

Evaluation Document For Cruise Ship Services Prospectus issued February 19, 1998

Notes: Evaluation document instructions: All evaluator comments/references must be inside the tables. "Track Changes" (control/shift-e) should be turned on so that individual evaluator comments can be tracked (to be removed in the final document).

| | |
|---------------|--|
| Offeror: | Crystal Cruises |
| Evaluator(s): | Jerry Case, Chief of Interpretation, Glacier Bay NP & P |
| | Stephen G. Crabtree, Concessions Team Leader, Western Region |
| | Randy King, Chief Ranger, Glacier Bay NPP |
| | David Nemeth, Chief of Concessions, Glacier Bay NP&P |
| | Mary Beth Moss, Chief of Resource Management, Glacier Bay NP&P |

- Submittal of Offer***

| | | | | |
|--|-------------------------------------|-----|--------------------------|----|
| Was the offer received no later than 4 p.m., June 22, 1998? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

| | | | | |
|--|-------------------------------------|-----|--------------------------|----|
| Was the offer submitted to the proper location? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

| | | | | |
|---|-------------------------------------|-----|--------------------------|----|
| Were two complete copies of the offer submitted? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

Offer Letter

| | | | | |
|---|---|-----|--|----|
| Was an offeror's letter submitted as required? | X | Yes | | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

| | | | | | | |
|--|--|----------|---|------------|--|----------------|
| Summary | | Superior | X | Successful | | Not Successful |
| Summary Comments on this Factor: Offer submitted as required. | | | | | | |

Factors, Criteria and Questions

- ***PRINCIPAL FACTOR 1. THE EXPERIENCE AND RELATED BACKGROUND OF THE OFFEROR***

CRITERION 1A. (1) THE COMPETENCE OF THE OFFEROR, AS REFLECTED IN THE APPLICATION, TO MANAGE AND OPERATE A CRUISE SHIP BUSINESS SIMILAR TO THAT DEFINED IN THE PROSPECTUS. (2) THE ENTITY WITH WHICH NPS WILL CONTRACT AND ITS RELATIONSHIP TO SUPERIOR AND SUBORDINATE ENTITIES IS CLEARLY DEFINED.

1. Identify the "OFFEROR" (or "PROPOSED ENTITY[S]," that the offeror intends to establish for the purpose of operating this concession) making this application. Clearly identify both the formal structure of the primary business ENTITY with which the National Park Service will be dealing, and its owner(s).

| | | | | |
|---|---|-----|--|----|
| 1. Was the offeror adequately identified? | X | Yes | | No |
| Applicant Statements (reference page number): Crystal Cruise Inc. 2121 Avenue of the Stars, Suite 200, Los Angeles, CA 90067 Contact: Gregg L. Michel, Phone: 310-785-9300, Fax: 310-785-0011 California corporation ; 100% Subsidiary of: Crystal Enterprises, Inc., 100% Subsidiary of NYK Holding USA, Inc., 100% Subsidiary of: Nippon Yusen Kabushiki Kaisha (NYK) 3-2 Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-91 Japan | | | | |

| |
|-----------|
| Comments: |
|-----------|

2. Provide materials to explain the financial circumstances, legal form, and ownership of that ENTITY.

| 2. Was adequate information provided? | X | Yes | | No |
|--|---|-----|--|----|
| Applicant Statements (reference page number): Financials and audit are at Exhibit A and B, Corporate certificate is at Exhibit C as is amended Corporate Articles. | | | | |
| Comments: | | | | |

3. Identify related, subordinate, and superior ENTITIES and any other organization, ENTITY, contractor, or subcontractor that will have a role in managing, directing, operating, or otherwise carrying out the service to be provided.

| 3. Were related, subordinate and superior entities adequately described? | X | Yes | | No |
|--|---|-----|--|----|
| Applicant Statements (reference page number) Pg., 8A of 26 and pg. 7 of 26, there are none.: | | | | |
| Comments: | | | | |

4. Where there are layers of Entities, subordinate or superior entities, significant contractors/subcontractors, or other organizations or individuals that will act in concert to provide the services required, describe each of them and the relationship between or among them.

| 4. Were layers of entities adequately described? | X | Yes | | No |
|--|---|-----|--|----|
| Applicant Statements (reference page number): Pg. 8 of 26 Yes. | | | | |
| Comments: | | | | |

5. Using the format and instructions on the next page (duplicate the form as needed) identify the Offeror, each ENTITY, the New Concessioner, and the Operator and all similarly involved parties or people. Add information as necessary to make the relationships clear.

| | | | | |
|---|---|-----|--|----|
| 5. Were these forms provided? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 8 of 26. Answer is yes. | | | | |
| Comments: | | | | |

ANILCA Section 1307 Preferred Operator

Refer to the ANILCA Section 1307 regulations in the appendix to answer the following questions:

