



**CRUISE LINES
INTERNATIONAL
ASSOCIATION, INC.**

STATEMENT OF

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ON

CRIME AGAINST AMERICANS ON CRUISE SHIPS

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON TRANSPORTATION AND

INFRASTRUCTURE

SUBCOMMITTEE ON COAST GUARD AND MARITIME

TRANSPORTATION

ON

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Good morning Mr. Chairman and members of the Subcommittee. My name is Terry Dale. I am the President and Chief Executive Officer of the Cruise Line International Association (CLIA). Thank you for the opportunity to present testimony on behalf of our membership.

CLIA is North America's largest cruise industry organization with a membership of 21 cruise lines, 16,500 travel agencies and 100 Executive Partners, the industry's strategic business allies. CLIA participates in the regulatory and policy development process while supporting measures that foster a safe, secure and healthy cruise ship environment. It also provides travel agent training, research and marketing communications to promote the value and desirability of cruise vacations.

Also here to support the industry today are senior executives from our travel industry partners: The American Society of Travel Agents; the National Association of Cruise Oriented Agencies; Vacation.com; and Cruise Shoppes. Together with CLIA's agency membership, this group represents millions of satisfied cruise vacationers. We thank these organizations for their support and are happy to have the travel agent community represented here today. Each of these organizations has provided written submissions to you and I would request that these submissions be included in the record of this hearing.

By way of background, in 2006, CLIA merged with the International Council of Cruise Lines (ICCL), thereby expanding both its membership and mission. CLIA is the industry's advocate on a wide variety of issues, including those involving regulatory and legislative matters.

Before I continue, I would like to offer our sincere condolences to those individuals we heard earlier today, and others who have had such an experience on a cruise ship. Nothing that I say today can take away their grief and pain. Any experience of this type, however rare, causes the industry to redouble its efforts to provide a safe vacation experience. The cruise industry seeks to do the right thing and any lessons learned will be applied to minimize the possibility of such an occurrence happening again.

Today, I am here to emphasize to the members of the Subcommittee several important facts.

Cruising is Safe

The cruise industry's highest priority is to ensure the safety and security of its passengers and crew. I am proud to say that the industry has an enviable record when it comes to safety and security. The U.S. Coast Guard, in a comprehensive report conducted in 1995, emphasized the industry's strong record when stating that passenger vessels are among the safest mode of transportation. I know of no reason for that opinion to have changed in the past decade. We take every opportunity to proactively work with our regulatory agencies in the United States and all over the world to accomplish our common goal of providing a safe and secure vacation experience.

With 12 million passengers cruising each year, the industry goes to great lengths to ensure that its passengers are safe and that they have an enjoyable vacation experience.

A cruise vessel is inherently secure because it is a controlled environment with limited access. In order to maintain this secure environment, cruise lines have established strict security procedures and access to our vessels is strictly enforced. Heightened security measures are standard for cruise ships today and include passenger screening procedures similar to those found at U.S. airports including the use of metal detectors.

Cruising is one of the most popular vacation options, in large part because of its excellent safety record and the high level of service provided on board cruise vessels. The cruise industry is committed to providing a secure environment for its passengers. We will continue to work with all appropriate federal and state agencies to ensure the safety and well-being of all passengers embarking on a cruise vacation.

The Cruise Industry Cares about its Passengers

A strong statement regarding the cruise industry's commitment to the safety and security of its passengers comes from the passengers themselves. Cruise passengers have a total satisfaction rate of 95%, including nearly 45% stating an extremely satisfying experience which is the highest satisfaction rating of any other vacation option they have experienced. In addition, the latest statistics indicate that 54% of the industry's passengers are past cruisers. These statistics are based on a 2006 MarketProfile Study¹ conducted by TNS Research on behalf of CLIA every two years. This survey asks passengers to rate their overall satisfaction with their cruise vacation, as compared to other vacation options. We believe that this is a strong indicator that an overwhelming majority of our passengers have had a safe, secure, and enjoyable cruise experience.

The Cruise Industry Has Zero Tolerance for Crime

The cruise industry takes all allegations and incidents of crime on board its vessels seriously and reports them to the proper authorities. While even one incident that occurs on a passenger vessel is one too many, the industry has a strong commitment to ensure the safety and security of all its passengers, regardless of where they may be sailing.

