

April 29, 2020

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
S-230, The Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representative  
H-232, The Capitol  
Washington, DC 20515

The Honorable Charles E. Schumer  
Minority Leader  
U.S. Senate  
S-221, The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-222, The Capitol  
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader Schumer and Minority Leader McCarthy,

Thank you for serving our country during these challenging and unprecedented times. Your efforts to protect Americans during the current global pandemic and economic crisis are greatly appreciated.

We are a coalition of small maritime tourism companies who are currently facing extraordinary economic difficulties in the wake of COVID-19. Many of us will not be able to operate during the 2020 season which means our businesses will have zero income until the season that opens in May 2021. Much like airline companies we rely heavily on fixed assets so federal government loan guarantees and grants will be vital for our long-term economic survival. It is impossible for us to eliminate all expenses and simply wait for the economy to recover. We estimate that our businesses will need access to approximately \$2.5 billion in capital to survive. There are also statutory and regulatory changes that could be done to help us conserve capital or avoid costs in these desperate times. Accordingly, we have outlined below initiatives which we believe will aid our businesses during this crisis.

**Loan Guarantees for Commercial Bank Lending.** The recent stimulus packages address some of our short-term needs but do not consider the long-term economic challenges which will inevitably arise post-pandemic. Providing federal loan guarantees will help our businesses recover once we can resume operations. The cost of a guarantee for the federal government is very little and the risk is low given the many years we have operated successful businesses in the United States.

First, although commercial loan interest rates have dropped significantly, it is impossible to secure a loan based on dramatically reduced or, in some cases, zero sales. We believe the only way to obtain the additional credit necessary for large recapitalization loans is through government loan guarantees. Second, if the United States was to guarantee a new 30-year long term loan, based on the current rate of 2.7%, our businesses could reduce expenditures for principal and interest payments based on our current average interest rates. The resulting increased cash flow will allow

us to repay any stimulus loans and begin the long process of stabilizing the economics of our businesses.

**Prioritize Domestic Maritime Tourism Companies.** Maritime tourism is one of the very few industries that have been ordered to suspend operations by federal, state, and local government. The federal government has taken steps to ensure that domestic airlines survive the current economic crisis, and there is discussion of some type of federal assistance for international maritime tourism companies. We believe that domestic maritime tourism companies, all of whom operate American flagged vessels and employ a predominantly American workforce should receive relief greater than or equal to that given to international operators.

**Funding for COVID-19 Testing.** In order to regain trust in American tourism companies, we believe that comprehensive COVID-19 testing and screening programs are necessary and that it is appropriate for the costs of such testing to be provided through federal grants. This testing will not only give passengers confidence to travel again, thereby stimulating the economy, but also aid the government in tracking the virus. We believe that COVID-19 testing should occur prior to traveling by air, ship, and before any other multi-day accommodation.

**Statutory Change at the Federal Maritime Commission (FMC).** Under current law, domestic flag maritime companies are required to maintain escrow accounts or surety bond collateral to protect passenger deposits. Congress should amend the FMC's authority to allow it to provide financial security for unsecured passenger deposits booked with domestic flag operators during a declared state of emergency or vote of the FMC. If the federal government guaranteed passenger deposits, domestic flag operators could maintain cash flow during severe economic downturns. Currently, some surety companies are attempting to increase cash collateral levels to support bonding as mandated by the FMC, in order to compensate for increased risks due to COVID-19.

Given the recommended statutory changes to the FMC's authority, we also ask that credit card "hold backs," as applied to domestic maritime tourism companies, be eliminated. Such hold backs are added by credit card companies during times of economic downturn, despite company deposits being held in FMC escrow or bond. Because of this, domestic maritime tourism companies end up losing working capital as both the FMC and credit card companies double-insure deposits.

**CDC "No Sail Order" Should not Apply to Domestic U.S. Overnight Vessel Industry.** U.S. domestic overnight vessel operators should be exempted from the CDC No Sail Order. U.S. flagged overnight vessels are relatively small and passengers always have expedient access to regional U.S. health care systems. Any passenger that requires treatment can be sent ashore within hours if not minutes and will never have to be concerned with receiving medical treatment at sea. Many of the policies and guidelines being developed and implemented by the CDC and Coast Guard are designed to address contingencies involving ships carrying thousands of passengers on the high seas subject to the whims of a coastal state when trying to transport passengers ashore.

Also, the applicability of CDC No Sail Order should be based on the total number of persons on-board the vessel and not the regulatory capacity of the vessel. Current CDC and Coast Guard policy does not allow a passenger vessel operator to avoid the No Sail Order by limiting the number of passengers or crew to remain below the total 250 maximum occupancy. This creates an arbitrary

and capricious impact within the industry that severely harms some operators without achieving the intended health and safety outcomes behind the CDC order.

**U.S. Coast Guard Regulatory Relief.** There are certain regulatory compliance dates and requirements that will come up during the COVID-19 pandemic that could be waived or postponed and give the U.S.-flagged passenger vessel industry relief. During the national emergency due to the coronavirus, the President should be asked to direct the federal agencies, such as the U.S. Coast Guard, that regulate U.S.-flagged passenger vessels to provide exemptions or extensions of regulatory requirements if passenger and crew safety is not compromised. In some instances, statutory changes may be necessary and should be enacted promptly to ensure the needed relief.

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With many decades of experience navigating the domestic maritime tourism industry, we have weathered many storms—both literally and figuratively. While the current economic outlook is bleak, we believe that the initiatives outlined above will greatly aid economic recovery in our industry and beyond.

Thank you for your consideration of these initiatives, and we look forward to working with you with you to implement these programs to save our industry.

Sincerely,

Dave Allen  
President & Co-Owner  
Alaskan Dream Cruises

Charles Robertson  
President & CEO  
American Cruise Lines

John Waggoner  
Founder & CEO  
American Queen Steamboat Company

Nancy Blount  
President  
Blount Small Ship Adventures

Sven-Olof Lindblad  
CEO  
Lindblad Expeditions

Hunter McIntosh  
President  
The Boat Company

Dan Blanchard  
Owner & CEO  
UnCruise Adventures

Cc: The Honorable Dan Sullivan  
The Honorable Lisa Murkowski  
The Honorable Don Young  
The Honorable Maria Cantwell

The Honorable Patty Murray  
The Honorable Suzan DelBene  
The Honorable Rick Larsen  
The Honorable Jaime Herrera Beutler  
The Honorable Dan Newhouse  
The Honorable Cathy McMorris Rodgers  
The Honorable Derek Kilmer  
The Honorable Pramila Jayapal  
The Honorable Kim Schrier  
The Honorable Adam Smith  
The Honorable Denny Heck  
The Honorable Sheldon Whitehouse  
The Honorable Jack Reed  
The Honorable Jim Langevin  
The Honorable David Cicilline  
The Honorable Chris Murphy  
The Honorable Richard Blumenthal  
The Honorable Jim Himes  
The Honorable Rosa DeLauro  
The Honorable John Larson  
The Honorable Jahana Hayes  
The Honorable Joe Courtney  
The Honorable Rand Paul  
The Honorable James Comer  
The Honorable Brett Guthrie  
The Honorable John Yarmuth  
The Honorable Thomas Massie  
The Honorable Harold Rogers  
The Honorable Andy Barr