6. **Is the entity a local resident, as defined in 36 CFR 13.81(f), for the services offered under this prospectus?** *If yes, provide documentation to support this determination, as described in these regulations.*

| | | | | |
|--|---|-----|--|----|
| 6. Was this information provided as required? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 9 of 26. Answer is no. | | | | |
| Comments: CCI would not have "local" preference. | | | | |

7. **Is the entity applying for "most directly affected Native corporation" status, as defined in 36 CFR 13.85?** *If yes, provide the documentation to support this determination, as described in these regulations.*

| | | | | |
|--|---|-----|---|----|
| 7. Was this information provided as required? | X | Yes | X | No |
| Applicant Statements (reference page number): Pg. 9 of 26. Answer is no. | | | | |
| Comments: CCI would not have " most directly affected Native corporation " preference. | | | | |

Preference for New and Small Operators

8. **Does the entity provide cruise ship services within Glacier Bay National Park under a current limited permit with the National Park Service?**

| | | | | |
|---|---|-----|--|----|
| 8. Was this information provided as required? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 9 of 26. Yes. | | | | |

Comments:
CCI provides cruise ship services under a concession permit.

9. If yes, does the number of cruise ship entries from June 1 to August 31 exceed 19 entries (14 percent of 139 cruise ship entries allocated for Glacier Bay from June 1 - August 31)?

| | | | | |
|--|---|-----|--|----|
| 9. Was this information provided as required? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 9 of 26. They have 2 entries out of 139 or < 2%. | | | | |
| Comments: CCI would be favored as a new/small operator. | | | | |

10. Do any of the above have operations or interest in other operations in areas adjacent to this national park area or operations in other national parks? If Yes, please identify.

| | | | | |
|--|---|-----|--|----|
| 10. Was this information provided as required? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 10 of 25. CCI does not have operations or interest in other operations in areas adjacent to this national park area or operations in other national parks. | | | | |
| Comments: | | | | |

11. The NPS is looking for an ENTITY that has demonstrated experience in managing this type of business activity. Give specific examples of business operations undertaken by ENTITY. Detail the OFFEROR's experience and skills in developing efficient, effective, defined, targeted goals for business programs according to pre-established management parameters.

| | | | | |
|---|---|-----|--|----|
| 11. Was this information provided as required? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 10A – 10D of 26. There is a discussion of the formation of the company and of its history as it developed. While more information could have been provided focused on the management of this type of business the forma at 11 A – R certainly indicate an outstanding group of management people are running this company. They suggest that they want to be a cut above and to deliver “ a luxury cruise experience the way it was meant to be” Pg. 10A of 26. | | | | |
| Comments: | | | | |

12. Describe the business management qualifications and experience of the ENTITY and the NEW CONCESSIONER proposed to manage and operate this business.

| | | | | |
|--|---|-----|--|----|
| 12. Was this information provided as required? | X | Yes | | No |
| Applicant Statements (reference page number): See 11, above and the form at pages 11A – R, | | | | |
| Comments: Outstanding people involved. | | | | |

13. Does the ENTITY have experience providing services under contract for an agency like NPS, United States Forest Service, Bureau of Land Management, city, state, large corporation, or other organization with significant philosophical and operational constraints? If Yes, please identify.

| | | | | |
|--|---|-----|--|----|
| 13. Was this experience identified? | X | Yes | | No |
| Applicant Statements (reference page number): Have experience with Port Authorities and in other areas of operation with sensitive standards. | | | | |
| Comments: | | | | |

14. Use the format on the following page and add to it as necessary, or use your own format as long as it provides all of the requested information. Provide detailed resumes for all current and proposed partners, sole proprietors, and key management employees who will be actively involved in the management of this business and key ship-board personnel who will be operating in Glacier Bay. Identify the specific role the individual is to play and establish that person’s ability to play that role.

When discussing work experience, be specific with respect to size of operation, dates, area of operation, specific duties, number of people supervised, hours worked per week, and other factors that would be helpful to reviewers in establishing a clear understanding. Do not omit training and education and do not omit special qualifications, ratings, or licenses that are needed in some special occupations.

| | | | | |
|--|--|-----|--|----|
| 14. Was this information provided as required? | | Yes | | No |
| Applicant Statements (reference page number): See the “11” series of pages which include management profiles. Information on: President, VP Finance, VP Hotel Ops, VP Pax Serv, VP Strategic Projects, VP Sales, VP Marine Operations, VP Marketing, Marine Supt., captains (5), Vice Captains (2), Cruise Directors (3), Deputy Captains (2), Chief Engineers (3) & Hotel Directors (4). | | | | |
| Comments: Very comprehensive list of resumes. | | | | |

| | | | | | | |
|---|--|----------|---|------------|--|----------------|
| Cr. 1a Summary | | Superior | X | Successful | | Not Successful |
| Summary Comments on this Factor: This appears to be an outstanding company intending to operate at the higher end of the cruise quality spectrum. | | | | | | |

CRITERION 1B. NONE.