To further demonstrate this commitment, I am pleased to announce today a formal agreement between CLIA, the Federal Bureau of Investigation, and the U.S. Coast Guard. This agreement further clarifies reporting procedures for all serious violations of U.S. law alleged to have occurred aboard cruise ships and outlines the jurisdiction that the U.S. has over crimes committed aboard cruise vessels.

Under these agreed upon procedures, CLIA members will continue to report to the FBI incidents or allegations of all violations of U.S. law. The agreement stipulates that the reporting of all such serious incidents shall be by immediate telephonic communication.

¹ The MarketProfile Study can be found in Attachment 1.

The agreement also stipulates that telephonic report will be followed by written reports of all alleged felonies occurring on board the ship.

The agreement standardizes the industry's existing practice of reporting all unlawful acts as required by U.S. laws adopted in 1998 and published in the Code of Federal Regulations (Title 33 CFR Part 120). We have also sought this agreement to further the industry's own Zero Tolerance for Crime Policy adopted in 1999. The agreement is in accordance with the reach of federal criminal jurisdiction to crimes against Americans on the high seas and even in foreign waters found in Title 18 of the United States Code as part of the "special maritime and territorial jurisdiction of the United States." Let there be no doubt that we continue to be fully committed to bringing perpetrators of crimes on cruise ships to justice wherever and whenever they may occur.

Let me hasten to add, Mr. Chairman, that the industry is willing to work with this Committee as well as U.S. law enforcement agencies to further clarify the laws or regulations dealing with the reporting of crime aboard cruise vessels to whatever extent is needed.

A more detailed explanation of the laws and regulations governing this important matter will be provided in the testimony of Larry Kaye, Counsel to the CLIA Board of Directors.

Mr. Chairman, this is not the first time that the industry has taken steps to ensure the safety and security of its passengers. As just referenced, the 1999 Zero-Tolerance Policy for crimes stipulated that our cruise line members would report crimes involving Americans *on all voyages*, even those that do not touch a U.S. port.

In an effort to formalize this industry policy, the industry entered into discussions with FBI's Southern District in Florida. These discussions resulted in the issuance in January 2000, of an FBI Memorandum, entitled "Crimes on the High Seas - Criminal Conduct on Board Ships Upon the High Seas." This memorandum established reporting guidelines for the cruise industry to follow and defined reportable crimes for incidents aboard ships sailing to and from the United States.

We consider reviewing our security practices as an ongoing process, and in fact, every 60 days CLIA's security committee meets with a number of law enforcement agencies of the United States to ensure that our practices and procedures are appropriate, relevant, and complementary to those of the United States government. These agencies include the U.S. Coast Guard, U.S. Navy, Customs and Border Protection, the FBI, Department of Homeland Security, among others.

Again let me emphasize Mr. Chairman, that cruise ships are extremely safe. Regardless, even one unfortunate incident involving our passengers is one too many. For an industry that carries 12 million passengers annually, our security record demonstrates the importance we place on each and every passenger who chooses to take a cruise vacation.

The Industry has Comprehensive Security Measures in Place

The industry's onboard and shoreside security practices are governed by the International Ship and Port Facility Security Code (ISPS). This international instrument was adopted worldwide in 2002, and applies to all commercial vessels in international commerce. The ISPS code was patterned after U.S. Coast Guard procedures that had been adopted in 1996 for passenger vessels operating from U.S. ports. These include:

- Each vessel must have a security officer and trained security staff whose duties are solely to provide onboard security for the passengers, crew and vessel, as well as a corporate security officer. The gentlemen sitting beside me are corporate security officers for the cruise lines as well as veterans of the Federal Bureau of Investigation.
- Every crewmember has as a collateral duty and responsibility to look out for the security of the passengers and crew.
- Each cruise ship has embarkation and debarkation controls including biometric verification to ensure the integrity of the passenger and crew manifests.
- Everything and everyone coming onto the vessel is screened to protect against explosives or contraband.
- All passenger and crew manifests are electronically submitted to U.S. authorities prior to departure from and before arrival to the United States. These lists are screened against U.S. law enforcement databases.

All crewmembers employed aboard our vessels are recruited from licensed recruiting offices in their home of record. In addition they are required to obtain U.S. visas for working on vessels operating to or from the United States, and subject to the attendant U.S. background check for issuance of a visa.

Additionally, CLIA member lines have trained staff to support families and individuals during emergency situations. In the past year, many of our member lines have strengthened their guest support teams both on board and shoreside to aid in grief and trauma counseling and ensure individuals and families receive proper assistance and special arrangements. In addition, onboard security staff receive routine and comprehensive training from agencies such as the FBI in evidence collection and crime scene preservation.

