

Carnival Cruise Lines has big plans for San Juan

Carnival Legend to call on Port of San Juan this summer; Pier 4 renovations moving swiftly

BY EVELYN GUADALUPE-FAJARDO

The Port of San Juan will be a new port-of-call for Carnival Cruise Lines' Carnival Legend, which sails an eight-day cruise from New York and also calls at St. Thomas and Tortola.

The 86,000-ton Carnival Legend, carrying more than 2,000 passengers from the tri-state area (New York, New Jersey, Connecticut), will call at the Port of San Juan starting this week through October. Carnival Corp. will make the announcement on board the ship on May 17.

"It's the first nonstop cruise operation from New York to San Juan...in the summer," said Giora Israel, vice president of strategic planning for Carnival Corp.

The Carnival Legend, the third of Carnival's Spirit-class ships, has 16 lounges, bars, and nightspots; four swimming pools; a corkscrew water slide; an Internet cafe, a 14,500-square-foot health spa & salon; indoor and outdoor promenades; a nine-deck-high atrium; on-board golf; a duty-free shopping mall; a wedding chapel; a video arcade, a 1,800-square-foot children's play area. Approximately 80% of the Carnival Legend's cabins offer an ocean view, and 80% of those have private balconies.

PIER 4 TO BE READY EARLY NEXT YEAR

In January 2004 Carnival Corp. will inaugurate a top-of-the-line homeport facility at Pier 4 in Old San Juan.

The cruise line, which was victorious in the merger battle for P&O Princess, just completed \$500,000 in roof work at Pier 4 and is in the process of repairing the terminal's whole interior, at an investment of \$11 million. Caribe Techno was awarded the project a few weeks ago. The U.S. Department of Homeland Security has integrated all its local operations—Customs, Citizenship & Immigration Services, and Border Patrol (Coast Guard)—in the building.

"We could have finished the cruise terminal earlier, but Caribe Techno was having difficulty working on it while the terminal was active," Israel said.

Israel added that Carnival has awarded the contract to build Pier 4's gangway to Team, a company based in Barcelona, Spain. The gangway will be built in Barcelona and shipped to San Juan on a barge.

MORE SHIPS COMING TO PUERTO RICO

Despite the sluggish economy, Carnival Corp. continues to be aggressive in the San Juan market. It plans to bring a second homeport ship to the island; Carnival's Jubilee will arrive every Sunday beginning in late September. Carnival's Destiny is currently the only homeport ship in San Juan.

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—Giora Israel, vice president of strategic planning for Carnival Corp.

"It was a difficult decision to make because of the airline industry's reduction in traffic, despite the fact that cruise lines are the biggest buyers of air travel into Puerto Rico," Israel said.

Holland America, a subsidiary of Carnival Corp., last year introduced Windstar Cruises Windsurf, the first 330-passenger vessel based in St. Thomas to call at Culebra several times. The passengers apparently enjoyed the island, as the cruise line has announced that it will call at Culebra for the entire 14-week winter season, which starts in November.

"Now that the cruise line is coming to Culebra full-time, I hope the people will offer the passengers excursions," Israel said.

In other big news for Puerto Rico, a P&O Princess ship will be conducting at least three test runs at the Port of Ponce this winter. The name of the ship wasn't revealed.

As for cruise lines calling at the Port of Mayaguez, Israel said that everyone is talking about it but nobody is doing the work. "Someone has to bring us the navigational charts of the Port

of Mayaguez to see if we could take a ship there," he said. "If dredging needs to be done, we must determine the cost."

CRUISE LINES ASK FOR EXTENSION OF INCENTIVES

In 2002, the Puerto Rico government reached an agreement with the Florida-Caribbean Cruise Line Association to extend the island's incentives to cruise lines until 2004. Now the cruise lines are asking the government to extend the incentives until 2008. They say their itineraries are scheduled three or four years in advance and they need to lock in prices early.

"We need to work with the government so they have an understanding that they need to conduct business with us on a long-term basis," Israel said.

The agreement requires cruise lines to play an eight-minute video prepared by the Tourism Co. before the ships' arrival in San Juan and to keep their ships in port for at least six daytime hours. The Tourism Co. provides cruise directors with a script about Puerto Rico that fits in with the local advertising campaign and offers semiannual destination seminars to key personnel at the cruise lines' reservation centers.

The agreements also requires cruise lines to establish a cooperative marketing fund to develop joint marketing and share strategic information and to receive \$5 pre- and post-cruise incentives for every room night produced in San Juan. The government, in turn, will not raise the per-passenger head tax. (The government charges an average head tax of \$10. For every 120,000 passengers, however, the Tourism Co. gives cruise lines a \$3 rebate).

The government's incentives are valued at \$4.5 million annually. The money comes from a fund created by the Department of Economic Development & Commerce, the Tourism Co., and the Ports Authority.

The Ports Authority has been giving incentives to cruise lines for passenger volume since 1986. The practice was stopped temporarily because the original contract with the cruise lines expired over a year ago. ■