

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
U. S. Coast Guard

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Mr. [REDACTED]
Vice President, Shipbuilding
Carnival Corporation & plc
3655 NW 87th Avenue
Miami, FL 33178

NOV 12 2013

Dear Mr. [REDACTED]

This letter is in response to the request made by Carnival Corporation & plc (Carnival) seeking the views of the United States Coast Guard (USCG), United States Environmental Protection Agency (EPA) regarding Carnival's plans for obtaining approval from its flag states of an exemption to conduct trials for the development of ship emission reduction and control technologies under IMO's Annex VI, Regulation 3 for certain Carnival ships flagged by the Netherlands, Panama, Bermuda, and the Bahamas. Under its proposed program, Carnival plans to install exhaust gas cleaning systems for engines on vessels that operate in the North American and U.S. Caribbean Emission Control Areas ("ECAs").

Coast Guard and EPA's cooperative discussions with Carnival over the past several months have resulted in the development of a feasible approach for exhaust gas cleaning system trial programs under MARPOL Annex VI, Regulation 3 for up to 32 vessels. Under these trial programs, Carnival would install sufficient exhaust gas cleaning capacity on each of the ships to meet or exceed the 2015 ECA fuel sulfur requirements. Attachment 1 identifies the anticipated vessels with the corresponding flag state and projected installation dates. We note that Attachment 1 reflects some changes in the projected installation dates since the August 8, 2013 letter was sent from USCG and EPA to Carnival on the general concept. Some of the vessels originally planned for exhaust gas scrubber installation in 2016 have been rescheduled for 2014. Some of the vessels originally planned for installation in 2014 have been pushed back to 2016.

USCG and EPA have reviewed the elements of the proposed trial programs for those vessels operating in the ECAs. Under these trial programs, Carnival would seek a permit from the relevant flag state for an exemption for each of the vessels identified in Attachment 1 from the fuel sulfur requirements of MARPOL Annex VI, Regulation 14 until 60 days after the installation of the exhaust gas cleaning units for each respective vessel. For vessels with installation dates prior to January 1, 2016, the exemption period shall begin upon approval of the trial program by the flag state. For vessels with installation dates in 2016, the exemption period shall begin on January 1, 2015. Attachment 2 provides the details of the trial program for each affected vessel, excepting the individual ship names, flag states, and installation dates.

We acknowledge that Carnival may choose to modify the selected vessels and installation dates included in Attachment 1 in its request to the flag state and the permitted vessels still meet the requirements for a Regulation 3 trial program exemption, provided that the following conditions are met: 1) no more than 32 vessels may be exempted under these trial programs, 2) no more than 7 vessels may be exempted with installation dates from January 1 through June 30, 2016, 3) no vessels may be exempted with installation dates after June 30, 2016, 4) any substitution of vessels must maintain a comparable diversity of engine types and vessel classes as presented in Attachment 1, and 5) Carnival informs USCG and EPA of any

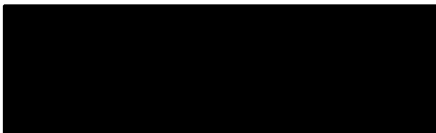
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such modifications. As part of this effort, it is expected that Carnival will provide USCG and EPA copies of each trial program permit approved by the flag states.

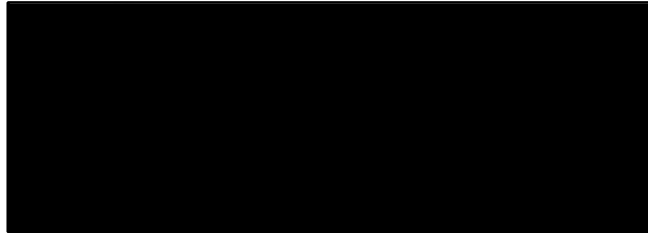
We acknowledge, subject to approval by Carnival's flag states, that the proposed trial programs, if fully implemented according to the stated terms in Attachment 2, meet the provisions of MARPOL Annex VI, Regulation 3. USCG and EPA also agree that a vessel meeting all the terms and conditions of the permit issued under the trial program is exempt from the Annex VI Regulation 14 fuel sulfur requirements during the specified period for such exemption.

U.S. Government acceptance of an exemption under the MARPOL Annex VI, Regulation 3 as proposed by Carnival does not affect U.S. Port State rights, authorities and responsibilities under MARPOL Annex VI, or applicable law.

Sincerely,



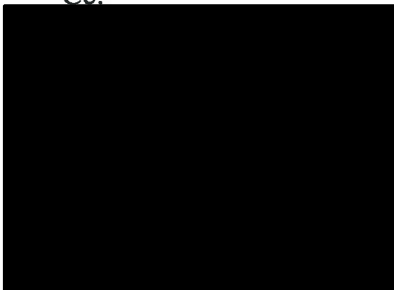
Director of Inspections and Compliance
U.S. Coast Guard



Director, Office of Transportation and Air Quality
U.S. Environmental Protection Agency



Cc:



Maritime Authority
Bermuda Department of Maritime Administration
Ministry of Infrastructure and Environment
Ministry of Infrastructure and Environment
Maritime Authority of Panama
Port Canada
Permanent Representative of France to IMO

Attachment 1

Vessel	Flag State	Projected Installation Start Dates as of 4 Oct 2013
Golden Princess	Bermuda	24 Sep 2014
Carnival Pride	Panama	19 Oct 2014
ms Volendam	Netherlands	8 Dec 2014
Star Princess	Bermuda	9 Dec 2014
Carnival Paradise	Panama	14 Dec 2014
Carnival Magic	Panama	8 Feb 2015
Carnival Miracle	Panama	7 Mar 2015
ms Nieuw Amsterdam	Netherlands	29 Mar 2015
ms Zuiderdam	Netherlands	30 Mar 2015
ms Zaandam	Netherlands	19 Apr 2015
ms Amsterdam	Netherlands	30 Apr 2015
Crown Princess	Bermuda	2 May 2015
Carnival Fascination	Bahamas	9 May 2015
Carnival Dream	Panama	1 Sep 2015
ms Noordam	Netherlands	15 Sep 2015
Carnival Breeze	Panama	15 Sep 2015
Carnival Glory	Panama	1 Oct 2015
Carnival Fantasy	Panama	17 Oct 2015
Ruby Princess	Bermuda	3 Nov 2015
Queen Mary 2	Bermuda	5 Nov 2015
ms Statendam	Netherlands	30 Nov 2015
Carnival Conquest	Panama	1 Dec 2015
ms Eurodam	Netherlands	1 Dec 2015
Carnival Valor	Panama	2 Dec 2015
Emerald Princess	Bermuda	2 Dec 2015
Royal Princess	Bermuda	6 Dec 2015
Coral Princess	Bermuda	9 Dec 2015
Carnival Sunshine	Bahamas	9 Dec 2015
Carnival Triumph	Bahamas	9 Dec 2015
Carnival Splendor	Panama	7 Mar 2016
ms Oosterdam	Netherlands	30 Mar 2016
Carnival Liberty	Panama	1 Apr 2016