

Royal Caribbean Cruises Ltd.

1050 Caribbean Way
Miami, FL 33132 2096 USA

tel: 305.539.6000
www.royalcaribbean.com

3 June 2008

Mr. Roger Beale AO
Chairman
Independent Panel of Experts
Quarantine and Biosecurity Review

By email: quarantinebiosecurityreview@daff.gov.au

Dear Mr. Beale,

Thank you for the opportunity that you and the members of the Panel gave to me on Monday, 12 May, to put forward concerns regarding the change made by AQIS in October, 2007 banning the transshipment of containers of prohibited goods used for the provisioning of cruise line ships. Please refer to the details provided in submissions made by Royal Caribbean Cruise Lines, the Cruise Line International Association, and others.

At our meeting you requested that we inform you of the outcome of the meeting that I was to have with AQIS later that week.

While the meeting did not resolve the issues, I was encouraged by the positive response from AQIS. I am hopeful that we will find a practical resolution to the issues that will both ensure that there is an acceptable level of protection from the perspective of Australia's quarantine requirements while meeting the needs of the cruise lines to adequately provision our ships. As I put forward in our meeting in Sydney, transshipment should not be confused with the importation of prohibited goods for home consumption. I believe that in the longer term a statutory recognition of this difference is required, and encourage the Panel to address this need in its final report.

I attach for your information a copy of the letter dated May 20, 2008 that I wrote to Mr. Hunter and to Mr. Chapman at AQIS summarizing our meeting.

I will keep you informed as the matter progresses.

Sincerely



Jeff Danis
Vice President, Supply Chain Management
For and on behalf of the Cruise Line Industry Association

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May 20, 2008

Attention: Tim Chapman and Stephen Hunter
Australian Government
18 Marcus Clarke Street
Canberra City, ACT 2601

Re: Transshipment of ships' stores

Dear Tim and Stephen,

Thank you both for meeting with me and with David Lieberman Thursday to discuss our concerns regarding the prohibitions imposed on transshipment of ships' stores, especially as related to prohibited goods.

As we discussed, we understand the concerns of AQIS to ensure that appropriate steps are taken to achieve an acceptable level of protection (ALOP) for Australia's biosecurity. We certainly do not wish to do anything that would breach that level of security. Nor, as we stated, do we seek to challenge what should be considered to be prohibited goods.

We believe that by working with you we will be able to find a process that will satisfy ALOP. We believe the processes currently used by the international cruise lines for transshipping foodstuffs should be adequate for those purposes, but we will certainly discuss any modifications that you may identify. To achieve a successful result in the most expedient manner, we request that issues, concerns, or questions regarding existing practices raised by yourselves or Biosecurity Australia be brought to our attention early, and we mutually work to find a satisfactory solution. Tim may contact me directly regarding these matters.

Naturally we seek to minimize our transport costs so that where there are different types of frozen goods we seek to be able to consolidate them together in containers even where that involved us having to treat all the goods at the highest level of risk assessment.

Royal Caribbean International
Celebrity Cruises

We note too that in your considerations you will need to find a solution that is principle based and not just designed to meet Royal Caribbean and CLIA's needs.

Tim indicated that he considered that he would be in a position to conclude his review by the end of July. Importantly, we appreciate his offer to keep us informed as he undertook the review.

During this process I will have to consult with CLIA to ensure that solutions that appear to be acceptable to RCCL are also acceptable to the other members of CLIA.

Thank you again for your time. I look forward to working with you to find a resolution that is compliant with legislative provisions and your statutory obligations while allowing us to continue to grow our business in Australia.

Sincerely,



Jeff Danis
Vice President
Supply Chain Management
Royal Caribbean Cruises Ltd.

And for and on behalf of Cruise Lines Industry Association

JD: ya