Regulatory Assessment
for the Final Rule

Documents Required for Travelers Departing From or Arriving in the United States at Sea and Land Ports-of-Entry from within the Western Hemisphere

The Western Hemisphere Travel Initiative Implemented in the Sea Environment

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Acronyms

ANPRM	Advance Notice of Proposed Rulemaking
CBP	US Customs and Border Protection
CLIA	Cruise Lines International Association
DHS	US Department of Homeland Security
FAA	Federal Aviation Administration
FAST	Free and Secure Trade
FR	Federal Register
FTC	Federal Trade Commission
ICCL	International Council of Cruise Lines
INA	Immigration and Nationality Act
IRTPA	Intelligence Reform and Terrorism Prevention Act of 2004
MARAD	Maritime Administration
MMD	Merchant Mariner Document
NAICS	North American Industry Classification System
NPRM	Notice of Proposed Rulemaking
OMB	Office of Management and Budget
RFA	Regulatory Flexibility Act
SENTRI	Secure Electronic Network for Travelers Rapid Inspection
TIA	Travel Industry Association
USCIS	United States Citizenship and Immigration Services
VSL	Value of a Statistical Life
WHTI	Western Hemisphere Travel Initiative
WTTC	World Trade and Tourism Council

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Preface

This final rule implementing the second phase of the Western Hemisphere Travel Initiative (WHTI) for entries by land and sea is considered to be an economically significant regulatory action under Executive Order 12866 because it may result in the expenditure of over $100 million in any one year. Accordingly, this rule has been reviewed by the US Office of Management and Budget (OMB). The following summary presents the costs and benefits of requirements for US citizens entering the United States from other countries in the Western Hemisphere by land and sea, plus the costs and benefits of several alternatives considered during the rulemaking process.

The proposed rule for implementation of WHTI in the land and sea environments was published June 26, 2007 (72 FR 35088). The US Department of Homeland Security (DHS) and the US Department of State received approximately 1,500 comments to the proposed rule. Responses to these comments are contained in the preamble to the final rule.

The regulatory assessments summarized in this preface consider US travelers entering the United States via land ports-of-entry on the northern and southern borders (including arrivals by ferry and pleasure boat) as well as certain cruise ship passengers. Costs to obtain the necessary documentation for air travel were considered in a previous analysis examining the implementation of WHTI in the air environment (the Regulatory Assessment for the November 2006 Final Rule for implementation of WHTI in the air environment can be found at www.regulations.gov; document number USCBP-2006-0097-0108). If travelers have already purchased a passport for travel in the air environment, they would not need to purchase a passport for travel in the land or sea environments. We do not attempt to estimate with any precision the number of travelers who travel in more than one environment, and, therefore, may have already obtained a passport due to the air rule and will not incur any burden due to this rule. To the extent that the three traveling populations overlap in the air, land, and sea environments, we have potentially overestimated the direct costs of the rule presented here.

The period of analysis is 2005–2018 (14 years). We calculate costs beginning in 2005 because although the suite of WHTI rules was not yet in place, the State Department experienced a dramatic increase in passport applications since the WHTI plan was announced in early 2005. We account for those passports obtained prior to full implementation to more accurately estimate the economic impacts of the rule as well as to incorporate the fairly sizable percentage of travelers who currently hold passports in anticipation of the new requirements. The period of analysis ends in 2018, which is 10 years from the initial implementation phase of WHTI in the land and sea environments (summer 2009).

In addition to the traditional passport book, the Secretary of Homeland Security is designating the passport card, CBP trusted traveler cards (NEXUS, SENTRI, FAST), the Merchant Mariner Document (MMD), and specified documents from DHS-approved enhanced driver's license programs as acceptable travel documents for US citizens to enter the United States at land and sea ports-of-entry. Because DHS and the State Department believe that children under the age of 16 pose a low security threat in the land and sea environments, US children may present a birth certificate in lieu of the designated documents. Additionally, DHS and the State Department have determined that waiving certain cruise passengers from a passport requirement is the best approach to balance security and travel efficiency considerations in the cruise ship environment. To meet the cruise waiver, a passenger must board the cruise ship at a port or place within the United States and the passenger must return on the same ship to the same US port or place from where he or she originally departed.

For the summary of the analysis presented here, CBP assumes that only the passport, trusted traveler cards, and the MMD were available in the first years of the analysis (recalling that the period of analysis begins in 2005 when passport cards and enhanced driver's licenses were not yet available). CBP also assumes that most children under 16 will not obtain a passport or passport card but will instead use alternative documentation (birth certificates). The estimates reflect that CBP trusted traveler cards will be accepted at land and sea ports-of-entry. Finally, CBP assumes that most of the US cruise passenger population will present alternative documentation (government-issued photo ID and birth certificate) because they meet the waiver criteria in the rule.

To estimate the costs of the rule, we follow this general analytical framework—

- Determine the number of US travelers that will be covered
- Determine how many already hold acceptable documents
- Determine how many will opt to obtain passports (and passport cards) and estimate their lost "consumer surplus"
- Determine how many will forgo travel instead of obtaining passports or passport cards and estimate their lost "consumer surplus"

We estimate covered land travelers using multiple sources, including: crossing data from the Bureau of Transportation Statistics (BTS, 2004 data), a study of passport demand conducted by the State Department (completed in 2005), and a host of regional studies conducted by state and local governments and academic research centers.

Other than the State Department's passport demand study, no source exists to our knowledge that has estimated the total number of land entrants nationwide. Researchers almost always count or estimate *crossings*, not *crossers* and focus on a region or locality, not an entire border. Building on the work conducted for the State Department's passport study, we distilled approximately 300 million annual crossings into the number of frequent (defined as at least once a year), infrequent (once every 3 years), and rare (once every 10 years) "unique US adult travelers." We then estimate the number of travelers without acceptable documentation and estimate the cost to obtain a document. The fee for the passport varies depending on the age of the applicant, whether or not the applicant is renewing a passport, whether or not the applicant is requesting expedited service, and whether or not the applicant obtains a passport or a passport card. Additionally, we consider the amount of time required to obtain the document and the value of that time. To estimate the value of an applicant's time in the land environment, we conducted new research that built on existing estimates from the US Department of Transportation. To estimate the value of an applicant's time in the sea environment, we use estimates for air travelers' value of time (air and sea travelers share very similar characteristics) from the Federal Aviation Administration (FAA, 2005 data). We use the 2005 State Department passport demand study and CBP statistics on the trusted traveler programs to estimate how many unique US travelers already hold acceptable documents.

We estimate covered cruise passengers using data from the Maritime Administration (MARAD, 2006 data) and itineraries available on the cruise line websites (for 2007). The overwhelming majority of Western Hemisphere cruise passengers—92 percent—would fall under the cruise-passenger waiver. Passengers not covered by the waiver fall into four trade markets—Alaska (72 percent), Trans-Panama Canal (16 percent), US Pacific Coast (8 percent), and Canada/New England (4 percent). We estimate that these passengers will have to obtain a passport rather than one of the other acceptable documents because these travelers will likely have an international flight as part of their cruise vacation, and only the passport is a globally accepted travel document. We use a comment to the August 2006 NPRM for implementation of WHTI in the air and sea environments (71 FR 46155) from the International Council of Cruise Lines to estimate how many unique US cruise travelers already hold acceptable documentation.

Based on CBP's analysis, between 0.7 million and 5.0 million unique US travelers without WHTI-compliant documentation desire trips across the border each year between the time WHTI was first announced (2005) and its implementation date (2009). Note that the analysis anticipates a significant number of travelers will obtain WHTI-compliant documents in 2005 through 2008, prior to the implementation of the rule. In addition, travelers who only make trips in the first half of 2009 will not be required to comply with the rule. Of these travelers, the majority enter through a land-border crossing (via privately owned vehicle, commercial truck, bus, train, on foot) and ferry

and recreational boat landing sites. In each year, between 0.1 million and 0.3 million are cruise passengers who do not meet the waiver criteria (note that over 90 percent of US cruise passengers are expected to meet the waiver criteria). CBP estimates that the traveling public will acquire between 0.6 million and 4.5 million passports each year, at a direct cost to traveling individuals of $86 million to $417 million annually (in undiscounted terms). These estimates are summarized in Table A.

Table A. Affected travelers, passports demanded, and costs leading up to WHTI implementation (all estimates in millions, undiscounted)

Affected Travelers	2005	2006	2007	2008	2009
Land/ferry/pleasure boat crossers	2.9	0.8	0.4	4.8	3.5
Cruise passengers	0.3	0.3	0.3	0.2	0.1
Total	3.3	1.1	0.7	5.0	3.6
Passports demanded					
Land/ferry/pleasure boat crossers	2.7	0.8	0.4	4.4	3.2
Cruise passengers	0.3	0.3	0.2	0.2	0.1
Total	3.0	1.0	0.6	4.5	3.2
Total cost of passports					
Land-border crossers	$371	$105	$52	$373	$271
Cruise passengers	46	40	34	27	11
Total	$417	$146	$86	$399	$283

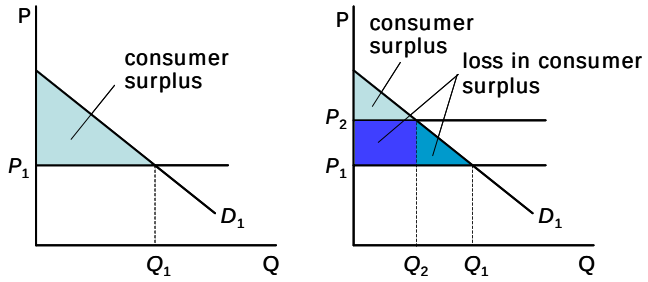
Details may not sum to totals due to independent rounding.

To estimate potential forgone travel in the land environment, we derive traveler demand curves for access to Mexico and Canada based on survey responses collected in the State Department's passport study. We estimate that when the rule is implemented, the number of unique US travelers to Mexico who are frequent travelers decreases by 5.7 percent, the unique US travelers who are infrequent travelers decreases by 6.4 percent, and the unique US travelers who are rare travelers decreases by 15.7 percent. The number of US travelers visiting Canada who are frequent travelers decreases by 3.3 percent, the unique US travelers who are infrequent travelers decreases by 9.5 percent, and the unique US travelers who are rare travelers decreases by 9.6 percent. These estimates account for the use of a passport card for those travelers who choose to obtain one. For unique travelers deciding to forgo future visits, their implied value for access to these countries is less than the cost of obtaining a passport card.

To estimate potential forgone travel in the sea environment, we use a study from Coleman, Meyer, and Scheffman (2003), which described the Federal Trade Commission investigation into potential impacts of two cruise-line mergers and estimated a demand elasticity for cruise travel. We estimate that the number of travelers decreases by 24 percent, 13 percent, 7 percent, and 6 percent for travelers on short (1 to 5 nights), medium (6 to 8 nights),

long (9 to 17 nights), and very long cruises (over 17 nights) once the rule is implemented.

We then estimate total losses in consumer surplus. The first figure below represents US travelers' willingness to pay (D_1) for access to Mexico and Canada. At price P_1, the number of US travelers without passports currently making trips to these countries is represented by Q_1. As seen in the second



figure, if the government requires travelers to obtain a passport or passport card in order to take trips to Mexico and Canada, the price of access increases by the cost of obtaining the new document, to P_2. As a result, the number of travelers making trips to these countries decreases to Q_2.

All travelers in this figure experience a loss in consumer surplus; the size of the surplus loss depends on their willingness to pay for access to these countries. The lost surplus experienced by travelers whose willingness to pay exceeds P_2 is shown in the dark blue rectangle, and is calculated as $(P_2 - P_1) * Q_2$. Travelers whose willingness to pay for access to these countries is less than the price of the passport or passport card will experience a loss equal to the area of the aqua triangle, calculated as $\frac{1}{2} * (Q_1 - Q_2) * (P_2 - P_1)$.

Costs of the rule (expressed as losses in consumer surplus) are summed by year of the analysis. We then add the government costs of implementing WHTI over the period of analysis. Fourteen-year costs are $3.3 billion at the 3 percent discount rate and $2.7 billion at 7 percent, as shown in Table B (next page). Annualized costs are $296 million at 3 percent and $314 million at 7 percent.

Table B. Total costs for US travelers over the period of analysis (2005–2018, in $millions)

Year	Cost	3% discount rate	7% discount rate
2005	$435	$435	$435
2006	153	148	143
2007	91	85	79
2008	493	451	406
2009	431	383	333
2010	352	304	255
2011	270	226	183
2012	235	191	149
2013	235	186	140
2014	290	222	159
2015	314	234	161
2016	250	181	120
2017	225	158	101
2018	201	137	84
Total		$3,340	$2,748

The primary analysis for land summarized here assumes a constant number of border crossers over the period of analysis; in the complete Regulatory Assessment we also consider scenarios where the number of border crossers both increases and decreases over the period of analysis. It is worth noting that border crossings have been mostly decreasing at both the northern and southern borders since 1999. The analysis for sea travel assumes a 6 percent annual increase in passenger counts over the period of analysis as the Western Hemisphere cruise industry continues to experience growth.

Finally, we conduct a formal uncertainty (Monte Carlo) analysis to test our assumptions for the analysis in the land environment. We first conducted a preliminary sensitivity analysis to identify the variables that have the most significant effect on consumer welfare losses. We found that the frequency of travel (frequent, infrequent, rare), crossings at multiple ports-of-entry, projected crossing growth rate, future annual affected individuals, and the amount of time spent applying for documentation were the most sensitive variables in the analysis. The variables that did not appear to have an impact on consumer losses were the estimated number of crossings by Lawful Permanent Residents or Native Americans and estimated future timing with which travelers will apply for acceptable documentation. After we conducted our formal Monte Carlo analysis we found that our most sensitive assumptions are: the projected crossing growth rate, the frequency of travel, and the number of new unique travelers that enter the population annually. The results of the Monte Carlo analysis are presented in Table C. Note that these estimates do not include the government costs of implementation, estimated to be $0.8 billion over the time period of the analysis (3 percent discount rate) because we have no basis for assigning uncertainty parameters for government costs.

Table C. Summary of key characteristics of probability distributions of total welfare losses in the land environment (2005–2018, in $billions), 3 percent discount rate

Statistic	Value
Trials	10,000
Mean	$2.2
Median	$2.1
Std Dev	$0.5
Variance	2.4E+08
5th Percentile	$1.5
95th Percentile	$3.1
Point Estimate	$2.3

We then consider the secondary impacts of forgone travel in the land and sea environments. Forgone travel will result in gains and losses in the United States, Canada, and Mexico. For this analysis, we made the simplifying assumption that if US citizens forgo travel to Canada and Mexico, their expenditures that would have been spent outside the country now remain here. In this case, industries receiving the diverted expenditure in the United States experience a gain, while the travel and related industries in Canada and Mexico suffer a loss. Conversely, if Canadian and Mexican citizens forgo travel to the United States, their potential expenditures remain abroad—a loss for the travel and related industries in the United States, but a gain to Canada and Mexico. Note that "gains" and "losses" in this analysis cannot readily be compared to the costs and benefits of the rule, since they represent primarily transfers in and out of the US economy.

For cruise passengers, we have only rough estimates of where US passengers come from, how they travel to and from the ports where they embark, where they go, and the activities they engage in while cruising. We know even less about how they will alter their behavior if they do, in fact, forgo obtaining a passport. Ideally, we could model the indirect impacts of the rule with an input-output model (either static or dynamic) that could give us a reasonable estimation of the level the impact, the sectors affected, and regional impacts. Unfortunately, given the dearth of data, the assumptions we had to make, the very small numbers of travelers who are estimated to forgo travel, and the fact that much of their travel experience occurs outside the United States, using such a model would not likely produce meaningful results. We recognize, however, that multiple industries could be indirectly affected by forgone cruise travel, including (but not limited to): cruise lines; cruise terminals and their support services; air carriers and their support services; travel agents; traveler accommodations; dining services; retail shopping; tour operators; scenic and sightseeing transportation; hired transportation (taxis, buses); and arts, entertainment, and recreation.

According to the MARAD dataset used for the sea analysis, there are 17 cruise lines operating in the Western Hemisphere, 9 of which are currently

offering cruises that would be indirectly affected by a passport requirement. While we expect that cruise lines will be indirectly affected by the rule, how they will be affected depends on their itineraries, the length of their cruises, their current capacity, and future expansion, as well as by travelers' decisions. We expect short cruises (1 to 5 nights) to be most notably affected because the passport represents a greater percentage of the overall trip cost, passengers on these cruises are less likely to already hold a passport, and travel plans for these cruises are frequently made closer to voyage time. Longer cruises are less likely to be affected because these trips are planned well in advance, passengers on these voyages are more likely to already possess a passport, and the passport cost is a smaller fraction of the total trip cost.

Because border-crossing activity is predominantly a localized phenomenon, and the activities engaged in while visiting the United States are well documented in existing studies, we can explore the potential impacts of forgone travel more quantitatively in the land environment. Using various studies on average spending per trip in the United States, Canada, and Mexico, we estimate the net results of changes in expenditure flows in 2009 (the first year the requirements will be implemented) and subsequent years (note that travel is affected for 7 out of 12 months in 2009, June through December). Because Mexican crossers already possess acceptable documentation to enter the United States (passport or Border Crossing Card), we do not estimate that Mexican travelers will forgo travel to the United States. The summary of expenditure flows is presented in Table D.

Table D. Net expenditure flows in North America, 2009, 2010, and subsequent years (in millions)

2009	
Spending by US travelers who forgo travel to Mexico	+$160
Spending by Mexican travelers who forgo travel to the United States	0
Spending by US travelers who forgo travel to Canada	+60
Spending by Canadian travelers who forgo travel to United States	-400
Net	-180

2010	
Spending by US travelers who forgo travel to Mexico	+280
Spending by Mexican travelers who forgo travel to the United States	0
Spending by US travelers who forgo travel to Canada	+110
Spending by Canadian travelers who forgo travel to United States	-440
Net	-50

Subsequent years (annual)	
Spending by US travelers who forgo travel to Mexico	+280
Spending by Mexican travelers who forgo travel to United States	0
Spending by US travelers who forgo travel to Canada	+110
Spending by Canadian travelers who forgo travel to United States	-330
Net	+60

To examine these impacts more locally, we conduct eight case studies using a commonly applied input-output model (IMPLAN), which examines regional changes in economic activity given an external stimulus affecting those activities. In most of our case studies but one, forgone border crossings attributable to WHTI have a less-than-1-percent impact on the regional economy both in terms of output and employment. The results of these eight case studies are presented in Table E (next page).

As shown, we anticipate very small net positive changes in the southern-border case studies because Mexican travelers to the United States use existing documentation, and their travel is not affected. The net change in regional output and employment is negative (though still very small) in the northern-border case studies because Canadian travelers forgoing trips outnumber US travelers staying in the United States and because Canadian travelers to the United States generally spend more per trip than US travelers to Canada. On both borders, those US travelers that forgo travel do not necessarily spend the money they would have spent outside the United States in the case-study region; they may spend it outside the region, and thus outside the model.

Table E. Modeled distributional effects in eight case studies

		Change as % of total…	
Study area (counties)	State	Output	Employment
San Diego	California	+0.02	+0.03
Pima, Santa Cruz	Arizona	+0.02	+0.02
Hidalgo, Cameron	Texas	+0.1	+0.1
Presidio	Texas	+0.4	+0.4
Niagara, Erie	New York	-0.2	-0.3
Washington	Maine	-1.4	-3.2
Macomb, Wayne, Oakland	Michigan	-0.02	-0.04
Whatcom	Washington	-0.5	-1.3

Finally, because the benefits of homeland security regulations cannot readily be quantified using traditional analytical methods, we conduct a “breakeven analysis” to determine what the reduction in risk would have to be given the estimated costs of the implementation of WHTI (land environment only). Using the Risk Management Solutions US Terrorism Risk Model (RMS model), we estimated the critical risk reduction that would have to occur in order for the costs of the rule to equal the benefits—or break even.

The RMS model has been developed for use by the insurance industry and provides a comprehensive assessment of the overall terrorism risk from both foreign and domestic terrorist organizations. The RMS model generates a probabilistic estimate of the overall terrorism risk from loss estimates for dozens of types of potential attacks against several thousand potential targets of terrorism across the United States. For each attack mode-target

pair (constituting an individual scenario) the model accounts for the probability that a successful attack will occur and the consequences of the attack. RMS derives attack probabilities from a semi-annual structured expert elicitation process focusing on terrorists' intentions and capabilities. It bases scenario consequences on physical modeling of attack phenomena and casts target characteristics in terms of property damage and casualties of interest to insurers. Specifically, property damages include costs of damaged buildings, loss of building contents, and loss from business interruption associated with property to which law enforcement prohibits entry immediately following a terrorist attack. RMS classifies casualties based on injury-severity categories used by the worker compensation insurance industry.

The results in Table F (next page) are based on the annualized cost estimate (assuming a seven percent discount rate) of the rule presented above. These results show that a decrease in perceived risk (the "low risk" scenario generated by RAND to characterize the expected annual losses in the United States from terrorist attacks) leads to a smaller annualized loss and a greater required critical risk reduction for the benefits of the rule to break even with costs. Conversely, an increase in perceived risk (the "high risk" scenario) leads to a greater annualized loss and a smaller required critical risk reduction. The total range in critical risk reduction under the standard threat outlook produced by the RMS model is a factor of three and ranges from 5.5 to 14 percent depending on the methodology used to value the benefits of avoided terrorist attacks (the value of avoided injuries and deaths).

Table F. Critical risk reduction for the rule (7 percent discount rate)

	Critical Risk Reduction (%)		
Valuation methodology	Low	Standard	High
Cost of injury (fatality = $1.1m)	27	14	6.8
Willingness to pay (VSL = $3m)	21	10	5.2
Quality of life (VSL = $3m)	18	8.8	4.4
Willingness to pay (VSL = $6m)	14	7.0	3.5
Quality of life (VSL = $6m)	11	5.5	2.8

Several key factors affect estimates of the critical risk reduction required for the benefits of the rule to equal or exceed the costs. These factors include: the uncertainty in the risk estimate produced by the RMS model; the potential for other types of baseline losses not captured in the RMS model; and the size of other non-quantified direct and ancillary benefits of the rule. The RMS model likely underestimates total baseline terrorism loss because it only reflects the direct, insurable costs of terrorism. It does not include any indirect losses that would result from continued change in consumption patterns or preferences or that would result from propagating consequences of interdependent infrastructure systems. For example, the RMS model does not capture the economic disruption of a terrorism event beyond the immediate insured losses. Furthermore, the model also excludes non-worker casualty losses and losses associated with government buildings and

employees. Finally, the model may not capture less-tangible components of losses that the public wishes to avoid, such as the fear and anxiety associated with experiencing a terrorist attack. Omission of these losses will cause us to overstate the necessary risk reductions.

Although the risk reduction associated with the final rule cannot be quantified due to data limitations, a separate analysis conducted by CBP of alternative port-of-entry processing technology investments suggests that reductions in wait time at the border are likely. CBP did not analyze a scenario exactly comparable to the final rule (effects of exempting children, for example, are not explicitly considered). However, CBP's analysis suggests the benefits associated with an alternative implementing standard documents and RFID technology are sufficiently large to offset the costs of WHTI. The change in the magnitude of wait time benefits when children are exempt is unknown.

Alternatives to the rule

CBP considered the following alternatives to the final rule—

1. Require all US travelers (including children) to present a valid passport book upon return to the United States from countries in the Western Hemisphere

2. Require all US travelers (including children) to present a valid passport book, passport card, or CBP trusted traveler document upon return to the United States from countries in the Western Hemisphere.

3. Alternative 2, but without RFID-enabled passport cards.

Calculations of costs for the alternatives can be found in the two Regulatory Assessments for the final rule.

Alternative 1: Require all US travelers (including children) to present a valid passport book

The first alternative would require all US citizens, including minors under 16 and all cruise passengers, to present a valid passport book only. This alternative was rejected as potentially too costly and burdensome for low-risk populations of travelers. While the passport book will always be an acceptable document for a US citizen to present upon entry to the United States, DHS and the State Department believe that the cost of a traditional passport book may be too expensive for some US citizens, particularly those living in border communities where land-border crossings are an integral part of everyday life. As stated previously, DHS and the State Department, believe that children under the age of 16 pose a low security threat in the land and sea environments and will be permitted to present a birth certificate

when arriving in the United States at all land and sea ports-of-entry from within the Western Hemisphere. DHS and the State Department have also determined that waiving certain cruise passengers from a passport requirement is the best approach to balance security and travel efficiency considerations in the cruise ship environment.

Alternative 2: Require all US travelers (including children) to present a valid passport book, passport card, or trusted traveler document

The second alternative is similar to the final rule, though it includes children and does not provide a waiver for cruise passengers. While this alternative incorporates the low-cost passport card and CBP trusted traveler cards as acceptable travel documents, this alternative was ultimately rejected as potentially too costly and burdensome for low-risk populations of travelers (certain cruise passengers and minors under 16).

Alternative 3: Require all US travelers (including children) to present a valid passport book, passport card, or trusted traveler document; no RFID-enabled passport card

The third alternative is similar to the second; it just now assumes that the passport card is not enabled with RFID technology. For this analysis, we assume that this does not change the fee charged for the passport card; we assume, however, that government costs to test and deploy the appropriate technology at the land borders to read the passport cards are eliminated. This alternative was rejected because DHS and the State Department strongly believe that facilitation of travel, particularly at the land borders where wait times are a major concern, should be a primary achievement of WHTI implementation.

Table G (next page) presents a comparison of the costs of the final rule and the alternatives considered.

Table G. Comparison of regulatory alternatives (in $millions)

Alternative	14-year cost (7%)	Compared to final rule	Reason rejected
Final rule	$2,748	n/a	
Alternative 1: Passport book only for all US travelers	$6,728	+$3,979	Cost of a passport considered too high for citizens in border communities; low-risk traveling populations (certain cruise passengers, children under 16) unduly burdened
Alternative 2: Passport book, passport card, and other designated documents for all US travelers	$5,751	+$3,003	Low-risk traveling populations (certain cruise passengers, children under 16) unduly burdened
Alternative 3: Passport book, passport card, and other designated documents for all US travelers; no RFID-enabled passport card	$5,340	+$2,591	Low-risk traveling populations (certain cruise passengers, children under 16) unduly burdened, unacceptable wait times at land-border ports of entry

It is important to note that for scenarios where the RFID-capable passport card is acceptable (the final rule and Alternative 2), the estimates include government implementation costs for CBP to install the appropriate technology at land ports-of-entry to read RFID-enabled passport cards and the next generation of CBP trusted traveler documents. These technology deployment costs are estimated to be substantial, particularly in the early phases of implementation. As a result, the alternatives allowing more documents than just the passport book result higher government costs over 14 years than alternatives allowing only the passport book or the passport card that is not RFID-enabled, which can be processed with existing readers that scan the passport's machine-readable zone. Providing waivers for minors and most cruise passengers results in notable cost savings over 14 years (about $2.5 billion to $4.0 billion depending on the documents considered).

Accounting statement

As required by OMB Circular A-4, CBP has prepared an accounting statement showing the classification of the expenditures associated with this rule. The table below provides an estimate of the dollar amount of these costs and benefits, expressed in 2005 dollars, at 7 percent and 3 percent discount rates. We estimate that the cost of this rule will be approximately $314 million annualized (7 percent discount rate) and approximately $296 million annualized (3 percent discount rate). Non-quantified benefits are enhanced security and efficiency.

Accounting statement: classification of expenditures, 2005–2018 (2005 Dollars)

	3% Discount Rate	7% Discount Rate
Costs		
Annualized monetized costs	$296 million	$314 million
Annualized quantified, but un-monetized costs		
Qualitative (un-quantified) costs	Indirect costs to the travel and tourism industry	Indirect costs to the travel and tourism industry
Benefits		
Annualized monetized benefits	None quantified	None quantified
Annualized quantified, but un-monetized benefits	None quantified	None quantified
Qualitative (un-quantified) benefits	Enhanced security and efficiency	Enhanced security and efficiency

Executive Summary

This Regulatory Assessment analyzes the final rule that is the second phase of a joint Department of Homeland Security (DHS) and State Department plan to implement the *Western Hemisphere Travel Initiative*, or WHTI. This rule states that, beginning in June 2009, United States citizens and nonimmigrant aliens from Canada, Bermuda, and Mexico entering the United States at land and sea ports-of-entry from Western Hemisphere countries will be required to present a valid passport, passport card, or other acceptable document in circumstances where travel was previously permitted without such a document. This rule will not change the requirements for United States citizens and nonimmigrant aliens from Canada, Bermuda, and Mexico entering the United States at air ports-of-entry, which were addressed in a final rule that was published November 24, 2006 (71 FR 68412).

The analysis presented herein considers the economic impacts to travelers in the sea environment. A separate analysis published concurrently with this analysis considers impacts in the land environment, including ferry passengers and pleasure boaters (also see the Preface beginning on page I).

Under the final rule, a US citizen traveling on a cruise ship within the Western Hemisphere would be permitted to present a government-issued photo identification in combination with a birth certificate when arriving in the United States under certain conditions—

- The passenger must board the cruise ship at a port or place within the United States, and
- The passenger must return on the same ship to the same US port or place from where he or she originally departed

All passengers arriving on cruise ships that originate at foreign ports or places must present travel documents that comply with applicable document requirements specified in the rule when arriving in the United States. For most US travelers, the Secretary of DHS has designated the following documents acceptable in the sea environment: the passport, the passport card, US Customs and Border Protection (CBP) trusted traveler documents issued under the NEXUS, SENTRI, and FAST programs, and the Merchant Mariner's Document (MMD). Additionally, children under 16 years of age may present a birth certificate in lieu of one of the designated travel documents. DHS, in consultation with the State Department, has determined that these waivers are the best means to balance security and travel efficiency considerations in the cruise ship environment.

We estimate that 9.7 million passengers embarked or debarked on cruises in North America in 2005 (the first year of this analysis). Of these, 9.2 million fall under WHTI (the remaining 0.5 million passengers do not fall under WHTI because they are already required to carry a passport or they take domestic

cruises that would not be affected by a WHTI document requirement). Of these 9.2 million passengers, we that 8.3 million of them (90 percent) are US citizens. Of these 8.3 million US citizens, we estimate that 706,000 (9 percent) of them would not fall under the waiver criteria above because they are on “one-way” voyages (the passengers do not embark and debark at the same US port) or because they are on “round-trip” cruises that embark and debark from a port outside the United States. Of these 706,000 passengers, 120,000 (17 percent) are under the age of 16; the remaining 586,000 are adults.

Foreign crewmembers and US Merchant Mariners will be required to present passports or MMDs when arriving in the United States. According to the National Maritime Center, there are approximately 205,000 MMD holders, though not all of these holders are working currently. US mariners have needed passports for international travel since the mid 1980s, and these mariners are eligible for “no fee” passports issued by the State Department. For foreign crew, we assume that they already hold passports due to the international nature of their work. Thus, these populations should not be affected by WHTI.

For this analysis, we estimate the costs for adult cruise passengers to obtain traditional passport books. As stated previously, DHS is designating the passport card and CBP trusted traveler cards as acceptable documents for cruise travel in the Western Hemisphere. *This analysis in no way precludes cruise passengers from using a passport card or any of the CBP trusted traveler cards for cruise travel.* We estimate the costs for passengers to obtain a passport book rather than the alternative documents, however, because we believe that most of the affected passengers will need to fly to their embarkation port or from their destination port (or both), and at least one of these ports is likely to be outside the United States. The passport card has not been designated for use in the air environment and only the NEXUS card can be used in the air environment; affected passengers, therefore, will likely need to obtain passports books in order to travel by air as part of their cruise vacation. Additionally, we should note that although not explicitly accounted for, at least some of these passengers would have been captured in the analysis for WHTI implemented in the air environment. We cannot discern from available data who in the air environment is traveling as part of a cruise vacation. This analysis explores what the costs of this portion of the rule are if these passengers were not captured in the analysis for WHTI in the air environment.

Most of the affected passengers, an estimated 60 percent, already hold acceptable documents to travel in the Western Hemisphere. Thus, we estimate that 343,000 adult US cruise passengers will be affected by the rule in the first year of analysis (2005). The direct costs for passengers to obtain passports to travel on cruise ships are presented in Table 1 (next page).

Table 1. Total passport costs for affected adult US cruise travelers (2005–2018, in millions)

	Total covered adult US cruisers	Total affected adult US cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	0.59	0.34	-0.04	0.30	$45.80	$45.80	$45.80
2006	0.62	0.30	-0.04	0.26	40.22	37.59	39.05
2007	0.66	0.25	-0.03	0.22	33.81	29.53	31.87
2008	0.70	0.20	-0.03	0.17	26.92	21.97	24.64
2009	0.74	0.08	-0.01	0.07	11.23	8.57	9.98
2010	0.78	0.08	-0.01	0.07	10.68	7.61	9.21
2011	0.83	0.08	-0.01	0.07	11.33	7.55	9.49
2012	0.88	0.09	-0.01	0.08	12.01	7.48	9.77
2013	0.93	0.09	-0.01	0.08	12.73	7.41	10.05
2014	0.99	0.10	-0.01	0.09	13.49	7.34	10.34
2015	1.05	0.10	-0.01	0.09	14.30	7.27	10.64
2016	1.11	0.11	-0.01	0.10	15.16	7.20	10.95
2017	1.18	0.12	-0.01	0.10	16.07	7.14	11.27
2018	1.25	0.12	-0.02	0.11	17.03	7.07	11.60
Total						$209.53	$244.65
Annualized cost						$22.39	$21.03

As shown, the period of analysis is 2005–2018 (14 years). We calculate costs beginning in 2005 because although the suite of WHTI rules was not yet in place then, the State Department experienced a dramatic increase in passport applications since the WHTI plan was announced in early 2005. We account for those passports obtained prior to full implementation to more accurately estimate the economic impacts of the rule as well as to incorporate the fairly sizable percentage of travelers who currently hold passports in anticipation of the new requirements (which, for sea travel, were originally proposed to become effective in January 2007 then in January 2008). The period of analysis ends in 2018, which is 10 years from the initial implementation phase of WHTI in the land and sea environments. This also maintains consistency with the methodology employed in the analysis for implementation of WHTI in the land environment, which is being published concurrently with this analysis.

The first year of implementation (2009), passport costs are approximately $11 million, with an estimated 70,000 passports demanded. The discounted costs over the period of analysis (2005–2018) are $210 million (7 percent discount rate) and $245 million (3 percent discount rate). Annualized costs are approximately $20 million (7 and 3 percent discount rates). An estimated 30,000 to 40,000 affected adult passengers (12 percent) would forgo obtaining a passport, and thus their particular cruise travel, in the first years the rule is in effect. That percentage would drop to about 10 percent in later years. While 12 percent is a significant portion of the affected passengers, the number of passengers who forgo travel is only 7 percent of the 586,000

covered adult US cruisers and less than 1 percent of the 9.2 million cruisers in the Western Hemisphere in 2005.

Those passengers who chose not to obtain a passport would experience a welfare loss that would be less than the cost of obtaining a passport. The welfare losses in the first year of implementation would then total $ million, a difference of $3 million from the costs estimate presented in Table 1. Total welfare losses for the rule are presented in Table 2. Annualized total losses are $22 million (7 percent discount rate) and $21 million (3 percent discount rate).

Table 2. Total losses for affected adult US cruise travelers (2005–2017, in millions)

	Passport costs (un-discounted)	Passports forgone	Welfare losses (un-discounted)	Total losses (un-discounted)	Total losses (7%)	Total losses (3%)
2005	$45.80	0.04	$3.06	$48.86	$48.86	$48.86
2006	40.22	0.04	2.70	42.92	40.11	41.67
2007	33.81	0.03	2.29	36.10	31.53	34.03
2008	26.92	0.03	1.86	28.77	23.49	26.33
2009	11.23	0.01	0.82	12.05	9.19	10.70
2010	10.68	0.01	0.70	11.38	8.12	9.82
2011	11.33	0.01	0.74	12.07	8.04	10.10
2012	12.01	0.01	0.78	12.79	7.96	10.40
2013	12.73	0.01	0.83	13.56	7.89	10.70
2014	13.49	0.01	0.88	14.37	7.82	11.01
2015	14.30	0.01	0.93	15.23	7.74	11.33
2016	15.16	0.01	0.99	16.15	7.67	11.66
2017	16.07	0.01	1.05	17.11	7.60	12.00
2018	17.03	0.02	1.11	18.14	7.53	12.35
Total					$223.55	$260.96
Annualized welfare losses					$23.89	$22.43

If US travelers forgo cruise travel as a result of the rule, we would expect these industries to be indirectly affected (this list is not intended to be exhaustive)—

- Cruise lines
- Cruise terminals and their support services
- Air carriers and their support services
- Travel agents
- Traveler accommodations
- Dining services

— Retail shopping

— Tour operators

— Scenic and sightseeing transportation

— Hired transportation (taxis, buses)

— Arts, entertainment, and recreation

There are 17 cruise lines currently operating in the Western Hemisphere. Of these, 9 lines are offering cruises in 2007 that would be indirectly affected by a passport requirement. While we expect that cruise lines will be indirectly affected by the rule, how they will be affected depends on their itineraries, the length of their cruises, their current capacity, and future expansion, as well as travelers' decisions. We expect passengers on short cruises (1 to 5 nights) to be most notably affected, and these passengers comprise only 6 percent of the affected market (and less than 1 percent of Western Hemisphere cruises as a whole). Longer cruises are less likely to be affected because these trips are planned well in advance, passengers on these voyages are more likely to already possess a passport, and the passport cost is a smaller fraction of the total trip cost.

If non-cruise vacations are substituted for cruise travel, the industries supporting non-cruise vacations (which are likely to be domestic industries) will gain. We expect that US exports of travel and tourism could be also indirectly affected by the rule if fewer non-US citizens (predominantly Canadians) decide not to embark on cruises to and from the United States. Thus, unquantified gains in domestic consumption will be offset by unquantified losses in travel exports to other countries. In both cases, we expect the gains and losses to be proportionally small as the majority of covered cruisers either already hold or are expected to obtain the necessary travel documents and continue traveling.

The benefits of the rule are increased security in the sea environment attributable to more secure documents. A uniform document standard for some passengers should assist CBP officials in processing entries to the United States because an individual's identity will be easier to ascertain.

In accordance with Executive Order 12866, we considered the following regulatory alternatives.

Alternative 1: All US citizens entering the United States via sea ports-of-entry must present a traditional passport book.

Alternative 1A: Alternative 1, except for US children under 14 years of age, who may instead present a birth certificate, a Consular Record of Birth Abroad issued by the State Department, or a Certificate of

Naturalization issued by the US Citizenship and Immigration Services (USCIS).

Alternative 1B: Alternative 1, except for US children under 16 years of age, who may instead present a birth certificate, a Consular Record of Birth Abroad issued by the State Department, or a Certificate of Naturalization issued by USCIS.

Alternative 2: All US citizens entering the United States via sea ports-of-entry must present a traditional passport book, a passport card, or a CBP trusted traveler card (issued under the NEXUS, SENTRI, or FAST programs); the passport card *is* enabled with Radio Frequency Identification (RFID) technology.

Alternative 2A: Alternative 2, except for US children under 14 years of age, who may instead present a birth certificate, a Consular Record of Birth Abroad issued by the State Department, or a Certificate of Naturalization issued by USCIS.

Alternative 2B: Alternative 2, except for US children under 16 years of age, who may instead present a birth certificate, a Consular Record of Birth Abroad issued by the State Department, or a Certificate of Naturalization issued by USCIS.

Alternative 3: All US citizens entering the United States via sea ports-of-entry must present a traditional passport book, a passport card, or a CBP trusted traveler card (issued under the NEXUS, SENTRI, or FAST programs); the passport card *is not* enabled with RFID technology.

Alternative 3A: Alternative 3, except for US children under 14 years of age, who may instead present a birth certificate, a Consular Record of Birth Abroad issued by the State Department, or a Certificate of Naturalization issued by USCIS.

Alternative 3B: Alternative 3, except for US children under 16 years of age, who may instead present a birth certificate, a Consular Record of Birth Abroad issued by the State Department, or a Certificate of Naturalization issued by USCIS.

As summarized previously, DHS and the State Department are implementing Alternative 2B (in **bold** above) as the option that best meets the programmatic objectives at reasonable costs to affected travelers.

Additionally, the Departments have determined that certain cruise ship passengers will be waived from a passport and passport card requirement (these travelers may use a government-issued ID and a birth certificate).

Because of limitations in the data available for this analysis, we cannot determine how many minors traveling aboard cruise ships are under 14 versus 16 years of age; therefore, we assume that all minors are exempt in this analysis (no distinction in costs between 1A and 1B, between 2A and 2B, or between 3A and 3B). Because minors are a relatively small percentage of cruise travelers overall (17 percent), this shortcoming in the data should not result in a large number of minors being excluded from the analysis in any case. Furthermore, while Alternative 2B is the chosen regulatory alternative, for the purposes of this analysis we assume that affected cruise passengers will obtain a passport book (Alternative 1) rather than a passport card (Alternatives 2 and 3), as described above. Costs for Alternatives 2 (passport cards are RFID-enabled) and 3 (passport cards are not RFID-enabled) would be the same for cruise passengers and sea ports-of-entry because CBP is not installing technology at seaports to read RFID-enabled documents in any case.

A summary of the various regulatory alternatives and their incremental costs is presented in Table 3 (next page). The costs of the rule presented above in Table 2 are shaded. As shown, were cruise passengers indeed able to use a passport card rather than a passport, the savings would be relatively minimal. For example, for the first alternative presented—waivers for both minors and certain cruise passengers—the cost savings would be approximately $34 million over 14 years (7 percent discount rate).

The cost savings for waiving document requirements for certain cruise ship passengers, however, is substantial. For example, if the rule included waivers for minors but not for certain cruise passengers, the costs would be $2.6 billion over 14 years (7 percent discount rate, Alternative 1). The rule as finalized is estimated to cost $224 million (7 percent discount rate, Alternative 1), a savings of almost $2.3 billion over 13 years.

Table 3. Summary of present value direct costs (2005–2018, in millions)

		Alternative 1 (A and B)	Alternative 2 (A and B)	Alternative 3 (A and B)
Waiver for minors, waiver for certain cruise passengers				
	3%	$260.96	$215.76	$215.76
	7%	223.55	189.44	189.44
No waiver for minors, waiver for certain cruise passengers				
	3%	309.62	255.83	255.83
	7%	265.20	224.64	224.64
Waiver for minors, no waiver for certain cruise passengers				
	3%	2,923.46	2,505.06	2,505.06
	7%	2,561.08	2,235.83	2,235.83
No waiver for minors, no waiver for certain cruise passengers				
	3%	3,466.17	2,969.25	2,969.25
	7%	3,036.48	2,650.19	2,650.19

Note: While Alternative 2B is the chosen alternative (minors under 16 exempt, waiver for certain cruise ships passengers, passport card accepted for cruise travel, passport card is RFID-enabled), we estimate the costs of the rule for Alternative 1B (minors under 16 exempt, waiver for certain cruise ships passengers, passport required for cruise travel) because we believe that affected cruise passengers will have an international flight as part of their cruise vacation and will require a passport rather than a passport card.

Finally, because this rule does not directly regulate small entities, we do not believe that this rule has a significant economic impact on a substantial number of small entities. Additionally, none of the cruise lines indirectly affected by the rule is a small entity. CBP certifies that this rule will not have a significant economic impact on a substantial number of small entities.

Although this Regulatory Assessment attempts to mirror the terms and wording of the regulation, no attempt is made to precisely replicate the regulatory language. Readers are cautioned that the actual regulatory text as finalized, not the text of this assessment, is binding.

In all tables presented in this Regulatory Assessment, detail may not calculate to total due to independent rounding.

1. Introduction

US Customs and Border Protection (CBP), the Department of Homeland Security (DHS), and the State Department are finalizing regulations to assure that individuals entering the United States produce documentation that CBP border officials will be able to review to evaluate identity and citizenship. The specific rule assessed in this document pertains to those individuals entering the United States from the Western Hemisphere through seaports. A separate analysis, published concurrently, evaluates the changes in requirements for entries by land, ferry, and pleasure boat.

Need for the rule and regulatory history

Under the Immigration and Nationality Act (INA), nonimmigrant aliens and US citizens are generally required to present passports to enter the United States. The State Department may make certain exceptions to these requirements. Specifically, current regulations permit US citizens and nonimmigrant aliens from Canada, Bermuda, and Mexico to enter the United States from certain Western Hemisphere countries without presenting a passport if they are coming through land or sea ports of entry.

On December 17, 2004, the President signed the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). Subsequently, IRTPA was amended by the Department of Homeland Security Appropriations Act of 2007. Section 7209 of IRTPA requires that the Secretary of Homeland Security, in consultation with the Secretary of State, develop and implement a plan to require travelers entering the United States to present a passport, other document, or combination of documents, that are "deemed by the Secretary of Homeland Security to be sufficient to denote identity and citizenship." Section 7209 expressly provides that US citizens and nationals and categories of individuals for whom documentation requirements have previously been waived under Section 212(d)(4)(B) of the INA (8 U.S.C 1182(d)(4)(B)) will be required to comply. The implementation of section 7209 of IRTPA is referred to as the *Western Hemisphere Travel Initiative* (WHTI).

Section 7209 limits the Secretaries' respective authorities to waive generally applicable document requirements. Both US citizens and nonimmigrant aliens who currently do not need passports to enter the United States will need to present a passport or other acceptable identity and citizenship document when entering the United States from countries within the Western Hemisphere. The principal groups of individuals affected that are currently exempt from the general passport requirement when entering the United States from within the Western Hemisphere are citizens of Canada, Bermuda, and Mexico.

On September 1, 2005, DHS and the State Department jointly published in an advance notice of proposed rulemaking (ANPRM), announcing that they planned to issue rulemakings to implement section 7209 of IRTPA (70 FR 52037). On August 11, 2006, DHS and the State Department published a notice of proposed rulemaking (NPRM) for air and sea arrivals that proposed that, subject to certain narrow exceptions, beginning January 8, 2007, all US citizens and nonimmigrant aliens, including those from Canada, Bermuda, and Mexico, entering the United States at air and seaports would be required to present a valid passport, in circumstances where travel was previously permitted without such a document (71 FR 46155).

The final rule for travelers entering the United States at airports was published on November 24, 2006 (71 FR 68412). Beginning January 23, 2007, United States citizens and nonimmigrant aliens from Canada, Bermuda, and Mexico entering the United States at airports are generally required to present a valid passport. Accordingly, all aviation passengers and crew on commercial and general aviation flights who arrive at airports in the United States from countries within the Western Hemisphere are required to possess a valid passport. The only exceptions to this requirement are for United States citizens who are members of the United States Armed Forces traveling on active duty, travelers who present a Merchant Mariner Document traveling in conjunction with maritime business, and travelers who present a NEXUS Air card for use at a NEXUS Air kiosk.[1]

This analysis addresses the final for the second phase of WHTI. The rule stipulates that US citizens and nonimmigrant aliens from Canada, Bermuda, and Mexico entering the United States at sea and land ports of entry (including by ferry and pleasure boat) will be required to present a valid passport or other documentation designated by the Secretary of Homeland Security in circumstances where entry into the United States was previously allowed without such a documentation. The purpose of this analysis is to estimate the costs and benefits of the regulatory alternatives identified for implementing this requirement for entry at seaports. Land-border crossings and entries by ferry and pleasure boat are addressed in a separate analysis published concurrently with this one.

The primary purposes of the final rule are to 1) to enhance the security of the United States by improving the ability of our border inspectors to identify individuals who may pose a threat to the critical infrastructure or key resources of the country, or who are engaged in illegal acts and 2) facilitate the processing of individuals entering the United States via land or sea ports-of-entry. The border security of the United States is a “public good;” in fact, law enforcement and border defense are often used as textbook examples of public goods. A public good has two primary features: it is *non-rival* and *non-excludable*. A non-rival good can be consumed by one individual without reducing the amount of the good available for other individuals, and a non-excludable good cannot be denied from anyone’s consumption. All residents of the United States benefit from security, and no one can be excluded

(absent an extreme measure such as deportation) from consuming those benefits. In many cases of this type, uncoordinated private market activity alone will not provide a socially optimal amount of a public good. Thus, economic theory lends support for the general role of government in assuring that our borders are secure.

This rule will reduce the range of acceptable documentation that individuals can present at ports-of-entry upon arrival into the United States, simplifying and facilitating the job of the primary inspector and improving the quality of the documentation. Specifically, CBP is concerned that the acceptable documentation is reliable evidence of an individual's identity and citizenship, can be validated against other government databases, and has document security features. These features enable a more accurate and thorough review of individuals entering the United States, reducing the risk of a terrorist event or other illegal act. In addition, the rule is expected to streamline the processing of individuals with acceptable documentation, potentially speeding their border crossings and allowing inspectors to focus on individuals of concern. In order to reduce the costs and impacts of these requirements on individuals, DHS and the State Department are allowing document alternatives for certain selected categories of travelers; specifically, certain cruise passengers and travelers under the age of 16.

Organization of the document

Chapter 2 presents the direct costs of the rule and a discussion of the indirect impacts we could see as a result of a passport requirement in the sea environment. Chapter 3 presents a discussion of the benefits. Chapter 4 presents a discussion of impacts to small entities.

Although this Regulatory Assessment attempts to mirror the terms and wording of the final rule, no attempt is made to precisely replicate the regulatory language and readers are cautioned that the actual finalized regulatory text, not the text of this assessment, is binding.

Chapter notes

[1] On June 8, 2007, DHS and the State Department granted "temporarily travel flexibility" for Western Hemisphere travelers in the air environment. US citizens traveling to Canada, Mexico, Bermuda, and the Caribbean who had applied for, but not yet received passports, could temporarily enter and depart from the United States by air with a government-issued photo identification and Department of State

official proof of application for a passport through September 30, 2007. The federal government made this accommodation for air travel due to longer-than-expected processing times for passport applications in the face of record-breaking demand. See www.state.gov/r/pa/prs/ps/2007/jun/86206.htm

2. Cost Analysis

This chapter presents an estimation of the direct costs for individuals to obtain passports, an estimation of maximum individual welfare losses, and a discussion of the potential indirect impacts of the rule. Additional detail for the calculations contained in this chapter can be found in the appendices. Chapter notes begin on page 2-61.

As mentioned in Chapter 1, land-border crossings and entries by ferry and pleasure boat are addressed in a separate Regulatory Assessment published concurrently with this analysis. *This document does not quantify the impacts of the rule on land-border crossings and entries by ferry and pleasure boat.*

A Notice of Proposed Rulemaking (NPRM) for the implementation of WHTI in the air and sea environments was published on August 11, 2006 (71 FR 46155). A Regulatory Assessment that addressed travel in both the air and sea environments accompanied that NPRM.[1] We received numerous comments to that analysis, including several that provided more current data or suggested improvements upon our original assessment. Additionally, an NPRM for the implementation of WHTI in the land and sea environments was published on June 26, 2007 (72 FR 35088). Two Regulatory Assessments that addressed travel in the land environment and the sea environment accompanied that NPRM.[2] Finally, the State Department published a final rule establishing fees for passports (73 FR 5087) and passport cards (72 FR 74169. This rule was published after the NPRM for WHTI in the land and sea environments; thus, the costs calculated in this chapter differ from those presented in the June 2007 analysis. The analysis for travel in the air environment was finalized with the Final Rule for Documents Required for Travelers Departing From or Arriving in the United States at Air Ports-of-Entry From Within the Western Hemisphere, published November 24, 2006 (71 FR 68412).[3]

This analysis contains—

- An overview of the cruise passenger population covered by WHTI
- An estimate of the costs for certain individuals to obtain passports to travel by sea in the Western Hemisphere over the period of analysis (2005–2018)
- An estimate of the number of travelers who may modify their traveling choices as a result of the passport requirement
- A discussion of the reduction in consumer surplus that is expected as a result of this rule
- An overview of the cruise industry, which will be indirectly affected by the rule

Framework for analysis

The framework for the analysis is relatively straightforward—

- Determine the number of travelers who will be covered by the rule (certain US citizens who travel by sea to and from countries in the Western Hemisphere)
- Determine the percentage of affected US citizens who do not currently hold a US passport
- Determine the increase in passport applications as a result of the rule
- Apply a cost-per-passport to the number of US passports expected to be issued as a result of this rule

We have examined three regulatory alternatives—

- Alternative 1: Certain adult US citizens (those 16 years and older) entering the United States from the Western Hemisphere who do not meet the waiver criteria of the rule will be required to present a valid, traditional passport book
- Alternative 2: Certain adult US citizens (those 16 years and older) entering the United States from the Western Hemisphere who do not meet the waiver criteria of the rule will be required to present a valid, traditional passport book, *an RFID-enabled passport card*, or a CBP trusted traveler card (NEXUS, SENTRI, FAST)
- Alternative 3: Certain adult US citizens (those 16 years and older) entering the United States from the Western Hemisphere who do not meet the waiver criteria of the rule will be required to present a valid, traditional passport book, *a non-RFID-enabled passport card*, or a CBP trusted traveler card (NEXUS, SENTRI, FAST)

Under this final rule, adult US citizens who embark on cruises in a US port and return to the same port upon completion of the cruise would not be required to present a passport. In other words, US citizens on "round-trip" cruises from the United States will have a waiver from the passport requirement and may present a government-issued photo ID and a birth certificate. Most passengers in the Western Hemisphere, approximately 90 percent, would be considered round-trip passengers. There are, however, a small percentage of passengers on "one-way" cruises in the Western Hemisphere (the embarkation and debarkation ports are not the same) who would now need to obtain a passport to continue traveling. Additionally, there are a few round-trip cruises that embark and return to a foreign port, usually voyages to Alaska that originate in Canada. Alternative 1 examines

the costs to these one-way and round-trip cruise passengers who do not meet the document waiver criteria.

Under Section 546 of the DHS Appropriations Act of 2007, DHS has designated the passport card—a limited-use, lower-cost passport the approximate size of a credit card—as an acceptable document for cruise travel in the Western Hemisphere. Additionally, CBP trusted traveler cards (NEXUS, SENTRI, FAST) have been designated for use on cruise ships. For the purposes of this analysis *only*, we estimate the costs for passengers to obtain passport books rather than passport cards because we believe that most, if not all, affected passengers will need to fly to their embarkation port or from their debarkation port, and at least one of these ports is likely to be outside the United States. The passport card has not been designated for use in the air environment, and of the CBP trusted traveler cards only the NEXUS card may be used in the air environment; affected passengers, therefore, will likely need to obtain passports books in order to travel by air as part of their cruise vacation. These costs were not explicitly captured in the Final Regulatory Assessment for implementation of WHTI in the air environment; thus, we capture those costs in this analysis. *Nothing in this Regulatory Assessment precludes a cruise passenger from using a passport card or CBP trusted traveler document for entry to the United States by sea from a location within the Western Hemisphere.*

Additionally, costs for Alternatives 2 (passport cards are RFID-enabled) and 3 (passport cards are not RFID-enabled) are identical because CBP is not installing technology at seaports to read RFID-enabled documents. A sensitivity analysis examining the costs if passport cards are instead obtained (once available) is presented in Appendix C. Our assumption that affected passengers will obtain passports will overstate costs for three reasons.

First, though not explicitly accounted for, at least some of these passengers would have been captured in the analysis for WHTI implemented in the air environment. If cruise travelers had to complete I-92 or I-94 forms upon entry into the United States by air, their numbers would have been included in future projections of the air traveling population. We cannot discern from available data who in the air environment is traveling as part of a cruise vacation. The Air Traveler's Survey, administered by the Office of Travel and Tourism Industries in the Department of Commerce, asks travelers about their planned activities in their destinations. Cruise travel is captured as a planned activity in the foreign destination, where it is a tiny fraction of the activities chosen.[4] The Air Traveler's Survey is not administered, however, on flights to or from Canada. This analysis explores what the costs of this portion of the rule are if these passengers were not captured in the analysis for WHTI in the air environment.

Second, some portion of this subset of passengers will be able to use a passport card (Alternatives 2 and 3). If both the embarkation and debarkation ports were in the United States, for example, a cruise passenger

would be able to use the passport card for travel as long as the cruise did not touch a foreign port where a passport card was not accepted. This describes some cruises through the Panama Canal. As another example, a US passenger could drive to Vancouver to embark on a round-trip cruise to Alaska and drive back to the United States upon completion of the cruise. For this vacation, the passenger could use the passport card to cross the US-Canadian border, and then use the card to embark on the voyage to Alaska. The number of passengers in this subset who would be able to use passport cards for cruise travel is unknown given currently available data.

Third, cruise passengers will be able to use NEXUS, SENTI, and FAST cards in the sea environment in lieu of a passport. Only the NEXUS card, however, is acceptable in the air environment, and only at certain airports. The number of potential cruise passengers who possess CBP trusted traveler cards is not known, but it is probably small. The trusted traveler programs are intended primarily to benefit land-border entrants who cross frequently between the United States and Canada and Mexico. Most cruise passengers are not from border states (with the exception of Texas and California), and most trusted traveler cardholders are likely not cruise passengers. To the extent that frequent border-crossers and the cruise population overlap, we have overestimated the costs of this sensitivity analysis.[5]

We have also explored the three alternatives described above, but have removed the waiver for certain cruise passengers and minors under 16. The results of these alternative analyses are presented in Appendix E.

Finally, foreign crewmembers and US Merchant Mariners will be required to present passports or Merchant Mariner's Documents when arriving in the United States. According to the National Maritime Center, there are approximately 205,000 MMD holders, though not all of these holders are working currently.[6] The US Coast Guard reports that US mariners have needed US passports for international travel since the mid 1980s, and these mariners are eligible for "no fee" passports issued by the State Department.[7] For foreign crew, we assume that they already hold passports due to the international nature of their work. Thus, these populations should not be affected by WHTI. We did not receive any comments to the June 2007 NPRM that changed that assumption.

Population affected

In this analysis, when we describe cruise passengers "covered" by the rule, we mean those US cruise passengers who are not covered by the waiver from the WHTI document requirement. When we describe cruise passengers "affected" by the rule, we mean those cruise passengers who do not already hold an acceptable travel document and would have to obtain one (or incur a welfare loss that, at its maximum, would be slightly less than the cost of the passport).

The population covered by the rule will be adult US citizens (those 16 years and older) on "one-way" cruises to and from countries in the Western Hemisphere or on "round-trip" cruises that originate outside the United States. Additionally, non-US citizens cruising to and from the United States from Canada, Mexico, and Bermuda will be covered. Minors (ages 0 to 15) on these cruises will be permitted to use a birth certificate in lieu of a passport. Most cruises in the Western Hemisphere are "round-trip" from the United States, and US citizen passengers on these cruises will thus be waived from the passport requirement. Additionally, most countries in the Western Hemisphere require a valid passport for entry; travelers to these countries already carry a passport and will not be affected by the new requirements for entry into the United States.[8]

Most of the premier cruise destinations, however, do not have a passport requirement, including the Bahamas, Mexico, Jamaica, and Canada (a port of call on Alaskan cruises). Generally, US citizens embark in ports in the United States (including the US Virgin Islands and Puerto Rico) and travel to the Caribbean, Alaska, Mexico, and Canada. Few voyages originate in Western Hemisphere countries to disembark in the United States, with the exception of cruises that originate in British Columbia to disembark on the West Coast and Alaska and a few cruises from Mexico and Eastern Canada.

