## HOUSE CONCURRENT RESOLUTION

REQUESTING THE UNITED STATES DEPARTMENT OF HOMELAND SECURITY, CUSTOMS AND BORDER PROTECTION, TO RECONSIDER THE PROPOSED RULE AMENDMENT USCBP-2007-0098, HAWAII COASTWISE CRUISES.

WHEREAS, the State of Hawaii has benefitted greatly from the international cruise lines that call on our shores and from the U.S. cruise ships operating within the islands; and

WHEREAS, 100,012 visitors entered Hawaii by cruise ships and another 315,955 visitors came by air to board cruise ships touring the islands in 2006, resulting in a 31.4 percent increase over 2005; and

WHEREAS, cruise visitors in 2006 spent \$854.6 million in Hawaii, which was an increase of 58.9 percent over the previous year; and

WHEREAS, preliminary 2007 cruise ship arrival statistics indicate an additional 20.6 percent growth over 2006; and

WHEREAS, based on the 2006 data, the estimated direct impact of the loss of international cruise ships in Hawaii would be a reduction in expenditures on Hawaii-produced goods and services of about \$80 million and the total economic impacts on Hawaii include: 1) reduction in output (total sales) by about \$155 million; 2) reduction in total earnings (labor income) by about \$44 million; and 3) reduction in employment by 1,447 jobs; and

WHEREAS, the intent of Customs and Border Protection to protect U.S. flagged cruise ships by clarifying the Passenger Vessel Services Act (PVSA) is valid, the proposed rule amendment will adversely impact our state's economy by significantly affecting the international cruise lines that visit Hawaii; and

WHEREAS, the proposed rule amendment would require the following from foreign cruise ships: 1) spend at least 48 hours in a foreign port; 2) the amount of time at the foreign port is more than 50 percent of the total amount of time at the U.S. ports of call; and 3) passengers are permitted to go ashore temporarily at the foreign port; and

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WHEREAS, the proposed rule amendment is being opposed from businesses, labor and government officials from Maine, Florida, California, and Alaska; and

WHEREAS, it is our belief that any change made in the interpretation and application of the PVSA should be undertaken in a manner that balances the need to protect the U.S. flagged cruise ships operating in Hawaii, while continuing to allow foreign cruise ships the opportunity to offer Hawaii cruises; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2008, the Senate concurring, that the legislature respectfully requests that the Department of Homeland Security, U.S. Customs and Border Protection, reconsider the new proposed rule amendment; and

 BE IT FURTHER RESOLVED that we believe there should no minimum port-of-call time at an international destination as part of the cruise itinerary and no mandated percentage of stops that restrict or affect the manner in which ships are scheduling calls to Hawaii; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Customs and Border Protection, U.S. Department of Homeland Security, the Hawaii Congressional Delegation, the Governor of the State of Hawaii, the Director of the Hawaii State Department of Transportation, the Director of the Department of Business, Economic Development and Tourism, the State Tourism Liaison, the President of the Hawaii Tourism Authority, the Mayors of each county, the County Councils of each county, the Hawaii Farm Bureau, the Activities and Attractions Association of Hawaii, the Chamber of Commerce of Hawaii, the Honolulu Chamber of Commerce, the Hawaii Island Chamber of Commerce, the Kauai

Chamber of Commerce, the Maui Chamber of Commerce, and the Kona-Kohala Chamber of Commerce.

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OFFERED BY:

OFFERED BI

Carther Thick

Farban Marin

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