

Congress of the United States
Washington, DC 20515

May 1, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

Thank you for the work you have done to date, along with the administration to pass and implement the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The impacts of the COVID-19 pandemic are multifaceted, and the virus's economic effects have compounded to produce a uniquely precarious situation for the U.S. flagged passenger vessel industry in Alaska, Cape Cod, Washington, New England, the Great Lakes, Mississippi River, and across the country. While we collectively navigate the public health impacts of the virus, we ask for your assistance to support industries critical to our states' economies and to mitigate the long-term economic harm.

We understand the difficulties associated with crafting assistance provisions tailored to specific industries; however, the CARES Act did contemplate COVID-19 impacts to the aviation industry, public transit and AMTRAK. As a result, we request that as part of any subsequent legislative effort or effort to augment the CARES Act, that it addresses the unique needs of the U.S.-flagged passenger vessel operators listed herein. We request that any additional legislative effort related to economic recovery include a U.S.-flagged passenger vessel carve-out of \$25 billion to provide relief to help ensure that these U.S. based companies can survive this crisis.

The international and national travel restrictions put in place to prevent the spread of COVID - 19 have had a profound effect on demand for small passenger vessel operators. For example, the Cruise Line industry and smaller passenger vessels have a symbiotic relationship supporting the tourism industries throughout the country. The Centers for Disease Control (CDC) recently announced an additional 100 day no sail order for passenger vessels and this week Princess and Holland America canceled this season's sailings to the Gulf of Alaska. These actions will significantly decrease demand for small vessel operators that partner with cruise lines for excursions and passenger transport. This is just one example of the trickle-down effects on the passenger vessel industry that is undoubtedly replicated across the country.

Numerous U.S. small passenger vessel operators who operate seasonally have lost their 2020 season and will be negatively impacted for the 2021 season as travel demand will take time to recover. As constructed, the Paycheck Protection Program (PPP) provides much needed short term assistance but falls far short of the emergency assistance that is necessary to prevent the impending failure of small businesses in the passenger vessel industry. This is in part due to the seasonal nature of many operators in the passenger vessel industry that experience cost, hiring and cash flow variability,

particularly during the offseason. As such, we request that you continue to work with the SBA and Treasury to provide them the flexibility to administer CARES Act programs so that they provide maximum support to seasonal businesses. In the short term, we ask that you work with the administration to continually furnish the PPP with enough funding to stave off additional layoffs and possible bankruptcies within the sector.

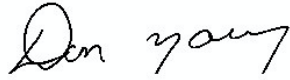
The domestic U.S.-flagged passenger vessel industry is a solid contributor to the Nation's travel and tourism industry and economy. It employs thousands of U.S. workers and carries more than 200 million passengers each year aboard U.S.-flagged small passenger vessels. The U.S. passenger vessel industry at-large also includes important suppliers including, U.S. shipyards, engine manufacturers, electronics suppliers, naval architects and others who are equally impacted by this coronavirus outbreak. We ask that you consider the following requests to directly support the passenger vessel industry either through existing programs such as the PPP, the Federal Reserve's Mainstreet Lending Program or a future program not contemplated in the CARES Act:

- Authorize a U.S. passenger vessel company that operates vessels in more than one geographic area to be able to participate in PPP if there are fewer than 500 employees in each location (as is the case for hotels and restaurants).
- Extend the period for forgivable PPP payroll expenses from eight weeks to 24 weeks or more.
- Allow for loan forgiveness of any payroll expenses, regardless of past employee numbers or salary levels.
- Eliminate the PPP's 25% limit on spending on costs other than payroll for purposes of loan forgiveness.
- Specify that vessel insurance, dockage payments, solid waste/wastewater disposal, lubricating oils and fuel oils be allowable costs for which to use PPP funds and ensure that they are forgivable.
- Extend the loan re-payment period from two to five years or more.
- As the pandemic begins to subside, rebuilding consumer and customer confidence in the overnight cruise industry and related maritime industries will be essential to its viability moving forward. To accomplish this, the establishment of a fully reimbursable COVID-19 screening and testing program would ensure that widespread testing occurs in heavily affected industries.
- Suspend for calendar years 2020 and 2021 the statutory requirement that "small ship" overnight cruise vessels carrying less than 500 passengers registered in the United States demonstrate to the Federal Maritime Commission evidence of financial responsibility. "Small ship" overnight cruise vessels registered in the United States will likely be unable to operate at all during the 2020 season and, therefore; will have no revenues. At the same time that they face a loss of income, they must expend cash to demonstrate evidence of financial responsibility with the Federal Maritime Commission to reimburse booked passengers in the event of nonperformance. It is customary to demonstrate such proof of financial responsibility by contracting with a surety or purchasing a bond or insurance. We request an amendment to this requirement that takes note of this extraordinary situation by suspending the statutory requirement for calendar years 2020 and 2021 with respect to these vessels, after which time the current requirement will resume in force.

We believe that the incorporation of these provisions will help prevent the failure of many U.S. small businesses in the passenger vessel industry by providing additional and more flexible emergency assistance. While we do not know when the Covid-19 crisis will end, we strongly support actions to

support U.S. flagged passenger vessel operators so that they may resume operations once it does. Thank you for your consideration of these requests.

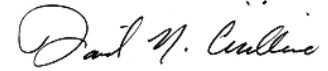
Sincerely,



Don Young
Congressman for All Alaska

Joe Courtney
Member of Congress

Cc:
Majority Leader Steny Hoyer
Chairman Peter DeFazio
Ranking Member Sam Graves



David N. Cicilline
Member of Congress