We build a profile of US cruise passengers from multiple studies and datasets:

US Maritime Administration (MARAD)—cruise statistics dataset that includes data from 2003 to 2006.[9] Key information used in this analysis includes:

- Western Hemisphere passengers counts for cruises to and from the United States
- Ports of embarkation
- Destination regions
- Cruise line and vessel information

Cruise line websites—these websites provide complete itineraries for the 17 cruise lines operating in North America in 2007 (latest full year of data available).[10] Key information used in this analysis includes:

- One-way cruises available in 2007
- Affected round-trip cruises available in 2007

International Council of Cruise Lines (ICCL)—2005 and 2006 industry overviews and a comment submitted to the August 2006 NPRM.[11] Key information includes:

- Profile of the "average" cruise passenger in North America
- Average gross revenue per passenger per day
- Percentage of passengers who are US citizens
- Percentage of passengers who do not hold a passport

Cruise Lines International Association (CLIA)—two 2006 industry overviews.[12] Key information:

- Cruise passenger profile for North American cruises
- Percentage of passengers who are adults

Prince Rupert Economic Development Commission—2003 market study.[13] Key information:

- Cruise passenger profile for Alaskan cruises

Coleman, Meyer, and Scheffman (2003)—study of the economic impacts of mergers in the cruise ship industry.[14] Key information:

- Cruise passenger profile
- Elasticity of demand for cruise travel

Cruise passenger counts in the Western Hemisphere

The number of travelers subject to the rule is determined using the 2006 MARAD dataset, which we adjust for voyages where a passport is already required and for domestic voyages where a passport will not be required even once this rule is in effect. We then further adjust our estimates to account for one-way cruises and affected round-trip cruises using the 2007 itineraries available on the cruise line websites.

Based on MARAD data for 2006, we estimate that almost 10 million passengers cruised in 16 regions, as shown in Exhibit 1 (page 2-8). These estimates include all passengers (US and non-US citizens; adults and

minors). As shown, approximately one third of the cruise passengers in 2006 traveled to the Western Caribbean. Overall, Caribbean destinations comprise approximately 70 percent of the Western Hemisphere cruise market.[15] The Pacific coast of Mexico and Alaska each represent about a tenth of the market.

We then remove cruise passengers who would not be affected by a WHTI document requirement in any case: a passport is already required for that voyage or a passport would not be needed because the cruise is domestic.[16] These passengers are presented in Exhibit 2 (page 2-9). Approximately 85 percent of the passengers who would not fall under a WHTI-related document requirement are on Hawaiian and transatlantic voyages.

A complete summary of all cruises in the Western Hemisphere is presented in Appendix A. The remainder of this analysis focuses on those passengers who will not be covered by the waiver for cruise passengers.

Cruises, for the most part, are round-trip voyages—passengers embark and debark from the same destination. The embarkation/debarkation port is almost always a US port, with the notable exception of round-trip Alaskan cruises that embark and debark in Vancouver.[17] Virtually all cruises to the Caribbean (including Eastern Mexico), Bermuda, and the Pacific coast of Mexico are round-trip.[18] In four destination markets—Alaska, US Pacific Coast, Canada/New England, Trans-Panama Canal—one-way trips are common, with up to 70 percent of cruise passengers traveling on one-way voyages.

The number of passengers on affected voyages was not available from the MARAD dataset. To determine the number of such passengers, we combined information available on ship capacity and passenger loads by destination region (both available from the MARAD dataset), and cruise itineraries for 2007 (available from cruise line websites).

Exhibit 1. Destinations for North American cruise passengers, 2003–2006

Destination region	2003 passengers	(%Δ)	2004 passengers	(%Δ)	2005 passengers	(%Δ)	2006 passengers	Percentage of affected cruise market 2006
Western Caribbean (a)	2,923,931	(6)	3,094,014	(2)	3,141,524	(0)	3,151,131	32
Bahamas	1,292,162	(11)	1,431,008	(-3)	1,390,451	(11)	1,540,977	15
Eastern Caribbean (b)	1,036,878	(17)	1,214,927	(8)	1,315,320	(5)	1,386,092	14
Mexico Pacific Coast	731,416	(32)	964,416	(17)	1,130,301	(-5)	1,075,010	11
Alaska	776,246	(13)	880,170	(6)	929,661	(1)	938,783	9
Southern Caribbean (c)	749,324	(19)	895,193	(-12)	788,346	(-5)	749,020	8
Hawaii	221,984	(4)	231,938	(32)	306,632	(31)	401,671	4
Bermuda	212,219	(-8)	195,082	(16)	225,772	(4)	234,214	2
Canada/New England	173,017	(23)	213,254	(-16)	178,931	(-8)	164,556	2
Transatlantic	75,748	(27)	96,392	(52)	146,415	(-6)	138,041	1
Trans-Panama Canal	94,904	(14)	107,771	(4)	111,929	(-18)	91,379	1
US Pacific Coast	25,456	(89)	48,148	(16)	55,809	(8)	60,031	1
"Nowhere" (d)	16,774	(71)	28,602	(-69)	8,977	(4)	9,352	< 1
South Pacific/Far East	6,997	(7)	7,501	(18)	8,884	(37)	12,206	< 1
South America	11,663	(-15)	9,901	(-32)	6,734	(174)	18,459	< 1
US Atlantic Coast	0	(-)	0	(-)	1,502	(-100)	0	< 1
Total	8,348,719	(13)	9,418,317	(3)	9,747,188	(2)	9,970,922	100

Source: MARAD Cruise Statistics 2003–2006.
(a) Defined as west of Haiti, includes ports in Mexico, Central America, Colombia. Passengers to the Cayman Islands, Central America (except Panama), and Colombia already need a passport for entry.
(b) As far south as St Maarten; as far west as Haiti. Passengers to St Maarten already need a passport for entry.
(c) South of St Maarten to northern coast of South America; as far as Aruba. Passengers to South America, Barbados, St Lucia, Martinique, and Trinidad and Tobago already need a passport for entry.
(d) Voyages do not touch another port or place.

Exhibit 2. Destinations for cruise passengers who do not fall under WHTI, 2003–2006

Destination region	2003 passengers	(%Δ)	2004 passengers	(%Δ)	2005 passengers	(%Δ)	2006 passengers	Percentage of non-affected cruise market 2006
Hawaii (a)	196,612	(7)	211,357	(42)	299,087	(31)	392,176	63
Transatlantic	75,748	(33)	100,957	(45)	146,415	(-6)	138,041	22
US Pacific Coast (b)	7,460	(267)	27,404	(21)	33,203	(33)	44,146	7
South America	11,663	(-15)	9,901	(-32)	6,734	(174)	18,459	3
South Pacific/Far East	6,997	(7)	7,501	(18)	8,884	(37)	12,206	2
"Nowhere" (c)	16,774	(71)	28,602	(-69)	8,977	(4)	9,352	1
Trans-Panama Canal (d)	3,034	(171)	8,217	(-25)	6,202	(11)	6,894	1
Eastern Caribbean	1,616	(-100)	0	-	378	(284)	1,452	< 1
Alaska (e)	0	-	0	-	2,947	(-52)	1,415	< 1
Southern Caribbean	1,277	(139)	3,058	(-82)	556	(35)	750	< 1
US Atlantic Coast (f)	0	-	0	-	1,502	(-100)	0	< 1
Mexico Pacific Coast (g)	0	-	759	(9)	830	(-100)	0	< 1
Bahamas	0	-	0	-	674	(-100)	0	< 1
Canada/New England (h)	0	-	323	(-100)	0	-	0	< 1
Total	321,181	(24)	398,079	(30)	516,389	(21)	624,891	100

Source: MARAD Cruise Statistics 2003–2006.
(a) Excluding voyages to and from Canada and Mexico.
(b) Voyages that originate on the US Pacific coast (Seattle, San Francisco, Long Beach, Los Angeles, San Diego) and travel along the US coast or to Hawaii.
(c) Voyages do not touch another port or place.
(d) Voyages that originate in Central and South America.
(e) Excluding voyages to and from Canada.
(f) Excluding voyages to and from Canada.
(g) Excluding voyages that originate on the US Pacific Coast or Hawaii.
(h) Excluding voyages to and from Canada.

Exhibit 3 presents passenger loads and vessel capacity by Western Hemisphere destination in 2006. As shown, were certain cruisers and children under 16 not waived from the passport requirement, an estimated 9.3 million passengers would be affected by WHTI in the sea environment. All destinations experienced above-normal capacity loads except voyages through the Panama Canal, which are driven largely by the need to relocate ships. None of the destinations is nearing its maximum capacity given the current fleet of vessels. The industry as a whole was booked at 111 percent of its normal capacity (based on two-berth occupancy) and 88 percent of its maximum capacity (third and fourth berth occupancy).

Exhibit 3. Passengers and vessel capacity by Western Hemisphere destination, 2006

	Vessels in service in region	Total passengers	Total normal capacity (a)	Percent normal capacity	Total maximum capacity (b)	Percent maximum capacity
Western Caribbean	59	3,151,131	2,809,628	112	3,540,080	89
Bahamas	20	1,540,977	1,325,686	116	1,702,973	90
Eastern Caribbean	48	1,384,640	1,254,782	110	1,569,058	88
Mexico Pacific Coast	25	1,075,010	972,550	111	1,198,047	90
Alaska	27	937,368	881,476	106	1,085,928	86
Southern Caribbean	35	748,270	712,014	105	885,418	85
Bermuda	10	234,214	219,910	107	287,518	81
Canada/New England	11	164,556	156,818	105	191,833	86
Trans-Panama Canal	24	84,485	86,887	97	105,029	80
US Pacific Coast	7	15,885	15,796	101	19,420	82
Hawaii	4	9,495	9,362	101	11,554	82
Total		9,346,031	8,444,909	111	10,596,858	88

Source: MARAD Cruise Statistics 2003–2006 (2006 data).
(a) Capacity based on two passengers per stateroom.
(b) Capacity based on third and fourth berths per stateroom.

Based on our research of 2007 itineraries available from the cruise line websites, we found that there are approximately 500 voyages scheduled that are one-way cruises or round-trip cruises departing from a foreign port (in 2007, these are round-trip cruises from Vancouver). To determine the total number of passengers this represents, we use the ship's normal capacity reported in the MARAD dataset, multiply the normal capacity by the percent of normal capacity booked for the destination region, and multiply this estimate by the number of like voyages the ship will take in 2007.

For example, the *Island Princess* is one of the cruise ships transiting the Panama Canal in 2007.[19] This ship has a normal capacity of 1,950 berths.[20] Voyages through the Panama Canal, on average, carry 97 percent of their normal capacity (see Exhibit 3). Thus, on average, the *Island Princess* carries 1,892 passengers on trans-Canal cruises. The *Island Princess* is scheduled to make one-way voyages from San Juan to Acapulco twice in 2007.[21] The total

2007 passengers expected on these particular one-way voyages through the Panama Canal, therefore, is 3,784.[22]

In another example, the *Zaandam* is one of the cruise ships servicing Alaska in 2007.[23] This ship has a normal capacity of 1,440 berths.[24] Voyages to Alaska, on average, carry 106 percent of their normal capacity. Thus, on average, the *Zaandam* carries 1,526 passengers on Alaskan cruises. The *Zaandam* is scheduled to make round-trip voyages from Vancouver 20 times in 2007.[25] The total 2007 passengers expected on these particular round-trip voyages to Alaska from Vancouver would be 30,528.[26]

The total number of one-way and round-trip passengers covered by the rule by the four destination regions is presented in Exhibit 4.[27] In the largest market, Alaska, 66 percent of the passengers are on one-way voyages or on round-trip voyages that originate in a foreign port (in 2007 that port is Vancouver). Voyages along the US Pacific coast and through the Panama Canal are predominantly one-way, while only 15 percent of voyages between Canada and New England are one-way.

Exhibit 4. Estimated covered cruise passengers by destination region, 2007

	Covered passengers (a)	Waived passengers (b)	Total	Covered as percent of total
Alaska	634,192	332,183	966,374	66
Trans-Panama Canal	139,587	62,928	202,515	69
US Pacific Coast	67,999	25,469	93,469	73
Canada/New England	39,232	219,768	259,000	15
Total	881,010	640,348	1,521,358	58

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).
(a) Passengers on one-way voyages and round-trip voyages from a non-US port.
(b) Passengers on round-trip voyages that embark and debark from the same US port.

Based on these calculations, approximately 881,000 passengers would be covered by WHTI requirements for cruise ships in 2007. This estimate should be approached with caution. Cruise itineraries vary widely from year to year. It is common for cruise lines to pull out of one port and relocate ships to another. New-builds may enter service. Itineraries could have been added in 2007 that were not yet on the cruise line websites when the itinerary searches were conducted. The same ships are not always in the same markets from year to year, and our estimated capacities and passenger loads may not capture the correct number of passengers on an annual basis. We believe that an approximation of 881,000 passengers subject to the rule in 2007 is reasonable based on the available data.

Covered passengers by origin and destination pair are presented in Exhibit 5 (next page).

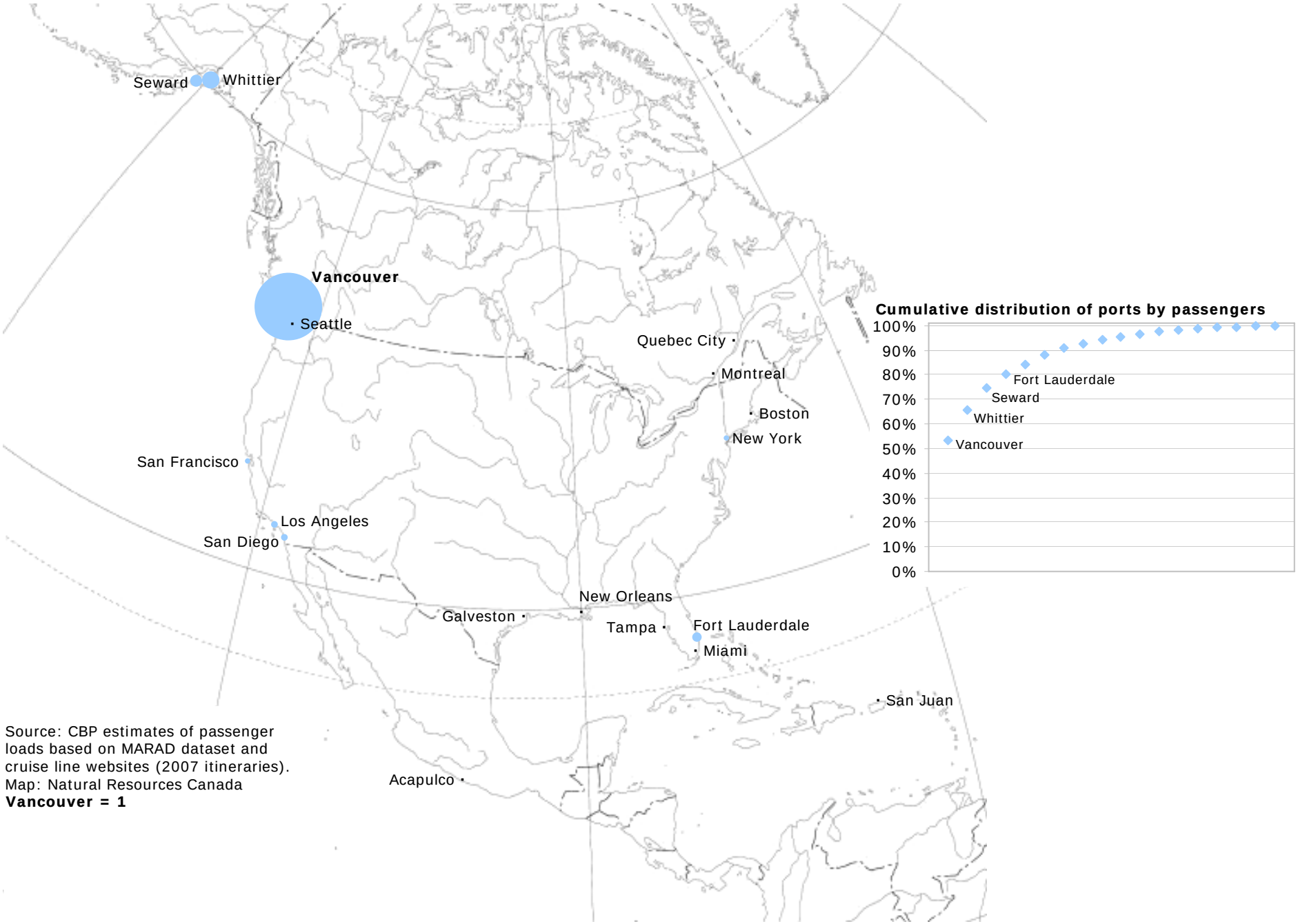
Exhibit 5. Origins and destinations for covered cruise passengers, 2007

Destination ➔ Origin ↓	Vancouver	Whittier	Seward	Los Angeles	San Diego	Fort Lauderdale	Seattle	Montreal	Miami
Vancouver	230,459	111,495	76,449	18,090	15,206	5,065	10,558		
Whittier	108,665								
Seward	77,049								
Fort Lauderdale	8,363			13,336	17,516		7,195	1,329	
San Diego	15,271					13,557			1,940
Los Angeles	19,463					6,400			6,586
New York	3,855			3,855			3,855	4,633	
San Francisco	13,432					3,806			
Montreal						1,329			987
San Juan									
Acapulco									2,066
Boston								8,194	
Seattle	3,986					1,449			
Quebec City						2,730			
Miami				3,715					
Tampa	1,228				1,228				
Galveston					1,940				
New Orleans	1,940								
Total for destination	483,712	111,495	76,449	38,995	35,890	34,337	21,608	14,156	11,579

	Acapulco	San Juan	San Francisco	Boston	New York	Quebec City	Tampa		Total for origin
Vancouver			2,067				1,228		470,617
Whittier									108,665
Seward									77,049
Fort Lauderdale	1,892		3,250						52,881
San Diego		2,037					1,228		34,033
Los Angeles					1,178				33,627
New York						5,460			21,657
San Francisco									17,238
Montreal				8,194	2,316		1,329		14,156
San Juan	7,217		3,579						10,796
Acapulco		7,217							9,283
Boston									8,194
Seattle					1,178				6,613
Quebec City					2,730				5,460
Miami	689								4,404
Tampa									2,456
Galveston									1,940
New Orleans									1,940
Total for destination	9,797	9,254	8,896	8,194	7,401	5,460	3,785		881,010

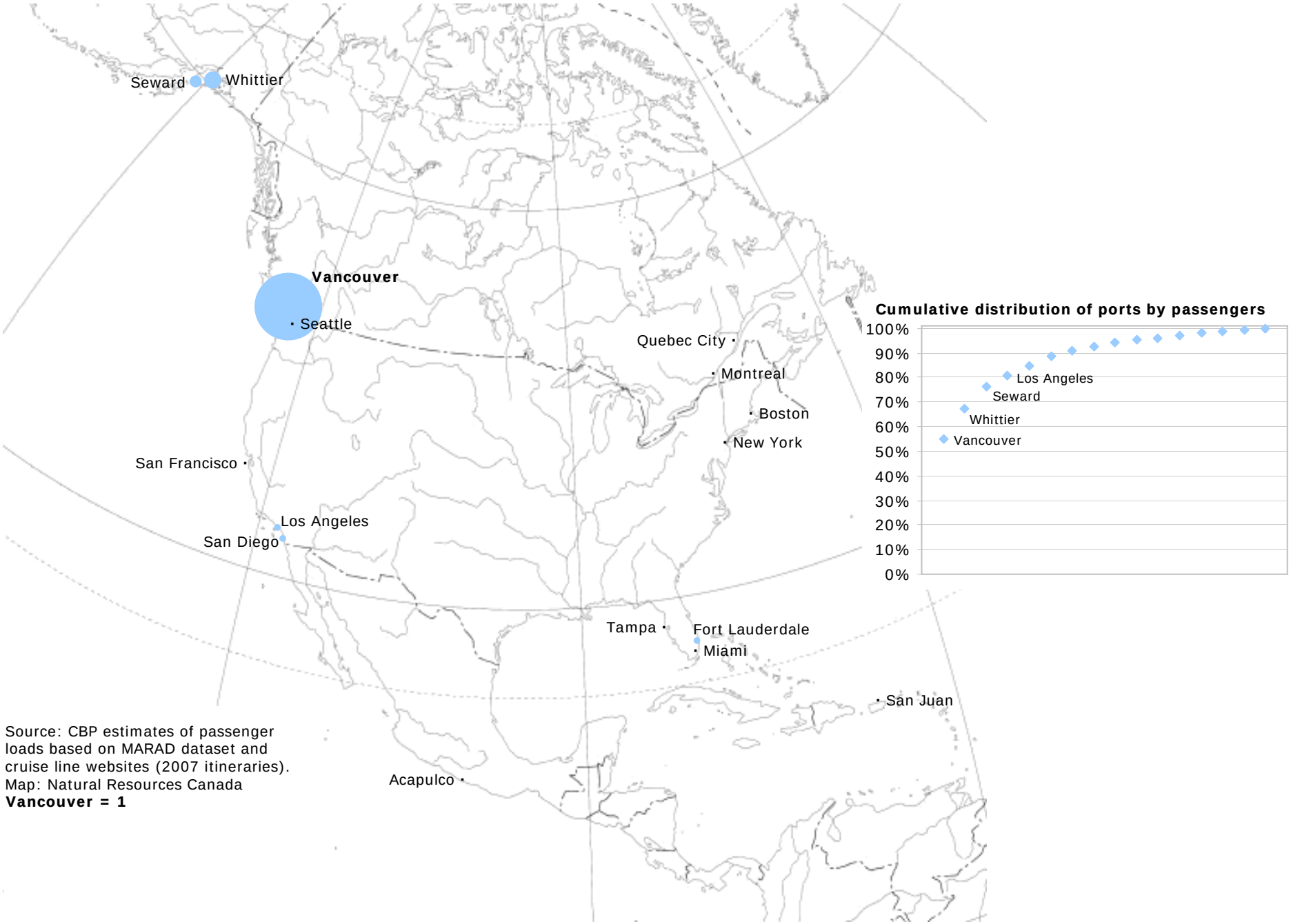
Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

Exhibit 6. Proportional representation of departure ports by estimated 2007 passenger counts



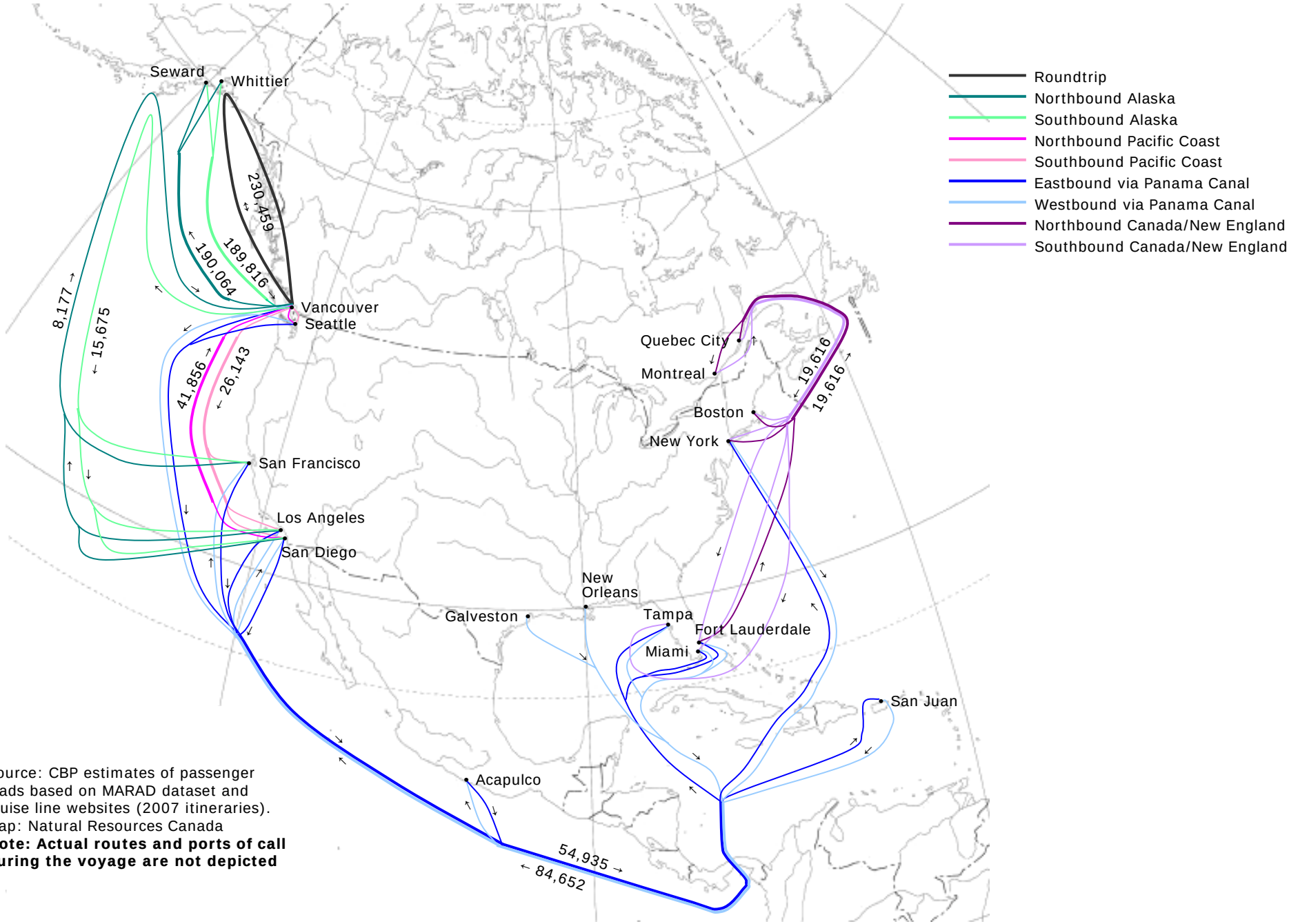
Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).
Map: Natural Resources Canada
Vancouver = 1

Exhibit 7. Proportional representation of destination ports by estimated 2007 passenger counts



Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).
Map: Natural Resources Canada
Vancouver = 1

Exhibit 8. Illustration of affected regions and estimated 2007 passenger counts



Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).
Map: Natural Resources Canada
Note: Actual routes and ports of call during the voyage are not depicted

As shown in Exhibit 5, Vancouver is both the most common embarkation and debarkation port, followed by Whittier and Seward, Alaska. Vancouver is also the only foreign port with passengers on round-trip voyages (in 2007). The other foreign ports—Montreal, Quebec City, Acapulco—all embark and debark covered one-way passengers. Los Angeles, San Diego, and Fort Lauderdale are common origins and destinations for east- and westbound transits through the Panama Canal.

Exhibits 6 and 7 (pages 2-13 and 14) illustrate a proportional representation of the covered passengers by departure port and destination port, respectively. As shown, Vancouver dominates the covered passenger count for both departing and arriving passengers. Exhibit 8 (page 2-15) presents an illustrated overview of the affected regions and passenger counts in 2007. As shown, about a quarter of the covered passengers are on round-trip voyages. Another quarter are on southbound voyages from Alaska and about a fifth are on northbound voyages to Alaska. About a tenth travel through the Panama Canal going west; about 6 percent travel through the Canal going east. Approximately 5 percent are on northbound voyages on the Pacific coast and 3 percent are southbound. Only 2 percent are on voyages from the east coast to Canada via New England in either direction.

Most of the covered passengers, 72 percent, are on medium-length voyages (6 to 7 nights), as shown in Exhibit 9 (next page). An additional 19 percent on are long voyages. Short and very long voyages comprise the remaining 9 percent.

Exhibit 9. Estimated covered cruise passengers by length of voyage

Cruise length	Cruises	Estimated passengers	Percentage of covered market segment	Percentage of entire covered cruise market
Short				
1 night	5	9,233	16	1
2 nights	11	20,388	36	2
3 nights	10	18,935	33	2
4 nights	1	1,454	3	< 1
5 nights	3	7,272	13	1
Subtotal	*30*	*57,283*	*100*	*6*
Medium				
6 nights	234	437,002	69	50
7 nights	104	198,117	31	22
Subtotal	*338*	*635,119*	*100*	*72*
Long				
9 nights	15	25,385	15	3
10 nights	12	18,255	11	2
11 nights	3	3,598	2	< 1
12 nights	1	912	1	< 1
13 nights	10	16,414	10	2
14 nights	38	60,359	36	7
15 nights	8	13,039	8	1
16 nights	11	15,927	10	2
17 nights	8	11,700	7	1
Subtotal	*106*	*169,589*	*100*	*19*
Very long				
18 nights	6	8,090	35	1
19 nights	3	4,309	19	< 1
20 nights	4	5,647	25	1
21 nights	2	2,516	11	< 1
31 nights	1	1,228	5	< 1
35 nights	1	1,228	5	< 1
Subtotal	*17*	*23,018*	*100*	*3*
Totals	491	881,010	100	100

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

As shown in Exhibit 10, cruises in the Alaskan and Canada/New England markets tend to be in the medium-length category, while Panama Canal cruises, not surprisingly, tend to be long and very long. The short cruise market is comprised of cruises along the Pacific coast.

Exhibit 10. Estimated covered cruise passengers by length of voyage and region

Cruise length (nights)	Alaska	Trans-Panama Canal	US Pacific Coast	Canada/New England
1			9,233	
2			20,388	
3			18,935	
4			1,454	
5			7,272	
6	416,232		4,818	15,952
7	194,107		4,010	
9	2,120	10,651		12,615
10	6,744	5,675	1,889	3,948
11	2,268			1,329
12		912		
13	8,427	6,658		1,329
14	4,293	54,737		1,329
15		10,309		2,730
16		15,927		
17		11,700		
18		8,090		
19		4,309		
20		5,647		
21		2,516		
31		1,228		
35		1,228		
Totals	634,192	139,587	67,999	39,232

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

ICCL reports that that the number of embarkations in the United States has been growing relatively steadily since 2000.[28] In the original analysis for the August 2006 NPRM, we estimated that passenger loads would grow by 8 percent annually over the period of analysis based on the 2005 ICCL report. This was based on double-digit growth reported in the North American cruise industry from 2001 to 2004.[29] Growth slowed markedly, however, from 2004 to 2005, to 6 percent.[30]

Upon examination of the more detailed MARAD data, we estimate that the North American cruise market is experiencing even more modest growth—2 percent from 2005 to 2006 (recall Exhibit 1). Growth in the cruise markets not subject to WHTI has been considerably higher than in Western Hemisphere cruise markets (recall Exhibit 2). However, 2004 and 2005 were two of the worst hurricane seasons on record; this gravely affected

Caribbean and Eastern Mexican itineraries, but did not affect Hawaiian or transatlantic voyages, which comprise the bulk of trips not subject to WHTI.[31] While the Western Hemisphere cruise industry grew only 1 percent from 2005 to 2006, we believe it would be overly pessimistic to apply this growth rate throughout the period of analysis, particularly if hurricane seasons are not as severe as they were in 2004 and 2005.[32] The Alaskan market, with the most passengers affected by the rule, continues to be a premier destination with modest annual growth. Thus, for this analysis, we estimate a growth rate of 6 percent annually.

The MARAD data include port of embarkation, but not citizenship or residence of the passengers. A 2006 CLIA industry overview reports the number of passengers in North America by state and province, as presented in Exhibit 11 (next page). Note that all itineraries are included in the totals in Exhibit 11, and residency, not citizenship, is reported. Based on the data from CLIA, an estimated 95 percent of North American cruise passengers are US residents. Approximately one third reside in Florida and California; two thirds reside in 9 states (Florida, California, Texas, Massachusetts, New York, Pennsylvania, New Jersey, Georgia, Arizona). All of these states except Arizona and Georgia have major cruise ports. Georgia is geographically close to the Florida ports, and Arizona has a large population of retirees.

Profile of the US cruise passenger

According to the ICCL 2004 and 2005 industry profiles, a little less than half of the passengers embark close to their place of residence and do not use air transportation to get there.[33] An estimated 57 percent arrive at their port of embarkation via air, with an average airfare of $430 per passenger.[34] Approximately two thirds of cruisers arrive at the port the day of the cruise; the remaining third have an overnight stay prior to the voyage, with an average of $248 spent for the stayover.[35] Passengers who arrive on the day of the cruise spend much less in the port that day—about $30.[36] Gross revenue per passenger is $1,667, which includes the ticket, on-board spending, and travel agent commissions.[37] Gross revenue per passenger cruise day is $239.[38]

We believe that the percentage using air travel to reach the embarkation port or flying home from the destination port would approach 100 percent for one-way cruises that are geographically distant from one another and for round-trip voyages from British Columbia. Passengers on Alaskan cruises, for example, are unlikely to live close to the ports of Vancouver, Whittier, and Seward. Passengers on trans-Panama Canal voyages from Florida to California, as another example, would likely need to fly to or from at least one of these ports. For this analysis, therefore, we use an estimated airfare of $430 for 100 percent of the affected cruise passengers. We also assume that 100 percent of these passengers will have a stayover at a cost of $248.

Exhibit 11. Cruise passengers by state and territory of residence, 2005

State/Territory	Passengers	Percent	State/Territory	Passengers	Percent
Florida	2,101,896	22	Oregon	54,218	1
California	1,141,452	12	New Hampshire	48,147	< 1
Texas	651,775	7	Kentucky	45,279	< 1
Massachusetts	557,371	6	Alberta	44,416	< 1
New York	461,363	5	Oklahoma	44,145	< 1
Pennsylvania	407,762	4	Rhode Island	42,739	< 1
New Jersey	347,987	4	Kansas	41,869	< 1
Georgia	345,679	4	Arkansas	37,940	< 1
Arizona	267,956	3	Iowa	31,244	< 1
North Carolina	213,610	2	New Mexico	29,534	< 1
Illinois	210,253	2	Mississippi	28,849	< 1
Ontario	187,441	2	Idaho	24,639	< 1
Ohio	180,553	2	Nebraska	19,841	< 1
Washington	172,340	2	Delaware	19,088	< 1
Michigan	161,549	2	Hawaii	18,721	< 1
British Columbia	156,595	2	Maine	17,866	< 1
Virginia	146,497	2	West Virginia	14,271	< 1
Maryland	144,475	1	North Dakota	11,578	< 1
Puerto Rico	120,781	1	Manitoba	8,196	< 1
South Carolina	103,735	1	Montana	7,534	< 1
Connecticut	99,937	1	Vermont	6,580	< 1
Missouri	96,232	1	DC	6,384	< 1
Tennessee	89,983	1	South Dakota	6,209	< 1
Alabama	84,357	1	Alaska	5,561	< 1
Louisiana	84,056	1	Nova Scotia	4,962	< 1
Indiana	81,067	1	New Brunswick	4,445	< 1
Minnesota	79,641	1	Wyoming	3,752	< 1
Nevada	71,756	1	Saskatchewan	3,745	< 1
Quebec	71,397	1	Newfoundland	3,461	< 1
Colorado	69,668	1	Prince Edward Island	1,066	< 1
Utah	63,874	1	Northwest Territory	202	< 1
Wisconsin	61,671	1	Yukon Territory	177	< 1
Total	9,671,367	100			
US residents	9,185,264	95			
Canadian residents	486,103	5			
Florida and California	3,243,348	34			
Top 9	6,283,241	65			

Source: Cruise Lines International Association. 2006. *The 2006 Overview.* Pages 31–32.

The 2006 CLIA studies found that cruisers are approximately 49 years of age, with an annual household income of $104,000. They are likely to be married and well educated. They typically travel with their spouse, and an estimated 1 in 5 passengers travels with a child under 18.[39] Average on-board expenses (excluding airfare) are $1,690.[40] An estimated two thirds of cruisers plan their voyages 4 months to 1 year prior to sailing.[41] CLIA notes

that: "seldom does cruise trip planning occur spur-of-the moment (under a month) and it is also unlikely to take more than a year."[42] Cruisers spend over 40 percent more on their vacations than non-cruisers do.[43] Destination is the most important factor in determining vacation choice, followed by price.[44] Cruisers are heavily influenced by word of mouth, their spouses' travel desires, travel agents, and cruise websites.[45] The Caribbean and Eastern Mexico were cited as the "most appealing" places for a next cruise for both cruising and non-cruising vacationers.[46] The percentage CLIA reports for passengers arriving by air is slightly higher than reported by ICCL: 64 percent (57 percent reported by ICCL in both reports). The average airfare reported is $359, which is less than the ICCL estimate of $430.[47]

The Florida-Caribbean Cruise Association reports an average per-passenger expense of $1,690 in their 2007 industry overview.[48] Cruisers tend to plan their voyages an average of 5 months in advance.[49] The Florida-Caribbean study also found that the average cruiser is middle-aged and well off. The average age is 49, with an annual household income of $104,000.[50] Some 80 percent of cruise travelers use a travel agent to book their cruise.[51] Most cruisers (77 percent) travel with their spouse, followed by their children (30 percent), friends (25 percent), and other family (23 percent).[52]

The Prince Rupert Economic Development Commission found the typical cruise passenger to Alaska is 58 years old with an average income of $87,400.[53] An estimated 70 percent were traveling with one other person and 84 percent were traveling to Alaska for the first time.[54] Approximately 80 to 90 percent participated in on-shore tours, which according to the authors of the report, "is extremely high compared to other cruise destinations."[55]

ICCL estimates that passengers who made a port of call in the United States as part of their cruise (about 4.4 million passengers in 2005, primarily in Alaska and Hawaii) spent an average of $108 during the visit.[56] CLIA has an estimate of $435 per person for combined on-board and shore-side expenses.[57] The Prince Rupert study estimates that passengers spent $55 to $110 (in 2002 dollars) per port of call depending on the port.[58] A study of cruise arrivals in Jamaica found that the average excursionist spent $75 per port of call (in 1995 dollars).[59] A World Trade and Tourism Council (WTTC) overview of tourism in the Caribbean notes that spending is relatively negligible in Caribbean ports of call because cruise ships provide so many amenities (particularly food and lodging), and there is little on-shore spending when the ships arrive in port.[60]

The CLIA 2006 industry overview estimates that 1 in every 5 passengers travels with a child under 18, as noted above.[61] This implies that children are one-sixth (17 percent) of the cruising population. We use the estimate of children passengers from the CLIA industry overview in this analysis.

Based on the ICCL comment submitted in response to the August 2006 NPRM, we estimate that 90 percent of passengers who embark in North

America are US citizens.[62] When this percentage is applied to the 881,000 covered cruise passengers in 2007, an estimated 793,000 US passengers and 88,000 non-US passengers will cruise. We assume that the non-US passengers are Canadians cruising to the Caribbean, Mexico, and Alaska.

None of the cruise-industry reports discussed thus far provides details on the "discount" cruise market that has reportedly emerged in recent years. CLIA suggested (in 2000) that "this trend is caused by less available free time."[63] These cruisers likely vary from the "average" cruiser profiled above. They may be younger and not as well off (lower average income).[64] They may purchase their cruise package closer to their voyage and use the internet rather than a travel agent.[65] They may be more likely to take short cruises and travel as a family rather than as a couple.[66] They are also not likely to repeat their trip in subsequent years as the more typical cruiser is.[67] They travel to Mexico and the Caribbean exclusively and may not be as likely to hold a passport.[68] ICCL noted in their comment to the August 2006 NPRM that 4-day cruises can sell for as little as $229 (ticket price only), which is far less than the average gross revenue per passenger of $1,667 and less than the average gross revenue per passenger cruise day of $239.[69]

The discount cruise market is not likely to be adversely affected by the rule because passengers in the Caribbean and Mexican markets will fall under the waivers. As shown previously in Exhibit 9, the short cruise market, which encompasses essentially all discounted cruises, is small for WHTI-affected cruises, only 6 percent.

The ICCL, CLIA, and Prince Rupert studies summarized above present average data across all cruise passengers. While we use average data in this analysis because it is publicly available and allows a relatively straightforward analysis, we do this with the recognition that cruise passengers, in fact, differ a great deal from one another, particularly in how they make vacation choices and how much they spend for a cruise. Cruise lines maintain a very complex pricing system that is not readily transparent to passengers, travel agents, or even other cruise lines. The cruise lines have typically guarded their pricing and booking data closely, and robust analyses of trends and pricing schemes have been difficult to conduct.[70]

In 2001, the Federal Trade Commission (FTC) was asked to assess the competitive price effects of two mergers in the cruise industry: a "friendly" merger between Royal Caribbean Cruises and P&O Princess Cruises and a "hostile" merger when Carnival Cruises bid for P&O Princess Cruises. The FTC published its official statement on the mergers in October 2002. In its relatively brief statement, the FTC determined that the facts did not warrant antitrust enforcement action.[71] As part of the FTC's investigation "dozens of boxes of documents and over 100 gigabytes of data were submitted to the FTC."[72]

Drs Coleman, Meyer, and Scheffman, three FTC economists who analyzed the industry data during the investigation, summarized the investigation process and highlighted several of the analyses in a peer-reviewed journal article published in 2003. As the authors note: "Because of space limitations and confidentiality issues, we can only highlight major issues and provide some examples of the sorts of analyses that FTC economists conducted in connection with this investigation."[73] Despite the professed limitations, this article presents a wealth of data that illuminates the high degree of variability among cruise passengers. According to Coleman et al., average gross per diem varies significantly based on a variety of factors, including when the cruise was booked, the itinerary, and the capacity already reserved when a reservation was booked.[74] They note—

> Conservatively, that leads to 37,500 different products for sale at any given time. However, there is at least twice that number of prices, since the cruise lines have both individual and group prices for almost all cruises. At a minimum, there are 75,000 prices at any given time, before we discuss discounting.[75]

The authors find, for example, that 82 percent of sailings have lower average prices within 120 days of the sailing date than prior; 18 percent have higher average prices.[76] Average gross per diem for just four different ships over 13 months varied from $87 to $160.[77] Average gross per diem for a single ship with similar itineraries during a 1-month period varied from $155 to $300.[78] Interestingly, "…most early bookings are cancelled, and there is generally not a penalty for cancellation until close to sailing.[79] The authors conclude—

> Not only is the demand for cruises (across the season and across any particular booking cycle) variable, demand does not appear to vary evenly across firms, or even across sailings of the same ship or cruise line. Indeed, the demand for individual cruises appears to be highly idiosyncratic.[80]

Thus, while we use average data presented by the cruise line associations, we do so realizing that prices are highly variable, and we have failed to capture much of the nuance inherent in pricing cruises. This would affect the estimate of how demand will change as a result of the travel document requirement.

US citizens who do not hold passports

This analysis draws passport prevalence information primarily from the comment submitted by ICCL to the August 2006 NPRM.[81] These percentages are based on an internal review conducted by ICCL member cruise lines in the winter of 2005–06.[82] While the details of the review are not available and estimates should thus be treated with caution, we believe that using the information provided by the cruise industry is more appropriate than applying the percentage reported in the State Department's passport demand study, which employed a percentage of leisure air travelers who do not hold passports. In their comment, ICCL noted that, based on statistics compiled

by their members, passport holdings vary by itinerary and length of voyage.[83] The estimated distribution of the cruise market and the estimated percentage of passengers who do not hold a passport are presented in Exhibit 12.

Exhibit 12. Estimated percentage of covered passengers by cruise length and percentage not holding a passport

Cruise length (nights)	Percentage of covered cruise passengers	Estimated percentage of US passengers who do not hold a passport
1–5	6	60–70
6–8	72	35–50
9–17	19	35–50
Over 17	3	35–50

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries); percentage of US passengers who do not hold a passport from ICCL comment submitted for the August 2006 NPRM (USCBP-2006-0097-85).

As shown, passengers on short cruises (1 to 5 nights) appear less likely to already hold a passport than passengers on longer cruises. To obtain these estimates, ICCL members reported passport holdings by complete manifest and did not adjust their estimates for itineraries where a passport is already required or for domestic itineraries where a passport will not be required even once the rule is in effect. The percentage of US passengers who do not hold a passport, therefore, may be overstated. We apply these percentages bearing that caveat in mind.

There are additional estimates of passport possession that were either anecdotal, were not justified with supporting documentation, or were originally estimated for air travelers, not cruise travelers specifically.

The State Department completed a study in 2005 to determine the demand for passports as a result of WHTI. This study estimated that 51.5 percent of US travelers to Canada, 56.2 percent to Mexico, and 73.2 percent to the Caribbean already hold a passport, as reported in the Air Travelers Survey conducted by TNS-Plog.[84] The primary objective of the State Department study was to determine the demand for passports at the Canadian and Mexican land borders, not in the air and sea environments. A presentation prepared by WTTC estimates that for individual Caribbean countries the percentage of US visitors holding passports ranges from 100 percent to 20 percent depending on the Caribbean country considered.[85] No detail or justification was provided for these estimates, and some of them seem suspect (for example, WTTC reports that 100 percent of US travelers to Bermuda hold a passport). Additionally, they do not disaggregate the percentages between air and sea passengers.

Groups such as the American Society of Travel Agents (ASTA) have long encouraged travelers to the Caribbean, particularly cruisers, to have passports.[86] Some cruise lines have been providing separate embarkation and debarkation processes to those holding passports.[87] Limited data from Mexican Immigration in Cancun (SIOM) find that approximately 75 percent of cruise passengers present a US passport upon entry.[88] We did not feel comfortable, however, applying this estimate to all US cruise passengers, particularly as most, if not all, of these passengers to Cancun would be waived from a document requirement because they are on round-trip voyages originating from a US port.

Increase in passports required and their costs

We estimate the costs for adult US cruise passengers to obtain traditional passport books. As stated previously, DHS is also designating the passport card and CBP trusted traveler cards (NEXUS, SENTRI, FAST) as acceptable documents for cruise travel in the Western Hemisphere. *This analysis in no way precludes cruise passengers from using a passport card or CBP trusted traveler cards for cruise travel.* We estimate the costs for passengers to obtain a passport book, however, because we believe that most of the affected passengers will need to fly to their embarkation port or from their destination port (or both), and at least one of these ports is likely to be outside the United States. The passport card has not been designated for use in the air environment; these one-way passengers, therefore, will likely need to obtain passports books in order to travel by air as part of their cruise vacation. In Appendix C we present a sensitivity analysis if affected cruise passengers obtained passport cards (once available) instead of passport books.

The framework for the calculations for passports required and the cost for affected US cruise travelers is as follows.

- Calculate unique US cruise passengers (adults and minors) who do not meet the waiver criteria of the rule.
- Apply the percentage of US travelers who hold passports currently and subtract them from the population under consideration because they will not be affected by the rule.
- Apply a measure of likelihood that the remaining US travelers who do not hold passports will go ahead and obtain passports (which assumes that some fraction of US travelers will not obtain passports because of the expense or administrative process). The likelihood is based on the percentage increase in trip cost that a passport represents.

— Multiply the estimated number of documents demanded by the cost to obtain those documents.

Unique US cruise travelers covered by the final rule

We calculate unique travelers beginning in 2005. This is because although the suite of WHTI rules is not yet in place, the State Department has already seen a dramatic increase in passport applications since the WHTI plan was announced early in 2005.[89] We account for those passports obtained prior to full implementation to more accurately estimate the economic impacts of the rule as well as to incorporate the fairly sizable percentage of travelers who currently hold a passport in the sea environment in anticipation of the new requirements (which were originally proposed to become effective in January 2007, then in January 2008).[90] This also maintains consistency with the methodology employed in the analysis for implementation of WHTI in the land environment, which is being published concurrently with this analysis.

As described above, approximately 881,000 cruise passengers are likely to be covered by the rule in 2007 based on our calculations using MARAD data and itineraries available from the cruise line websites. We estimate a growth rate of 6 percent annually over the period of analysis (2005–2018). We need to adjust our passenger estimates downward, therefore, by 6 percent annually from 2007 to capture loads in 2005 and 2006. We estimate that 90 percent of the annual passengers are US citizens, and 83 percent of these passengers are adults (age 16 and over). The estimated total number of cruise passengers over the period of analysis is presented in Exhibit 13.

Exhibit 13. Estimated cruise passengers covered by the rule over the period of analysis (2005–2018)

	US adults	US minors	US total	Non-US total	Grand total
2005	585,720	119,967	705,686	78,410	784,096
2006	620,863	127,165	748,027	83,114	831,141
2007	658,114	134,795	792,909	88,101	881,010
2008	697,601	142,882	840,484	93,387	933,871
2009	739,457	151,455	890,913	98,990	989,903
2010	783,825	160,542	944,367	104,930	1,049,297
2011	830,854	170,175	1,001,029	111,225	1,112,255
2012	880,706	180,385	1,061,091	117,899	1,178,990
2013	933,548	191,209	1,124,757	124,973	1,249,729
2014	989,561	202,681	1,192,242	132,471	1,324,713
2015	1,048,934	214,842	1,263,776	140,420	1,404,196
2016	1,111,871	227,733	1,339,603	148,845	1,488,448
2017	1,178,583	241,396	1,419,979	157,775	1,577,755
2018	1,249,298	255,880	1,505,178	167,242	1,672,420

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries); percent who are US citizens from the ICCL comment submitted for the August 2006 NPRM (USCBP-2006-0097-85); assumes a 6 percent annual growth rate.

We assume that none of these passengers are repeat travelers on an annual basis, as travel literature and industry profiles indicate that few cruise passengers cruise more than once every several years.[91] Thus, we assume that every US cruise passenger estimated in each year is a unique individual for that year, and we do not need to adjust our estimates for single travelers making multiple trips.

Percentages of travelers who do not hold passports

To estimate the percentage of US cruise passengers who do not hold a passport, we refer to the comment submitted by ICCL to the August 2006 NPRM.[92] As shown in Exhibit 14, we estimate the number of travelers who do not hold a passport for each year of the analysis by voyage length.

Exhibit 14. Estimated percentage of travelers who do not hold passports by year of the analysis

	Cruise length (nights)			
	1 to 5	6 to 8	9 to 17	Over 17
2005	70	60	50	50
2006	60	50	40	40
2007	50	40	30	30
2008	40	30	20	20
2009	30	10	10	10
2010	10	10	10	10
2011	10	10	10	10
2012	10	10	10	10
2013	10	10	10	10
2014	10	10	10	10
2015	10	10	10	10
2016	10	10	10	10
2017	10	10	10	10
2018	10	10	10	10

As reported in the ICCL comment to the August 2006 NPRM, 60 to 70 percent of cruise passengers on short cruises (1 to 5 nights, recall Exhibit 12) did not hold a passport when ICCL members reviewed their manifests (winter of 2005–06). For 2005, we use the high endpoint of the range, 70 percent. As noted previously, this estimate may be an overstatement because the ICCL review included manifests that will be unaffected by WHTI. It is not clear how children were accounted for, if at all differently. The percentages for one-way passengers or round-trip passengers from Vancouver are not available. Furthermore, the percentage of cruise travelers who hold a passport is increasing dramatically, and the State Department reports that since the August 2006 NPRM (which included proposed requirements for most sea travel) and June 2007 NPRM were published (with a proposed effective date of January 2008), the increase has become even more pronounced, and travelers are applying for passports in record numbers (many, perhaps,

before they needed to in order to meet a deadline of January 2008). In FY2006, the State Department issued 12.1 million passports, an increase of 20 percent over FY2005 and will likely issue 18 million passports by the end of FY2007.[93]

We estimate that in 2006 the percentage of cruisers who did not hold a passport fell to 60 percent (again, 1 to 5 night cruises). Given that passengers were expecting the passport requirement to become effective in January 2007 based on the August 2006 NPRM and January 2008 based on the June 2007 NPRM, we assume that many potential cruisers applied for passports ahead of the anticipated requirements, thus dropping the percentage to 50 percent by 2007.[94] Once the requirements are fully in place, we estimate the annual percentage of non-passport holders to be 10 percent. For the remaining market segments, we apply the percentages reported by ICCL similarly.

Coleman et al., estimate that 40 percent of passengers on a particular cruise are taking their first cruise.[95] CLIA notes, however: "that cruisers are not exclusively cruisers; rather they are frequent vacationers who cruise as part of their vacation mix."[96] We believe, therefore, that because cruise and international air passengers exhibit a similar profile, many "new" cruise passengers are likely to have already obtained a passport for travel in the air environment. In other words, while many passengers are new to the cruise industry on an annual basis, they are not new to the international vacation industry and will be prepared for Western Hemisphere travel as a result of existing document requirements in the air environment. Additionally, while only a small percentage of the overall population cruises, those who do are often repeat travelers, cruising every 3 to 5 years.[97]

Number of travelers who will obtain passports

We apply an *elasticity of travel demand* to the cost of a trip to determine how travelers are likely to respond given an increase in travel price. For each 1 percent change in price, the price elasticity would represent a corresponding change in quantity demanded. Travel price elasticities vary depending on the purpose of travel and the distance traveled. As described by Gillen et al., in their overview of demand elasticities—

> The demand for a particular good or service depends on a variety of factors. Key influences include the tastes of consumers, the levels of consumer income, the price and quality of the product in question and the prices of other goods, especially goods that are close substitutes. In order to obtain useful estimates of the price sensitivity of demand for a product, researchers must carefully control for all the factors affecting the demand.
>
> As a general rule, when other influences on demand remain unchanged, a higher price for a product results in a lower quantity demanded. The own-price elasticity of demand…is defined as the percentage change in quantity demanded resulting from a given percentage change in price.[98]

With respect to air travel (which was the sole subject of the report), the authors note that—

> The slope of a demand function, which affects the own-price elasticity of demand, is generally expected to decrease (become shallower) with: the number of available substitutes; the degree of competition in the market or industry; the ease with which consumers can search and compare prices; the homogeneity of the product; [and] the duration of the time period analyzed.[99]

As previously mentioned, the FTC assessed the anti-trust implications of two potential mergers in the North American cruise industry in 2002. In their official statement regarding the mergers, the FTC noted—

> The facts that many passengers have never cruised before and that consumers as a whole cruise very infrequently and often select vacation options other than cruising suggest that demand is fairly elastic. Various empirical analyses relating average prices and capacity confirm this conclusion. Substantial increases in capacity reduce average fares, and implied demand elasticities are large relative to standard "Critical Loss" measures.[100]

Unfortunately, the empirical analyses relating prices and capacity were not cited specifically. Additionally, FTC stated that—

> Despite some evidence that the cruise lines consider land-based vacations serious competitive threats (and vice-versa), the cruise lines' primary competitive focus is on each other. The evidence also shows that the cruise lines expend significant effort to monitor (to the best of their ability) each other's prices, deployments, and other behavior, and that only occasionally do they closely monitor the price or capacity of non-cruise vacation options.[101]

Furthermore, FTC stated that—

> Not only are prices very complex, but there is no easy way for a cruise line accurately to monitor its competitors' prices. At any given time there are a large number of prices in the marketplace. Even with access to all actual transaction prices from historical data, it is difficult to discern any pattern in how competitors are pricing. Travel agents sell the overwhelming proportion of berths and often do their own discounting, adding to the complexity and opacity of industry pricing.[102]

Coleman et al., in their overview of the FTC investigation assert—

> This is a very complex industry with many prices. Prices vary across types of accommodations, itinerary, type of ship, and other factors. In addition prices for any particular type of cabin on any specific cruise vary significantly over the booking cycle, which is about 18 months. Quantities are also complex in that there are different types of berths, ships and itineraries. Thus, estimating demand elasticities would, at best, be highly problematic.[103]

The authors were, however, able to estimate some "crude" arc elasticities of demand—the response of average revenue to the large short-run change in quantity—as a result of a large increase in industry capacity during 2000 and 2001. Specific results of their analyses were not reported due to confidentiality issues; however, the authors found that elasticities of demand

"were about -2 or greater (in absolute value) for various measures of price and for various specifications."[104] The authors note that these should probably be interpreted as short-run elasticities and that the longer-run elasticity of demand might be considerably greater than -2.[105] Additionally, "candidates for potentially less price elastic transactions included: customers who booked their cruise early, consumers who purchased a particular type of cabin (such as the higher-priced balcony cabins), or a particular kind of cruise ('trade')(e.g., Alaska)."[106] The cruises affected by the rule, particularly trans-Panama Canal and Alaska, would likely be considered "trade" and might thus be less elastic than -2.

The Coleman et al., estimate of demand elasticity (-2.0) is used in this analysis despite its limitations—complete explanation and documentation of their calculations were not available because of confidentiality issues; it is not a pure price elasticity of demand; the purpose of their analysis was to examine merger effects, not regulatory impacts; likely short- versus long-run differences; potentially different elasticities for different customers and markets—because we believe that it is appropriate to use an elasticity estimated for the cruise industry than to use elasticities for other modes of travels, such as air travel.

Petrick, in his study of cruise passengers and price sensitivity, finds that passengers can be segmented into three groups: low, moderate, and high price sensitivity.[107] Price sensitivity is different than price elasticity: "While price elasticity describes aggregate changes in the quantity of demand related to changes in price, price sensitivity describes how individuals respond to various prices."[108] Petrick found that frequent cruisers (those that travel once every 1 to 5 years) have a low price sensitivity, meaning that changes in price, even large ones, do not affect these passengers' decision to travel. Cruisers who are highly price sensitive are those that take advantage of discount cruise offers that are short-notice purchases; these cruisers generally cruise only once in their lifetime.[109] These "fickle cruisers" are the individuals most likely to substitute other discount travel opportunities that do not require a passport.[110] As noted previously, it is also clear that these cruisers do not comprise the bulk of the affected cruise market.

ICCL, in their comment to the August 2006 NPRM, reported that in a survey of potential cruisers, 35 percent of potential cruise passengers would consider a non-cruise vacation if everyone in the party had to obtain a $100 passport.[111] According to ICCL, the survey asked: *If you were considering a future cruise and knew that a passport would be required for every member of your party, and that the cost of a passport is approximately $100 per person, what would you most likely do?* The options for the respondent were: *(1) Obtain a passport for everyone in my party (2) Change my party (3) Consider other vacation options (4) Other/not sure*.[112]

ICCL did not provide the percentage of respondents for (1), (2), or (4). The details of the survey were not provided in the comment, and we cannot

determine if the survey was scientifically conducted or whether it corrected for or acknowledged potential biases. We do not use this estimate to derive an elasticity of demand because it is a single point estimate. Additionally, as noted in the analysis for WHTI implementation in the land environment (published concurrently with this analysis), when a traveler responds "no" to a survey question regarding a proposed rulemaking, this response may, in effect, be a protest to the regulation that does not provide accurate information about the respondent's willingness to pay for access to travel. Respondents to the ICCL survey may have been registering a protest with their answers.

We thus calculate that a portion of travelers will forgo travel based on the arc elasticity of demand presented in Coleman et al. As we describe in a subsequent section on the demand for travel (beginning on page 2-40), the actual effect is likely much more complex. For analytical purposes, we have assumed that the full cost of a passport would drive the traveler's decision to obtain a document and continue traveling in the Western Hemisphere. In fact, consumers may mentally "amortize" the cost of a passport over the life of its validity or over the number of trips they plan to take over the validity of the document (10 years for an adult passport). If the consumer amortizes the cost over the validity period, the effect on per-trip demand would be much less; however, this should not lead to an appreciable overestimation of the impact of this rule. If we adjusted downward the change in passport cost for amortization, we would then have to adjust upward the number of trips across which the passport cost is amortized. The impact of this adjustment is unknown.

We next develop a trip cost to determine what percentage of the trip cost is represented by the cost of the passport. We use the average gross revenue per passenger cruise day reported in the 2006 ICCL industry profile ($239) and multiply this value by the number of nights of the cruise.[113] We assume that all affected passengers will require air travel, with airfare of $430 (as reported by ICCL). We estimate an overnight stay costs $248 (again, as reported by ICCL) and assume that all passengers will require an overnight stay. In making these assumptions, we may have overstated air travel and stayover costs, but we believe the overestimation is minor for the affected markets (Alaska and Trans-Panama Canal in particular).

Exhibit 15 summarizes the various costs to cruise passengers. For illustration, the most common voyage length within each category is presented. The complete calculations for all trip lengths are presented in Appendix B.

