

Proposed by:	Assemblymember Potter
Attorney Review:	07/05/2022
First Reading:	07/07/2022
Second Reading:	_____

MUNICIPALITY OF SKAGWAY, ALASKA

ORDINANCE NO. 22-05

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AMENDING SMC SECTION 5.01 TO ADD REGULATIONS RELATED TO THE OPERATION OF BUSINESSES IN THE MUNICIPALITY AND THE USE OF CURRENCY WITHIN THE MUNICIPALITY

WHEREAS, Skagway’s small, locally-owned businesses form the backbone of our community’s seasonal and year-round economies and create a unique visitor experience; and

WHEREAS, certain foreign-registered companies, more particularly Princess Cruise Lines, as known to the Municipality at this time, have declared an intent to introduce what is referred to as the Princess Cruise Medallion Class program into the Port and business community of the Municipality of Skagway; and

WHEREAS, “Track and Trace” and data-mining technology embedded in our community by foreign-owned multinational companies give these giant conglomerates an unfair advantage and dictatorial financial leverage which threatens the existence of our small locally-owned businesses and Alaska-owned businesses; and

WHEREAS, Princess Cruise Lines has already introduced the Princess Cruise Medallion Class program to multiple businesses within the Municipality of Skagway without any formal advance notice to the public or the Assembly and without any fair opportunity for a public vetting process and consideration of the impacts by the citizens of Skagway and by the Assembly; and

WHEREAS, the Princess Cruise Medallion Class program results in the limitation of the use of currency for cruise ship passengers to the Medallion and provides a financial incentive to cruise ship passengers to use the Medallion and not use credit cards, cash, or any other form of payment for goods and services; and

WHEREAS, the Princess Cruise Medallion Class program forces businesses to pay Princess Cruise (or its affiliated company or companies) an 18% fee on all goods and services purchased with the Medallion by cruise ship passengers; and

WHEREAS, the Princess OceanMedallion contains proprietary technologies with “non-disclosed capabilities,” that could be perceived as unethical, an invasion of privacy, or against the law; and

WHEREAS, The Princess OceanMedallion is described as a platform that “involves an invisible network of thousands of interactive intelligent sensors and embedded devices

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mounted throughout the ship, as well as select ports,” which could potentially be installed and injected into the community without the permission of the MOS and its residents; and

WHEREAS, The OceanMedallion technology could be used to collect sales information from local Skagway businesses which could then be used by Princess Cruises to unfairly boost their own profits at the expense of local Skagway businesses; and

WHEREAS, the Assembly believes in the importance of maintaining an open economy in a democratic society, where persons are able to pay for goods and services with a currency other than the Princess Cruise Medallion while maintaining the privacy and protecting proprietary information; and

WHEREAS, the Skagway community and local business owners overwhelmingly oppose the Medallion program and have made those objections known in writing to the Assembly; and

WHEREAS, the Assembly is dedicated to supporting local businesses and creating an economic environment that provides local businesses with the opportunity to thrive without being dependent on or imprisoned by the Princess Cruise Medallion Class program or other similar foreign company efforts to control the economy of the Municipality;

NOW THEREFORE BE IT ORDAINED AND ENACTED BY THE MUNICIPALITY OF SKAGWAY, ALASKA AS FOLLOWS:

Section 1. Classification. Section 3 of this ordinance is of a general and permanent nature and shall become a part of the Skagway Municipal Code.

Section 2. Purpose. To amend SMC Section 5.01 to add regulations and penalties to prohibit the enforcement of the Princess Cruise Medallion Class currency program on businesses in the Municipality.

Section 3. Amendment. The Skagway Municipal Code is hereby amended to add SMC 5.01.095 to the current code as follows:

5.01.095 Prohibiting the Use of the Princess Cruise Medallion and Other Similar Technology Comprising Form of Payment for Goods and Services within the Municipality of Skagway.

- A. The Princess Cruise Line Medallion (OceanMedallion) or any technology related to US Patent No. 10,037,642 or any similar technology under any other patent number or other technology with similar identifying information shall not be used or accepted as a form of payment for goods or services by anyone in

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the Port of Skagway off ship or anywhere within the area and boundaries of the Skagway Borough.

- B. Any payment for any goods and services by any person or an attempt by any person to pay for any goods or services within the area and boundaries of the Skagway Borough shall be a violation of this chapter by Princess Cruise Line (or any affiliated entity responsible for or allowing the use of the Medallion or technology related to US Patent No. 10,037,642) or any similar technology under any other patent number or other technology with similar identifying information and by the business offering the goods or services and accepting the Princess Cruise Line Medallion as a form of payment.
- C. The violation shall be a non-criminal infraction with a citation issued to any local representative of Princess Cruise Line, including but not limited to any representative of Cruise Line Agency or any other non-governmental agency assisting Princess Cruise Line with scheduling or berthing in the Port of Skagway or to the registered agent of Princess Cruise Line or any affiliated company or representative company and a citation issued to the business accepting the Medallion for payment for goods or services or to the registered agent of that business.
- D. Each violation shall result in a fine to Princess Cruise Line or the affiliated company responsible for providing the Medallion to the business customer for use of the Medallion in the Skagway Borough and to the business accepting the Medallion of \$25,000 per violation up to a maximum fine of \$25,000 per day. The fine to the company responsible for providing the Medallion for use and the fine to the business for accepting the Medallion as payment are separate fines of \$25,000.
- E. The provisions of this chapter shall be required provisions and conditions of any contract with any cruise ship company, including but not limited to Princess Cruise Lines, for the use of and priority of use of municipally owned berths in the Port of Skagway.
- F. Skagway Municipal Code 1.20.010-035 shall apply to all citations issued in accordance with this Chapter.
- G. To the extent terms are used in this ordinance that are defined in other sections of the Skagway Municipal Code, those terms shall have the same definitions as applied to this Section.

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Section 4. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 5. Effective Date. This ordinance shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this ___ day of _____, 2022.

Andrew Cremata, Mayor

ATTEST:

Steve Burnham Jr., Borough Clerk

(SEAL)