

Testimony of

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I. Introduction

Chairman Cummings and Members of the Subcommittee, I am pleased to submit this written testimony on behalf of Royal Caribbean Cruises Ltd. ("Royal Caribbean").

My name is Gary Bald, and I serve as Senior Vice President of Global Security for Royal Caribbean. Royal Caribbean is a global cruise vacation company that operates Royal Caribbean International, Celebrity Cruises and Pullmantur. We operate a combined total of 34 ships, with six under construction, and deploy them to a wide variety of vacation destinations throughout the world.

Prior to joining Royal Caribbean, in June 2006, I retired from the FBI, where I spent nearly 29 years gaining broad experience and knowledge in both national security and criminal law enforcement matters. In my most recent position at the FBI, I served as Executive Assistant Director for the National Security Branch, the third senior-most position at the Bureau. In that assignment, I headed the Bureau's counterterrorism, counterintelligence and intelligence programs worldwide and directed the efforts of approximately 19,000 employees. Most of my FBI career was spent in field assignments conducting or supervising criminal investigations and participating in criminal prosecutions. My efforts have been recognized through the Presidential Rank Award for Meritorious Service and the Attorney General's Award for Outstanding Partnerships in Law Enforcement in 2004; the U.S. Attorneys' Award for Outstanding Contribution in Law Enforcement and the FBI Director's Award for Excellence in Investigation in 2003; and the FBI Director's Award for Ethics in Investigation in 2001.

I hold a Master of Science degree in Forensic Science from George Washington University and was born and raised in the great state of Maryland.

All of us at Royal Caribbean appreciate the time and serious consideration you are applying to these issues and hope that this hearing will improve the public's understanding of the cruise industry. I particularly appreciate your giving me this opportunity to appear before you and to answer the Subcommittee's questions.

Nothing is more important to our company than the safety and security of our guests and crew members. Both our actions and our record reflect that commitment. We are not perfect, of course, but we strive to be. In those rare moments when we do fall short of our own expectations, we take the lessons learned to heart, and use them in our process of continuous improvement to further strengthen our policies and procedures.

I would like to begin by clearly making several points that might otherwise be overlooked in our mutual efforts to identify areas for further improvement.

This is our third opportunity to appear at a Congressional Hearing in the last 16 months. Throughout this time, three important issues have remained constant:

1. Cruising is one of the safest vacations a person could take, as millions of people know and experience each year;

2. Even one crime onboard a cruise ship is one too many. However, by virtually any statistical comparison to crime activity in the U.S., our fleet is extraordinarily safe – in fact, safer than being on land in the U.S.

3. We at Royal Caribbean take each and every allegation of crime seriously, and go above and beyond in reporting them to the FBI and other authorities. I want to emphasize that despite all the attention over the last 16 months that has been drawn to the issue of whether crimes on cruise ships are being underreported, not one person – guest or otherwise – not one attorney, and not one federal or local law enforcement officer or prosecutor has approached us – or anyone we know of – to accuse us of not reporting an allegation of crime onboard any of our cruise ships.

There is another issue I would like to briefly address, that of the statistics our industry provided to Congressman Shays and his Subcommittee

Mr. Chairman, based on everything I know about the matter, I believe the information provided by Royal Caribbean to Congressman Shays to be true and accurate. Royal Caribbean is a company with a high degree of integrity. I believed this to be true when I accepted my position last June – and I believe it to be true today. If it were not true, I would not continue my association with Royal Caribbean.

In my opinion, any suggestion to the contrary distorts the truth and ignores the facts.

For us, this issue goes well beyond any legalese and definitions. It is a moral one. When we receive an allegation of shipboard crime involving a U.S. citizen, we take immediate action. We report it to the FBI and other appropriate authorities, and we assist our guests and all law enforcement agencies.

A February 12, 2006, Miami Herald article reinforces that point, quoting an FBI supervisor in charge of Miami Division criminal investigations involving the cruise industry:

"The cruise lines say they notify the appropriate authorities about all crimes and already lean toward over-reporting...

John DiPaolo, an FBI agent who oversees criminal investigations at South Florida's seaports, agrees. He said the cruise lines contact his office about criminal incidents even when the FBI might not have jurisdiction.

"We have very open lines of communication," DiPaolo said. "We've never had an instance where I went to them and said, 'Hey, you should have reported that to us.'"

It is worth noting that the overwhelming majority of allegations we report to the FBI would never receive that level of scrutiny on land – from who I believe are our nation's finest federal agents and prosecutors – examining those situations to determine the best course of action regarding any investigation or prosecution.

I would also like to take a moment to address the situation of a former guest of ours – Ms. Laurie Dishman – who sailed with us in February 2006. She has brought her issues to this Subcommittee, and although we are in litigation with Ms. Dishman, I want to respond to several of her concerns. I do this despite the fact I believe her attorneys will be listening closely and will likely do everything they can to use this committee's testimony to their advantage in that litigation.

