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1ST SESSION

S. 1204

To increase economic benefits to the United States from the activities of
cruise ships visiting Alaska.

IN THE SENATE OF THE UNITED STATES

JULY 1 (legislative day, JUNE 30), 1993

Mr. MURKOWSKI introduced the following bill; which was read twice and
referred to the Committee on Commerce, Science, and Transportation

A BILL

To increase economic benefits to the United States from
the activities of cruise ships visiting Alaska.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds the following:

5 (1) It is in the interest of the United States to
6 maximize economic return from the growing trade in
7 cruise ship sailings to and from Alaska by encourag-
8 ing the use of United States berthing and repair fa-
9 cilities, labor, supplies, and other services, as well as
10 the growth of new enterprises such as the carriage

1 of passengers on luxury cruises between ports in
2 Alaska.

3 (2) In promoting additional economic benefits
4 to the United States from the cruise ship industry,
5 there is a need to ensure that existing employment
6 and economic activity associated with the Alaska
7 Marine Highway System, United States-flag tour
8 boats operating from Alaska ports, and similar ef-
9 forts are protected from adverse impacts.

10 (3) Cruise ship sailings to Alaska comprise a
11 vital and growing segment of the United States trav-
12 el industry. The number of passengers entering or
13 leaving Alaska via cruise ship increased by 14 per-
14 cent in the last two years alone, and is expected to
15 continue increasing at a similar or higher rate.

16 (4) No United States-flag cruise ships are pres-
17 ently available to enter the Alaska trade. Thus, all
18 cruise ships carrying passengers to and from Alaska
19 destinations are foreign-flag vessels which are pre-
20 cluded, under current law, from carrying passengers
21 from other United States ports to ports in Alaska,
22 and from carrying passengers between ports in Alas-
23 ka.

24 (5) The City of Vancouver, British Columbia
25 receives substantial economic benefit through provid-

1 ing services to cruise ships in the Alaska trade, in-
2 cluding direct and indirect employment of 2,435 per-
3 sons in 1992, and direct and indirect payments for
4 goods and services of \$119,700,000.

5 (6) The transfer of cruise ship-based economic
6 activity from Vancouver, British Columbia to United
7 States ports could, at 1992 spending levels, yield ad-
8 ditional Federal Government revenues of
9 \$97,600,000 per annum, and additional State and
10 local government revenues of \$29,700,000.

11 **SEC. 2. FOREIGN FLAG CRUISE VESSELS.**

12 (a) **WAIVER.**—Notwithstanding provisions of section
13 8 of the Act of June 19, 1886 (46 U.S.C. 289), or any
14 other provision of law, passengers may be transported in
15 foreign-flag cruise vessels between ports in Alaska and be-
16 tween ports in Alaska and other United States ports, ex-
17 cept as otherwise provided by this section.

18 (b) **COASTWISE TRADE.**—Upon a showing satisfac-
19 tory to the Secretary of Transportation, by the owner or
20 charterer of a United States cruise vessel, that service
21 aboard such vessel qualified to engage in the coastwise
22 trade is being offered or advertised pursuant to a Certifi-
23 cate of Financial Responsibility for Indemnification of
24 Passengers for Nonperformance of Transportation (46
25 App. U.S.C. 817e) from the Federal Maritime Commission

1 for service in the coastwise trade between ports in Alaska
2 or between ports in Alaska and other ports in the United
3 States, or both, the Secretary shall notify the owner or
4 operator of one or more foreign-flag cruise vessels trans-
5 porting passengers under authority of this section, if any,
6 that he shall, within one year from the date of notification,
7 terminate such service. Coastwise privileges granted to
8 any owner or operator of a foreign-flag cruise vessel under
9 this section shall expire on the 365th day following receipt
10 of the Secretary's notification.

11 (c) NOTIFICATION.—Notifications issued by the Sec-
12 retary under subsection (b) of this section shall be issued
13 to the owners or operators of foreign-flag cruise vessels—

14 (1) in the reverse of the order in which foreign-
15 flag cruise vessels entered the coastwise service
16 under this section determined by the date of the ves-
17 sels' first coastwise sailing; and

18 (2) in the minimum number as to ensure that
19 the passenger-carrying capacity thereby removed
20 from coastwise service exceeds the passenger-carry-
21 ing capacity of the United States cruise vessel which
22 is entering the service.

23 (d) TERMINATION.—If, at the expiration of the 365-
24 day period specified in subsection (b) of this section, the
25 United States cruise vessel that has offered service has

1 not entered the coastwise passenger trade between ports
2 in Alaska or between ports in Alaska and other ports in
3 the United States, then the termination of service required
4 by subsection (b) shall not take effect until 90 days follow-
5 ing the entry into trade by the United States vessel.

6 (e) DEFINITIONS.—For the purposes of this section,
7 the term—

8 (1) “cruise vessel” means a vessel of greater
9 than 5,000 deadweight tons which provides a full
10 range of luxury entertainment, personal care and
11 food services for its passengers; and

12 (2) “foreign-flag cruise vessels” does not apply
13 to vessels which regularly carry for hire both pas-
14 sengers and vehicles or other cargo.

15 (f) DISCLAIMER.—Nothing in this Act shall be con-
16 strued as affecting or otherwise modifying the authority
17 contained in the Act of June 30, 1961 (46 U.S.C. 289b)
18 authorizing the transportation of passengers and mer-
19 chandise in Canadian vessels between ports in Alaska and
20 the United States.

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