Exhibit 15. Example trip cost for cruise passengers by length of voyage

	Cruise length (nights)			
	1 to 5 (2 shown)	6 to 8 (6 shown)	9 to 17 (14 shown)	Over 17 (18 shown)
Cruise cost (a)	$478	$1,434	$3,346	$4,302
Airfare	430	430	430	430
Overnight stay	248	248	248	248
Total cost	$1,156	$2,112	$4,024	$4,980

(a) Number of nights × $239

In the original analysis for the August 2006 NPRM, we used a cost of $149 for a first-time, adult passport. This assumed a $97 fee, $11 for photos, and 1 hour and 25 minutes of time to complete an application at a cost of $28.60 an hour ($41 total).[114] The value of an hour of time used in the original analysis, $28.60, came from the Federal Aviation Administration's (FAA) document on critical values and represented the weighted cost for business and leisure travelers in the air environment. For the June 2007 NPRM and this analysis, we use the FAA reported value of $23.30 for an hour of leisure time because we assume that all cruise passengers are traveling for leisure purposes.[115] While this value is based on travel in the air environment, cruise passengers demographically are very similar to air passengers (see cruise traveler profile in previous section), and we believe it is appropriate to continue using FAA values of time for cruise passengers.

For the cost of a passport book in the June 2007 NPRM, we used a cost of $141 for a first-time, adult applicant. This assumed a $97 fee, $11 for photos and 1 hour and 25 minutes of time to complete an application at a cost of $23.30 ($33 total).[116] The value of an hour of time, $23.30, comes from the Federal Aviation Administration's (FAA) document on critical values and represents the cost to leisure travelers.[117] While this value is based on travel in the air environment, cruise passengers demographically are very similar to air passengers (see cruise traveler profile in previous section), and we believe it is appropriate to use FAA values of time for cruise passengers. We used a cost of $126 for a minor passport ($82 fee, $11 for photos, $33 time cost).[118] We applied these fees for the entire period of analysis (2005–2014).

Since publication of the June 2007 NPRM, the State Department has changed the fees for adult and minor passports by lowering the execution fee from $30 to $25 and increasing the security fee from $12 to $20.[119] For passports obtained in 2008 and beyond, we now use a cost of $144 for a first-time, adult applicant ($100 fee, $11 for photos, $33 time cost). We use a cost of $129 for a minor passport ($85 fee, $11 for photos, $33 time cost). The costs of the rule if minors were required to obtain passports are presented in the appendices. Because we do not know how many passengers are eligible to renew passports on an annual basis, we use the first-time passport fees for all passports obtained in order to not underestimate costs. The period of analysis is 2005–2018 to account for a 10-year period following full implementation of WHTI in the sea environment.

For the cost of a passport card (sensitivity analysis presented in Appendix C), we use a cost of $89 for a first-time, adult applicant.[120] This assumes a $45 fee, $11 for photos, and 1 hour and 25 minutes of time to complete an application at a cost of $33. We use a cost of $79 for a minor passport card ($35 fee, $11 for photos, $33 time cost). For this sensitivity analysis, we assume that travelers will obtain passport books until 2008 when we assume the passport card becomes available. From 2008 to the end of the period of analysis, we assume that travelers will choose the least-cost travel document—the passport card—to continue traveling.

We assume that 20 percent of applications will require expedited service, at a cost of $60 per application.[121] This calculation is performed after all other calculations have been made, which assumes that requiring expedited service does not affect demand.

Exhibit 16 presents the percentage change in trip cost that an adult passport would represent given the costs estimated in Exhibit 15. Based on these percentages and an elasticity of demand of -2.0, we would expect the greatest changes in travel demand to occur in the short cruise market where the passport is a notable portion of the trip cost. As estimated, the cost of the passport (both pre- and post-2008) is approximately 12 percent of the cost for short cruises.

Exhibit 16. Estimated percent change in trip cost as a result of the rule

	Cruise length (nights)			
	1 to 5 (2 shown)	6 to 8 (6 shown)	9 to 17 (14 shown)	Over 17 (18 shown)
Cost of trip	$1,156	$2,112	$4,024	$4,980
Cost of adult passport (pre-2008)	141	141	141	141
Passport (pre-2008) as percent of trip	12.2%	6.7%	3.5%	2.8%
Estimated change in demand	-24.4%	-13.4%	-7.0%	-5.6%
Cost of adult passport (2008 forward)	$144	$144	$144	$144
Passport (2008 forward) as percent of trip	12.5%	6.8%	3.6%	2.9%
Estimated change in demand	-25.0%	-13.6%	-7.2%	-5.8%

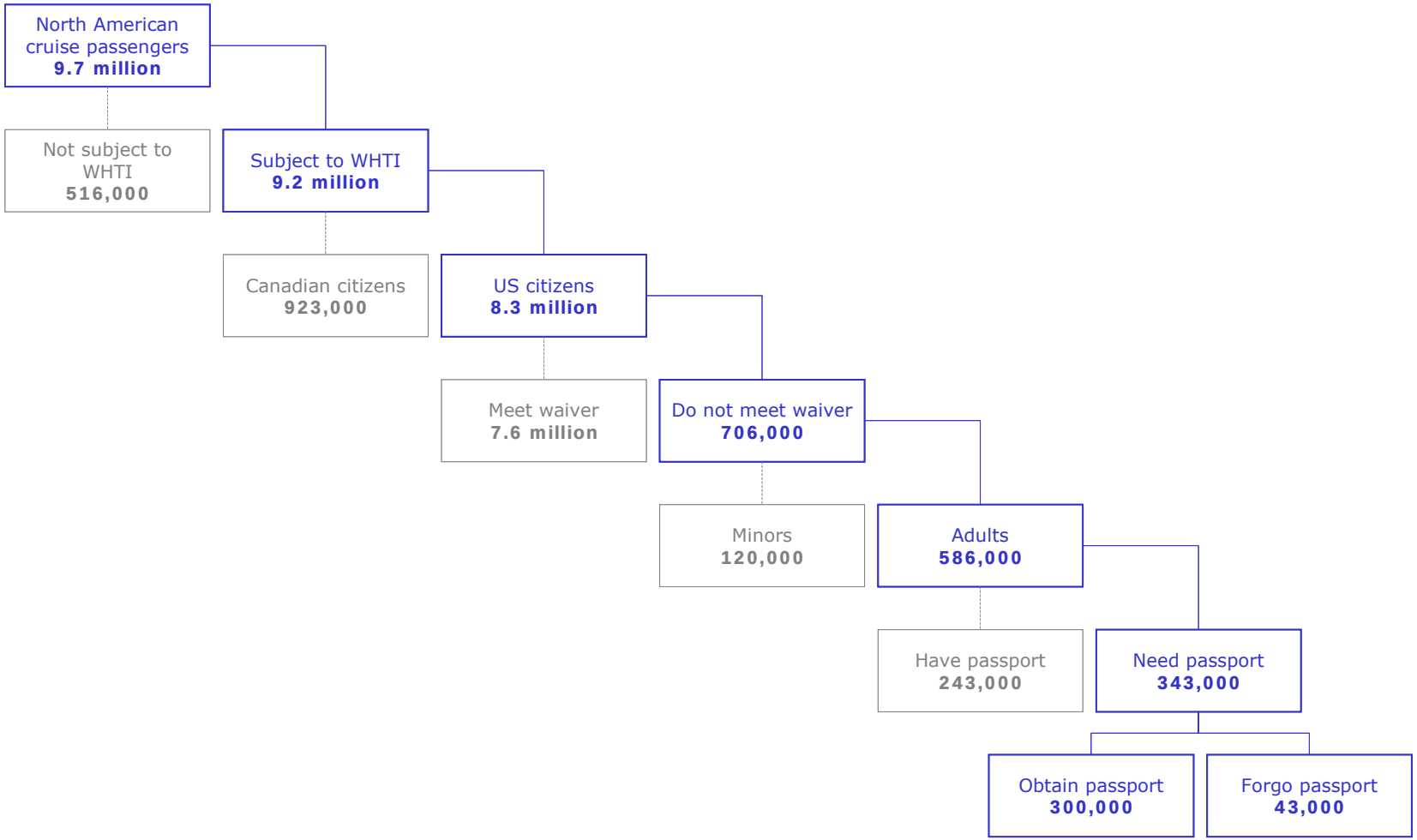
Given the percentage of the trip cost that a passport represents, the long and very long cruise markets will not likely be greatly affected by a document requirement. It should again be noted that these costs are not for the "discount" cruise market because those fares are not available. We do not believe discount cruises are a large portion of the affected cruise market, but these cruises would be the most notably affected because the passport would represent a significant portion of the trip cost—using the example from the ICCL comment to the August 2006 NPRM, the cost of a passport would be more than 60 percent of the trip cost. Additionally, discount cruises are

usually purchased close to the voyage time and expedited passport services may be required.

The complete disaggregation of the population under consideration, from the entire North American cruise population to the number of passports that were obtained in 2005 is presented in Exhibit 17 (next page).

As shown, 95 percent of the North American cruise population is subject to WHTI. Of those subject to WHTI, 90 percent are US citizens. Most of these US citizens, 92 percent, will fall under the waiver criteria for certain US cruise passengers. Of the passengers who do not meet the waiver criteria, 83 percent are adults. Of these adults, 59 percent do not have a passport. An estimated 87 percent of these adults will obtain passports; given the demand elasticity applied of -2, the remaining 13 percent may choose to forgo obtaining the documents.

Exhibit 17. Estimated populations for the first year of the analysis (2005)



Total costs to obtain passports

As noted previously, we estimate total direct costs to obtain passports beginning in 2005, with a period of analysis from 2005–2018. We present the costs for adult travelers (16 years and older), which is the chosen regulatory alternative. Cost estimates if minors were included are presented in the appendices. The total costs presented here include an expedited service fee of $60 for 20 percent of the passports demanded each year. Complete details can be found in Appendix B.

With an estimated 300,000 passports demanded, the first-year costs were approximately $46 million. The discounted costs over the period of analysis (2005–2018) are $210 million (7 percent discount rate) and $245 million (3 percent discount rate). Annualized costs are $22 million (7 percent discount rate) and $21 million (3 percent discount rate). An estimated 12 percent of affected adult passengers (7 percent of covered adult passengers) would forgo their cruise travel in the first years the rule is in effect. That percentage would drop to about 10 percent in later years. These estimates are summarized in Exhibit 18.

Exhibit 18. Total passport costs for affected adult US cruise travelers (2005–2018, in millions)

	Affected adult US cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	0.34	-0.04	0.30	$45.80	$45.80	$45.80
2006	0.30	-0.04	0.26	40.22	37.59	39.05
2007	0.25	-0.03	0.22	33.81	29.53	31.87
2008	0.20	-0.03	0.17	26.92	21.97	24.64
2009	0.08	-0.01	0.07	11.23	8.57	9.98
2010	0.08	-0.01	0.07	10.68	7.61	9.21
2011	0.08	-0.01	0.07	11.33	7.55	9.49
2012	0.09	-0.01	0.08	12.01	7.48	9.77
2013	0.09	-0.01	0.08	12.73	7.41	10.05
2014	0.10	-0.01	0.09	13.49	7.34	10.34
2015	0.10	-0.01	0.09	14.30	7.27	10.64
2016	0.11	-0.01	0.10	15.16	7.20	10.95
2017	0.12	-0.01	0.10	16.07	7.14	11.27
2018	0.12	-0.02	0.11	17.03	7.07	11.60
Total					$209.53	$244.65
Annualized cost					$22.39	$21.03

There are other direct costs of the rule that we have not quantified here. We have not estimated the cost for passengers who arrive at the cruise terminal ready to travel and are not permitted to embark because they do not have passports. We do not estimate the costs to individuals who are not able to get their passports in time to travel on their planned vacations. This would result in passengers losing a large part of their trip cost that cannot be

recovered (for example, non-refundable air- or cruise fare). Similarly, we do not estimate costs for travelers who attempt to enter the United States from the Western Hemisphere without a passport. If travelers are US citizens, they cannot be prevented from entering the country, but they will likely be placed in secondary inspection upon entry and may spend considerable time there convincing CBP officers of citizenship and identity. We have also not considered the costs for losing passports that were not previously required.

Foreign travelers to the United States

As previously shown (Exhibit 13, page 2-26), there are an estimated 78,000 non-US citizens (we assume these are all Canadians) who embarked on affected cruises in the first year (2005). It should be noted, however, that there are no waivers in the rule for adult Canadian cruise passengers; thus, all adult Canadian cruise passengers will require a passport. There are an estimated 923,000 covered passengers (10 percent of the 9.2 million Western Hemisphere cruise population, recall Exhibit 17); 766,000 (83 percent) of them are assumed to be adults.

While this analysis is not concerned primarily with the costs to foreign visitors as a result of new document requirements, we are concerned with the potential loss of visitors to the United States. We use a methodology identical to that for US citizens and adjust for conditions that are representative of Canadian citizens, notably the fee and burden for obtaining a Canadian passport (which is more expensive than a US passport) and the passport prevalence rate for Canadian citizens (who are more likely than US citizens to already hold a passport). Complete assumptions and calculations are presented in Appendix D.

The results of the analysis are presented in Exhibit 19 (next page). As shown, we estimate that approximately 18 percent of affected Canadian cruise travelers (9 percent of the covered passengers) may forgo travel in the first year, and that percentage drops to 15 percent in later years.

Exhibit 19. Canadian cruise travelers who may forgo cruise travel (2005–2018, in millions)

	Affected adult Canadian cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	0.40	-0.07	0.33	$55.33	$55.33	$55.33
2006	0.33	-0.06	0.27	45.29	42.33	43.97
2007	0.19	-0.03	0.15	25.24	22.05	23.79
2008	0.12	-0.02	0.09	15.89	12.97	14.54
2009	0.09	-0.02	0.08	12.79	9.76	11.36
2010	0.10	-0.02	0.08	13.56	9.67	11.70
2011	0.10	-0.02	0.09	14.37	9.58	12.03
2012	0.11	-0.02	0.09	15.23	9.48	12.38
2013	0.12	-0.02	0.10	16.14	9.39	12.74
2014	0.12	-0.02	0.10	17.11	9.31	13.11
2015	0.13	-0.02	0.11	18.14	9.22	13.50
2016	0.14	-0.02	0.11	19.23	9.14	13.89
2017	0.15	-0.03	0.12	20.38	9.05	14.29
2018	0.16	-0.03	0.13	21.61	8.97	14.71
Total					$226.24	$267.35
Annualized cost					$24.18	$22.98

The costs for foreign citizens who must acquire a passport are not included in our total rule costs because they are incurred by entities outside this country, and foreign governments collect the revenues from passport fees. However, forgone travel is of interest to us in this analysis because this leads to potential indirect costs to the US travel and tourism sector and may indirectly affect small US businesses.

Comparison between the June 2007 analysis and the current analysis and summary of assumptions used

As noted previously, the analysis published with the June 2007 NPRM used a different cost for a passport and a different period of analysis. The cost of the passport was $3 less in the June 2007 analysis and the period of analysis was 2005–2014. The period of analysis for this analysis is 2005–2018. We also adjusted the passport prevalence rate to account for an implementation date of June 2009. We did not receive any comments to the June 2007 NPRM on the analysis for WHTI implementation in the sea environment that refuted our assumptions or provided additional information that would improve the analysis.

Exhibit 20 (next page) summarizes the assumptions used in this analysis.

Exhibit 20. Summary of assumptions

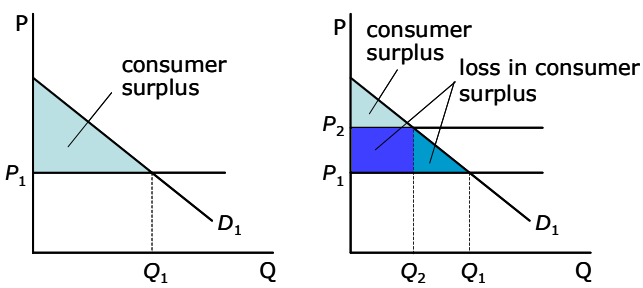
Assumption	Value
Estimate of covered US cruise passengers	706,000 US citizens in 2005 (586,000 adults and 120,000 minors); 6 percent annual growth rate over period of analysis (2005–2018)
Estimate of affected US cruise passengers	343,000 US citizens in 2005 (all are adults)
Number of US citizens who do not hold passports: short cruise market (1–5 nights)	70 percent in 2005, decreasing annually to 10 percent by 2010
Number of US citizens who do not hold passports: medium cruise market (6–8 nights)	60 percent in 2005, decreasing annually to 10 percent by 2009
Number of US citizens who do not hold passports: long (9–17 nights) and very long (over 17 nights) cruise markets	50 percent in 2005, decreasing annually to 10 percent by 2008
Cost of a cruise	Trip cost differs by length of cruise: $239 cruise cost per night $430 airfare $248 for port stayover
Cost of a passport, pre-2008	$141 adult passport For analysis including minors (appendices): $126 minor passport
Cost of a passport, 2008 forward	$144 adult passport For analysis including minors (appendices): $129 minor passport
Cost of a passport card (sensitivity analysis)	$89 adult passport card $79 minor passport card
Cost of expedited service	$60 for 20 percent of applicants
Change in demand for adult cruisers: short cruise market (2 nights shown)	24 percent
Change in demand for adult cruisers: medium cruise market (6 nights shown)	13 percent
Change in demand for adult cruisers: long cruise market (14 nights shown)	7 percent
Change in demand for adult cruisers: very long cruise market (18 nights shown)	6 percent

Losses from forgone passports

This analysis has considered thus far only the direct costs of obtaining passports for sea travel in the Western Hemisphere. In addition to passport costs, we must also consider direct costs to US travelers who opt not to obtain a passport (individual welfare losses or losses in consumer surplus), and unquantified indirect costs (losses to the travel and tourism industry; see next section).

In this analysis, we have anticipated that the majority (93 percent in the first year) of US cruise passengers in the Western Hemisphere fall under the waiver criteria in the rule either because of their voyage or their age. The vast majority of the remaining covered cruise passengers (93 percent in the first year) already have or will obtain a passport and continued traveling. Even those passengers who chose not to obtain a passport would experience a welfare loss; however, if an individual's loss of not obtaining a passport exceeded its cost, she would be better off obtaining one.

The first figure below represents US travelers' willingness to pay (D_1) for access to Western Hemisphere countries. At price P_1, the number of US travelers without passports currently making trips to these countries is represented by Q_1. As seen in the second figure, if the government requires travelers to obtain a passport or passport card in order to take cruises, the price of access increases by the cost of obtaining the new document, to P_2. As a result, the number of travelers making trips to these countries decreases to Q_2.



All travelers in this figure experience a loss in consumer surplus; the size of the surplus loss depends on their willingness to pay for access to these countries. The lost surplus experienced by travelers whose willingness to pay exceeds P_2 is shown in the dark blue rectangle, and is calculated as $(P_2 - P_1) \times Q_2$. Travelers whose willingness to pay for access to these countries is less than the price of the passport or passport card will experience a loss equal to the area of the aqua triangle, calculated as $\frac{1}{2} \times (Q_1 - Q_2) \times (P_2 - P_1)$.

Thus, to estimate total individual welfare losses as a result of WHTI implementation in the sea environment, adult travelers who forgo travel (44,000 in the first year) are multiplied by the cost of the passport ($141) and ½. The total losses in the first year would be $49 million, a difference of $3 million from the first-year estimate presented in Exhibit 18. Total welfare losses for the rule are presented in Exhibit 21 (next page).

Exhibit 21. Total losses for US cruise travelers (2005–2018, in millions)

	Passport costs (un-discounted)	Passports forgone	Welfare losses (un-discounted)	Total losses (un-discounted)	Total losses (7%)	Total losses (3%)
2005	$45.80	0.04	$3.06	$48.86	$48.86	$48.86
2006	40.22	0.04	2.70	42.92	40.11	41.67
2007	33.81	0.03	2.29	36.10	31.53	34.03
2008	26.92	0.03	1.86	28.77	23.49	26.33
2009	11.23	0.01	0.82	12.05	9.19	10.70
2010	10.68	0.01	0.70	11.38	8.12	9.82
2011	11.33	0.01	0.74	12.07	8.04	10.10
2012	12.01	0.01	0.78	12.79	7.96	10.40
2013	12.73	0.01	0.83	13.56	7.89	10.70
2014	13.49	0.01	0.88	14.37	7.82	11.01
2015	14.30	0.01	0.93	15.23	7.74	11.33
2016	15.16	0.01	0.99	16.15	7.67	11.66
2017	16.07	0.01	1.05	17.11	7.60	12.00
2018	17.03	0.02	1.11	18.14	7.53	12.35
Total					$223.55	$260.96
Annualized welfare losses					$23.89	$22.43

The more passengers choose to obtain a passport and continue traveling, the lower the welfare losses and indirect costs (losses to the travel and tourism industry) would be. While individual welfare losses attributable to forgone travel and indirect costs would decrease the more passports are obtained, losses would never equal zero. This is because all travelers have certain preferences for travel that they attempt to fulfill given their budget constraints. Thus, if the relative price of travel increases and a person still wants to cruise, she must reconsider his expenditure choices—and thus lose utility—because her budget constraints have not changed.

The cost of obtaining a passport results in real costs for some consumers. For these consumers, the costs of obtaining passports are equivalent to an increased price for their trips. As with any other normal good or service, a price increase will result in changes to consumer behavior. As previously noted, we believe price increases will result in fewer or modified cruises. This is especially so for potential "discount" cruise travelers who currently do not hold a passport. Given that this represents a change from consumers' currently revealed preferred activity, consumers substituting to a less preferred alternative are unambiguously worse off.

Price elasticities for travel demand

How passengers reconsider their expenditure choices given a change in price is at the heart of the price elasticity for travel demand. Because many travelers (those without passports) would face an increased travel price as a result of the rule, these travelers would need to reconsider their trip

expenditures. How travelers change their behavior is what drives individual welfare losses attributable to not obtaining a passport and the indirect costs of the rule. In the analysis above, we have estimated that some portion of travelers will not take cruises that they otherwise would have made in the absence of a passport requirement. In fact, travelers may just forgo the *particular trips* they would have taken but not forgo cruise travel altogether—passengers could choose from a myriad of substitutes that still maximize their utility given their budget constraints. This is not meant to be an exhaustive list, but some possibilities include—

- A traveler could forgo cruise travel completely. This would represent a loss for the individual traveler because she had a preference for cruising that she is no longer consuming and is thus made unambiguously worse off. This would also represent an indirect loss for the cruise industry that would no longer be supporting the individual's trip.

- A traveler could delay cruising and "save" to obtain the passport or wait for her budget constraint to be "pushed out" through, as an example, an increase in income. This is a short-term loss for both the travel industry and the individual that could be made up in subsequent time periods.

- A traveler could substitute a particular cruise for another that is less expensive.

- A traveler could still travel on his first-choice cruise but consume lower-cost goods and services (flights, cabins, dining, recreational activities) or cruise for a shorter period of time.

- A traveler could forgo international cruising and instead travel to domestic destinations (including Puerto Rico, the US Virgin Islands, Hawaii, Alaska, the Pacific Coast, and New England), take a round-trip cruise where a passport would not be required, or take a one-way cruise where a passport card could be used.

- A traveler could forgo cruising and select another vacation option.

- A traveler could forgo traveling and consume non-travel goods and services.

The decision to travel is complex, and price elasticity is an imperfect measure to try to capture all the inputs that go into an individual's decision to travel. We have applied an elasticity of demand to future cruise travel in this analysis to attempt to capture as many of the potential impacts of the rule as we can. We cannot, however, look at the number of travelers who choose to forgo cruise travel as a result of the rule and determine what the gains and losses to different players in different economies will be—we simply cannot determine adequately what each individual traveler (or even bloc of

travelers) will do to express her preferences for goods and services given a change in price in one portion of her travel cost.

In their analysis of mergers in the cruise industry Coleman et al., studied whether consolidation in the industry would increase costs and thus decrease demand. The authors found—

> [T]he relationship between hypothetical price increases and diverted sales was at best highly complex. For example, the variability of demand would make it difficult for the merged firm to determine where lost passengers went after a potential price increase.[122]

Additionally—

> [T]he state of competition in the industry has been one of competition on price, capacity, and product and service differentiation. The substantial complexity of the industry, the competition on all dimensions, the strong unilateral incentives to set prices to fill the ships, and the strong unilateral financial incentives to add capacity, combine to make the cruise ship industry an unlikely candidate of anticompetitive tacit coordination with respect to price…[M]ost competitors have made successful efforts to reduce costs, and to varying extents across competitors those efforts have been successful.[123]

Thus, it would be difficult to determine where cruise passengers would go given a change in price, and it is likely that the cruise industry will continue to aggressively pursue cost-reducing practices to fill their ships.

Travel and tourism literature has attempted to capture traveler behavior using numerous models, data sets, and variables. As described by Woodside and Dubelaar—

> Decisions and behaviors by travelers and tourists represent a rich mosaic of relationships among multiple sets of variables. These variables include the following:
>
> — Background variables (demographic, psychographic, and social)
>
> — Destination marketing and related service marketing influences—for example, destination advertising Websites and offers to provide inquirers with free visitor information guides (VIGs) and the information and persuasiveness of these VIGs; related service marketing influences include event and attraction marketing and advertising by car rental firms, restaurants, and accommodations
>
> — Prior trip behavior, information search, and current trip planning
>
> — Choices and behaviors regarding destinations, transportation modes, travel routes, accommodations, visiting attractions, restaurants and foods, durable purchases, and local-area destinations
>
> — Micro and macro evaluations and satisfactions (i.e., regarding individual and global consumption events occurring during the trip)

— Conations (e.g., willingness and intentions to repeat the tourism-related consumption events, such as visiting the same destination in the future).[124]

They go on to state: "The discretionary traveler's thoughts, actions, and attitudes are likely to be influenced by seemingly minor events that often trigger substantial investments in time and money."[125] Thus, the authors argue, complexity and nuance need to be captured in analytic models and empirical work examining trip choices.

Jeng and Fesenmaier find serious shortcomings with the travel research that has emphasized the importance of destination choice. "These efforts, in large part, follow a static and singular perspective and commonly equate travel decision behavior with a destination decision, thereby assuming travel decision behavior as a trade-off process among destination attributes."[126] The authors believe that travel planning and decision-making should be examined instead as a hierarchy—

> Traditional travel decision and choice models often equate travel behavior with the choice of a travel destination. Recent research evidence seems to indicate that travel decision-making behavior is not a singular concept; rather, it is a multifaceted behavioral phenomenon involving various subdecisions…Research also suggests that decision-making and choice behavior is a dynamic, successive, and temporal process rather than a static decision/choice action…In addition, the complex travel decision hierarchy is influenced, directly or indirectly, by three components, including psychological/cognitive components, behavioral components, and decision contexts…The psychological/cognitive component, including value, knowledge, involvement, risk, attitude, and intention, establishes the travel needs and demand…The second component defines the behavioral decision process, which includes information retrieval process and information integration process (i.e., decision heuristics). Both the information retrieval and information integration processes are used to derive trip decisions and choices…The third component, the decision context, defines a task environment where a decision behavior takes place and includes macroenvironments, such as ethnicity, cultural background, and sociodemographics, and microenvironments or contexts, such as type of trip, information environment offered in the marketplace, and marketing/advertising practices.[127]

Numerous studies reinforce our belief that the demand for travel is not perfectly inelastic—a change in price will result in a change in the quantity consumed. Lim's findings in a meta-analysis, for example, "…support the proposition that international tourism demand is positively related to income and negatively related to tourism prices."[128] Brons et al., echoes these results, as do Maloney and Montes Rojas, and Crouch.[129] Lim, interestingly, notes "…the results for transportation costs do not entirely support the view that international tourism demand is inversely related to this explanatory variable, especially those studies that have used travel exports/imports as the dependent variable."[130] Thus, while we have attached the cost of a passport to cruise demand, the relationship between demand and cruise cost may not be as closely related as we have implied in our analysis.

Alegre and Pou emphasize the importance of studying households to model travel demand, not simply aggregate data, for several reasons—

> [micro-economic models] are closer to theoretical economic consumer models… for commodities like tourism, for which the best option for some households is not to consume them… [A]nalyses based on aggregate data introduce a participation bias that can be controlled only with microeconomic data…[and] microeconomic models include the diversity and heterogeneity of consumer behavior that is cancelled out when aggregate information is used.[131]

In their study of Spanish households, Alegre and Pou find that the age of the household head, education, and income all contribute significantly to the probability that a household will travel. They conclude that households in the OECD countries—

> are characterized by an increase in one-person households and childless couples, an increase in the overall level of education, a higher proportion of older people and an increase in the number of retired people. This paper has demonstrated that these variables will significantly increase the propensity to travel, to the extent that they may be more important than economic growth.[132]

Our data for cruise passengers match these characteristics almost exactly. This implies, therefore, that arc elasticities of demand, such as those used in this analysis, do not adequately capture the true intent of individuals and households and their propensity to travel. Based on household characteristics, travelers affected by the rule are likely to keep traveling on their desired travel, perhaps more likely than we have estimated.

Oppermann considered destination loyalty in his exploratory study to characterize future destination choice.[133] Using a "loyalty scale" to characterize repeat trips to a destination, the author suggested that the "behavior measure of loyalty by itself can be a reasonable or even good predictor of future tourism destination choice. It certainly purports the notion that past experience has an influence on future behavior in a tourism destination choice context."[134]

Petrick, contributing further to the concept of travel loyalty on cruise ships, found—

> …in comparison to first timers, emotional response is a much stronger predictor and monetary price was a much weaker predictor of repeat visitors' perceptions of quality. Thus, repeat visitors are more likely to base their perceptions of quality on how the experience makes them feel, while first timers are more likely to base their perceptions on price… Results further reveal that behavioral price is more important for first-time visitors than repeat visitors. It is postulated that repeat visitors are more experienced at purchasing cruises and are thus likely to consider the effort it takes to purchase a cruise as a burden to the overall perception of their experience.[135]

Petrick, in his study to better understand the relationships among cruise passengers' satisfaction, perceived value, and quality, found that perceived

value and quality "are antecedents of cruise passengers' satisfaction in the prediction of behavioral intentions" and "quality and value are cognitive responses to a service experience while satisfaction is an emotional response."[136] Petrick et al., also found that "negative incidents have a much greater effect on cruise passengers' post hoc cruise evaluations than positive incidents."[137] Thus, a travelers' perception of value and quality of a cruise can be a good predictor of future behavior.

The Travel Industry Association (TIA) conducted a study of 5,000 consumers who had taken at least one overnight trip in the past year.[138] TIA found that "the trip occasion, rather than available finances or travel prices, generally has the strongest influence on the overall leisure travel decision-making process."[139] It also found that "when choosing a cruise, leisure travelers are most likely to be influenced by the destinations on the cruise itinerary and cost."[140] Furthermore, "Few travelers (14 percent) stick to an exact budget on leisure trips. Travelers are more likely to have an approximate budget, but will stay flexible with their spending (55 percent). Three in ten (31 percent) leisure trips do not have a budget."[141] Finally, the TIA study found that a safe location, available activities, friends and family, and attractions are the most important factors cited when choosing a trip destination.[142] Almost half of the respondents cited safety as the most important factor.

It is also possible to view out-of-country travel in the context of international trade. When US travelers go to Canada, Mexico, and the Caribbean, US citizens are importing the services of those nations. What makes travel unusual is the countries' exported services do not leave their countries to be consumed. This seemingly strange relationship makes estimates of demand even more confounding. As Crouch described the principal characteristics of international tourism—

> — It involves *complex buying behavior* in which the transaction is primarily between consumers from one country and suppliers in another country…
>
> — The *tourism product is an amalgam* of a wide diversity of services and goods…
>
> — Tourism exports require the *transportation of the consumer*. Transporting the consumers to the product rather than the product to the consumers is not unique to tourism, but in no situation is it of greater significance…
>
> — Purchases involve *foreign currency transactions.* Rarely do consumers need to purchase a product in a foreign currency…[143]

Thus, based on empirical work done in the travel and tourism literature, we can assemble a (partial) list of variables that is important to consider when estimating the elasticity of demand—

— Income

— Purpose of visit (business, leisure, other)

- Price of trip
- Duration of trip
- Distance of trip
- Destination choices
- Transportation choices
- Whether or not the trip is a first-time visit to the destination
- Potential substitutes within the travel and tourism realm
- Potential non-travel substitutes
- Age and gender
- Household characteristics (marital status, number of children, education, household income)
- Current terms of trade with the exporting country
- Marketing efforts in the exporting country
- Safety and security in the exporting country
- Pre-travel requirements (visas, passports, inoculations)
- Foreign exchange rates

The elasticities used to estimate changes in travel behavior have certainly not captured (or considered) all of these variables. Elasticities, therefore, should not be viewed as deterministic—but they are a good hint.

The travel demand studies cited above focused exclusively on demand-side effects of changes in trip costs—how travelers respond to changes in the price of travel. Some research has been conducted, however, that implies that supply-side factors may be at least as important as the choice paradigm of the consumer. In international trade theory, *competitive advantage* is the notion that it is more advantageous for countries to produce goods where they have a clear advantage and import those where they do not. For most goods, the marginal costs of the inputs to production, namely labor and indigenous resources, help determine which countries will trade with one another and what goods they will trade. In the case of travel and tourism, the competitive advantage of Western Hemisphere countries is not cheap labor but "sun, sand, cultural richness, natural wonder, unique experience, and price competition among potential destinations."[144]

The potential effects of this rule could be to raise the opportunity costs to travel to destinations where passports are required. Canada, Mexico, and affected Caribbean nations could then lose a measure of their competitive advantage over US destinations. In some cases, suppliers of US imports of travel could reexamine their "production methods" to make their exports more competitive with American substitutes.[145] Additionally, based on the Coleman et al., study cited throughout this analysis, continued pursuit of efficiency gains appears likely in the cruise industry. If successful, efficiency gains could offset the opportunity costs.

Jamaica instituted a "passport to rewards" program in response to the final rule for WHTI implementation in the air environment.[146] Under this program, approximately 40 properties on the island offered a $97 voucher (the cost of the passport book fee) to travelers who showed that Jamaica was the first port of entry stamped in their new passport. The voucher could be used for numerous items including room upgrades, golfing fees, and shopping. Additionally, Bookit.com offered vacation packages to the Caribbean and Mexico that included a passport.[147] Travelers who booked travel with the online service provider received a voucher for up to $97, and travelers could redeem their vouchers by mail for a rebate. Other resorts and travel services have also offered similar promotions.[148] Conversely, the US Virgin Islands advertised an early 2007 "no passport required" promotion to entice potential Caribbean travelers who did not have a passport.[149]

Indirect costs of the rule

If US travelers forgo international travel as a result of the rule, we would expect these industries to be indirectly affected (this list is not intended to be exhaustive)—

- Cruise lines
- Cruise terminals and their support services
- Air carriers and their support services
- Travel agents
- Traveler accommodations
- Dining services
- Retail shopping
- Tour operators
- Scenic and sightseeing transportation

- Hired transportation (taxis, buses)
- Arts, entertainment, and recreation

According to the MARAD dataset used throughout this analysis, there are 17 cruise lines operating in the Western Hemisphere. Of these, 9 are offering cruises in 2007 that would be indirectly affected by a passport requirement. Estimates regarding affected cruise lines should be approached with caution—cruise lines frequently pull out of ports, offer new itineraries, relocate ships, and enter new ships into service.[150] The total number of Western Hemisphere passengers and their historic passenger loads are presented in Exhibit 22 (next page). Two cruise lines dominate the North American cruise industry, with nearly two thirds of the bookings in 2006. Exhibit 23 (page 2-51) presents cruise lines by destination region. All cruise lines have some operations in the Caribbean, while a smaller subgroup operates in Alaska, and only a few operate in Bermuda and along the US Pacific coast between Canada and Mexico. Three companies dominate operations in the Bahamas. Companies with smaller passenger counts in 2006 (fewer than 20,000) operated primarily in the Caribbean.

Exhibit 22. Western Hemisphere cruise lines and passenger counts, 2003–2006

	Vessels in service in region				Passengers							
	2003	2004	2005	2006	2003	(%Δ)	2004	(%Δ)	2005	(%Δ)	2006	Percentage of 2006 passengers
Carnival Cruise Lines	20	20	21	21	2,846,564	(7)	3,059,556	(3)	3,165,518	(4)	3,282,849	35
Royal Caribbean International	18	20	19	20	2,200,892	(18)	2,590,338	(3)	2,659,937	(4)	2,755,889	29
Princess Cruises	10	11	12	13	673,794	(35)	906,471	(6)	958,581	(1)	965,884	10
Norwegian Cruise Line	9	10	10	10	644,707	(3)	666,986	(4)	691,453	(1)	699,033	7
Holland America Line	12	13	12	12	521,212	(15)	598,831	(-5)	568,220	(6)	602,884	6
Celebrity Cruise Lines	9	9	9	8	584,465	(-1)	579,970	(-12)	509,404	(-21)	402,038	4
Disney Cruise Line	2	2	2	2	398,813	(-1)	395,890	(1)	401,696	(-3)	390,480	4
Costa Cruise Line	3	3	4	3	70,378	(10)	77,082	(28)	98,412	(21)	118,816	1
MSC Cruises	1	2	2	2	9,147	(153)	23,164	(56)	36,130	(-4)	34,645	0
Cunard Line	3	3	4	2	6,090	(462)	34,211	(30)	44,318	(-27)	32,199	0
Regent Seven Seas Cruises	1	2	1	3	32,647	(36)	44,531	(1)	44,764	(-46)	24,353	0
Crystal Cruises	3	3	3	2	22,495	(8)	24,263	(26)	30,466	(-52)	14,716	0
Silversea Cruises	2	3	2	2	3,955	(87)	7,377	(-1)	7,319	(32)	9,640	0
Oceania Cruises	1	1	1	1	1,815	(147)	4,482	(29)	5,786	(-10)	5,214	0
Seabourn Cruise Line	2	2	2	2	2,797	(-15)	2,368	(14)	2,695	(-3)	2,609	0
SeaDream Yacht Club	2	2	2	2	3,010	(4)	3,127	(7)	3,351	(-25)	2,525	0
Windstar Cruises	2	2	2	1	4,834	(25)	6,043	(-55)	2,749	(-18)	2,257	0
Total	100	108	108	106	8,027,615	(12)	9,024,690	(2)	9,230,799	(1)	9,346,031	100
7 largest cruise lines	80	85	85	86	7,870,447	(12)	8,798,042	(2)	8,954,809	(2)	9,099,057	97

Source: MARAD Cruise Statistics 2003–2006.

Exhibit 23. Western Hemisphere cruise lines and passenger counts by destination region, 2006

	Western Caribbean	Bahamas	Eastern Caribbean	Mexico Pacific Coast	Alaska	Southern Caribbean	Bermuda	Canada/ New England	Trans-Panama Canal	US Pacific Coast	Hawaii
Carnival	1,477,561	634,713	437,037	429,449	42,506	182,940	2,268	72,031			4,344
Royal Caribbean	969,874	521,666	381,858	337,953	119,156	287,921	114,218	12,692	8,388		2,163
Princess	216,947	3,077	167,967	140,608	269,081	119,474		20,280	21,881	6,569	
Norwegian	165,935	113,528	117,958	56,542	128,221	21,751	71,190	13,246	4,513	4,444	1,705
Holland America	66,873	2,644	91,571	63,076	253,687	71,683		28,287	18,908	4,872	1,283
Celebrity	88,771	1,768	57,205	40,177	110,081	37,927	38,308	5,996	21,805		
Disney	83,811	259,318	47,351								
Costa	56,425	1,793	55,201				5,397				
MSC	13,614		14,908			6,123					
Cunard	6,710	2,001		2,676		9,185	2,646	7,872	1,109		
Regent	2,359	469	7,414	705	11,063	1,108			1,235		
Crystal	888		959	3,144		1,905		3,768	4,052		
Silversea	709		2,150	680	3,573	1,808			720		
Oceania	654		664			2,612			1,284		
Seabourn			173			1,275	187	384	590		
SeaDream			1,634			891					
Windstar			590			1,667					
Total	3,151,131	1,540,977	1,384,640	1,075,010	937,368	748,270	234,214	164,556	84,485	15,885	9,495

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

The 9 cruise lines with affected itineraries in 2007 and their estimated passengers are presented in Exhibit 24. As shown, two cruise lines dominate the affected markets, though they are not the same two that dominate the Western Hemisphere cruise industry as a whole.

Exhibit 24. Cruise lines by region and estimated covered passenger counts

	Alaska	Panama Canal	US Pacific Coast	Canada/New England	Total	Percent of total
Holland America	157,308	60,588	24,733	23,927	266,557	30
Princess	184,137	27,395	27,395	10,920	255,679	29
Celebrity	106,127	29,081	3,777		138,985	16
Royal Caribbean	90,948	10,088	6,262		107,298	12
Norwegian	40,280	7,663			47,943	5
Carnival	42,777				42,777	5
Regent	12,614	2,037			14,651	2
Crystal		2,735		3,948	6,683	1
Seabourn				437	437	< 1
Total	634,192	139,587	67,999	39,232	881,010	100

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries). It should be noted that Carnival, Celebrity, Holland America, Norwegian, Princess, Regent Seven Seas, and Royal Caribbean all have 2007 itineraries in these regions where passengers would meet the round-trip waiver criteria in the final rule.

Exhibit 25 (next page) presents the estimated covered passengers by departure port for the 9 cruise lines. As shown, most of the lines have operations in Vancouver. About half operate in Fort Lauderdale, San Diego, and Los Angeles. Exhibit 26 (page 2-54) presents the estimated passengers by destination port. Exhibits 27 and 28 (pages 2-55 and 56) present the number of voyages by line and departure and destination port. Finally, Exhibit 29 (page 2-57) shows the number of passengers by voyage length (in nights) for the 9 cruise lines.

In all these exhibits, all passengers are shown (US and non-US citizens, adults and minors).

While we expect that cruise lines will be indirectly affected by the rule, how they will be affected depends on their itineraries, the length of their cruises, their current capacity, and future expansion, as well as by travelers' decisions. As stated previously, we expect short cruises (1 to 5 nights) to be most notably affected. Longer cruises are less likely to be affected because these trips are planned well in advance, passengers on these voyages are more likely to already possess a passport, and the passport cost is a smaller fraction of the total trip cost.

Exhibit 25. Cruise lines by estimated number of covered passengers and departure port

	Holland America	Princess	Celebrity	Royal Caribbean	Norwegian	Carnival	Regent	Crystal	Seabourn	Total
Vancouver	133,241	107,286	87,346	71,020	40,280	24,766	6,678			470,617
Whittier		90,653				18,012				108,665
Seward	37,511		16,536	17,808			5,194			77,049
Fort Lauderdale	28,734	5,698	15,054	2,037			1,358			52,881
San Diego	20,369	1,970	5,597	4,158	1,940					34,033
Los Angeles	5,590	14,648	5,850	4,057	1,892		679	912		33,627
New York	14,223	5,460						1,974		21,657
San Francisco		8,528	5,847	2,121			742			17,238
Montreal	11,964							1,974	218	14,156
San Juan		8,759		2,037						10,796
Acapulco		7,217	2,066							9,283
Boston	7,976								218	8,194
Seattle	4,493			2,120						6,613
Quebec City		5,460								5,460
Miami			689		1,892			1,824		4,404
Tampa	2,456									2,456
Galveston				1,940						1,940
New Orleans					1,940					1,940
Total	266,557	255,679	138,985	107,298	47,943	42,777	14,651	6,683	437	881,010

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

Exhibit 26. Cruise lines by estimated number of covered passengers and destination port

	Holland America	Princess	Celebrity	Royal Caribbean	Norwegian	Carnival	Regent	Crystal	Seabourn	Total
Vancouver	141,982	111,993	85,364	70,710	42,220	24,766	6,678			483,712
Whittier		93,484				18,012				111,495
Seward	36,169		16,536	17,808			5,936			76,449
Los Angeles	11,535	11,833	7,566	4,346	1,892			1,824		38,995
San Diego	20,134		9,553	6,203						35,890
Fort Lauderdale	15,681	8,451	7,488	2,037			679			34,337
Seattle	13,645	3,861	1,982	2,120						21,608
Montreal	11,964							1,974	218	14,156
Miami			5,849		3,832			1,899		11,579
Acapulco		9,108	689							9,797
San Juan		7,217		2,037						9,254
San Francisco		1,542	3,959	2,037			1,358			8,896
Boston	7,976								218	8,194
New York	3,684	2,730						987		7,401
Quebec City		5,460								5,460
Tampa	3,785									3,785
Total	266,557	255,679	138,985	107,298	47,943	42,777	14,651	6,683	437	881,010

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

Exhibit 27. Cruise lines by number of covered voyages and departure port

	Holland America	Princess	Celebrity	Royal Caribbean	Norwegian	Carnival	Regent	Crystal	Seabourn	Total
Vancouver	84	49	43	32	19	11	9			247
Whittier		42				8				50
Seward	27		8	8			7			50
Fort Lauderdale	21	3	8	1			2			35
San Diego	14	1	3	2	1					21
Los Angeles	4	6	3	2	1		1	1		18
New York	11	2						2		15
San Francisco		4	3	1			1			9
Montreal	9							2	1	12
San Juan		5		1						6
Acapulco		4	3							7
Boston	6								1	7
Seattle	3			1						4
Quebec City		2								2
Miami			1		1			2		4
Tampa	2									2
Galveston				1						1
New Orleans					1					1
Total	181	118	72	49	23	19	20	7	2	491

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

Exhibit 28. Cruise lines by number of covered voyages and destination port

	Holland America	Princess	Celebrity	Royal Caribbean	Norwegian	Carnival	Regent	Crystal	Seabourn	Total
Vancouver	91	51	42	32	20	11	9			256
Whittier		43				8				51
Seward	26		8	8			8			50
Los Angeles	8	5	4	2	1			2		22
San Diego	14		5	3						22
Fort Lauderdale	11	4	4	1			1			21
Seattle	10	2	1	1						14
Montreal	9							2	1	12
Miami			5		2			2		9
San Juan		4		1						5
Acapulco		5	1							6
San Francisco		1	2	1			2			6
Boston	6								1	7
New York	3	1						1		5
Quebec City		2								2
Tampa	3									3
Total	181	118	72	49	23	19	20	7	2	491

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

Exhibit 29. Cruise lines by number of covered passengers and voyage length (nights)

	Holland America	Princess	Celebrity	Royal Caribbean	Norwegian	Carnival	Regent	Crystal	Seabourn	Total
1	2,620	6,613								9,233
2	9,086	11,302								20,388
3	11,573	7,363								18,935
4	1,454									1,454
5		5,252		2,020						7,272
6	164,990	186,834		2,121	40,280	42,777				437,002
7			99,748	86,497			11,872			198,117
9	3,988	18,841		2,120					437	25,385
10	6,744	5,675	1,889					3,948		18,255
11	2,856						742			3,598
12								912		912
13	5,184		6,201	2,226	1,892			912		16,414
14	14,702	5,349	27,365	10,374	1,892		679			60,359
15	3,021	4,645	3,783				679	912		13,039
16	9,502	3,806		1,940			679			15,927
17	7,820				3,880					11,700
18	8,090									8,090
19	4,309									4,309
20	5,647									5,647
21	2,516									2,516
31	1,228									1,228
35	1,228									1,228
Total	266,557	255,679	138,985	107,298	47,943	42,777	14,651	6,683	437	881,010

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

ICCL notes that major industry sectors where cruise lines contribute considerable spending include port services, transportation services, air transportation, and other passenger and crew spending in ports.[151] Some of this spending would occur outside the United States at foreign ports of call. Port services would include towing, piloting, port agents, stevedores, passenger services, warehousing, and other handling services.[152] Spending for transportation services consists of payments to travel agents and tour operators. ICCL estimates that approximately 15 percent of net cruise fares are for travel-agent commissions.[153] As analyzed previously, we estimate that 100 percent of affected cruise passengers travel to their embarkation port or from their debarkation port by air and we have also assumed that 100 percent of the affected passengers will have an overnight stay in port. Passengers may spend money at hotels, restaurants, and other local businesses near the port.[154]

Cruise lines provide many of the goods and services listed (page 2-49) to cruise travelers, particularly accommodations, dining services, shopping, tours, and entertainment and recreation opportunities. If non-cruise vacations are substituted for cruise travel, the industries supporting non-cruise vacations (which are likely to be domestic industries) will gain.[155] We expect that US exports of travel and tourism could be also indirectly affected by the rule if fewer non-US citizens (we assume Canadians) decide not to embark on cruises to and from the United States. Thus, unquantified gains in domestic consumption will be offset by unquantified losses in travel exports to other countries. In both cases, we expect the gains and losses to be proportionally small as the majority of cruisers are expected to obtain the necessary travel documents and continue traveling.

It is extremely difficult to estimate the indirect costs of this rule with any certainty. We have made many assumptions regarding direct costs that may carry errors or over- or underestimate indirect costs. In applying elasticities of travel demand, we have presented a binary choice for a traveler based solely on price—"go" or "do not go." In reality, travelers are faced with complex decisions and myriad substitutes for particular trips that could still maximize their utility. We have chosen to estimate direct costs using elasticities to avoid deliberately misrepresenting passport costs (we would not want to assume that travelers' decisions will be completely unaffected by the document requirement), knowing that we may then be overstating the simplicity of the traveler's decision-making process. In doing this, we have likely overstated indirect costs.

Ideally, we could model the indirect impacts of the rule with an input-output model (either static or dynamic) that could give us a reasonable estimation of the level the impact, the sectors affected, and regional impacts. Unfortunately, given the dearth of data, the assumptions we have made thus far, the very small numbers of travelers who are estimated to forgo travel, and the fact that much of their travel experience occurs outside the United States, using such a model would not likely produce meaningful results. We

have only rough estimates of where US passengers come from, how they travel to and from the ports where they embark, where they go, and the activities they engage in while cruising. We know even less about how they will alter their behavior if they do, in fact, forgo obtaining a passport.

Conclusions

We expect approximately 740,000 cruise passengers will be subject to the rule in 2009, the first year the rule is expected to be fully implemented. Of these, 80,000 passengers (11 percent) do not currently hold a passport. An estimated 70,000 of these travelers without a passport (88 percent) will choose to obtain one, at a cost of $11 million ($9 million at a 7 percent discount rate). The remaining 10,000 travelers (12 percent) may choose not to obtain a passport. Total losses would then be $12 million ($9 million at a 7 percent discount rate). These estimates are summarized in Exhibit 30 (next page, 2009 is shaded). The 14-year passport costs (2005–2018) are $220 million and the total losses are $224 million (both at a 7 percent discount rate).

As stated previously, the period of analysis is 2005 to 2018 to account for passports that were obtained in anticipation of a document requirement (originally proposed to go into effect in January 2007, then January 2008, now June 2009). Not all of the passports that we have estimated to be obtained prior to full implementation were obtained because a document requirement was not, in fact, in place. Thus, we may have overestimated costs in the years prior to implementation. This methodology, while perhaps overly conservative, more accurately accounts for passports already issued in anticipation of WHTI and maintains consistency with the Regulatory Assessment for implementation of WHTI in the land environment (published concurrently with this analysis).

These estimates are based on assumptions that carry some uncertainty, including the number of affected passengers, the percentage who already hold US passports, the costs for affected cruises, the elasticity of travel demand, and the cost of a passport in relation to overall trip cost.

Exhibit 30. Summary of total costs for US travelers (2005–2018, in millions)

	Western Hemisphere cruisers (a)	Covered cruisers (b)	Affected cruisers (c)	Passports demanded (d)	Passport costs (e)	Discounted passport costs (7%) (f)	Cruisers who forgo passport (g)	Losses for forgone passports (h)	Total losses (i)	Total discounted losses (7%) (j)
2005	6.90	0.59	0.34	0.30	$45.80	$45.80	0.04	$3.06	$48.86	$48.86
2006	6.98	0.62	0.30	0.26	40.22	37.59	0.04	2.70	42.92	40.11
2007	7.40	0.66	0.19	0.22	33.81	29.53	0.03	2.29	36.10	31.53
2008	7.84	0.70	0.13	0.17	26.92	21.97	0.03	1.86	28.77	23.49
2009	8.32	0.74	0.08	0.07	11.23	8.57	0.01	0.82	12.05	9.19
2010	8.81	0.78	0.08	0.07	10.68	7.61	0.01	0.70	11.38	8.12
2011	9.34	0.83	0.08	0.07	11.33	7.55	0.01	0.74	12.07	8.04
2012	9.90	0.88	0.09	0.08	12.01	7.48	0.01	0.78	12.79	7.96
2013	10.50	0.93	0.09	0.08	12.73	7.41	0.01	0.83	13.56	7.89
2014	11.13	0.99	0.10	0.09	13.49	7.34	0.01	0.88	14.37	7.82
2015	11.80	1.05	0.10	0.09	14.30	7.27	0.01	0.93	15.23	7.74
2016	12.50	1.11	0.11	0.10	15.16	7.20	0.01	0.99	16.15	7.67
2017	13.25	1.18	0.12	0.10	16.07	7.14	0.01	1.05	17.11	7.60
2018	14.05	1.25	0.12	0.11	17.03	7.07	0.02	1.11	18.14	7.53
Total						$209.53				$223.55

(a) Total adult US cruise passengers who travel in the Western Hemisphere and are currently not subject to a document requirement.
(b) Adult US cruise passengers who are subject to the WHTI document requirement and do not fall under the waiver criteria for certain US cruise passengers.
(c) Adult US cruise passengers who do not already hold an acceptable WHTI travel document and would have to obtain one or incur a welfare loss.
(d) Number of passports that will be obtained as a result of the rule.
(e) Passport costs multiplied by passports demanded. Assumes a cost of $141 for a first-time, adult passport prior to 2008; cost of $144 from 2008 forward; 20 percent of applicants will request expedited service at a cost of $60 per passport.
(f) Costs of (e) discounted at a 7 percent discount rate.
(g) Affected cruisers who choose not to obtain a passport due to expense or burden. These travelers will experience a welfare loss that, at its maximum, will be slightly less than the cost of the passport. This is because if the loss of not obtaining a passport exceeded the cost of the passport, a traveler would be better off obtaining the passport.
(h) Passports forgone (g) × cost of passport × ½.
(i) Sum of (e) and (h).
(j) Costs of (i) discounted at a 7 percent discount rate.

Chapter notes

[1] The Regulatory Assessment for the August 2006 NPRM can be found at www.regulations.gov. Document number USCBP-2006-0097-0002.

[2] The Regulatory Assessments for the June 2007 NPRM can be found at www.regulations.gov. Document numbers USCBP-2007-0061-0002, USCBP-2007-0061-0003, and USCBP-2007-0061-0004.

[3] The Regulatory Assessment for the November 2006 Final Rule for implementation of WHTI in the air environment can be found at www.regulations.gov. Document number USCBP-2006-0097-0108.

[4] Office of Travel and Tourism Industries, Department of Commerce. 2005. US Departures Annual 2004, Passenger Travel Between US and Foreign Countries.

[5] For a complete description of CBP's trusted traveler programs see www.cbp.gov. For a discussion of the enrollees in these programs, see the Regulatory Assessment for the final rule implementing WHTI in the land environment (published concurrently with this rule).

[6] Department of Homeland Security, Transportation Security Administration, and US Coast Guard. 2006. "Transportation Worker Identification Credential (TWIC) Implementation in the Maritime Sector; Final Rule." January 25, 2007. See 72 FR 3605 for the rules and see docket TSA-2006-24191 for the regulatory evaluation.

[7] Email communication with US Coast Guard. April 3, 2006.

[8] The countries in the Western Hemisphere that already require passports for entry are Haiti, the Cayman Islands, Trinidad & Tobago, Barbados, Turks & Caicos, St Lucia, Cuba, Anguilla, Guadeloupe, Martinique, Costa Rica, El Salvador, Guatemala, Honduras, Belize, Nicaragua, Brazil, Colombia, Peru, Argentina, Venezuela, Ecuador, Chile, Guyana, Bolivia, Paraguay, Uruguay, French Guiana, and Surinam.

[9] US Maritime Administration. Cruise Statistics 2003–2006. Available at www.marad.dot.gov/MARAD_statistics/index.html#Fleet%20Statistics. According to MARAD, cruises, cruise passengers, and departure ports are derived from CBP vessel entrance and clearance documents. Destinations are derived by MARAD various sources.

[10] Websites accessed:

Carnival Cruise Lines at www.carnival.com

Celebrity Cruise Lines at www.celebritycruises.com

Costa Cruise Line at www.costacruise.com

Crystal Cruises at www.crystalcruises.com

Cunard Cruise Lines at www.cunard.com

Disney Cruise Line at disneycruise.disney.go.com

Holland America at www.hollandamerica.com

MSC Cruises at www.msccruises.com

Norwegian Cruise Line at www.ncl.com

Oceania Cruises at www.oceaniacruises.com

Princess Cruises at www.princess.com

Regent Seven Seas Cruises at www.rssc.com

Royal Caribbean at www.royalcaribbean.com

Seabourn Cruise Line at www.seabourn.com

SeaDream Yacht Club at www.seadreamyachtclub.com

Silversea Cruises at www.silversea.com

Windstar Cruise Line at www.windstarcruises.com

All 2007 cruise itineraries were accessed from January 16 through 18, 2007.

[11] International Council of Cruise Lines. 2005. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2004.* Prepared by Business Research & Economic Advisors. August 2005, and

International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006.

Both studies are available at www.iccl.org/resources/economicstudies.cfm and

Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006. Comment can be viewed in its entirety at www.regulations.gov.

Since publication of the August 2006 NPRM, ICCL and CLIA have merged into a single organization under the CLIA name.

[12] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Available at www.cruising.org/Press/research/2006%20Market%20Profile%20Study.pdf and

Cruise Lines International Association. 2006. *The 2006 Overview*. Available at www.cruising.org/press/overview%202006/2006OV.pdf

[13] Prince Rupert Economic Development Commission. 2003. *Cruise Industry Opportunities Assessment and Gap Analysis.* Prepared by McDowell Group. April 2003. Available at www.predc.com/docs/2003_cruise_ship_gap_analysis.pdf

[14] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003, 121–155. According to the notes on the authors: when this article was written, Dr Coleman was the Deputy Director for Antitrust in the Bureau of Economics at the Federal Trade Commission. Dr Meyer was a staff economist at the FTC. Dr Scheffman was the Director of the Bureau of Economics at the FTC during the cruise ship investigation.

[15] Caribbean destinations: Western Caribbean, Bahamas, Eastern Caribbean, Southern Caribbean, Bermuda.

[16] US Maritime Administration. Cruise Statistics 2003–2006.

We removed cruise itineraries from the dataset where a passport is already required (transatlantic voyages, transpacific voyages, South American voyages, voyages from the South Pacific and Far East to Hawaii and Alaska) and where a passport would still not be required once the rule is implemented (US Pacific coast to Hawaii, US Pacific coast only, US Atlantic coast only, and voyages that do not otherwise touch a foreign port or place).

[17] This conclusion is based on the review of the 2007 cruise itineraries available on the cruise line websites cited previously.

[18] This conclusion is based on the review of the 2007 cruise itineraries available on the cruise line websites cited previously.

[19] Princess Cruises's website at www.princess.com. Accessed January 16 through 18, 2007.

[20] US Maritime Administration. Cruise Statistics 2003–2006.

[21] Princess Cruises's website at www.princess.com. Accessed January 16 through 18, 2007.

[22] 1,950 berths × 97 percent × 2 voyages = 3,784 passengers

[23] Holland America's website at www.hollandamerica.com. Accessed January 16 through 18, 2007.

[24] US Maritime Administration. Cruise Statistics 2003–2006.

[25] Holland America's website at www.hollandamerica.com. Accessed January 16 through 18, 2007.

[26] 1,440 berths × 106 percent × 20 voyages = 30,528 passengers

[27] Affected 2007 cruise itineraries and calculated passenger loads are presented in Appendix A.

