

107TH CONGRESS  
1ST SESSION

# H. R. 2901

To give American companies, American workers, and American ports the opportunity to compete in the United States cruise market.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2001

Mr. ABERCROMBIE (for himself and Mr. GILCHREST) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To give American companies, American workers, and American ports the opportunity to compete in the United States cruise market.

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. SHORT TITLE; TABLE OF SECTIONS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5 “United States Cruise Vessel Act”.

6       (b) **TABLE OF SECTIONS.**—The table of sections for  
7 this Act is as follows:

Sec. 1. Short title; table of sections.

Sec. 2. Definitions.

TITLE I—OPERATIONS UNDER CERTIFICATE OF  
DOCUMENTATION

Sec. 101. Domestic cruise vessel.  
 Sec. 102. Repairs requirement.  
 Sec. 103. Construction requirement.  
 Sec. 104. Certain operations prohibited.  
 Sec. 105. Priorities within domestic markets.  
 Sec. 106. Report.  
 Sec. 107. Enforcement.

TITLE II—OTHER PROVISIONS

Sec. 201. Application with Jones Act and other Acts.  
 Sec. 202. Glacier Bay and other National Park Service area permits.

**1 SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **ELIGIBLE CRUISE VESSEL.**—The term “eli-  
 4 gible cruise vessel” means a cruise vessel that—

5 (A) was delivered after January 1, 1980;

6 (B) is at least 20,000 gross registered  
 7 tons;

8 (C) has no fewer than 800 passenger  
 9 berths;

10 (D) is owned by a person that is a citizen  
 11 of the United States for the purpose of oper-  
 12 ating a vessel in the coastwise trade within the  
 13 meaning of section 2 of the Shipping Act, 1916  
 14 (46 U.S.C. 802) or section 12106(e) of title 46,  
 15 United States Code;

16 (E) provides a full range of overnight ac-  
 17 commodations, entertainment, dining, and other  
 18 services for its passengers;

1 (F) has a fixed smoke detection and sprin-  
2 kler system installed throughout the accommo-  
3 dation and service spaces, or will have such a  
4 system installed within the time period required  
5 by the 1992 Amendments to the Safety of Life  
6 at Sea Convention of 1974; and

7 (G) meets the eligibility requirements for a  
8 certificate of inspection under section 1137(a)  
9 of the Coast Guard Authorization Act of 1996  
10 (46 U.S.C. App. 1187 nt.), and complies with  
11 the applicable international agreements and as-  
12 sociated guidelines referred to in section  
13 1137(a)(2) of that Act (46 U.S.C. App. 1187  
14 nt.).

15 (2) ITINERARY.—The term “itinerary” means  
16 the route travelled by a cruise vessel on a single voy-  
17 age that begins at the first port at which passengers  
18 on that voyage embark, includes each port at which  
19 the vessel calls before the last port at which pas-  
20 sengers on that voyage disembark, and ends at that  
21 last port of disembarkation. For purposes of this  
22 paragraph, the term “embark” and “disembark”  
23 have the meaning given those terms in section  
24 4.80a(a)(4) of title 19, Code of Federal Regulations

1 (as such section is in effect on the date of enactment  
2 of this Act).

3 (3) OPERATOR.—The term “operator” means  
4 the owner, operator, or charterer.

5 (4) SECRETARY.—The term “Secretary” means  
6 the Secretary of Transportation.

7 (5) UNITED STATES SHIPYARD.—The term  
8 “United States shipyard” means a shipyard located  
9 in the United States.

10 (6) UNITED STATES.—The term “United  
11 States” has the meaning given that term in section  
12 2101(44) of title 46, United States Code.

13 **TITLE I—OPERATIONS UNDER**  
14 **CERTIFICATE OF DOCU-**  
15 **MENTATION**

16 **SEC. 101. DOMESTIC CRUISE VESSEL.**

17 (a) IN GENERAL.—Notwithstanding the provisions of  
18 section 8 of the Act of June 19, 1886 (46 U.S.C. App.  
19 289), section 27 of the Act of June 5, 1920, commonly  
20 known as the Jones Act (46 U.S.C. App. 883), section  
21 27A of that Act (46 U.S.C. App. 883–1), and section  
22 12106 of title 46, United States Code, the Secretary shall  
23 issue a certificate of documentation with a temporary  
24 coastwise endorsement for an eligible cruise vessel not  
25 built in the United States to operate in domestic

1 itineraries in the transportation of passengers in the coast-  
2 wise trade between ports in the United States if the vessel  
3 meets the requirements of this title.

