In 1998, Dana was named one of ten Heroes for the Planet by Time Magazine's *Time for Kids*. In March 2000, he received the Order of the Palmetto, South Carolina's highest honor, awarded by the Office of the Governor for outstanding contributions to the state. He is the author of the Pew Oceans Commission's publication, "Coastal Sprawl: The Impacts of Development on Aquatic Ecosystems." He graduated magna cum laude from Davidson College and received his M.B.A. from the Wharton School at the University of Pennsylvania.

AMOS BIEN

Amos is a population ecologist and administrator, and works in the fields of sustainable tourism and standardization. He was the lead consultant in developing the "Global Sustainable Tourism Criteria," author of the "Tourism Sustainability Scorecard" for the Inter-American Development Bank, member of the ISO Technical Committee on Tourism, author of the "Guide for Tourism: Instrument for Environmental and Social Management" for the environmental authorities of Central America and the Dominican Republic, and lead consultant for the study "Policy elements for the sustainability of cruise tourism in Central America." He also recently worked for the United Nations Environmental Programme on sustainable tourism issues, where he coordinated the projects for establishing the Global Sustainable Tourism Partnership and the Sustainable Investment and Finance in Tourism initiative. He is the founder and CEO of Rara Avis Rainforest Lodge and Reserve, one of the first ecolodges and private reserves in Costa Rica. He was the founding president of the Costa Rican Private Nature Reserves Association, president of the Costa Rican Youth Hostel Association, treasurer of the Federation of Costa Rican Environmental Organizations, member of the National Biodiversity Commission, and a country representative to the UN Convention on Biological Diversity and the Johannesburg Summit on Sustainable Development.

CAROLINE CHEONG

Caroline Cheong is a Ph.D. candidate at the University of Pennsylvania in city and regional planning. Her research focuses on urban heritage conservation, poverty reduction, and displacement. Her research also includes conservation economics and values-based conservation. She received her M.S. in historic preservation from the University of Pennsylvania and her B.S. in anthropology from the University of Chicago. She was a US/ICOMOS International Exchange Intern in Al Houson, Jordan, and a Graduate Intern at the Getty Conservation Institute where she evaluated the challenges and opportunities facing historic cities. Previously, Caroline was the Director of Research for Heritage Strategies International and Place Economics.

WILL COOK

Will Cook is an associate general counsel at the National Trust for Historic Preservation. His primary area of responsibility includes litigation advocacy on behalf of the National Trust in courts across the United States. Recent projects include defending the use of historic tax credits, challenging federal agency approval of a wind farm in the middle of Nantucket sound, and defending historic property owners against the harmful effects of massive cruise ships in the Port of Charleston. Prior to joining the National Trust, Will taught as an assistant professor at the Charleston School of Law in the areas of property law, constitutional law, historic preservation, and art and cultural heritage. He has also worked at a nationally recognized law firm and for an international auction house in New York City. Will served as a member of the Board of Directors of the Preservation Society from 2005 to 2011.

JOSEPH GELDHOF

Joseph Geldhof is a lawyer who works primarily in Alaska and the District of Columbia. A graduate of the University of New Hampshire Law School, Geldhof has worked on cruise related issues since 1998. He authored the Juneau, Alaska passenger ship fee ordinance and is the primary author of the comprehensive state-wide cruise ship initiative adopted by the citizens of Alaska in 2006, a measure that addressed cruise taxation, pollution, and consumer disclosure provisions. Joe Geldhof lives with his wife on Douglas Island overlooking the Port of Juneau, where he cuts wood for their stove. He plays ice hockey at the nearby Treadwell Arena and enjoys walking the rocky marine beaches of southeast Alaska with the family dog.

