



January 14, 2009

Denise Koch, Cruise Ship Program Manager
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RE: Annual Progress Report

Princess Cruises sent an updated Source Reduction Evaluation to the State of Alaska's Department of Environmental Conservation on October 8, 2008. This updated SRE provided additional progress details requested by ADEC during a meeting held in Juneau on August 19, 2008.

Princess Cruises continues to investigate potential external factors, operational or equipment changes that will result in compliance with the long-term effluent limits for ammonia, copper, nickel and zinc. Please find enclosed Princess Cruises' annual progress report which describes actions to develop and implement Source Reduction Evaluations.

We will continue to progress on developing the SRE and will advise ADEC when further information has been completed.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Wright".

George Wright
Senior Vice President
Marine Operations Department