I want to begin by extending my most sincere sympathies to Ms. Dishman. Clearly, she is very upset about events that took place during her cruise and I truly regret that her experience was so traumatic.

As events unfolded during her cruise, it was our intention and desire to assist her in every way we could. I feel we accomplished that in some respects – but, in others, I feel we came up short.

On the positive side of our response:

- As soon as Ms. Dishman reported her allegation to us, in February a year ago, our personnel took steps to address the situation. We immediately contacted the FBI and provided its agents with all available information.
- We provided medical assistance to Ms. Dishman and helped her and her traveling companion depart the ship at the next port, as they requested.
- In response to our reporting, 10 FBI agents boarded the ship and conducted an investigation, including interviews of witnesses. We cooperated with the FBI completely. Ultimately, the FBI did not make any arrests or charge anyone with a crime.

- At the same time, we reviewed Ms. Dishman's allegation and determined that our crew member had not complied with our company policies regarding fraternization with a guest and drinking while on duty. We subsequently fired him for these violations, after being assured the FBI had no further need of him.

On the disappointing side of our response:

- We failed to provide Ms. Dishman with information she sought in a timely manner – and I am not happy about that. While we ultimately responded to her requests and provided her what we could, that response clearly should have been much quicker – and for that I apologize to Ms. Dishman.
- We apparently did not adequately secure Ms. Dishman's cabin. Although it appears that this had no effect on the FBI's investigation, the manner in which we carried out this task was neither consistent with our policies and practices, nor with our ethical obligation to our guests.
- We should have done more to support Ms. Dishman's personal and emotional needs onboard the ship.

In response to the above, we have taken the following steps to strengthen our efforts:

- Providing information in a timely manner: Overall, in situations of this sort, we face far greater legal liabilities and are held to a higher standard than a land-based facility. Land-based resorts are not held liable for assaults committed against patrons except when they negligently hired or retained an employee with a criminal past. Unlike land-based facilities, cruise lines are strictly liable for assaults committed by their employees against their guests, even if the company itself was not negligent. If such an assault takes place onboard, we are responsible to pay damages regardless of fault. For this reason, we sometimes respond like other large companies involved in, or facing a potential lawsuit – we become too defensive. This is an issue we are specifically addressing and, as part of our continuous improvement efforts, we are revising our policies to allow for a prompter release of certain information to alleged victims, including:
 - The name of the alleged assailant, if it can be determined.
 - Copies of shipboard medical records relating to the alleged victim.
 - The name and contact information for involved law enforcement authorities.
 - Copies of written statements provided by the alleged victim.
 - As we continue to review this issue, other items may be added to this list.

- Effectiveness of an incident response: In my view, Royal Caribbean is very adept at handling routine issues and guest-related incidents. However, in situations such as Ms. Dishman's, involving intimate contact between guests or a guest and a crew member, we are less practiced, principally due to the infrequency of these incidents. This also makes it more likely for us to make mistakes. I was hired by Royal Caribbean to assist the company in many ways – and none is more important than in situations such as this. I am working to improve training, incident communication and oversight to address this area.
- Guest support: In response to the need to improve our efforts to provide personal and emotional support, we have created the Guest Care Team. This dedicated team has been primarily pressed into duty in response to medical emergencies but has also supported victims of alleged sexual assaults. This team has received overwhelmingly positive feedback from alleged victims, our guests and their families. I believe this represents a very strong commitment to this very important area. Further details on this initiative are contained later in my statement.
- Security-support staffing: The nature of cruise ships requires crew members to occasionally assist in shipboard duties beyond their routine assignment. This is also true in the area of security, where crew members may be asked to assist by performing routine (non-security) functions such as checking IDs at our nightclubs. It is important that we carefully select and train such persons so they can provide the highest standard of service to our guests. We have communicated this directive to our Security Officers, holding them accountable for the selection of security-support crew members and for providing proper training and oversight to these persons.

As you can see, Mr. Chairman, we have taken several steps to address issues raised by Ms. Dishman. I know from my conversations with you that we share the view that there are few crimes in society more troubling than sexual crimes, nor, I believe, more difficult to prevent. I will continue to look for ways to prevent the very few such crimes we experience on our ships. At the same time, I will also continue to work to improve the level of our crew's preparedness to effectively respond when these infrequent incidents occur.

II. Initiatives

I came to work for Royal Caribbean last June because the company impressed me with its strong commitment and dedication to security and guest care. Nine months into my job, I continue to be impressed. While we have strong security systems and procedures in place today, we continually strive to

improve and to reach higher levels of excellence in tools, technology, skills and performance.

Over the past year or so, we have implemented several new initiatives that will help us enhance guest and crew security and provide more effective assistance to our guests and law enforcement authorities in the relatively rare instances when a crime is alleged. For example:

1. For more than a year, our company has been working closely with the Family Assistance Foundation, which provides a positive environment in which personnel in any organization can share resources, information, experience and insight about family assistance and emergency management. The Foundation is an independent non-profit corporation founded for the purpose of improving support given to survivors and family members following a disaster. The Foundation takes a unique approach to helping organizations successfully meet those survivor needs. The Foundation enables organizations worldwide to traverse corporate borders when disaster strikes and work together to assist the people involved. We are active members, speaking at Foundation events, working with its staff regarding our internal drills, and receiving advice and counsel regarding our special responses for guests involved in unusual circumstances.

