

# Star Cruises deceived German authorities

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30 June 2006 - New evidence today reveals that Star Cruises Ltd deliberately withheld vital information from the German authorities, to dispose of the End of Life ship SS Norway. Star Cruises Ltd (SCL) is the third largest cruise operator in the world.

## Secret intent

On 25 May 2005 SCL and its subsidiary, Norwegian Cruise Lines (NCL), sought permission for the SS Norway to depart from the Port of Bremerhaven. They claimed the toxic waste laden vessel was going to Asia for repairs. A report published by the NGO Platform on Shipbreaking now exposes that SCL and NCL secretly formed the intent to get rid of the vessel, as early as December 2004. Yet the cruise operators did not disclose this to the German authorities.

## Annual report

The report 'Star Cruises Ltd and Norwegian Cruise Lines: deceiving Germany and violating international law in the export of the SS Norway to India' uncovers information disclosed in NCL's 2005 Annual Report. The annual was submitted to the United States Securities and Exchange Commission on 28 March 2006.

## Scrap value

NCL explains in this public disclosure how it reduced the value of the SS Norway by as much as US\$14.5 million in a span of months. In this way NCL diminished the End of Life ship to a scrap value of US\$12.3 million. Furthermore, by December 2004 NCL's management concluded that the sale of the vessel to a third party for re-use was not likely.

## French asbestos study

The Platform report confirms the presence of at least 1,200 tonnes of asbestos in the SS Norway, citing confidential information from Pierre & Vacances. This French company was able to requisition a study in 2004 of the asbestos content of the vessel, using the ship plans and documents furnished by NCL. At least EUR 17 million would be needed to partially decontaminate the asbestos in the vessel, affirmed the French study. This is far more than the SS Norway's scrap value.

## Formal request

The NGO Platform on Shipbreaking today also submitted a formal request to the Bremen Senator of Building, Environment and Transportation, Mr. Neumeyer. Germany must comply with its international obligations under the Basel Convention and its Basel Ban Amendment, the request states. These agreements prohibit the export of hazardous wastes from developed nations to poorer countries. Germany should immediately recall the SS Norway back for decontamination. A similar letter was recently sent by the European Commission to Germany, asking for clarifications on whether the Basel Convention and the European Waste Shipment Regulation have been applied in the SS Norway case.

## Hazardous substances

The Platform raises concerns that the asbestos load of the SS Norway is only part of the problem it presents. Already the level of asbestos in the ship is more than double of the French aircraft carrier Clemenceau. What's more, older ships like the SS Norway are known to contain PCBs, lead, cadmium, mercury and other toxins.

## Environmental crime

The SS Norway case is not the first time that NCL lied to government authorities to cover up an environmental crime. On 31 July 2002 the US Department of Justice (DOJ) issued a press release, entitled 'Norwegian Cruise Line Admits to Environmental Crime'. In the release, the US DOJ stated that NCL 'admitted that it engaged in a practice of systematically lying to the United States Coast Guard over a period of years regarding the discharge of oil-contaminated bilge waste from the SS Norway and at least one other ship.' NCL signed a plea agreement acknowledging the felony violation, paid US\$1 million in criminal fines and cooperated with federal official to resolve the case. The SS Norway is the third largest cruise ship in the world after the Queen Elizabeth II and the ill-fated Titanic. It was the jewel in the fleet of NCL until August of 2003, when an explosion in her boiler room killed 8 of her crew and injured 20 others. The accident left the vessel heavily damaged and without any propulsion. In March 2004, NCL President Mr. Colin Veitch, publicly announced that the SS Norway would no longer ply the North American cruise market. The announcement precipitated the cat and mouse game that NCL and SCL played with various government authorities.