

104TH CONGRESS
2D SESSION

S. 2076

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

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 1996

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 ships sailings to and from Alaska by encour-
8 aging the use of United States berthing and repair
9 facilities, labor, supplies, and other services, as well
10 as the growth of new enterprises such as the car-

1 riage of passengers on luxury cruises between ports
2 in 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 Unit-
9 ed States enterprises are protected from adverse im-
10 pacts.

11 (3) Cruise ship sailings to Alaska comprise a
12 vital and growing segment of the United States trav-
13 el industry. Since 1989, the number of Alaska tour-
14 ist arrivals via cruise ship has grown by 86 percent.
15 With over one-half million passengers per year, Alas-
16 ka has become the third most popular cruise des-
17 tination in the world, after the Caribbean and Eu-
18 rope.

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

1 (5) The City of Vancouver, British Columbia
2 receives substantial economic benefit through provid-
3 ing services to cruise ships in the Alaska trade. In
4 1995, Alaska sailings accounted for 283 voyages, up
5 from 275 in 1994, and for a total of 595,577 pas-
6 sengers, up from 591,160. Past estimates of
7 Vancouver's gains from this industry included direct
8 and indirect employment of almost 2,500 people,
9 and direct and indirect payments for goods and serv-
10 ices of approximately \$120 million per year.

11 (6) The transfer of cruise ship-based economic
12 activity from Vancouver, British Columbia to United
13 States ports could yield additional Federal revenues
14 of nearly \$100 million per year, and additional State
15 and local government revenues of approximately \$30
16 million.

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

18 (a) WAIVER.—Notwithstanding provisions of section
19 8 of the Act of June 19, 1886 (46 U.S.C. 289), or any
20 other provision of law, passengers may be transported in
21 foreign-flag cruise vessels between ports in Alaska and be-
22 tween ports in Alaska and other ports on the west coast
23 of the contiguous states, except as otherwise provided by
24 this section.

1 (b) COASTWISE TRADE.—Upon a showing satisfac-
2 tory to the Secretary of Transportation, by the owner or
3 charterer of a United States cruise vessel, that service
4 aboard such vessel qualified to engage in the coastwise
5 trade is being offered or advertised pursuant to a Certifi-
6 cate of Financial Responsibility for Indemnification of
7 Passengers for Nonperformance of Transportation (46
8 App. U.S.C. 817(e)) for service in the coastwise trade be-
9 tween ports in Alaska or between ports in Alaska and
10 other ports on the west coast of the contiguous states, or
11 both, the Secretary shall notify the owner or operator of
12 one or more foreign-flag cruise vessels transporting pas-
13 sengers under authority of this section, if any, that he
14 shall, within one year from the date of notification, termi-
15 nate such service. Coastwise privileges granted to any
16 owner or operator of a foreign-flag cruise vessel under this
17 section shall expire on the 365th day following receipt of
18 the Secretary's notification.

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

22 (1) in the reverse of the order in which foreign-
23 flag cruise vessels entered the coastwise service
24 under this section determined by the date of the ves-
25 sels' first coastwise sailing; and

1 (2) in the minimum number as to ensure that
2 the passenger-carrying capacity thereby removed
3 from coastwise service exceeds the passenger-carry-
4 ing capacity of the United States cruise vessel which
5 is entering the service.

6 (d) TERMINATION.—If, at the expiration of the 365-
7 day period specified in subsection (b) of this section, the
8 United States cruise vessel that has offered or advertised
9 service pursuant to a Certificate of Financial Responsibil-
10 ity for Indemnification of Passengers for Nonperformance
11 of Transportation (46 App. U.S.C. 817(e)) has not en-
12 tered the coastwise passenger trade between ports in Alas-
13 ka or between ports in Alaska and other ports on the west
14 coast of the contiguous states, then the termination of
15 service required by subsection (b) shall not take effect
16 until 90 days following the entry into trade by the United
17 States vessel.

18 (e) DEFINITIONS.—For the purposes of this section,
19 the term—

20 (1) “cruise vessel” means a vessel of greater
21 than 5,000 deadweight tons which provides a full
22 range of luxury accommodations, entertainment, din-
23 ing and other services for its passengers; and

1 (2)(A) “foreign-flag cruise vessels” does not
2 apply to vessels which regularly carry for hire both
3 passengers and vehicles or other cargo, or—

4 (B) which serve residents of their ports of call
5 in Alaska or other ports in the United States as a
6 common or frequently used means of transportation
7 between United States ports.

8 (f) DISCLAIMER.—Nothing in this Act shall be con-
9 strued as affecting or otherwise modifying the authority
10 contained in the Act of June 30, 1961 (46 U.S.C. 289(b))
11 authorizing the transportation of passengers and mer-
12 chandise in Canadian vessels between ports in Alaska and
13 the United States.

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