4 (b) TERMINATION OF AUTHORITY.—The authority of  
5 the Secretary to issue a certificate of documentation under  
6 subsection (a) begins on the day after the date of enact-  
7 ment of this Act and terminates on the day that is 24  
8 months after that date.

9 (c) APPLICATION ONLY REQUIRED.—Notwith-  
10 standing subsection (b), the Secretary may issue a certifi-  
11 cate of documentation under subsection (a) more than 24  
12 months after the date of enactment of this Act if—

13 (1) the Secretary received the application for  
14 the certificate of documentation before the end of  
15 that 24-month period; and

16 (2) the vessel otherwise meets the requirements  
17 of this title.

18 (d) RIGHTS UNDER APPLICATION NOT  
19 TRANSFERRABLE.—The right to receive a certification of  
20 documentation pursuant to an application described in  
21 subsection (c) may not be transferred by the applicant to  
22 any other person. For purposes of this subsection, the  
23 transfer of that right to a successor in interest to the ap-  
24 plicant in connection with the reorganization, restruc-

1 turing, acquisition, or sale of the applicant's business shall  
2 not be considered another person.

3 **SEC. 102. REPAIRS REQUIREMENT.**

4 (a) IN GENERAL.—The Secretary may not issue a  
5 certificate of documentation under section 101(a) for an  
6 eligible cruise vessel unless the operator establishes to the  
7 satisfaction of the Secretary that—

8 (1) any repair, maintenance, alteration, or other  
9 preparation of the vessel for operation under a cer-  
10 tificate of documentation issued under section  
11 101(a) have been, or will be, performed in a United  
12 States shipyard; and

13 (2) any repair, maintenance, or alteration of the  
14 vessel after a certificate of documentation is issued  
15 under that section will be performed in a United  
16 States shipyard.

17 (b) WAIVER.—The Secretary may waive the require-  
18 ments of subsection (a) if the Secretary finds that the re-  
19 pair, maintenance, alterations, or other preparation serv-  
20 ices are not available in the United States or if an emer-  
21 gency dictates that the vessel proceed to a foreign port.

22 **SEC. 103. CONSTRUCTION REQUIREMENT.**

23 (a) CONSTRUCTION CONTRACT REQUIRED.—

24 (1) IN GENERAL.—Except as provided in para-  
25 graph (2), a vessel for which a certificate of docu-

1       mentation has been issued under section 101(a) may  
2       not commence operations in the coastwise trade until  
3       the operator of that vessel executes a contract with  
4       one or more United States shipyards for the con-  
5       struction of a total of 2 or more cruise vessels with  
6       a total combined berth or stateroom capacity equal  
7       to at least the total combined berth or stateroom ca-  
8       pacity of that vessel. If certificates of documentation  
9       are issued under section 101(a) for more than 1 ves-  
10      sel for an operator, the construction contract re-  
11      quired by the preceding sentence shall provide for  
12      the construction of 1 more vessel than the number  
13      of vessels for which certificates of documentation are  
14      issued with a total combined berth or stateroom ca-  
15      pacity equal to at least the total combined berth or  
16      stateroom capacity of the vessels for which the cer-  
17      tificates of documentation are issued.

18           (2) DEMONSTRATION OF CAPABILITY RE-  
19      QUIRED.—For purposes of this subsection, a con-  
20      struction contract for which financing is not pro-  
21      vided under title XI of the Merchant Marine Act,  
22      1936 (46 U.S.C. App. 1101 et seq.) shall not be rec-  
23      ognized as meeting the requirements of paragraph  
24      (1) unless both the operator and the shipyard are

1 capable of completing the contract. For purposes of  
2 this paragraph—

3 (A) an operator shall be considered to be  
4 capable of completing such a contract if the op-  
5 erator meets the standards set forth in sections  
6 298.12, 298.13, and 298.14 of title 46, Code of  
7 Federal Regulations; and

8 (B) a shipyard shall be considered to be  
9 capable of completing such a contract if the  
10 shipyard meets the standards set forth in sec-  
11 tion 298.32(a) of that title.