2. In Spring 2005, we began a fleet-wide, multi-million dollar process of installing new digital video recording technology onboard our ships to replace our analog videotape recording systems. This project enables us to more effectively record, review, enhance, monitor, duplicate and store video from our onboard security system. This new technology and our enhanced capabilities have already proven to serve us and our guests well in those rare events where law enforcement agencies needed to make use of video captured by our security systems.

3. In late 2005, Food and Beverage staff at Royal Caribbean International became involved with the Educational Foundation of the National Restaurant Association. A member of our staff was invited to serve on its board of industry experts and help finalize its ServSafe program, which involves the responsible serving of alcohol. In January 2006, we began instituting ServSafe training for all management and staff involved in serving alcohol onboard our Royal Caribbean ships. We created a special incentive-based promotion to motivate staff to serve alcohol responsibly and reinforce our commitment. As part of the program, we also initiated innovative online training and testing, transparent, fleet-wide performance report cards, and a responsible drinking message on each of our beverage menus. The result has been more training, with measurable competency, in record time. I am pleased to report that in 2007 we received a national award that recognized the effective implementation and execution of the ServSafe program.

4. In January 2006, we enhanced our SeaPass system procedures to better track guests at the end of their cruise. SeaPass technology helps our security staff and crew members know which guests and crew members are onboard and which are not, at any given time. Previously, guests were not required to swipe their SeaPass cards when disembarking at the end of their cruise, as we relied solely on the Customs and Border Protection clearance process. Today, they are required to do so. Similar to an identification card, an individual's SeaPass card must be swiped upon entering or leaving the ship during the cruise. This produces a computer image of the guest's photograph and personal identification that is viewed by our security staff. This permits our staff to ensure that only the actual owner of the card uses it to gain access to our ships and maintains a record of who is on or off the ship. The SeaPass card also serves as a stateroom key for guests. Although our SeaPass check-out process would not have prevented Ms. Carver's suspected suicide, it would have enabled us to immediately determine she did not disembark at the end of her cruise. In addition, we have changed the design of the SeaPass cards issued to guests 20 years of age and younger to help us better identify minors and prevent them from purchasing alcohol onboard.

5. In May 2006, we formalized a longstanding function we had provided our guests who need special assistance. Called the Guest Care Team, this full-time staff, led by a registered nurse, provides support and assistance to guests with medical or family emergencies, injuries or any other traumatic event they experience. The team is available 24 hours a day and travels to ships and/or ports as necessary. In addition to having work experience in this area, team members have received special training from the National Transportation Safety Board's Family Assistance Program. From July 2006 to February 2007, while our ships carried approximately 2.25 million guests, our Guest Care Team helped 791 guests or their families. More than 95 percent of their work involved medical emergencies or deaths due to natural causes. They are also available to support guests and family members involved in alleged assaults or missing persons. The work of our Guest Care Team has been overwhelmingly meaningful and important to our guests. I have attached at the end of this testimony a set of four letters sent to us by guests assisted by our Guest Care Team. I have also attached an article from a Canadian newspaper on assistance we provided to one of our guests. As you will see, the contributions of our Guest Care Team have been truly significant and reflect the commitment we have to do all that we can to assist guests with difficult and emotionally challenging situations.

6. In August 2006, we began Phase II of our video technology project, which will expand our video coverage by adding nearly \$25 million worth of additional state-of-the-art cameras in strategic areas throughout our ships. This upgrade process is now well underway, and the new cameras will be operational fleet-wide by the end of this year.

7. In September 2006, the security officers from our Royal Caribbean ships attended a continuing education program on evidence preservation taught by FBI special agents. This "Train the Trainer" program requires our security officers to return to their own ships and provide training to each of their respective security staffs. While our onboard security staff are obviously not criminal forensic investigators, this program will help us better assist the FBI and other law enforcement agencies when they come aboard to investigate allegations of crime.

8. In September 2006, we implemented a company-wide program to track and assess worldwide security risks that may affect our guests and ships. One such example involves preparations for our visits to venues hosting the Cricket World Cup. This is one of the largest sporting events in the world, and is currently being played in nine Caribbean nations. These championships are expected to draw up to 100,000 fans, many of whom will be patronizing the same public places, restaurants and attractions as our guests. We have worked closely with the Cup's coordinators to ensure the security of our guests.

