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COSTA CONCORDIA SINKING

Carnival faces a tide of hostile PR

■ As Carnival and Costa tried to contain damage to their brands, reports of a discount for survivors on future cruises stirred outrage.

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Offering shipwreck survivors a discount on their next cruise does not appear to be the best marketing idea.

Carnival subsidiary Costa Cruises faced outrage Monday over a purported offer by the Italian cruise line to give survivors of the deadly Concordia capsizing 30 percent off their next voyage with the embattled company.

It's unclear if the offer was actually floated, but the global fall-out marked the most bruising day for Costa since the Jan. 13 accident blamed for at least 15 deaths.

Costa briefly denied the stories, then retracted the denial — the latest flashpoint in a public-relations

response that has both Costa and Carnival's Doral headquarters under fire.

The Wall Street Journal led its main Concordia story Monday with a blunt question for Carnival Corp.'s CEO: "Where is Micky Arison?" It was the 11th day of silence from Arison, who has communicated only in written statements and allowed top Costa executives to face the cameras after the Jan. 13 shipwreck off an Italian island.

The approach follows Carnival's strategy of treating its cruise lines as inde-

• TURN TO CARNIVAL, 6A



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See more coverage of the Costa Concordia disaster

COSTA CONCORDIA SINKING



PHOTOS BY PIER PAOLO CITTO/AP

SEARCH CONTINUES: Italian Navy scuba divers return after working on the grounded Costa Concordia. Two more bodies were discovered Monday.

Carnival facing hostile PR

• CARNIVAL, FROM 1A

pendent businesses. And it may have the added benefit of distancing Carnival Corp.'s No. 1 brand, Carnival Cruise Lines, from the Costa crisis.

But critics see Arison as dodging the spotlight over a deadly accident rattling the entire cruising industry.

"Micky Arison should come out and take ownership and get in front of the story," said Julie Silver Tafelfeld, president of Boardroom Communications, a public relations firm in Plantation.

Bruce Rubin, a veteran of crisis PR in Miami, agreed, adding: "If I was counseling Micky, I would have had him go to the scene. Micky is a likeable guy and pretty well known. This is one of those cases where I think the presence of the CEO would have been helpful."

In the days after the Concordia struck a reef and nearly sank, killing at least 15 people, Carnival said it would send top Miami executives to Italy if Costa management needed them. Late last week, Carnival said Arison's top deputy, Chief Operating Officer Howard Frank, had flown to Italy to "evaluate" the response and see what headquarters could do to help.

Frank joined Costa CEO Pier Luigi Foschi in meeting with survivors Sunday near the half-sunken ship on the island of Giglio, Carnival spokeswoman Jennifer de la Cruz said Monday.

Until now, most media outrage over the deadly accident has focused on Captain Francesco Schettino, who reportedly steered a rogue course into a reef and then abandoned ship while frightened passengers were



NO NEWS YET: John Heil waits to learn what happened to his missing parents, Americans Barbara and Gerald Heil.

still scrambling to find lifeboats. But a new villain emerged Sunday evening after the London Telegraph quoted an unnamed Costa spokesman pledging generosity to the roughly 3,000 surviving Concordia passengers.

The British paper quoted the spokesman as saying: "The company is not only going to refund everybody but they will offer a 30 percent discount on future cruises if they want to stay loyal to the company."

Media around the world picked up on the story. Anchors on *CBS This Morning* expressed amazement at the offer, the New York Post branded it "tactless" and Twitter lit up with postings bashing the deal.

Was it actually made?

Costa's Miami press representative issued a statement Monday afternoon stating: "Passengers on board the Costa Concordia on the night of the accident have not been offered a discount on future cruises." Shortly after, the statement was described as possibly inaccurate and needing clarification.

A notice to travel agents regarding canceled Concordia voyages may be the source of the contretemps. Passengers booked on Concordia cruises scheduled later in the year are being offered refunds as well as 30 percent discounts on other Costa cruises as an apology for the scratched voyages.

A Costa statement released Monday evening refers to that offer. But it does not address the statement quoted in the Telegraph, or say whether Concordia survivors were offered the same deal. Stewart Chiron, who runs the booking site cruise-guy.com, said it's pret-

ty clear the media is getting it wrong.

"This has nothing to do with the survivors," he said.

With divers discovering two more bodies on the 950-foot-long ship Monday and more than a dozen people still missing, Carnival and Costa face a wave of lawsuits, damage to a key European brand and the potential for an oil spill with unknown costs.

On Monday, Moody's released a study saying lawsuits and clean-up from a potential fuel spill from the Concordia could boost the ultimate cost of the accident to \$1 billion. Most of that, Moody's said, would be paid by insurance providers and not Carnival.

Investors did not appear concerned Monday, with Carnival's stock inching down a few cents to \$31.51, 8 percent below where it was before the Jan. 13 accident. In the wake of the accident, analysts predicted Carnival's profits would drop 20 percent this year but still end 2012 well above \$1 billion. Clean-up crews planned to begin pumping oil from the Concordia as early as Tuesday, an encouraging sign given earlier fears the ship might be too unstable to remove the fuel.

Lawyers hope to sue Carnival in the United States, rather than pursue damages against Costa in Italian courts, where laws aren't considered as friendly to plaintiff cases. That raises the stakes for any Arison interview, with plaintiff attorneys eager to tie headquarters to any mistakes made with the Concordia.

Mike Eidson, a top personal-injury lawyer, said he has signed up about 200 Concordia passengers from around the world as clients thanks to media reports quoting him as a liability expert after the accident.

He said a CEO's public statements could be useful in a case, citing his firm's successful pursuit of Ford in lawsuits involving faulty Firestone tires.

"The CEO of Ford made a whole bunch of incriminating statements in front of Congress," Eidson recalled. "We used all of those statements against him."