12 (b) MINIMUM SIZE REQUIREMENT.—For purposes of  
13 this section, a contract for the construction of a vessel  
14 shall be disregarded if that vessel—

15 (1) will be less than 20,000 gross registered  
16 tons; or

17 (2) will have fewer than 800 passenger berths.

18 (c) CONTRACT TERMS.—

19 (1) IN GENERAL.—The contract required by  
20 subsection (a) shall provide for delivery of the first  
21 such vessel not later than 60 months after the date  
22 on which operations of the vessel for which the cer-  
23 tificate of documentation was issued commence, and  
24 shall contain any other provisions required by the  
25 Secretary for purposes of this subsection. If the con-

1       tract provides for the construction of more than 1  
2       vessel, it shall provide for delivery of each vessel sub-  
3       sequent to the first not later than 24 months after  
4       delivery of the immediately preceding vessel.

5               (2) EXTENSION OF TIME PERIODS FOR IMPOS-  
6       SIBILITY OF PERFORMANCE.—If the commencement  
7       of construction or the completion of construction is  
8       prevented or delayed by circumstances that would be  
9       recognized as providing a defense of impossibility-of-  
10      performance by the shipyard under applicable con-  
11      tract law, each time period in this Act related to de-  
12      livery of a vessel by that shipyard shall be extended  
13      for whatever period of time the circumstance on  
14      which the defense is predicated continues to exist.

15           (d) EXPIRATION OF COASTWISE ENDORSEMENT.—  
16      The coastwise endorsement for an eligible cruise vessel  
17      under section 101(a) shall expire 24 months after the de-  
18      livery date for the replacement vessel or vessels for that  
19      eligible cruise vessel. For purposes of this subsection, the  
20      term “replacement vessel or vessels” means 1 or more ves-  
21      sels the operator of the eligible cruise vessel is obligated  
22      to construct in the United States under the contract de-  
23      scribed in subsection (a) with respect to the eligible cruise  
24      vessel that have at least the same number of passenger  
25      berths as the eligible cruise vessel, or they, replace.

1 (e) REFLAGGING UNDER FOREIGN REGISTRY.—Not-  
2 withstanding section 9(c) of the Shipping Act, 1916 (46  
3 U.S.C. App. 808), the operator of an eligible cruise vessel  
4 issued a certificate of documentation with a temporary  
5 coastwise endorsement under section 101(a), or a cruise  
6 vessel constructed under a contract described in subsection  
7 (a) of this section, may place that vessel under foreign  
8 registry.

9 **SEC. 104. CERTAIN OPERATIONS PROHIBITED.**

10 Neither an eligible cruise vessel operating in domestic  
11 itineraries under a certificate of documentation issued  
12 under section 101(a) nor a vessel constructed under a con-  
13 tract described in section 103(a) may—

14 (1) operate as a ferry;

15 (2) regularly carry for hire both passengers and  
16 vehicles or other cargo; or

17 (3) operate between or among the islands of  
18 Hawaii.

19 **SEC. 105. PRIORITIES WITHIN DOMESTIC MARKETS.**

20 (a) NOTIFICATION OF SECRETARY.—

21 (1) NEW VESSELS.—Any person eligible under  
22 section 12102 of title 46, United States Code, to  
23 document a vessel under chapter 121 of that title  
24 that enters into a contract with a United States

1 shipyard for the construction of a cruise vessel  
2 that—

3 (A) will be at least 20,000 gross registered  
4 tons,

5 (B) will have no fewer than 800 passenger  
6 berths, and

7 (C) is otherwise eligible for a certificate of  
8 documentation and a coastwise trade endorse-  
9 ment,

10 shall notify the Secretary, at such time and in such  
11 manner and form as the Secretary may require, of  
12 the construction of that vessel not less than 2 full  
13 calendar years before the earliest date on which the  
14 vessel is intended to commence operations.