CLIA and a majority of its member lines have further demonstrated their commitment to ensuring the safety and security of its passengers through onboard medical facilities. All CLIA members that have ships traveling regularly on itineraries beyond territorial waters of coastal states meet these qualifications. In 1995, CLIA and its member lines formed a Medical Facilities Working Group to develop industry-wide guidelines for the facilities, staffing, equipment and procedures in medical infirmaries on cruise ships. This industry

group worked with the American College of Emergency Physicians (ACEP), the nation's leading and largest professional organization of such specialists, representing over 20,000 practicing emergency and other physicians in the U.S. and abroad. ACEP's Section of Cruise Ship and Maritime Medicine, is specifically dedicated to training, education and research in the advancement of shipboard medical care.

In 1996, both AECOP and CLIA published medical facilities guidelines. Included in these guidelines are procedures regarding 24-hour medical services and staff. Medical facility personnel are board certified or hold equivalent international certification, or have general practice and emergency or critical care experience. Personnel must also be conversant in English, possess a current valid medical license, and have three years of clinical experience, including minor surgical skills.

Statistics Demonstrate the Industry's Commitment to Safety

Dr. James Alan Fox, Ph.D., is a nationally renowned criminologist from Northwestern University who testified last year before the House Subcommittee on National Security, Emerging Threats and International Relations on the incidence of crime in the cruise industry.² He concluded "While virtually no place – on land or sea – is totally free of risk, the number of reported incidents of serious crime from cruise lines is extremely low, no matter what benchmark or standard is used."

In order to compare the cruise ship crime rate with that on land, Dr. Fox has annualized the cruise ship population. Passengers are assumed to average one week on board, the typical length of a cruise, while crewmembers are counted year-round. The total average passenger head count per year between 2003 and 2005 was 10,356,000. When you divide that number by 52 weeks, the annualized cruise ship passenger population during any week-long period of exposure is 199,154. Add to that the total number of crewmembers on our ships at any given time of 100,000, and the cruise industry had a total annualized ship population of 299,154.

Dr. Fox next compared, for the years 2003-2005, the average number of "forcible rapes" on land with "sexual assaults" on ships per every 100,000 people. There were on average 59 sexual assault incidents total per year in the cruise industry population of 299,154, as compared with 93,883 forcible rapes alone on land in the U.S. out of a landside population of 290,788,987. Thus the landside rate of such incidents per every 100,000 people was 32.3 as compared with 19.8 per 100,000 on cruise ships. The same analysis in the context of robbery yielded a rate of 142.5 per 100,000 on land, as compared to 1.3 for every 100,000 on cruise ships. Dr. Fox also performed the same comparison for cities and towns (called "Metropolitan Statistical Areas" or "MSAs") of the same approximate size as the cruise ship population (250,000 to 300,000 total size) to see if there was any significant difference. That comparison yielded a landside rate of 38.2 forcible rapes per 100,000 vs. 19.8 sexual assaults in the cruise industry, making the cruise industry statistics even more favorable when compared to like size MSAs.

² Fox's previous testimony can be found in Attachment 2.

Two points underscore these favorable comparisons. First, the category of “forcible rape” (including attempts) under the FBI definition used in the Uniform Crime Reports is much narrower than the category of *all alleged* “sexual assaults” in the cruise industry, which include other types of sexual offenses. Second, the Uniform Crime Reports track *cases* which have led to the opening of an investigative file, whereas the cruise industry number of sexual assaults includes all *allegations*. Therefore, the gap between the 32.3 rate per 100,000 in the U.S. and 19.8 per 100,000 in the cruise industry is significantly understated.

When Dr. Fox compared the offense rate on land for rape and other sex crimes with the rate of all alleged sexual assaults at sea, the cruise ship rate is more than 85% lower. In other words, the rate per 100,000 in the U.S. is 146.7 vs. 19.8 in the cruise industry. The rate per 100,000 in comparable MSAs is 171.9 vs. 19.8 in the cruise industry.

I would also like to address one particular area of concern that has been raised in conjunction with this hearing. Recently, some have questioned the crime statistics that the cruise lines provided to then-Chairman Shays’ Subcommittee a year ago. The cruise lines fully cooperated with Congress and their reporting was honest and accurate. Our industry stands firmly by that data.

The statistics reported to Congressman Shays’ Subcommittee and those provided in unrelated, industry court cases are different. They are different because the questions that were asked were different.