TONY HISS

Tony Hiss is the author of thirteen books, most recently, *In Motion: The Experience of Travel*, an in-depth exploration of “deep travel,” the unique, built-in—and underappreciated—human ability to see everything as fresh, vivid, and memorable. *In Motion* is a follow-up to the award-winning *The Experience of Place*; his other books range over topics as varied as train travel, Hunanese cooking, giant pandas, photography, the story of his family, the landscape of the Chicago area, and both the landscape and the future of New York City and its region. He also wrote the introduction for the brand-new *Grand Central Terminal: 100 Years of a New York Landmark*. Hiss was a staff writer at *The New Yorker* for 30 years. He has lectured around the world, and is currently a Visiting Scholar at New York University’s Robert F. Wagner Graduate School of Public Service. The National Recreation and Park Association’s National Literary Award praised Hiss for a lifetime of “spellbinding and poignant” writing about “how our environments, modes of travel, and other aspects of the American landscape affect our lives.” He lives in New York with his wife, writer Lois Metzger, and their son.

BLAN HOLMAN

Blan Holman is a Managing Attorney in the Southern Environmental Law Center’s (SELC) Charleston office. A native of Lexington County, South Carolina, Blan attended the University of North Carolina and the University of Virginia School of Law. Blan came to SELC from the Washington, D.C. law firm Beveridge & Diamond. His practice area includes federal and state litigation and administrative proceedings that concern air, water, energy, and infrastructure matters.

MARTHA HONEY

Martha Honey, co-founder and Co-Director of the Center for Responsible Travel, heads CREST’s Washington, DC office. Over the last two decades, she has written and lectured widely on ecotourism, travelers’ philanthropy, cruise and resort tourism, and certification issues. Her books include *Ecotourism and Sustainable Development: Who Owns Paradise?* (Island Press, 1999

and 2008) and *Ecotourism and Certification: Setting Standards in Practice* (Island Press, 2002). She is currently writing a book on coastal and cruise tourism (*Selling Sunshine*, Island Press, 2014). Previously, Martha worked for 20 years as a journalist based in East Africa and Central America and holds a Ph.D. in African history. She was Executive Director of the International Ecotourism Society from 2003 to 2006. Martha was profiled in *Branded!*, Michael Conroy's book on certification (New Society Publishers, 2007) and was named one of the world's top 10 eco- and sustainable-travel "watchdogs" (*Condé Nast Traveler*, 2008).

KRISTIAN JØRGENSEN

Kristian B. Jørgensen has for the past five years held the position of CEO of Fjord Norway (The Tourist Board of the Fjords), an organization nominated for the best destination marketing company in Europe, and which has overseen a 25 percent growth of tourism in the fjords in the last four years. As CEO of Fjord Norway, Jørgensen oversees a region that is found in the western part of Norway that stretches from Stavanger in the south to Kristiansund in the north. Fjord Norway is a region that was rated by *National Geographic Traveler's* panel of specialists as one of the world's most iconic, unspoiled, and best cared-for travel destinations. Before working for Fjord Norway, Jørgensen was responsible for marketing Norway to international customers at positions with the Norwegian Tourist Board, Historic Hotels and Restaurants of Norway, Historic Hotels of Europe, and UNICEF. Jørgensen has a master's degree in marketing, and is part of the Advisory Board for the Adventure Travel Trade Association. He is also a member of Innovation Norway's Strategic Advisory Board, Chairman for the Western Norwegian Film Commission, and board member of the National Center of Expertise in Fjord Norway (NCE Tourism – Fjord Norway).

PAULINA KAPLÁN DEPOLO

Paulina Kaplán Depolo is a restoration architect and is the Director of the Heritage Management Division for the city of Valparaíso, Chile. Kaplán was trained as an architectural conservation and restoration specialist at the University of Chile, participated in restoration programs at the University of Lund, Sweden, and the University of Ferrara, Italy, and conducted her architecture doctoral studies at the Polytechnic University of Catalonia in Barcelona, Spain, studying Gaudí's Sagrada Família. Kaplán is a founding member of The International Committee for the Conservation of Industrial Heritage and a member of ICOMOS Chile. The Heritage Management Division in the Municipality of Valparaíso is a governmental body that oversees the protection of UNESCO sites. In her current role as director, Kaplán is responsible for the administration of sites and their management.

