

Memorandum

TO : Secretary

DATE: May 22, 2003

FROM : Chairman Blust *SMB*

SUBJECT : Docket No. 02-15, May 21, 2003 meeting with Richard Fain, President, Royal Caribbean Cruise Lines

In attendance at the meeting were Chairman Blust, Rachel Dickon-Matney, Richard Fain, Mike Roberts and Hopewell Darnelle of Thompson Coburn LLP, and Jeffrey Turner of Patton Boggs LLP. Mr. Fain spoke for RCCL in comment to the proposed rule.

Mr. Fain expressed support for protection of passengers, indicating that passenger confidence is crucial to RCCL's business. He allowed however that the rulemaking as drafted is aimed at a very remote risk and would be very expensive in its implementation. Mr. Fain described RCCL's actions following September 11, 2001 and commented that RCCL's responds very well to various contingencies and that despite the events of the day, 11,000 new bookings were made.

Mr. Fain mentioned that the proposal does not address foreign boarding, air components of cruise packages, or problems with travel agents. He emphasized again that the risk protected against by the proposal is infinitesimal and that the proposal would not have offered any great protection to passengers affected by recent bankruptcies.

Mr. Fain noted that the cost of bonding is significant and suggest the Commission ought to look both at the costs and benefits of the proposed rule. With regard to the Fair Credit Act component of the proposed rule, Mr. Fain noted that the Commission is treating credit card users separately from other customers and involving itself in the credit card / cruise line relationship.

Mr. Fain again emphasized the significance of the proposed rule. Chairman Blust thanked Mr. Fain for his comments.