Congressman Shays’ Subcommittee requested data from our industry covering a specific three-year period, January 2003 through December 2005. He specifically asked for data on robberies, sexual assaults and missing persons. The term “sexual assault” does not have a uniform definition within the federal or state statutes. Since that category was not defined for us in Congressman Shays’ request, we consulted with his staff and reached the conclusion that we should base our responses on the federal statutory definitions that most closely related to these terms. These definitions also most closely followed relevant state definitions and could provide meaningful statistics. This also provided statistics that could better be compared to land-based settings (although our figures are more comprehensive than those on land). The industry’s written and verbal responses to Representative Shays clearly set forth not only all the information he requested but also our reliance on these federal definitions.

Disclosures made in civil litigation involving our industry have been much broader in both time and scope. In some cases the data provided in civil litigation covered many, many years – a decade perhaps. Similarly, the data provided in these court cases has included a myriad of information: allegations of sexual assaults, and lesser events such as nonconsensual touching, harassment, guests verbally pestering one another and so forth.

In examining these statistics, the Committee should also be aware that the way our industry measures such incidents exaggerates their importance when compared to land-

based figures. That is because most land-based statistics are calculated only after preliminary law enforcement investigations and the opening of an investigative file, whereas our statistics are based on allegations regardless of such law enforcement review.

For these reasons, the statistics are vastly different, and comparing these vastly different groups of information would be like comparing apples to oranges. In spite of all these issues, one fact remains steadfast, our industry reports all allegations of crime onboard our ships to the FBI. We are aware of no other industry in the United States, or elsewhere in the world, that provides such a reliable and comprehensive scale and scope of reporting to law enforcement. Similarly, we are unaware of another situation in the United States where our country's finest federal agents, working in close coordination with our best federal prosecutors, are the primary point of contact for land-based allegations of crimes like the ones we report.

The Industry has a Significant Economic Impact on the United States

Lastly, it is important to highlight the economic impact the cruise industry has on the United States. The North American cruise industry generated \$32.4 billion into the U.S. economy in 2005, contributing to every state's local economy. This supported more than 330,000 jobs nationwide paying a total of \$13.5 billion in wages and salaries to Americans.

U.S. ports handle approximately 75 percent of all global cruise embarkations. In 2005, more than 8.6 million cruise passengers boarded their cruise from ports in the United States. Worldwide embarkations totaled 11.5 million.

On a local level for the 30 U.S. homeport cities, or where cruise ship passengers regularly embark and disembark from their cruises, there are significant economic advantages. On average, a 2,000-passenger ship with 950 crewmembers generates approximately \$258,000 in onshore spending in a U.S. homeport city. Approximately one third of cruise passengers stay one or more nights in a port city pre- or post-cruise and spend approximately \$250 per visit on hotel stays, local dining and shopping.

The 2005 Cruise Industry Economic Study Executive Summary can be found in Attachment 3 and list of Executive Partners, CLIA's foremost business partners supplying good and services to the industry, in Attachment 4.

Before I conclude, I would also like to acknowledge the cruise industry's efforts to be a socially responsible partner in all areas of our business. Specifically highlighting the environment, the cruise industry has learned from its past and is now the leader of environmental practices and technologies in the worldwide maritime community. As a requirement of CLIA membership, cruise lines agree to the industry waste management practices and procedures, which meet or exceed U.S. and international laws. Our members are adopting and testing the latest technologies to reduce our environmental footprint and to be a part of the solution. The industry also is a partner with Conservation

International to protect biodiversity in top cruise destinations and promote industry practices that minimize the cruise industry's environmental impact.

Conclusion

In conclusion, Mr. Chairman, the 21 member lines of CLIA demonstrate a strong commitment to doing the right thing, of which a highest priority is ensuring the safety and security of our passengers. It is our sincere hope that we have demonstrated how seriously we take this job, and how we are constantly seeking ways to ensure the safety of our passengers. Our future depends on satisfied passengers and enjoyable vacations.

I would again like to offer my sympathies and heartfelt remorse for those people that have experienced otherwise. It is our challenge, and indeed our mandate, to reduce those incidents to as near to zero as we can, and to take action to mitigate the effects of those incidents when they do occur. We are constantly reviewing industry practices and procedures and will apply any lessons that can be learned.

I know the senior management of our industry would unanimously pledge that those goals are their highest priority.

I will be happy to answer any questions you may have.

