

April 2, 2026

The Honorable Louis DiPalma
Chair, Senate Committee on Finance
82 Smith Street
Providence, RI 02903

Chairman DiPalma and Members of the Committee,

On behalf of the RI Hospitality Association, we respectfully submit this testimony in opposition to Article 5, Section 8 of the Governor's proposed budget, which would increase the per-passenger landing and boarding fees for cruise vessels visiting Newport from \$10 to \$15.

While this proposal may appear modest, the cumulative impact of a 50% increase in fees is significant and risks undermining one of Rhode Island's most important tourism drivers. Cruise passengers represent a vital source of economic activity for Newport and the broader region, supporting restaurants, hotels, retail shops, tour operators, and countless small businesses that rely on seasonal visitation.

Cruise lines make port-of-call decisions based on a variety of factors, including cost competitiveness. Increasing fees at this scale places Newport at a disadvantage compared to other destinations along the Eastern Seaboard. These companies have flexibility in itinerary planning, and even incremental cost increases can lead to fewer scheduled stops. A reduction in cruise traffic would have a direct and immediate impact on local businesses, many of which depend on these visitors to sustain operations, particularly during shoulder seasons.


Moreover, cruise passengers contribute meaningfully to the local economy through dining, shopping, and excursions. The additional revenue generated by this fee increase is unlikely to offset the broader economic losses that could result from decreased visitation. In effect, this proposal risks trading long-term economic vitality for short-term revenue gains.

It is also important to consider that Newport's tourism ecosystem is interconnected. A decline in cruise activity not only affects waterfront businesses but also ripples throughout the local and statewide hospitality sector. Hotels, transportation providers, and cultural institutions all benefit from the exposure and economic activity that cruise passengers generate.

The hospitality industry continues to face rising costs and economic uncertainty. Policies that may discourage visitation should be approached with caution. We urge the Committee to carefully consider the broader economic consequences of this proposal and to oppose Article 5, Section 8.

Thank you for your consideration.

Sincerely,

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