[28] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 1.

[29] International Council of Cruise Lines. 2005. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2004.* Prepared by Business Research & Economic Advisors. August 2005. Page 4.

[30] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 1.

[31] ICCL notes that more than 80 cruises were cancelled in 2005 due to Hurricanes Katrina, Rita, and Wilma. Many of the passengers on these cruises were able to reschedule. See International Council of Cruise Lines. 2005. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2006.* Prepared by Business Research & Economic Advisors. August 2006. Page 4.

[32] While we do not believe that a 1 percent growth rate is appropriate for the entire period of analysis, recovery from the devastating 2005 hurricane season has not been total, and our growth rate of 6 percent annually may be optimistic for the beginning of the period of analysis. Overestimating the growth rate would overestimate the direct costs of the rule because it would overestimate the number of passengers requiring a passport on an annual basis.

[33] International Council of Cruise Lines. 2005. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2004.* Prepared by Business Research & Economic Advisors. August 2005. Page 24, and

International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 21.

[34] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 21.

[35] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 22.

[36] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 22.

[37] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 4.

[38] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 4.

[39] Cruise Lines International Association. 2006. *The 2006 Overvi*ew. Page 23.

[40] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 14.

[41] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 18.

[42] Cruise Lines International Association. 2006. *The 2006 Overview*. Page 13.

[43] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 23.

[44] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 29.

[45] Cruise Lines International Association. 2006. *The 2006 Overview*. Page 14.

[46] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 30.

[47] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 38.

[48] Florida-Caribbean Cruise Association. 2007. *Cruise Industry Overview—2007*. Page 4. Available at www.f-cca.com/downloads/2007-overview.pdf

[49] Florida-Caribbean Cruise Association. 2007. *Cruise Industry Overview—2007*. Page 5.

[50] Florida-Caribbean Cruise Association. 2007. *Cruise Industry Overview—2007*. Page 4.

[51] Florida-Caribbean Cruise Association. 2007. *Cruise Industry Overview—2007*. Page 5.

[52] Florida-Caribbean Cruise Association. 2007. *Cruise Industry Overview—2007*. Page 4.

[53] Prince Rupert Economic Development Commission. 2003. *Cruise Industry Opportunities Assessment and Gap Analysis.* Prepared by McDowell Group. April 2003. Page 8.

[54] Prince Rupert Economic Development Commission. 2003. *Cruise Industry Opportunities Assessment and Gap Analysis.* Prepared by McDowell Group. April 2003. Page 8.

[55] Prince Rupert Economic Development Commission. 2003. *Cruise Industry Opportunities Assessment and Gap Analysis.* Prepared by McDowell Group. April 2003. Page 9.

[56] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 22.

[57] Cruise Lines International Association. 2006. *CLIA 2006 Cruise Market Profile: Report of Findings*. April 2006. Prepared by TNS Travel & Transport. Page 38.

[58] Prince Rupert Economic Development Commission. 2003. *Cruise Industry Opportunities Assessment and Gap Analysis.* Prepared by McDowell Group. April 2003. Page 29. The report presented case studies for Ketchikan, Sitka, and Haines.

[59] Henthorne, Tony L. 2000. "An Analysis of Expenditures by Cruise Ship Passengers in Jamaica." *Journal of Travel Research*. Volume 38, February 2000. Page 246.

[60] World Travel and Tourism Council. 2004. *The Caribbean: The Impact of Travel & Tourism on Jobs and the Economy*. Page 23.

[61] Cruise Lines International Association. 2006. *The 2006 Overview*. Page 23.

[62] Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006. Page 3.

[63] Cruise Lines International Association. 2000. "Popularity of Short Cruises on the Rise." Available at www.cybercruises.com/poshcrriacsep00.htm.

[64] Petrick, James F., Catherine Tonner, and Christina Quinn. 2006. "The Utilization of Critical Incident Technique to Examine Cruise Passengers' Repurchase Intentions." *Journal of Travel Research.* Volume 44, February 2006. Page 273.

[65] Personal communication with Dr. James Petrick, Texas A&M University, July 6, 2006.

[66] Personal communication with ICCL, November 15, 2006.

[67] Personal communication with Dr. James Petrick, Texas A&M University, July 6, 2006.

[68] Personal communication with ICCL, November 15, 2006.

[69] Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006. Page 4.

[70] Personal communication with Dr. James Petrick, Texas A&M University, July 6, 2006.

[71] US Federal Trade Commission. 2002. "Statement of the Federal Trade Commission Concerning Royal Caribbean Cruises, Ltd./P&O Princess Cruises plc and Carnival Corporation/P&O Princess Cruises plc." October 5, 2002. FTC File No. 021 0041. No page number. Available at www.ftc.gov/os/2002/10/cruisestatement.htm

[72] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 122.

[73] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 121.

[74] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Pages 145–149.

[75] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 141.

[76] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 143.

[77] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 145.

[78] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 147.

[79] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 134.

[80] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 150.

[81] It should be noted that other commenters to the August 2006 proposed rule (71 FR 46155) representing the cruise industry endorsed the estimates and comments presented in the ICCL submission. See www.regulations.gov, Docket Number USCBP-2006-0097.

[82] ICCL (now merged with CLIA) members include American Cruise Lines, Carnival Cruise Lines, Celebrity Cruises, Costa Cruises, Crystal Cruises, Cunard Line, Disney Cruise Line, Holland America Line, MSC Cruises, Norwegian Coastal Voyage Inc., Norwegian Cruise Line, Oceania Cruises, Orient Lines, Pearl Seas Cruises, Princess Cruises, Regent Seven Seas Cruises, Royal Caribbean International, Seabourn Cruise Line, SeaDream Yacht Club, Silversea Cruises, and Windstar Cruises. ICCL did not report which members they surveyed in formulating their comment response.

[83] Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006. Page 3.

[84] US State Department. 2005. *A Study to Determine the Inaugural and Annual Demand for US Passports by US Citizens Living In and Traveling to Canada, Mexico and the Caribbean.* Prepared by BearingPoint, Inc. October 5, 2005. Pages 9–13.

[85] World Travel and Tourism Council. 2005. Presentation for the Caribbean Hotel Association. Available at www.caribbeanhotels.org/Select/advocacy.htm and www.caribbeanhotels.org/CaribPassports.ppt

[86] See, for example, ASTA's website at www.travelsense.org/tips/cruising.asp

[87] Personal communication with Alcy Frelick, US State Department. April 5, 2006.

[88] Fax communication from US State Department of data received from Mexico's SIOM. April 3, 2006.

[89] See the discussions of annual passport issuance in the Regulatory Assessments for the final rule implementing WHTI in the air environment (at www.regulations.gov, document number USCBP-2006-0097-0108) and the land environment (published concurrently with this rule).

[90] If travelers have already purchased a passport for travel in the air environment, they would not need to purchase a passport for travel in the sea or land environments. We do not attempt to estimate with any precision the number of travelers who travel in more than one environment, but we incorporate some likelihood that the air and sea traveling populations overlap in the percentage of travelers who already hold a passport in any given year.

[91] See for example, de la Viña, Lynda and Jamie Ford. 2001. "Logistic Regression Analysis of Cruise Vacation Market Potential: Demographic and Trip Attribute Perception Factors." *Journal of Travel Research*. Volume 39, May 2001, 406–410, and

Kerstetter, Deborah L., I-Yin Yen, and Careen M. Yarnal. 2005. "Plowing Uncharted Waters: A Study of Perceived Constraints to Cruise Travel." *Tourism Analysis*. Volume 10, 137–150, and

Florida-Caribbean Cruise Association. 2006. *Cruise Industry Overview—2006*. Page 4.

[92] Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006.

[93] See the State Department's website at http://travel.state.gov/passport/services/stats/stats_890.html and Personal communication with Woody Staeben, US State Department. September 5, 2007.

[94] This percentage dropped to 40 percent for 2007 in the analysis published with the June 26, 2007, NPRM. We have modified the percentage upward for 2007 and 2008 because the rule will not be effective in January 2008 as proposed, but in June 2009.

[95] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 130.

[96] Cruise Lines International Association. 2006. *The 2006 Overview.* Page 3.

[97] See for example, de la Viña, Lynda and Jamie Ford. 2001. "Logistic Regression Analysis of Cruise Vacation Market Potential: Demographic and Trip Attribute Perception Factors." *Journal of Travel Research*. Volume 39, May 2001, 406–410, and

Kerstetter, Deborah L., I-Yin Yen, and Careen M. Yarnal. 2005. "Plowing Uncharted Waters: A Study of Perceived Constraints to Cruise Travel." *Tourism Analysis*. Volume 10, 137–150, and

Florida-Caribbean Cruise Association. 2006. *Cruise Industry Overview—2006*. Page 4.

[98] Gillen, David W., William G. Morrison, and Christopher Stewart. 2004. *Air Travel Demand Elasticities: Concepts, Issues and Measurement*. Canada Department of Finance. May 13, 2004. Executive Summary (no page number). Available at www.fin.gc.ca/consultresp/Airtravel/airtravStdy_e.html

[99] Gillen, David W., William G. Morrison, and Christopher Stewart. 2004. *Air Travel Demand Elasticities: Concepts, Issues and Measurement*. Canada Department of Finance. May 13, 2004. Chapter 2: Elasticity in the context of air travel demand (no page number).

[100] Federal Trade Commission. 2002. "Statement of the Federal Trade Commission Concerning Royal Caribbean Cruises, Ltd./P&O Princess Cruises plc and Carnival Corporation/P&O Princess Cruises plc." October 5, 2002. FTC File No. 021 0041. No page number.

[101] Federal Trade Commission. 2002. "Statement of the Federal Trade Commission Concerning Royal Caribbean Cruises, Ltd./P&O Princess Cruises plc and Carnival Corporation/P&O Princess Cruises plc." October 5, 2002. FTC File No. 021 0041. No page number.

[102] Federal Trade Commission. 2002. "Statement of the Federal Trade Commission Concerning Royal Caribbean Cruises, Ltd./P&O Princess Cruises plc and Carnival Corporation/P&O Princess Cruises plc." October 5, 2002. FTC File No. 021 0041. No page number.

[103] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 132.

[104] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 133.

[105] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 133.

[106] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Pages 134–135.

[107] Petrick, James F. 2005. "Segmenting Cruise Passengers with Price Sensitivity." Article No. 10143 submitted to the Travel and Tourism Research Association. July 17, 2005. Available at www.ttra.com/Research/

[108] Petrick, James F. 2005. "Segmenting Cruise Passengers with Price Sensitivity." Article No. 10143 submitted to the Travel and Tourism Research Association. July 17, 2005. Page 2.

[109] Personal communication with Dr. James Petrick, Texas A&M University, July 6, 2006.

[110] Personal communication with Dr. James Petrick, Texas A&M University, July 6, 2006, and

Personal communication with ICCL, November 15, 2006.

[111] Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006. Page 4.

[112] Comment received on the August 2006 proposed rule (71 FR 46155) from the International Council of Cruise Lines. Comment USCBP-2006-0097-0085. September 26, 2006. Page 4.

[113] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 4.

[114] The time required to complete a passport application is based on the State Department's supporting statement for their paperwork reduction act submission "Application for a U.S. Passport." OMB Control Number 1405-0004 (DS-11). The State Department does not calculate the monetary value of time required to complete and submit the application; it only calculates the burden, and

Federal Aviation Administration. 2007. *Economic Values for FAA Investment and Regulatory Decisions, A Guide*. Prepared by GRA, Inc. July 3, 2007. Table ES-1.

[115] Federal Aviation Administration. 2007. *Economic Values for FAA Investment and Regulatory Decisions, A Guide*. Prepared by GRA, Inc. July 3, 2007. Table ES-1. We do not adjust this estimate for inflation.

[116] The time required to complete a passport application is based on the State Department's supporting statement for their paperwork reduction act submission "Application for a U.S. Passport." OMB Control Number 1405-0004 (DS-11). The State Department does not calculate the monetary value of time required to complete and submit the application; it only calculates the burden, and

Federal Aviation Administration. 2007. *Economic Values for FAA Investment and Regulatory Decisions, A Guide*. Prepared by GRA, Inc. July 3, 2007. Table ES-1.

As a simplifying assumption, we calculate passport costs for first-time applicants; however, some applicants will be able to renew their passports, at a lower cost. To qualify as a renewal applicant: 1) a citizen must have obtained a passport within the past 15 years; 2) the old passport must be undamaged and available to submit; and 3) the citizen must have been 16 years or older when the prior passport was issued and still have the same name, or have documentation of a name change. (See the State Department's website at http://travel.state.gov/passport/passport_1738.html) The renewal applicant can submit the forms by mail, rather than in person, and the fee is $67, rather than $92 (2008 forward).

[117] Federal Aviation Administration. 2007. *Economic Values for FAA Investment and Regulatory Decisions, A Guide*. Prepared by GRA, Inc. July 3, 2007. Table ES-1. We do not adjust this estimate for inflation.

[118] While minors may not have the same value of time as an adult, we use the same opportunity cost for a minor passport as for an adult because an adult must, at a minimum, be present during the application process to sign the form and appear with the minor. For small children, adults will complete and submit forms just as they would for adult applications.

[119] For complete details on the passport fee changes see State Department. "Schedule of Fees for Consular Services, Department of State and Overseas Embassies and Consulates." 73 FR 5087.

[120] For complete details on the passport card see State Department. "Card Format Passport; Changes to Passport Fee Schedule." 72 FR 74169.

[121] On their website, the US Postal Service offers express mail service for expedited passport applications at a cost of $14.40, which guarantees overnight service to "many locations." (see the US Postal Service's website at www.usps.com/passport/). An applicant is not required to use this service, and many applicants requiring expedited service, particularly those in metropolitan areas, are likely to appear at the closest passport office in person to facilitate expedited service rather than submit their applications through the mail. We do not include the express mail service cost in the cost for expedited passports.

[122] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 138.

[123] Coleman, Mary T., David W. Meyer, and David T. Scheffman. 2003. "Economic Analyses of Mergers at the FTC: The Cruise Ships Mergers Investigation." *Review of Industrial Organization*. Volume 23, 2003. Page 140.

[124] Woodside, Arch G. and Chris Dubelaar. 2002. "A General Theory of Tourism Consumption Systems: A Conceptual Framework and an Empirical Exploration." *Journal of Travel Research*. Volume 41, November 2002. Page 120.

[125] Woodside, Arch G. and Chris Dubelaar. 2002. "A General Theory of Tourism Consumption Systems: A Conceptual Framework and an Empirical Exploration." *Journal of Travel Research*. Volume 41, November 2002. Page 121.

[126] Jeng, James and Daniel R. Fesenmaier. 2002. "Conceptualizing the Travel Decision-Making Hierarchy: A Review of Recent Developments." *Tourism Analysis*. Volume 7, 2002. Page 28.

[127] Jeng, James and Daniel R. Fesenmaier. 2002. "Conceptualizing the Travel Decision-Making Hierarchy: A Review of Recent Developments." *Tourism Analysis*. Volume 7, 2002. Pages 25–26.

[128] Lim, Christine. 1999. "A Meta-Analytic Review of International Tourism Demand." *Journal of Travel Research.* Volume 37, February 1999. Page 282.

[129] Brons, Martijn, Eric Pels, Peter Nijkamp, and Piet Rietveld. 2002. "Price Elasticities of Demand of Passenger Air Travel: A Meta-Analysis." *Journal of Air Transport Management*. Volume 8, 2002. Page 172, and

Maloney, William F. and Gabriel V. Montes Rojas. 2005. "How Elastic Are Sea, Sand, and Sun? Dynamic Panel Estimates of the Demand for Tourism." *Applied Economic Letters*. Volume 12, 2005. Pages 277–280, and

Crouch, Geoffrey I. 1992. "Effects of Income and Price on International Tourist Demand." *Annals of Tourism*. Volume 19 (4), 1992. Pages 643–664.

[130] Lim, Christine. 1999. "A Meta-Analytic Review of International Tourism Demand." *Journal of Travel Research.* Volume 37, February 1999. Page 282.

[131] Alegre, Joaquin and I. Lorenc Pou. 2004. "Micro-economic Determinants of the Probability of Tourism Consumption." *Tourism Economics*. Volume 10 (2), 2004. Pages 125 and 126.

[132] Alegre, Joaquin and I. Lorenc Pou. 2004. "Micro-economic Determinants of the Probability of Tourism Consumption." *Tourism Economics*. Volume 10 (2), 2004. Page 142.

[133] Oppermann, Martin. 2000. "Tourism Destination Loyalty." *Journal of Travel Research*. Volume 39, August 2000. Pages 78–84.

[134] Oppermann, Martin. 2000. "Tourism Destination Loyalty." *Journal of Travel Research*. Volume 39, August 2000. Page 83.

[135] Petrick, James F. 2004. "First Timers' and Repeaters' Perceived Value." *Journal of Travel Research*. Volume 43, August 2004. Page 36.

[136] Petrick, James F. 2004. "The Roles of Quality, Value, and Satisfaction in Predicting Cruise Passengers' Behavioral Intentions." *Journal of Travel Research*. Volume 42, May 2004, Pages 404–405.

[137] Petrick, James F., Catherine Tonner, and Christina Quinn. 2006. "The Utilization of Critical Incident Technique to Examine Cruise Passengers' Repurchase Intentions." *Journal of Travel Research.* Volume 44, February 2006. Page 273.

[138] Travel Industry Association of America. 2005. "Leisure Travel Planning: How Consumers Make Travel Decisions." Available at www.tia.org.

[139] Travel Industry Association of America. 2005. "Leisure Travel Planning: How Consumers Make Travel Decisions." Page 4.

[140] Travel Industry Association of America. 2005. "Leisure Travel Planning: How Consumers Make Travel Decisions." Pages 5–7.

[141] Travel Industry Association of America. 2005. "Leisure Travel Planning: How Consumers Make Travel Decisions." Page 27.

[142] Travel Industry Association of America. 2005. "Leisure Travel Planning: How Consumers Make Travel Decisions." Page 36.

[143] Crouch, Geoffrey I. 1996. "Demand Elasticities in International Marketing: A Meta-Analytical Application to Tourism." *Journal of Business Research*. Volume 36, 2002. Pages 117 and 118.

[144] Zhang, Jie and Camilla Jensen. 2005. "Comparative Advantage in Tourism: A Supply-Side Analysis of Tourism Flows." Amternes og Kommunernes Forskningsinstitut working paper, April 3, 2005. Available at www.akf.dk

[145] See for example, Pratt, Godfrey. 2003. "Terrorism and tourism: Bahamas and Jamaica fight back." *International Journal of Contemporary Hospitality Management.* 15/3 [2003].

[146] www.visitjamaica.com/rewards/

[147] www.bookit.com/passport_promo_details.html According to the website, the promotion ran from January 1, 2007, to April 30, 2007.

[148] USA Today. May 5, 2005. "Some Destinations Will Pay the Price of Your Passport." Available at www.usatoday.com/travel/news/2005-05-26-passport-rules_x.htm and

The Boston Globe. December 20, 2006. "US citizens will need passports to return home." Available at www.boston.com/business/articles/2006/12/20/us_citizens_will_need_passports_to_return_home/

[149] www.virgin-islands-hotels.com and www.virgin-islands-hotels.com/NPR%20Consumer-pdf.pdf According to the website, the promotion ran from December 1, 2006, to December 31, 2006.

[150] For example, the MARAD database (2003–2006) reveals that Crystal Cruise lines offered cruises to Alaska. Crystal has no Alaskan itineraries in 2007 (see www.crystalcruises.com). Disney Cruise Line has no Pacific Mexico itineraries in 2007 (see disneycruise.disney.go.com), though it did in previous years. Regent has no Canada/New England itineraries in 2007 (see www.rssc.com), though it did previously. Conversely, Silversea Cruises has not had Alaskan and US Pacific Coast itineraries in the recent past, but plans to offer such cruises in 2008 (see www.silversea.com). Carnival, Princess, Royal Caribbean, Costa, MSC, Norwegian, and Cunard all have expected inaugural dates for 7 new ships in 2007 (see www.cruisenewsdaily.com/newships.html).

[151] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 19–24.

[152] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 20.

[153] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 21.

[154] International Council of Cruise Lines. 2006. *The Contribution of the North American Cruise Industry to the U.S. Economy in 2005.* Prepared by Business Research & Economic Advisors. August 2006. Page 19.

[155] There are indications that domestic substitutions for foreign travel are likely. A Canadian Tourism Commission study, for example, estimates domestic gains for Canada as a result of WHTI. Canadian Tourism Commission. 2005. *The Potential Impact of a Western Hemisphere Travel Initiative Passport Requirement on Canada's Tourism Industry.* Prepared by the Conference Board of Canada. July 29, 2005. Pages 17 and 18.

Also see the detailed analysis of distributional effects in the border communities in the Regulatory Assessment for implementation of WHTI in the land environment.

3. Benefits Analysis

As noted in a 2006 issue brief for Congress:

> In their desire to combat terrorism in a modern political context, democratic countries often face conflicting goals and courses of action: (1) providing security from terrorist acts, that is, limiting the freedom of individual terrorists, terrorist groups, and support networks to operate unimpeded in a relatively unregulated environment, versus (2) maximizing individual freedoms, democracy, and human rights. Efforts to combat terrorism are complicated by a global trend towards deregulation, open borders, and expanded commerce. In democracies such as the United States, the constitutional limits within which policy must operate are seen by some to conflict directly with a desire to secure the lives of citizens against terrorist activity more effectively.[1]

While enhanced security is the primary impetus of this rule, that enhancement must be made against the backdrop of a desire for *legitimate* trade and travel that as is as unrestricted as possible throughout the Western Hemisphere. This rule attempts to balance the desire for a more secure travel document while affecting legitimate trade and travel as minimally as possible.

Ideally, the quantification and monetization of the beneficial effects of this regulation would involve two steps. First, we would estimate the reduction in the probability of a successful terrorist attack resulting from implementation of the regulation and the consequences of the avoided event (collectively, the risk associated with a potential terrorist attack). Then we would identify individuals' willingness to pay for this incremental risk reduction and multiply it by the population experiencing the benefit. However both of these steps rely on key data that are not available for this rule.

Typically, reductions in the probability of a terrorist attack resulting from a regulation are measured against the baseline probability of occurrence (the current likelihood that a terrorist attack involving an individual arriving in the United States in the sea environment will be attempted and be successful) and combined with information about the consequences of the attack. The difference between the baseline probability of occurrence and the probability of occurrence after the regulation is implemented would represent the incremental probability reduction attributable to the rule.

We cannot use historical data on the frequency of terrorist attacks to estimate the current baseline probability of attack within the United States for several reasons. Most importantly, existing data do not provide information about whether documented attacks were attributable to the lack of a passport requirement. In addition, the data on international events occurring within the United States in the last decade are limited, and little information is available describing the consequences of most of these events. Finally, use of these data to project future probability of attack requires an understanding of the socioeconomic and political conditions motivating and

facilitating these events historically and foresight with regard to how these factors may change in the future. Therefore, for this benefits analysis, we do not use these data to estimate the baseline probability of a terrorist attack in the United States resulting from entering the country by cruise ship without a valid passport. As a result, and in the absence of more detailed data, we are unable to quantitatively estimate the incremental reduction in the probability of terrorist attack that will result from this rule.

We have conducted reviews of the economic literature to identify existing studies of individuals' willingness to pay to reduce the risk of a terrorist attack. Several articles discuss characteristics of terrorist attacks that might influence willingness to pay to reduce these risks.[2] Given publicly available data, however, we are unable to identify specific estimates of willingness to pay to reduce the risk of terrorist attack in the United States. Although we are unable to identify estimates of willingness to pay for the risk reductions potentially achieved by this regulation, academic literature provides information about how the public's perception of terrorist risks might influence their desire for policy action, and ultimately, their willingness to pay for such regulation. A substantial body of psychometric literature attempts to measure how the perception of risk affects attitudes towards risk reduction.

For example, the work of Slovic et al., clarifies dimensions of risk that influence individual rankings of the importance of reducing these risks.[3] The authors find that the most important determinant of how the public ranks risk is the degree of "dread" associated with the risk. The authors define dreaded risks as a "perceived lack of control...catastrophic potential, fatal consequences, and the inequitable distribution of risks and benefits."[4] In other words, the public is less willing to tolerate risks related to incidents they dread, such as nuclear accidents or terrorist attacks, than incidents that are not dreaded but that pose similar or higher risks, such as riding a motorcycle. Slovic et al., state that the more dreaded an activity, "(a) the higher its perceived risk, (b) the more people want its risk reduced, and (c) the more they want to see strict regulation employed to achieve the desired reduction in risk."[5] Based on existing risk perception literature, it is reasonable to hypothesize that people would be willing to pay more to reduce risks associated with a terrorist attack than similar risks associated with hazards that are familiar, controllable, and that do not have catastrophic consequences.

When is not possible to obtain a single value estimate that comprises the bundle of benefits derived from the regulation in question, analysts estimate separately the value of individual effects resulting from the regulation and sum them to estimate total benefits. Certain effects are more easily measured than others. Substantial literature exists estimating the value of changes in fatal and nonfatal risks. In addition, the value of lost property and opportunity costs associated with supply chain effects can be determined from market data. Other effects may be more difficult to quantify or monetize—a regulatory action may result in citizens feeling safer or having

less fear. Several researchers argue that reductions in fear result in a social good that should be quantified, though "the problem of quantifying and monetizing fear and its consequences…has yet to be seriously engaged in the relevant literature."[6] In addition, people's willingness to pay to protect national historic treasures or sites of cultural importance may exceed the simple costs of repairing or rebuilding these sites. Effects that are not easily monetized using readily available information may be discussed qualitatively. However, lacking information about the incremental decrease in the probability of a successful terrorist attack or reliable information about the consequences of such an attack, we are unable to quantify individual categories of benefits. Without quantifying these benefits, we cannot estimate their value.

The rule is being promulgated to implement the requirements of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) and in order to increase security in the sea environment attributable to more secure documents. This rule addresses a vulnerability of the United States to entry by terrorists or other persons by false documents or fraud under the current documentary exemptions for travel within the Western Hemisphere. These vulnerabilities have been noted extensively by Congress and others.

— In May 2003, a subcommittee of the House Judiciary Committee held a hearing focused on a fraudulent US document ring in the Caribbean, the exploitation of which allowed the notorious Washington, DC "sniper" John Allen Muhammad to support himself while living in Antigua. A Government Accountability Office investigator at that hearing testified as to the ease of entering the United States with fraudulent birth certificates and drivers' licenses.[7]

— During the debate on IRTPA, several members of Congress, including the Chairman of the House Judiciary Committee commented on the need for more secure documents for travelers.[8]

— The 9/11 Commission recommendations, on which much of IRTPA was based, specifically included a recommendation to address travel documents in the Western Hemisphere:

> Americans should not be exempt from carrying biometric passports or otherwise enabling their identities to be securely verified when they enter the United States; nor should Canadians or Mexicans. Currently US persons are exempt from carrying passports when returning from Canada, Mexico, and the Caribbean. The current system enables non-US citizens to gain entry by showing minimal identification. The 9/11 experience shows that terrorists study and exploit America's vulnerabilities.[9]

— A more uniform document requirement would assist CBP officers in verifying the identity and citizenship of travelers who enter the United States and improve their ability to detect fraudulent

documents or false claims to citizenship. Further, such standardized documents will enable more rapid processing of certain travelers who enter the United States because an individual's identity will be easier to identify and he or she can be processed through CBP more efficiently.

This rule will require certain travelers to produce a passport, passport card, or a CBP trusted traveler document (NEXUS, SENTRI, FAST) for certain entries into the United States at seaports. The scrutiny of the passport is one of the tools CBP officers use to review travel patterns and to determine prior entry and departure dates and stamps from the United States and other countries. Officers use this historical information to guide their questions with particular travelers as appropriate. Under the rule, certain cruise passengers are waived from a document requirement ("round-trip" US passengers who embark and debark from the same US port). DHS, in consultation with the State Department, has determined that this procedure is the best method to balance security and travel efficiency considerations in the cruise ship environment.

Chapter notes

[1] Perl, Raphael. 2006. "Terrorism and National Security: Issues and Trends." Congressional Research Service Issue Brief for Congress. IB10119. February 6, 2006. Page CRS-6.

[2] See Sunstein, Cass. 2003. "Terrorism and Probability Neglect." *Journal of Risk and Uncertainty*. Volume 26, Numbers 2-3. 2003. Pages 121–136, and

Fischhoff, Baruch, Roxana M. Gonzalez, Deborah A. Small, and Jennifer S. Lerner. 2003. "Judged Terror Risk and Proximity to the World Trade Center." *Journal of Risk and Uncertainty*. Volume 26, Numbers 2-3. 2003, Pages 137–151.

[3] Slovic, Paul, Baruch Fischhoff, and Sarah Lichtenstein. 1981. "Perceived Risk: Psychological Factors and Social Implications." *Proceedings of the Royal Society of London. Series A: Mathematical and Physical Sciences*. Volume 430, Number 1878. Pages 17–34, and

Slovic, Paul. 1987. "Perception of Risk." *Science*. Volume 236, April 1987. Pages 280–285.

[4] Slovic, Paul. 1987. "Perception of Risk." *Science*. Volume 236, April 1987. Page 283.

[5] Slovic, Paul, Baruch Fischhoff, and Sarah Lichtenstein. 1981. "Perceived Risk: Psychological Factors and Social Implications." *Proceedings of the Royal Society of*

London. Series A: Mathematical and Physical Sciences. Volume 430, Number 1878. Page 29.

[6] See Sunstein, Cass. 2003. "Terrorism and Probability Neglect." *Journal of Risk and Uncertainty*. Volume 26, Numbers 2-3. 2003. Pages 132 and 133.

[7] Government Accountability Office. 2003. "Counterfeit Documents Used To Enter the United States from Certain Western Hemisphere Countries Not Detected." Testimony before the Subcommittee on Immigration, Border Security, and Claims, House Committee on the Judiciary. Statement of Robert J. Cramer, Managing Director Office of Special Investigations. May 13, 2003. GAO-03-713T.

[8] "As the 9/11 staff report on terrorist travel declared, 'The challenge for national security in an age of terrorism is to prevent the people who may pose overwhelming risk from entering the United States undetected.' The Judiciary sections of title III require Americans returning from most parts of the Western Hemisphere to possess passports; require Canadians seeking entry into the United States to present a passport or other secure identification; authorize additional immigration agents and investigators; reduce the risk of identity and document fraud; provide for the expedited removal of illegal aliens; limit asylum abuse by terrorists; and streamline the removal of terrorists and other criminal aliens. These provisions reflect both commission recommendations and legislation that was pending in the House." Congressional Record, October 7, 2004, H8685.

[9] *The 9-11 Commission Report: Final Report of the National Commission on Terrorist Attacks Upon the United States*. July 22, 2004. Page 388.

4. Impacts to Small Entities

We have prepared this chapter to examine the impacts of the final rule on small entities as required by the Regulatory Flexibility Act (RFA).[1] A small entity may be a small business (defined as any independently owned and operated business not dominant in its field that qualifies as a small business per the Small Business Act); a small not-for-profit organization; or a small governmental jurisdiction (locality with fewer than 50,000 people).

When considering the impacts on small entities for the purpose of complying with the RFA, we consulted the Small Business Administration's guidance document for conducting regulatory flexibility analysis.[2] Per this guidance, a regulatory flexibility analysis is required when an agency determines that the rule will have a significant economic impact on a substantial number of small entities that are *subject to the requirements of the rule*.[3] This guidance document also includes a good discussion describing how direct and indirect costs of a regulation are considered differently for the purposes of the RFA. We do not believe that small entities are subject to the requirements of the rule; individuals are subject to the requirements, and individuals are not considered small entities.[4] To wit, "The courts have held that the RFA requires an agency to perform a regulatory flexibility analysis of small entity impacts only when a rule directly regulates them."[5]

Small businesses could be indirectly affected by the rule if international travelers forgo travel to affected Western Hemisphere countries (see Chapter 2). However, as was first held in *Mid-Tex Electric Cooperative, Inc. v. Federal Energy Regulatory Commission* the court reasoned "Congress did not intend to require that every agency consider every indirect effect that any regulation might have on small businesses in any stratum of the national economy."[6] The same court later held that an agency is under no obligation to conduct a small entity impact analysis of effects on entities it does not regulate.[7] Finally, the courts further bolstered the notion that indirect impacts should be disregarded by noting that the Regulatory Flexibility Act is not intended to apply to every entity that may be targeted by the regulation. The fact that the rule will have economic impacts in many sectors of the economy does not change this. The court reasoned that "requiring an agency to assess the impact on all of the nation's small businesses possibly affected by a rule would be to convert every rulemaking process into a massive exercise in economic modeling, an approach we have already rejected."[8]

As described in Chapter 2, we could not quantify the indirect impacts of the rule with any degree of certainty; we instead focused our analysis on the direct costs to individuals recognizing that some small entities will face indirect impacts.

Some of the small entities indirectly affected will be foreign owned and will be located outside the United States. Additionally, reductions in international cruise travel that result from the rule could lead to gains for the domestic

travel and tourism industry. Most Western Hemisphere cruise passengers, almost 94 percent, will be waived from the document requirements either because of their cruise itinerary or their age. An estimated 92 percent of affected US citizens and 92 percent of affected Canadian travelers are expected to either have documents already or will obtain passports and continue traveling on an annual basis. The indirect effects are expected to be spread over wide swaths of domestic and foreign economies.

Reason for agency action

WHTI will reduce the vulnerabilities identified in the final report of the 9/11 Commission. WHTI is intended to not only enhance security efforts at our Nation's ports-of-entry, but also to expedite the movement of legitimate travel within the Western Hemisphere. More detail is provided in the preamble to this final rule.

Objectives of and legal basis for the rule

The President signed the Intelligence Reform and Terrorism Prevention Act (IRTPA) on December 17, 2004. Section 7209 of IRTPA requires that the Secretary of Homeland Security, in consultation with the Secretary of State, develop and implement a plan as expeditiously as possible to require travelers entering the United States to present a passport, other document, or combination of documents, that are "deemed by the Secretary of Homeland Security to be sufficient to denote identity and citizenship." Section 7209 expressly provides that United States citizens and nationals and categories of individuals for whom documentation requirements have previously been waived under section 212(d)(4)(B) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(4)(B)) will be required to comply. More detail is provided in the preamble to this final rule.

Number and types of small entities to which the rule will apply

As stated previously, the rule will not apply to small entities; it will apply to certain individuals who travel in the Western Hemisphere who are currently not required to carry a valid passport for entry into the United States. Individuals are not considered small entities.

The primary industry that will be indirectly affected will be the cruise lines (North American Industry Classification System Code—NAICS—483112) that operate on one-way voyages to and from the US, the Caribbean, Canada, and Mexico, where the embarkation port and the debarkation port are not the same or that operate round-trip voyages that embark and disembark in a foreign port. Based on cruise data compiled by the US Maritime Administration (MARAD) and calculations based on 2007 cruise line

itineraries available from the cruise line websites, 9 major cruise lines operate on routes that will be affected by a document requirement in the Western Hemisphere.[9] Estimates regarding cruise lines should be approached with caution—cruise lines frequently pull out of ports, offer new itineraries, and relocate ships.[10]

The 9 cruise lines that have affected itineraries in 2007 and their estimated passengers are presented in Exhibit 31. As shown, two cruise lines dominate the affected markets.

Exhibit 31. Cruise lines by region and estimated covered passenger counts

	Alaska	Panama Canal	US Pacific Coast	Canada/New England	Total	Percent of total
Holland America	157,308	60,588	24,733	23,927	266,557	30
Princess	184,137	27,395	33,227	10,920	255,679	29
Celebrity	106,127	29,081	3,777		138,985	16
Royal Caribbean	90,948	10,088	6,262		107,298	12
Norwegian	40,280	7,663			47,943	5
Carnival	42,777				42,777	5
Regent	12,614	2,037			14,651	2
Crystal		2,735		3,948	6,683	1
Seabourn				437	437	< 1
Total	634,192	139,587	67,999	39,232	881,010	100

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries). It should be noted that Carnival, Celebrity, Holland America, Norwegian, Princess, Regent Seven Seas, and Royal Caribbean all have round-trip 2007 itineraries in these regions where passengers would meet the round-trip waiver criteria in the final rule.

As shown, two companies dominate the affected cruise market. Both of these are defined as large entities (over 500 employees). Of the remaining seven lines, 2 are large entities and 5 are wholly owned subsidiaries of large companies.[11] There are three small cruise lines operating in the Western Hemisphere: Silversea Cruises, Oceania Cruises, and SeaDream Yacht Club. None of these lines currently have one-way voyages or round-trip voyages from Vancouver scheduled for 2007.

Numerous other small entities could be indirectly affected by the rule. In all industries, some American small businesses could be negatively affected if foreign travelers (primarily Canadians) forgo cruises. American small businesses may gain if US travelers substitute domestic travel for cruise travel. Which businesses would be positively and negatively affected cannot be determined, but the impacts are expected to be spread out over a large population of businesses. Additionally, many of the goods and services typically consumed by international travelers (accommodations, dining, shopping, recreation and entertainment) are provided by the cruise lines. Several studies have noted that passenger expenditures in embarkation ports and ports of call are relatively small when compared to onboard spending.[12]

Other industries (and NAICS codes) indirectly affected include, but are not necessarily limited to—

Air carriers (NAICS 481111, 481211). Small carriers that operate oversees flights within the Western Hemisphere are predominantly charter carriers running point-to-point operations. It is unlikely that many charter flights are operated to embark passengers on the affected cruises. Charter flights are a tiny fraction of air travel to all countries in the Western Hemisphere except Cuba (where charter flights carry 60 percent of passengers), Martinique (20 percent), and Trinidad and Tobago (20 percent).[13] These countries all currently require a passport for entry; thus, US travelers to these countries will face no new requirements as a result of the rule for sea travelers and the charter carriers to these countries should not be unduly affected.

Airports, cruise terminals, plus their support services (NAICS 488119, 48819, 48831). Most airports and cruise terminals receiving international traffic are large businesses or public entities.

Traveler accommodations (NAICS 7211). As shown in Chapter 2, we assume that all affected cruise passengers have an overnight stay in the port the night before embarking. Cruise passengers are not likely to use traveler accommodations in ports of call during the cruise because these accommodations are provided by the cruise line and are part of the cruise fare paid.

Travel agents (NAICS 56151). As shown in Chapter 2, a high percentage of passengers use a travel agent to book travel. Travel agents are overwhelmingly small businesses.

Dining services (NAICS 722). For air travelers, while traveling outside the United States, dining is the number one activity (and would be consumed outside the US at non-US businesses).[14] The same is true for foreign citizens traveling in the United States. Most dining services are likely to be small businesses. However, full dining services are provided aboard cruise ships, and onshore dining may not be the number one activity for cruisers.

Retail shopping (NAICS 44–45). For air travelers, while traveling outside the US, shopping is a close second to dining for visitor activities.[15] It is the favorite activity for foreign citizens traveling in America. The retail-shopping sector is diverse and large, and it is unlikely that any one segment would be noticeably affected by the rule.

Tour operators (NAICS 56152). Touring is a popular activity when traveling outside the US and when visiting. Most tour operators are likely to be small businesses.

Scenic and sightseeing transportation (NAICS 487). Businesses providing these services are likely to be small, though many of the cruise lines operate their own tours in ports of call.

Hired or rented transportation (NAICS 485, 532111). This would include taxis, buses, other transit, and rental cars. Hired transportation could be affected if fewer passengers cruise and do not use these services to get to and from the port of embarkation. Cruise passengers may use hired transportation in ports of call.

Arts, entertainment, and recreation (NAICS 71). Recreational activities are popular for all travelers. Like retail shopping, the sector is diverse and large and no one segment is likely to be noticeably affected.

Exhibit 32 (next page) presents the industries likely to be indirectly affected (both positively and negatively) by the rule. Not all businesses in these industry sectors will be affected because not all serve international cruise passengers. Some sectors (retail trade, for example) are so large that any effects of a passport requirement will be undetectable. The breakout of firms gives a sense of how many businesses are likely to be small in each industry segment based solely on the number of employees (above and below 500). Businesses are classified as large or small depending on the number of employees or annual revenue, and thus this table is not intended to definitively state the number of small businesses in each sector, but to give an idea of how small businesses overwhelmingly outnumber large businesses in the affected industries.

We acknowledge that certain “sole proprietors” would be considered small businesses and could be directly affected by the final rule if their occupations require travel within the Western Hemisphere where a passport was not previously required. Such “sole proprietors” will not likely be affected in the sea environment, as cruise passengers likely travel for leisure purposes, not business. In any case, however, the cost to such businesses would be only $136 for a first-time passport applicant, or $196 if expedited service were requested, and would only be incurred if the individual needed a passport. We believe such an expense would not rise to the level of being a “significant economic impact.”

Exhibit 32. Industries potentially indirectly affected by the rule and their NAICS codes

NAICS	Description	Total US Firms	< 500 employees	500+ employees
483112	Deep sea passenger transportation	94	85	9
48831	Port & harbor operations	169	143	26
481111	Scheduled passenger air transportation	450	399	51
481211	Nonscheduled chartered passenger air transportation	1,344	1,279	65
488119	Other airport operations	1,198	1,156	42
48819	Other support activities for air transportation	2,403	2,348	55
7211	Traveler accommodation	41,551	41,107	444
56151	Travel agencies	14,838	14,758	80
722	Food services & drinking places	376,637	375,367	1,270
44–45	Retail trade	na	na	na
56152	Tour operators	14,838	14,758	80
487	Scenic & sightseeing transportation	2,429	2,413	16
485	Transit & ground passenger transportation	14,770	14,662	108
532111	Passenger car rental	2,328	2,304	24
71	Arts, entertainment, & recreation	na	na	na

Source: Small Business Administration, Office of Advocacy. 2002. Available at www.sba.gov/advo/research/us_rec02.txt.

Reporting and recordkeeping

This rule imposes no new reporting or recordkeeping requirements on small businesses.

Other Federal rules

This rule does not duplicate, overlap, or conflict with other Federal regulations.

Regulatory alternatives

Discussion of alternatives can be found in the Preface and Chapter 2. Calculations of costs (if any) for the alternatives can be found in the appendices. None of the alternatives would directly affect small entities.

Comments on impacts to small entities

One commenter to the June 26, 2007, NPRM noted several examples of individuals who would be considered small businesses, including sole proprietors, self-employed individuals, and freelancers.

As noted previously in the analysis for the NPRM and this final rule, CBP agrees that these "sole proprietors" would be considered small businesses and could be directly affected by the rule if their occupation requires cruise travel within the Western Hemisphere where a passport was not previously required. The number of such sole proprietors is not available from the Small Business Administration or other business databases available, but the number is not likely "substantial" in the sea environment. However, as estimated in Chapter 5, the cost to any such businesses would be only $136 for a first-time passport applicant plus an additional $60 if expedited service were requested. This level of expenditure would not rise to the level of a "significant economic impact."

Conclusions

Because this rule does not directly regulate small entities, other than certain sole proprietors who will not experience a significant economic impact, CBP certifies that this rule does not have a significant economic impact on a substantial number of small entities.

Chapter notes

[1] Regulatory Flexibility Act, Pub. L. No. 96-354, 94 Stat. 1164 (codified at 5 U.S.C. § 601).

[2] Small Business Administration, Office of Advocacy. 2003. *A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act.* May 2003.

[3] Small Business Administration, Office of Advocacy. 2003. *A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act.* May 2003. Page 69.

[4] In the State Department's supporting statement for their paperwork reduction act submission, states: "the collection of information does not involve small businesses or other small entities." See "Application for a U.S. Passport." OMB Control Number 1405-0004 (DS-11), Section A.5. The approved collection is valid through September 30, 2008. In their final rule "Card Format Passport; Changes to Passport Fee Schedule" the State Department certified that the rule will not have a significant economic impact on a substantial number of small entities because only individuals can apply for the passport card.

[5] Small Business Administration, Office of Advocacy. 2003. *A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act.* May 2003. Page 20.

[6] Mid-Tex Elec. Coop v. FERC, 773 F.2d 327, 342 (D.C. Cir. 1985).

[7] United Dist. Cos. v. FERC, 88 F.3d 1105, 1170 (D.C. Cir. 1996).

[8] *Cement Kiln*, 255 F.3d at 868.

[9] US Maritime Administration. Cruise Statistics 2003–2006. Available at www.marad.dot.gov/MARAD_statistics/index.html#Fleet%20Statistics

Websites accessed:

Carnival Cruise Lines at www.carnival.com

Celebrity Cruise Lines at www.celebritycruises.com

Costa Cruise Line at www.costacruise.com

Crystal Cruises at www.crystalcruises.com

Cunard Cruise Lines at www.cunard.com

Disney Cruise Line at disneycruise.disney.go.com

Holland America at www.hollandamerica.com

MSC Cruises at www.msccruises.com

Norwegian Cruise Line at www.ncl.com

Oceania Cruises at www.oceaniacruises.com

Princess Cruises at www.princess.com

Regent Seven Seas Cruises at www.rssc.com

Royal Caribbean at www.royalcaribbean.com

Seabourn Cruise Line at www.seabourn.com

SeaDream Yacht Club at www.seadreamyachtclub.com

Silversea Cruises at www.silversea.com

Windstar Cruise Line at www.windstarcruises.com

All 2007 cruise itineraries were accessed from January 16 through 18, 2007.

[10] For example, the MARAD database (2003–2006) reveals that Crystal Cruise lines offered cruises to Alaska. Crystal has no Alaskan itineraries in 2007 (see www.crystalcruises.com). Disney Cruise Line has no Pacific Mexico itineraries in 2007 (see disneycruise.disney.go.com), though it did in previous years. Regent (Radisson Seven Seas) has no Canada/New England itineraries in 2007 (see www.rssc.com), though it did previously. Conversely, Silversea Cruises has not had Alaskan and US Pacific Coast itineraries in the recent past, but plans to offer such cruises in 2008 (see www.silversea.com). Carnival, Princess, Royal Caribbean, Costa, MSC, Norwegian, and Cunard all have expected inaugural dates for 7 new ships in 2007 (see www.cruisenewsdaily.com/newships.html).

[11] This conclusion is based on research of the Dun & Bradstreet business databases available at www.dnb.com/us/. Databases were accessed from November 13 through 14, 2006.

[12] See, for example, World Travel and Tourism Council. 2004. *The Caribbean: The Impact of Travel & Tourism on Jobs and the Economy*. Page 23, and

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Appendices

Appendix A:

Overview of the Western Hemisphere Cruise Industry and 2007 Itineraries

The number of cruise passengers who could potentially be affected by a passport requirement in the Western Hemisphere is determined using the MARAD dataset. We adjust for voyages where a passport is already required and for voyages where a passport will not be required even once this rule is in effect.[1] Using adjusted MARAD data for 2006, we estimate that 9.3 million passengers (Table 1) embarked or debarked in ports where passengers would need a passport were it not for the waivers in the final rule. We also disaggregate these passengers by cruise length, in nights. These estimates include all passengers (US and non-US citizens; adults and minors).

As shown, about half of all passengers take 7-night cruises. Approximately one third take short cruises of 3 to 5 nights. An estimated 8 percent take long cruises (9 to 17 nights), and less than 1 percent take very long cruises (over 17 nights). The destinations for these passengers are presented in Table 2. As shown, the Western Caribbean comprises about a third of the Western Hemisphere cruise market. Other top destinations include the Bahamas, the Eastern Caribbean, the Pacific coast of Mexico, and Alaska. For comparison, cruise passengers not covered by WHTI and their destinations are presented in Table 3. Approximately 85 percent of the non-WHTI passengers are on Hawaiian and transatlantic voyages.

As shown in Tables 2 and 3, the MARAD data are lumped by destination region, and data for most individual ports or countries in the Western Hemisphere are not reported. Arrivals for individual Canadian, Mexican, Caribbean, and Central American ports are available from various sources: a study of the cruise industry in Canada, the Secretary of Tourism in Mexico, and the Caribbean Tourism Commission.[2] The data from these sources do not necessarily map well to the MARAD data (the Caribbean Tourism Commission, for example, reports over twice the arrivals in the Bahamas as the MARAD data), the data reported are from different years, and none of the sources disaggregates arrivals by citizenship.

Bearing these issues in mind, these sources give a good sense of the relative size of the major cruise ports outside the United States. Table 4 summarizes these data. As shown, the Bahamas, Cozumel, the US Virgin Islands, the Cayman Islands, Puerto Rico, St Maarten, and Jamaica are the most popular cruise destinations in the Western Hemisphere. The Cayman Islands and St Maarten already require a passport for entry.

Table 1. Total cruise passengers in the Western Hemisphere, 2006

Cruise length	Cruises	Passengers	Percentage of market segment	Percentage of entire cruise market
Short				
2 nights	4	7,510	0.2	0.1
3 nights	372	905,505	27.7	9.7
4 nights	579	1,344,306	41.2	14.4
5 nights	453	1,006,755	30.8	10.8
Subtotal	*1,408*	*3,264,076*	*100.0*	*34.9*
Medium				
6 nights	65	154,780	2.9	1.7
7 nights	2,007	4,810,408	91.1	51.5
8 nights	136	317,712	6.0	3.4
Subtotal	*2,208*	*5,282,900*	*100.0*	*56.5*
Long				
9 nights	61	138,111	17.7	1.5
10 nights	177	309,127	39.6	3.3
11 nights	115	187,825	24.1	2.0
12 nights	27	43,668	5.6	0.5
13 nights	7	11,245	1.4	0.1
14 nights	42	53,497	6.9	0.6
15 nights	14	21,136	2.7	0.2
16 nights	4	4,463	0.6	< 0.1
17 nights	8	11,406	1.5	0.1
Subtotal	*455*	*780,478*	*100.0*	*8.4*
Very long				
18 nights	3	3,895	21.0	< 0.1
19 nights	1	1,551	8.3	< 0.1
20 nights	1	1,396	7.5	< 0.1
21 nights	5	8,728	47.0	< 0.1
22 nights	1	1,241	6.7	< 0.1
23 nights	1	1,128	6.1	< 0.1
26 nights	1	638	3.4	< 0.1
Subtotal	*13*	*18,577*	*100.0*	*0.2*
Totals	4,084	9,346,031	100.0	100.0

Source: MARAD Cruise Statistics 2003–2006 (2006 data). Estimates are adjusted for itineraries where a passport is already required and for domestic itineraries not subject to WHTI.

Table 2. Destinations for Western Hemisphere cruise passengers, 2003–2006

Destination region	2003 passengers	(%Δ)	2004 passengers	(%Δ)	2005 passengers	(%Δ)	2006 passengers	Percentage of cruise market 2006
Western Caribbean (a)	2,923,931	(6)	3,094,014	(2)	3,141,524	(0)	3,151,131	34
Bahamas	1,292,162	(11)	1,431,008	(-3)	1,389,777	(11)	1,540,977	16
Eastern Caribbean (b)	1,035,262	(17)	1,214,927	(8)	1,314,942	(5)	1,384,640	15
Mexico Pacific Coast	731,416	(32)	963,657	(17)	1,129,471	(-5)	1,075,010	12
Alaska (c)	776,246	(13)	880,170	(5)	926,714	(1)	937,368	10
Southern Caribbean (d)	748,047	(19)	892,135	(-12)	787,790	(-5)	748,270	8
Bermuda	212,219	(-8)	195,082	(16)	225,772	(4)	234,214	3
Canada/New England (e)	173,017	(23)	213,254	(-16)	178,931	(-8)	164,556	2
Trans-Panama Canal	91,870	(8)	99,554	(6)	105,727	(-20)	84,485	1
US Pacific Coast (f)	17,996	(23)	22,218	(2)	22,606	(-30)	15,885	< 1
Hawaii (g)	25,372	(-19)	20,581	(-63)	7,545	(26)	9,495	< 1
Total	8,027,538	(12)	9,026,600	(2)	9,230,799	(1)	9,346,031	100

Source: MARAD Cruise Statistics 2003–2006.
(a) Defined as west of Haiti, includes ports in Mexico, Central America, Colombia. All passengers are included in this analysis, though passengers to the Cayman Islands, Central America (except Panama), and Colombia already need a passport for entry.
(b) As far south as St Maarten; as far west as Haiti. All passengers are included in this analysis, though passengers to St Maarten already need a passport for entry.
(c) All passengers are included in this analysis, though passengers who did not make ports of call in Canada would not need a passport.
(d) South of St Maarten to northern coast of South America; as far as Aruba. All passengers are included in this analysis, though passengers to South America, Barbados, St Lucia, Martinique, and Trinidad and Tobago already need a passport for entry.
(e) All passengers are included in this analysis, though passengers who did not make ports of call in Canada would not need a passport.
(f) Voyages to and from Canada and Mexico.
(g) Voyages to and from Canada and Mexico.

Table 3. Destinations for cruise passengers not covered by Western Hemisphere document requirements, 2003–2006

Destination region	2003 passengers	(%Δ)	2004 passengers	(%Δ)	2005 passengers	(%Δ)	2006 passengers	Percentage of non-affected cruise market 2006
Hawaii (a)	196,612	(7)	211,357	(42)	299,087	(31)	392,176	63
Transatlantic	75,748	(33)	100,957	(45)	146,415	(-6)	138,041	22
US Pacific Coast (b)	7,460	(267)	27,404	(21)	33,203	(33)	44,146	7
South America	11,663	(-15)	9,901	(-32)	6,734	(174)	18,459	3
South Pacific/Far East	6,997	(7)	7,501	(18)	8,884	(37)	12,206	2
"Nowhere" (c)	16,774	(71)	28,602	(-69)	8,977	(4)	9,352	1
Trans-Panama Canal (d)	3,034	(171)	8,217	(-25)	6,202	(11)	6,894	1
Eastern Caribbean	1,616	(-100)	0	-	378	(284)	1,452	< 1
Alaska (e)	0	-	0	-	2,947	(-52)	1,415	< 1
Southern Caribbean	1,277	(139)	3,058	(-82)	556	(35)	750	< 1
US Atlantic Coast (f)	0	-	0	-	1,502	(-100)	0	< 1
Mexico Pacific Coast (g)	0	-	759	(9)	830	(-100)	0	< 1
Bahamas	0	-	0	-	674	(-100)	0	< 1
Canada/New England (h)	0	-	323	(-100)	0	-	0	< 1
Total	321,181	(24)	398,079	(30)	516,389	(21)	624,891	100

Source: MARAD Cruise Statistics 2003–2006.
(a) Excluding voyages to and from Canada and Mexico.
(b) Voyages that originate on the US Pacific coast (Seattle, San Francisco, Long Beach, Los Angeles, San Diego) and travel along the US coast or to Hawaii.
(c) Voyages do not touch another port or place.
(d) Voyages that originate in Central and South America.
(e) Excluding voyages to and from Canada.
(f) Excluding voyages to and from Canada.
(g) Excluding voyages that originate on the US Pacific Coast or Hawaii.
(h) Excluding voyages to and from Canada.

Table 4. Major ports and total cruise arrivals in the Western Hemisphere (in thousands)

Canada (2003)		Mexico (2005)		Caribbean & Central America (2004)	
Vancouver	936	Cozumel	2,519	Bahamas	3,360
Victoria	186	Mahahual	650	Cayman Islands*	1,693
Halifax	170	Cabo San Lucas	617	St Maarten*	1,349
Saint John	83	Ensenada	593	Jamaica	1,100
Quebec	60	Puerto Vallarta	544	Belize*	851
Montreal	33	Mazatlan	473	Barbados*	721
		Acapulco	266	Aruba	576
		Progreso	192	Antigua and Barbuda	523
		Punta Venado	180	St Lucia*	481
		Ixtapa/Zihuatanejo	170	British Virgin Islands	467
		Manzanillo	100	Dominican Republic	456
		Huatulco	84	Dominica	384
		Cancun	62	Grenada	230
		Loreto	17	Curacao	219
		Playa del Carmen	1	Martinique*	159
		Puerto Morelos	1	St Vincent & Grenadines	78
		Santa Rosalia	1	Trinidad and Tobago*	54
				Bonaire	53
				US Virgin Islands	1,965
				Puerto Rico	1,381

Source:
Canada—North West CruiseShip Association, Vancouver Port Authority, and St Lawrence Cruise Association. 2004. *The Contribution of the International Cruise Industry to the Canadian Economy in 2003*. Prepared by Business Research & Economic Advisors. October 2004. Page 3.
Mexico—Secretaria de Turismo. 2005 passenger arrivals by cruise ship. Available at http://datatur.sectur.gob.mx/jsp/consulta_Centro.jsp
Caribbean and Central America—Caribbean Tourism Commission. 2006. 2004 Full Annual Tourism Statistical Report. November 2006. Page 12.
*Passport already required for entry.

Departure ports for affected passengers are presented in Table 5. As shown, Florida ports comprise about half of cruise embarkations in the United States followed by California, Texas, and New York/New Jersey. It is interesting to note the large changes in passenger counts from 2003 to 2006, as cruise lines expanded or relocated to new ports. While the industry as a whole shows modest changes from year to year, passenger counts for individual ports and destinations are fairly volatile.

Table 5. Departure ports for Western Hemisphere cruise passengers, 2003–2006

	2003	(%Δ)	2004	(%Δ)	2005	(%Δ)	2006	% 2006
Miami, FL	1,862,487	(-10)	1,677,433	(5)	1,768,683	(6)	1,881,203	20
Port Canaveral, FL	1,113,793	(10)	1,230,130	(0)	1,233,616	(13)	1,396,260	15
Fort Lauderdale, FL	1,090,746	(12)	1,216,250	(-4)	1,171,836	(-4)	1,124,413	12
Galveston, TX	375,818	(14)	427,300	(24)	527,889	(16)	610,954	7
San Juan, PR	576,815	(17)	674,422	(-14)	578,964	(-4)	554,621	6
Los Angeles, CA	497,776	(-21)	394,142	(45)	571,402	(-11)	508,271	5
New York, NY	408,462	(26)	516,161	(-37)	326,902	(51)	494,448	5
Tampa, FL	418,271	(-5)	395,695	(3)	405,967	(13)	459,264	5
Vancouver, Can	465,504	(-6)	436,156	(0)	434,455	(-8)	397,972	4
Long Beach, CA	170,591	(134)	398,534	(-9)	362,834	(5)	379,789	4
Seattle, WA	164,557	(71)	281,822	(12)	316,419	(14)	361,561	4
San Diego, CA	76,569	(95)	149,100	(33)	199,006	(-20)	159,006	2
Jacksonville, FL	6,387	(1,681)	113,728	(21)	137,083	(-7)	128,085	1
Cape Liberty, NJ		-		-	146,714	(-17)	121,489	1
Whittier, AK		-	88,293	(8)	95,073	(14)	108,262	1
Mobile, AL		-	28,821	(204)	87,628	(13)	98,664	1
San Francisco, CA	50,254	(66)	83,607	(1)	84,688	(-5)	80,587	1
New Orleans, LA	295,079	(33)	392,561	(-21)	308,394	(-76)	75,401	1
Seward, AK	151,760	(-51)	74,427	(-9)	67,957	(1)	68,860	1
Boston, MA	67,970	(8)	73,105	(8)	79,173	(-23)	61,215	1
Baltimore, MD	56,693	(77)	100,539	(-35)	64,941	(-7)	60,100	1
Houston, TX	12,944	(599)	90,515	(9)	98,545	(-41)	58,237	1
Philadelphia, PA	24,620	(20)	29,624	(70)	50,444	(3)	51,913	1
Charleston, SC	31,639	(23)	38,892	(6)	41,337	(14)	47,216	1
Norfolk, VA	9,122	(392)	44,902	(1)	45,414	(-45)	25,179	< 1
Montreal, Can	14,327	(27)	18,252	(-18)	14,918	(0)	14,957	< 1
Quebec City, Can	360	(-49)	182	(2,498)	4,728	(30)	6,140	< 1
Acapulco, Mex	1,402	(48)	2,072	(-100)		-	4,617	< 1
St. Thomas, USVI	7,530	(8)	8,111	(-39)	4,929	(-8)	4,534	< 1
Ensenada, Mex	17,364	(86)	32,353	(-100)		-	2,197	< 1
Gloucester, MA		-		-		-	381	< 1
Anchorage, AK		-		-		-	235	< 1
Curaco, Neth Ant		-		-	322	(-100)		< 1
Cozumel, Mex		-		-	281	(-100)		< 1
Freeport, Bah		-	384	(-66)	130	(-100)		< 1
W Palm Beach, FL	413	(-100)		-	127	(-100)		< 1
Honolulu, HI		-	3,893	(-100)		-		< 1
Gulfport, MS	57,930	(-94)	3,314	(-100)		-		< 1
Oakland, CA		-	1,880	(-100)		-		< 1
Colon, Pan	227	(-100)		-		-		< 1
Hamilton, Ber	128	(-100)		-		-		< 1
Total	8,027,538	(12)	9,026,600	(2)	9,230,799	(1)	9,346,031	100
Florida ports	4,492,097	(3)	4,633,236	(2)	4,717,312	(6)	4,989,225	53
California ports	795,190	(29)	1,025,300	(19)	1,217,930	(-7)	1,127,653	12
Texas ports	388,762	(33)	517,815	(21)	626,434	(7)	669,191	7
NY/NJ ports	408,462	(26)	516,161	(-8)	473,616	(30)	615,937	7
Total	6,084,511	(10)	6,692,512	(5)	7,035,292	(5)	7,402,006	79

Source: MARAD Cruise Statistics 2003–2006.