15 (2) RECONSTRUCTION.—The notification re-  
16 quirement of paragraph (1) also applies to any such  
17 person that enters into a contract with a United  
18 States shipyard for the reconstruction of any vessel,  
19 including a vessel that has a certificate of docu-  
20 mentation under chapter 121 of title 46, United  
21 States Code, that will, after reconstruction, be that  
22 size and capacity and be eligible for such an en-  
23 dorsement.

24 (b) PRIORITY TO U.S.-BUILT VESSELS.—The Sec-  
25 retary shall give priority to any cruise vessel described in

1 subsection (a) over any other cruise vessel of comparable  
2 operations in a comparable market under a certificate of  
3 documentation issued under section 101(a) if the Sec-  
4 retary, after notice and an opportunity for public com-  
5 ment, determines that the employment in the coastwise  
6 trade of the vessel issued a certificate of documentation  
7 under section 101(a) will adversely affect the coastwise  
8 trade business of any person operating a vessel not docu-  
9 mented under section 101(a) in the coastwise trade.

10 (c) FACTORS CONSIDERED.—In determining and as-  
11 signing priorities, the Secretary shall consider, among  
12 other factors determined by the Secretary to be  
13 appropriate—

14 (A) the scope of a vessel's itinerary,  
15 including—

16 (i) the ports between which it oper-  
17 ates; and

18 (ii) the duration of the cruise;

19 (B) the time frame within which the vessel  
20 will serve a particular itinerary;

21 (C) the size of the vessel; and

22 (D) the retail per diem of the vessel.

23 (d) IMPLEMENTATION.—

24 (1) ITINERARY SUBMISSION REQUIRED.—The  
25 Secretary shall require the operator of each vessel

1 issued a certificate of documentation under section  
2 101(a) to submit, in April of each year, a proposed  
3 itinerary for that vessel for cruise itineraries for the  
4 calendar year beginning 20 months after the date on  
5 which the itinerary is required to be submitted.

6 (2) PUBLICATION AND COMMENT.—

7 (A) PUBLICATION.—The Secretary shall  
8 cause any itinerary submitted under paragraph  
9 (1), and any late submission or revision sub-  
10 mitted under paragraph (3), to be published in  
11 the Federal Register.

12 (B) COMMENT PERIOD.—The Secretary  
13 shall receive and consider comments from the  
14 public on any itinerary published under sub-  
15 paragraph (A) for a period of 30 days after the  
16 date on which the itinerary is published.

17 (3) REVISIONS AND LATER SUBMISSIONS.—The  
18 Secretary shall permit late submissions and revisions  
19 of submissions after the final list of approved  
20 itineraries is published under paragraph (4)(C)(iii)  
21 and before the start date of a requested itinerary.

22 (4) SCHEDULING.—

23 (A) ACTION BY SECRETARY.—Within 30  
24 days after the close of the comment period on

1 an itinerary published under paragraph (2)(A),  
2 the Secretary shall—

3 (i) review the itineraries submitted to  
4 the Secretary for compliance with the pri-  
5 orities established by this section;

6 (ii) advise affected cruise vessel opera-  
7 tors of any specific itinerary that is not  
8 available and the reason it is not available;  
9 and

10 (iii) publish a proposed list of ap-  
11 proved itineraries.

12 (B) OPERATORS' APPEALS.—The operator  
13 of any eligible cruise vessel may appeal the Sec-  
14 retary's decision under subparagraph (A)(ii)  
15 within 30 days after the Secretary advises the  
16 operator of the decision.

17 (C) RESOLUTION OF CONFLICTS.—As soon  
18 as practicable after the end of the 30-day pe-  
19 riod described in subparagraph (B), the Sec-  
20 retary shall—

21 (i) resolve any appeals and consider  
22 new itinerary proposals;

23 (ii) advise cruise vessel operators who  
24 responded under subparagraph (B) of the

1 Secretary's decision with respect to the ap-  
2 peal or the new itinerary proposal; and  
3 (iii) publish a final list of approved  
4 itineraries.

5 **SEC. 106. REPORT.**

6 The Secretary shall issue an annual report on the  
7 number of vessels operating under certificates of docu-  
8 mentation issued under section 101(a), and on the  
9 progress of construction on vessels to replace those vessels  
10 under section 103.

