

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5509

To permit the transportation of passengers between United States ports by certain foreign-flag vessels and to encourage United States-flag vessels to participate in such transportation.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 2002

Mr. BROWN of South Carolina 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 permit the transportation of passengers between United States ports by certain foreign-flag vessels and to encourage United States-flag vessels to participate in such transportation.

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.**

4 This Act may be cited as the “United States Cruise  
5 Tourism Act of 2002”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1           (1) Given that there are no longer any United  
2 States-flag ocean-going cruise vessels in the domestic  
3 market, it is in the interest of the United States to  
4 maximize cruise tourism in United States port cities  
5 by waiving the requirement that the world's fleet of  
6 foreign-flag large ocean-going cruise vessels must  
7 travel to foreign ports as a condition to visiting  
8 United States port cities.

9           (2) Despite the downturn in United States  
10 tourism over the last year, the pleasure cruise indus-  
11 try remains one of the fastest growing segments of  
12 the tourism industry, with a record number of North  
13 American's cruising in North America in 2002.

14           (3) It is in the interest of the United States to  
15 maximize economic return from the growing indus-  
16 try of pleasure cruises—

17                   (A) by encouraging the growth of new  
18 cruise itineraries between coastal cities in the  
19 United States;

20                   (B) by encouraging the use of United  
21 States goods, labor, and support services by  
22 such industry; and

23                   (C) by encouraging cruise vessels to home-  
24 port in more United States port cities, in order

1 to place cruises within driving distance of more  
2 United States residents.

3 (4) In maximizing the economic benefits to the  
4 United States from increased cruise vessel tourism,  
5 there is a need—

6 (A) to ensure that existing employment  
7 and economic activity associated with United  
8 States-flag vessels (including tour boats, river  
9 boats, intracoastal waterway cruise vessels, and  
10 ferries) are protected; and

11 (B) to provide for reemergence of a United  
12 States-flag cruise vessel industry.

13 (5) Prohibiting cruises between United States  
14 ports by foreign-flag vessels when no United States-  
15 flag cruise vessels are servicing the domestic cruising  
16 market results in the loss of tourist dollars, jobs,  
17 and shoreside revenue for United States ports, and  
18 greatly disadvantages United States ports and coast-  
19 al communities in a time when tourism dollars are  
20 badly needed.

21 **SEC. 3. FOREIGN-FLAG CRUISE VESSELS.**

22 (a) DEFINITIONS.—In this Act—

23 (1) COASTWISE TRADE.—The term “coastwise  
24 trade” means the coastwise trade provided for in

1 section 12106 of title 46, United States Code, and  
2 includes trade in the Great Lakes.

3 (2) CRUISE VESSEL.—The term “cruise vessel”  
4 means a passenger vessel that—

5 (A) is at least 20,000 gross registered  
6 tons;

7 (B) provides a full range of overnight ac-  
8 commodated, entertainment, dining, and other  
9 services for its passengers; and

10 (C) has a fixed smoke detection and sprin-  
11 kler system installed throughout the accom-  
12 modations and service spaces, or will have such  
13 a system installed within the time period re-  
14 quired by the 1992 Amendments to the safety  
15 of Life at Sea Convention of 1974.

16 (3) FOREIGN-FLAG CRUISE VESSEL.—The term  
17 “foreign-flag cruise vessel” does not include a vessel  
18 which—

19 (A) provides ferry services or intra coastal  
20 waterway cruises;

21 (B) regularly carries for hire both pas-  
22 sengers and vehicles or other cargo; or

23 (C) serves residents of the vessel’s ports of  
24 call in the United States as a common or fre-

1           quently used means of transportation between  
2           United States ports.

3           (4) REPAIR AND MAINTENANCE SERVICE.—The  
4           term “repair and maintenance service” includes al-  
5           terations and upgrades.

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

8           (b) WAIVER.—Notwithstanding the provisions of sec-  
9           tion 8 of the Act of June 19, 1886 (24 Stat. 81, ch. 421;  
10          46 U.S.C. App. 289), or any other provision of law, and  
11          except as otherwise provided by this section, the Secretary  
12          may approve the transportation of passengers on foreign-  
13          flag cruise vessels not otherwise qualified to engage in the  
14          coastwise trade between ports in the United States, di-  
15          rectly or by way of a foreign port.