Table 6 presents an origin-destination matrix for passengers in the Western Hemisphere. The top 14 origin-destination pairs, representing 75 percent of the market, are shaded. Table 7 presents an origin-destination matrix for passenger nights, (top 14 pairs are shaded, 70 percent of passenger nights). It is interesting to note the differences between departure ports and passengers versus passenger nights. For example, while Port Canaveral boards more passengers, Fort Lauderdale boards passengers for longer cruises. The Bahamas receives more passengers than any other destination but the Western Caribbean, though the Eastern Caribbean, the Pacific coast of Mexico, Alaska, and the Southern Caribbean all have more passenger nights than the Bahamas.

Table 8 shows monthly passenger loads by destination. January, July, and December were the most popular months for cruising in 2006. The Western Caribbean and the Bahamas show fairly constant passenger loads across the year, while the Eastern Caribbean, Southern Caribbean, and the Pacific coast of Mexico show clear dips in the summer. Trans-Panama Canal travel peaks three times a year, as ships relocate coasts for the next season. Table 9 presents Western Hemisphere cruises by length of cruise and destination. The top 12 trip length-destination pairs are shaded, representing about 75 percent of the voyages.

Table 10 presents passenger loads and vessel capacity by destination in 2006. Almost all destinations experienced above-normal capacity loads, with the exception of voyages through the Panama Canal (which are driven largely by the need to relocate ships). None of the destinations is nearing its maximum capacity given the current fleet of vessels. The industry as a whole was booked at 111 percent of its normal capacity (based on two-berth occupancy) and 88 percent of its maximum capacity (third and fourth berth occupancy).

Finally, the rank-order of destinations from 2003 to 2006 is presented in Table 11. As shown, the Western Caribbean, the Bahamas, and the Eastern Caribbean have been the most popular destinations over the past several years. The Pacific coast of Mexico and Alaska have seen a surge since 2003.

In all these tables, all passengers are shown (US and non-US citizens, adults and minors).

Table 6. Origins and destinations for Western Hemisphere cruise passengers, 2006

Destination ➔ Origin ↓	Western Caribbean	Bahamas	Eastern Caribbean	Mexico Pacific Coast	Alaska	Southern Caribbean	Bermuda	Canada/ New England	Trans-Panama Canal	US Pacific Coast	Hawaii
Miami	924,077	365,345	545,599	4,262		33,005			8,915		
Port Canaveral	266,658	912,179	217,423								
Fort Lauderdale	573,822	6,674	381,841			133,518	5,397	1,040	22,121		
Galveston	610,954										
San Juan	370		32,382			511,507			10,362		
Los Angeles				492,243	1,895				14,133		
New York	30,622	116,493	159,195			35,037	37,975	113,099	2,027		
Tampa	442,332		3,811			9,922			3,199		
Vancouver					370,393				4,396	15,885	7,298
Long Beach				379,789							
Seattle				1,592	356,218				3,751		
San Diego				150,537					8,469		
Jacksonville		128,085									
Cape Liberty	3,644		41,293				70,556	5,996			
Whittier					108,262						
Mobile	98,664										
San Francisco				46,587	31,505				2,495		
New Orleans	75,401										
Seward					68,860						
Boston			1,356			2,044	34,685	23,130			
Baltimore	32,295						27,805				
Houston	58,237										
Philadelphia							51,913				
Charleston	34,055	6,077				1,388	5,696				
Norfolk		6,124				19,055					
Montreal								14,957			
Quebec City								6,140			
Acapulco									4,617		
St Thomas			1,740			2,794					
Ensenada											2,197
Gloucester							187	194			
Anchorage					235						
Total	3,151,131	1,540,977	1,384,640	1,075,010	937,368	748,270	234,214	164,556	84,485	15,885	9,495

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 7. Origin and destinations for Western Hemisphere cruise passenger nights, 2006

Destination ➔ Origin ↓	Western Caribbean	Bahamas	Eastern Caribbean	Mexico Pacific Coast	Alaska	Southern Caribbean	Bermuda	Canada/ New England	Trans-Panama Canal	US Pacific Coast	Hawaii
Miami	5,625,787	1,224,035	3,824,191	44,758		363,991			127,440		
Port Canaveral	1,850,935	3,359,291	1,529,158								
Fort Lauderdale	3,726,424	29,176	2,773,774			1,335,712	37,779	15,600	365,799		
Galveston	3,778,847										
San Juan	3,330		150,803			3,656,522			115,920		
Los Angeles				2,620,278	24,635				215,866		
New York	304,800	791,049	1,410,749			377,833	236,087	692,803	31,132		
Tampa	2,576,037		45,389			138,908			58,914		
Vancouver					2,623,490				88,880	60,849	89,701
Long Beach				1,781,246							
Seattle				11,144	2,489,230				70,731		
San Diego				1,236,162					126,407		
Jacksonville		593,301									
Cape Liberty	40,084		384,393				422,497	65,956			
Whittier					757,834						
Mobile	460,541										
San Francisco				486,282	320,906				37,425		
New Orleans	453,662										
Seward					482,020						
Boston			17,628			24,528	242,795	153,330			
Baltimore	298,583						139,025				
Houston	407,659										
Philadelphia							361,141				
Charleston	238,385	30,385				20,820	39,872				
Norfolk		36,744				212,173					
Montreal								119567			
Quebec City								68,848			
Acapulco									46,170		
St Thomas			12,180			19,316					
Ensenada											26,364
Gloucester							2,244	1,552			
Anchorage					2,350						
Total	19,765,074	6,063,981	10,148,265	6,179,870	6,700,465	6,149,803	1,481,440	1,117,656	1,284,704	60,849	116,065

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 8. Monthly cruise passengers by destination, 2006

Month	Western Caribbean	Bahamas	Eastern Caribbean	Mexico Pacific Coast	Alaska	Southern Caribbean	Bermuda	Canada/ New England	Trans-Panama Canal	US Pacific Coast	Hawaii
Jan	325,161	111,242	142,221	103,971		106,408			5,580		
Feb	288,694	99,838	147,457	101,208		85,829			5,343		
Mar	327,863	124,839	142,013	104,584		86,124					
Apr	307,324	135,235	167,489	123,725	1,817	62,846	14,316	1,040	18,809		2,197
May	169,227	136,644	73,835	58,685	139,439	25,251	31,461	3,725	5,710	3,120	
June	195,066	157,267	82,488	56,555	209,323	26,411	34,856	17,664			
July	231,661	155,394	100,630	60,002	244,020	33,584	44,826	25,449			
Aug	188,299	135,585	80,753	52,254	210,654	26,320	37,094	28,515			
Sep	177,994	109,855	89,100	67,355	132,115	25,025	36,794	50,102	14,624	11,013	7,298
Oct	224,705	119,936	82,228	119,654		62,846	29,876	38,061	11,290	1,752	
Nov	299,846	124,462	104,843	102,880		84,134	4,991		13,265		
Dec	415,291	130,680	171,583	124,137		123,492			9,864		
Total	3,151,131	1,540,977	1,384,640	1,075,010	937,368	748,270	234,214	164,556	84,485	15,885	9,495

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 9. Cruises by destination and length of voyage, 2006

Cruise length (nights)	Western Caribbean	Bahamas	Eastern Caribbean	Mexico Pacific Coast	Alaska	Southern Caribbean	Bermuda	Canada/ New England	Trans-Panama Canal	US Pacific Coast	Hawaii
2		2		1						1	
3		256	9	102		1				4	
4	206	252	8	102	1		1	7		2	
5	313	93	2	3			27	15			
6	40	14	5	1		3	2				
7	625	34	402	151	458	195	105	36		1	
8	18		59	44		13		2			
9	22	1	23	2	8	5					
10	36	1	26	26	18	53		9	7		1
11	23	1	9	21		51		6	3		1
12	7		3		4	6	1	2	2		2
13	1		2		1	2			1		
14	2		1	2	1	22		1	13		
15				1		1		1	11		
16									4		
17									8		
18									2		1
19				1							
20									1		
21									5		
22									1		
23									1		
26						1					
Total	1,293	654	549	457	491	353	136	79	59	8	5

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 10. Passengers and vessel capacity by destination, 2006

	Vessels in service in region	Total passengers	Total normal capacity (a)	Percent normal capacity	Total maximum capacity (b)	Percent maximum capacity
Western Caribbean	59	3,151,131	2,809,628	112	3,540,080	89
Bahamas	20	1,540,977	1,325,686	116	1,702,973	90
Eastern Caribbean	48	1,384,640	1,254,782	110	1,569,058	88
Mexico Pacific Coast	25	1,075,010	972,550	111	1,198,047	90
Alaska	27	937,368	881,476	106	1,085,928	86
Southern Caribbean	35	748,270	712,014	105	885,418	85
Bermuda	10	234,214	219,910	107	287,518	81
Canada/New England	11	164,556	156,818	105	191,833	86
Trans-Panama Canal	24	84,485	86,887	97	105,029	80
US Pacific Coast	7	15,885	15,796	101	19,420	82
Hawaii	4	9,495	9,362	101	11,554	82
Total		9,346,031	8,444,909	111	10,596,858	88

Source: MARAD Cruise Statistics 2003–2006 (2006 data).
(a) Capacity based on two passengers per stateroom.
(b) Capacity based on third and fourth berths per stateroom.

Table 11. Rank order of passengers by destination, 2003–2006

	Rank			
	2003	2004	2005	2006
Western Caribbean	1	1	1	1
Bahamas	2	2	2	2
Eastern Caribbean	3	3	3	3
Mexico Pacific Coast	6	4	4	4
Alaska	4	6	5	5
Southern Caribbean	5	5	6	6
Bermuda	7	8	7	7
Canada/New England	8	7	8	8
Trans-Panama Canal	9	9	9	9
US Pacific Coast	11	10	10	10
Hawaii	10	11	11	11

Source: MARAD Cruise Statistics 2003–2006.

According to the MARAD dataset, 17 cruise lines offered cruises in the Western Hemisphere. These cruise lines and the number of passengers they carried from 2003 to 2006 are presented in Table 12. While departure port passenger counts are fairly volatile, passenger counts per cruise line are less volatile and generally increased over the period, though bookings for many lines dropped appreciably in 2006. This is most likely the result of the devastating hurricane season in 2005, not concerns about WHTI. Many passengers were hesitant to book Caribbean cruises in 2006 because of the disruptions of the previous two years.[3]

Two cruise lines dominate the North American cruise industry, with nearly two thirds of the bookings in 2006. Table 13 presents cruise lines by

destination region. All cruise lines have some operations in the Caribbean, while a smaller subgroup operates in Alaska, and only a few operate in Bermuda and along the US Pacific coast between Canada and Mexico. Three companies dominate operations in the Bahamas. Companies with smaller passenger counts in 2006 (fewer than 20,000) operated primarily in the Caribbean.

Table 14 presents passengers on the largest seven cruise lines, representing 97 percent of bookings, by departure port. Table 15 presents the number of voyages for the largest cruise lines by departure port. Table 16 presents the number of passengers on the largest cruise lines by the length of the voyage. Finally, Table 17 presents passengers and vessel capacity by cruise line. As shown, the two largest cruise lines operated over normal capacity but well under maximum capacity. While overall the industry operated over normal capacity (111 percent), smaller cruise lines consistently operated under normal capacity.

In all these tables, all passengers are shown (US and non-US citizens, adults and minors).

Table 12. Western Hemisphere cruise lines and passenger counts, 2003–2006

	Vessels in service in region				Passengers							
	2003	2004	2005	2006	2003	(%Δ)	2004	(%Δ)	2005	(%Δ)	2006	Percentage of 2006 passengers
Carnival Cruise Lines	20	20	21	21	2,846,564	(7)	3,059,556	(3)	3,165,518	(4)	3,282,849	35
Royal Caribbean International	18	20	19	20	2,200,892	(18)	2,590,338	(3)	2,659,937	(4)	2,755,889	29
Princess Cruises	10	11	12	13	673,794	(35)	906,471	(6)	958,581	(1)	965,884	10
Norwegian Cruise Line	9	10	10	10	644,707	(4)	668,949	(3)	691,453	(1)	699,033	7
Holland America Line	12	13	12	12	521,212	(15)	598,831	(-5)	568,220	(6)	602,884	6
Celebrity Cruise Lines	9	9	9	8	584,465	(-1)	579,970	(-12)	509,404	(-21)	402,038	4
Disney Cruise Line	2	2	2	2	398,813	(-1)	395,890	(1)	401,696	(-3)	390,480	4
Costa Cruise Line	3	3	4	3	70,378	(10)	77,082	(28)	98,412	(21)	118,816	1
MSC Cruises	1	2	2	2	9,147	(153)	23,164	(56)	36,130	(-4)	34,645	< 1
Cunard Line	1	2	1	2	6,090	(462)	34,211	(30)	44,318	(-27)	32,199	< 1
Regent Seven Seas Cruises	3	3	4	3	32,647	(36)	44,531	(1)	44,764	(-46)	24,353	< 1
Crystal Cruises	3	3	3	2	22,495	(8)	24,263	(26)	30,466	(-52)	14,716	< 1
Silversea Cruises	2	3	2	2	3,955	(87)	7,377	(-1)	7,319	(32)	9,640	< 1
Oceania Cruises	1	1	1	1	1,815	(147)	4,482	(29)	5,786	(-10)	5,214	< 1
Seabourn Cruise Line	2	2	2	2	2,797	(-15)	2,368	(14)	2,695	(-3)	2,609	< 1
SeaDream Yacht Club	2	2	2	2	2,933	(5)	3,074	(9)	3,351	(-25)	2,525	< 1
Windstar Cruises	2	2	2	1	4,834	(25)	6,043	(-55)	2,749	(-18)	2,257	< 1
Total	100	108	108	106	8,027,538	(12)	9,026,600	(2)	9,230,799	(1)	9,346,031	100
7 largest cruise lines	80	85	85	86	7,870,447	(12)	8,800,005	(2)	8,954,809	(2)	9,099,057	97

Source: MARAD Cruise Statistics 2003–2006.

Table 13. Cruise lines and passenger counts by destination, 2006

	Western Caribbean	Bahamas	Eastern Caribbean	Mexico Pacific Coast	Alaska	Southern Caribbean	Bermuda	Canada/ New England	Trans-Panama Canal	US Pacific Coast	Hawaii
Carnival	1,477,561	634,713	437,037	429,449	42,506	182,940	2,268	72,031			4,344
Royal Caribbean	969,874	521,666	381,858	337,953	119,156	287,921	114,218	12,692	8,388		2,163
Princess	216,947	3,077	167,967	140,608	269,081	119,474		20,280	21,881	6,569	
Norwegian	165,935	113,528	117,958	56,542	128,221	21,751	71,190	13,246	4,513	4,444	1,705
Holland America	66,873	2,644	91,571	63,076	253,687	71,683		28,287	18,908	4,872	1,283
Celebrity	88,771	1,768	57,205	40,177	110,081	37,927	38,308	5,996	21,805		
Disney	83,811	259,318	47,351								
Costa	56,425	1,793	55,201				5,397				
MSC	13,614		14,908			6,123					
Cunard	6,710	2,001		2,676		9,185	2,646	7,872	1,109		
Regent	2,359	469	7,414	705	11,063	1,108			1,235		
Crystal	888		959	3,144		1,905		3,768	4,052		
Silversea	709		2,150	680	3,573	1,808			720		
Oceania	654		664			2,612			1,284		
Seabourn			173			1,275	187	384	590		
SeaDream			1,634			891					
Windstar			590			1,667					
Total	3,151,131	1,540,977	1,384,640	1,075,010	937,368	748,270	234,214	164,556	84,485	15,885	9,495

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 14. Top cruise lines and passenger counts by departure port, 2006

	Carnival	Royal Caribbean	Princess	Norwegian	Holland America	Celebrity	Disney	Total of top lines
Miami	901,611	797,680		107,054		52,824		1,859,169
Port Canaveral	554,885	450,895					390,480	1,396,260
Fort Lauderdale	124,587	275,408	322,188		153,136	81,654		956,973
Galveston	357,273	179,771	58,657			15,253		610,954
San Juan	158,288	281,025	79,072			28,305		546,690
Los Angeles		331,607	101,639	58,218	2,467	5,837		499,768
New York	127,320	16,596	65,306	233,394	28,359	4,103		475,078
Tampa	307,715	98,079			44,793	7,840		458,427
Vancouver	26,671	65,441	86,369	42,394	119,144	49,678		389,697
Long Beach	379,789							379,789
Seattle		37,766	81,897	91,976	113,176	36,746		361,561
San Diego	49,660	6,237			64,480	38,291		158,668
Jacksonville	128,085							128,085
Cape Liberty		69,923				51,566		121,489
Whittier	17,982		85,366					103,348
Mobile	98,664							98,664
San Francisco			66,523			12,852		79,375
New Orleans	32,341	10,873	8,300	23,887				75,401
Seward		18,112			33,659	17,089		68,860
Boston		14,736		36,041	10,438			61,215
Baltimore		60,100						60,100
Houston	3,580			54,657				58,237
Philadelphia		41,640		10,273				51,913
Charleston	6,077			41,139				47,216
Norfolk	6,124				19,055			25,179
Montreal					14,177			14,177
Quebec City			5,950					5,950
Acapulco			4,617					4,617
Ensenada	2,197							2,197
Total	3,282,849	2,755,889	965,884	699,033	602,884	402,038	390,480	9,099,057

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 15. Top cruise lines and voyages by departure port, 2006

	Carnival	Royal Caribbean	Princess	Norwegian	Holland America	Celebrity	Disney	Total of top lines
Miami	334	266		44		33		677
Port Canaveral	215	157					153	525
Fort Lauderdale	45	114	125		93	41		418
Galveston	130	86	21			8		245
San Juan	53	104	30			14		201
Los Angeles		133	37	24	2	3		199
New York	46	5	22	108	16	3		200
Tampa	131	48			35	6		220
Vancouver	12	29	36	23	79	23		202
Long Beach	157							157
Seattle		17	39	39	63	18		176
San Diego	21	3			36	20		80
Jacksonville	77							77
Cape Liberty		20				32		52
Whittier	8		35					43
Mobile	60							60
San Francisco			35			6		41
New Orleans	14	5	3	12				34
Seward					26	8		42
Boston		7		23	8			38
Baltimore		28						28
Houston	1			29				30
Philadelphia		26		9				35
Charleston	2			27				29
Norfolk	2				15			17
Montreal					11			11
Quebec City			3					3
Acapulco			3					3
Ensenada	1							1
Total	1,309	1,056	389	338	384	215	153	3,844

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 16. Top cruise lines and passenger counts by length of voyage, 2006

Cruise length (nights)	Carnival	Royal Caribbean	Princess	Norwegian	Holland America	Celebrity	Disney	Total of top lines
2		2,623			1,326	1,768		5,717
3	356,257	407,346	3,916	4,401	1,794		129,115	902,829
4	698,870	488,680		4,893	4,509	13,732	127,748	1,338,432
5	677,779	285,183		1,125	1,909	32,252		998,248
6	47,975	62,228		26,491		5,371	2,455	144,520
7	1,309,467	1,324,305	719,278	509,340	452,897	213,325	128,763	4,657,375
8	185,865	43,312	3,080	79,008	1,138	3,809		316,212
9	2,292	74,105	47,767			8,912		133,076
10		16,191	145,216	37,578	69,063	33,267	2,399	303,714
11		39,502	18,348	26,678	30,057	41,694		156,279
12	4,344	4,216		2,262	1,765	19,719		32,306
13		4,029		1,356	2,621	3,239		11,245
14		2,063	15,665		13,221	16,664		47,613
15		2,106	7,064	1,388	2,393	6,366		19,317
16					1,259	1,920		3,179
17			3,999	4,513	2,544			11,056
18					3,895			3,895
19			1,551					1,551
20					1,396			1,396
21					8,728			8,728
22					1,241			1,241
23					1,128			1,128
Total	3,282,849	2,755,889	965,884	699,033	602,884	402,038	390,480	9,099,057

Source: MARAD Cruise Statistics 2003–2006 (2006 data).

Table 17. Passengers and vessel capacity by cruise line, 2006

	2006 passengers	Total normal capacity (a)	Percent normal capacity	Total maximum capacity (b)	Percent maximum capacity
Carnival	3,282,849	2,882,844	114	3,668,195	89
Royal Caribbean	2,755,889	2,499,430	110	3,037,868	91
Princess	965,884	929,168	104	1,134,720	85
Norwegian	699,033	640,700	109	787,512	89
Holland America	602,884	590,970	102	747,654	81
Celebrity	402,038	379,306	106	496,739	81
Disney	390,480	268,362	146	415,089	94
Costa	118,816	110,152	108	139,990	85
MSC	34,645	38,790	89	53,085	65
Cunard	32,199	35,851	90	42,178	76
Regent	24,353	27,510	89	30,154	81
Crystal	14,716	17,900	82	18,810	78
Silversea	9,640	10,314	93	10,692	90
Oceania	5,214	5,472	95	5,616	93
Seabourn	2,609	2,912	90	2,996	87
SeaDream	2,525	2,860	88	3,016	84
Windstar	2,257	2,368	95	2,544	89
Total	9,346,031	8,444,909	111	10,596,858	88
7 largest lines	9,099,057	8,190,780	111	10,287,777	88

Source: MARAD Cruise Statistics 2003–2006 (2006 data).
(a) Capacity based on two passengers per stateroom.
(b) Capacity based on third and fourth berths per stateroom.

Average capacity for the industry is presented in Table 18. As shown, the major cruise lines generally have much greater capacity and newer ships than the smaller cruise lines. The average age of the Western Hemisphere fleet in 2006 was 9.2 years, and 29 new ships are expected to be delivered by 2011, most to the major cruise lines.[4] The average normal capacity for these new-builds is significantly greater than the current fleet average. Note that these new-builds will not necessarily enter service in the Western Hemisphere.

The 2007 cruise line itineraries covered by the rule are listed following the endnotes for this appendix.

Table 18. Average vessel capacity and new ship orders by cruise line

	2006 vessels in Western Hemisphere	2006 average normal capacity (a)	Average of fleet in region, in years (b)	New ship orders (c)	Average normal capacity of new ships
Carnival	21	2,271	9.7	4	3,321
Royal Caribbean	20	2,385	9.0	3	4,200
Princess	13	2,360	6.5	4	3,088
Norwegian	10	1,922	9.1	3	3,595
Holland America	12	1,455	8.9	1	2,044
Celebrity	8	1,833	9.0	3	2,850
Disney	2	1,754	8.5	0	
Costa	3	1,885	7.3	4	2,631
MSC	2	1,645	3.5	4	2,925
Cunard	2	2,206	20.5	1	2,000
Regent	3	630	6.0	0	
Crystal	2	1,010	8.0	0	
Silversea	2	382	6.5	0	
Oceania	1	684	9.0	0	
Seabourn	2	208	17.5	2	450
SeaDream	2	110	22.0	0	
Windstar	1	148	21	0	
Total	106	1,891	9.2	29	2,922

Source: MARAD Cruise Statistics 2003–2006 (2006 data).
(a) Capacity based on two passengers per stateroom. Normal capacity averaged across company fleet.
(b) Age of ships from www.cruising.org/CruiseLines/index.cfm
(c) Expected delivery 2007–2011. New ship orders and capacity as reported at www.cruisenewsdaily.com/newships.html#Carnival%20Summer%2010 and www.cruising.org/press/sourcebook2007/fleet_by_ship.cfm

Notes

[1] US Maritime Administration. Cruise Statistics 2003–2006. Available at www.marad.dot.gov/MARAD_statistics/index.html#Fleet%20Statistics

We removed cruise itineraries from the dataset where a passport is already required (transatlantic voyages, transpacific voyages, South American voyages, voyages from the South Pacific and Far East to Hawaii and Alaska) and where a passport would still not be required once the rule is implemented (US Pacific coast to Hawaii, US Pacific coast only, US Atlantic coast only, and voyages that do not otherwise touch a foreign port or place). According to MARAD, cruises, cruise passengers, and departure ports are derived from CBP vessel entrance and clearance documents. Destinations are derived by MARAD various sources.

[2] North West CruiseShip Association, Vancouver Port Authority, and St Lawrence Cruise Association. 2004. *The Contribution of the International Cruise Industry to the Canadian Economy in 2003.* Prepared by Business Research & Economic Advisors. October 2004. Available at www.iccl.org/resources/economicstudies.cfm, and

Secretaria de Turismo. 2005 passenger arrivals by cruise ship. Available at http://datatur.sectur.gob.mx/jsp/consulta_Centro.jsp, and

Caribbean Tourism Commission. 2006. *2004 Full Annual Tourism Statistical Report.* November 2006. Available at www.onecaribbean.org/information/documentview.php?rowid=4318

[3] Personal communication with ICCL, November 15, 2006.

[4] Age of ships from www.cruising.org/CruiseLines/index.cfm

New ship orders and capacity as reported at New ship orders and capacity as reported at www.cruisenewsdaily.com/newships.html#Carnival%20Summer%2010 and www.cruising.org/press/sourcebook2007/fleet_by_ship.cfm

Line	Ship	Nights	Embarkation port	Destination port	2007 cruises	Normal capacity	Destination region	% capacity for region	Est. passengers per cruise	Total est. passengers
Carnival Cruise Line	Carnival Spirit	6	Vancouver	Whittier	8	2,124	Alaska	106%	2,251	18,012
Carnival Cruise Line	Carnival Spirit	6	Whittier	Vancouver	8	2,124	Alaska	106%	2,251	18,012
Carnival Cruise Line	Carnival Spirit	6	Vancouver	Vancouver	3	2,124	Alaska	106%	2,251	6,754
Celebrity Cruise Lines	Celebrity Quest	14	Miami	Acapulco	1	710	Panama Canal	97%	689	689
Celebrity Cruise Lines	Celebrity Quest	14	Acapulco	Miami	3	710	Panama Canal	97%	689	2,066
Celebrity Cruise Lines	Infinity	13	San Francisco	Vancouver	1	1,950	Alaska	106%	2,067	2,067
Celebrity Cruise Lines	Infinity	13	Vancouver	San Francisco	1	1,950	Alaska	106%	2,067	2,067
Celebrity Cruise Lines	Infinity	7	Vancouver	Vancouver	16	1,950	Alaska	106%	2,067	33,072
Celebrity Cruise Lines	Infinity	14	Fort Lauderdale	San Diego	2	1,950	Panama Canal	97%	1,892	3,783
Celebrity Cruise Lines	Infinity	14	San Diego	Fort Lauderdale	1	1,950	Panama Canal	97%	1,892	1,892
Celebrity Cruise Lines	Infinity	15	San Francisco	Fort Lauderdale	1	1,950	Panama Canal	97%	1,892	1,892
Celebrity Cruise Lines	Infinity	15	Fort Lauderdale	San Francisco	1	1,950	Panama Canal	97%	1,892	1,892
Celebrity Cruise Lines	Mercury	7	Vancouver	Seattle	1	1,870	Alaska	106%	1,982	1,982
Celebrity Cruise Lines	Mercury	7	Vancouver	Vancouver	15	1,870	Alaska	106%	1,982	29,733
Celebrity Cruise Lines	Mercury	7	San Francisco	Vancouver	1	1,870	Pacific Coast	101%	1,889	1,889
Celebrity Cruise Lines	Mercury	10	Vancouver	San Diego	1	1,870	Pacific Coast	101%	1,889	1,889
Celebrity Cruise Lines	Mercury	14	San Diego	Fort Lauderdale	1	1,870	Panama Canal	97%	1,814	1,814
Celebrity Cruise Lines	Mercury	14	Fort Lauderdale	San Diego	1	1,870	Panama Canal	97%	1,814	1,814
Celebrity Cruise Lines	Summit	7	Vancouver	Seward	8	1,950	Alaska	106%	2,067	16,536
Celebrity Cruise Lines	Summit	7	Seward	Vancouver	8	1,950	Alaska	106%	2,067	16,536
Celebrity Cruise Lines	Summit	13	Los Angeles	Vancouver	1	1,950	Alaska	106%	2,067	2,067
Celebrity Cruise Lines	Summit	14	Vancouver	San Diego	1	1,950	Alaska	106%	2,067	2,067
Celebrity Cruise Lines	Summit	14	Los Angeles	Miami	2	1,950	Panama Canal	97%	1,892	3,783
Celebrity Cruise Lines	Summit	14	Fort Lauderdale	Los Angeles	4	1,950	Panama Canal	97%	1,892	7,566
Celebrity Cruise Lines	Summit	14	San Diego	Fort Lauderdale	1	1,950	Panama Canal	97%	1,892	1,892
Crystal Cruises	Crystal Symphony	10	New York	Montreal	2	940	Canada/New England	105%	987	1,974
Crystal Cruises	Crystal Symphony	10	Montreal	New York	1	940	Canada/New England	105%	987	987
Crystal Cruises	Crystal Symphony	10	Montreal	Miami	1	940	Canada/New England	105%	987	987
Crystal Cruises	Crystal Symphony	15	Los Angeles	Miami	1	940	Panama Canal	97%	912	912
Crystal Cruises	Crystal Symphony	13	Miami	Los Angeles	1	940	Panama Canal	97%	912	912
Crystal Cruises	Crystal Symphony	12	Miami	Los Angeles	1	940	Panama Canal	97%	912	912
Holland America	Amsterdam	2	Los Angeles	Vancouver	1	1,380	Pacific Coast	101%	1,394	1,394
Holland America	Amsterdam	1	Vancouver	Seattle	1	1,380	Pacific Coast	101%	1,394	1,394
Holland America	Amsterdam	20	New York	Seattle	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	19	New York	Vancouver	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	16	New York	Los Angeles	2	1,380	Panama Canal	97%	1,339	2,677
Holland America	Amsterdam	17	Fort Lauderdale	Seattle	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	16	Fort Lauderdale	Vancouver	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	13	Fort Lauderdale	Los Angeles	2	1,380	Panama Canal	97%	1,339	2,677
Holland America	Amsterdam	16	San Diego	Fort Lauderdale	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	21	New York	Seattle	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	20	New York	Vancouver	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	18	Fort Lauderdale	Seattle	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	17	Fort Lauderdale	Vancouver	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Amsterdam	17	Fort Lauderdale	San Diego	1	1,380	Panama Canal	97%	1,339	1,339
Holland America	Maasdam	14	Fort Lauderdale	Montreal	1	1,266	Canada/New England	105%	1,329	1,329
Holland America	Maasdam	6	Montreal	Boston	6	1,266	Canada/New England	105%	1,329	7,976
Holland America	Maasdam	6	Boston	Montreal	6	1,266	Canada/New England	105%	1,329	7,976
Holland America	Maasdam	9	New York	Montreal	1	1,266	Canada/New England	105%	1,329	1,329
Holland America	Maasdam	9	Montreal	New York	1	1,266	Canada/New England	105%	1,329	1,329
Holland America	Maasdam	13	Montreal	Fort Lauderdale	1	1,266	Canada/New England	105%	1,329	1,329
Holland America	Maasdam	14	Fort Lauderdale	San Diego	1	1,266	Panama Canal	97%	1,228	1,228

Line	Ship	Nights	Embarkation port	Destination port	2007 cruises	Normal capacity	Destination region	% capacity for region	Est. passengers per cruise	Total est. passengers
Holland America	Maasdam	14	San Diego	Fort Lauderdale	1	1,266	Panama Canal	97%	1,228	1,228
Holland America	Noordam	2	Los Angeles	Vancouver	1	1,214	Pacific Coast	101%	1,226	1,226
Holland America	Noordam	1	Vancouver	Seattle	1	1,214	Pacific Coast	101%	1,226	1,226
Holland America	Noordam	21	New York	Seattle	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	20	New York	Vancouver	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	17	New York	Los Angeles	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	17	Fort Lauderdale	Seattle	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	16	Fort Lauderdale	Vancouver	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	13	Fort Lauderdale	Los Angeles	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	19	Seattle	New York	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Noordam	16	Los Angeles	New York	1	1,214	Panama Canal	97%	1,178	1,178
Holland America	Oosterdam	3	San Diego	Vancouver	1	1,848	Pacific Coast	101%	1,866	1,866
Holland America	Oosterdam	2	Vancouver	Seattle	1	1,848	Pacific Coast	101%	1,866	1,866
Holland America	Oosterdam	2	Seattle	Vancouver	1	1,848	Pacific Coast	101%	1,866	1,866
Holland America	Oosterdam	3	Vancouver	San Diego	1	1,848	Pacific Coast	101%	1,866	1,866
Holland America	Ryndam	10	San Diego	Vancouver	1	1,266	Alaska	106%	1,342	1,342
Holland America	Ryndam	6	Vancouver	Seward	9	1,266	Alaska	106%	1,342	12,078
Holland America	Ryndam	6	Seward	Vancouver	9	1,266	Alaska	106%	1,342	12,078
Holland America	Ryndam	6	Vancouver	Vancouver	2	1,266	Alaska	106%	1,342	2,684
Holland America	Ryndam	3	San Diego	Vancouver	1	1,266	Pacific Coast	101%	1,279	1,279
Holland America	Ryndam	2	Vancouver	San Diego	1	1,266	Pacific Coast	101%	1,279	1,279
Holland America	Statendam	6	Vancouver	Seward	8	1,266	Alaska	106%	1,342	10,736
Holland America	Statendam	6	Seward	Vancouver	9	1,266	Alaska	106%	1,342	12,078
Holland America	Statendam	15	San Diego	Fort Lauderdale	1	1,266	Panama Canal	97%	1,228	1,228
Holland America	Veendam	9	New York	Montreal	1	1,266	Canada/New England	105%	1,329	1,329
Holland America	Veendam	11	Montreal	Tampa	1	1,266	Canada/New England	105%	1,329	1,329
Holland America	Veendam	18	Tampa	Vancouver	1	1,266	Panama Canal	97%	1,228	1,228
Holland America	Veendam	14	Tampa	San Diego	1	1,266	Panama Canal	97%	1,228	1,228
Holland America	Veendam	35	Vancouver	Tampa	1	1,266	Panama Canal	97%	1,228	1,228
Holland America	Veendam	31	San Diego	Tampa	1	1,266	Panama Canal	97%	1,228	1,228
Holland America	Volendam	6	Vancouver	Seward	9	1,400	Alaska	106%	1,484	13,356
Holland America	Volendam	6	Seward	Vancouver	9	1,400	Alaska	106%	1,484	13,356
Holland America	Volendam	10	Vancouver	San Diego	1	1,400	Alaska	106%	1,484	1,484
Holland America	Volendam	6	Vancouver	Vancouver	2	1,400	Alaska	106%	1,484	2,968
Holland America	Volendam	3	San Diego	Vancouver	1	1,400	Pacific Coast	101%	1,414	1,414
Holland America	Volendam	3	Vancouver	San Diego	1	1,400	Pacific Coast	101%	1,414	1,414
Holland America	Volendam	14	Fort Lauderdale	San Diego	3	1,400	Panama Canal	97%	1,358	4,074
Holland America	Volendam	14	San Diego	Fort Lauderdale	2	1,400	Panama Canal	97%	1,358	2,716
Holland America	Volendam	18	Fort Lauderdale	Vancouver	2	1,400	Panama Canal	97%	1,358	2,716
Holland America	Volendam	18	Vancouver	Fort Lauderdale	1	1,400	Panama Canal	97%	1,358	1,358
Holland America	Westerdam	18	Fort Lauderdale	Seattle	1	1,494	Panama Canal	97%	1,449	1,449
Holland America	Westerdam	14	Fort Lauderdale	San Diego	1	1,494	Panama Canal	97%	1,449	1,449
Holland America	Westerdam	17	Seattle	Fort Lauderdale	1	1,494	Panama Canal	97%	1,449	1,449
Holland America	Westerdam	14	San Diego	Fort Lauderdale	1	1,494	Panama Canal	97%	1,449	1,449
Holland America	Zaandam	11	Vancouver	San Diego	1	1,440	Alaska	106%	1,526	1,526
Holland America	Zaandam	6	Vancouver	Vancouver	20	1,440	Alaska	106%	1,526	30,528
Holland America	Zaandam	2	San Diego	Vancouver	1	1,440	Pacific Coast	101%	1,454	1,454
Holland America	Zaandam	4	Vancouver	San Diego	1	1,440	Pacific Coast	101%	1,454	1,454
Holland America	Zuiderdam	10	San Diego	Vancouver	1	1,848	Alaska	106%	1,959	1,959
Holland America	Zuiderdam	10	Vancouver	Los Angeles	1	1,848	Alaska	106%	1,959	1,959
Holland America	Zuiderdam	6	Vancouver	Vancouver	20	1,848	Alaska	106%	1,959	39,178
Holland America	Zuiderdam	3	San Diego	Vancouver	1	1,848	Pacific Coast	101%	1,866	1,866

Line	Ship	Nights	Embarkation port	Destination port	2007 cruises	Normal capacity	Destination region	% capacity for region	Est. passengers per cruise	Total est. passengers
Holland America	Zuiderdam	3	Vancouver	Los Angeles	1	1,848	Pacific Coast	101%	1,866	1,866
Holland America	Zuiderdam	19	Fort Lauderdale	Vancouver	1	1,848	Panama Canal	97%	1,793	1,793
Holland America	Zuiderdam	15	Fort Lauderdale	San Diego	1	1,848	Panama Canal	97%	1,793	1,793
Holland America	Zuiderdam	20	Vancouver	Fort Lauderdale	1	1,848	Panama Canal	97%	1,793	1,793
Holland America	Zuiderdam	16	Los Angeles	Fort Lauderdale	1	1,848	Panama Canal	97%	1,793	1,793
Norwegian Cruise Line	Norwegian Pearl	13	Miami	Los Angeles	1	1,950	Panama Canal	97%	1,892	1,892
Norwegian Cruise Line	Norwegian Pearl	14	Los Angeles	Miami	1	1,950	Panama Canal	97%	1,892	1,892
Norwegian Cruise Line	Norwegian Sun	6	Vancouver	Vancouver	19	2,000	Alaska	106%	2,120	40,280
Norwegian Cruise Line	Norwegian Sun	17	New Orleans	Vancouver	1	2,000	Panama Canal	97%	1,940	1,940
Norwegian Cruise Line	Norwegian Sun	17	San Diego	Miami	1	2,000	Panama Canal	97%	1,940	1,940
Princess Cruises	Coral Princess	6	Vancouver	Whittier	9	1,974	Alaska	106%	2,092	18,832
Princess Cruises	Coral Princess	6	Whittier	Vancouver	9	1,974	Alaska	106%	2,092	18,832
Princess Cruises	Coral Princess	1	San Francisco	Vancouver	2	1,974	Pacific Coast	101%	1,994	3,987
Princess Cruises	Coral Princess	15	Fort Lauderdale	Los Angeles	1	1,974	Panama Canal	97%	1,915	1,915
Princess Cruises	Coral Princess	16	Vancouver	Fort Lauderdale	1	1,974	Panama Canal	97%	1,915	1,915
Princess Cruises	Coral Princess	14	San Francisco	Fort Lauderdale	1	1,974	Panama Canal	97%	1,915	1,915
Princess Cruises	Dawn Princess	3	Vancouver	Seattle	1	1,950	Pacific Coast	101%	1,970	1,970
Princess Cruises	Dawn Princess	2	San Diego	Vancouver	1	1,950	Pacific Coast	101%	1,970	1,970
Princess Cruises	Diamond Princess	6	Vancouver	Whittier	9	2,670	Alaska	106%	2,830	25,472
Princess Cruises	Diamond Princess	6	Whittier	Vancouver	9	2,670	Alaska	106%	2,830	25,472
Princess Cruises	Diamond Princess	6	Los Angeles	Vancouver	1	2,670	Pacific Coast	101%	2,697	2,697
Princess Cruises	Diamond Princess	3	Vancouver	Los Angeles	1	2,670	Pacific Coast	101%	2,697	2,697
Princess Cruises	Diamond Princess	2	Los Angeles	Vancouver	1	2,670	Pacific Coast	101%	2,697	2,697
Princess Cruises	Golden Princess	1	San Francisco	Vancouver	1	2,600	Pacific Coast	101%	2,626	2,626
Princess Cruises	Golden Princess	5	Vancouver	Los Angeles	2	2,600	Pacific Coast	101%	2,626	5,252
Princess Cruises	Grand Princess	9	New York	Quebec City	2	2,600	Canada/New England	105%	2,730	5,460
Princess Cruises	Grand Princess	9	Quebec City	New York	1	2,600	Canada/New England	105%	2,730	2,730
Princess Cruises	Grand Princess	15	Quebec City	Fort Lauderdale	1	2,600	Canada/New England	105%	2,730	2,730
Princess Cruises	Island Princess	6	Vancouver	Whittier	9	1,950	Alaska	106%	2,067	18,603
Princess Cruises	Island Princess	6	Whittier	Vancouver	9	1,950	Alaska	106%	2,067	18,603
Princess Cruises	Island Princess	2	Los Angeles	Vancouver	1	1,950	Pacific Coast	101%	1,970	1,970
Princess Cruises	Island Princess	2	Vancouver	Los Angeles	1	1,950	Pacific Coast	101%	1,970	1,970
Princess Cruises	Island Princess	14	Los Angeles	Fort Lauderdale	1	1,950	Panama Canal	97%	1,892	1,892
Princess Cruises	Island Princess	9	Fort Lauderdale	Acapulco	1	1,950	Panama Canal	97%	1,892	1,892
Princess Cruises	Island Princess	9	Acapulco	San Juan	2	1,950	Panama Canal	97%	1,892	3,783
Princess Cruises	Island Princess	10	San Juan	Acapulco	2	1,950	Panama Canal	97%	1,892	3,783
Princess Cruises	Island Princess	10	Acapulco	San Juan	1	1,950	Panama Canal	97%	1,892	1,892
Princess Cruises	Island Princess	9	San Juan	Acapulco	1	1,950	Panama Canal	97%	1,892	1,892
Princess Cruises	Pacific Princess	6	Vancouver	Whittier	7	688	Alaska	106%	729	5,105
Princess Cruises	Pacific Princess	6	Whittier	Vancouver	7	688	Alaska	106%	729	5,105
Princess Cruises	Regal Princess	9	San Juan	Acapulco	1	1,590	Panama Canal	97%	1,542	1,542
Princess Cruises	Regal Princess	9	Acapulco	San Juan	1	1,590	Panama Canal	97%	1,542	1,542
Princess Cruises	Regal Princess	14	San Juan	San Francisco	1	1,590	Panama Canal	97%	1,542	1,542
Princess Cruises	Sapphire Princess	6	Vancouver	Whittier	9	2,670	Alaska	106%	2,830	25,472
Princess Cruises	Sapphire Princess	6	Whittier	Vancouver	8	2,670	Alaska	106%	2,830	22,642
Princess Cruises	Sapphire Princess	3	Los Angeles	Vancouver	1	2,670	Pacific Coast	101%	2,697	2,697
Princess Cruises	Sapphire Princess	2	Los Angeles	Vancouver	1	2,670	Pacific Coast	101%	2,697	2,697
Princess Cruises	Sun Princess	16	Fort Lauderdale	Seattle	1	1,950	Panama Canal	97%	1,892	1,892
Regent Seven Seas Cruises	Seven Seas Mariner	11	San Francisco	Vancouver	1	700	Alaska	106%	742	742
Regent Seven Seas Cruises	Seven Seas Mariner	7	Vancouver	Seward	8	700	Alaska	106%	742	5,936
Regent Seven Seas Cruises	Seven Seas Mariner	7	Seward	Vancouver	7	700	Alaska	106%	742	5,194
Regent Seven Seas Cruises	Seven Seas Mariner	7	Vancouver	Vancouver	1	700	Alaska	106%	742	742

Line	Ship	Nights	Embarkation port	Destination port	2007 cruises	Normal capacity	Destination region	% capacity for region	Est. passengers per cruise	Total est. passengers
Regent Seven Seas Cruises	Seven Seas Mariner	14	Los Angeles	Fort Lauderdale	1	700	Panama Canal	97%	679	679
Regent Seven Seas Cruises	Seven Seas Voyager	15	Fort Lauderdale	San Francisco	1	700	Panama Canal	97%	679	679
Regent Seven Seas Cruises	Seven Seas Voyager	16	Fort Lauderdale	San Francisco	1	700	Panama Canal	97%	679	679
Royal Caribbean	Radiance of the Seas	7	Seward	Vancouver	8	2,100	Alaska	106%	2,226	17,808
Royal Caribbean	Radiance of the Seas	7	Vancouver	Seward	8	2,100	Alaska	106%	2,226	17,808
Royal Caribbean	Radiance of the Seas	14	Vancouver	Los Angeles	1	2,100	Alaska	106%	2,226	2,226
Royal Caribbean	Radiance of the Seas	7	Vancouver	Vancouver	1	2,100	Alaska	106%	2,226	2,226
Royal Caribbean	Radiance of the Seas	6	San Diego	Vancouver	1	2,100	Pacific Coast	101%	2,121	2,121
Royal Caribbean	Radiance of the Seas	14	Fort Lauderdale	San Diego	1	2,100	Panama Canal	97%	2,037	2,037
Royal Caribbean	Radiance of the Seas	14	Los Angeles	Fort Lauderdale	1	2,100	Panama Canal	97%	2,037	2,037
Royal Caribbean	Rhapsody of the Seas	16	Galveston	San Diego	1	2,000	Panama Canal	97%	1,940	1,940
Royal Caribbean	Serenade of the Seas	13	Vancouver	San Diego	1	2,100	Alaska	106%	2,226	2,226
Royal Caribbean	Serenade of the Seas	7	Vancouver	Vancouver	10	2,100	Alaska	106%	2,226	22,260
Royal Caribbean	Serenade of the Seas	7	Vancouver	Vancouver	9	2,100	Alaska	106%	2,226	20,034
Royal Caribbean	Serenade of the Seas	7	San Francisco	Vancouver	1	2,100	Pacific Coast	101%	2,121	2,121
Royal Caribbean	Serenade of the Seas	14	San Diego	San Juan	1	2,100	Panama Canal	97%	2,037	2,037
Royal Caribbean	Serenade of the Seas	14	San Juan	San Francisco	1	2,100	Panama Canal	97%	2,037	2,037
Royal Caribbean	Vision of the Seas	7	Vancouver	Seattle	1	2,000	Alaska	106%	2,120	2,120
Royal Caribbean	Vision of the Seas	7	Seattle	Vancouver	1	2,000	Alaska	106%	2,120	2,120
Royal Caribbean	Vision of the Seas	9	Vancouver	Los Angeles	1	2,000	Alaska	106%	2,120	2,120
Royal Caribbean	Vision of the Seas	5	Los Angeles	Vancouver	1	2,000	Pacific Coast	101%	2,020	2,020
Seabourn Cruise Line	Seabourn Pride	9	Boston	Montreal	1	208	Canada/New England	105%	218	218
Seabourn Cruise Line	Seabourn Pride	9	Montreal	Boston	1	208	Canada/New England	105%	218	218

Source: CBP estimates of passenger loads based on MARAD dataset and cruise line websites (2007 itineraries).

Appendix B:

Costs of the Final Rule—Primary Analysis

The following appendix details the primary analysis presented in the main text of this Regulatory Assessment. Tables 1 and 2 summarize the costs and welfare losses for affected US cruise passengers who obtain passport books to continue cruise travel in the Western Hemisphere.

Table 1. Total passport costs for affected US cruise travelers (2005–2018, in millions)

	Covered adult US cruisers	Affected adult US cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	0.59	0.34	-0.04	0.30	$45.80	$45.80	$45.80
2006	0.62	0.30	-0.04	0.26	40.22	37.59	39.05
2007	0.66	0.19	-0.03	0.16	33.81	29.53	31.87
2008	0.70	0.13	-0.03	0.11	26.92	21.97	24.64
2009	0.74	0.08	-0.01	0.07	11.23	8.57	9.98
2010	0.79	0.08	-0.01	0.07	10.68	7.61	9.21
2011	0.83	0.08	-0.01	0.07	11.33	7.55	9.49
2012	0.88	0.09	-0.01	0.08	12.01	7.48	9.77
2013	0.94	0.09	-0.01	0.08	12.73	7.41	10.05
2014	0.99	0.10	-0.01	0.09	13.49	7.34	10.34
2015	1.05	0.10	-0.01	0.09	14.30	7.27	10.64
2016	1.11	0.11	-0.01	0.10	15.16	7.20	10.95
2017	1.18	0.12	-0.01	0.10	16.07	7.14	11.27
2018	1.25	0.12	-0.02	0.11	17.03	7.07	11.60
Total						$209.53	$244.65
Annualized cost						$22.39	$21.03

Table 2. Total losses (2005–2018, in millions)

	Passport costs (un-discounted)	Passports forgone	Welfare losses (un-discounted)	Total losses (un-discounted)	Total losses (7%)	Total losses (3%)
2005	$45.80	0.04	$3.06	$48.86	$48.86	$48.86
2006	40.22	0.04	2.70	42.92	40.11	41.67
2007	33.81	0.03	2.29	36.10	31.53	34.03
2008	26.92	0.03	1.86	28.77	23.49	26.33
2009	11.23	0.01	0.82	12.05	9.19	10.70
2010	10.68	0.01	0.70	11.38	8.12	9.82
2011	11.33	0.01	0.74	12.07	8.04	10.10
2012	12.01	0.01	0.78	12.79	7.96	10.40
2013	12.73	0.01	0.83	13.56	7.89	10.70
2014	13.49	0.01	0.88	14.37	7.82	11.01
2015	14.30	0.01	0.93	15.23	7.74	11.33
2016	15.16	0.01	0.99	16.15	7.67	11.66
2017	16.07	0.01	1.05	17.11	7.60	12.00
2018	17.03	0.02	1.11	18.14	7.53	12.35
Total					$223.55	$260.96
Annualized welfare losses					$23.89	$22.43

Table 3 presents a summary of the primary analysis and the sensitivity analyses presented in the remainder of the appendices.

Table 3. Covered and affected US cruise passengers and total welfare losses by regulatory option

Analysis option	Description	US cruise passengers covered 2005 (a)	US cruise passengers affected 2005 (b)	Total 14-year losses (7%, $M)	Total annualized losses (7%, $M)	See appendix…
Primary analysis	Document requirements are waived for certain US cruise passengers, requirements for minors under 16 are waived, passport book is chosen document	586,000	343,000	$224	$24	B
1	Document requirements are waived for certain US cruise passengers, requirements for minors under 16 are not waived, passport book is chosen document	706,000	413,000	310	28	B
2 (c)	Document requirements are waived for certain US cruise passengers, requirements for minors under 16 are waived, passport card is chosen document once available in 2008	586,000	343,000	189	20	C
3	Document requirements are waived for certain US cruise passengers, requirements for minors under 16 are not waived, passport card is chosen document once available in 2008	706,000	413,000	256	24	C
4	No waivers for certain US cruise passengers, requirements for minors under 16 are waived, passport book is chosen document	6.9 million	4.3 million	2,640	282	E
5	No waivers for certain US cruise passengers, requirements for minors under 16 are not waived, passport book is chosen document	8.3 million	5.2 million	3,130	335	E
6	No waivers for certain US cruise passengers, requirements for minors under 16 are waived, passport card is chosen document once available in 2008	6.9 million	4.3 million	2,291	245	E
7	No waivers for certain US cruise passengers, requirements for minors under 16 are not waived, passport card is chosen document once available in 2008	8.3 million	5.2 million	2,716	290	E

(a) US cruise passengers who are subject to the WHTI document requirement under each option.
(b) US cruise passengers who do not already hold an acceptable travel document and would have to obtain one or incur an individual welfare loss.
(c) Note that this is the rule as finalized, where passport cards have been designated as acceptable for all cruise passengers. We believe, however, that most affected US cruise passengers will opt for the passport rather than the passport card in order to travel in the air environment as part of their cruise vacation. Option 2 explores the impacts if these cruise passengers instead obtained a passport card. Opting for the passport card, once available, yields an annualized savings of approximately $2 million.