MARCIE KEEVER

Marcie Kever is the Oceans & Vessels Project Director at Friends of the Earth, where she has directed the campaign to eliminate and reduce the environmental damage from ocean-going vessels since 2008. Over the past decade, Friends of the Earth has achieved regional, national, and international environmental air and water pollution reduction standards for cruise ships, cargo ships, oil tankers, ferries, and motorized recreational water craft. Marcie authored the 2009, 2010, and 2012 Cruise Ship Report Card for Friends of the Earth, and she has a strong background in campaign implementation, expertise on air and water pollution issues, and experience in dealing with agency relations and legislative initiatives. Marcie holds a J.D. from Golden Gate University School of Law in San Francisco with a certificate in environmental law, and a B.A. from the University of California, Santa Barbara with a double major in environmental studies and law and society.

ROSS KLEIN

Ross A. Klein, Ph.D., is an international authority on cruise tourism and the cruise industry. He has written four books, six reports for NGOs, and more than two dozen book chapters and articles on topics including the economics of cruise tourism (including the relationship between cruise lines and ports-of-call), labor issues, environmental issues, security and safety onboard cruise ships (including the incidence of crime and persons overboard), safety and security of the ship itself, and health issues and liability. Ross has twice testified before the U.S. Senate and once before the U.S. House of Representative and is frequently consulted by cruise ports and grassroots organizations dealing with cruise tourism. He has lectured around the world and is often interviewed by the international media. Ross is a faculty member at Memorial University of Newfoundland (Canada) and is online at www.cruisejunkie.com.

JUAN LUNA-KELSER

Juan Luna-Kelser made a career at the Inter-American Development Bank (IDB). In the last ten years, he concentrated his efforts in the planning, designing, and managing of investment and sector loan projects, as well as technical assistance operations to improve the competitiveness and building capacities of the tourism sector in several countries. Since his retirement from the IDB in 2007, Juan has been consulting for Solimar International and the Center for Responsible Tourism and continues to be engaged by financial institutions as well as NGOs for sustainable tourism projects around the world. One of his most important contributions was the assembling and managing of the team of experts that worked on the development of the Global baseline Criteria for Sustainable Tourism. Currently an Adjunct Professor at George Washington University, Juan has also been an advisor, facilitator and co-instructor to the University's School of Business International Consulting Practicum Study Abroad Summer Program.

CRAIG MILAN

Craig Milan was, most recently, the Senior Vice President of Land Operations for Royal Caribbean Cruises Ltd. He had responsibility for Guest Port Services (pier operations), Shore Excursions, Private Destinations, Commercial Development, Cape Liberty Cruise Port, Port Operations, and Government Relations in the Caribbean, Latin America, and Asia for the Azamara Cruises, Celebrity Cruises, and Royal Caribbean International brands. In addition, he held the title of President for Royal Celebrity Tours Inc., which is the land tour affiliate of Royal Caribbean Cruises Ltd. Royal Celebrity Tours offers unique land tours in conjunction with Celebrity Cruises' and Royal Caribbean International's cruises in Alaska, Canada, Europe, Australia, and Asia. He has held various management positions in the travel industry over the last 30 years, including President and CEO of Sun Trips/Sunquest, Inc. Earlier positions were with Certified Vacations, Continental/Eastern Sales, Inc., Continental Airlines, and New York Air.

HARRY W. MILEY, JR.

Harry W. Miley, Jr., Ph.D., is President of Miley & Associates, Inc. Miley & Associates, founded in 1993, is one of the southeast's leading economic and financial consulting firms. The firm specializes in economic and fiscal impact analyses and benefit/cost modeling. From 1991 to 1999, Dr. Miley served as Chairman of the South Carolina Board of Economic Advisors (BEA). The BEA is responsible for estimating the state's revenues for the governor and the General Assembly to set the state's budget. Dr. Miley was on the faculty and served as Associate Director of the Division of Research at the Moore School of Business, University of South Carolina. Dr. Miley earned his Ph.D. and undergraduate degrees in economics from the Moore Business School at the University of South Carolina. Miley & Associates, Inc. conducted the study, "The Cruise Industry in Charleston: A Clear Perspective," for the Historic Charleston Foundation, which was released in April 2012.

