Passenger Vessel Association
103 Oronoco Street, Suite 200
Alexandria, VA 22314
Phone (703) 518-5005
FAX (703) 518-5151
Toll Free 1-800-807-8360
pvainfo@passengervessel.com
www.passengervessel.com

March 7, 2025

The Honorable Sean Duffy
Secretary
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, D.C. 20590

Dear Secretary Duffy:

On behalf of the Passenger Vessel Association (PVA), I respectfully urge you to lift the current pause on processing Capital Construction Fund (CCF) applications. This pause has created significant challenges for our members, hindering their ability to modernize and expand their fleets.

PVA is the national trade association representing owners and operators of U.S.-built, U.S.-crewed, and U.S.-flagged passenger vessels of all types. Our members include operators of public and private ferries (both passenger and vehicle), dinner cruise and sightseeing boats, sailing schooners, whale-watching and nature excursion vessels, and small overnight cruise vessels. Large foreign-flagged oceangoing cruise ships are not part of our membership.

In addition to vessel operators, PVA's associate members provide critical goods and services to the industry. These include shipyards, naval architects, marine engine manufacturers, insurers, and suppliers of essential maritime products such as navigation systems, fire protection equipment, and communication technology.

Since Congress expanded the CCF program in 2022 to include all private operators of U.S.-flagged passenger vessels, it has been a vital tool for our industry. Administered by the Maritime Administration (MARAD), the CCF supports the growth and modernization of the U.S. maritime sector by encouraging investment in new vessel construction, reconstruction, and acquisition through forward-thinking tax incentives. It does so without government subsidies.

The program allows private vessel operators to deposit income from their operations into a MARAD-approved, tax-deferred CCF account—a kind of maritime IRA. Funds deposited, along with any accrued interest, are shielded from tax liability, provided they are later used to acquire, construct, or reconstruct U.S.-flagged commercial vessels built in American shipyards.

More than a quarter of all CCF program participants are passenger vessel operators, and interest in the program continues to grow. However, the current pause threatens to undermine this momentum, discouraging participation at a time when the maritime industry urgently needs support.

Mr. Secretary, on behalf of the nation's passenger vessel operators, I strongly urge you to lift this pause and resume processing both new applications and existing accounts without further delay.

I would welcome the opportunity to meet with you to discuss the critical role of the passenger vessel industry in our nation's transportation network and economy. Thank you for your time and consideration.

Sincerely,

Stephen Jones
President, 2025