

HOUSE BILL REPORT

HJM 4014

As Reported by House Committee On:

Trade & Economic Development

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

Sponsors: Representatives Valle, Van Luven, Sheldon, D. Schmidt, Mason, Hickel, Veloria, Hatfield, Kessler, Blanton and Radcliff.

Brief History:

Committee Activity:

Trade & Economic Development: 1/18/96, 1/22/96 [DPS].

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Van Luven, Chairman; Radcliff, Vice Chairman; D. Schmidt, Vice Chairman; Sheldon, Ranking Minority Member; Veloria, Assistant Ranking Minority Member; Backlund; Hatfield; Hickel; Mason; Sherstad; Skinner and Valle.

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 currently in operation sail the Hawaiian islands.

Washington's economy is heavily dependent upon international trade and tourism. The state has an opportunity to increase tourism in Washington through the expanding cruise ship industry. The direct impact of the Federal Passenger Service Act of 1886 is that the northwest cruise-ship trade, which features Alaska, does not include ports in the state of Washington.

Congress is currently working to develop legislation to establish a United States coastal cruise-ship trade through the use of financial incentives and operating provisions.

Summary of Substitute Bill: The President and Congress are requested to establish a United States cruise-ship industry using necessary financial incentives and operating provisions.

Substitute Bill Compared to Original Bill: Direct reference to the Passenger Services Act of 1886 is removed.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: We need to encourage the development of a United States cruise ship industry and be careful not to hurt the small cruise ships that are located in the Puget Sound. Congress is working with representatives of the industry, labor, and shipping to develop appropriate incentives to encourage the industry to build cruise ships in the United States. The economic gain from having cruise ships in Seattle during the Alaska summer season benefits the entire region. The interest in cruises to Alaska is growing on a national and international basis.

Testimony Against: None.

Testified: (Pro) Representative Valle, prime sponsor; Mark Coles, Maritime Trades Department; Jerry McMahon, American Watercraft Operators; Terry Finn, Port of Seattle; Rich Berkowitz, Transportation Institute; Dick West, Alaska Sightseeing/Cruise West; and Robert Stevens, Pizzazz Travel.