9. In October 2006, we began a relationship with the FBI's Office of Victim Assistance. As I have noted, our company reports all allegations of crime to the FBI. Each year, the FBI investigates thousands of crimes that greatly harm individuals, families, and communities. Last year, the FBI investigated crimes involving more than 188,000 victims. The FBI is committed to ensuring that victims receive the rights to which they are entitled and assistance to help them cope with the impact of crime. Treating victims with respect and providing them with assistance benefits victims and helps the FBI build better cases. We share that opinion and we also believe that helping our guests in need is not only good business – it is the right thing to do.

10. In November 2006, we developed a new Guest Security program that places additional highly trained and experienced security officers on several of our ships. These officers are solely dedicated to preventing or, when necessary, responding to incidents before they conceivably escalate. I have been very impressed with their work thus far.

11. During December 2006, we revised our Guest Conduct Policy, which is intended to help ensure that all of our guests are able to participate in a safe and enjoyable cruise experience. This policy outlines standards of conduct for our guests, in force throughout their cruise. It is available to guests in a variety of locations, including a hard copy in each guest's stateroom. The policy discusses issues such as general safety and security issues; inappropriate, abusive, unsafe, discourteous or disruptive behavior; parental and guardian responsibilities; alcohol, drugs or other illegal or dangerous items; environmental issues; and consequences, which include warnings and possible expulsion from a ship.

12. In February 2007, we centralized all security functions for ships, ports and terminals under my new department. This consolidation has streamlined our operations and improved security communication. Although this is a recent change, and its full benefit is yet to be fully realized, it is nevertheless an important step in our continuous improvement process.

13. In March 2007, as you heard a few minutes ago from CLIA's President, Terry Dale, Royal Caribbean and the cruise industry furthered their commitment to improve safety and security by, as an industry, formalizing our practice of reporting onboard incidents to the FBI and Coast Guard. This agreement further clarifies and standardizes our reporting requirements based upon current law that requires us to report alleged crimes. I want to emphasize that it has been and will continue to be Royal Caribbean's policy that we fully report allegations of crime to the Coast Guard and the FBI and to fully and effectively assist them in all investigations.

III. Security Policy and Procedures

I now would like to put into a broader context the recent improvements to our policies and procedures that I just detailed. I hope you'll agree that these new policies build on what I believe is already a strong foundation for how our company handles incident reporting and security. To that end, this section explains our policies and procedures for: 1. hiring crew members; 2. security programs and training for crew members; 3. chain of command for security and handling on-board crime reports; and 4. guest behavior.

1. Hiring Crew Members

Providing a safe environment begins with our hiring process and policies for crew member and guest behavior. It continues with training our crew members on our safety policies and enforcing them.

In particular, our policies and training require diligent reporting of allegations to the FBI and other law enforcement authorities, and they establish appropriate behavior for crew member interaction with guests. We also enforce our crew member and guest conduct policies, up to and including expulsion from the ship and termination of employment. All shipboard employees undergo training on these subjects each time they board one of our vessels for a new contract.

Hiring the right people is the goal of any successful company, but it is especially important in the hospitality business. With 43,000 employees representing more than 100 nationalities, Royal Caribbean and Celebrity Cruises take a number of steps to ensure that the crew members we hire are of the highest quality. U.S. and foreign-national crew members are screened through our application and interview process. Also, foreign-national applicants must

undergo a second layer of U.S. State Department screening to obtain the "C1D" visa required for entry into the United States, transit to a ship, and reentry to U.S. ports after an initial departure. There is yet a third layer of screening for our foreign-national crew members entering the United States – typically at international airports, as the U.S. Customs and Border Protection agency screens them upon entering the United States. Our policy is not to hire any foreign national if the vetting process uncovers a criminal or undesirable past.

According to 22 CFR 41.105, a "C1D" visa application background check entails the following steps, which are initiated by a U.S. consulate official in the home country of the foreign-national applicant:

- Photographs¹ of the applicant;
- The U.S. consular official may (and, in some cases, is required to) take fingerprints of the applicant for investigative purposes;² and
- The State Department checks the name of the applicant in certain criminal-history record and other databases to which the FBI provides access in order to determine whether an applicant has a criminal history or other record.³

Only after clearing the "C1D" visa application process (and the corresponding screening is approved) does Royal Caribbean or Celebrity Cruises extend an official offer of employment to a foreign-national crew member candidate.

2. Security Programs and Training for Crew Members

As in our hiring, we take special care to ensure that our guests enjoy, and crew members work, in a safe environment. Consequently, we have a specific security program that includes (but is not limited to): (1) advanced access control systems, which involve positive identification of all persons onboard with photographs; (2) screening of all items coming onto our ships; (3) sophisticated digital closed-circuit camera systems; (4) and security staffs led by security officers who typically have military or professional security backgrounds (in addition to officers with specific guest-relations and ship-oversight responsibilities) who are trained to handle all manner of situations onboard. In addition, all crew members – regardless of their responsibilities -- are trained to report any suspicious conditions or suspicious activities onboard to their superiors, who are then required to report them to headquarters. More details on these measures can be found below.

¹ Id. at 41.105(a)(3)

² Id. at 41.105(b)(1).

³ Id.

