THE BOAT COMPANY

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DEPARTMENT OF TRANSPORTATION
DOCKETS

2003 JUL 22 A 9:27

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July 21, 2003

Docket Management Facility
U.S. Department of Transportation
Fax 202-493-2251

Re: Comments: Dockets USCG-2003-14792 - 13
USCG-2003-14749 - 38
USCG-2003-14757 - 25
USCG-2003-14878 - 6

Dear Sir/Madam:

The Boat Company is a non-profit charter organization currently operating in Southeast Alaska and beginning operations this November in Costa Rica. Two of our vessels may be required to comply with the proposed regulations, if enacted.

We strongly commend the Coast Guard for including the option of using an Alternative Security Program (section 101.120(b) of Title 33, Code of Federal Regulations). As a member of the Passenger Vessel Association, we understand that the Association intends to submit an Alternative Security Program in the next few days. Please note that we would use PVA Industry Standards for Security for Passenger Vessels and Small Passenger Vessels to comply with our legal obligations for security.

We also support the provision of the rule that excludes Subchapter C and T vessels from having to prepare and submit for approval a Vessel Security Plan, but would urge the Coast Guard to extend the exclusion to T vessels subject to SOLAS. Already the Coast Guard recognizes many SOLAS exemptions for T vessels due to their size and small passenger capacity. The Coast Guard's analysis that the risk of a possible transportation security incident (terrorist incident) for a small passenger vessel does not justify the same regulatory requirements that apply to larger passenger vessels remains true for small passenger vessels making (necessarily) short international voyages.

In addition, one of our vessels, the LISERON, is 403 gross tons and is 145 feet overall but holds only 25 passengers maximum. She is weighty because she is a converted U.S. minesweeper – double-hulled wood construction. She has her own unique regulations, drafted by the Coast Guard which they refer to and follow for her Certificate of Inspection, etc. She is neither a T-boat nor one regulated under other chapters, but by comparison (passenger capacity, route, inspection, etc.), she resembles a T-boat more than any other. Our other vessel is a T-boat at 156 feet with 24 passenger capacity. If due to her weight, the LISERON would require a security plan, we request that the Coast Guard include an exemption for the LISERON, noting her peculiar construction/weight and circumstances.

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"Nowhere else on earth is there such an abundance and magnificence of mountains, fjord, and glacier scenery....the Alaska coast is to become the showplace of the earth, and pilgrims, not only from the United States, but from far beyond the seas, will throng in endless procession to see it. Its grandeur is more valuable than the gold or the fish or the timber, for it will never be exhausted." *Henry Gannett, Chief Geographer, Alaska Harriman Expedition, 1899*

With respect to the AIS requirements, we strongly object to them in their current form as applied to small passenger vessels. By virtue of them being "small", income/revenue is necessarily limited. Furthermore, small vessel operators usually operate seasonally, meaning only certain months, not the whole year, restricting revenue even more. Ten thousand dollars is an unreachable amount to an industry whose operators may not profit even half that for their whole working year. For us, a ten thousand dollar expenditure would mean reducing our office and crew employees by a whole 40%, which would mean mothballing one of our two vessels, which would close our doors.

In light of our and most other small operators' routes, this expenditure may be out of proportion for the safety benefit it creates. Our vessels are 156 and 145 feet, but carry only 25 and 24 passengers maximum. Our business started 25 years ago. Our itinerary, including ports, have since remained the same – in and out of bays in Southeast Alaska. At most we are 3 miles from shore (in Chatham Straight). It is only during our repositioning from Puget Sound to Alaska that the AIS requirement questionably applies: at that point, we don't even have passengers on board. (Do the regulations even apply under such circumstances? The language is not clear.) The Coast Guard's own economic analysis of the AIS requirement says, "Strictly upon consideration of monetized safety benefits, as measured through decreased collisions and the resulting decrease in injuries, mortalities, and pollution incidents, the cost of AIS installation for the domestic fleet far outweighs the benefit over a 15-year period (0.26 benefit-cost ratio)." In the past 25 years, we have never had an operation-related injury, mortality or pollution incident and know of only a small handful that have occurred in all those years attributable to small vessel operators of our routes.

For these safety benefit/cost reasons, we oppose, and strongly urge the Coast Guard to reconsider its decision to set the passenger threshold at 50 passengers - particularly when the Federal Register notice for all other parts of the rule uses a threshold of 150 passengers. We urge that the threshold be amended to 150 passengers to avoid the regulatory confusion of two different standards. This would remove some of the most economically vulnerable vessels from the pool of mandatory AIS application and improve (but not fully correct) the negative cost-benefit ratio of this part of the rule.

Sincerely,

Barbara G. McIntosh
Managing Attorney
The Boat Company

cc: Ed Welch, Legislative Director, Passenger Vessel Association