Population characteristics over the period of analysis

Covered US cruise passengers

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	705,686	748,027	792,909	840,484	890,913	944,367	1,001,029	1,061,091	1,124,757	1,192,242	1,263,776	1,339,603	1,419,979	1,505,178

Percentage of passengers per trip length (nights)

1	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%	1.0480%
2	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%	2.3141%
3	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%	2.1493%
4	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%	0.1651%
5	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%	0.8254%
6	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%	49.6023%
7	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%	22.4875%
9	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%	2.8814%
10	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%	2.0720%
11	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%	0.4084%
12	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%	0.1035%
13	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%	1.8631%
14	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%	6.8512%
15	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%	1.4800%
16	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%	1.8079%
17	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%	1.3280%
18	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%	0.9182%
19	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%	0.4891%
20	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%	0.6410%
21	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%	0.2856%
31	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%
35	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%	0.1394%

Passengers per trip length (nights)

1	7,396	7,840	8,310	8,809	9,337	9,897	10,491	11,121	11,788	12,495	13,245	14,040	14,882	15,775
2	16,331	17,310	18,349	19,450	20,617	21,854	23,165	24,555	26,029	27,590	29,246	31,000	32,860	34,832
3	15,167	16,077	17,042	18,064	19,148	20,297	21,515	22,806	24,174	25,625	27,162	28,792	30,520	32,351
4	1,165	1,235	1,309	1,387	1,471	1,559	1,653	1,752	1,857	1,968	2,086	2,211	2,344	2,485
5	5,825	6,174	6,545	6,937	7,354	7,795	8,263	8,758	9,284	9,841	10,431	11,057	11,721	12,424
6	350,037	371,039	393,301	416,900	441,914	468,428	496,534	526,326	557,906	591,380	626,863	664,475	704,343	746,604
7	158,691	168,212	178,305	189,004	200,344	212,364	225,106	238,613	252,929	268,105	284,191	301,243	319,317	338,477
9	20,334	21,554	22,847	24,218	25,671	27,211	28,844	30,574	32,409	34,353	36,414	38,599	40,915	43,370
10	14,622	15,499	16,429	17,415	18,460	19,568	20,742	21,986	23,305	24,704	26,186	27,757	29,423	31,188
11	2,882	3,055	3,238	3,432	3,638	3,856	4,088	4,333	4,593	4,869	5,161	5,470	5,799	6,147
12	730	774	821	870	922	977	1,036	1,098	1,164	1,234	1,308	1,386	1,470	1,558
13	13,148	13,937	14,773	15,659	16,599	17,595	18,650	19,770	20,956	22,213	23,546	24,959	26,456	28,043
14	48,348	51,249	54,323	57,583	61,038	64,700	68,582	72,697	77,059	81,682	86,583	91,778	97,285	103,122
15	10,444	11,071	11,735	12,439	13,186	13,977	14,815	15,704	16,647	17,645	18,704	19,826	21,016	22,277
16	12,758	13,523	14,335	15,195	16,106	17,073	18,097	19,183	20,334	21,554	22,847	24,218	25,671	27,211
17	9,372	9,934	10,530	11,162	11,832	12,542	13,294	14,092	14,937	15,833	16,783	17,790	18,858	19,989
18	6,480	6,869	7,281	7,718	8,181	8,672	9,192	9,743	10,328	10,948	11,605	12,301	13,039	13,821
19	3,451	3,658	3,878	4,111	4,357	4,619	4,896	5,189	5,501	5,831	6,181	6,552	6,945	7,361
20	4,524	4,795	5,083	5,388	5,711	6,053	6,417	6,802	7,210	7,642	8,101	8,587	9,102	9,648
21	2,015	2,136	2,265	2,400	2,544	2,697	2,859	3,030	3,212	3,405	3,609	3,826	4,055	4,299
31	984	1,043	1,105	1,172	1,242	1,316	1,395	1,479	1,568	1,662	1,762	1,867	1,979	2,098
35	984	1,043	1,105	1,172	1,242	1,316	1,395	1,479	1,568	1,662	1,762	1,867	1,979	2,098

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Passport prevalence														
1	70%	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2	70%	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%
3	70%	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%
4	70%	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%
5	70%	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%
6	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
7	60%	50%	40%	30%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
9	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
10	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
11	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
12	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
13	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
14	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
15	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
16	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
17	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
18	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
19	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
20	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
21	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
31	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
35	50%	40%	30%	20%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

% Adults	83.0%
% Children	17.0%
% Airfare	100.0%
% other	0.0%

Trip cost by trip length

With airfare

Nights	Cruise cost	Airfare	Port expenditures	Total
1	$239	$430	$248	$917
2	478	430	248	1,156
3	717	430	248	1,395
4	956	430	248	1,634
5	1,195	430	248	1,873
6	1,434	430	248	2,112
7	1,673	430	248	2,351
9	2,151	430	248	2,829
10	2,390	430	248	3,068
11	2,629	430	248	3,307
12	2,868	430	248	3,546
13	3,107	430	248	3,785
14	3,346	430	248	4,024
15	3,585	430	248	4,263
16	3,824	430	248	4,502
17	4,063	430	248	4,741
18	4,302	430	248	4,980
19	4,541	430	248	5,219
20	4,780	430	248	5,458
21	5,019	430	248	5,697
31	7,409	430	248	8,087
35	8,365	430	248	9,043

Without airfare (not used in primary analysis)

Nights	Cruise cost	Other transportation	Port expenditures	Total
1	$239	$100	$30	$369
2	478	100	30	608
3	717	100	30	847
4	956	100	30	1,086
5	1,195	100	30	1,325
6	1,434	100	30	1,564
7	1,673	100	30	1,803
9	2,151	100	30	2,281
10	2,390	100	30	2,520
11	2,629	100	30	2,759
12	2,868	100	30	2,998
13	3,107	100	30	3,237
14	3,346	100	30	3,476
15	3,585	100	30	3,715
16	3,824	100	30	3,954
17	4,063	100	30	4,193
18	4,302	100	30	4,432
19	4,541	100	30	4,671
20	4,780	100	30	4,910
21	5,019	100	30	5,149
31	7,409	100	30	7,539
35	8,365	100	30	8,495

Cost for passport books
2005 estimates

	Total	Adults	Minors
Travelers	705,686	585,720	119,967
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$141		
Cost of minor passport	$126		
Percent of passengers w/o passports			
1-5 night cruise	70%		
6-8 night cruise	60%		
9-17 night cruise	50%		
18+ night cruise	50%		

Passengers per trip length (nights)	Total	w/airfare	w/o airfare
1 night	7,396	7,396	-
2 nights	16,331	16,331	-
3 nights	15,167	15,167	-
4 nights	1,165	1,165	-
5 nights	5,825	5,825	-
6 nights	350,037	350,037	-
7 nights	158,691	158,691	-
9 nights	20,334	20,334	-
10 nights	14,622	14,622	-
11 nights	2,882	2,882	-
12 nights	730	730	-
13 nights	13,148	13,148	-
14 nights	48,348	48,348	-
15 nights	10,444	10,444	-
16 nights	12,758	12,758	-
17 nights	9,372	9,372	-
18 nights	6,480	6,480	-
19 nights	3,451	3,451	-
20 nights	4,524	4,524	-
21 nights	2,015	2,015	-
31 nights	984	984	-
35 nights	984	984	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.4%	38.2%
2 nights	12.2%	23.2%
3 nights	10.1%	16.6%
4 nights	8.6%	13.0%
5 nights	7.5%	10.6%
6 nights	6.7%	9.0%
7 nights	6.0%	7.8%
9 nights	5.0%	6.2%
10 nights	4.6%	5.6%
11 nights	4.3%	5.1%
12 nights	4.0%	4.7%
13 nights	3.7%	4.4%
14 nights	3.5%	4.1%
15 nights	3.3%	3.8%
16 nights	3.1%	3.6%
17 nights	3.0%	3.4%
18 nights	2.8%	3.2%
19 nights	2.7%	3.0%
20 nights	2.6%	2.9%
21 nights	2.5%	2.7%
31 nights	1.7%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	13.7%	34.1%
2 nights	10.9%	20.7%
3 nights	9.0%	14.9%
4 nights	7.7%	11.6%
5 nights	6.7%	9.5%
6 nights	6.0%	8.1%
7 nights	5.4%	7.0%
9 nights	4.5%	5.5%
10 nights	4.1%	5.0%
11 nights	3.8%	4.6%
12 nights	3.6%	4.2%
13 nights	3.3%	3.9%
14 nights	3.1%	3.6%
15 nights	3.0%	3.4%
16 nights	2.8%	3.2%
17 nights	2.7%	3.0%
18 nights	2.5%	2.8%
19 nights	2.4%	2.7%
20 nights	2.3%	2.6%
21 nights	2.2%	2.4%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-30.8%	-76.4%
2 nights	-24.4%	-46.4%
3 nights	-20.2%	-33.3%
4 nights	-17.3%	-26.0%
5 nights	-15.1%	-21.3%
6 nights	-13.4%	-18.0%
7 nights	-12.0%	-15.6%
9 nights	-10.0%	-12.4%
10 nights	-9.2%	-11.2%
11 nights	-8.5%	-10.2%
12 nights	-8.0%	-9.4%
13 nights	-7.5%	-8.7%
14 nights	-7.0%	-8.1%
15 nights	-6.6%	-7.6%
16 nights	-6.3%	-7.1%
17 nights	-5.9%	-6.7%
18 nights	-5.7%	-6.4%
19 nights	-5.4%	-6.0%
20 nights	-5.2%	-5.7%
21 nights	-5.0%	-5.5%
31 nights	-3.5%	-3.7%
35 nights	-3.1%	-3.3%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-27.5%	-68.3%
2 nights	-21.8%	-41.5%
3 nights	-18.1%	-29.8%
4 nights	-15.4%	-23.2%
5 nights	-13.5%	-19.0%
6 nights	-11.9%	-16.1%
7 nights	-10.7%	-14.0%
9 nights	-8.9%	-11.0%
10 nights	-8.2%	-10.0%
11 nights	-7.6%	-9.1%
12 nights	-7.1%	-8.4%
13 nights	-6.7%	-7.8%
14 nights	-6.3%	-7.3%
15 nights	-5.9%	-6.8%
16 nights	-5.6%	-6.4%
17 nights	-5.3%	-6.0%
18 nights	-5.1%	-5.7%
19 nights	-4.8%	-5.4%
20 nights	-4.6%	-5.1%
21 nights	-4.4%	-4.9%
31 nights	-3.1%	-3.3%
35 nights	-2.8%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	705,686	585,720	119,967
1 night	7,396	6,139	1,257
2 nights	16,331	13,554	2,776
3 nights	15,167	12,589	2,578
4 nights	1,165	967	198
5 nights	5,825	4,835	990
6 nights	350,037	290,531	59,506
7 nights	158,691	131,714	26,977
9 nights	20,334	16,877	3,457
10 nights	14,622	12,136	2,486
11 nights	2,882	2,392	490
12 nights	730	606	124
13 nights	13,148	10,913	2,235
14 nights	48,348	40,129	8,219
15 nights	10,444	8,669	1,776
16 nights	12,758	10,589	2,169
17 nights	9,372	7,779	1,593
18 nights	6,480	5,378	1,102
19 nights	3,451	2,865	587
20 nights	4,524	3,755	769
21 nights	2,015	1,673	343
31 nights	984	816	167
35 nights	984	816	167

	Total	Adults	Minors
Passengers w/o passport by market	412,893	342,701	70,192
1 night	5,177	4,297	880
2 nights	11,431	9,488	1,943
3 nights	10,617	8,812	1,805
4 nights	815	677	139
5 nights	4,077	3,384	693
6 nights	210,022	174,318	35,704
7 nights	95,215	79,028	16,186
9 nights	10,167	8,438	1,728
10 nights	7,311	6,068	1,243
11 nights	1,441	1,196	245
12 nights	365	303	62
13 nights	6,574	5,456	1,118
14 nights	24,174	20,064	4,110
15 nights	5,222	4,334	888
16 nights	6,379	5,294	1,084
17 nights	4,686	3,889	797
18 nights	3,240	2,689	551
19 nights	1,726	1,432	293
20 nights	2,262	1,877	384
21 nights	1,008	836	171
31 nights	492	408	84
35 nights	492	408	84

	Total	Adults	Minors
Passengers who forgo cruise	-51,324	-43,383	-7,941
1 night	-1,563	-1,322	-242
2 nights	-2,738	-2,315	-424
3 nights	-2,108	-1,781	-326
4 nights	-138	-117	-21
5 nights	-603	-510	-93
6 nights	-27,537	-23,277	-4,260
7 nights	-11,215	-9,480	-1,735
9 nights	-995	-841	-154
10 nights	-660	-558	-102
11 nights	-121	-102	-19
12 nights	-29	-24	-4
13 nights	-481	-407	-74
14 nights	-1,664	-1,406	-257
15 nights	-339	-287	-52
16 nights	-392	-332	-61
17 nights	-274	-231	-42
18 nights	-180	-152	-28
19 nights	-92	-77	-14
20 nights	-115	-97	-18
21 nights	-49	-41	-8
31 nights	-17	-14	-3
35 nights	-15	-13	-2

	Total	Adults	Minors
Passports demanded	361,569	299,317	62,251
1 night	3,614	2,976	638
2 nights	8,693	7,173	1,520
3 nights	8,510	7,031	1,479
4 nights	677	560	117
5 nights	3,475	2,875	600
6 nights	182,485	151,042	31,443
7 nights	84,000	69,548	14,451
9 nights	9,172	7,597	1,574
10 nights	6,651	5,510	1,141
11 nights	1,320	1,094	226
12 nights	337	279	58
13 nights	6,093	5,050	1,043
14 nights	22,510	18,658	3,852
15 nights	4,883	4,048	835
16 nights	5,987	4,963	1,024
17 nights	4,412	3,658	754
18 nights	3,060	2,537	523
19 nights	1,634	1,355	279
20 nights	2,147	1,780	367
21 nights	959	795	164
31 nights	475	394	81
35 nights	477	395	81

	Total	Adults	Minors
Cost of passports demanded	$50,050,417	$42,206,246	$7,844,171

Expedited passports (20% of total)	Total	Adults	Minors
Passports	72,314	59,863	12,450
Expedited costs	$4,338,823	$3,591,809	$747,015

TOTALS 2005

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-51,324	-43,383	-7,941
Passports demanded	361,569	299,317	62,251
Cost of passports demanded	$54,389,240	$45,798,054	$8,591,186

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-43,383	-43,383	0
Passports demanded	299,317	299,317	-
Cost of passports demanded	$45,798,054	$45,798,054	$0

Cost for passport books
2006 estimates

	Total	Adults	Minors
Travelers	748,027	620,863	127,165
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$141		
Cost of minor passport	$126		
Percent of passengers w/o passports			
1-5 night cruise	60%		
6-8 night cruise	50%		
9-17 night cruise	40%		
18+ night cruise	40%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	7,840	7,840	-
2 nights	17,310	17,310	-
3 nights	16,077	16,077	-
4 nights	1,235	1,235	-
5 nights	6,174	6,174	-
6 nights	371,039	371,039	-
7 nights	168,212	168,212	-
9 nights	21,554	21,554	-
10 nights	15,499	15,499	-
11 nights	3,055	3,055	-
12 nights	774	774	-
13 nights	13,937	13,937	-
14 nights	51,249	51,249	-
15 nights	11,071	11,071	-
16 nights	13,523	13,523	-
17 nights	9,934	9,934	-
18 nights	6,869	6,869	-
19 nights	3,658	3,658	-
20 nights	4,795	4,795	-
21 nights	2,136	2,136	-
31 nights	1,043	1,043	-
35 nights	1,043	1,043	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.4%	38.2%
2 nights	12.2%	23.2%
3 nights	10.1%	16.6%
4 nights	8.6%	13.0%
5 nights	7.5%	10.6%
6 nights	6.7%	9.0%
7 nights	6.0%	7.8%
9 nights	5.0%	6.2%
10 nights	4.6%	5.6%
11 nights	4.3%	5.1%
12 nights	4.0%	4.7%
13 nights	3.7%	4.4%
14 nights	3.5%	4.1%
15 nights	3.3%	3.8%
16 nights	3.1%	3.6%
17 nights	3.0%	3.4%
18 nights	2.8%	3.2%
19 nights	2.7%	3.0%
20 nights	2.6%	2.9%
21 nights	2.5%	2.7%
31 nights	1.7%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	13.7%	34.1%
2 nights	10.9%	20.7%
3 nights	9.0%	14.9%
4 nights	7.7%	11.6%
5 nights	6.7%	9.5%
6 nights	6.0%	8.1%
7 nights	5.4%	7.0%
9 nights	4.5%	5.5%
10 nights	4.1%	5.0%
11 nights	3.8%	4.6%
12 nights	3.6%	4.2%
13 nights	3.3%	3.9%
14 nights	3.1%	3.6%
15 nights	3.0%	3.4%
16 nights	2.8%	3.2%
17 nights	2.7%	3.0%
18 nights	2.5%	2.8%
19 nights	2.4%	2.7%
20 nights	2.3%	2.6%
21 nights	2.2%	2.4%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-30.8%	-76.4%
2 nights	-24.4%	-46.4%
3 nights	-20.2%	-33.3%
4 nights	-17.3%	-26.0%
5 nights	-15.1%	-21.3%
6 nights	-13.4%	-18.0%
7 nights	-12.0%	-15.6%
9 nights	-10.0%	-12.4%
10 nights	-9.2%	-11.2%
11 nights	-8.5%	-10.2%
12 nights	-8.0%	-9.4%
13 nights	-7.5%	-8.7%
14 nights	-7.0%	-8.1%
15 nights	-6.6%	-7.6%
16 nights	-6.3%	-7.1%
17 nights	-5.9%	-6.7%
18 nights	-5.7%	-6.4%
19 nights	-5.4%	-6.0%
20 nights	-5.2%	-5.7%
21 nights	-5.0%	-5.5%
31 nights	-3.5%	-3.7%
35 nights	-3.1%	-3.3%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-27.5%	-68.3%
2 nights	-21.8%	-41.5%
3 nights	-18.1%	-29.8%
4 nights	-15.4%	-23.2%
5 nights	-13.5%	-19.0%
6 nights	-11.9%	-16.1%
7 nights	-10.7%	-14.0%
9 nights	-8.9%	-11.0%
10 nights	-8.2%	-10.0%
11 nights	-7.6%	-9.1%
12 nights	-7.1%	-8.4%
13 nights	-6.7%	-7.8%
14 nights	-6.3%	-7.3%
15 nights	-5.9%	-6.8%
16 nights	-5.6%	-6.4%
17 nights	-5.3%	-6.0%
18 nights	-5.1%	-5.7%
19 nights	-4.8%	-5.4%
20 nights	-4.6%	-5.1%
21 nights	-4.4%	-4.9%
31 nights	-3.1%	-3.3%
35 nights	-2.8%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	748,027	620,863	127,165
1 night	7,840	6,507	1,333
2 nights	17,310	14,368	2,943
3 nights	16,077	13,344	2,733
4 nights	1,235	1,025	210
5 nights	6,174	5,125	1,050
6 nights	371,039	307,962	63,077
7 nights	168,212	139,616	28,596
9 nights	21,554	17,889	3,664
10 nights	15,499	12,865	2,635
11 nights	3,055	2,535	519
12 nights	774	643	132
13 nights	13,937	11,567	2,369
14 nights	51,249	42,536	8,712
15 nights	11,071	9,189	1,882
16 nights	13,523	11,224	2,299
17 nights	9,934	8,245	1,689
18 nights	6,869	5,701	1,168
19 nights	3,658	3,036	622
20 nights	4,795	3,980	815
21 nights	2,136	1,773	363
31 nights	1,043	865	177
35 nights	1,043	865	177

	Total	Adults	Minors
Passengers w/o passport by market	362,863	301,177	61,687
1 night	4,704	3,904	800
2 nights	10,386	8,621	1,766
3 nights	9,646	8,006	1,640
4 nights	741	615	126
5 nights	3,705	3,075	630
6 nights	185,520	153,981	31,538
7 nights	84,106	69,808	14,298
9 nights	8,621	7,156	1,466
10 nights	6,200	5,146	1,054
11 nights	1,222	1,014	208
12 nights	310	257	53
13 nights	5,575	4,627	948
14 nights	20,499	17,015	3,485
15 nights	4,428	3,676	753
16 nights	5,409	4,490	920
17 nights	3,974	3,298	676
18 nights	2,747	2,280	467
19 nights	1,463	1,215	249
20 nights	1,918	1,592	326
21 nights	855	709	145
31 nights	417	346	71
35 nights	417	346	71

	Total	Adults	Minors
Passengers who forgo cruise	-45,325	-38,313	-7,012
1 night	-1,420	-1,201	-220
2 nights	-2,488	-2,103	-385
3 nights	-1,915	-1,619	-296
4 nights	-126	-106	-19
5 nights	-548	-463	-85
6 nights	-24,325	-20,561	-3,763
7 nights	-9,907	-8,374	-1,533
9 nights	-844	-713	-131
10 nights	-560	-473	-87
11 nights	-102	-86	-16
12 nights	-24	-20	-4
13 nights	-408	-345	-63
14 nights	-1,411	-1,192	-218
15 nights	-288	-243	-45
16 nights	-333	-281	-51
17 nights	-232	-196	-36
18 nights	-153	-129	-24
19 nights	-78	-66	-12
20 nights	-97	-82	-15
21 nights	-42	-35	-6
31 nights	-14	-12	-2
35 nights	-13	-11	-2

	Total	Adults	Minors
Passports demanded	317,538	262,864	54,674
1 night	3,283	2,703	580
2 nights	7,898	6,518	1,381
3 nights	7,732	6,388	1,344
4 nights	615	509	107
5 nights	3,157	2,612	545
6 nights	161,195	133,420	27,775
7 nights	74,200	61,434	12,765
9 nights	7,778	6,442	1,335
10 nights	5,640	4,673	967
11 nights	1,120	928	192
12 nights	285	237	49
13 nights	5,167	4,282	885
14 nights	19,089	15,822	3,267
15 nights	4,141	3,432	708
16 nights	5,077	4,208	868
17 nights	3,742	3,102	640
18 nights	2,595	2,151	443
19 nights	1,386	1,149	237
20 nights	1,821	1,510	311
21 nights	813	674	139
31 nights	403	334	69
35 nights	404	335	69

	Total	Adults	Minors
Cost of passports demanded	$43,955,433	$37,066,008	$6,889,425

Expedited passports (20% of total)	Total	Adults	Minors
Passports	63,508	52,573	10,935
Expedited costs	$3,810,460	$3,154,367	$656,092

TOTALS 2006

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-45,325	-38,313	-7,012
Passports demanded	317,538	262,864	54,674
Cost of passports demanded	$47,765,893	$40,220,375	$7,545,517

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-38,313	-38,313	0
Passports demanded	262,864	262,864	-
Cost of passports demanded	$40,220,375	$40,220,375	$0

Cost for passport books
2007 estimates

	Total	Adults	Minors
Travelers	792,909	658,114	134,795
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$141		
Cost of minor passport	$126		
Percent of passengers w/o passports			
1-5 night cruise	50%		
6-8 night cruise	40%		
9-17 night cruise	30%		
18+ night cruise	30%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	8,310	8,310	-
2 nights	18,349	18,349	-
3 nights	17,042	17,042	-
4 nights	1,309	1,309	-
5 nights	6,545	6,545	-
6 nights	393,301	393,301	-
7 nights	178,305	178,305	-
9 nights	22,847	22,847	-
10 nights	16,429	16,429	-
11 nights	3,238	3,238	-
12 nights	821	821	-
13 nights	14,773	14,773	-
14 nights	54,323	54,323	-
15 nights	11,735	11,735	-
16 nights	14,335	14,335	-
17 nights	10,530	10,530	-
18 nights	7,281	7,281	-
19 nights	3,878	3,878	-
20 nights	5,083	5,083	-
21 nights	2,265	2,265	-
31 nights	1,105	1,105	-
35 nights	1,105	1,105	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.4%	38.2%
2 nights	12.2%	23.2%
3 nights	10.1%	16.6%
4 nights	8.6%	13.0%
5 nights	7.5%	10.6%
6 nights	6.7%	9.0%
7 nights	6.0%	7.8%
9 nights	5.0%	6.2%
10 nights	4.6%	5.6%
11 nights	4.3%	5.1%
12 nights	4.0%	4.7%
13 nights	3.7%	4.4%
14 nights	3.5%	4.1%
15 nights	3.3%	3.8%
16 nights	3.1%	3.6%
17 nights	3.0%	3.4%
18 nights	2.8%	3.2%
19 nights	2.7%	3.0%
20 nights	2.6%	2.9%
21 nights	2.5%	2.7%
31 nights	1.7%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	13.7%	34.1%
2 nights	10.9%	20.7%
3 nights	9.0%	14.9%
4 nights	7.7%	11.6%
5 nights	6.7%	9.5%
6 nights	6.0%	8.1%
7 nights	5.4%	7.0%
9 nights	4.5%	5.5%
10 nights	4.1%	5.0%
11 nights	3.8%	4.6%
12 nights	3.6%	4.2%
13 nights	3.3%	3.9%
14 nights	3.1%	3.6%
15 nights	3.0%	3.4%
16 nights	2.8%	3.2%
17 nights	2.7%	3.0%
18 nights	2.5%	2.8%
19 nights	2.4%	2.7%
20 nights	2.3%	2.6%
21 nights	2.2%	2.4%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-30.8%	-76.4%
2 nights	-24.4%	-46.4%
3 nights	-20.2%	-33.3%
4 nights	-17.3%	-26.0%
5 nights	-15.1%	-21.3%
6 nights	-13.4%	-18.0%
7 nights	-12.0%	-15.6%
9 nights	-10.0%	-12.4%
10 nights	-9.2%	-11.2%
11 nights	-8.5%	-10.2%
12 nights	-8.0%	-9.4%
13 nights	-7.5%	-8.7%
14 nights	-7.0%	-8.1%
15 nights	-6.6%	-7.6%
16 nights	-6.3%	-7.1%
17 nights	-5.9%	-6.7%
18 nights	-5.7%	-6.4%
19 nights	-5.4%	-6.0%
20 nights	-5.2%	-5.7%
21 nights	-5.0%	-5.5%
31 nights	-3.5%	-3.7%
35 nights	-3.1%	-3.3%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-27.5%	-68.3%
2 nights	-21.8%	-41.5%
3 nights	-18.1%	-29.8%
4 nights	-15.4%	-23.2%
5 nights	-13.5%	-19.0%
6 nights	-11.9%	-16.1%
7 nights	-10.7%	-14.0%
9 nights	-8.9%	-11.0%
10 nights	-8.2%	-10.0%
11 nights	-7.6%	-9.1%
12 nights	-7.1%	-8.4%
13 nights	-6.7%	-7.8%
14 nights	-6.3%	-7.3%
15 nights	-5.9%	-6.8%
16 nights	-5.6%	-6.4%
17 nights	-5.3%	-6.0%
18 nights	-5.1%	-5.7%
19 nights	-4.8%	-5.4%
20 nights	-4.6%	-5.1%
21 nights	-4.4%	-4.9%
31 nights	-3.1%	-3.3%
35 nights	-2.8%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	792,909	658,114	134,795
1 night	8,310	6,897	1,413
2 nights	18,349	15,230	3,119
3 nights	17,042	14,145	2,897
4 nights	1,309	1,086	223
5 nights	6,545	5,432	1,113
6 nights	393,301	326,440	66,861
7 nights	178,305	147,993	30,312
9 nights	22,847	18,963	3,884
10 nights	16,429	13,636	2,793
11 nights	3,238	2,687	550
12 nights	821	681	140
13 nights	14,773	12,262	2,511
14 nights	54,323	45,088	9,235
15 nights	11,735	9,740	1,995
16 nights	14,335	11,898	2,437
17 nights	10,530	8,740	1,790
18 nights	7,281	6,043	1,238
19 nights	3,878	3,219	659
20 nights	5,083	4,219	864
21 nights	2,265	1,880	385
31 nights	1,105	917	188
35 nights	1,105	917	188

	Total	Adults	Minors
Passengers w/o passport by market	305,344	253,436	51,909
1 night	4,155	3,449	706
2 nights	9,175	7,615	1,560
3 nights	8,521	7,072	1,449
4 nights	654	543	111
5 nights	3,272	2,716	556
6 nights	157,321	130,576	26,744
7 nights	71,322	59,197	12,125
9 nights	6,854	5,689	1,165
10 nights	4,929	4,091	838
11 nights	971	806	165
12 nights	246	204	42
13 nights	4,432	3,678	753
14 nights	16,297	13,527	2,770
15 nights	3,521	2,922	598
16 nights	4,300	3,569	731
17 nights	3,159	2,622	537
18 nights	2,184	1,813	371
19 nights	1,163	966	198
20 nights	1,525	1,266	259
21 nights	679	564	115
31 nights	332	275	56
35 nights	332	275	56

	Total	Adults	Minors
Passengers who forgo cruise	-38,422	-32,477	-5,944
1 night	-1,255	-1,061	-194
2 nights	-2,198	-1,858	-340
3 nights	-1,691	-1,430	-262
4 nights	-111	-94	-17
5 nights	-484	-409	-75
6 nights	-20,627	-17,436	-3,191
7 nights	-8,401	-7,101	-1,300
9 nights	-671	-567	-104
10 nights	-445	-376	-69
11 nights	-81	-69	-13
12 nights	-19	-16	-3
13 nights	-324	-274	-50
14 nights	-1,122	-948	-174
15 nights	-229	-193	-35
16 nights	-265	-224	-41
17 nights	-185	-156	-29
18 nights	-121	-103	-19
19 nights	-62	-52	-10
20 nights	-77	-65	-12
21 nights	-33	-28	-5
31 nights	-11	-10	-2
35 nights	-10	-9	-2

	Total	Adults	Minors
Passports demanded	266,923	220,959	45,964
1 night	2,900	2,388	512
2 nights	6,977	5,757	1,220
3 nights	6,829	5,643	1,187
4 nights	544	449	94
5 nights	2,789	2,307	481
6 nights	136,693	113,140	23,553
7 nights	62,921	52,096	10,825
9 nights	6,183	5,122	1,061
10 nights	4,484	3,715	769
11 nights	890	737	153
12 nights	227	188	39
13 nights	4,108	3,404	703
14 nights	15,176	12,579	2,597
15 nights	3,292	2,729	563
16 nights	4,036	3,346	690
17 nights	2,975	2,466	508
18 nights	2,063	1,710	353
19 nights	1,102	913	188
20 nights	1,447	1,200	247
21 nights	646	536	110
31 nights	320	266	55
35 nights	321	267	55

	Total	Adults	Minors
Cost of passports demanded	$36,948,869	$31,156,999	$5,791,871

Expedited passports (20% of total)	Total	Adults	Minors
Passports	53,385	44,192	9,193
Expedited costs	$3,203,073	$2,651,503	$551,570

TOTALS 2007

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-38,422	-32,477	-5,944
Passports demanded	266,923	220,959	45,964
Cost of passports demanded	$40,151,942	$33,808,501	$6,343,441

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-32,477	-32,477	0
Passports demanded	220,959	220,959	-
Cost of passports demanded	$33,808,501	$33,808,501	$0

Cost for passport books
2008 estimates

	Total	Adults	Minors
Travelers	840,484	697,601	142,882

Percent of passengers arriving by air	100%
Percent of passengers arriving by other	0%
Percent of passengers who are adult	83%
Percent of passengers who are minor	17%
Cost of adult passport	$144
Cost of minor passport	$129
Percent of passengers w/o passports	
1-5 night cruise	40%
6-8 night cruise	30%
9-17 night cruise	20%
18+ night cruise	20%

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	8,809	8,809	-
2 nights	19,450	19,450	-
3 nights	18,064	18,064	-
4 nights	1,387	1,387	-
5 nights	6,937	6,937	-
6 nights	416,900	416,900	-
7 nights	189,004	189,004	-
9 nights	24,218	24,218	-
10 nights	17,415	17,415	-
11 nights	3,432	3,432	-
12 nights	870	870	-
13 nights	15,659	15,659	-
14 nights	57,583	57,583	-
15 nights	12,439	12,439	-
16 nights	15,195	15,195	-
17 nights	11,162	11,162	-
18 nights	7,718	7,718	-
19 nights	4,111	4,111	-
20 nights	5,388	5,388	-
21 nights	2,400	2,400	-
31 nights	1,172	1,172	-
35 nights	1,172	1,172	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	840,484	697,601	142,882
1 night	8,809	7,311	1,497
2 nights	19,450	16,144	3,307
3 nights	18,064	14,993	3,071
4 nights	1,387	1,152	236
5 nights	6,937	5,758	1,179
6 nights	416,900	346,027	70,873
7 nights	189,004	156,873	32,131
9 nights	24,218	20,101	4,117
10 nights	17,415	14,455	2,961
11 nights	3,432	2,849	583
12 nights	870	722	148
13 nights	15,659	12,997	2,662
14 nights	57,583	47,794	9,789
15 nights	12,439	10,325	2,115
16 nights	15,195	12,612	2,583
17 nights	11,162	9,264	1,898
18 nights	7,718	6,406	1,312
19 nights	4,111	3,412	699
20 nights	5,388	4,472	916
21 nights	2,400	1,992	408
31 nights	1,172	972	199
35 nights	1,172	972	199

	Total	Adults	Minors
Passengers w/o passport by market	239,617	198,882	40,735
1 night	3,523	2,924	599
2 nights	7,780	6,457	1,323
3 nights	7,226	5,997	1,228
4 nights	555	461	94
5 nights	2,775	2,303	472
6 nights	125,070	103,808	21,262
7 nights	56,701	47,062	9,639
9 nights	4,844	4,020	823
10 nights	3,483	2,891	592
11 nights	686	570	117
12 nights	174	144	30
13 nights	3,132	2,599	532
14 nights	11,517	9,559	1,958
15 nights	2,488	2,065	423
16 nights	3,039	2,522	517
17 nights	2,232	1,853	380
18 nights	1,544	1,281	262
19 nights	822	682	140
20 nights	1,078	894	183
21 nights	480	398	82
31 nights	234	194	40
35 nights	234	194	40

	Total	Adults	Minors
Passengers who forgo cruise	-31,188	-26,353	-4,835
1 night	-1,087	-919	-169
2 nights	-1,904	-1,609	-295
3 nights	-1,465	-1,238	-227
4 nights	-96	-81	-15
5 nights	-419	-354	-65
6 nights	-16,754	-14,156	-2,597
7 nights	-6,823	-5,765	-1,058
9 nights	-484	-409	-75
10 nights	-321	-271	-50
11 nights	-59	-50	-9
12 nights	-14	-12	-2
13 nights	-234	-198	-36
14 nights	-810	-684	-126
15 nights	-165	-140	-26
16 nights	-191	-161	-30
17 nights	-133	-113	-21
18 nights	-88	-74	-14
19 nights	-45	-38	-7
20 nights	-56	-47	-9
21 nights	-24	-20	-4
31 nights	-8	-7	-1
35 nights	-7	-6	-1

	Total	Adults	Minors
Passports demanded	208,429	172,529	35,900
1 night	2,436	2,006	430
2 nights	5,876	4,849	1,027
3 nights	5,760	4,759	1,001
4 nights	459	379	79
5 nights	2,356	1,949	407
6 nights	108,316	89,652	18,664
7 nights	49,878	41,296	8,581
9 nights	4,359	3,611	748
10 nights	3,162	2,620	542
11 nights	628	520	108
12 nights	160	133	27
13 nights	2,898	2,402	496
14 nights	10,707	8,875	1,832
15 nights	2,323	1,925	397
16 nights	2,848	2,361	487
17 nights	2,099	1,740	359
18 nights	1,456	1,207	249
19 nights	778	645	133
20 nights	1,022	847	175
21 nights	456	378	78
31 nights	226	188	39
35 nights	227	188	39

	Total	Adults	Minors
Cost of passports demanded	$29,476,985	$24,845,648	$4,631,337

Expedited passports (20% of total)	Total	Adults	Minors
Passports	41,686	34,506	7,180
Expedited costs	$2,501,145	$2,070,351	$430,794

TOTALS 2008

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-31,188	-26,353	-4,835
Passports demanded	208,429	172,529	35,900
Cost of passports demanded	$31,978,130	$26,915,998	$5,062,132

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-26,353	-26,353	0
Passports demanded	172,529	172,529	-
Cost of passports demanded	$26,915,998	$26,915,998	$0

Cost for passport books
2009 estimates

	Total	Adults	Minors
Travelers	890,913	739,457	151,455
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$144		
Cost of minor passport	$129		
Percent of passengers w/o passports			
1-5 night cruise	30%		
6-8 night cruise	10%		
9-17 night cruise	10%		
18+ night cruise	10%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	9,337	9,337	-
2 nights	20,617	20,617	-
3 nights	19,148	19,148	-
4 nights	1,471	1,471	-
5 nights	7,354	7,354	-
6 nights	441,914	441,914	-
7 nights	200,344	200,344	-
9 nights	25,671	25,671	-
10 nights	18,460	18,460	-
11 nights	3,638	3,638	-
12 nights	922	922	-
13 nights	16,599	16,599	-
14 nights	61,038	61,038	-
15 nights	13,186	13,186	-
16 nights	16,106	16,106	-
17 nights	11,832	11,832	-
18 nights	8,181	8,181	-
19 nights	4,357	4,357	-
20 nights	5,711	5,711	-
21 nights	2,544	2,544	-
31 nights	1,242	1,242	-
35 nights	1,242	1,242	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	890,913	739,457	151,455
1 night	9,337	7,750	1,587
2 nights	20,617	17,112	3,505
3 nights	19,148	15,893	3,255
4 nights	1,471	1,221	250
5 nights	7,354	6,104	1,250
6 nights	441,914	366,788	75,125
7 nights	200,344	166,285	34,058
9 nights	25,671	21,307	4,364
10 nights	18,460	15,322	3,138
11 nights	3,638	3,020	618
12 nights	922	765	157
13 nights	16,599	13,777	2,822
14 nights	61,038	50,661	10,376
15 nights	13,186	10,944	2,242
16 nights	16,106	13,368	2,738
17 nights	11,832	9,820	2,011
18 nights	8,181	6,790	1,391
19 nights	4,357	3,616	741
20 nights	5,711	4,740	971
21 nights	2,544	2,112	433
31 nights	1,242	1,031	211
35 nights	1,242	1,031	211

	Total	Adults	Minors
Passengers w/o passport by market	100,677	83,562	17,115
1 night	2,801	2,325	476
2 nights	6,185	5,134	1,051
3 nights	5,744	4,768	977
4 nights	441	366	75
5 nights	2,206	1,831	375
6 nights	44,191	36,679	7,513
7 nights	20,034	16,629	3,406
9 nights	2,567	2,131	436
10 nights	1,846	1,532	314
11 nights	364	302	62
12 nights	92	77	16
13 nights	1,660	1,378	282
14 nights	6,104	5,066	1,038
15 nights	1,319	1,094	224
16 nights	1,611	1,337	274
17 nights	1,183	982	201
18 nights	818	679	139
19 nights	436	362	74
20 nights	571	474	97
21 nights	254	211	43
31 nights	124	103	21
35 nights	124	103	21

	Total	Adults	Minors
Passengers who forgo cruise	-13,682	-11,561	-2,121
1 night	-864	-730	-134
2 nights	-1,514	-1,279	-235
3 nights	-1,165	-984	-181
4 nights	-76	-65	-12
5 nights	-333	-282	-52
6 nights	-5,920	-5,002	-918
7 nights	-2,411	-2,037	-374
9 nights	-257	-217	-40
10 nights	-170	-144	-26
11 nights	-31	-26	-5
12 nights	-7	-6	-1
13 nights	-124	-105	-19
14 nights	-429	-363	-67
15 nights	-88	-74	-14
16 nights	-101	-86	-16
17 nights	-71	-60	-11
18 nights	-46	-39	-7
19 nights	-24	-20	-4
20 nights	-30	-25	-5
21 nights	-13	-11	-2
31 nights	-4	-4	-1
35 nights	-4	-3	-1

	Total	Adults	Minors
Passports demanded	86,995	72,001	14,994
1 night	1,937	1,595	342
2 nights	4,671	3,855	817
3 nights	4,579	3,784	796
4 nights	365	302	63
5 nights	1,873	1,550	323
6 nights	38,272	31,677	6,595
7 nights	17,623	14,591	3,032
9 nights	2,310	1,914	397
10 nights	1,676	1,388	287
11 nights	333	276	57
12 nights	85	70	15
13 nights	1,536	1,273	263
14 nights	5,675	4,704	971
15 nights	1,231	1,020	211
16 nights	1,509	1,251	258
17 nights	1,113	922	190
18 nights	772	640	132
19 nights	412	342	70
20 nights	541	449	92
21 nights	242	201	41
31 nights	120	99	20
35 nights	120	100	21

	Total	Adults	Minors
Cost of passports demanded	$12,303,078	$10,368,749	$1,934,330

Expedited passports (20% of total)	Total	Adults	Minors
Passports	17,399	14,400	2,999
Expedited costs	$1,043,938	$864,012	$179,926

TOTALS 2009
Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-13,682	-11,561	-2,121
Passports demanded	86,995	72,001	14,994
Cost of passports demanded	$13,347,017	$11,232,761	$2,114,256

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-11,561	-11,561	0
Passports demanded	72,001	72,001	-
Cost of passports demanded	$11,232,761	$11,232,761	$0

Cost for passport books
2010 estimates

	Total	Adults	Minors
Travelers	944,367	783,825	160,542
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$144		
Cost of minor passport	$129		
Percent of passengers w/o passports			
1-5 night cruise	10%		
6-8 night cruise	10%		
9-17 night cruise	10%		
18+ night cruise	10%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	9,897	9,897	-
2 nights	21,854	21,854	-
3 nights	20,297	20,297	-
4 nights	1,559	1,559	-
5 nights	7,795	7,795	-
6 nights	468,428	468,428	-
7 nights	212,364	212,364	-
9 nights	27,211	27,211	-
10 nights	19,568	19,568	-
11 nights	3,856	3,856	-
12 nights	977	977	-
13 nights	17,595	17,595	-
14 nights	64,700	64,700	-
15 nights	13,977	13,977	-
16 nights	17,073	17,073	-
17 nights	12,542	12,542	-
18 nights	8,672	8,672	-
19 nights	4,619	4,619	-
20 nights	6,053	6,053	-
21 nights	2,697	2,697	-
31 nights	1,316	1,316	-
35 nights	1,316	1,316	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	944,367	783,825	160,542
1 night	9,897	8,215	1,683
2 nights	21,854	18,139	3,715
3 nights	20,297	16,847	3,451
4 nights	1,559	1,294	265
5 nights	7,795	6,470	1,325
6 nights	468,428	388,796	79,633
7 nights	212,364	176,262	36,102
9 nights	27,211	22,585	4,626
10 nights	19,568	16,241	3,327
11 nights	3,856	3,201	656
12 nights	977	811	166
13 nights	17,595	14,604	2,991
14 nights	64,700	53,701	10,999
15 nights	13,977	11,601	2,376
16 nights	17,073	14,170	2,902
17 nights	12,542	10,409	2,132
18 nights	8,672	7,197	1,474
19 nights	4,619	3,833	785
20 nights	6,053	5,024	1,029
21 nights	2,697	2,239	459
31 nights	1,316	1,093	224
35 nights	1,316	1,093	224

	Total	Adults	Minors
Passengers w/o passport by market	94,437	78,382	16,054
1 night	990	821	168
2 nights	2,185	1,814	372
3 nights	2,030	1,685	345
4 nights	156	129	27
5 nights	779	647	133
6 nights	46,843	38,880	7,963
7 nights	21,236	17,626	3,610
9 nights	2,721	2,259	463
10 nights	1,957	1,624	333
11 nights	386	320	66
12 nights	98	81	17
13 nights	1,759	1,460	299
14 nights	6,470	5,370	1,100
15 nights	1,398	1,160	238
16 nights	1,707	1,417	290
17 nights	1,254	1,041	213
18 nights	867	720	147
19 nights	462	383	79
20 nights	605	502	103
21 nights	270	224	46
31 nights	132	109	22
35 nights	132	109	22

	Total	Adults	Minors
Passengers who forgo cruise	-11,710	-9,894	-1,815
1 night	-305	-258	-47
2 nights	-535	-452	-83
3 nights	-412	-348	-64
4 nights	-27	-23	-4
5 nights	-118	-99	-18
6 nights	-6,275	-5,302	-973
7 nights	-2,556	-2,159	-396
9 nights	-272	-230	-42
10 nights	-180	-152	-28
11 nights	-33	-28	-5
12 nights	-8	-7	-1
13 nights	-132	-111	-20
14 nights	-455	-384	-71
15 nights	-93	-78	-14
16 nights	-107	-91	-17
17 nights	-75	-63	-12
18 nights	-49	-42	-8
19 nights	-25	-21	-4
20 nights	-31	-27	-5
21 nights	-13	-11	-2
31 nights	-5	-4	-1
35 nights	-4	-3	-1

	Total	Adults	Minors
Passports demanded	82,727	68,488	14,239
1 night	684	563	121
2 nights	1,651	1,362	289
3 nights	1,618	1,337	281
4 nights	129	107	22
5 nights	662	547	114
6 nights	40,568	33,577	6,990
7 nights	18,681	15,467	3,214
9 nights	2,449	2,029	420
10 nights	1,776	1,472	305
11 nights	353	292	60
12 nights	90	75	15
13 nights	1,628	1,349	279
14 nights	6,015	4,986	1,029
15 nights	1,305	1,082	223
16 nights	1,600	1,326	274
17 nights	1,179	978	202
18 nights	818	678	140
19 nights	437	362	75
20 nights	574	476	98
21 nights	256	213	44
31 nights	127	105	22
35 nights	128	106	22

	Total	Adults	Minors
Cost of passports demanded	$11,699,825	$9,862,898	$1,836,927

Expedited passports (20% of total)	Total	Adults	Minors
Passports	16,545	13,698	2,848
Expedited costs	$992,726	$821,861	$170,866

TOTALS 2010

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-11,710	-9,894	-1,815
Passports demanded	82,727	68,488	14,239
Cost of passports demanded	$12,692,551	$10,684,759	$2,007,793

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-9,894	-9,894	0
Passports demanded	68,488	68,488	-
Cost of passports demanded	$10,684,759	$10,684,759	$0

Cost for passport books
2011 estimates

	Total	Adults	Minors
Travelers	1,001,029	830,854	170,175

Percent of passengers arriving by air	100%
Percent of passengers arriving by other	0%
Percent of passengers who are adult	83%
Percent of passengers who are minor	17%
Cost of adult passport	$144
Cost of minor passport	$129
Percent of passengers w/o passports	
1-5 night cruise	10%
6-8 night cruise	10%
9-17 night cruise	10%
18+ night cruise	10%

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	10,491	10,491	-
2 nights	23,165	23,165	-
3 nights	21,515	21,515	-
4 nights	1,653	1,653	-
5 nights	8,263	8,263	-
6 nights	496,534	496,534	-
7 nights	225,106	225,106	-
9 nights	28,844	28,844	-
10 nights	20,742	20,742	-
11 nights	4,088	4,088	-
12 nights	1,036	1,036	-
13 nights	18,650	18,650	-
14 nights	68,582	68,582	-
15 nights	14,815	14,815	-
16 nights	18,097	18,097	-
17 nights	13,294	13,294	-
18 nights	9,192	9,192	-
19 nights	4,896	4,896	-
20 nights	6,417	6,417	-
21 nights	2,859	2,859	-
31 nights	1,395	1,395	-
35 nights	1,395	1,395	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,001,029	830,854	170,175
1 night	10,491	8,708	1,784
2 nights	23,165	19,227	3,938
3 nights	21,515	17,857	3,658
4 nights	1,653	1,372	281
5 nights	8,263	6,858	1,405
6 nights	496,534	412,123	84,411
7 nights	225,106	186,838	38,268
9 nights	28,844	23,940	4,903
10 nights	20,742	17,216	3,526
11 nights	4,088	3,393	695
12 nights	1,036	860	176
13 nights	18,650	15,480	3,171
14 nights	68,582	56,923	11,659
15 nights	14,815	12,297	2,519
16 nights	18,097	15,021	3,077
17 nights	13,294	11,034	2,260
18 nights	9,192	7,629	1,563
19 nights	4,896	4,063	832
20 nights	6,417	5,326	1,091
21 nights	2,859	2,373	486
31 nights	1,395	1,158	237
35 nights	1,395	1,158	237

	Total	Adults	Minors
Passengers w/o passport by market	100,103	83,085	17,017
1 night	1,049	871	178
2 nights	2,317	1,923	394
3 nights	2,152	1,786	366
4 nights	165	137	28
5 nights	826	686	140
6 nights	49,653	41,212	8,441
7 nights	22,511	18,684	3,827
9 nights	2,884	2,394	490
10 nights	2,074	1,722	353
11 nights	409	339	69
12 nights	104	86	18
13 nights	1,865	1,548	317
14 nights	6,858	5,692	1,166
15 nights	1,482	1,230	252
16 nights	1,810	1,502	308
17 nights	1,329	1,103	226
18 nights	919	763	156
19 nights	490	406	83
20 nights	642	533	109
21 nights	286	237	49
31 nights	140	116	24
35 nights	140	116	24

	Total	Adults	Minors
Passengers who forgo cruise	-12,412	-10,488	-1,924
1 night	-324	-273	-50
2 nights	-567	-479	-88
3 nights	-436	-369	-68
4 nights	-29	-24	-4
5 nights	-125	-105	-19
6 nights	-6,651	-5,620	-1,031
7 nights	-2,709	-2,289	-420
9 nights	-288	-244	-45
10 nights	-191	-162	-30
11 nights	-35	-30	-5
12 nights	-8	-7	-1
13 nights	-139	-118	-22
14 nights	-482	-407	-75
15 nights	-98	-83	-15
16 nights	-114	-96	-18
17 nights	-79	-67	-12
18 nights	-52	-44	-8
19 nights	-27	-22	-4
20 nights	-33	-28	-5
21 nights	-14	-12	-2
31 nights	-5	-4	-1
35 nights	-4	-4	-1

	Total	Adults	Minors
Passports demanded	87,691	72,598	15,093
1 night	725	597	128
2 nights	1,750	1,444	306
3 nights	1,715	1,417	298
4 nights	137	113	24
5 nights	701	580	121
6 nights	43,002	35,592	7,410
7 nights	19,802	16,395	3,407
9 nights	2,596	2,150	446
10 nights	1,883	1,560	323
11 nights	374	310	64
12 nights	95	79	16
13 nights	1,726	1,430	295
14 nights	6,376	5,285	1,091
15 nights	1,383	1,147	237
16 nights	1,696	1,406	290
17 nights	1,250	1,036	214
18 nights	867	719	148
19 nights	463	384	79
20 nights	608	504	104
21 nights	272	225	46
31 nights	135	112	23
35 nights	135	112	23

	Total	Adults	Minors
Cost of passports demanded	$12,401,814	$10,454,672	$1,947,142

Expedited passports (20% of total)	Total	Adults	Minors
Passports	17,538	14,520	3,019
Expedited costs	$1,052,290	$871,172	$181,118

TOTALS 2011

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-12,412	-10,488	-1,924
Passports demanded	87,691	72,598	15,093
Cost of passports demanded	$13,454,105	$11,325,844	$2,128,260

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-10,488	-10,488	0
Passports demanded	72,598	72,598	-
Cost of passports demanded	$11,325,844	$11,325,844	$0

Cost for passport books
2012 estimates

	Total	Adults	Minors
Travelers	1,061,091	880,706	180,385
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$144		
Cost of minor passport	$129		
Percent of passengers w/o passports			
1-5 night cruise	10%		
6-8 night cruise	10%		
9-17 night cruise	10%		
18+ night cruise	10%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	11,121	11,121	-
2 nights	24,555	24,555	-
3 nights	22,806	22,806	-
4 nights	1,752	1,752	-
5 nights	8,758	8,758	-
6 nights	526,326	526,326	-
7 nights	238,613	238,613	-
9 nights	30,574	30,574	-
10 nights	21,986	21,986	-
11 nights	4,333	4,333	-
12 nights	1,098	1,098	-
13 nights	19,770	19,770	-
14 nights	72,697	72,697	-
15 nights	15,704	15,704	-
16 nights	19,183	19,183	-
17 nights	14,092	14,092	-
18 nights	9,743	9,743	-
19 nights	5,189	5,189	-
20 nights	6,802	6,802	-
21 nights	3,030	3,030	-
31 nights	1,479	1,479	-
35 nights	1,479	1,479	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,061,091	880,706	180,385
1 night	11,121	9,230	1,891
2 nights	24,555	20,381	4,174
3 nights	22,806	18,929	3,877
4 nights	1,752	1,454	298
5 nights	8,758	7,269	1,489
6 nights	526,326	436,851	89,475
7 nights	238,613	198,048	40,564
9 nights	30,574	25,377	5,198
10 nights	21,986	18,249	3,738
11 nights	4,333	3,596	737
12 nights	1,098	911	187
13 nights	19,770	16,409	3,361
14 nights	72,697	60,339	12,358
15 nights	15,704	13,035	2,670
16 nights	19,183	15,922	3,261
17 nights	14,092	11,696	2,396
18 nights	9,743	8,087	1,656
19 nights	5,189	4,307	882
20 nights	6,802	5,645	1,156
21 nights	3,030	2,515	515
31 nights	1,479	1,228	251
35 nights	1,479	1,228	251

	Total	Adults	Minors
Passengers w/o passport by market	106,109	88,071	18,039
1 night	1,112	923	189
2 nights	2,456	2,038	417
3 nights	2,281	1,893	388
4 nights	175	145	30
5 nights	876	727	149
6 nights	52,633	43,685	8,948
7 nights	23,861	19,805	4,056
9 nights	3,057	2,538	520
10 nights	2,199	1,825	374
11 nights	433	360	74
12 nights	110	91	19
13 nights	1,977	1,641	336
14 nights	7,270	6,034	1,236
15 nights	1,570	1,303	267
16 nights	1,918	1,592	326
17 nights	1,409	1,170	240
18 nights	974	809	166
19 nights	519	431	88
20 nights	680	565	116
21 nights	303	252	52
31 nights	148	123	25
35 nights	148	123	25

	Total	Adults	Minors
Passengers who forgo cruise	-13,157	-11,117	-2,040
1 night	-343	-290	-53
2 nights	-601	-508	-93
3 nights	-463	-391	-72
4 nights	-30	-26	-5
5 nights	-132	-112	-21
6 nights	-7,050	-5,957	-1,093
7 nights	-2,871	-2,426	-445
9 nights	-306	-258	-47
10 nights	-203	-171	-31
11 nights	-37	-31	-6
12 nights	-9	-7	-1
13 nights	-148	-125	-23
14 nights	-511	-432	-79
15 nights	-104	-88	-16
16 nights	-121	-102	-19
17 nights	-84	-71	-13
18 nights	-55	-47	-9
19 nights	-28	-24	-4
20 nights	-35	-30	-5
21 nights	-15	-13	-2
31 nights	-5	-4	-1
35 nights	-5	-4	-1

	Total	Adults	Minors
Passports demanded	92,952	76,954	15,999
1 night	769	633	136
2 nights	1,855	1,530	324
3 nights	1,818	1,502	316
4 nights	145	120	25
5 nights	744	615	128
6 nights	45,582	37,728	7,854
7 nights	20,990	17,379	3,611
9 nights	2,752	2,279	472
10 nights	1,996	1,654	342
11 nights	396	328	68
12 nights	101	84	17
13 nights	1,829	1,516	313
14 nights	6,759	5,602	1,157
15 nights	1,466	1,215	251
16 nights	1,798	1,490	307
17 nights	1,325	1,099	227
18 nights	919	762	157
19 nights	491	407	84
20 nights	645	535	110
21 nights	288	239	49
31 nights	143	118	24
35 nights	143	119	24

	Total	Adults	Minors
Cost of passports demanded	$13,145,923	$11,081,952	$2,063,971

Expedited passports (20% of total)	Total	Adults	Minors
Passports	18,590	15,391	3,200
Expedited costs	$1,115,427	$923,443	$191,985

TOTALS 2012

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-13,157	-11,117	-2,040
Passports demanded	92,952	76,954	15,999
Cost of passports demanded	$14,261,351	$12,005,395	$2,255,956

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-11,117	-11,117	0
Passports demanded	76,954	76,954	-
Cost of passports demanded	$12,005,395	$12,005,395	$0

Cost for passport books
2013 estimates

	Total	Adults	Minors
Travelers	1,124,757	933,548	191,209
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$144		
Cost of minor passport	$129		
Percent of passengers w/o passports			
1-5 night cruise	10%		
6-8 night cruise	10%		
9-17 night cruise	10%		
18+ night cruise	10%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	11,788	11,788	-
2 nights	26,029	26,029	-
3 nights	24,174	24,174	-
4 nights	1,857	1,857	-
5 nights	9,284	9,284	-
6 nights	557,906	557,906	-
7 nights	252,929	252,929	-
9 nights	32,409	32,409	-
10 nights	23,305	23,305	-
11 nights	4,593	4,593	-
12 nights	1,164	1,164	-
13 nights	20,956	20,956	-
14 nights	77,059	77,059	-
15 nights	16,647	16,647	-
16 nights	20,334	20,334	-
17 nights	14,937	14,937	-
18 nights	10,328	10,328	-
19 nights	5,501	5,501	-
20 nights	7,210	7,210	-
21 nights	3,212	3,212	-
31 nights	1,568	1,568	-
35 nights	1,568	1,568	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,124,757	933,548	191,209
1 night	11,788	9,784	2,004
2 nights	26,029	21,604	4,425
3 nights	24,174	20,065	4,110
4 nights	1,857	1,541	316
5 nights	9,284	7,706	1,578
6 nights	557,906	463,062	94,844
7 nights	252,929	209,931	42,998
9 nights	32,409	26,899	5,509
10 nights	23,305	19,344	3,962
11 nights	4,593	3,812	781
12 nights	1,164	966	198
13 nights	20,956	17,393	3,562
14 nights	77,059	63,959	13,100
15 nights	16,647	13,817	2,830
16 nights	20,334	16,877	3,457
17 nights	14,937	12,398	2,539
18 nights	10,328	8,572	1,756
19 nights	5,501	4,566	935
20 nights	7,210	5,984	1,226
21 nights	3,212	2,666	546
31 nights	1,568	1,301	267
35 nights	1,568	1,301	267

	Total	Adults	Minors
Passengers w/o passport by market	112,476	93,355	19,121
1 night	1,179	978	200
2 nights	2,603	2,160	442
3 nights	2,417	2,006	411
4 nights	186	154	32
5 nights	928	771	158
6 nights	55,791	46,306	9,484
7 nights	25,293	20,993	4,300
9 nights	3,241	2,690	551
10 nights	2,331	1,934	396
11 nights	459	381	78
12 nights	116	97	20
13 nights	2,096	1,739	356
14 nights	7,706	6,396	1,310
15 nights	1,665	1,382	283
16 nights	2,033	1,688	346
17 nights	1,494	1,240	254
18 nights	1,033	857	176
19 nights	550	457	94
20 nights	721	598	123
21 nights	321	267	55
31 nights	157	130	27
35 nights	157	130	27

	Total	Adults	Minors
Passengers who forgo cruise	-13,946	-11,784	-2,162
1 night	-364	-307	-56
2 nights	-637	-538	-99
3 nights	-490	-414	-76
4 nights	-32	-27	-5
5 nights	-140	-118	-22
6 nights	-7,474	-6,315	-1,159
7 nights	-3,044	-2,572	-472
9 nights	-324	-274	-50
10 nights	-215	-182	-33
11 nights	-39	-33	-6
12 nights	-9	-8	-1
13 nights	-157	-132	-24
14 nights	-542	-458	-84
15 nights	-110	-93	-17
16 nights	-128	-108	-20
17 nights	-89	-75	-14
18 nights	-59	-50	-9
19 nights	-30	-25	-5
20 nights	-37	-32	-6
21 nights	-16	-13	-2
31 nights	-5	-5	-1
35 nights	-5	-4	-1

	Total	Adults	Minors
Passports demanded	98,529	81,571	16,959
1 night	815	671	144
2 nights	1,966	1,622	344
3 nights	1,927	1,592	335
4 nights	154	127	27
5 nights	788	652	136
6 nights	48,317	39,991	8,326
7 nights	22,249	18,421	3,828
9 nights	2,917	2,416	501
10 nights	2,116	1,753	363
11 nights	420	348	72
12 nights	107	89	18
13 nights	1,939	1,607	332
14 nights	7,164	5,938	1,226
15 nights	1,554	1,288	266
16 nights	1,906	1,580	326
17 nights	1,405	1,164	240
18 nights	974	808	166
19 nights	520	431	89
20 nights	684	567	117
21 nights	305	253	52
31 nights	151	125	26
35 nights	152	126	26

	Total	Adults	Minors
Cost of passports demanded	$13,934,679	$11,746,869	$2,187,809

Expedited passports (20% of total)	Total	Adults	Minors
Passports	19,706	16,314	3,392
Expedited costs	$1,182,353	$978,849	$203,504

TOTALS 2013

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-13,946	-11,784	-2,162
Passports demanded	98,529	81,571	16,959
Cost of passports demanded	$15,117,032	$12,725,719	$2,391,313

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-11,784	-11,784	0
Passports demanded	81,571	81,571	-
Cost of passports demanded	$12,725,719	$12,725,719	$0

Cost for passport books
2014 estimates

	Total	Adults	Minors
Travelers	1,192,242	989,561	202,681
Percent of passengers arriving by air	100%		
Percent of passengers arriving by other	0%		
Percent of passengers who are adult	83%		
Percent of passengers who are minor	17%		
Cost of adult passport	$144		
Cost of minor passport	$129		
Percent of passengers w/o passports			
1-5 night cruise	10%		
6-8 night cruise	10%		
9-17 night cruise	10%		
18+ night cruise	10%		

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	12,495	12,495	-
2 nights	27,590	27,590	-
3 nights	25,625	25,625	-
4 nights	1,968	1,968	-
5 nights	9,841	9,841	-
6 nights	591,380	591,380	-
7 nights	268,105	268,105	-
9 nights	34,353	34,353	-
10 nights	24,704	24,704	-
11 nights	4,869	4,869	-
12 nights	1,234	1,234	-
13 nights	22,213	22,213	-
14 nights	81,682	81,682	-
15 nights	17,645	17,645	-
16 nights	21,554	21,554	-
17 nights	15,833	15,833	-
18 nights	10,948	10,948	-
19 nights	5,831	5,831	-
20 nights	7,642	7,642	-
21 nights	3,405	3,405	-
31 nights	1,662	1,662	-
35 nights	1,662	1,662	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,192,242	989,561	202,681
1 night	12,495	10,371	2,124
2 nights	27,590	22,900	4,690
3 nights	25,625	21,269	4,356
4 nights	1,968	1,634	335
5 nights	9,841	8,168	1,673
6 nights	591,380	490,845	100,535
7 nights	268,105	222,527	45,578
9 nights	34,353	28,513	5,840
10 nights	24,704	20,504	4,200
11 nights	4,869	4,041	828
12 nights	1,234	1,024	210
13 nights	22,213	18,437	3,776
14 nights	81,682	67,796	13,886
15 nights	17,645	14,646	3,000
16 nights	21,554	17,890	3,664
17 nights	15,833	13,142	2,692
18 nights	10,948	9,087	1,861
19 nights	5,831	4,840	991
20 nights	7,642	6,343	1,299
21 nights	3,405	2,826	579
31 nights	1,662	1,379	283
35 nights	1,662	1,379	283

	Total	Adults	Minors
Passengers w/o passport by market	119,224	98,956	20,268
1 night	1,250	1,037	212
2 nights	2,759	2,290	469
3 nights	2,562	2,127	436
4 nights	197	163	33
5 nights	984	817	167
6 nights	59,138	49,085	10,053
7 nights	26,811	22,253	4,558
9 nights	3,435	2,851	584
10 nights	2,470	2,050	420
11 nights	487	404	83
12 nights	123	102	21
13 nights	2,221	1,844	378
14 nights	8,168	6,780	1,389
15 nights	1,765	1,465	300
16 nights	2,155	1,789	366
17 nights	1,583	1,314	269
18 nights	1,095	909	186
19 nights	583	484	99
20 nights	764	634	130
21 nights	341	283	58
31 nights	166	138	28
35 nights	166	138	28

	Total	Adults	Minors
Passengers who forgo cruise	-14,783	-12,491	-2,292
1 night	-386	-326	-60
2 nights	-675	-571	-105
3 nights	-520	-439	-81
4 nights	-34	-29	-5
5 nights	-149	-126	-23
6 nights	-7,922	-6,694	-1,228
7 nights	-3,226	-2,726	-500
9 nights	-344	-290	-53
10 nights	-228	-192	-35
11 nights	-42	-35	-6
12 nights	-10	-8	-2
13 nights	-166	-140	-26
14 nights	-574	-485	-89
15 nights	-117	-99	-18
16 nights	-135	-114	-21
17 nights	-94	-80	-15
18 nights	-62	-53	-10
19 nights	-32	-27	-5
20 nights	-40	-33	-6
21 nights	-17	-14	-3
31 nights	-6	-5	-1
35 nights	-5	-4	-1

	Total	Adults	Minors
Passports demanded	104,441	86,465	17,976
1 night	864	711	153
2 nights	2,084	1,719	364
3 nights	2,043	1,688	355
4 nights	163	135	28
5 nights	835	691	144
6 nights	51,216	42,391	8,825
7 nights	23,584	19,527	4,058
9 nights	3,092	2,561	531
10 nights	2,243	1,858	385
11 nights	445	369	76
12 nights	114	94	19
13 nights	2,055	1,703	352
14 nights	7,594	6,294	1,300
15 nights	1,647	1,366	282
16 nights	2,020	1,675	345
17 nights	1,489	1,234	255
18 nights	1,033	856	176
19 nights	551	457	94
20 nights	725	601	124
21 nights	324	268	55
31 nights	160	133	27
35 nights	161	134	27

