

September xx, 2024

The Honorable Sam Graves, Chairman
House Committee on Transportation & Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Maria Cantwell, Chairwoman
Senate Committee on Commerce
254 Russell Senate Office Building
Washington, DC 20510

The Honorable Rick Larsen, Ranking Member
House Committee on Transportation & Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Ted Cruz, Ranking Member
Senate Committee on Commerce
254 Russell Senate Office Building
Washington, DC 20510

Dear Chairs Cantwell and Graves and Ranking Members Cruz and Larsen:

As owners and operators of small and micro dive retail businesses that comprise a majority of the U.S. SCUBA diving industry, we write to you regarding the urgent need to provide insurance relief to the more than 1,400 U.S. dive stores and day boat operators like us around the country. Along with many of these businesses, we are struggling to stay open because of recent federal policy changes that caused a massive disruption to the insurance markets, resulting in significant increases to our annual commercial insurance premiums. Our dive stores and vessel operators provide direct and indirect employment for thousands of American workers and represent the nearly 2.6 million American recreational divers and 11 million recreational snorkelers here in the United States. Collectively, our organizations represent millions of stakeholders throughout the U.S. SCUBA diving ecosystem, all of whom contribute to local tourist-based economies in this country's coastal and Great Lakes regions.

As you may know, Sec. 11503—The Small Passenger Vessel Act (SPVA)—was added to the 2023 National Defense Authorization Act (NDAA). The genesis of the SPVA was the [tragic and horrific loss of life resulting from a fire aboard the overnight vessel Conception](#), which appears to have been caused by crew members' violations of existing U.S. Coast Guard rules. Like you, we believe bad actors should face the consequences for their decisions—[just as the Captain of the Conception did](#). We understand that, by including the SPVA in the 2023 NDAA, Congress was trying to further incentivize good behavior, and we support the [additional safety standards implemented by the U.S. Coast Guard](#) at the direction of the SPVA bill sponsors and Congress, following the Conception tragedy.

However, and unfortunately, the broad scope of the 2023 SPVA language is harming the entire SCUBA diving industry, including the consumers, employees, and small businesses like us. In the nearly two years since enactment, our businesses have been greatly damaged because of the paralyzing cost increases in commercial insurance premiums that are a direct result of the SPVA. **Small day boat dive operators** from Hawaii to Florida have reported **annual premium increases of over \$100,000**. These are law-abiding operators, having nothing to do with the overnight tragedy of the Conception. **Dive store owners with no boats** of their own and from coast to coast are reporting **annual premium increases as high as \$40,000**. Just like us, these are local and often family-owned businesses who do not have deep pockets to absorb these costs. Many owners have had to lay off employees and raise prices for consumers just to keep their businesses running. The impact is especially concerning as it adds financial strain without directly contributing to safety enhancements. When added to the enormous inflationary price increases (almost 39%) in "conventional water activities" as defined by the [U.S. Bureau of Economic Analysis](#), the 2023 SPVA language has resulted in business owners diverting hard-earned

and limited resources from necessary boat maintenance, safety equipment, and staff training to pay for exponential increases in insurance premiums in the event of a lawsuit.

Collectively, we ask your urgent support and request that you modify Section 11503 of the 2023 NDAA with the compromise legislative changes proposed by “The Don’t Imperil Vessel Employees, Business Owners, and Tourism (DIVE BOAT) Act” championed by Rep. Aaron Bean. This language was developed with input from insurance actuaries. It would help to ensure that vessels operating safely and lawfully are not unduly burdened with the threat of unlimited liability for an incident that may have occurred two years prior. As you likely know, commercial insurance contracts are written on an annual basis. The DIVE BOAT Act would:

- Hold overnight vessels to higher liability standards, honoring the spirit in which the original law was enacted, but subject this class of vessel operator to a “look back” period more in line with how annual insurance premiums are priced.
- Remove “day-boats” from the types of vessels subject to these heightened liability standards and “look back” period—reverting them back to the same standards as all other vessel operators, e.g., sport fishing, pleasure cruises, and tow boats.

The changes proposed in the DIVE BOAT Act aim to hold bad actors accountable while alleviating the burden of unjust cost increases for law-abiding businesses. Bad actors should be held responsible, but not at the expense of thousands of small businesses and employees like us who operate safely and responsibly every day and serve millions of American consumers. We ask Congress to support a compromise that does not unfairly punish an entire industry, its employees, and its consumers.

Thank you for your consideration. For further information, please feel free to contact Tom Ingram, President & CEO of the Diving Equipment and Marketing Association (DEMA) at tom@dema.org or DEMAs legislative expert in Washington, D.C., Emily Coyle at ECoyle@forbes-tate.com.

Sincerely,

RETAILER SIGN ONS...

CC: Members of the House Transportation & Infrastructure Committee
Members of the Senate Commerce Committee