

Peter Garapick
Consulting Director, Industry and Government Relations
Quark Expeditions
peter.garapick@quarkexpeditions.com

Friday, April 29, 2022

Dear members of the Norwegian Environmental Agency and Ministry of Justice,

I am writing to you today to provide input from Quark Expeditions on recent regulatory proposals for tourism operations in Svalbard, Norway. This is a response to the two following regulatory proposals:

1. Proposal for amendment of Svalbard Environmental Protection Act – and regulations/orders given with authority in this Act from the Norwegian Environmental Agency, with reference 2021/9496; and the
2. Proposal for substitution of “Regulations related to tourism” with “Regulations related to field safety” and the proposal to apply the Package Travel Act in Svalbard, from the Norwegian Ministry of Justice and the Ministry of trade and industry, with reference 21/4952 – MAK0

Quark Expeditions was founded in 1991 and since our first marine expedition trips to the Arctic over 30 years ago we have seen our operations grow to up to 4 ships each season in both the Arctic and the Antarctic. All the vessels that we operate carry less than 200 passengers and our newest vessel, Ultramarine which was launched in the past year, uses advanced systems and design to be extremely environmentally friendly and safe in ice prone waters.

Quark Expeditions has always put the dual objectives of safety and the environment at the forefront of our operations. We focus on these principles, be it in our offices where we create voyage itineraries, in the field with expedition staff training where we test and prepare for those voyages and of course when we are sailing to destinations north and south where we are responsible for the safety our passengers and the environments in which we travel, on sea and on land.

THE LEADER IN POLAR ADVENTURES

As a member of AECO, we are committed to meet our objectives through self-regulation, following guidelines and measures that were created before regulations existed in areas across the Arctic nations. We involve our passengers in “citizen science” programs to permit them to truly understand the sensitivities of the northern ecosystems and enlist their help to clean up shore side pollution from beaches. With AECO based site-specific guidelines, we aim to have a minimal impact everywhere we go.

The last two years have been very difficult for the expedition cruise industry as COVID has as we all strived to meet protocols to prevent the virus from affecting people on our ships. Only now with the approaching Arctic season do we expect to have some normalcy return while we continue to vigilant for any sign of illness in our passengers and crew.

Without a doubt, we have been completely focused on dealing with COVID-19 in the past year but if given the chance, we would have made a top priority to engage with your departments in order to ensure that your objectives of safety for the environment and for the tourism industry were well informed with our complementary operating strategies.

We believe that many of the proposed regulations related to the acts mentioned in the opening paragraph of this letter do not find a balance of protecting wildlife, both flora and fauna, as well as ensuring the safety of persons employed to guide clients to these areas and a flourishing tourism industry that brings so many benefits to the people and various companies for which they work in Svalbard and Norway. In fact, the proposed regulations have the potential to critically inhibit the ability for companies like ours to operate which would result in a great reduction in the tourism industry in Svalbard, a reduction in economic activity there and a reduction in the invaluable education of people from around the world about the beauty and the sensitivity of northern areas of the world.

The following text of this letter responds to some of the specific proposed regulations and highlights how we believe those proposed changes either do not solve an existing problem or create such rigid restrictions that no vessels will be able to or choose to operate in Svalbard. Some of the proposed regulations are severe and complex, some seem to be based on facts that do not align with top scientists and academic sources in those fields, or simply, insufficient research and investigation. But at the top of our list is

THE LEADER IN POLAR ADVENTURES

the lack of engagement with the expedition cruise industry. Together, with an agreed expeditious timeline that permits our programs to adjust to new rules, we must find a balance where we agree that the environment is protected, tourism operations are safe, and Svalbard and Norway realize economic benefits appropriate for the activities in their waters and on their lands.

A. Part A - Proposal for amendment of Svalbard Environmental Protection Act – and regulations/orders given with authority in this Act from the Norwegian Environmental Agency, with reference 2021/9496

1. Proposal to close larger national parks and nature reserves for landings from cruise vessels; landing permitted in 42 sites within protected areas; 13 sites with max 39 people (3x 12 pax + 1 guide); and 7 sites with area limitations (no long walks)
 - National parks and nature reserves around the world have been established to ensure that people have opportunity to experience and learn from seeing and sensing the wilderness.
2. Removal the legal requirement to use site specific guidelines in 15 sites in Svalbard for which AECO has developed 21 site specific guidelines.
 - The 21 site specific guidelines AECO has developed in Svalbard are tools that have been developed to ensure sustainable operations within a legal framework. The guidelines have been developed with heavy involvement from researchers, the Governor of Svalbard, the Svalbard Environmental Protection Fund and other experts. They are based on professional vulnerability assessments carried out using accepted methods and the industry has taken ownership and has implemented these as standards in their operations. Our expedition guides are tested in their knowledge of these guidelines and carry out all expeditions based on them. When operators like Quark Expeditions become members of AECO they are not only committed to site specific guidelines, but to all guidelines, tools and measures enforced by the organization. It will be a great loss for AECO and Quark Expeditions if site specific guidelines as a tool is discontinued.
3. Proposal to ban the seeking of polar bears, and a requirement to keep at least 500 meters distance.
 - Across the Arctic to where Quark Expeditions travels, nations have created protections

THE LEADER IN POLAR ADVENTURES

for polar bears, similar to what Svalbard currently has. Quark follows AECO guidelines for wildlife protection that ensures that polar bears are seen from a distance and not too closely. Allowing tourist from around the world to see a polar bear is an incredible event a major value in in the tourism experience. If people and vessels must keep half of a kilometer away from a bear, that experience is hardly better than viewing a bear on a video. Our potential customers could quickly choose other areas of the Arctic to which to travel and our operations would go where our clients want to go. This means our economic activity could move to areas in Canada, Greenland instead of Svalbard.

