



Federal Maritime Commission
Washington, D.C. 20573

Office of the Commissioner

January 14, 2022

Chairman Daniel B. Maffei
Commissioner Rebecca F. Dye
Commissioner Michael A. Khouri
Commissioner Carl W. Bentzel
U.S. Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573

Dear Colleagues:

It is my privilege to report on the last phase of Fact Finding Investigation No. 30 by transmitting the attached document.

In carrying out my charge as Fact Finding Officer, I formed consultative panels comprised of subject matter experts from industry and government. These panels provided outstanding counsel and guidance throughout the process and contributed to the eight reports and recommendations issued throughout Fact Finding 30.

The attached report provides a detailed summary of the almost two year effort dedicated to studying the economic impact of the current pandemic on the cruise industry and the port facilities and local communities that support or depend on that industry.

The key accomplishments I would like to draw your attention to are:

- Regulatory Relief to Small Passenger Vessel Operators
 - Policy Statement modifying surety requirements for small (primarily U.S. flagged) passenger vessel lines thereby helping them to stay in business during the height of the crisis by freeing up capital. Adopted by the Commission on July 23, 2020.
- Proposed Amendment to Passenger Vessel Operator Financial Responsibility Rule
 - Changes current Commission rules that will create a uniform standard for refunds all cruise lines must follow when cancelling a voyage or making a significant schedule change. A notice of proposed rulemaking was issued on August 24, 2021, with a final proposed rule expected shortly.
- Issued Six Financial Impact Studies Examining the Entire U.S., its Territories, and the Caribbean Basin
 - Studies revealed that:
 - The cruise industry accounts for approximately 436,000 jobs throughout the United States including direct, indirect, and induced jobs.
 - The cruise industry generated over \$25 billion in direct spending nationwide on average prior to the pandemic.

- Worked with the Alaska Congressional delegation as they proposed the Alaska Tourism Restoration Act which modified the Passenger Vessel Services Act to grant exception to Alaska cruise operations in response to Canadian decision to close all ports to cruise activity.
- Encouraged the Governors of Florida, Texas, New York, New Jersey, and California to utilize surplus vaccines to inoculate all mariners that called upon ports in their states with an emphasis on cruise line crew.
- Recommended the distribution of surplus vaccine to cruise ports of call located in neighboring countries that receive vessels from the U.S.

Given the significant economic impact the cruise industry has on many states, we must ensure its ability to continue providing livelihoods to hundreds of thousands of American citizens while simultaneously protecting passengers and crew. This Fact Finding did not discover a silver bullet capable of guaranteeing a zero-risk environment from any virus or pathogen. Such an outcome is elusive at best and perhaps an unrealistic expectation or goal. The responsible path forward is accepting that risk exists and working to mitigate its effects. The system of vaccinations, testing, quarantine, and evacuation established and implemented by the cruise industry establishes a system of safeguards that strikes the appropriate balance between limiting risk and being able to operate. I am confident that this industry is committed the health and safety of its crews and passengers. Improvements can always be made and will be implemented as our knowledge expands, but I would hope to never again see a “no sail” or “conditional sail order” bring such an important part of our travel and tourism sectors to a close.

With this in mind, I encourage the Commission to continue to monitor the industry’s fiscal health and its response to the pandemic both in the areas of public safety and consumer affairs notwithstanding the closure of this Fact Finding. Acknowledging the vagaries of this current pandemic, the Commission should keep a close watch on how the industry addresses Covid-19 in its varied iterations.

In closing, I find the system to be working and having completed my charge as the Fact Finding Officer, I bring Fact Finding 30 to conclusion. I would like to thank each of you for entrusting me to lead this effort and for your support in moving forward with some of the key recommendations I have made. Additionally, I am grateful for the efforts of Commission staff who provided support throughout the Fact Finding.

Sincerely,

Louis E. Sola
Commissioner