



Making a difference...together

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File: 0400-40

The Right Honourable Justin Trudeau, P.C., M.P.  
Prime Minister of Canada  
Office of the Prime Minister  
80 Wellington Street  
Ottawa ON K1A 0A2  
Sent via email to: [pm@pm.gc.ca](mailto:pm@pm.gc.ca)

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
Office of the Deputy Prime Minister  
80 Wellington Street  
Ottawa ON K1A 0A2  
Sent via email to: [chrystia.freeland@canada.ca](mailto:chrystia.freeland@canada.ca)

**RE: CANADA'S REQUIRED RESPONSE TO THE PROPOSED US PASSENGER VESSEL SERVICES ACT LEGISLATION**

Congratulations on your re-election to lead the Government of Canada. We look forward to working with you and the Minister of Transport on our shared interests in the months ahead.

We are writing to ask that the Government of Canada immediately engage with the United States federal government to develop a mutually beneficial and responsible approach which addresses the handling of cruise ships in our waters and ports, so that any future issues will not result in a significant halt to operations of the Alaska cruise itinerary.

It is important to recognize that efforts are required imminently to enhance and repair the relationships between government and industry in British Columbia, Alaska, Canada, and the USA. The cruise industry in Canada is worth more than \$4.3 billion annually to the national economy, with more than \$2.7 billion of that being generated on the West Coast. The industry in Canada supports approximately 30,000 jobs.

In Victoria, we are the nation's busiest port of call, welcoming more than 700,000 passengers and 300,000 crew to the city in 2019. Cruise is worth more than \$143 million to the regional economy and supports more than 800 jobs in the capital region. We look forward to welcoming this important part of the visitor economy back in 2022.

In May 2021 and in response to the closure of Canadian ports through 2021, the United States Congress passed the *Alaska Tourism Restoration Act*, a bill aimed at providing a temporary exemption to the *US Passenger Vessel Services Act* (PVSA) and with the purpose of allowing foreign-flagged cruise ships to circumvent federal laws that required them to make an international stopover on route to Alaska from an American port. The bill was subsequently signed into law by President Biden and effectively allowed cruise ships to bypass Canada for the 2021 season.

Prior to the bill's passage, the PVSA required foreign-flagged vessels carrying passengers between U.S. ports to make an intervening foreign port stop. In terms of cruising, this meant that foreign-flagged cruise ships that were carrying passengers on roundtrip voyages (e.g., U.S. West Coast/Alaska routes), to comply with the PVSA, stopped in Canada (i.e., Victoria). The brief stop in Canada allowed foreign-flagged cruise ships to not only meet their PVSA obligation but provided Canada (namely B.C. port cities) with significant economic value.

There is now an increased threat that this temporary legislation will become permanent as U.S. Senator Lisa Murkowski (R-AK) has proposed legislation that would provide a permanent exemption to the PVSA and allow Alaska-bound cruise ships to bypass BC destinations such as Vancouver, Victoria, Nanaimo, and Prince Rupert. In tandem, Rep. Don Young (R-AK) is preparing similar legislation on the House side of the U.S. Congress. Should either of these pieces of legislation be enacted, they would decimate British Columbia's \$2.7 billion cruise industry.

These pieces of U.S. legislation pose a potentially grave risk to the BC tourism industry and, by extension, the BC and Canadian national economies. In response, a collected and concerted approach is required by all levels of government in Canada, in collaboration with stakeholders across the spectrum, to lead constructive dialogue with their U.S. counterparts.

For decades, the entire Pacific Northwest and Alaska have benefitted from a continuous cruise journey in both Canada and the United States. The tourism sector relies on a robust cruise industry; there is a strong need for targeted engagement on behalf of the sector to ensure Canada remains as a stopping point along the increasingly popular Alaska cruise expedition.

As these matters impact our 13 municipalities and three electoral areas, we are eager for you to work on these necessary advocacy efforts. We look forward to hearing from you as this moves forward.

Sincerely,



Colin Plant  
Chair, Capital Regional District Board

cc: CRD Board  
Robert Lapham, Chief Administrative Officer, CRD