

HOUSE BILL REPORT

HJM 4026

As Reported By House Committee On:
Trade, Economic Development & Housing

Brief Description: Requesting that federal law be amended to allow foreign-flagged cruise ships between U.S. ports.

Sponsors: Representatives Shin, Wineberry, Valle, Linville, Hansen, Quall, Basich, Grant, Forner, Patterson, Johanson, Sheldon, Leonard, Schoesler, Campbell, Lisk, Chandler, Foreman, Kremen, Springer and J. Kohl.

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, February 3, 1994,
DPS.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Wineberry, Chair; Shin, Vice Chair; Schoesler, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Backlund; Campbell; Morris; Quall; Sheldon; Springer; Valle and Wood.

Minority Report: Without recommendation. Signed by 1 member: Representative Conway.

Staff: Kenny Pittman (786-7392).

Background: The Federal Passenger Service Act of 1886 prohibits foreign-flagged vessels from transporting passengers between United States ports. The original intent of the act was to protect domestic passenger vessels from foreign competition. At the present time, the only two domestic-flagged cruise ships sail the Hawaiian Islands.

The state of Washington's economy depends heavily on international trade and tourism. An opportunity in tourism is in the expanding cruise ship industry. The direct impact of the federal law is that the Northwest cruise ship trade, which features Alaska, does not include ports in the state of Washington.

Summary of Substitute Bill: The members of the Washington State Senate and House of Representatives request that

President Clinton and the United States Congress establish a United States cruise ship industry as set forth in the United States Passenger Vessel Development Act, thereby developing a U.S. cruise ship registry, U.S. jobs and a U.S. cruise ship trade.

Substitute Bill Compared to Original Bill: The original bill amended the United States Passenger Development Act to allow foreign-flagged cruise ships to carry passengers between United States destinations.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The cruise ship industry is growing. Federal law prohibits the state from capitalizing on the Northwest cruise ship trade. The bill being introduced in Congress has strong support from our industry.

Testimony Against: None.

Witnesses: Representative Paull Shin, prime sponsor (pro); and Marc Frazer, National Cruise Ship Alliance (pro).