



ROYAL CARIBBEAN CRUISES LTD.

December 2, 2019

Jose R. Roa Martinez
Acting Executive Director
Puerto Rico Ports Authority
Calle Lindbergh 64
Antigua Base Naval Miramar
San Juan, PR 00907

Re: Response to Letter Regarding Recent Cancellations of Berth Requests

Dear Mr. Roa,

I write to you to clarify the intentions of Royal Caribbean Cruises Ltd. regarding our future plans in the Puerto Rico market.

You are no doubt aware of Royal Caribbean's 50-year relationship with Puerto Rico — a partnership that has over time made us the largest customer of the cruise port of San Juan. Our brands have brought more than 15,000,000 cruise guests to Puerto Rico, providing billions of dollars in economic impact. In 2019 alone, we will bring over 900,000 tourists.

Through our history, we have successfully partnered with the Puerto Rico Ports Authority on numerous infrastructure projects in San Juan Bay. Our company has invested more than \$60,000,000 into improvements at your port, making us the largest contributor to cruise infrastructure in San Juan.

In an additional sign of our commitment, in October 2017, after the devastation of Hurricane Maria, RCL was the first cruise company to arrive in San Juan; we delivered essential supplies and used our ships to evacuate residents. We rushed to bring the cruise terminals back online to stimulate the local economy and reaffirm our strong relationship with the community.

Against that backdrop, please allow me to state the following:

- No cancellations have been made nor will be made to any of our 150+ home port cruises available in the market today through April 2021.
- Freedom of the Seas is home porting in San Juan currently and will remain until April 2021.
- Our seasonal ships in winter 2019/20, Vision of the Seas and Celebrity Summit, are continuing without any changes.
- For winter 2020/21, the seasonal ships, then Enchantment of the Seas and Celebrity Summit, are unchanged.



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- Of more than 200 sailings that include San Juan as a port of call through April 2021, a dozen dates were removed due to regular business reasons, including chartered sailings and extended dry docks.

The recent communication that reached the media is deeply concerning as it has caused confusion in the market place amongst our travel partners and guests. We are concerned that there is misinformation and we will discuss this with our port agent.

Regarding our upcoming May 2021 through April 2022 season, we will be communicating our plans publicly in the coming weeks. Our plans do reflect a number of deployment changes and a significant drop in the number of home port cruises and ports of call in San Juan.

We continue to be disappointed as the largest cruise line in San Juan that our multiple requests for meetings with the Port Authority, Puerto Rico Public-Private Partnerships Authority, and Government via the Puerto Rico Tourism Company regarding our future relationship were ignored.

This situation is made even more frustrating in light of the communication from the Global Ports group advising us we would be paying higher fees and losing multiple rights and benefits which, given the consumer marketability challenges and profitability of San Juan port itineraries, is deeply concerning. We have significant concerns about the very high capital and loan costs of the privatization project and that the subsequent costs to be passed onto our customers and the lack of engagement with Royal Caribbean in any dialogue. All of our multiple requests have been met with silence.

As partners for a half-century and long-term supporters of the Puerto Rico market, we are disappointed and are still hopeful we can find a way to do better than this.

Yours sincerely,

Michael Bayley
President and CEO
Royal Caribbean International