PAOLO MOTTA

Motta's professional experience includes territorial planning, urban rehabilitation, seismic reconstruction of heritage buildings, and, in the last 15 years, has oriented mostly to urban sustainable development and patrimony preservation through several projects. He has also focused on innovative solutions for urban mobility and logistics in historic areas. He has had extensive experience in project-financing, public-private participation, and technical and financial feasibility, including experience in Italy with planning in urban development programs and planning instruments. In addition to field work, he has gained additional expertise in university/post education, and has contributed to integrated global assessments of socio-economic and territorial factors regarding sustainable development. Motta is fluent in several languages, which has been useful in managing multinational/multi-disciplinary teams. Since 2008 he has been a member of ICOMOS Italy and the Committee of Historic Cities and Villages.

J. RANDOLPH PELZER

Randy practiced law first in Atlanta with Alston and Bird and then returned home to Charleston to start his own firm, with a practice focused on complex commercial litigation. Recently, he has provided pro bono assistance on conservation and preservation issues. Currently, he serves as head of the Charlestowne Neighborhood Cruise Ship Task Force and has focused on developing the case for alternative cruise terminal sites. He graduated from Yale University and Vanderbilt University School of Law, where he was a member of the Order of the Coif and Articles Editor of the Law Review.

LAUREN PEREZ HOOBKAMER

Lauren Perez Hoogkamer is currently the Historic Preservation Coordinator for the City of Tacoma, Washington. She holds an M.S. in historic preservation and an M.S. in urban planning from Columbia University, as well as a B.A./B.A. in print journalism and history and a minor in business from the University of Southern California. Her 2013 graduate historic preservation planning thesis was "Assessing and Managing Cruise Ship Tourism in Historic Port Cities: Case Study Charleston, SC."

FRANK EMILE SANCHIS III

Since December 2010, Frank Sanchis has been the Director of United States Programs for the World Monuments Fund in New York City. Before joining WMF, he served as Executive Director of the New York City Landmarks Commission; Vice President for Historic Sites at the National Trust for Historic Preservation in Washington, DC; and Executive Director of the Municipal Art Society of New York. Sanchis is the author of "American Architecture, Westchester County New York", published by North River Press in 1977. He currently serves on the boards of the Catskill Center for Conservation and Development, the Greater Hudson Heritage Network, and the Advisory Council of the Historic House Trust. Sanchis holds a Bachelor of Architecture from the Pratt Institute (1966) and a Master of Historic Preservation from Columbia University (1969).

BRIAN SCARFE

Dr. Brian Scarfe, D.Phil., BC Rhodes Scholar 1963, currently teaches courses in cost-benefit analysis, resource economics, and international economics at the University of Victoria. Previously, he has held teaching and administrative positions at the Universities of Manitoba, Alberta (where he was economics department chair for ten years), and Regina (where he was vice-president academic for five years). His company, BriMar Consultants Ltd., has completed numerous reports for various BC Government departments, often on cost-benefit analysis themes. Dr. Scarfe has also published widely in the areas of macroeconomics, international economics, and energy economics. He has lived in Greater Victoria for the past 19 years.

JAMIE SWEETING

Jamie Sweeting is Principal of Sweeting Sustainability Solutions, an organization that provides support to companies, NGOs, governments, and destinations on a wide range of sustainability issues. In addition, Sweeting serves as Global Sustainability Advisor to Royal Caribbean Cruises Ltd. In this role he supports the company in the areas of sustainability strategy development, corporate sustainability communications and reporting, conservation initiatives, and destination stewardship. Previously, Sweeting served as Vice President of Environmental Stewardship and Global Chief Environmental Officer for Royal Caribbean Cruises Ltd. Sweeting was responsible for establishing the company's long-term environmental strategy and worked to ensure responsible corporate environmental performance. Sweeting's expertise guided Royal Caribbean Cruises Ltd.'s work to conserve and protect the environment. Sweeting received a master's degree of tourism administration from George Washington University in Washington, D.C., and a B.A. honors in leisure and business management from Manchester University in England.