We also have in place strong and effective crew member- and guest-conduct policies and procedures.

Every new crew member of Royal Caribbean and Celebrity Cruises undergoes training concerning safety, incident-reporting, and appropriate guest interaction. For example, we prohibit any intimate contact with guests, even if guests initiate such contact, and we obviously prohibit crew members from consuming any alcohol while on the job. If crew members violate any of our policies, we discipline them, up to and including termination.

3. Chain of Command for Security and Handling On-Board Crime Reports

Chain of Command for Security

Overall, there are three levels of management responsible for security onboard our cruise ships. The Captain of the ship is the chief enforcer. Next, the Staff Captain serves as the ship's second-in-command, and is the officially designated Ship Security Officer, as required by international maritime law. Beneath the Staff Captain is the top security officer, who heads a team of security personnel, depending on the size of the ship.

The majority of our security staff fleetwide have extensive military and law enforcement backgrounds, and the rest have comprehensive career experience in maritime security. Our officers are trained to handle all manner of crises and allegations of crime. They are also trained in defensive tactics and the operation of our state-of-the-art narcotics and explosives detection technologies. Our security training includes leading security experts and includes basic crime-scene-preservation training.

Ensuring that our guests have safe and secure cruises, however, is not the responsibility of our security staff alone. On average, we have 910 crew members onboard our ships, and every crew member receives safety, crime awareness, reporting, and prevention training. Indeed, crew members can be our most valuable eyes and ears onboard our ships and frequently act as our first responders.

From our cabin stewards, who greet our guests when they first come onboard and care for their rooms throughout their cruise, to dining staff to guest relations personnel to entertainers to our Captains, we task our crew members and officers with serving and taking care of our guests. All of them try to ensure our guests have a safe and enjoyable vacation. This is the service that makes our business succeed, and it is the right thing to do.

Handling Onboard Crime Reports

If an incident occurs onboard a ship, the Staff Captain, Chief Security Officer, and security personnel manage the response.

Federal law imposes strict requirements for reporting to the FBI allegations of crimes that arise on our ships sailing to or from the U.S. Additionally, the FBI has identified for the cruise industry those allegations of potential crimes it wants reported. Not only do we report what the law requires, but we also report allegations of lesser crimes that fall below the legal requirements or FBI guidelines, or that would not otherwise be reported in a land-based environment.

Specifically, when a guest or crew member reports an allegation involving a potential crime, our reporting process is as follows:

- We report allegations of crime within U.S. territorial waters to local authorities and the FBI, regardless of the nationality of the alleged victim or perpetrator.
- We report allegations of crimes committed on the high seas against or by a U.S. citizen to the FBI. When the ship is not returning to the United States during its voyage, we also report such an allegation to the local U.S. Consulate (where available) at the next port of call.
- We report allegations of crimes, which are committed on the high seas against a non-U.S. citizen to the appropriate authorities at the vessel's next port of call and to the ship's flag-state authorities.
- We report allegations of crimes that are committed while the vessel is in another sovereign state's territorial waters to the appropriate authorities if the vessel is making a port visit in that country. If the allegation is of a crime by or against a U.S. citizen, we also report to the local U.S. Consulate (where available) and to the FBI in the United States.

Royal Caribbean and Celebrity personnel in Miami oversee the notification process to the authorities to ensure the legal requirements and our policies are followed. We also ensure that our Miami-based employees are on-call 24 hours a day to receive reports of such situations and to handle them.

In the event that a law enforcement authority decides to investigate an incident, we facilitate the cooperation of crew members that investigators might wish to interview. We have always welcomed all law enforcement agencies onboard our ship and have given them unrestricted access to our ships and personnel to facilitate their investigations. We have even made cabins available when the FBI requests to have agents sail onboard our ships in order to complete an investigation.

As noted, in many cases, we give the FBI more than it requests. Consequently, the FBI often declines to investigate allegations of crimes below certain thresholds. In other words, we report incidents to the FBI even though they fall below the legal requirements or guidelines that the FBI has established for industry reporting.

Significantly, if the FBI declines to pursue an allegation, we follow up with local authorities to give them the opportunity to do so. We do this whether our ships are docked within or outside the United States and whether the situation involves a U.S. or non-U.S. citizen.

As you can see, we take seriously our reporting responsibilities to law enforcement. To underscore a point that others have made in the past, we are not a law-enforcement or investigative agency – nor do we believe law-enforcement authorities wish us to act as such.

Beyond requiring crew members and officers to notify their supervisors after learning of a potential crime, we also provide training in how to respond to such allegations. They undergo sessions with leading security experts to learn a variety of advanced security techniques. After receiving a report of an incident, the officers conduct interviews with the individual making an allegation, the accused, and any witnesses.

Our officers also assist in providing preliminary reports to the FBI and any other relevant authorities. As stated previously, however, our security officers are not forensic investigators, and we appropriately limit our investigative efforts to avoid potential interference with law enforcement and prosecutors. Instead, one role of our security force is to detect and prevent, as well as to help handle, incidents that arise and assist in the reporting process in the aftermath.