11 **SEC. 107. ENFORCEMENT.**

12 (a) BREACH OF CONSTRUCTION CONTRACT BY OP-  
13 ERATOR.—The Secretary shall revoke a temporary coast-  
14 wise endorsement issued under section 101(a)(2) for a ves-  
15 sel if the operator of that vessel commits a serious breach  
16 of the construction contract required by section 103(a).  
17 The revocation shall take effect at the conclusion of the  
18 last voyage on the last cruise itinerary approved by the  
19 Secretary before the Secretary made the determination to  
20 revoke the endorsement.

21 (b) BREACH OF CONSTRUCTION CONTRACT BY SHIP-  
22 YARD.—

23 (1) IN GENERAL.—If a shipyard commits a se-  
24 rious breach of a construction contract required by  
25 section 103(a) with an operator of a vessel for which

1 a certificate of documentation is issued under sec-  
2 tion 101(a)—

3 (A) the operator shall notify the Secretary  
4 immediately of the breach; and

5 (B) the operator may continue to operate  
6 that vessel as if the contract were in effect for  
7 a period of 24 months after notification of the  
8 Secretary on the condition that the operator  
9 will make good faith efforts during that 24-  
10 month period to execute a contract with a  
11 United States shipyard for the construction of  
12 the vessels that were to have been constructed  
13 under that contract.

14 (2) GOOD FAITH EFFORT REQUIRED.—If the  
15 Secretary determines at any time during that 24-  
16 month period that the operator has ceased to make  
17 good faith efforts to execute such a contract, then  
18 the Secretary shall immediately terminate the opera-  
19 tor’s authority to continue operations under this  
20 subsection.

21 (c) SUBSTANTIAL BREACHES ONLY.—For purposes  
22 of subsections (a) and (b), the term “serious breach”  
23 means a breach of contract for which an appropriate rem-  
24 edy under section 2–703 or 2–711 of the Uniform Com-  
25 mercial Code, as promulgated by the National Conference

1 of Commissioners on Uniform State Law, is cancellation  
2 by the seller or buyer, respectively.

## 3 **TITLE II—OTHER PROVISIONS**

### 4 **SEC. 201. APPLICATION WITH JONES ACT AND OTHER ACTS.**

5 (a) IN GENERAL.—Nothing in this Act affects or oth-  
6 erwise modifies the authority contained in any of the fol-  
7 lowing:

8 (1) Public Law 87–77 (46 U.S.C. App. 289b),  
9 authorizing the transportation of passengers and  
10 merchandise in Canadian vessels between ports in  
11 Alaska and the United States.

12 (2) Public Law 98–563 (46 U.S.C. App. 289e),  
13 permitting the transportation of passengers between  
14 Puerto Rico and other United States ports.

15 (3) Section 27A of the Act of the Merchant Ma-  
16 rine Act, 1920 (46 U.S.C. App. 883–1).

17 (4) Section 8109 of the Department of Defense  
18 Appropriations Act, 1998.

19 (b) JONES ACT.—Except as provided in section  
20 101(a), nothing in this Act affects or modifies the Mer-  
21 chant Marine Act, 1920 (46 U.S.C. App. 861 et seq.).

### 22 **SEC. 202. GLACIER BAY AND OTHER NATIONAL PARK SERV- 23 ICE AREA PERMITS.**

24 (a) IN GENERAL.—The Secretary of the Interior,  
25 after consultation with the Secretary of Transportation,

1 shall issue new or otherwise available permits to United  
2 States-flag vessels carrying passengers for hire to enter  
3 Glacier Bay or any other area within the jurisdiction of  
4 the National Park Service. Any such permit shall not af-  
5 fect the rights of any person that, on the date of enact-  
6 ment of this Act, holds a valid permit to enter Glacier  
7 Bay or such other area.

8 (b) NEW PERMITS NOT AUTHORIZED.—Subsection  
9 (a) does not authorize the Secretary of the Interior to  
10 issue new permits, but, if new permits are authorized  
11 under any other provision of law, they shall be awarded  
12 in accordance with subsection (a).

○