

ORIGINAL

(S E R V E D)
(OCTOBER 28, 2009)
(FEDERAL MARITIME COMMISSION)

FEDERAL MARITIME COMMISSION

46 CFR PART 540

[DOCKET NO. 02-15]

PASSENGER VESSEL FINANCIAL RESPONSIBILITY

AGENCY: Federal Maritime Commission.

ACTION: Termination of Proposed Rulemaking

SUMMARY: The Commission has determined to terminate the Proposed Rulemaking published on October 31, 2002, in FMC Docket No. 02-15. The Proposed Rule would have amended the Commission's passenger vessel regulations at 46 CFR Part 540, which implement the statutory requirement to provide proof of passenger vessel financial responsibility.

ADDRESSES: Address all comments and inquiries concerning this termination to:

Karen V. Gregory, Secretary
Federal Maritime Commission
800 North Capitol Street, NW, Room 1046
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FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

By Notice of Proposed Rulemaking published October 31, 2002, 67 FR 66352, the Commission proposed amendments to its passenger vessel regulations at 46 CFR Part 540.

These regulations implement the statutory requirement to provide proof of passenger vessel financial responsibility under Sections 2 and 3 of Public Law 89-777, now recodified at 46 U.S.C. 44101-44103. The proposed amendments would have: eliminated the current ceiling on required performance coverage; adjusted the amount of coverage required by providing for consideration of the obligations of credit card issuers; provided for the use of Alternative Dispute Resolution (ADR), including the Commission's ADR program, in resolving passenger performance claims; revised the application form, and made other technical changes. By reason of the scope of the changes proposed, the Commission sought to revise and republish in their entirety the Commission's passenger vessel operator (PVO) rules at 46 CFR Part 540.

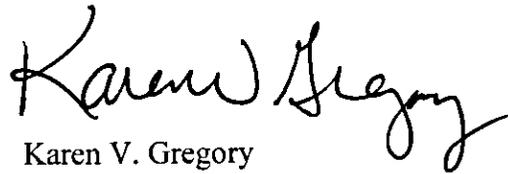
The Commission's proposed rule elicited a broad range of comments from many sectors of the cruise industry. Comments were received from cruise lines, travel agents, individual ports servicing the cruise industry, state ports councils; and from the surety industry, banking industry and the credit card companies as well as trade associations representing these sectors of the industry. Comments were submitted both to the Commission and also to the Office of Management and Budget. In recognition of broad public interest in the rulemaking, the Commission initially extended the comment period for receiving written submissions and ultimately convened a public hearing to accept oral comments. Comments and status updates continued to be received by the Commission through April 2004.

Written and oral comments revealed wide-spread differences of opinion on both questions of fact and law with respect to the proposed rule, with particular aspects supported (or opposed) by one trade sector or another. More than 5 years have now passed since the Commission last received comments on the proposed rule. The record in this proceeding has effectively become stale, failing to account for changes in the industry that include, but are not limited to, the recent economic downturn that has greatly impacted most segments of the domestic and world economies. The Commission has determined that the record amassed in

prior years is no longer legally sufficient to sustain contemporary efforts to either adopt or propose new alternatives to the Commission's financial responsibility requirements for PVOs.

For these reasons, the Commission has decided to terminate the Notice of Proposed Rulemaking published on October 31, 2002, 67 FR 66352. Should the Commission decide to move forward with revising its passenger vessel regulations, the industry will be provided further opportunity to submit comments.

By the Commission.

A handwritten signature in black ink, appearing to read "Karen V. Gregory". The signature is fluid and cursive, with the first name "Karen" being the most prominent.

Karen V. Gregory
Secretary