4. Guest Conduct Policy

Our guests are seeking an enjoyable vacation, and nearly all of them respect the desire of the rest to do so as well. To ensure that the rights and wishes of all our guests are respected, each guest who travels aboard one of our cruises agrees to abide by certain rules of behavior and discipline. This policy addresses different categories of behavior.

This policy also outlines the consequences of such behavior. Minor infractions may initially result in a warning to the individual, a second warning if the behavior persists, and, if necessary, an action to finally resolve the problem, including expulsion. More serious violations (which would include posing potential physical harm to themselves or others) require a meeting with the particular guest or guests, outlining an action plan to resolve the issue, and, if appropriate, expulsion from the ship.

IV. Practical Points: Security Measures and Laws Protecting U.S. Passengers

Beyond the Royal Caribbean and Celebrity procedures I've outlined above, I also wanted to share with the Subcommittee some concrete points about our security measures and equipment as well as what laws actually govern U.S. passenger security on cruise ships.

1. Ensuring U.S. Passenger Safety: Security Measures and Equipment

We have a full complement of preventive, surveillance and enforcement procedures and devices. We physically screen every person, piece of luggage and the supplies that come onboard our cruise ships. We screen guests in advance of their boarding and have a thorough check-in process, including identification validation of guests. In addition, because guests typically book their cruises weeks or months in advance of departure, we know more about our customers (including credit card information, food preferences, and other personal information) in advance of their boarding than any other vacation business. We also have strict systems for the handling and protection of that information.

Royal Caribbean and Celebrity Cruises also provide pre-arrival and pre-departure manifest information to federal law enforcement authorities in the United States and elsewhere in the form of a ship manifest. This electronic database includes the names, dates of birth, citizenship, passport and other data for every person onboard. We submit this information electronically to the U.S. Coast Guard and the U.S. Customs and Border Protection in advance of arrival at and departure from U.S. ports. This allows the U.S. government to compare our lists with databases managed by federal law enforcement agencies.

Some of our crime prevention and enforcement measures go beyond what the law requires. For example, all our ships are equipped with a strict access control system that we call SeaPass, which is not mandated by any authority and which is explained in Section II.

Although not required, the majority of our ships have brigs where we can safely isolate those who pose a risk to the ship, guests or crew. On ships without brigs, we isolate individuals in a cabin, guarded by a security officer, until they can be turned over to the appropriate law enforcement agency. We have security staff on duty 24 hours a day, and they specifically make rounds to detect and prevent improper activity and accidents on our ships. Our security operations also include trained divers who search ship hulls and ports at which we call, and work in coordination with various law enforcement agencies.

2. U.S. and International Laws Governing Passenger Security On-Board Cruise Lines

Recently, a number of statements have been made in the media leaving the impression that there are no domestic laws governing passenger security onboard cruise ships and implying that international laws provide inadequate protection. Nothing could be further from the truth. Well-established laws – in the U.S. as well as elsewhere – address two categories of passenger security issues: crime onboard ships; and terrorism and safety of ports and vessels.

- First and foremost, U.S. law protects American guests onboard cruise ships around the world. Pursuant to U.S. laws and through a number of maritime agreements between the United States and other countries, U.S. authorities may investigate and prosecute crimes against Americans or perpetrated by Americans no matter where the crimes occur. In addition, the U.S. Coast Guard has jurisdiction over all ships entering U.S. ports, regardless of where the ship is flagged. The FBI also has jurisdiction to investigate allegations of crimes even when the incidents occur in foreign waters. The FBI routinely exercises this authority.
- Meanwhile, an interlocking set of international treaties and laws, bolstered by more specific national laws, address anti-terrorism and ship safety issues on the seas and at ports of call.

The primary set of international laws is the International Ship and Port Facility Security (ISPS) Code, which was enacted by the International Maritime Organization (IMO) and signed by member countries. The IMO is a sub-body of the United Nations, and its members are known as "flag states," or nations that register ships and have authority over them. The more specific U.S. law implementing the ISPS Code is known as the U.S. Maritime Transportation Security Act (MTSA). Both the ISPS and MTSA became effective on July 1, 2004, and both serve as the blueprint for cruise ship security plans and practices we have in effect today. Prior to the creation of these recent maritime laws, Royal Caribbean and others were subject to international guidelines specific to the cruise industry that required security plans. These maritime laws also require extensive ship security plans and security assessments.

Among other things, the more recent ISPS Code requires each cruise line to create a comprehensive security plan for each ship and terminal. Some of the aspects of the security plans are the following:

- A cruise line conducts a physical survey of each ship and terminal, identifying potential security vulnerabilities. The company then adds security measures to its existing plan to protect these areas.
- Registered security organizations conduct independent evaluations of each ship and its security plan, and verify that proper security measures are in place and reported.

