



CARNIVAL
CORPORATION & PLC

ARNALDO PEREZ

Senior Vice President and General Counsel

February 10, 2010

Karen V. Gregory, Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573-0001

RE: Financial Responsibility Requirements for Nonperformance of Transportation – Notice of Inquiry dated December 3, 2009 (the “Notice of Inquiry”)

Dear Ms. Gregory:

Carnival Corporation & plc (“Carnival”) submits the following comments on the Notice of Inquiry. These comments are submitted on behalf of 11 cruise brands including, Carnival Cruise Lines, Princess Cruises, Holland America Line, Costa Cruises, Cunard Line and Seabourn Cruise Line, all of which are owned by Carnival. Through these cruise brands, Carnival operates a fleet of 95 ships with an additional 11 cruise ships scheduled for delivery by 2012.

Carnival supports the position of the Cruise Lines International Association (“CLIA”) as set forth in its comments submitted to the Commission on February 10, 2010. In addition, Carnival strongly urges the Commission to adopt self-insurance rules to allow foreign and US passenger vessel operators (“PVOs”) at companies with investment grade credit ratings and strong balance sheets to qualify for self insurance. This position is consistent with and supported by the Congressional intent behind the establishment of the financial responsibility program. The federal act establishing the program along with the corresponding regulations require each PVO either to: (i) provide information the Commission considers necessary or (ii) provide a bond or other security. (See: 46 U.S.C. 44102(b) and 46 CFR, 540.1(a)). Accordingly, the Commission should establish a reasonable mechanism under which PVOs may evidence their financial responsibility without having to post a bond or additional security.

The Commission may implement several methods to assess a PVO's creditworthiness including having PVOs submit the consolidated group's credit ratings from Moody's and Standard & Poors, both well-established and independent credit rating agencies. The Commission could also look to other federal programs which allow self insurance such as regulations promulgated under OPA90 and the Offshore Facilities Oil Spill Financial Responsibility (see: 33 CFR 133.80 and 30 CFR 253.21 et seq., respectively) as a guideline to implement periodic financial reporting requirements for its

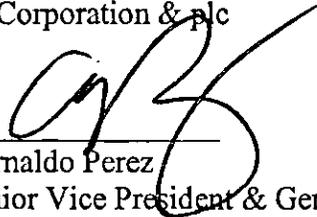
own self insurance program. As nearly 100% of the PVOs now operating are part of foreign companies, any self insurance program would have to be based on the company's overall creditworthiness and financial strength rather than being based on a US-based asset test which is inapplicable to the modern day cruise industry.

For a company with more than one PVO, such related PVOs should be treated as one consolidated entity for purposes of the financial responsibility requirements thereby allowing a group of related PVOs to evidence their financial strength on the basis of the company's overall credit ratings and, if necessary, file one bond to meet their financial responsibility (supported by a parent guaranty for the consolidated group). Due solely to its corporate structure, Carnival currently files six separate bonds/guarantees on behalf of certain of its operating companies. If Carnival were to process all passenger revenue through one company on behalf of all of the brands in the group, only one bond would be required under present regulations. Carnival proposes that the Commission recognize what is already accepted practice by amending the regulations to allow commonly owned PVOs to evidence their financial strength on a consolidated basis and to post a single bond if the consolidated entity does not qualify for self insurance. This would be consistent with the practice of credit rating agencies, lenders, the investment community and others who evaluate the creditworthiness and financial strength of these cruise companies on a consolidated basis.

We are willing to meet with the Commission to discuss our comments in more detail in the hope of continuing to provide meaningful protection to the US public while at the same time recognizing the financial security and strength of cruise companies such as Carnival. Should you have any questions or require additional information, please do not hesitate to contact the undersigned.

Sincerely,

Carnival Corporation & plc

By: 
Name: Arnaldo Perez
Title: Senior Vice President & General Counsel