Tentative Syllabus

Econ 496
Contemporary Economic Issues: Group Research/WI

Instructor: James Mak
Classroom:
Time: MW
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Course Content: This is a very loosely structured "course" where we all work on a group research project. There are very few formal lectures. No mid-term or final exam. We all contribute to the research of a current policy issue that will lead to a publishable paper. Although we all work on the same topic, each student is expected to submit his/her own assignments and papers. Debates and open discussions are also part of the format.

Topic: In November 2007, U.S. Homeland Security, Customs and Border Protection proposed a new interpretation of the 122 year old Passenger Vessel Services Act. The Passenger Vessel Services Act (PVSA)—a cabotage law passed in 1886 (now codified at 46 U.S.C. 55103)—reserves domestic passenger shipping service to U.S. built, flagged, and crewed vessels. The original intent of the PVSA was to preserve and protect the U.S. domestic maritime industry. Under the PVSA, foreign flagged vessels that carry passengers between U.S. ports must make a foreign stop. Violators are subject to a fine. The new interpretation is intended to protect Norwegian Cruise Line’s (NCL) monopoly in the inter-island cruise market. NCL has claimed that foreign flagged cruise ships from the west coast have made token stops in Ensenada, Mexico to comply with the provisions of the PVSA); as a result prices have dropped on interisland cruises in Hawaii forcing NCL to redeploy two of its Hawaii based ships (Pride of Hawaii and Pride of Aloha) to Europe and Asia (respectively). Customs and Border Protection wants to reinterpret the legislation to require foreign flagged cruise ships to spend at least 48 hours at a foreign port (among other provisions). Governor Linda Lingle is against it while our Congressional delegation is for it.

Our project is to evaluate the effects of this proposal. Among other things we will analyze data on every cruise ship sailing in North America (17,000+ of them) since 2004 to ascertain the effects of such a change if it were adopted.

Students who are not interested in rigorous research are not encouraged to take this course. There will be daily/weekly assignments. Half the semester grade will be on the final paper each student submits; the other half will depend on attendance and completion of regular assignments. Even though this is a group research class, there will be no free-riders.