- Company, ship and terminal security officers who are qualified to serve in these roles are designated and identified in the security plan.
- Mandatory periodic security drills and exercises must be held. Royal Caribbean also conducts regular voluntary drills and exercises.
- Ships must have security-alert systems that send external signals when a ship is under threat.

Cruise lines receive certificates for each security plan from one of the recognized security organizations, such as Det Norske Veritas or Lloyd's Register, which is valid for five years. These organizations conduct interim inspections for each ship every two and one-half years. In addition, Royal Caribbean conducts annual audits of its own security plans. Finally, the U.S. Coast Guard inspects Royal Caribbean's ship operations on a quarterly basis to examine safety and environmental requirements and to ensure that security measures are in place and are in accordance with the law.

- Communication and coordination requirements between ship and terminal officers, in the form of a declaration of ship and port security, detail all ship and port interaction each time a ship enters a port. The ship's designated Security Officer will meet with the terminal Security Officer to determine the level of security for the terminal and ship, and to designate which will run procedures such as guest screening, baggage transport, and monitoring or security duties.

Another entity with legal authority over our ships is the Bahamian government, which, as a commonwealth of the United Kingdom, derives much of its law from there. Bahamian requirements also flow from the IMO laws regarding specific operations of our ships. For example, these regulations outline procedures for handling maritime accidents, set the qualifications for those who operate and navigate ships, and require specific reporting for casualties and other incidents. In essence, the security standards under Bahamian law mirror those for U.S.-registered cruise ships.

Finally, a number of U.S. federal agencies exercise oversight over the cruise industry with respect to safety and security, including:

- U.S. Department of Homeland Security
 - U.S. Coast Guard
 - Customs and Border Protection
 - Immigration and Customs Enforcement
- U.S. Department of Justice
 - Federal Bureau of Investigation

- Drug Enforcement Administration
- U.S. Department of State
 - Office of Security and Counterterrorism
- U.S. Department of Agriculture
 - Animal Plant Health Inspection Service
- U.S. Department of Commerce
 - National Oceanic and Atmospheric Administration
- U.S. Department of Defense
- U.S. Army Corps of Engineers
- U.S. Department of Transportation
- U.S. Department of Health and Human Services
 - Centers for Disease Control and Prevention
- Environmental Protection Agency
- Federal Communications Commission
- Federal Maritime Commission
- National Transportation Safety Board

3. Handling Jurisdictional Issues on Foreign-Flagged Vessels

This is not a matter of corporate policy but rather of international law and diplomatic deference exercised by international law enforcement. The primary factors in determining jurisdiction are the nationality of the persons involved in an incident, the ship's flag country, and the territory in which an incident occurs.

Jurisdiction begins with reporting any alleged incident to the appropriate authorities based on international law, and then allowing the authorities (based on the law and diplomatic deference) to work out who would take the lead on any investigation and prosecution or whether there would be parallel investigations and prosecutions. As we explained above:

- We report allegations of crimes committed on the high seas against or by a U.S. citizen to the FBI. When the ship is not returning to the U.S. during its voyage, we also report such an allegation to the local U.S. Consulate at the next port of call.

- We report allegations of crimes committed on the high seas against a non-U.S. citizen to the appropriate authorities at the vessel's next port of call.
- We report allegations of crimes committed while the vessel is in another sovereign state's territorial waters to the appropriate authorities if the vessel is making a port visit in that country. If the allegation is of a crime by or against a U.S. citizen, we also report to the local U.S. Consulate and the FBI in the United States.

V. Conclusion

Chairman Cummings, I thank you again for the opportunity to submit this testimony and participate in this important Subcommittee hearing. I am pleased to answer any additional questions you or the Subcommittee members might have on these topics.

- End -

Attachments



[REDACTED]
12/08/2006 06:12 PM

To [REDACTED]
cc [REDACTED]
bcc [REDACTED]
Subject picture

Dear Willlam,

Thank you from the bottom of my heart for taking the time to mail me the picture of me and my husband. This morning I had just received his death certificate and I was very up set. Then the mail came and there was the picture taken the day before he died.

It was very comforting to know how good he looked and that there was no signs that he was sick. My husband died on our fifty wedding anniversary and I treasure all the pictures I have of him.

Sincerely,
[REDACTED]

Joseph -

I cannot thank you enough for the constant support and aid you gave my family following my father's sudden death. I am very sorry for the trouble it caused your cruise line, but each person that we encountered from Royal Caribbean was helpful and courteous beyond words. Because you stayed in touch with me, it helped me think through each step. Because you found Mario, our

driver from SEL Maduro's Sons,
I could sit back and grieve
instead of navigating roads in
a country I had never been to.
And because of Marie, my
mother made it through an
unthinkable circumstance. The
two last photos we have of my
father are on his balcony aboard
"Brilliance of the Seas." These
photos will always be precious
to us and your cruise line's
support will never be forgotten.
With gratitude and much
appreciation,

[Redacted signature]

I have a safe trip tomorrow and
enjoy Mykonos & Santorini and
I will be thinking of you when
you are there.

