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HOUSE 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 1 the international cruise lines that call on our shores and from 2 the U.S. cruise ships operating within the islands; and 3 4 WHEREAS, 100,012 visitors entered Hawaii by cruise ships 5 6 and another 315,955 visitors came by air to board cruise ships touring the islands in 2006, resulting in a 31.4 percent 7 8 increase over 2005; and 9 WHEREAS, cruise visitors in 2006 spent \$854.6 million in 10 Hawaii, which was an increase of 58.9 percent over the previous 11 12 year; and 13 14 WHEREAS, preliminary 2007 cruise ship arrival statistics 15 indicate an additional 20.6 percent growth over 2006; and 16 WHEREAS, based on the 2006 data, the estimated direct 17 impact of the loss of international cruise ships in Hawaii would 18 19 be a reduction in expenditures on Hawaii-produced goods and services of about \$80 million and the total economic impacts on 20 Hawaii include: 1) reduction in output (total sales) by about 21 \$155 million; 2) reduction in total earnings (labor income) by 22 about \$44 million; and 3) reduction in employment by 1,447 jobs; 23 24 and 25 26 WHEREAS, the intent of Customs and Border Protection to protect U.S. flagged cruise ships by clarifying the Passenger 27 Vessel Services Act (PVSA) is valid, the proposed rule amendment 28 29 will adversely impact our state's economy by significantly affecting the international cruise lines that visit Hawaii; and 30 31

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WHEREAS, the proposed rule amendment would require the 1 following from foreign cruise ships: 1) spend at least 48 hours 2 in a foreign port; 2) the amount of time at the foreign port is 3 4 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 5 temporarily at the foreign port; and 6 7 8 WHEREAS, the proposed rule amendment is being opposed from 9 businesses, labor and government officials from Maine, Florida, 10 California, and Alaska; and 11 12 WHEREAS, it is our belief that any change made in the interpretation and application of the PVSA should be undertaken 13 in a manner that balances the need to protect the U.S. flagged 14 cruise ships operating in Hawaii, while continuing to allow 15 foreign cruise ships the opportunity to offer Hawaii cruises; 16 17 now, therefore, 18 19 BE IT RESOLVED by the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, Regular 20 Session of 2008, that the House of Representatives respectfully 21 requests that the Department of Homeland Security, U.S. Customs 22 23 and Border Protection, reconsider the new proposed rule 24 amendment; and 25 BE IT FURTHER RESOLVED that we believe there should no 26 minimum port-of-call time at an international destination as 27 part of the cruise itinerary and no mandated percentage of stops 28 that restrict or affect the manner in which ships are scheduling 29 calls to Hawaii; and 30 31 32 BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Customs and Border 33 34 Protection, U.S. Department of Homeland Security, the Hawaii 35 Congressional Delegation, the Governor of the State of Hawaii, the Director of the Hawaii State Department of Transportation, 36 the Director of the Department of Business, Economic Development 37 38 and Tourism, the State Tourism Liaison, the President of the Hawaii Tourism Authority, the Mayors of each county, the County 39 40 Councils of each county, the Hawaii Farm Bureau, the Activities and Attractions Association of Hawaii, the Chamber of Commerce 41

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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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