EVAN THOMPSON

Evan R. Thompson has served as the executive director of the Preservation Society of Charleston since 2010. He was the executive director of Historic Beaufort Foundation from 2004 to 2010, and in 2011 was the inaugural recipient of the National Trust for Historic Preservation's American Express Aspire Award, recognizing emerging leaders in the preservation field. He is a graduate of the University of Richmond and The University of Texas School of Law.

JONATHAN B. TOURTELLOT

Jonathan Tourtellot is a journalist, editor, and sometime photographer, with a focus on travel, geography, and science. He specializes in sustainable tourism and destination stewardship. He is Geotourism Editor at *National Geographic Traveler*, Portal Editor at *DestinationCenter.org*, Founding Director of the National Geographic Center for Sustainable Destinations, and Principal at Focus on Places LLC. Motivated by his desire to encourage protection of distinctive places, Tourtellot originated the concept of geotourism, defined as "tourism that sustains or enhances the geographical character of a place—its environment, culture, aesthetics, heritage, and the well-being of its residents." He helped the U.S. Travel Association develop the 2002 study *Geotourism: The New Trend in Travel*, a landmark survey of American traveler behavior and attitudes about sustainability. Tourtellot launched and ran National Geographic's Center for Sustainable Destinations for nine years, and initiated and supervised the Destination Stewardship surveys reported from 2004 to 2010. As Geotourism Editor for *Traveler*, he has written on such topics as green tourism, resort sprawl, climate change, nature tourism, heritage travel, and tourism's relation to places, including "The Two Faces of Tourism" and "The Tourism Wars," both winners of the Lowell Thomas Award.

DORA URIBE

Dora Uribe has a master's degree in law from the Universidad Autónoma de Mexico and has occupied various public positions, including the legal subdirector of the Banrural (Banco Rural), Advisor to the Directorate of the Presidential Cabinet from 1982 to 1985, and has written speeches for the President of Mexico. She is an advocate for the creation of the Parque Marino Arrecifes de Cozumel (Marine Park), and is an active member of the Advisory Board on the natural areas of the Marine Park and the Natural Protected Area on the northern region of the island. She is the President of the Fundación Plan Estratégico Isla Cozumel A.C. and a member of the Council of the Grupo Intersectorial Isla Cozumel A.C. Uribe is an advocate for community rights and promotes change through education and citizen participation. She currently teaches as the chair of environmental law, human rights, international law, and philosophy of law at the Universidad Partenón in Cozumel.

ANTHONY WOOD

Anthony C. Wood is a preservation activist, author, teacher, historian, and grantsmaker. He is the author of *Preserving New York: Winning the Right to Protect a City's Landmarks* (Routledge, 2007). Since 1993 Mr. Wood has been the Executive Director of the Ittleson Foundation. Prior to that he served as the Chief Program Officer at the J.M. Kaplan Fund. He has worked at the New York City Landmarks Preservation Commission and at the Municipal Art Society. Intermittently since 1991 he has been a member of the Adjunct Faculty of the Preservation Program in the Columbia University Graduate School of Architecture, Planning and Preservation. He holds a master of urban planning from the University of Illinois, is a graduate of Kenyon College, and was a Historic Deerfield Summer Fellow. He has served as Chair of the Preservation League of New York State, is an Advisor Emeritus to the National Trust for Historic Preservation, is former Chair of Partners for Sacred Places, is Chairman Emeritus of the Historic Districts Council of New York City, and is the founder and Chair of the New York Preservation Archive Project.

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