You have an excellent team with
Dartma & Patrick - they have literally
been my lifeline here. I just love
them.

Again Bill, thank - you from the
bottom of my heart. I will never forget
what you've done for me.

Sincerely,


THE EXPOSITOR

SERVING BRANTFORD AND AREA FOR OVER 130 YEARS

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Woman grateful to cruise line 'angels'

By Susan Gamble, Expositor Staff

Monday, September 11, 2006 - 01:00

Local News - When her husband was diagnosed with cancer, Linda Rodgers thought it was the worst thing that could happen. She was so wrong.

Ralph Rodgers, 62, collapsed on a Mediterranean cruise at the end of July and was removed from the ship in France. Linda found herself in a foreign environment where she couldn't understand most of the medical staff and didn't have the first idea of how to deal with the crisis.

"I was hysterical. I'm geographically challenged, I had no luggage, my brother and his wife were ashore when we left and didn't know, the ship was leaving and I don't speak French."

But within an hour, Linda received a call from Celebrity Cruise Lines saying their representatives in Cannes were on their way to the hospital and would stay with her.

"I was sobbing and out-of-control but once I had the call from these people, I started calming down."

It was only the beginning of what Linda describes as a lifeline that she could cling to.

Through a new program called Guest Care, the company arranged transportation and a hotel for Linda, ensured she ate meals and got some sleep, made calls to all her family and, when Ralph died of lung cancer, helped Linda make arrangements for his cremation.

"Ralph's illness had nothing to do with them," says Linda. "It wasn't as if they were responsible for what happened to him but they couldn't have done more for me."

A successful real estate developer and owner of several retirement homes, Ralph knew he had cancer.

The couple had departed on the cruise after doctors told Ralph about two tiny spots on his lungs. He was prescribed pain patches and told to go on the cruise — they'd deal with the upcoming chemotherapy when the couple returned.

But when Ralph collapsed, a phone call to his doctor revealed that the cancer was very advanced. He spent six days in a Cannes hospital before dying.

During that time, it was difficult to pry Linda away from his side.

The cruise line got her a hotel and tried to get her to rest but she wouldn't leave her husband.

The first night she slept on a cot in a doctor's office, and the next — when the hospital wouldn't give her a cot because they wanted her to go to the hotel — she slept in the waiting room.

Finally, the husband and wife team from the cruise line stepped in and drove her to the hotel where the wife stayed with Linda and then drove her back and forth to the hospital every day.

"They were by my side constantly."

Family members offered to come to Linda's aid but the cruise representatives assured them everything was under

control.

Celebrity Cruise employees from Miami called frequently to see what else Linda needed and, when there was a concern raised that she wasn't properly eating, Bill Sera, the manager of the guest care team, flew to Cannes and insisted on taking her to a meal.

When Ralph died, it took another two days to finalize arrangements for a cremation and for Linda to fly home with Ralph's ashes, all arranged by Sera.

"I can't imagine the bill. They paid for the hotel and all those phone calls and for the flight home."

The care continued when she was home with phone calls every day, asking how she was faring.

At one point, Linda casually mentioned how sad she was to have lost the last pictures of her husband — which she believed had been wiped out of the cruise ship's computers where they were stored.

A few days later, a UPS parcel arrived with pictures of a happy Ralph on the cruise — both hard copies and on a digital disc.

"Everyone was so amazed by the service I got. These people were literally my lifeline."

Speaking by phone from Miami, Sera said the guest care program is new for Royal Caribbean and Celebrity Cruise Line.

"It started in May because our CEO wanted us to be able to respond to our guests during their greatest needs."

Just .02 per cent of cruisers go through a medical evacuation, but when there are 3.5 million people cruising in a year, that translates to several situations a day. The team deals with deaths on board, missing people and evacuations to hospitals for heart attacks, appendicitis and accidents.

"We have excellent port agents everywhere we dock," says Sera, "but eight or nine times a year we fly out of Miami to provide essential assistance.

"When you plan to go on vacation and end up planning a funeral, you need help."

The costs aren't included in the cruise price, he says, but are covered as a goodwill gesture. Some people's travel insurance kicks in, so each case is evaluated individually for what's needed.

Sometimes, the cruise line will even take counsellors or therapists to the site of the problem.

"I was a nurse for 14 years," says Sera. "This job takes me back to the direct patient care I liked. Everyone on our team feels good about taking care of people and the thank yous we get really make up for the 2 a.m. or 3 a.m. phone calls."

Linda's thanks were very public.

In Ralph's obituary, it says: "A heartfelt thank you to Celebrity Cruise Lines for going above and beyond the call of duty to assist Mrs. Rodgers during the most difficult time of her life."

In retrospect, Linda says the way the situation unfolded was definitely for the best.

"If he hadn't collapsed, we would have come home to the news that the cancer was terminal and he would have had two months of slowly dying. Instead we had a wonderful cruise to remember and I was held up by the Celebrity people. These people were angels."

