

## **Passenger vessel charter**

Pursuant to section 3502(b) of the National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283 (Jan. 1, 2021), the Maritime Administration is required to make publicly available a detailed summary of requests for MARAD confirmation that a vessel charter for a passenger vessel is encompassed by the general foreign transfer approval pursuant to 46 CFR 221.13(a).

On October 22, 2019, MARAD received a request, submitted on a confidential basis, from River 1, LLC (“River 1”) for MARAD confirmation that a time charter of a passenger vessel by Viking USA, LLC (“Viking USA”) for operation in the coastwise trade is subject to the general approval of 46 CFR 221.13(a).

Subject to exemption 4 of the Freedom of Information Act (5 U.S.C. 551(b)(4)), which protects trade secrets and commercial or financial information obtained from a person that is privileged or confidential, MARAD confirms that River 1 proposes to time charter a cruise vessel that it would construct, own and operate, to Viking USA, a non-citizen, on a long-term basis primarily for cruises on the Mississippi River. River 1’s submission advised MARAD that River 1 is a Louisiana limited liability company formed by the Edison Chouest Offshore group of companies (“ECO”). ECO is an organization of privately-owned operators, owners, and builders of U.S.-flagged vessels that is 100% owned by citizens of the United States.

The proposed time charter provides the following:

- River 1 would at all times hold the legal title to the vessel and will be responsible for vessel documentation;
- River 1 would be responsible for hiring, provisioning, and paying the vessel's marine crew, including the vessel's master;
- River 1 would be responsible for vessel maintenance and repair, including compliance with U.S. Coast Guard and classification society requirements;
- River 1 would be responsible for procuring bunkers;
- River 1 would be responsible for insuring the vessel, including Hull and Machinery, Employer's Liability Insurance, and Protection and Indemnity coverage;
- Viking would make an advance charter hire payment that would be used by River 1 to cover the delivered price of the vessel; and
- The time charter has a term of eight years, an option for Viking to extend an additional twelve years, and then two additional five-year extension options.

River 1 also provided information concerning the financing of the vessel’s construction, the particular details of which are subject to the exemptions from disclosure under 5 U.S.C. 551(b)(4). The vessel will be financed pursuant to a Credit Agreement between JP Morgan Chase and River 1. Viking USA is not a party to the credit agreement, has no equity or ownership interest in the vessel, and has no right to control River 1 or its affiliates’ business, management or operations outside of the time charter.

MARAD issued a letter to River 1 on December 20, 2019, advising that the form of time charter River 1 submitted was a time charter and is covered by the general regulatory approval of 46 CFR 221.13(a).

Section 3502(b) requires that the public be given an opportunity to provide comments to the agency for all such confirmation requests received by MARAD in Fiscal Year 2020 and thereafter. Interested parties may submit comments to [Passengervesselcharters@dot.gov](mailto:Passengervesselcharters@dot.gov). Comments may be submitted on or before August 29, 2021.