

# Congress of the United States

Washington, DC 20515

December 19, 2007

The Honorable W. Ralph Basham  
Commissioner, Customs and Border Protection  
Department of Homeland Security  
1300 Pennsylvania Avenue, NW  
Washington, D.C. 20229

Re: USCBP – 2007-0098 -- Hawaii Coastwise Cruises

Dear Commissioner Basham:

We are writing in support of the proposed interpretative rule recently published by Customs and Border Protection (CBP) regarding enforcement of the Passenger Vessel Services Act (PVSA) on Hawaii Coastwise Cruises. We applaud the Maritime Administration for bringing this issue to your attention and commend CBP for acting to protect the U.S.-flag cruise industry in the United States from unfair foreign competition.

As you know, our nation's coastwise laws are designed to advance the United States merchant marine and fleet by restricting the operation of foreign ships, including passenger vessels, where U.S. ports of call are involved. Foreign-flag cruise ships employ foreign workers at below U.S. minimum wages, pay no U.S. taxes on shipping income or payroll, and operate largely outside of U.S. laws. As a result, these foreign cruise lines operate at a significant economic advantage over comparable U.S.-flag cruise ships.

In 2003 Congress enacted legislation authorizing three large U.S.-flag cruise ships for regular coastwise service in Hawaii and restoring the U.S. flag to the cruise industry. The current operator has invested over \$1.3 billion in these ships which have generated some 4000 seafaring jobs, and hundreds of millions of dollars of economic benefit to Hawaii and the nation. That investment in U.S.-flag ships and American jobs is jeopardized by the increased number of foreign-flag cruise ships that are using sham foreign port calls to evade the PVSA.

The need to act quickly is underscored by the fact that already one of the three U.S.-flag ships is being redeployed under foreign registry, which will cause a loss of more than 1,000 of the newly created jobs. There is no time for delay. The trained base of seafarers that the ships have helped to create is a vital component of a strong U.S. maritime industry and to our national defense. We strongly encourage you to move ahead to implement your interpretation on Hawaii Coastwise

Cruises so as to preserve the remaining jobs and economic and national security benefits that these ships generate

Thank you for considering these comments.

Sincerely,

Jim Oberstar  
James L. Oberstar

Elijah E. Cummings  
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Frank A. Lobiondo

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