	Total	Adults	Minors
Cost of passports demanded	$14,770,759	$12,451,682	$2,319,078

Expedited passports (20% of total)	Total	Adults	Minors
Passports	20,888	17,293	3,595
Expedited costs	$1,253,294	$1,037,580	$215,714

TOTALS 2014

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-14,783	-12,491	-2,292
Passports demanded	104,441	86,465	17,976
Cost of passports demanded	$16,024,054	$13,489,262	$2,534,792

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-12,491	-12,491	0
Passports demanded	86,465	86,465	-
Cost of passports demanded	$13,489,262	$13,489,262	$0

Cost for passport books
2015 estimates

	Total	Adults	Minors
Travelers	1,263,776	1,048,934	214,842

Percent of passengers arriving by air	100%
Percent of passengers arriving by other	0%
Percent of passengers who are adult	83%
Percent of passengers who are minor	17%
Cost of adult passport	$144
Cost of minor passport	$129
Percent of passengers w/o passports	
1-5 night cruise	10%
6-8 night cruise	10%
9-17 night cruise	10%
18+ night cruise	10%

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	13,245	13,245	-
2 nights	29,246	29,246	-
3 nights	27,162	27,162	-
4 nights	2,086	2,086	-
5 nights	10,431	10,431	-
6 nights	626,863	626,863	-
7 nights	284,191	284,191	-
9 nights	36,414	36,414	-
10 nights	26,186	26,186	-
11 nights	5,161	5,161	-
12 nights	1,308	1,308	-
13 nights	23,546	23,546	-
14 nights	86,583	86,583	-
15 nights	18,704	18,704	-
16 nights	22,847	22,847	-
17 nights	16,783	16,783	-
18 nights	11,605	11,605	-
19 nights	6,181	6,181	-
20 nights	8,101	8,101	-
21 nights	3,609	3,609	-
31 nights	1,762	1,762	-
35 nights	1,762	1,762	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,263,776	1,048,934	214,842
1 night	13,245	10,993	2,252
2 nights	29,246	24,274	4,972
3 nights	27,162	22,545	4,618
4 nights	2,086	1,732	355
5 nights	10,431	8,658	1,773
6 nights	626,863	520,296	106,567
7 nights	284,191	235,879	48,313
9 nights	36,414	30,224	6,190
10 nights	26,186	21,734	4,452
11 nights	5,161	4,283	877
12 nights	1,308	1,086	222
13 nights	23,546	19,543	4,003
14 nights	86,583	71,864	14,719
15 nights	18,704	15,524	3,180
16 nights	22,847	18,963	3,884
17 nights	16,783	13,930	2,853
18 nights	11,605	9,632	1,973
19 nights	6,181	5,130	1,051
20 nights	8,101	6,724	1,377
21 nights	3,609	2,996	614
31 nights	1,762	1,462	299
35 nights	1,762	1,462	299

	Total	Adults	Minors
Passengers w/o passport by market	126,378	104,893	21,484
1 night	1,325	1,099	225
2 nights	2,925	2,427	497
3 nights	2,716	2,254	462
4 nights	209	173	35
5 nights	1,043	866	177
6 nights	62,686	52,030	10,657
7 nights	28,419	23,588	4,831
9 nights	3,641	3,022	619
10 nights	2,619	2,173	445
11 nights	516	428	88
12 nights	131	109	22
13 nights	2,355	1,954	400
14 nights	8,658	7,186	1,472
15 nights	1,870	1,552	318
16 nights	2,285	1,896	388
17 nights	1,678	1,393	285
18 nights	1,160	963	197
19 nights	618	513	105
20 nights	810	672	138
21 nights	361	300	61
31 nights	176	146	30
35 nights	176	146	30

	Total	Adults	Minors
Passengers who forgo cruise	-15,670	-13,241	-2,429
1 night	-409	-345	-63
2 nights	-716	-605	-111
3 nights	-551	-465	-85
4 nights	-36	-31	-6
5 nights	-158	-133	-24
6 nights	-8,397	-7,095	-1,302
7 nights	-3,420	-2,890	-530
9 nights	-364	-308	-56
10 nights	-241	-204	-37
11 nights	-44	-37	-7
12 nights	-10	-9	-2
13 nights	-176	-149	-27
14 nights	-609	-514	-94
15 nights	-124	-105	-19
16 nights	-144	-121	-22
17 nights	-100	-85	-16
18 nights	-66	-56	-10
19 nights	-34	-28	-5
20 nights	-42	-35	-7
21 nights	-18	-15	-3
31 nights	-6	-5	-1
35 nights	-6	-5	-1

	Total	Adults	Minors
Passports demanded	110,708	91,653	19,055
1 night	916	754	162
2 nights	2,209	1,823	386
3 nights	2,165	1,789	376
4 nights	173	143	30
5 nights	886	733	153
6 nights	54,289	44,934	9,355
7 nights	24,999	20,698	4,301
9 nights	3,277	2,715	563
10 nights	2,377	1,969	408
11 nights	472	391	81
12 nights	120	100	21
13 nights	2,179	1,806	373
14 nights	8,050	6,672	1,378
15 nights	1,746	1,448	299
16 nights	2,141	1,775	366
17 nights	1,578	1,308	270
18 nights	1,095	907	187
19 nights	585	485	100
20 nights	768	637	131
21 nights	343	284	59
31 nights	170	141	29
35 nights	171	142	29

	Total	Adults	Minors
Cost of passports demanded	$15,657,005	$13,198,782	$2,458,222

Expedited passports (20% of total)	Total	Adults	Minors
Passports	22,142	18,331	3,811
Expedited costs	$1,328,492	$1,099,835	$228,657

TOTALS 2015

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-15,670	-13,241	-2,429
Passports demanded	110,708	91,653	19,055
Cost of passports demanded	$16,985,497	$14,298,617	$2,686,880

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-13,241	-13,241	0
Passports demanded	91,653	91,653	-
Cost of passports demanded	$14,298,617	$14,298,617	$0

Cost for passport books
2016 estimates

	Total	Adults	Minors
Travelers	1,339,603	1,111,871	227,733

Percent of passengers arriving by air	100%
Percent of passengers arriving by other	0%
Percent of passengers who are adult	83%
Percent of passengers who are minor	17%
Cost of adult passport	$144
Cost of minor passport	$129
Percent of passengers w/o passports	
1-5 night cruise	10%
6-8 night cruise	10%
9-17 night cruise	10%
18+ night cruise	10%

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	14,040	14,040	-
2 nights	31,000	31,000	-
3 nights	28,792	28,792	-
4 nights	2,211	2,211	-
5 nights	11,057	11,057	-
6 nights	664,475	664,475	-
7 nights	301,243	301,243	-
9 nights	38,599	38,599	-
10 nights	27,757	27,757	-
11 nights	5,470	5,470	-
12 nights	1,386	1,386	-
13 nights	24,959	24,959	-
14 nights	91,778	91,778	-
15 nights	19,826	19,826	-
16 nights	24,218	24,218	-
17 nights	17,790	17,790	-
18 nights	12,301	12,301	-
19 nights	6,552	6,552	-
20 nights	8,587	8,587	-
21 nights	3,826	3,826	-
31 nights	1,867	1,867	-
35 nights	1,867	1,867	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,339,603	1,111,871	227,733
1 night	14,040	11,653	2,387
2 nights	31,000	25,730	5,270
3 nights	28,792	23,897	4,895
4 nights	2,211	1,836	376
5 nights	11,057	9,178	1,880
6 nights	664,475	551,514	112,961
7 nights	301,243	250,032	51,211
9 nights	38,599	32,037	6,562
10 nights	27,757	23,038	4,719
11 nights	5,470	4,540	930
12 nights	1,386	1,151	236
13 nights	24,959	20,716	4,243
14 nights	91,778	76,176	15,602
15 nights	19,826	16,456	3,370
16 nights	24,218	20,101	4,117
17 nights	17,790	14,766	3,024
18 nights	12,301	10,210	2,091
19 nights	6,552	5,438	1,114
20 nights	8,587	7,127	1,460
21 nights	3,826	3,176	650
31 nights	1,867	1,550	317
35 nights	1,867	1,550	317

	Total	Adults	Minors
Passengers w/o passport by market	133,960	111,187	22,773
1 night	1,404	1,165	239
2 nights	3,100	2,573	527
3 nights	2,879	2,390	489
4 nights	221	184	38
5 nights	1,106	918	188
6 nights	66,447	55,151	11,296
7 nights	30,124	25,003	5,121
9 nights	3,860	3,204	656
10 nights	2,776	2,304	472
11 nights	547	454	93
12 nights	139	115	24
13 nights	2,496	2,072	424
14 nights	9,178	7,618	1,560
15 nights	1,983	1,646	337
16 nights	2,422	2,010	412
17 nights	1,779	1,477	302
18 nights	1,230	1,021	209
19 nights	655	544	111
20 nights	859	713	146
21 nights	383	318	65
31 nights	187	155	32
35 nights	187	155	32

	Total	Adults	Minors
Passengers who forgo cruise	-16,610	-14,035	-2,575
1 night	-433	-366	-67
2 nights	-759	-641	-118
3 nights	-584	-493	-91
4 nights	-38	-32	-6
5 nights	-167	-141	-26
6 nights	-8,901	-7,521	-1,380
7 nights	-3,625	-3,063	-562
9 nights	-386	-326	-60
10 nights	-256	-216	-40
11 nights	-47	-40	-7
12 nights	-11	-9	-2
13 nights	-187	-158	-29
14 nights	-645	-545	-100
15 nights	-132	-111	-20
16 nights	-152	-129	-24
17 nights	-106	-90	-16
18 nights	-70	-59	-11
19 nights	-36	-30	-6
20 nights	-45	-38	-7
21 nights	-19	-16	-3
31 nights	-7	-6	-1
35 nights	-6	-5	-1

	Total	Adults	Minors
Passports demanded	117,350	97,152	20,198
1 night	971	799	172
2 nights	2,341	1,932	409
3 nights	2,295	1,896	399
4 nights	183	151	32
5 nights	939	777	162
6 nights	57,546	47,630	9,916
7 nights	26,499	21,940	4,559
9 nights	3,474	2,878	596
10 nights	2,520	2,088	432
11 nights	500	415	86
12 nights	128	106	22
13 nights	2,309	1,914	395
14 nights	8,533	7,072	1,460
15 nights	1,851	1,534	317
16 nights	2,270	1,882	388
17 nights	1,673	1,387	286
18 nights	1,160	962	198
19 nights	620	514	106
20 nights	814	675	139
21 nights	364	301	62
31 nights	180	149	31
35 nights	181	150	31

	Total	Adults	Minors
Cost of passports demanded	$16,596,425	$13,990,709	$2,605,716

Expedited passports (20% of total)	Total	Adults	Minors
Passports	23,470	19,430	4,040
Expedited costs	$1,408,201	$1,165,825	$242,377

TOTALS 2016

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-16,610	-14,035	-2,575
Passports demanded	117,350	97,152	20,198
Cost of passports demanded	$18,004,627	$15,156,534	$2,848,092

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-14,035	-14,035	0
Passports demanded	97,152	97,152	-
Cost of passports demanded	$15,156,534	$15,156,534	$0

Cost for passport books
2017 estimates

	Total	Adults	Minors
Travelers	1,419,979	1,178,583	241,396

Percent of passengers arriving by air	100%
Percent of passengers arriving by other	0%
Percent of passengers who are adult	83%
Percent of passengers who are minor	17%
Cost of adult passport	$144
Cost of minor passport	$129
Percent of passengers w/o passports	
1-5 night cruise	10%
6-8 night cruise	10%
9-17 night cruise	10%
18+ night cruise	10%

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	14,882	14,882	-
2 nights	32,860	32,860	-
3 nights	30,520	30,520	-
4 nights	2,344	2,344	-
5 nights	11,721	11,721	-
6 nights	704,343	704,343	-
7 nights	319,317	319,317	-
9 nights	40,915	40,915	-
10 nights	29,423	29,423	-
11 nights	5,799	5,799	-
12 nights	1,470	1,470	-
13 nights	26,456	26,456	-
14 nights	97,285	97,285	-
15 nights	21,016	21,016	-
16 nights	25,671	25,671	-
17 nights	18,858	18,858	-
18 nights	13,039	13,039	-
19 nights	6,945	6,945	-
20 nights	9,102	9,102	-
21 nights	4,055	4,055	-
31 nights	1,979	1,979	-
35 nights	1,979	1,979	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,419,979	1,178,583	241,396
1 night	14,882	12,352	2,530
2 nights	32,860	27,274	5,586
3 nights	30,520	25,331	5,188
4 nights	2,344	1,946	399
5 nights	11,721	9,728	1,993
6 nights	704,343	584,605	119,738
7 nights	319,317	265,034	54,284
9 nights	40,915	33,960	6,956
10 nights	29,423	24,421	5,002
11 nights	5,799	4,813	986
12 nights	1,470	1,220	250
13 nights	26,456	21,959	4,498
14 nights	97,285	80,747	16,538
15 nights	21,016	17,443	3,573
16 nights	25,671	21,307	4,364
17 nights	18,858	15,652	3,206
18 nights	13,039	10,822	2,217
19 nights	6,945	5,764	1,181
20 nights	9,102	7,555	1,547
21 nights	4,055	3,366	689
31 nights	1,979	1,643	336
35 nights	1,979	1,643	336

	Total	Adults	Minors
Passengers w/o passport by market	141,998	117,858	24,140
1 night	1,488	1,235	253
2 nights	3,286	2,727	559
3 nights	3,052	2,533	519
4 nights	234	195	40
5 nights	1,172	973	199
6 nights	70,434	58,460	11,974
7 nights	31,932	26,503	5,428
9 nights	4,092	3,396	696
10 nights	2,942	2,442	500
11 nights	580	481	99
12 nights	147	122	25
13 nights	2,646	2,196	450
14 nights	9,729	8,075	1,654
15 nights	2,102	1,744	357
16 nights	2,567	2,131	436
17 nights	1,886	1,565	321
18 nights	1,304	1,082	222
19 nights	694	576	118
20 nights	910	755	155
21 nights	406	337	69
31 nights	198	164	34
35 nights	198	164	34

	Total	Adults	Minors
Passengers who forgo cruise	-17,607	-14,877	-2,730
1 night	-459	-388	-71
2 nights	-804	-680	-125
3 nights	-619	-523	-96
4 nights	-41	-34	-6
5 nights	-177	-150	-27
6 nights	-9,435	-7,972	-1,463
7 nights	-3,843	-3,247	-596
9 nights	-409	-346	-63
10 nights	-271	-229	-42
11 nights	-50	-42	-8
12 nights	-12	-10	-2
13 nights	-198	-167	-31
14 nights	-684	-578	-106
15 nights	-139	-118	-22
16 nights	-161	-136	-25
17 nights	-113	-95	-17
18 nights	-74	-63	-11
19 nights	-38	-32	-6
20 nights	-47	-40	-7
21 nights	-20	-17	-3
31 nights	-7	-6	-1
35 nights	-6	-5	-1

	Total	Adults	Minors
Passports demanded	124,391	102,981	21,410
1 night	1,029	847	182
2 nights	2,482	2,048	434
3 nights	2,433	2,010	423
4 nights	194	160	34
5 nights	995	823	172
6 nights	60,999	50,488	10,511
7 nights	28,089	23,256	4,833
9 nights	3,682	3,050	632
10 nights	2,671	2,213	458
11 nights	530	439	91
12 nights	135	112	23
13 nights	2,448	2,029	419
14 nights	9,045	7,497	1,548
15 nights	1,962	1,626	336
16 nights	2,406	1,994	411
17 nights	1,773	1,470	303
18 nights	1,230	1,020	210
19 nights	657	545	112
20 nights	863	716	147
21 nights	385	320	66
31 nights	191	158	33
35 nights	192	159	33

	Total	Adults	Minors
Cost of passports demanded	$17,592,211	$14,830,152	$2,762,059

Expedited passports (20% of total)	Total	Adults	Minors
Passports	24,878	20,596	4,282
Expedited costs	$1,492,694	$1,235,774	$256,919

TOTALS 2017

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-17,607	-14,877	-2,730
Passports demanded	124,391	102,981	21,410
Cost of passports demanded	$19,084,904	$16,065,926	$3,018,978

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-14,877	-14,877	0
Passports demanded	102,981	102,981	-
Cost of passports demanded	$16,065,926	$16,065,926	$0

Cost for passport books
2018 estimates

	Total	Adults	Minors
Travelers	1,505,178	1,249,298	255,880

Percent of passengers arriving by air	100%
Percent of passengers arriving by other	0%
Percent of passengers who are adult	83%
Percent of passengers who are minor	17%
Cost of adult passport	$144
Cost of minor passport	$129
Percent of passengers w/o passports	
1-5 night cruise	10%
6-8 night cruise	10%
9-17 night cruise	10%
18+ night cruise	10%

Passengers per trip length	Total	w/airfare	w/o airfare
1 night	15,775	15,775	-
2 nights	34,832	34,832	-
3 nights	32,351	32,351	-
4 nights	2,485	2,485	-
5 nights	12,424	12,424	-
6 nights	746,604	746,604	-
7 nights	338,477	338,477	-
9 nights	43,370	43,370	-
10 nights	31,188	31,188	-
11 nights	6,147	6,147	-
12 nights	1,558	1,558	-
13 nights	28,043	28,043	-
14 nights	103,122	103,122	-
15 nights	22,277	22,277	-
16 nights	27,211	27,211	-
17 nights	19,989	19,989	-
18 nights	13,821	13,821	-
19 nights	7,361	7,361	-
20 nights	9,648	9,648	-
21 nights	4,299	4,299	-
31 nights	2,098	2,098	-
35 nights	2,098	2,098	-

Cost per passenger per cruise	w/airfare	w/o airfare
1 night	$917	$369
2 nights	1,156	608
3 nights	1,395	847
4 nights	1,634	1,086
5 nights	1,873	1,325
6 nights	2,112	1,564
7 nights	2,351	1,803
9 nights	2,829	2,281
10 nights	3,068	2,520
11 nights	3,307	2,759
12 nights	3,546	2,998
13 nights	3,785	3,237
14 nights	4,024	3,476
15 nights	4,263	3,715
16 nights	4,502	3,954
17 nights	4,741	4,193
18 nights	4,980	4,432
19 nights	5,219	4,671
20 nights	5,458	4,910
21 nights	5,697	5,149
31 nights	8,087	7,539
35 nights	9,043	8,495

Passport as percent of trip cost (adult)	w/airfare	w/o airfare
1 night	15.7%	39.0%
2 nights	12.5%	23.7%
3 nights	10.3%	17.0%
4 nights	8.8%	13.3%
5 nights	7.7%	10.9%
6 nights	6.8%	9.2%
7 nights	6.1%	8.0%
9 nights	5.1%	6.3%
10 nights	4.7%	5.7%
11 nights	4.4%	5.2%
12 nights	4.1%	4.8%
13 nights	3.8%	4.4%
14 nights	3.6%	4.1%
15 nights	3.4%	3.9%
16 nights	3.2%	3.6%
17 nights	3.0%	3.4%
18 nights	2.9%	3.2%
19 nights	2.8%	3.1%
20 nights	2.6%	2.9%
21 nights	2.5%	2.8%
31 nights	1.8%	1.9%
35 nights	1.6%	1.7%

Passport as percent of trip cost (minor)	w/airfare	w/o airfare
1 night	14.1%	35.0%
2 nights	11.2%	21.2%
3 nights	9.2%	15.2%
4 nights	7.9%	11.9%
5 nights	6.9%	9.7%
6 nights	6.1%	8.2%
7 nights	5.5%	7.2%
9 nights	4.6%	5.7%
10 nights	4.2%	5.1%
11 nights	3.9%	4.7%
12 nights	3.6%	4.3%
13 nights	3.4%	4.0%
14 nights	3.2%	3.7%
15 nights	3.0%	3.5%
16 nights	2.9%	3.3%
17 nights	2.7%	3.1%
18 nights	2.6%	2.9%
19 nights	2.5%	2.8%
20 nights	2.4%	2.6%
21 nights	2.3%	2.5%
31 nights	1.6%	1.7%
35 nights	1.4%	1.5%

Price elasticities of demand

w/airfare	-2.00
w/o airfare	-2.00

Decrease in demand (adult)	w/airfare	w/o airfare
1 night	-31.4%	-78.1%
2 nights	-24.9%	-47.4%
3 nights	-20.6%	-34.0%
4 nights	-17.6%	-26.5%
5 nights	-15.4%	-21.7%
6 nights	-13.6%	-18.4%
7 nights	-12.3%	-16.0%
9 nights	-10.2%	-12.6%
10 nights	-9.4%	-11.4%
11 nights	-8.7%	-10.4%
12 nights	-8.1%	-9.6%
13 nights	-7.6%	-8.9%
14 nights	-7.2%	-8.3%
15 nights	-6.8%	-7.8%
16 nights	-6.4%	-7.3%
17 nights	-6.1%	-6.9%
18 nights	-5.8%	-6.5%
19 nights	-5.5%	-6.2%
20 nights	-5.3%	-5.9%
21 nights	-5.1%	-5.6%
31 nights	-3.6%	-3.8%
35 nights	-3.2%	-3.4%

Decrease in demand (minor)	w/airfare	w/o airfare
1 night	-28.1%	-69.9%
2 nights	-22.3%	-42.4%
3 nights	-18.5%	-30.5%
4 nights	-15.8%	-23.8%
5 nights	-13.8%	-19.5%
6 nights	-12.2%	-16.5%
7 nights	-11.0%	-14.3%
9 nights	-9.1%	-11.3%
10 nights	-8.4%	-10.2%
11 nights	-7.8%	-9.4%
12 nights	-7.3%	-8.6%
13 nights	-6.8%	-8.0%
14 nights	-6.4%	-7.4%
15 nights	-6.1%	-6.9%
16 nights	-5.7%	-6.5%
17 nights	-5.4%	-6.2%
18 nights	-5.2%	-5.8%
19 nights	-4.9%	-5.5%
20 nights	-4.7%	-5.3%
21 nights	-4.5%	-5.0%
31 nights	-3.2%	-3.4%
35 nights	-2.9%	-3.0%

Cruise passengers arriving by air

	Total	Adults	Minors
Passengers by market	1,505,178	1,249,298	255,880
1 night	15,775	13,093	2,682
2 nights	34,832	28,911	5,921
3 nights	32,351	26,851	5,500
4 nights	2,485	2,062	422
5 nights	12,424	10,312	2,112
6 nights	746,604	619,681	126,923
7 nights	338,477	280,936	57,541
9 nights	43,370	35,997	7,373
10 nights	31,188	25,886	5,302
11 nights	6,147	5,102	1,045
12 nights	1,558	1,293	265
13 nights	28,043	23,276	4,767
14 nights	103,122	85,591	17,531
15 nights	22,277	18,490	3,787
16 nights	27,211	22,586	4,626
17 nights	19,989	16,591	3,398
18 nights	13,821	11,472	2,350
19 nights	7,361	6,110	1,251
20 nights	9,648	8,008	1,640
21 nights	4,299	3,568	731
31 nights	2,098	1,741	357
35 nights	2,098	1,741	357

	Total	Adults	Minors
Passengers w/o passport by market	150,518	124,930	25,588
1 night	1,578	1,309	268
2 nights	3,483	2,891	592
3 nights	3,235	2,685	550
4 nights	248	206	42
5 nights	1,242	1,031	211
6 nights	74,660	61,968	12,692
7 nights	33,848	28,094	5,754
9 nights	4,337	3,600	737
10 nights	3,119	2,589	530
11 nights	615	510	104
12 nights	156	129	26
13 nights	2,804	2,328	477
14 nights	10,312	8,559	1,753
15 nights	2,228	1,849	379
16 nights	2,721	2,259	463
17 nights	1,999	1,659	340
18 nights	1,382	1,147	235
19 nights	736	611	125
20 nights	965	801	164
21 nights	430	357	73
31 nights	210	174	36
35 nights	210	174	36

	Total	Adults	Minors
Passengers who forgo cruise	-18,663	-15,770	-2,894
1 night	-487	-411	-75
2 nights	-852	-720	-132
3 nights	-656	-554	-102
4 nights	-43	-36	-7
5 nights	-188	-159	-29
6 nights	-10,001	-8,451	-1,551
7 nights	-4,073	-3,442	-631
9 nights	-434	-366	-67
10 nights	-288	-243	-45
11 nights	-53	-44	-8
12 nights	-12	-11	-2
13 nights	-210	-177	-32
14 nights	-725	-613	-112
15 nights	-148	-125	-23
16 nights	-171	-144	-27
17 nights	-119	-101	-18
18 nights	-79	-66	-12
19 nights	-40	-34	-6
20 nights	-50	-42	-8
21 nights	-21	-18	-3
31 nights	-7	-6	-1
35 nights	-7	-6	-1

	Total	Adults	Minors
Passports demanded	131,855	109,160	22,695
1 night	1,091	898	193
2 nights	2,631	2,171	460
3 nights	2,579	2,131	448
4 nights	205	170	36
5 nights	1,055	873	182
6 nights	64,659	53,517	11,142
7 nights	29,774	24,652	5,123
9 nights	3,903	3,233	670
10 nights	2,831	2,346	486
11 nights	562	466	96
12 nights	143	119	25
13 nights	2,595	2,150	444
14 nights	9,587	7,947	1,641
15 nights	2,080	1,724	356
16 nights	2,550	2,114	436
17 nights	1,880	1,558	321
18 nights	1,304	1,081	223
19 nights	696	577	119
20 nights	915	759	156
21 nights	409	339	70
31 nights	202	168	35
35 nights	203	169	35

	Total	Adults	Minors
Cost of passports demanded	$18,647,743	$15,719,961	$2,927,782

Expedited passports (20% of total)	Total	Adults	Minors
Passports	26,371	21,832	4,539
Expedited costs	$1,582,255	$1,309,921	$272,334

TOTALS 2018

Including minors

	Total	Adults	Minors
Passengers who may forgo cruise	-18,663	-15,770	-2,894
Passports demanded	131,855	109,160	22,695
Cost of passports demanded	$20,229,999	$17,029,882	$3,200,117

Excluding minors

	Total	Adults	Minors
Passengers who may forgo cruise	-15,770	-15,770	0
Passports demanded	109,160	109,160	-
Cost of passports demanded	$17,029,882	$17,029,882	$0

Summary of passport costs
2005-2018

	Travelers	Adults	Minors
2005	705,686	585,720	119,967
2006	748,027	620,863	127,165
2007	792,909	658,114	134,795
2008	840,484	697,601	142,882
2009	890,913	739,457	151,455
2010	944,367	783,825	160,542
2011	1,001,029	830,854	170,175
2012	1,061,091	880,706	180,385
2013	1,124,757	933,548	191,209
2014	1,192,242	989,561	202,681
2015	1,263,776	1,048,934	214,842
2016	1,339,603	1,111,871	227,733
2017	1,419,979	1,178,583	241,396
2018	1,505,178	1,249,298	255,880

Including minors

	Passports demanded		
	Total	Adults	Minors
2005	361,569	299,317	62,251
2006	317,538	262,864	54,674
2007	266,923	220,959	45,964
2008	208,429	172,529	35,900
2009	86,995	72,001	14,994
2010	82,727	68,488	14,239
2011	87,691	72,598	15,093
2012	92,952	76,954	15,999
2013	98,529	81,571	16,959
2014	104,441	86,465	17,976
2015	110,708	91,653	19,055
2016	117,350	97,152	20,198
2017	124,391	102,981	21,410
2018	131,855	109,160	22,695

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-51,324	-43,383	-7,941
2006	-45,325	-38,313	-7,012
2007	-38,422	-32,477	-5,944
2008	-31,188	-26,353	-4,835
2009	-13,682	-11,561	-2,121
2010	-11,710	-9,894	-1,815
2011	-12,412	-10,488	-1,924
2012	-13,157	-11,117	-2,040
2013	-13,946	-11,784	-2,162
2014	-14,783	-12,491	-2,292
2015	-15,670	-13,241	-2,429
2016	-16,610	-14,035	-2,575
2017	-17,607	-14,877	-2,730
2018	-18,663	-15,770	-2,894

	Passport costs (undiscounted)		
	Total	Adults	Minors
2005	$54,389,240	$45,798,054	$8,591,186
2006	47,765,893	40,220,375	7,545,517
2007	40,151,942	33,808,501	6,343,441
2008	31,978,130	26,915,998	5,062,132
2009	13,347,017	11,232,761	2,114,256
2010	12,692,551	10,684,759	2,007,793
2011	13,454,105	11,325,844	2,128,260
2012	14,261,351	12,005,395	2,255,956
2013	15,117,032	12,725,719	2,391,313
2014	16,024,054	13,489,262	2,534,792
2015	16,985,497	14,298,617	2,686,880
2016	18,004,627	15,156,534	2,848,092
2017	19,084,904	16,065,926	3,018,978
2018	20,229,999	17,029,882	3,200,117

Excluding minors

	Passports demanded		
	Total	Adults	Minors
2005	299,317	299,317	-
2006	262,864	262,864	-
2007	220,959	220,959	-
2008	172,529	172,529	-
2009	72,001	72,001	-
2010	68,488	68,488	-
2011	72,598	72,598	-
2012	76,954	76,954	-
2013	81,571	81,571	-
2014	86,465	86,465	-
2015	91,653	91,653	-
2016	97,152	97,152	-
2017	102,981	102,981	-
2018	109,160	109,160	-

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-43,383	-43,383	0
2006	-38,313	-38,313	0
2007	-32,477	-32,477	0
2008	-26,353	-26,353	0
2009	-11,561	-11,561	0
2010	-9,894	-9,894	0
2011	-10,488	-10,488	0
2012	-11,117	-11,117	0
2013	-11,784	-11,784	0
2014	-12,491	-12,491	0
2015	-13,241	-13,241	0
2016	-14,035	-14,035	0
2017	-14,877	-14,877	0
2018	-15,770	-15,770	0

	Passport costs (undiscounted)		
	Total	Adults	Minors
2005	$45,798,054	$45,798,054	$0
2006	40,220,375	40,220,375	-
2007	33,808,501	33,808,501	-
2008	26,915,998	26,915,998	-
2009	11,232,761	11,232,761	-
2010	10,684,759	10,684,759	-
2011	11,325,844	11,325,844	-
2012	12,005,395	12,005,395	-
2013	12,725,719	12,725,719	-
2014	13,489,262	13,489,262	-
2015	14,298,617	14,298,617	-
2016	15,156,534	15,156,534	-
2017	16,065,926	16,065,926	-
2018	17,029,882	17,029,882	-

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$54,389,240	$45,798,054	$8,591,186
2006	44,641,021	37,589,136	7,051,885
2007	35,070,261	29,529,654	5,540,607
2008	26,103,680	21,971,472	4,132,207
2009	10,182,375	8,569,420	1,612,955
2010	9,049,614	7,618,085	1,431,528
2011	8,965,038	7,546,888	1,418,150
2012	8,881,253	7,476,357	1,404,896
2013	8,798,250	7,406,484	1,391,766
2014	8,716,024	7,337,265	1,378,759
2015	8,634,565	7,268,692	1,365,873
2016	8,553,868	7,200,760	1,353,108
2017	8,473,926	7,133,463	1,340,462
2018	8,394,730	7,066,796	1,327,935
Total	$248,853,845	$209,512,526	$39,341,318

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$45,798,054	$45,798,054	$0
2006	37,589,136	37,589,136	-
2007	29,529,654	29,529,654	-
2008	21,971,472	21,971,472	-
2009	8,569,420	8,569,420	-
2010	7,618,085	7,618,085	-
2011	7,546,888	7,546,888	-
2012	7,476,357	7,476,357	-
2013	7,406,484	7,406,484	-
2014	7,337,265	7,337,265	-
2015	7,268,692	7,268,692	-
2016	7,200,760	7,200,760	-
2017	7,133,463	7,133,463	-
2018	7,066,796	7,066,796	-
Total	$209,512,526	$209,512,526	$0

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$54,389,240	$45,798,054	$8,591,186
2006	46,374,653	39,048,908	7,325,745
2007	37,847,056	31,867,755	5,979,301
2008	29,264,519	24,631,951	4,632,568
2009	11,858,651	9,980,163	1,878,489
2010	10,948,706	9,216,767	1,731,940
2011	11,267,601	9,485,216	1,782,384
2012	11,595,783	9,761,485	1,834,299
2013	11,933,525	10,045,800	1,887,725
2014	12,281,103	10,338,396	1,942,707
2015	12,638,805	10,639,514	1,999,291
2016	13,006,925	10,949,403	2,057,523
2017	13,385,768	11,268,318	2,117,450
2018	13,775,645	11,596,521	2,179,124
Total	$290,567,981	$244,628,250	$45,939,730

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$45,798,054	$45,798,054	$0
2006	39,048,908	39,048,908	-
2007	31,867,755	31,867,755	-
2008	24,631,951	24,631,951	-
2009	9,980,163	9,980,163	-
2010	9,216,767	9,216,767	-
2011	9,485,216	9,485,216	-
2012	9,761,485	9,761,485	-
2013	10,045,800	10,045,800	-
2014	10,338,396	10,338,396	-
2015	10,639,514	10,639,514	-
2016	10,949,403	10,949,403	-
2017	11,268,318	11,268,318	-
2018	11,596,521	11,596,521	-
Total	$244,628,250	$244,628,250	$0

Annualized cost (7% discount rate)		
$26,593,624	$22,389,436	$4,204,188
Annualized cost (3% discount rate)		
$24,973,708	$21,025,285	$3,948,423

Annualized cost (7% discount rate)		
$22,389,436	$22,389,436	$0
Annualized cost (3% discount rate)		
$21,025,285	$21,025,285	$0

Summary of total welfare losses
2005-2018

Total covered

	Travelers	Adults	Minors
2005	705,686	585,720	119,967
2006	748,027	620,863	127,165
2007	792,909	658,114	134,795
2008	840,484	697,601	142,882
2009	890,913	739,457	151,455
2010	944,367	783,825	160,542
2011	1,001,029	830,854	170,175
2012	1,061,091	880,706	180,385
2013	1,124,757	933,548	191,209
2014	1,192,242	989,561	202,681
2015	1,263,776	1,048,934	214,842
2016	1,339,603	1,111,871	227,733
2017	1,419,979	1,178,583	241,396
2018	1,505,178	1,249,298	255,880

Including minors

Total affected

	Travelers	Adults	Minors
2005	412,893	342,701	70,192
2006	362,863	301,177	61,687
2007	305,344	253,436	51,909
2008	239,617	198,882	40,735
2009	100,677	83,562	17,115
2010	94,437	78,382	16,054
2011	100,103	83,085	17,017
2012	106,109	88,071	18,039
2013	112,476	93,355	19,121
2014	119,224	98,956	20,268
2015	126,378	104,893	21,484
2016	133,960	111,187	22,773
2017	141,998	117,858	24,140
2018	150,518	124,930	25,588

	Passports obtained		
	Total	Adults	Minors
2005	361,569	299,317	62,251
2006	317,538	262,864	54,674
2007	266,923	220,959	45,964
2008	208,429	172,529	35,900
2009	86,995	72,001	14,994
2010	82,727	68,488	14,239
2011	87,691	72,598	15,093
2012	92,952	76,954	15,999
2013	98,529	81,571	16,959
2014	104,441	86,465	17,976
2015	110,708	91,653	19,055
2016	117,350	97,152	20,198
2017	124,391	102,981	21,410
2018	131,855	109,160	22,695

	Passports forgone		
	Total	Adults	Minors
2005	51,324	43,383	7,941
2006	45,325	38,313	7,012
2007	38,422	32,477	5,944
2008	31,188	26,353	4,835
2009	13,682	11,561	2,121
2010	11,710	9,894	1,815
2011	12,412	10,488	1,924
2012	13,157	11,117	2,040
2013	13,946	11,784	2,162
2014	14,783	12,491	2,292
2015	15,670	13,241	2,429
2016	16,610	14,035	2,575
2017	17,607	14,877	2,730
2018	18,663	15,770	2,894

Excluding minors

Total affected

	Travelers	Adults	Minors
2005	342,701	342,701	-
2006	301,177	301,177	-
2007	253,436	253,436	-
2008	198,882	198,882	-
2009	83,562	83,562	-
2010	78,382	78,382	-
2011	83,085	83,085	-
2012	88,071	88,071	-
2013	93,355	93,355	-
2014	98,956	98,956	-
2015	104,893	104,893	-
2016	111,187	111,187	-
2017	117,858	117,858	-
2018	124,930	124,930	-

	Passports obtained		
	Total	Adults	Minors
2005	299,317	299,317	-
2006	262,864	262,864	-
2007	220,959	220,959	-
2008	172,529	172,529	-
2009	72,001	72,001	-
2010	68,488	68,488	-
2011	72,598	72,598	-
2012	76,954	76,954	-
2013	81,571	81,571	-
2014	86,465	86,465	-
2015	91,653	91,653	-
2016	97,152	97,152	-
2017	102,981	102,981	-
2018	109,160	109,160	-

	Passports forgone		
	Total	Adults	Minors
2005	43,383	43,383	-
2006	38,313	38,313	-
2007	32,477	32,477	-
2008	26,353	26,353	-
2009	11,561	11,561	-
2010	9,894	9,894	-
2011	10,488	10,488	-
2012	11,117	11,117	-
2013	11,784	11,784	-
2014	12,491	12,491	-
2015	13,241	13,241	-
2016	14,035	14,035	-
2017	14,877	14,877	-
2018	15,770	15,770	-

Welfare losses for passports forgone

	Total	Adults	Minors
2005	$3,559,002	$3,058,716	$500,287
2006	3,143,016	2,701,204	441,812
2007	2,664,299	2,289,780	374,519
2008	2,162,611	1,857,966	304,644
2009	948,714	815,070	133,644
2010	811,954	697,575	114,379
2011	860,672	739,430	121,242
2012	912,312	783,796	128,516
2013	967,051	830,823	136,227
2014	1,025,074	880,673	144,401
2015	1,086,578	933,513	153,065
2016	1,151,773	989,524	162,249
2017	1,220,879	1,048,895	171,984
2018	1,294,132	1,111,829	182,303

Welfare losses for passports forgone

	Total	Adults	Minors
2005	$3,058,716	$3,058,716	$0
2006	2,701,204	2,701,204	-
2007	2,289,780	2,289,780	-
2008	1,857,966	1,857,966	-
2009	815,070	815,070	-
2010	697,575	697,575	-
2011	739,430	739,430	-
2012	783,796	783,796	-
2013	830,823	830,823	-
2014	880,673	880,673	-
2015	933,513	933,513	-
2016	989,524	989,524	-
2017	1,048,895	1,048,895	-
2018	1,111,829	1,111,829	-

Total losses (undiscounted)

	Total	Adults	Minors
2005	$57,948,242	$48,856,770	$9,091,472
2006	50,908,909	42,921,579	7,987,329
2007	42,816,241	36,098,281	6,717,960
2008	34,140,741	28,773,965	5,366,776
2009	14,295,731	12,047,831	2,247,900
2010	13,504,506	11,382,334	2,122,172
2011	14,314,776	12,065,274	2,249,502
2012	15,173,663	12,789,190	2,384,472
2013	16,084,082	13,556,542	2,527,541
2014	17,049,127	14,369,934	2,679,193
2015	18,072,075	15,232,130	2,839,945
2016	19,156,400	16,146,058	3,010,341
2017	20,305,784	17,114,822	3,190,962
2018	21,524,131	18,141,711	3,382,419

Total losses (undiscounted)

	Total	Adults	Minors
2005	$48,856,770	$48,856,770	$0
2006	42,921,579	42,921,579	-
2007	36,098,281	36,098,281	-
2008	28,773,965	28,773,965	-
2009	12,047,831	12,047,831	-
2010	11,382,334	11,382,334	-
2011	12,065,274	12,065,274	-
2012	12,789,190	12,789,190	-
2013	13,556,542	13,556,542	-
2014	14,369,934	14,369,934	-
2015	15,232,130	15,232,130	-
2016	16,146,058	16,146,058	-
2017	17,114,822	17,114,822	-
2018	18,141,711	18,141,711	-

Costs (7% discount rate)

	Total	Adults	Minors
2005	$57,948,242	$48,856,770	$9,091,472
2006	47,578,419	40,113,626	7,464,794
2007	37,397,363	31,529,637	5,867,726
2008	27,869,014	23,488,126	4,380,888
2009	10,906,145	9,191,233	1,714,912
2010	9,628,526	8,115,447	1,513,079
2011	9,538,540	8,039,602	1,498,938
2012	9,449,395	7,964,465	1,484,929
2013	9,361,082	7,890,031	1,471,052
2014	9,273,596	7,816,292	1,457,303
2015	9,186,927	7,743,243	1,443,684
2016	9,101,067	7,670,876	1,430,191
2017	9,016,011	7,599,186	1,416,825
2018	8,931,749	7,528,165	1,403,584
Total	$265,186,076	$223,546,697	$41,639,378

Costs (7% discount rate)

	Total	Adults	Minors
2005	$48,856,770	$48,856,770	$0
2006	40,113,626	40,113,626	-
2007	31,529,637	31,529,637	-
2008	23,488,126	23,488,126	-
2009	9,191,233	9,191,233	-
2010	8,115,447	8,115,447	-
2011	8,039,602	8,039,602	-
2012	7,964,465	7,964,465	-
2013	7,890,031	7,890,031	-
2014	7,816,292	7,816,292	-
2015	7,743,243	7,743,243	-
2016	7,670,876	7,670,876	-
2017	7,599,186	7,599,186	-
2018	7,528,165	7,528,165	-
Total	$223,546,697	$223,546,697	$0

Costs (3% discount rate)

	Total	Adults	Minors
2005	$57,948,242	$48,856,770	$9,091,472
2006	49,426,125	41,671,436	7,754,689
2007	40,358,414	34,026,092	6,332,321
2008	31,243,614	26,332,254	4,911,360
2009	12,701,572	10,704,342	1,997,230
2010	11,649,105	9,818,501	1,830,604
2011	11,988,400	10,104,477	1,883,923
2012	12,337,576	10,398,782	1,938,794
2013	12,696,923	10,701,659	1,995,264
2014	13,066,737	11,013,358	2,053,378
2015	13,447,321	11,334,136	2,113,185
2016	13,838,991	11,664,256	2,174,735
2017	14,242,068	12,003,992	2,238,076
2018	14,656,886	12,353,622	2,303,263
Total	$294,945,088	$260,983,678	$48,618,295

Costs (3% discount rate)

	Total	Adults	Minors
2005	$48,856,770	$48,856,770	$0
2006	41,671,436	41,671,436	-
2007	34,026,092	34,026,092	-
2008	26,332,254	26,332,254	-
2009	10,704,342	10,704,342	-
2010	9,818,501	9,818,501	-
2011	10,104,477	10,104,477	-
2012	10,398,782	10,398,782	-
2013	10,701,659	10,701,659	-
2014	11,013,358	11,013,358	-
2015	11,334,136	11,334,136	-
2016	11,664,256	11,664,256	-
2017	12,003,992	12,003,992	-
2018	12,353,622	12,353,622	-
Total	$260,983,678	$260,983,678	$0

Annualized cost (7% discount rate)	$28,338,958	$23,889,190	$4,449,768
Annualized cost (3% discount rate)	$26,609,640	$22,431,000	$4,178,640

Annualized cost (7% discount rate)	$23,889,190	$23,889,190	$0
Annualized cost (3% discount rate)	$22,431,000	$22,431,000	$0

Total welfare losses 2005-2018

Appendix C:

Costs of the Final Rule—Sensitivity Analysis: Passport Cards

The following analysis examines the cost of the rule if affected US cruise passengers obtained passport cards rather than traditional passport books. As stated in the primary analysis, we believe that affected US cruise passengers will obtain passport books rather than passport cards due to the nature of their travel. Tables 1 and 2 summarize the costs and welfare losses if affected US cruise passengers instead obtained passport cards (once available in 2008) to continue cruise travel in the Western Hemisphere.

Table 1. Total passport and passport card costs for affected US cruise travelers (2005–2018, in millions)

	Covered adult US cruisers	Affected adult US cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	0.59	0.34	-0.04	0.30	$45.80	$45.80	$45.80
2006	0.62	0.30	-0.04	0.26	40.22	37.59	39.05
2007	0.66	0.19	-0.03	0.22	33.81	29.53	31.87
2008	0.70	0.13	-0.02	0.18	18.44	15.06	16.88
2009	0.74	0.08	-0.01	0.08	7.72	5.89	6.86
2010	0.79	0.08	-0.01	0.07	7.30	5.20	6.30
2011	0.83	0.08	-0.01	0.08	7.74	5.16	6.48
2012	0.88	0.09	-0.01	0.08	8.20	5.11	6.67
2013	0.94	0.09	-0.01	0.09	8.69	5.06	6.86
2014	0.99	0.10	-0.01	0.09	9.22	5.01	7.06
2015	1.05	0.10	-0.01	0.10	9.77	4.97	7.27
2016	1.11	0.11	-0.01	0.10	10.35	4.92	7.48
2017	1.18	0.12	-0.01	0.11	10.98	4.87	7.70
2018	1.25	0.12	-0.01	0.12	11.63	4.83	7.92
Total						$179.00	$204.20
Annualized cost						$19.13	$17.55

Table 2. Total losses (2005–2018, in millions)

	Passport costs (un-discounted)	Passports/ cards forgone	Welfare losses (un-discounted)	Total losses (un-discounted)	Total losses (7%)	Total losses (3%)
2005	$45.80	0.04	$3.06	$48.86	$48.86	$48.86
2006	40.22	0.04	2.70	42.92	40.11	41.67
2007	33.81	0.03	2.29	36.10	31.53	34.03
2008	18.44	0.02	1.15	19.59	15.99	17.93
2009	7.72	0.01	0.32	8.04	6.13	7.14
2010	7.30	0.01	0.27	7.57	5.40	6.53
2011	7.74	0.01	0.29	8.03	5.35	6.72
2012	8.20	0.01	0.31	8.51	5.30	6.92
2013	8.69	0.01	0.32	9.02	5.25	7.12
2014	9.22	0.01	0.34	9.56	5.20	7.33
2015	9.77	0.01	0.36	10.13	5.15	7.54
2016	10.35	0.01	0.39	10.74	5.10	7.76
2017	10.98	0.01	0.41	11.39	5.06	7.99
2018	11.63	0.01	0.43	12.07	5.01	8.22
Total					$189.44	$215.76
Annualized welfare losses					$20.24	$18.54

Summary of passport and passport card costs
2005-2018

	Travelers	Adults	Minors
2005	705,686	585,720	119,967
2006	748,027	620,863	127,165
2007	792,909	658,114	134,795
2008	840,484	697,601	142,882
2009	890,913	739,457	151,455
2010	944,367	783,825	160,542
2011	1,001,029	830,854	170,175
2012	1,061,091	880,706	180,385
2013	1,124,757	933,548	191,209
2014	1,192,242	989,561	202,681
2015	1,263,776	1,048,934	214,842
2016	1,339,603	1,111,871	227,733
2017	1,419,979	1,178,583	241,396
2018	1,505,178	1,249,298	255,880

Including minors

	Passports/passport cards demanded		
	Total	Adults	Minors
2005	361,569	299,317	62,251
2006	317,538	262,864	54,674
2007	266,923	220,959	45,964
2008	220,367	182,594	37,774
2009	92,232	76,416	15,816
2010	87,210	72,267	14,942
2011	92,442	76,603	15,839
2012	97,989	81,199	16,789
2013	103,868	86,071	17,797
2014	110,100	91,236	18,864
2015	116,706	96,710	19,996
2016	123,708	102,512	21,196
2017	131,131	108,663	22,468
2018	138,999	115,183	23,816

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-51,324	-43,383	-7,941
2006	-45,325	-38,313	-7,012
2007	-38,422	-32,477	-5,944
2008	-19,249	-16,288	-2,961
2009	-8,444	-7,145	-1,299
2010	-7,227	-6,115	-1,112
2011	-7,661	-6,482	-1,179
2012	-8,120	-6,871	-1,249
2013	-8,608	-7,283	-1,324
2014	-9,124	-7,720	-1,404
2015	-9,672	-8,184	-1,488
2016	-10,252	-8,675	-1,577
2017	-10,867	-9,195	-1,672
2018	-11,519	-9,747	-1,772

	Passport/passport card costs (undiscounted)		
	Total	Adults	Minors
2005	$54,389,240	$45,798,054	$8,591,186
2006	47,765,893	40,220,375	7,545,517
2007	40,151,942	33,808,501	6,343,441
2008	21,881,211	18,443,503	3,437,708
2009	9,158,064	7,718,681	1,439,383
2010	8,659,471	7,299,586	1,359,886
2011	9,179,039	7,737,561	1,441,479
2012	9,729,782	8,201,814	1,527,967
2013	10,313,569	8,693,923	1,619,645
2014	10,932,383	9,215,559	1,716,824
2015	11,588,326	9,768,492	1,819,834
2016	12,283,625	10,354,602	1,929,024
2017	13,020,643	10,975,878	2,044,765
2018	13,801,881	11,634,430	2,167,451

Excluding minors

	Passports/passport cards demanded		
	Total	Adults	Minors
2005	299,317	299,317	-
2006	262,864	262,864	-
2007	220,959	220,959	-
2008	182,594	182,594	-
2009	76,416	76,416	-
2010	72,267	72,267	-
2011	76,603	76,603	-
2012	81,199	81,199	-
2013	86,071	86,071	-
2014	91,236	91,236	-
2015	96,710	96,710	-
2016	102,512	102,512	-
2017	108,663	108,663	-
2018	115,183	115,183	-

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-43,383	-43,383	0
2006	-38,313	-38,313	0
2007	-32,477	-32,477	0
2008	-16,288	-16,288	0
2009	-7,145	-7,145	0
2010	-6,115	-6,115	0
2011	-6,482	-6,482	0
2012	-6,871	-6,871	0
2013	-7,283	-7,283	0
2014	-7,720	-7,720	0
2015	-8,184	-8,184	0
2016	-8,675	-8,675	0
2017	-9,195	-9,195	0
2018	-9,747	-9,747	0

	Passport/passport card costs (undiscounted)		
	Total	Adults	Minors
2005	$45,798,054	$45,798,054	$0
2006	40,220,375	40,220,375	-
2007	33,808,501	33,808,501	-
2008	18,443,503	18,443,503	-
2009	7,718,681	7,718,681	-
2010	7,299,586	7,299,586	-
2011	7,737,561	7,737,561	-
2012	8,201,814	8,201,814	-
2013	8,693,923	8,693,923	-
2014	9,215,559	9,215,559	-
2015	9,768,492	9,768,492	-
2016	10,354,602	10,354,602	-
2017	10,975,878	10,975,878	-
2018	11,634,430	11,634,430	-

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$54,389,240	$45,798,054	$8,591,186
2006	44,641,021	37,589,136	7,051,885
2007	35,070,261	29,529,654	5,540,607
2008	17,861,586	15,055,392	2,806,194
2009	6,986,644	5,888,545	1,098,099
2010	6,174,083	5,204,504	969,580
2011	6,116,382	5,155,863	960,518
2012	6,059,219	5,107,678	951,541
2013	6,002,591	5,059,942	942,648
2014	5,946,492	5,012,653	933,839
2015	5,890,917	4,965,806	925,111
2016	5,835,862	4,919,397	916,465
2017	5,781,321	4,873,421	907,900
2018	5,727,290	4,827,875	899,415
Total	$212,482,909	$178,987,921	$33,494,988

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$45,798,054	$45,798,054	$0
2006	37,589,136	37,589,136	-
2007	29,529,654	29,529,654	-
2008	15,055,392	15,055,392	-
2009	5,888,545	5,888,545	-
2010	5,204,504	5,204,504	-
2011	5,155,863	5,155,863	-
2012	5,107,678	5,107,678	-
2013	5,059,942	5,059,942	-
2014	5,012,653	5,012,653	-
2015	4,965,806	4,965,806	-
2016	4,919,397	4,919,397	-
2017	4,873,421	4,873,421	-
2018	4,827,875	4,827,875	-
Total	$178,987,921	$178,987,921	$0

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$54,389,240	$45,798,054	$8,591,186
2006	46,374,653	39,048,908	7,325,745
2007	37,847,056	31,867,755	5,979,301
2008	20,024,407	16,878,418	3,145,990
2009	8,136,822	6,857,948	1,278,873
2010	7,469,736	6,296,687	1,173,049
2011	7,687,301	6,480,085	1,207,216
2012	7,911,203	6,668,826	1,242,377
2013	8,141,626	6,863,063	1,278,563
2014	8,378,761	7,062,958	1,315,803
2015	8,622,803	7,268,676	1,354,127
2016	8,873,952	7,480,385	1,393,568
2017	9,132,417	7,698,260	1,434,157
2018	9,398,410	7,922,481	1,475,929
Total	$242,388,388	$204,192,504	$38,195,884

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$45,798,054	$45,798,054	$0
2006	39,048,908	39,048,908	-
2007	31,867,755	31,867,755	-
2008	16,878,418	16,878,418	-
2009	6,857,948	6,857,948	-
2010	6,296,687	6,296,687	-
2011	6,480,085	6,480,085	-
2012	6,668,826	6,668,826	-
2013	6,863,063	6,863,063	-
2014	7,062,958	7,062,958	-
2015	7,268,676	7,268,676	-
2016	7,480,385	7,480,385	-
2017	7,698,260	7,698,260	-
2018	7,922,481	7,922,481	-
Total	$204,192,504	$204,192,504	$0

Annualized cost (7% discount rate)			
	$22,706,865	$19,127,442	$3,579,423
Annualized cost (3% discount rate)			
	$20,832,773	$17,549,917	$3,282,856

Annualized cost (7% discount rate)			
	$19,127,442	$19,127,442	$0
Annualized cost (3% discount rate)			
	$17,549,917	$17,549,917	$0

Summary of total welfare losses
2005-2018

Total covered

	Travelers	Adults	Minors
2005	705,686	585,720	119,967
2006	748,027	620,863	127,165
2007	792,909	658,114	134,795
2008	840,484	697,601	142,882
2009	890,913	739,457	151,455
2010	944,367	783,825	160,542
2011	1,001,029	830,854	170,175
2012	1,061,091	880,706	180,385
2013	1,124,757	933,548	191,209
2014	1,192,242	989,561	202,681
2015	1,263,776	1,048,934	214,842
2016	1,339,603	1,111,871	227,733
2017	1,419,979	1,178,583	241,396
2018	1,505,178	1,249,298	255,880

Including minors

Total affected

	Travelers	Adults	Minors
2005	412,893	342,701	70,192
2006	362,863	301,177	61,687
2007	305,344	253,436	51,909
2008	239,617	198,882	40,735
2009	100,677	83,562	17,115
2010	94,437	78,382	16,054
2011	100,103	83,085	17,017
2012	106,109	88,071	18,039
2013	112,476	93,355	19,121
2014	119,224	98,956	20,268
2015	126,378	104,893	21,484
2016	133,960	111,187	22,773
2017	141,998	117,858	24,140
2018	150,518	124,930	25,588

	Passports/passport cards obtained		
	Total	Adults	Minors
2005	361,569	299,317	62,251
2006	317,538	262,864	54,674
2007	266,923	220,959	45,964
2008	220,367	182,594	37,774
2009	92,232	76,416	15,816
2010	87,210	72,267	14,942
2011	92,442	76,603	15,839
2012	97,989	81,199	16,789
2013	103,868	86,071	17,797
2014	110,100	91,236	18,864
2015	116,706	96,710	19,996
2016	123,708	102,512	21,196
2017	131,131	108,663	22,468
2018	138,999	115,183	23,816

	Passports/passport cards forgone		
	Total	Adults	Minors
2005	51,324	43,383	7,941
2006	45,325	38,313	7,012
2007	38,422	32,477	5,944
2008	19,249	16,288	2,961
2009	8,444	7,145	1,299
2010	7,227	6,115	1,112
2011	7,661	6,482	1,179
2012	8,120	6,871	1,249
2013	8,608	7,283	1,324
2014	9,124	7,720	1,404
2015	9,672	8,184	1,488
2016	10,252	8,675	1,577
2017	10,867	9,195	1,672
2018	11,519	9,747	1,772

Excluding minors

Total affected

	Travelers	Adults	Minors
2005	342,701	342,701	-
2006	301,177	301,177	-
2007	253,436	253,436	-
2008	198,882	198,882	-
2009	83,562	83,562	-
2010	78,382	78,382	-
2011	83,085	83,085	-
2012	88,071	88,071	-
2013	93,355	93,355	-
2014	98,956	98,956	-
2015	104,893	104,893	-
2016	111,187	111,187	-
2017	117,858	117,858	-
2018	124,930	124,930	-

	Passports/passport cards obtained		
	Total	Adults	Minors
2005	299,317	299,317	-
2006	262,864	262,864	-
2007	220,959	220,959	-
2008	182,594	182,594	-
2009	76,416	76,416	-
2010	72,267	72,267	-
2011	76,603	76,603	-
2012	81,199	81,199	-
2013	86,071	86,071	-
2014	91,236	91,236	-
2015	96,710	96,710	-
2016	102,512	102,512	-
2017	108,663	108,663	-
2018	115,183	115,183	-

	Passports/passport cards forgone		
	Total	Adults	Minors
2005	43,383	43,383	-
2006	38,313	38,313	-
2007	32,477	32,477	-
2008	16,288	16,288	-
2009	7,145	7,145	-
2010	6,115	6,115	-
2011	6,482	6,482	-
2012	6,871	6,871	-
2013	7,283	7,283	-
2014	7,720	7,720	-
2015	8,184	8,184	-
2016	8,675	8,675	-
2017	9,195	9,195	-
2018	9,747	9,747	-

Welfare losses for passports/passport cards forgone

	Total	Adults	Minors
2005	$3,559,002	$3,058,716	$500,287
2006	3,143,016	2,701,204	441,812
2007	2,664,299	2,289,780	374,519
2008	1,334,940	1,148,367	186,573
2009	369,317	317,998	51,319
2010	316,079	272,157	43,921
2011	335,043	288,487	46,557
2012	355,146	305,796	49,350
2013	376,455	324,144	52,311
2014	399,042	343,592	55,450
2015	422,985	364,208	58,777
2016	448,364	386,060	62,303
2017	475,265	409,224	66,041
2018	503,781	433,777	70,004

Welfare losses for passports/passport cards forgone

	Total	Adults	Minors
2005	$3,058,716	$3,058,716	$0
2006	2,701,204	2,701,204	-
2007	2,289,780	2,289,780	-
2008	1,148,367	1,148,367	-
2009	317,998	317,998	-
2010	272,157	272,157	-
2011	288,487	288,487	-
2012	305,796	305,796	-
2013	324,144	324,144	-
2014	343,592	343,592	-
2015	364,208	364,208	-
2016	386,060	386,060	-
2017	409,224	409,224	-
2018	433,777	433,777	

Total losses (undiscounted)

	Total	Adults	Minors
2005	$57,948,242	$48,856,770	$9,091,472
2006	50,908,909	42,921,579	7,987,329
2007	42,816,241	36,098,281	6,717,960
2008	23,216,151	19,591,870	3,624,281
2009	9,527,381	8,036,679	1,490,702
2010	8,975,550	7,571,743	1,403,807
2011	9,514,083	8,026,048	1,488,035
2012	10,084,928	8,507,610	1,577,317
2013	10,690,023	9,018,067	1,671,956
2014	11,331,425	9,559,151	1,772,274
2015	12,011,310	10,132,700	1,878,610
2016	12,731,989	10,740,662	1,991,327
2017	13,495,908	11,385,102	2,110,807
2018	14,305,663	12,068,208	2,237,455

Total losses (undiscounted)

	Total	Adults	Minors
2005	$48,856,770	$48,856,770	$0
2006	42,921,579	42,921,579	-
2007	36,098,281	36,098,281	-
2008	19,591,870	19,591,870	-
2009	8,036,679	8,036,679	-
2010	7,571,743	7,571,743	-
2011	8,026,048	8,026,048	-
2012	8,507,610	8,507,610	-
2013	9,018,067	9,018,067	-
2014	9,559,151	9,559,151	-
2015	10,132,700	10,132,700	-
2016	10,740,662	10,740,662	-
2017	11,385,102	11,385,102	-
2018	12,068,208	12,068,208	-

Costs (7% discount rate)

	Total	Adults	Minors
2005	$57,948,242	$48,856,770	$9,091,472
2006	47,578,419	40,113,626	7,464,794
2007	37,397,363	31,529,637	5,867,726
2008	18,951,295	15,992,802	2,958,493
2009	7,268,394	6,131,144	1,137,250
2010	6,399,443	5,398,548	1,000,895
2011	6,339,635	5,348,094	991,541
2012	6,280,386	5,298,112	982,274
2013	6,221,691	5,248,597	973,094
2014	6,163,544	5,199,545	964,000
2015	6,105,941	5,150,951	954,990
2016	6,048,876	5,102,811	946,065
2017	5,992,345	5,055,121	937,223
2018	5,936,341	5,007,877	928,464
Total	$224,631,916	$189,433,636	$35,198,280

Costs (7% discount rate)

	Total	Adults	Minors
2005	$48,856,770	$48,856,770	$0
2006	40,113,626	40,113,626	-
2007	31,529,637	31,529,637	-
2008	15,992,802	15,992,802	-
2009	6,131,144	6,131,144	-
2010	5,398,548	5,398,548	-
2011	5,348,094	5,348,094	-
2012	5,298,112	5,298,112	-
2013	5,248,597	5,248,597	-
2014	5,199,545	5,199,545	-
2015	5,150,951	5,150,951	-
2016	5,102,811	5,102,811	-
2017	5,055,121	5,055,121	-
2018	5,007,877	5,007,877	-
Total	$189,433,636	$189,433,636	$0

Costs (3% discount rate)

	Total	Adults	Minors
2005	$57,948,242	$48,856,770	$9,091,472
2006	49,426,125	41,671,436	7,754,689
2007	40,358,414	34,026,092	6,332,321
2008	21,246,067	17,929,337	3,316,730
2009	8,464,955	7,140,485	1,324,470
2010	7,742,388	6,531,452	1,210,936
2011	7,967,895	6,721,688	1,246,206
2012	8,199,969	6,917,466	1,282,503
2013	8,438,803	7,118,945	1,319,858
2014	8,684,594	7,326,293	1,358,300
2015	8,937,543	7,539,680	1,397,862
2016	9,197,860	7,759,283	1,438,577
2017	9,465,759	7,985,281	1,480,477
2018	9,741,460	8,217,862	1,523,598
Total	$255,820,073	$215,742,072	$40,078,001

Costs (3% discount rate)

	Total	Adults	Minors
2005	$48,856,770	$48,856,770	$0
2006	41,671,436	41,671,436	-
2007	34,026,092	34,026,092	-
2008	17,929,337	17,929,337	-
2009	7,140,485	7,140,485	-
2010	6,531,452	6,531,452	-
2011	6,721,688	6,721,688	-
2012	6,917,466	6,917,466	-
2013	7,118,945	7,118,945	-
2014	7,326,293	7,326,293	-
2015	7,539,680	7,539,680	-
2016	7,759,283	7,759,283	-
2017	7,985,281	7,985,281	-
2018	8,217,862	8,217,862	-
Total	$215,742,072	$215,742,072	$0

Annualized cost (7% discount rate)	$24,005,161	$20,243,717	$3,761,444
Annualized cost (3% discount rate)	$21,987,199	$18,542,578	$3,444,620

Annualized cost (7% discount rate)	$20,243,717	$20,243,717	$0
Annualized cost (3% discount rate)	$18,542,578	$18,542,578	$0

Appendix D:

Costs of the Final Rule—Foreign Travelers

As noted in Chapter 2, costs for foreign cruise passengers are not included in the total rule cost because they are incurred by entities outside this country, and foreign governments collect the revenues from passport fees. For this analysis, we assume that all foreign travelers are Canadians. Forgone travel by these individuals is of interest to us in this analysis because this leads to potential indirect costs to the US travel and tourism sector and may indirectly affect small US businesses. Assumptions are summarized in Table 1.

