

Memorandum

TO : Secretary

DATE: May 21, 2003

FROM : Chairman Blust *EB*

SUBJECT : Docket No. 02-15, May 15, 2003 meeting with Colin Veitch, President and Chief Executive Officer, Norwegian Cruise Line

The meeting was attended by Chairman Blust, Rachel Dickon-Matney, William N. Mhyre of Preston, Gates, Ellis, and Rouvelas, Meeds, LLP, Colin Veitch, and Robert M. Kritzman, Senior Vice President, General Counsel and Secretary, Norwegian Cruise Line.

Mr. Veitch described NCL's place in the market, citing the company's 10% market share and describing the company's growth. Mr. Veitch explained that the cruise industry is a "capital intensive" business and that the proposed rule's bonding requirement would slow the pace of growth. Mr. Veitch expressed his belief that the consumers are already protected because the industry is very stable now, and most purchases are with credit cards.

Mr. Veitch explained some details of the agreements between credit card issuers and credit card processors and shared some insight on merchant collateralization requirements.

Mr. Veitch emphasized that the \$15 million cap had served

its purpose in the past and that the proposed rule would not have made a difference in recent bankruptcies. He concluded that the Commission should have confidence in the commercial sector to assess and address the risks.

Chairman Blust thanked Mr. Veitch for his comments and commented that we will find a way to support the industry and ultimately the customers.