4. Proposal for the prohibition of breaking fast ice in fjords.
 - Arctic ice can be defined in many ways and the marine industry as well as academia have extensive experience and critical descriptions for ice. A key concern here for Quark Expeditions is if ice unexpectedly forms behind a vessel after it has entered an area of open water which will inhibit its safe passage out to open water. Quark Expeditions looks forward to collaborating with authorities to better define this proposal that the appropriate measures can be taken to not impact areas of fast ice.
5. Proposal for a 5 knots speed limit within a distance of 500 meters from selected bird cliffs during April 1 – August 31.
 - Quark Expeditions supports this proposal.
6. Proposal to keep at least 300 meters from walrus haul outs at sea.
 - Similar to the distance proposed for polar bears (500m), this distance for 300 meters is too great for a true and valuable experience of seeing walruses for our passengers. Current research shows no negative impact on walruses from tourism in Svalbard and across the Arctic. Quark Expeditions has learned that guidelines from Norwegian Polar Institute advise that vessels remain at least 300 meters from a colony. Quark support this approach and also supports a distance of 100m from a haul out at sea. Again, if a customer cannot truly experience wildlife at a close by respectable and proven non-impact distance, they will want to travel elsewhere.
7. Proposal to prohibit the operations of Remote Piloted Aeronautical Systems (RPAS) or drones.
 - Like much technology, there are important and critical applications of it and there are also recreational and inappropriate uses of it. In the case of RPAS (drones), this is true

THE LEADER IN POLAR ADVENTURES

as they are a critical part of ice reconnaissance for vessels to ensure vessels do not enter dangerous or sensitive areas. RPAS would help vessel not to impact fast ice. RPAS are also critical in scientific research and where Quark Expeditions welcome researchers onboard our ships, their use of RPAS would be an integral part of their work. AECO guidelines are clear on the use of RPAS and are appropriate to protecting wildlife and regulations could complement those guidelines.

B. Part B - Proposal for substitution of “Regulations related to tourism” with “Regulations related to field safety from the Norwegian Ministry of Justice and the Ministry of trade and industry, with reference 21/4952 – MAKØ

1. Duty to report operations to the Svalbard Tax office if operations exceed 30 consecutive days in Svalbard or Svalbard waters. See “tax document” for details.
 - This is a very troubling proposal for Quark Expeditions and could critically impact our ability to operate in Svalbard. This proposal could result in focusing our operations in Greenland, Canada, Iceland and the Faroe Islands or simply operating for 30 days, sailing to another location and returning at a later time to Svalbard, the result being that less time and money (less chartered flights landing in Longyearbyen, less stores and goods bought, less tourists in hotels and eating in restaurants, etc. Additionally, there are limited tax-exchange agreements between Svalbard and other countries and Quark Expeditions could be subject to double taxation. We understand that a Norwegian tax regulation ensures that Norwegian registered companies will not be subject to double taxation therefore the proposed tax does not seem to be in accordance with the equality principle in the Svalbard Treaty. Be it a tax on a vessel, the owner, the charterer, the tourist operator, this proposal is complex and perhaps contradictory to standard international marine laws. We propose further investigation into this proposal and expect that existing laws and tax agreements will prove that this proposal does not meet applicable tax laws and would not be a fair tax.
2. Proposal for systematic health, health and safety work (HES)
 - Quark Expedition pursues a safe working environment for its staff and crews and meets international marine standards and home country workplace safety laws. We are unique in that we hold a two-week training camp for expedition staff called “Quark Academy” to ensure our staff are familiar and competent in operations on our vessels and boats and on land. First aid training, wildlife training, firearms training, guide and camp certification as well as tour planning are part of the curriculum. We look forward to the

THE LEADER IN POLAR ADVENTURES

opportunity to provide our insight and experience to future consultations on this topic.

3. Proposal for a guide certification program.

- Quark Expeditions is alarmed with this proposal. As stated above, we believe we go above and beyond in the training of our expedition staff, in general expedition operations and in country and site-specific operations. Around the world, expedition staff are trained and certified in existing courses in one country that are accepted in another country. AECO's Field Staff Standards and Field Staff Online Assessment is a perfect example of a world class program. This proposal does not seem to have internationally recognized competence as an objective, but rather how guide education can support specific institutions and activity only in Svalbard. As per all of the proposed regulations, the expedition cruise industry has not been involved in developing this proposal, but it is in this area that we believe we are experts and can provide invaluable input into a robust guide certification standard for Svalbard. No company could afford to send its expedition staff to a country for that country's specific training and would Svalbard have the capacity to train and certify the industry's entire expedition staff? This proposed regulation would force companies like ours to no longer operate in Svalbard. Quark Expeditions looks forward to a true collaboration to work with authorities and provide our expertise to the development of a guide standard that works for Svalbard but aligns with existing high level international guide standards.

Quark Expeditions has seen many changes in the industry in its over 30 years of operations and believe it has indeed been a leader in polar adventures. We have certainly seen growth from a few operators to many which can bring harmful impacts to an environment and risk to safety for those travelling in it. However, as a member of AECO we are proud to say that we and our competitors strive to meet the guidelines we have built together in AECO and believe that the expedition cruise industry minimizes those potential impacts and risks.

We very much look forward to engaging with representatives from the Norwegian Environmental Agency and Ministry of Justice via AECO in structured discussions where we can both learn from each other and work towards effective rules, guidelines and regulations that fully alleviate your concerns and see safe, respectful and commercially successful expedition cruise operations.

THE LEADER IN POLAR ADVENTURES

With kindest regards,

Peter Garapick
Consulting Director, Industry and Government Relations
Quark Expeditions
peter.garapick@quarkexpeditions.com

THE LEADER IN POLAR ADVENTURES