Table 1. Summary of assumptions for Canadian cruise passengers

Assumption	Value
Estimate of affected Canadian cruise passengers	923,000 million Canadian citizens in 2005 (766,000 adults and 157,000 minors); 6 percent annual growth rate over period of analysis (2005–2018)
Number of Canadian citizens who do not hold passports: short cruise market (1–5 nights)	60 percent in 2005, decreasing annually to 10 percent by 2009
Number of Canadian citizens who do not hold passports: medium cruise market (6–8 nights)	50 percent in 2005, decreasing annually to 10 percent by 2008
Number of Canadian citizens who do not hold passports: long (9–17 nights) and very long (over 17 nights) cruise markets	40 percent in 2005, decreasing annually to 10 percent by 2007
Transportation to the port	57 percent use air and have a stayover 43 percent use other means and do not have a stayover
Cost of a cruise	Trip cost differs by length of cruise: $239 cruise cost per night $430 airfare $248 for port stayover
Cost of a passport (in USD)[1]	$156 adult passport $113 minor passport
Cost of expedited service (in USD)[2]	$60 for 20 percent of applicants
Change in demand for adult cruisers: short cruise market (4 days shown)	19–29 percent
Change in demand for adult cruisers: medium cruise market (7 days shown)	13–17 percent
Change in demand for adult cruisers: long cruise market (10 days shown)	10–12 percent
Change in demand for adult cruisers: very long cruise market (18 days shown)	6–7 percent

Non-US cruise passengers, unlike certain US citizens, are not waived from the passport requirement in the sea environment. Thus, all Canadian citizen adult cruise passengers will require a passport. Canadian children, like US citizen children, fall under the waiver in the final rule.

We use a methodology identical to that for US citizens and adjust for conditions that are representative of Canadian citizens, notably the fees for obtaining Canadian passports and the passport prevalence rate for Canadian citizens (who are more likely than US citizens to already hold a passport). Table 2 summarizes the passport costs for Canadian citizens.

Table 2. Total passport costs for affected Canadian cruise travelers (2005–2018, in millions)

	Affected adult Canadian cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	0.40	-0.07	0.33	$55.33	$55.33	$55.33
2006	0.33	-0.06	0.27	45.29	42.33	43.97
2007	0.19	-0.03	0.15	25.24	22.05	23.79
2008	0.12	-0.02	0.09	15.89	12.97	14.54
2009	0.09	-0.02	0.08	12.79	9.76	11.36
2010	0.10	-0.02	0.08	13.56	9.67	11.70
2011	0.10	-0.02	0.09	14.37	9.58	12.03
2012	0.11	-0.02	0.09	15.23	9.48	12.38
2013	0.12	-0.02	0.10	16.14	9.39	12.74
2014	0.12	-0.02	0.10	17.11	9.31	13.11
2015	0.13	-0.02	0.11	18.14	9.22	13.50
2016	0.14	-0.02	0.11	19.23	9.14	13.89
2017	0.15	-0.03	0.12	20.38	9.05	14.30
2018	0.16	-0.03	0.13	21.61	8.97	14.71
Total					$226.24	$267.35
Annualized cost					$24.18	$22.98

Notes

[1] For information on obtaining a Canadian passport, see the Passport Canada website at www.pptc.gc.ca. For an adult (16 years of age and older), we use the cost for a 24-page passport: $87 CAD ($75 USD). For a minor (3 to 15 years of age), we use the cost for a 24-page passport: $37 CAD ($32 USD). Currency conversion took place on February 1, 2007. We use the same cost for photos, $11 (USD), as we do for US citizens. We use the same cost for an hour of time as for US citizens, $23.30 (USD), but assume that the Canadian passport burden is 3 hours.

[2] We estimate that 20 percent of applicants will require “urgent” service at a cost of $70 CAD ($60 USD). See www.pptc.gc.ca.

Summary (2005-2018), Canadian cruise passengers
Passports are only acceptable documents

Total covered

	Travelers	Adults	Minors
2005	923,080	766,156	156,924
2006	934,603	775,721	158,883
2007	990,679	822,264	168,415
2008	1,050,120	871,600	178,520
2009	1,113,127	923,896	189,232
2010	1,179,915	979,329	200,586
2011	1,250,710	1,038,089	212,621
2012	1,325,752	1,100,374	225,378
2013	1,405,298	1,166,397	238,901
2014	1,489,615	1,236,381	253,235
2015	1,578,992	1,310,564	268,429
2016	1,673,732	1,389,197	284,534
2017	1,774,156	1,472,549	301,606
2018	1,880,605	1,560,902	319,703

Including minors

Total affected

	Travelers	Adults	Minors
2005	484,774	402,362	82,412
2006	397,365	329,813	67,552
2007	223,071	185,149	37,922
2008	141,019	117,045	23,973
2009	111,313	92,390	18,923
2010	117,991	97,933	20,059
2011	125,071	103,809	21,262
2012	132,575	110,037	22,538
2013	140,530	116,640	23,890
2014	148,962	123,638	25,323
2015	157,899	131,056	26,843
2016	167,373	138,920	28,453
2017	177,416	147,255	30,161
2018	188,061	156,090	31,970

	Passports demanded		
	Total	Adults	Minors
2005	399,061	329,568	69,493
2006	326,621	269,733	56,888
2007	182,084	150,344	31,740
2008	114,619	94,630	19,989
2009	92,211	76,165	16,046
2010	97,743	80,735	17,009
2011	103,608	85,579	18,029
2012	109,824	90,713	19,111
2013	116,414	96,156	20,258
2014	123,399	101,925	21,473
2015	130,803	108,041	22,762
2016	138,651	114,523	24,127
2017	146,970	121,395	25,575
2018	155,788	128,679	27,109

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-85,713	-72,795	-12,918
2006	-70,744	-60,080	-10,664
2007	-40,987	-34,805	-6,182
2008	-26,399	-22,415	-3,984
2009	-19,102	-16,225	-2,877
2010	-20,248	-17,198	-3,050
2011	-21,463	-18,230	-3,233
2012	-22,751	-19,324	-3,427
2013	-24,116	-20,484	-3,632
2014	-25,563	-21,713	-3,850
2015	-27,097	-23,015	-4,081
2016	-28,723	-24,396	-4,326
2017	-30,446	-25,860	-4,586
2018	-32,273	-27,412	-4,861

Excluding minors

Total affected

	Travelers	Adults	Minors
2005	402,362	402,362	-
2006	329,813	329,813	-
2007	185,149	185,149	-
2008	117,045	117,045	-
2009	92,390	92,390	-
2010	97,933	97,933	-
2011	103,809	103,809	-
2012	110,037	110,037	-
2013	116,640	116,640	-
2014	123,638	123,638	-
2015	131,056	131,056	-
2016	138,920	138,920	-
2017	147,255	147,255	-
2018	156,090	156,090	-

	Passports demanded		
	Total	Adults	Minors
2005	329,568	329,568	-
2006	269,733	269,733	-
2007	150,344	150,344	-
2008	94,630	94,630	-
2009	76,165	76,165	-
2010	80,735	80,735	-
2011	85,579	85,579	-
2012	90,713	90,713	-
2013	96,156	96,156	-
2014	101,925	101,925	-
2015	108,041	108,041	-
2016	114,523	114,523	-
2017	121,395	121,395	-
2018	128,679	128,679	-

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-72,795	-72,795	0
2006	-60,080	-60,080	0
2007	-34,805	-34,805	0
2008	-22,415	-22,415	0
2009	-16,225	-16,225	0
2010	-17,198	-17,198	0
2011	-18,230	-18,230	0
2012	-19,324	-19,324	0
2013	-20,484	-20,484	0
2014	-21,713	-21,713	0
2015	-23,015	-23,015	0
2016	-24,396	-24,396	0
2017	-25,860	-25,860	0
2018	-27,412	-27,412	0

	Passport costs (undiscounted)		
	Total	Adults	Minors
2005	$64,014,145	$55,334,429	$8,679,716
2006	52,393,457	45,288,106	7,105,352
2007	29,207,081	25,242,770	3,964,312
2008	18,385,070	15,888,424	2,496,646
2009	14,792,185	12,788,041	2,004,143
2010	15,679,716	13,555,324	2,124,392
2011	16,620,499	14,368,643	2,251,855
2012	17,617,729	15,230,762	2,386,967
2013	18,674,792	16,144,608	2,530,185
2014	19,795,280	17,113,284	2,681,996
2015	20,982,997	18,140,081	2,842,916
2016	22,241,977	19,228,486	3,013,491
2017	23,576,495	20,382,195	3,194,300
2018	24,991,085	21,605,127	3,385,958

	Passport costs (undiscounted)		
	Total	Adults	Minors
2005	$55,334,429	$55,334,429	$0
2006	45,288,106	45,288,106	-
2007	25,242,770	25,242,770	-
2008	15,888,424	15,888,424	-
2009	12,788,041	12,788,041	-
2010	13,555,324	13,555,324	-
2011	14,368,643	14,368,643	-
2012	15,230,762	15,230,762	-
2013	16,144,608	16,144,608	-
2014	17,113,284	17,113,284	-
2015	18,140,081	18,140,081	-
2016	19,228,486	19,228,486	-
2017	20,382,195	20,382,195	-
2018	21,605,127	21,605,127	-

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$64,014,145	$55,334,429	$8,679,716
2006	48,965,848	42,325,333	6,640,515
2007	25,510,596	22,048,013	3,462,583
2008	15,007,694	12,969,687	2,038,007
2009	11,284,887	9,755,936	1,528,951
2010	11,179,421	9,664,759	1,514,662
2011	11,074,940	9,574,434	1,500,506
2012	10,971,436	9,484,953	1,486,483
2013	10,868,899	9,396,309	1,472,591
2014	10,767,321	9,308,493	1,458,828
2015	10,666,692	9,221,497	1,445,194
2016	10,567,003	9,135,315	1,431,688
2017	10,468,246	9,049,938	1,418,307
2018	10,370,412	8,965,360	1,405,052
Total	$261,717,538	$226,234,453	$35,483,085

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$55,334,429	$55,334,429	$0
2006	42,325,333	42,325,333	-
2007	22,048,013	22,048,013	-
2008	12,969,687	12,969,687	-
2009	9,755,936	9,755,936	-
2010	9,664,759	9,664,759	-
2011	9,574,434	9,574,434	-
2012	9,484,953	9,484,953	-
2013	9,396,309	9,396,309	-
2014	9,308,493	9,308,493	-
2015	9,221,497	9,221,497	-
2016	9,135,315	9,135,315	-
2017	9,049,938	9,049,938	-
2018	8,965,360	8,965,360	-
Total	$226,234,453	$226,234,453	$0

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$64,014,145	$55,334,429	$8,679,716
2006	50,867,434	43,969,035	6,898,400
2007	27,530,475	23,793,731	3,736,744
2008	16,824,944	14,540,159	2,284,785
2009	13,142,665	11,362,009	1,780,655
2010	13,525,461	11,692,941	1,832,519
2011	13,919,406	12,033,513	1,885,894
2012	14,324,826	12,384,003	1,940,822
2013	14,742,054	12,744,702	1,997,351
2014	15,171,434	13,115,907	2,055,527
2015	15,613,320	13,497,924	2,115,396
2016	16,068,077	13,891,067	2,177,010
2017	16,536,079	14,295,662	2,240,418
2018	17,017,713	14,712,040	2,305,673
Total	$309,298,032	$267,367,123	$41,930,909

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$55,334,429	$55,334,429	$0
2006	43,969,035	43,969,035	-
2007	23,793,731	23,793,731	-
2008	14,540,159	14,540,159	-
2009	11,362,009	11,362,009	-
2010	11,692,941	11,692,941	-
2011	12,033,513	12,033,513	-
2012	12,384,003	12,384,003	-
2013	12,744,702	12,744,702	-
2014	13,115,907	13,115,907	-
2015	13,497,924	13,497,924	-
2016	13,891,067	13,891,067	-
2017	14,295,662	14,295,662	-
2018	14,712,040	14,712,040	-
Total	$267,367,123	$267,367,123	$0

Annualized cost (7% discount rate)		
$27,968,295	$24,176,416	$3,791,880

Annualized cost (7% discount rate)		
$24,176,416	$24,176,416	$0

Annualized cost (3% discount rate)		
$26,583,517	$22,979,643	$3,603,874

Annualized cost (3% discount rate)		
$22,979,643	$22,979,643	$0

Appendix E:

Costs of the Final Rule—Sensitivity Analysis: No Waivers for Certain Cruise Passengers or Minors under 16

The following analysis examines the cost of the rule if certain US cruise passengers and minors (those under 16) were not waived from the final rule. Tables 1 and 2 summarize the costs and welfare losses if all US cruise passengers were required to obtain a passport to continue cruise travel in the Western Hemisphere (passport cards and CBP trusted traveler cards would not be acceptable).

Table 1. Total passport costs for all US cruise travelers (2005–2018, in millions)

	Covered US cruisers	Affected US cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	8.31	5.20	-0.84	4.36	$656.19	$656.19	$656.19
2006	8.41	4.43	-0.72	3.71	557.76	521.27	541.52
2007	8.92	3.80	-0.62	3.18	478.20	417.68	450.75
2008	9.45	3.08	-0.51	2.57	387.09	315.98	354.25
2009	10.02	1.71	-0.31	1.40	210.68	160.73	187.19
2010	10.62	1.06	-0.17	0.89	134.60	95.97	116.11
2011	11.26	1.13	-0.18	0.95	142.68	95.07	119.49
2012	11.93	1.19	-0.19	1.01	151.24	94.18	122.97
2013	12.65	1.26	-0.20	1.07	160.31	93.30	126.55
2014	13.41	1.34	-0.21	1.13	169.93	92.43	130.24
2015	14.21	1.42	-0.22	1.20	180.13	91.57	134.03
2016	15.06	1.51	-0.24	1.27	190.93	90.71	137.94
2017	15.97	1.60	-0.25	1.35	202.39	89.86	141.95
2018	16.93	1.69	-0.27	1.43	214.53	89.02	146.09
Total						$2,903.96	$3,365.27
Annualized cost						$310.33	$289.24

Table 2. Total losses (2005–2018, in millions)

	Passport costs (un-discounted)	Passports forgone	Welfare losses (un-discounted)	Total losses (un-discounted)	Total losses (7%)	Total losses (3%)
2005	$656.19	0.84	$58.18	$714.36	$714.36	$714.36
2006	557.76	0.72	49.73	607.49	567.75	589.79
2007	478.20	0.62	42.98	521.18	455.22	491.26
2008	387.09	0.51	35.25	422.35	344.76	386.51
2009	210.68	0.31	13.42	224.10	170.97	199.11
2010	134.60	0.17	7.30	141.91	101.18	122.41
2011	142.68	0.18	7.74	150.42	100.23	125.97
2012	151.24	0.19	8.21	159.45	99.29	129.64
2013	160.31	0.20	8.70	169.01	98.37	133.42
2014	169.93	0.21	9.22	179.15	97.45	137.31
2015	180.13	0.22	9.78	189.90	96.54	141.31
2016	190.93	0.24	10.36	201.30	95.63	145.42
2017	202.39	0.25	10.98	213.37	94.74	149.66
2018	214.53	0.27	11.64	226.18	93.86	154.02
Total					$3,130.35	$3,620.19
Annualized welfare losses					$334.52	$311.15

Tables 3 and 4 summarize the costs and welfare losses if all US cruise passengers obtained passports and passport cards (once available in 2008) to continue cruise travel in the Western Hemisphere.

Table 3. Total passport and passport card costs for all US cruise travelers (2005–2018, in millions)

	Covered US cruisers	Affected US cruisers	Travelers who may forgo travel	Passports demanded	Total costs (un-discounted)	Total costs (7%)	Total costs (3%)
2005	8.31	5.20	-0.84	4.36	$656.19	$656.19	$656.19
2006	8.41	4.43	-0.72	3.71	557.76	521.27	541.52
2007	8.92	3.80	-0.62	3.18	478.20	417.68	450.75
2008	9.45	3.08	-0.32	2.76	274.16	223.80	250.89
2009	10.02	1.71	-0.19	1.51	150.32	114.68	133.56
2010	10.62	1.06	-0.11	0.96	94.97	67.72	81.93
2011	11.26	1.13	-0.11	1.01	100.67	67.08	84.31
2012	11.93	1.19	-0.12	1.07	106.71	66.46	86.77
2013	12.65	1.26	-0.13	1.14	113.12	65.83	89.29
2014	13.41	1.34	-0.13	1.21	119.90	65.22	91.90
2015	14.21	1.42	-0.14	1.28	127.10	64.61	94.57
2016	15.06	1.51	-0.15	1.36	134.72	64.01	97.33
2017	15.97	1.60	-0.16	1.44	142.81	63.41	100.16
2018	16.93	1.69	-0.17	1.52	151.37	62.82	103.08
Total						$2,520.78	$2,862.25
Annualized cost						$269.38	$246.00

Table 4. Total losses (2005–2018, in millions)

	Passport costs (un-discounted)	Passports forgone	Welfare losses (un-discounted)	Total losses (un-discounted)	Total losses (7%)	Total losses (3%)
2005	$656.19	0.84	$58.18	$714.36	$714.36	$714.36
2006	557.76	0.72	49.73	607.49	567.75	589.79
2007	478.20	0.62	42.98	521.18	455.22	491.26
2008	274.16	0.32	22.24	296.40	241.95	271.25
2009	150.32	0.19	8.47	158.79	121.14	141.08
2010	94.97	0.11	4.61	99.58	71.00	85.90
2011	100.67	0.11	4.89	105.56	70.34	88.40
2012	106.71	0.12	5.18	111.89	69.68	90.98
2013	113.12	0.13	5.49	118.61	69.03	93.63
2014	119.90	0.13	5.82	125.72	68.38	96.36
2015	127.10	0.14	6.17	133.26	67.75	99.16
2016	134.72	0.15	6.54	141.26	67.11	102.05
2017	142.81	0.16	6.93	149.74	66.48	105.02
2018	151.37	0.17	7.35	158.72	65.86	108.08
Total					$2,716.05	$3,077.32
Annualized welfare losses					$290.25	$264.49

Summary costs: passports only acceptable document, no waivers for certain cruise passengers
2005-2018

	Travelers	Adults	Minors
2005	8,307,719	6,895,407	1,412,312
2006	8,411,428	6,981,485	1,429,943
2007	8,916,114	7,400,374	1,515,739
2008	9,451,080	7,844,397	1,606,684
2009	10,018,145	8,315,061	1,703,085
2010	10,619,234	8,813,964	1,805,270
2011	11,256,388	9,342,802	1,913,586
2012	11,931,771	9,903,370	2,028,401
2013	12,647,678	10,497,572	2,150,105
2014	13,406,538	11,127,427	2,279,111
2015	14,210,930	11,795,072	2,415,858
2016	15,063,586	12,502,777	2,560,810
2017	15,967,401	13,252,943	2,714,458
2018	16,925,446	14,048,120	2,877,326

Including minors

	Passports demanded		
	Total	Adults	Minors
2005	4,361,869	3,614,189	747,680
2006	3,707,609	3,072,052	635,557
2007	3,178,723	2,633,796	544,928
2008	2,573,138	2,131,984	441,154
2009	1,400,492	1,160,196	240,297
2010	894,732	741,396	153,336
2011	948,416	785,880	162,537
2012	1,005,321	833,032	172,289
2013	1,065,640	883,014	182,626
2014	1,129,579	935,995	193,584
2015	1,197,354	992,155	205,199
2016	1,269,195	1,051,684	217,511
2017	1,345,346	1,114,785	230,561
2018	1,426,067	1,181,672	244,395

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-839,675	-703,092	-136,583
2006	-717,726	-600,976	-116,750
2007	-620,409	-519,484	-100,925
2008	-508,834	-426,053	-82,781
2009	-307,158	-257,154	-50,004
2010	-167,191	-140,001	-27,191
2011	-177,223	-148,401	-28,822
2012	-187,856	-157,305	-30,551
2013	-199,127	-166,743	-32,384
2014	-211,075	-176,748	-34,327
2015	-223,740	-187,352	-36,387
2016	-237,164	-198,594	-38,570
2017	-251,394	-210,509	-40,885
2018	-266,477	-223,140	-43,338

	Passport costs (undiscounted)		
	Total	Adults	Minors
2005	$656,187,142	$553,001,083	$103,186,059
2006	557,761,659	470,049,534	87,712,125
2007	478,197,214	402,992,661	75,204,553
2008	387,094,246	326,211,258	60,882,988
2009	210,682,531	177,519,602	33,162,929
2010	134,601,438	113,439,738	21,161,701
2011	142,677,525	120,246,122	22,431,403
2012	151,238,176	127,460,889	23,777,287
2013	160,312,467	135,108,543	25,203,924
2014	169,931,215	143,215,055	26,716,160
2015	180,127,088	151,807,959	28,319,129
2016	190,934,713	160,916,436	30,018,277
2017	202,390,796	170,571,422	31,819,374
2018	214,534,243	180,805,708	33,728,536

Excluding minors

	Passports demanded		
	Total	Adults	Minors
2005	3,614,189	3,614,189	-
2006	3,072,052	3,072,052	-
2007	2,633,796	2,633,796	-
2008	2,131,984	2,131,984	-
2009	1,160,196	1,160,196	-
2010	741,396	741,396	-
2011	785,880	785,880	-
2012	833,032	833,032	-
2013	883,014	883,014	-
2014	935,995	935,995	-
2015	992,155	992,155	-
2016	1,051,684	1,051,684	-
2017	1,114,785	1,114,785	-
2018	1,181,672	1,181,672	-

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-703,092	-703,092	0
2006	-600,976	-600,976	0
2007	-519,484	-519,484	0
2008	-426,053	-426,053	0
2009	-257,154	-257,154	0
2010	-140,001	-140,001	0
2011	-148,401	-148,401	0
2012	-157,305	-157,305	0
2013	-166,743	-166,743	0
2014	-176,748	-176,748	0
2015	-187,352	-187,352	0
2016	-198,594	-198,594	0
2017	-210,509	-210,509	0
2018	-223,140	-223,140	0

	Passport costs (undiscounted)		
	Total	Adults	Minors
2005	$553,001,083	$553,001,083	$0
2006	470,049,534	470,049,534	-
2007	402,992,661	402,992,661	-
2008	326,211,258	326,211,258	-
2009	177,519,602	177,519,602	-
2010	113,439,738	113,439,738	-
2011	120,246,122	120,246,122	-
2012	127,460,889	127,460,889	-
2013	135,108,543	135,108,543	-
2014	143,215,055	143,215,055	-
2015	151,807,959	151,807,959	-
2016	160,916,436	160,916,436	-
2017	170,571,422	170,571,422	-
2018	180,805,708	180,805,708	-

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$656,187,142	$553,001,083	$103,186,059
2006	521,272,579	439,298,630	81,973,949
2007	417,675,967	351,989,397	65,686,569
2008	315,984,211	266,285,557	49,698,654
2009	160,728,694	135,428,855	25,299,840
2010	95,968,965	80,880,965	15,088,000
2011	95,072,059	80,125,068	14,946,991
2012	94,183,535	79,376,236	14,807,299
2013	93,303,315	78,634,402	14,668,913
2014	92,431,322	77,899,501	14,531,821
2015	91,567,478	77,171,468	14,396,009
2016	90,711,707	76,450,240	14,261,467
2017	89,863,934	75,735,751	14,128,182
2018	89,024,084	75,027,941	13,996,143
Total	$2,903,974,991	$2,447,305,094	$456,669,897

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$553,001,083	$553,001,083	$0
2006	439,298,630	439,298,630	-
2007	351,989,397	351,989,397	-
2008	266,285,557	266,285,557	-
2009	135,428,855	135,428,855	-
2010	80,880,965	80,880,965	-
2011	80,125,068	80,125,068	-
2012	79,376,236	79,376,236	-
2013	78,634,402	78,634,402	-
2014	77,899,501	77,899,501	-
2015	77,171,468	77,171,468	-
2016	76,450,240	76,450,240	-
2017	75,735,751	75,735,751	-
2018	75,027,941	75,027,941	-
Total	$2,447,305,094	$2,447,305,094	$0

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$656,187,142	$553,001,083	$103,186,059
2006	541,516,174	456,358,771	85,157,403
2007	450,746,738	379,859,234	70,887,504
2008	354,246,071	298,529,512	55,716,559
2009	187,188,700	157,723,868	29,464,833
2010	116,108,383	97,854,114	18,254,269
2011	119,490,181	100,704,234	18,785,947
2012	122,970,477	103,637,367	19,333,110
2013	126,552,142	106,655,931	19,896,210
2014	130,238,126	109,762,415	20,475,712
2015	134,031,470	112,959,378	21,072,092
2016	137,935,299	116,249,457	21,685,842
2017	141,952,832	119,635,364	22,317,468
2018	146,087,381	123,119,889	22,967,492
Total	$3,365,251,115	$2,836,050,616	$529,200,500

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$553,001,083	$553,001,083	$0
2006	456,358,771	456,358,771	-
2007	379,859,234	379,859,234	-
2008	298,529,512	298,529,512	-
2009	157,723,868	157,723,868	-
2010	97,854,114	97,854,114	-
2011	100,704,234	100,704,234	-
2012	103,637,367	103,637,367	-
2013	106,655,931	106,655,931	-
2014	109,762,415	109,762,415	-
2015	112,959,378	112,959,378	-
2016	116,249,457	116,249,457	-
2017	119,635,364	119,635,364	-
2018	123,119,889	123,119,889	-
Total	$2,836,050,616	$2,836,050,616	$0

Annualized cost (7% discount rate)		
$310,331,628	$261,529,861	$48,801,768

Annualized cost (7% discount rate)		
$261,529,861	$261,529,861	$0

Annualized cost (3% discount rate)		
$289,236,273	$243,752,600	$45,483,673

Annualized cost (3% discount rate)		
$243,752,600	$243,752,600	$0

Summary of welfare losses:
Passports only acceptable document, no waivers for certain cruise passengers

Total covered

	Travelers	Adults	Minors
2005	8,307,719	6,895,407	1,412,312
2006	8,411,428	6,981,485	1,429,943
2007	8,916,114	7,400,374	1,515,739
2008	9,451,080	7,844,397	1,606,684
2009	10,018,145	8,315,061	1,703,085
2010	10,619,234	8,813,964	1,805,270
2011	11,256,388	9,342,802	1,913,586
2012	11,931,771	9,903,370	2,028,401
2013	12,647,678	10,497,572	2,150,105
2014	13,406,538	11,127,427	2,279,111
2015	14,210,930	11,795,072	2,415,858
2016	15,063,586	12,502,777	2,560,810
2017	15,967,401	13,252,943	2,714,458
2018	16,925,446	14,048,120	2,877,326

Including minors

Total affected

	Travelers	Adults	Minors
2005	5,201,544	4,317,282	884,262
2006	4,425,334	3,673,028	752,307
2007	3,799,132	3,153,279	645,852
2008	3,081,972	2,558,037	523,935
2009	1,707,650	1,417,349	290,300
2010	1,061,923	881,396	180,527
2011	1,125,639	934,280	191,359
2012	1,193,177	990,337	202,840
2013	1,264,768	1,049,757	215,011
2014	1,340,654	1,112,743	227,911
2015	1,421,093	1,179,507	241,586
2016	1,506,359	1,250,278	256,081
2017	1,596,740	1,325,294	271,446
2018	1,692,545	1,404,812	287,733

	Passports obtained		
	Total	Adults	Minors
2005	4,361,869	3,614,189	747,680
2006	3,707,609	3,072,052	635,557
2007	3,178,723	2,633,796	544,928
2008	2,573,138	2,131,984	441,154
2009	1,400,492	1,160,196	240,297
2010	894,732	741,396	153,336
2011	948,416	785,880	162,537
2012	1,005,321	833,032	172,289
2013	1,065,640	883,014	182,626
2014	1,129,579	935,995	193,584
2015	1,197,354	992,155	205,199
2016	1,269,195	1,051,684	217,511
2017	1,345,346	1,114,785	230,561
2018	1,426,067	1,181,672	244,395

	Passports forgone		
	Total	Adults	Minors
2005	839,675	703,092	136,583
2006	717,726	600,976	116,750
2007	620,409	519,484	100,925
2008	508,834	426,053	82,781
2009	307,158	257,154	50,004
2010	167,191	140,001	27,191
2011	177,223	148,401	28,822
2012	187,856	157,305	30,551
2013	199,127	166,743	32,384
2014	211,075	176,748	34,327
2015	223,740	187,352	36,387
2016	237,164	198,594	38,570
2017	251,394	210,509	40,885
2018	266,477	223,140	43,338

	Welfare losses for passports forgone		
	Total	Adults	Minors
2005	$58,176,205	$49,570,934	$8,605,271
2006	49,727,032	42,371,289	7,355,743
2007	42,984,467	36,625,784	6,358,683
2008	35,254,042	30,038,509	5,215,533
2009	13,419,770	11,444,408	1,975,362
2010	7,304,751	6,230,610	1,074,141
2011	7,743,036	6,604,447	1,138,590
2012	8,207,619	7,000,714	1,206,905
2013	8,700,076	7,420,756	1,279,319
2014	9,222,080	7,866,002	1,356,078
2015	9,775,405	8,337,962	1,437,443
2016	10,361,929	8,838,240	1,523,690
2017	10,983,645	9,368,534	1,615,111
2018	11,642,664	9,930,646	1,712,018

Excluding minors

Total affected

	Travelers	Adults	Minors
2005	4,317,282	4,317,282	-
2006	3,673,028	3,673,028	-
2007	3,153,279	3,153,279	-
2008	2,558,037	2,558,037	-
2009	1,417,349	1,417,349	-
2010	881,396	881,396	-
2011	934,280	934,280	-
2012	990,337	990,337	-
2013	1,049,757	1,049,757	-
2014	1,112,743	1,112,743	-
2015	1,179,507	1,179,507	-
2016	1,250,278	1,250,278	-
2017	1,325,294	1,325,294	-
2018	1,404,812	1,404,812	-

	Passports obtained		
	Total	Adults	Minors
2005	3,614,189	3,614,189	-
2006	3,072,052	3,072,052	-
2007	2,633,796	2,633,796	-
2008	2,131,984	2,131,984	-
2009	1,160,196	1,160,196	-
2010	741,396	741,396	-
2011	785,880	785,880	-
2012	833,032	833,032	-
2013	883,014	883,014	-
2014	935,995	935,995	-
2015	992,155	992,155	-
2016	1,051,684	1,051,684	-
2017	1,114,785	1,114,785	-
2018	1,181,672	1,181,672	-

	Passports forgone		
	Total	Adults	Minors
2005	703,092	703,092	-
2006	600,976	600,976	-
2007	519,484	519,484	-
2008	426,053	426,053	-
2009	257,154	257,154	-
2010	140,001	140,001	-
2011	148,401	148,401	-
2012	157,305	157,305	-
2013	166,743	166,743	-
2014	176,748	176,748	-
2015	187,352	187,352	-
2016	198,594	198,594	-
2017	210,509	210,509	-
2018	223,140	223,140	-

	Welfare losses for passports forgone		
	Total	Adults	Minors
2005	$49,570,934	$49,570,934	$0
2006	42,371,289	42,371,289	-
2007	36,625,784	36,625,784	-
2008	30,038,509	30,038,509	-
2009	11,444,408	11,444,408	-
2010	6,230,610	6,230,610	-
2011	6,604,447	6,604,447	-
2012	7,000,714	7,000,714	-
2013	7,420,756	7,420,756	-
2014	7,866,002	7,866,002	-
2015	8,337,962	8,337,962	-
2016	8,838,240	8,838,240	-
2017	9,368,534	9,368,534	-
2018	9,930,646	9,930,646	-

	Total losses (undiscounted)				Total losses (undiscounted)		
	Total	Adults	Minors		Total	Adults	Minors
2005	$714,363,347	$602,572,017	$111,791,330	2005	$602,572,017	$602,572,017	$0
2006	607,488,691	512,420,823	95,067,869	2006	512,420,823	512,420,823	-
2007	521,181,681	439,618,445	81,563,236	2007	439,618,445	439,618,445	-
2008	422,348,288	356,249,767	66,098,521	2008	356,249,767	356,249,767	-
2009	224,102,301	188,964,010	35,138,291	2009	188,964,010	188,964,010	-
2010	141,906,190	119,670,348	22,235,842	2010	119,670,348	119,670,348	-
2011	150,420,561	126,850,569	23,569,992	2011	126,850,569	126,850,569	-
2012	159,445,795	134,461,603	24,984,192	2012	134,461,603	134,461,603	-
2013	169,012,542	142,529,299	26,483,243	2013	142,529,299	142,529,299	-
2014	179,153,295	151,081,057	28,072,238	2014	151,081,057	151,081,057	-
2015	189,902,493	160,145,920	29,756,572	2015	160,145,920	160,145,920	-
2016	201,296,642	169,754,676	31,541,967	2016	169,754,676	169,754,676	-
2017	213,374,441	179,939,956	33,434,485	2017	179,939,956	179,939,956	-
2018	226,176,907	190,736,354	35,440,554	2018	190,736,354	190,736,354	-

	Costs (7% discount rate)				Costs (7% discount rate)		
	Total	Adults	Minors		Total	Adults	Minors
2005	$714,363,347	$602,572,017	$111,791,330	2005	$602,572,017	$602,572,017	$0
2006	567,746,440	478,897,965	88,848,475	2006	478,897,965	478,897,965	-
2007	455,220,264	383,979,775	71,240,489	2007	383,979,775	383,979,775	-
2008	344,762,011	290,805,928	53,956,083	2008	290,805,928	290,805,928	-
2009	170,966,573	144,159,739	26,806,834	2009	144,159,739	144,159,739	-
2010	101,177,152	85,323,304	15,853,848	2010	85,323,304	85,323,304	-
2011	100,231,571	84,525,890	15,705,681	2011	84,525,890	84,525,890	-
2012	99,294,828	83,735,928	15,558,899	2012	83,735,928	83,735,928	-
2013	98,366,839	82,953,350	15,413,489	2013	82,953,350	82,953,350	-
2014	97,447,522	82,178,085	15,269,438	2014	82,178,085	82,178,085	-
2015	96,536,798	81,410,065	15,126,732	2015	81,410,065	81,410,065	-
2016	95,634,585	80,649,224	14,985,361	2016	80,649,224	80,649,224	-
2017	94,740,804	79,895,492	14,845,311	2017	79,895,492	79,895,492	-
2018	93,855,375	79,148,806	14,706,570	2018	79,148,806	79,148,806	-
Total	$3,130,344,108	$2,640,235,568	$490,108,540	Total	$2,640,235,568	$2,640,235,568	$0

	Costs (3% discount rate)				Costs (3% discount rate)		
	Total	Adults	Minors		Total	Adults	Minors
2005	$714,363,347	$602,572,017	$111,791,330	2005	$602,572,017	$602,572,017	$0
2006	589,794,846	497,495,944	92,298,902	2006	497,495,944	497,495,944	-
2007	491,263,720	414,382,548	76,881,173	2007	414,382,548	414,382,548	-
2008	386,508,513	326,019,003	60,489,511	2008	326,019,003	326,019,003	-
2009	199,111,992	167,892,076	31,219,916	2009	167,892,076	167,892,076	-
2010	122,409,526	103,228,693	19,180,833	2010	103,228,693	103,228,693	-
2011	125,974,852	106,235,354	19,739,498	2011	106,235,354	106,235,354	-
2012	129,644,022	109,329,588	20,314,434	2012	109,329,588	109,329,588	-
2013	133,420,062	112,513,945	20,906,117	2013	112,513,945	112,513,945	-
2014	137,306,083	115,791,050	21,515,033	2014	115,791,050	115,791,050	-
2015	141,305,289	119,163,605	22,141,684	2015	119,163,605	119,163,605	-
2016	145,420,977	122,634,389	22,786,588	2016	122,634,389	122,634,389	-
2017	149,656,540	126,206,265	23,450,275	2017	126,206,265	126,206,265	-
2018	154,015,468	129,882,176	24,133,293	2018	129,882,176	129,882,176	-
Total	$3,620,195,237	$3,053,346,652	$566,848,585	Total	$3,053,346,652	$3,053,346,652	$0

Annualized cost (7% discount rate)				Annualized cost (7% discount rate)		
	$334,522,435	$282,147,265	$52,375,169	$282,147,265	$282,147,265	$0

Annualized cost (3% discount rate)				Annualized cost (3% discount rate)		
	$311,148,185	$262,428,739	$48,719,447	$262,428,739	$262,428,739	$0

Summary costs: passports and passport cards are acceptable, no waivers for certain cruise passengers
2005-2018

	Travelers	Adults	Minors
2005	8,307,719	6,895,407	1,412,312
2006	8,411,428	6,981,485	1,429,943
2007	8,916,114	7,400,374	1,515,739
2008	9,451,080	7,844,397	1,606,684
2009	10,018,145	8,315,061	1,703,085
2010	10,619,234	8,813,964	1,805,270
2011	11,256,388	9,342,802	1,913,586
2012	11,931,771	9,903,370	2,028,401
2013	12,647,678	10,497,572	2,150,105
2014	13,406,538	11,127,427	2,279,111
2015	14,210,930	11,795,072	2,415,858
2016	15,063,586	12,502,777	2,560,810
2017	15,967,401	13,252,943	2,714,458
2018	16,925,446	14,048,120	2,877,326

Including minors

	Passports/passport cards demanded		
	Total	Adults	Minors
2005	4,361,869	3,614,189	747,680
2006	3,707,609	3,072,052	635,557
2007	3,178,723	2,633,796	544,928
2008	2,760,941	2,289,100	471,841
2009	1,513,858	1,255,027	258,831
2010	956,440	793,024	163,416
2011	1,013,827	840,606	173,221
2012	1,074,656	891,042	183,614
2013	1,139,136	944,504	194,631
2014	1,207,484	1,001,175	206,309
2015	1,279,933	1,061,245	218,688
2016	1,356,729	1,124,920	231,809
2017	1,438,133	1,192,415	245,717
2018	1,524,421	1,263,960	260,460

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-839,675	-703,092	-136,583
2006	-717,726	-600,976	-116,750
2007	-620,409	-519,484	-100,925
2008	-321,031	-268,936	-52,095
2009	-193,792	-162,322	-31,469
2010	-105,483	-88,372	-17,111
2011	-111,812	-93,675	-18,137
2012	-118,521	-99,295	-19,226
2013	-125,632	-105,253	-20,379
2014	-133,170	-111,568	-21,602
2015	-141,160	-118,262	-22,898
2016	-149,630	-125,358	-24,272
2017	-158,608	-132,879	-25,728
2018	-168,124	-140,852	-27,272

	Passport/passport card costs (undiscounted)		
	Total	Adults	Minors
2005	$656,187,142	$553,001,083	$103,186,059
2006	557,761,659	470,049,534	87,712,125
2007	478,197,214	402,992,661	75,204,553
2008	274,159,624	231,218,199	42,941,425
2009	150,323,958	126,768,170	23,555,788
2010	94,974,282	80,102,052	14,872,230
2011	100,672,739	84,908,175	15,764,564
2012	106,713,103	90,002,665	16,710,438
2013	113,115,889	95,402,825	17,713,064
2014	119,902,843	101,126,995	18,775,848
2015	127,097,013	107,194,614	19,902,399
2016	134,722,834	113,626,291	21,096,543
2017	142,806,204	120,443,869	22,362,335
2018	151,374,576	127,670,501	23,704,076

Excluding minors

	Passports/passport cards demanded		
	Total	Adults	Minors
2005	3,614,189	3,614,189	-
2006	3,072,052	3,072,052	-
2007	2,633,796	2,633,796	-
2008	2,289,100	2,289,100	-
2009	1,255,027	1,255,027	-
2010	793,024	793,024	-
2011	840,606	840,606	-
2012	891,042	891,042	-
2013	944,504	944,504	-
2014	1,001,175	1,001,175	-
2015	1,061,245	1,061,245	-
2016	1,124,920	1,124,920	-
2017	1,192,415	1,192,415	-
2018	1,263,960	1,263,960	-

	Travelers who may forgo travel		
	Total	Adults	Minors
2005	-703,092	-703,092	0
2006	-600,976	-600,976	0
2007	-519,484	-519,484	0
2008	-268,936	-268,936	0
2009	-162,322	-162,322	0
2010	-88,372	-88,372	0
2011	-93,675	-93,675	0
2012	-99,295	-99,295	0
2013	-105,253	-105,253	0
2014	-111,568	-111,568	0
2015	-118,262	-118,262	0
2016	-125,358	-125,358	0
2017	-132,879	-132,879	0
2018	-140,852	-140,852	0

	Passport/passport card costs (undiscounted)		
	Total	Adults	Minors
2005	$553,001,083	$553,001,083	$0
2006	470,049,534	470,049,534	-
2007	402,992,661	402,992,661	-
2008	231,218,199	231,218,199	-
2009	126,768,170	126,768,170	-
2010	80,102,052	80,102,052	-
2011	84,908,175	84,908,175	-
2012	90,002,665	90,002,665	-
2013	95,402,825	95,402,825	-
2014	101,126,995	101,126,995	-
2015	107,194,614	107,194,614	-
2016	113,626,291	113,626,291	-
2017	120,443,869	120,443,869	-
2018	127,670,501	127,670,501	-

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$656,187,142	$553,001,083	$103,186,059
2006	521,272,579	439,298,630	81,973,949
2007	417,675,967	351,989,397	65,686,569
2008	223,795,919	188,742,925	35,052,994
2009	114,681,428	96,710,830	17,970,598
2010	67,715,350	57,111,656	10,603,695
2011	67,082,497	56,577,902	10,504,595
2012	66,455,557	56,049,137	10,406,421
2013	65,834,478	55,525,313	10,309,165
2014	65,219,202	55,006,385	10,212,817
2015	64,609,677	54,492,306	10,117,370
2016	64,005,848	53,983,032	10,022,816
2017	63,407,663	53,478,518	9,929,144
2018	62,815,068	52,978,719	9,836,349
Total	$2,520,758,373	$2,124,945,833	$395,812,540

	Costs (7% discount rate)		
	Total	Adults	Minors
2005	$553,001,083	$553,001,083	$0
2006	439,298,630	439,298,630	-
2007	351,989,397	351,989,397	-
2008	188,742,925	188,742,925	-
2009	96,710,830	96,710,830	-
2010	57,111,656	57,111,656	-
2011	56,577,902	56,577,902	-
2012	56,049,137	56,049,137	-
2013	55,525,313	55,525,313	-
2014	55,006,385	55,006,385	-
2015	54,492,306	54,492,306	-
2016	53,983,032	53,983,032	-
2017	53,478,518	53,478,518	-
2018	52,978,719	52,978,719	-
Total	$2,124,945,833	$2,124,945,833	$0

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$656,187,142	$553,001,083	$103,186,059
2006	541,516,174	456,358,771	85,157,403
2007	450,746,738	379,859,234	70,887,504
2008	250,894,894	211,597,407	39,297,487
2009	133,560,890	112,631,877	20,929,013
2010	81,925,650	69,096,733	12,828,916
2011	84,311,834	71,109,260	13,202,574
2012	86,767,518	73,180,403	13,587,115
2013	89,294,728	75,311,871	13,982,856
2014	91,895,545	77,505,421	14,390,124
2015	94,572,114	79,762,860	14,809,254
2016	97,326,642	82,086,050	15,240,591
2017	100,161,398	84,476,906	15,684,492
2018	103,078,721	86,937,399	16,141,322
Total	$2,862,239,987	$2,412,915,275	$449,324,712

	Costs (3% discount rate)		
	Total	Adults	Minors
2005	$553,001,083	$553,001,083	$0
2006	456,358,771	456,358,771	-
2007	379,859,234	379,859,234	-
2008	211,597,407	211,597,407	-
2009	112,631,877	112,631,877	-
2010	69,096,733	69,096,733	-
2011	71,109,260	71,109,260	-
2012	73,180,403	73,180,403	-
2013	75,311,871	75,311,871	-
2014	77,505,421	77,505,421	-
2015	79,762,860	79,762,860	-
2016	82,086,050	82,086,050	-
2017	84,476,906	84,476,906	-
2018	86,937,399	86,937,399	-
Total	$2,412,915,275	$2,412,915,275	$0

Annualized cost (7% discount rate)		
$269,379,403	$227,081,122	$42,298,281
Annualized cost (3% discount rate)		
$246,003,522	$207,385,005	$38,618,516

Annualized cost (7% discount rate)		
$227,081,122	$227,081,122	$0
Annualized cost (3% discount rate)		
$207,385,005	$207,385,005	$0

Summary of passport costs: passports and passport cards, no waivers for certain cruise passengers

Appendix E

Summary of welfare losses:
Passports and passport cards are acceptable, no waivers for certain cruise passengers

Total covered

	Travelers	Adults	Minors
2005	8,307,719	6,895,407	1,412,312
2006	8,411,428	6,981,485	1,429,943
2007	8,916,114	7,400,374	1,515,739
2008	9,451,080	7,844,397	1,606,684
2009	10,018,145	8,315,061	1,703,085
2010	10,619,234	8,813,964	1,805,270
2011	11,256,388	9,342,802	1,913,586
2012	11,931,771	9,903,370	2,028,401
2013	12,647,678	10,497,572	2,150,105
2014	13,406,538	11,127,427	2,279,111
2015	14,210,930	11,795,072	2,415,858
2016	15,063,586	12,502,777	2,560,810
2017	15,967,401	13,252,943	2,714,458
2018	16,925,446	14,048,120	2,877,326

Including minors

Total affected

	Travelers	Adults	Minors
2005	5,201,544	4,317,282	884,262
2006	4,425,334	3,673,028	752,307
2007	3,799,132	3,153,279	645,852
2008	3,081,972	2,558,037	523,935
2009	1,707,650	1,417,349	290,300
2010	1,061,923	881,396	180,527
2011	1,125,639	934,280	191,359
2012	1,193,177	990,337	202,840
2013	1,264,768	1,049,757	215,011
2014	1,340,654	1,112,743	227,911
2015	1,421,093	1,179,507	241,586
2016	1,506,359	1,250,278	256,081
2017	1,596,740	1,325,294	271,446
2018	1,692,545	1,404,812	287,733

	Passports/passport cards obtained		
	Total	Adults	Minors
2005	4,361,869	3,614,189	747,680
2006	3,707,609	3,072,052	635,557
2007	3,178,723	2,633,796	544,928
2008	2,760,941	2,289,100	471,841
2009	1,513,858	1,255,027	258,831
2010	956,440	793,024	163,416
2011	1,013,827	840,606	173,221
2012	1,074,656	891,042	183,614
2013	1,139,136	944,504	194,631
2014	1,207,484	1,001,175	206,309
2015	1,279,933	1,061,245	218,688
2016	1,356,729	1,124,920	231,809
2017	1,438,133	1,192,415	245,717
2018	1,524,421	1,263,960	260,460

	Passports/passport cards forgone		
	Total	Adults	Minors
2005	839,675	703,092	136,583
2006	717,726	600,976	116,750
2007	620,409	519,484	100,925
2008	321,031	268,936	52,095
2009	193,792	162,322	31,469
2010	105,483	88,372	17,111
2011	111,812	93,675	18,137
2012	118,521	99,295	19,226
2013	125,632	105,253	20,379
2014	133,170	111,568	21,602
2015	141,160	118,262	22,898
2016	149,630	125,358	24,272
2017	158,608	132,879	25,728
2018	168,124	140,852	27,272

	Welfare losses for passports/passport cards forgone		
	Total	Adults	Minors
2005	$58,176,205	$49,570,934	$8,605,271
2006	49,727,032	42,371,289	7,355,743
2007	42,984,467	36,625,784	6,358,683
2008	22,243,310	18,961,132	3,282,178
2009	8,467,195	7,224,025	1,243,170
2010	4,608,882	3,932,932	675,949
2011	4,885,415	4,168,908	716,506
2012	5,178,540	4,419,043	759,497
2013	5,489,252	4,684,185	805,067
2014	5,818,607	4,965,236	853,371
2015	6,167,723	5,263,151	904,573
2016	6,537,787	5,578,940	958,847
2017	6,930,054	5,913,676	1,016,378
2018	7,345,857	6,268,497	1,077,361

Excluding minors

Total affected

	Travelers	Adults	Minors
2005	4,317,282	4,317,282	-
2006	3,673,028	3,673,028	-
2007	3,153,279	3,153,279	-
2008	2,558,037	2,558,037	-
2009	1,417,349	1,417,349	-
2010	881,396	881,396	-
2011	934,280	934,280	-
2012	990,337	990,337	-
2013	1,049,757	1,049,757	-
2014	1,112,743	1,112,743	-
2015	1,179,507	1,179,507	-
2016	1,250,278	1,250,278	-
2017	1,325,294	1,325,294	-
2018	1,404,812	1,404,812	-

	Passports/passport cards obtained		
	Total	Adults	Minors
2005	3,614,189	3,614,189	-
2006	3,072,052	3,072,052	-
2007	2,633,796	2,633,796	-
2008	2,289,100	2,289,100	-
2009	1,255,027	1,255,027	-
2010	793,024	793,024	-
2011	840,606	840,606	-
2012	891,042	891,042	-
2013	944,504	944,504	-
2014	1,001,175	1,001,175	-
2015	1,061,245	1,061,245	-
2016	1,124,920	1,124,920	-
2017	1,192,415	1,192,415	-
2018	1,263,960	1,263,960	-

	Passports/passport cards forgone		
	Total	Adults	Minors
2005	703,092	703,092	-
2006	600,976	600,976	-
2007	519,484	519,484	-
2008	268,936	268,936	-
2009	162,322	162,322	-
2010	88,372	88,372	-
2011	93,675	93,675	-
2012	99,295	99,295	-
2013	105,253	105,253	-
2014	111,568	111,568	-
2015	118,262	118,262	-
2016	125,358	125,358	-
2017	132,879	132,879	-
2018	140,852	140,852	-

	Welfare losses for passports/passport cards forgone		
	Total	Adults	Minors
2005	$49,570,934	$49,570,934	$0
2006	42,371,289	42,371,289	-
2007	36,625,784	36,625,784	-
2008	18,961,132	18,961,132	-
2009	7,224,025	7,224,025	-
2010	3,932,932	3,932,932	-
2011	4,168,908	4,168,908	-
2012	4,419,043	4,419,043	-
2013	4,684,185	4,684,185	-
2014	4,965,236	4,965,236	-
2015	5,263,151	5,263,151	-
2016	5,578,940	5,578,940	-
2017	5,913,676	5,913,676	-
2018	6,268,497	6,268,497	-

	Total losses (undiscounted)				Total losses (undiscounted)		
	Total	Adults	Minors		Total	Adults	Minors
2005	$714,363,347	$602,572,017	$111,791,330	2005	$602,572,017	$602,572,017	$0
2006	607,488,691	512,420,823	95,067,869	2006	512,420,823	512,420,823	-
2007	521,181,681	439,618,445	81,563,236	2007	439,618,445	439,618,445	-
2008	296,402,934	250,179,331	46,223,603	2008	250,179,331	250,179,331	-
2009	158,791,153	133,992,194	24,798,958	2009	133,992,194	133,992,194	-
2010	99,583,164	84,034,984	15,548,180	2010	84,034,984	84,034,984	-
2011	105,558,154	89,077,083	16,481,071	2011	89,077,083	89,077,083	-
2012	111,891,643	94,421,708	17,469,935	2012	94,421,708	94,421,708	-
2013	118,605,141	100,087,010	18,518,131	2013	100,087,010	100,087,010	-
2014	125,721,450	106,092,231	19,629,219	2014	106,092,231	106,092,231	-
2015	133,264,737	112,457,765	20,806,972	2015	112,457,765	112,457,765	-
2016	141,260,621	119,205,231	22,055,390	2016	119,205,231	119,205,231	-
2017	149,736,258	126,357,545	23,378,714	2017	126,357,545	126,357,545	-
2018	158,720,434	133,938,997	24,781,436	2018	133,938,997	133,938,997	-

	Costs (7% discount rate)				Costs (7% discount rate)		
	Total	Adults	Minors		Total	Adults	Minors
2005	$714,363,347	$602,572,017	$111,791,330	2005	$602,572,017	$602,572,017	$0
2006	567,746,440	478,897,965	88,848,475	2006	478,897,965	478,897,965	-
2007	455,220,264	383,979,775	71,240,489	2007	383,979,775	383,979,775	-
2008	241,953,086	204,220,857	37,732,229	2008	204,220,857	204,220,857	-
2009	121,141,010	102,222,004	18,919,007	2009	102,222,004	102,222,004	-
2010	71,001,419	59,915,782	11,085,637	2010	59,915,782	59,915,782	-
2011	70,337,855	59,355,822	10,982,033	2011	59,355,822	59,355,822	-
2012	69,680,492	58,801,094	10,879,397	2012	58,801,094	58,801,094	-
2013	69,029,272	58,251,551	10,777,721	2013	58,251,551	58,251,551	-
2014	68,384,139	57,707,144	10,676,994	2014	57,707,144	57,707,144	-
2015	67,745,035	57,167,825	10,577,209	2015	57,167,825	57,167,825	-
2016	67,111,903	56,633,546	10,478,357	2016	56,633,546	56,633,546	-
2017	66,484,689	56,104,261	10,380,428	2017	56,104,261	56,104,261	-
2018	65,863,337	55,579,922	10,283,415	2018	55,579,922	55,579,922	-
Total	$2,716,062,289	$2,291,409,566	$424,652,723	Total	$2,291,409,566	$2,291,409,566	$0

	Costs (3% discount rate)				Costs (3% discount rate)		
	Total	Adults	Minors		Total	Adults	Minors
2005	$714,363,347	$602,572,017	$111,791,330	2005	$602,572,017	$602,572,017	$0
2006	589,794,846	497,495,944	92,298,902	2006	497,495,944	497,495,944	-
2007	491,263,720	414,382,548	76,881,173	2007	414,382,548	414,382,548	-
2008	271,250,673	228,949,528	42,301,145	2008	228,949,528	228,949,528	-
2009	141,083,883	119,050,329	22,033,553	2009	119,050,329	119,050,329	-
2010	85,901,312	72,489,315	13,411,996	2010	72,489,315	72,489,315	-
2011	88,403,292	74,600,655	13,802,637	2011	74,600,655	74,600,655	-
2012	90,978,145	76,773,489	14,204,656	2012	76,773,489	76,773,489	-
2013	93,627,994	79,009,610	14,618,383	2013	79,009,610	79,009,610	-
2014	96,355,023	81,310,861	15,044,162	2014	81,310,861	81,310,861	-
2015	99,161,480	83,679,139	15,482,341	2015	83,679,139	83,679,139	-
2016	102,049,678	86,116,395	15,933,283	2016	86,116,395	86,116,395	-
2017	105,021,999	88,624,640	16,397,359	2017	88,624,640	88,624,640	-
2018	108,080,892	91,205,940	16,874,952	2018	91,205,940	91,205,940	-
Total	$3,077,336,282	$2,596,260,410	$481,075,872	Total	$2,596,260,410	$2,596,260,410	$0

Annualized cost (7% discount rate)				Annualized cost (7% discount rate)		
	$290,250,445	$244,870,174	$45,380,271	$244,870,174	$244,870,174	$0

Annualized cost (3% discount rate)				Annualized cost (3% discount rate)		
	$264,490,597	$223,143,135	$41,347,462	$223,143,135	$223,143,135	$0