16          (c) EXCEPTIONS.—

17               (1) IN GENERAL.—The Secretary may not ap-  
18               prove the transportation of passengers on a foreign-  
19               flag cruise vessel pursuant to this section with re-  
20               spect to any coastwise trade that is being served by  
21               a United States-flag cruise vessel.

22               (2) UNITED STATES-FLAG SERVICE INITIATED  
23               AFTER APPROVAL OF FOREIGN-FLAG VESSEL.—  
24               Upon a showing to the Secretary, by a United  
25               States-flag cruise vessel owner or charterer, that

1 service aboard a cruise vessel qualified to engage in  
2 the coastwise trade is being offered or advertised  
3 pursuant to a Certificate of Financial Responsibility  
4 for Indemnification of Passengers for Nonperform-  
5 ance of Transportation from the Federal Maritime  
6 Commission (issued pursuant to section 3 of Public  
7 Law 89–777 (46 U.S.C. App. 817e) for service in  
8 the coastwise trade on an itinerary substantially  
9 similar to that of a foreign-flag cruise vessel trans-  
10 porting passengers under authority of this section,  
11 the Secretary shall notify the owner or charterer of  
12 each foreign-flag cruise vessel operating on substan-  
13 tially similar itineraries that the Secretary will, with-  
14 in 3 years after the date of notification, terminate  
15 such service.

16 (d) TERMINATION.—

17 (1) IN GENERAL.—Coastwise trade privileges  
18 granted to such owner or charterer of a foreign-flag  
19 cruise vessel under this section shall expire on the  
20 date that is 3 years after the date of the Secretary’s  
21 notification described in subsection (c)(2).

22 (2) EXCEPTION.—If, at the expiration of the 3-  
23 year period specified in paragraph (1), the United  
24 States-flag cruise vessel that has been offering or  
25 advertising service pursuant to a certificate de-

1 scribed in subsection (c)(2) has not entered the  
2 coastwise trade described in subsection (c)(2), then  
3 the termination of service required by paragraph (1)  
4 shall not take effect until 180 days after the date of  
5 the entry into that coastwise trade service by the  
6 United States-flag cruise vessel.

7 (e) REQUIREMENT FOR REPAIRS IN UNITED STATES  
8 SHIPYARDS.—

9 (1) IN GENERAL.—The owner or charterer of a  
10 foreign-flag cruise vessel that is qualified to provide  
11 coastwise trade service under this section is required  
12 to have repair and maintenance service for the vessel  
13 performed in the United States during the period  
14 that such vessel is qualified for such coastwise trade  
15 service, except in a case in which the vessel requires  
16 repair and maintenance service while at a distant  
17 foreign port (as defined in section 4.80a(a) of title  
18 19, Code of Federal Regulations (or any cor-  
19 responding similar regulation or ruling)).

20 (2) ACTION IF REQUIREMENT NOT MET.—

21 (A) GENERAL RULE.—If the Secretary de-  
22 termines that the owner or charterer has not  
23 met the repair and maintenance service require-  
24 ment described in paragraph (1), the Secretary  
25 shall terminate the coastwise trade privileges

1 granted to the owner or charterer under this  
2 section.

3 (B) WAIVER.—The Secretary may waive  
4 the repair and maintenance service requirement  
5 if the Secretary finds that—

6 (i) the repair and maintenance service  
7 is not available in the United States, or

8 (ii) an emergency prevented the owner  
9 or charterer from obtaining the service in  
10 the United States.

11 (f) DISCLAIMER.—

12 (1) IN GENERAL.—Nothing in this Act shall be  
13 construed as affecting or otherwise modifying the  
14 authority contained in—

15 (A) Public Law 87–77 (46 U.S.C. App.  
16 289b) authorizing the transportation of pas-  
17 sengers and merchandise in Canadian vessels  
18 between ports in Alaska and the United States.

19 (B) Public Law 98–563 (46 U.S.C. App.  
20 289c) permitting the transportation of pas-  
21 sengers between Puerto Rico and other United  
22 States ports.

23 (2) JONES ACT.—Except as otherwise expressly  
24 provided in this Act, nothing in this Act shall be



1 construed as affecting or modifying the provisions of  
2 the Merchant Marine Act, 1920.

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