- ***PRINCIPAL FACTOR 2. CONFORMANCE TO THE TERMS AND CONDITIONS OF THE PROSPECTUS IN RELATION TO QUALITY OF SERVICE TO THE VISITOR***

CRITERION 2A. THE OFFEROR AGREES TO PROVIDE THE SERVICES AS REQUIRED BY THIS PROSPECTUS.

1. Indicate below whether you agree to provide the required services under the conditions specified in the Permit.

| | | | | |
|---|---|-----|--|----|
| 1. Does the offeror agree to provide the required services under the conditions specified in the Permit? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 12 of 26 | | | | |
| Comments: | | | | |

2. Provide a basic description of the ship(s) which the offeror proposes to operate in the park, including, as a minimum, the following, and any other vessel design information the offeror feels is pertinent.

| | | | | |
|--|---|-----|--|----|
| 2. Was all information provided? | X | Yes | | No |
| Applicant Statements (reference page number): Pg. 12 of 26. Two ships, Crystal Symphony – max 957 passengers in 480 cabins of 250 sq. ft., launched 1994, refit 1997, diesel electric, crew is Filipino and US, officers are Nor., Jap., Eur. And Crystal Harmony – max 1010 passengers in 480 cabins of 480 sq. ft., launched 1989, refit 1997, diesel electric, crew is Filipino, Eur., Asian, offices are Nor., Jap., Swe. | | | | |
| Comments: They have the two existing ships they plan to use. | | | | |

3. Do you agree not to use a substitute ship without the approval of the park superintendent and that any substitute must meet or exceed the standards of the ship approved in the proposal?

| | | | | |
|--|---|-----|--|----|
| 3. Does the offeror agree not to substitute ships without approval? | X | Yes | | No |
| Applicant Statements (reference page number):Pg. 12 of 26. | | | | |

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|-----------|
| Comments: |
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4. Specify the total number of cruise ship entries into Glacier Bay from June 1 - August 31 for which you are applying.

| | | | | |
|--|---|-----|--|----|
| 4. Did the offeror answer this question (enter number of entries under comments)? | X | Yes | | No |
| Applicant Statements (reference page number): They say they want 8 entries. (Pg. 12 of 26) . They say that they plan on more trips in the future but do not want to ask for entries only to turn them back because they are not ready to use them. They say they are committed to the NPS goals and have demonstrated that. | | | | |
| Comments: They want 8 entries, total but the number include the 2 existing entries and six new ones. | | | | |

5. Do you wish to apply and compete in all categories in order to maximize your opportunity:

| | | | | |
|--|---|-----|--|----|
| 5. Does the offeror wish to apply and compete in all categories in order to maximize your opportunity? If "NO", specify the category or categories under which they are applying and the number of entries in the following table: | X | Yes | | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

| Category | Entries (enter number) |
|------------------------------------|------------------------|
| Category A (maximum 38 entries) | |
| Category B* (maximum 13 entries) | |
| Category C (maximum 4 entries) | |
| Category D* (maximum of 7 entries) | |
| Category E* (maximum of 4 entries) | |
| Category F* (maximum of 2 entries) | |

The best proposal will be selected in each of the above six categories.

* An incumbent concessioner has a right of preference in renewal for these entries (see "Application of Preference in Renewal", this section - above). [NOTE: Except Cunard]

6. Do you intend to utilize all entries authorized throughout the term of the permit? (Unforeseen events or circumstances that intermittently interfere with operations may, with the approval of the superintendent, be excused.)

| | | | | |
|--|-------------------------------------|-----|--------------------------|----|
| 6. Does the offeror intend to utilize all entries? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Applicant Statements (reference page number): Yes. Pg. 13 of 26. | | | | |
| Comments: | | | | |

7. Do you agree to notify the NPS of any unused entries that may become available in a timely manner and, if necessary, assist to facilitate the reallocation of the unused entry?

| | | | | |
|--|-------------------------------------|-----|--------------------------|----|
| 7. Does the offeror agree to notify the NPS of any unused entries ? | <input checked="" type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| Applicant Statements (reference page number): Yes. Pg. 13 of 26. | | | | |
| Comments: | | | | |

| | | | | | | |
|--|--|----------|-------------------------------------|------------|--|----------------|
| Cr. 2a. Summary | | Superior | <input checked="" type="checkbox"/> | Successful | | Not Successful |
| Summary Comments on this Factor: All required information provided. | | | | | | |

CRITERION 2B. DESCRIBE WHAT ADDITIONAL SERVICES AND/OR FACILITIES WILL BE PROVIDED AND/OR HOW THE COMPANY WILL IMPROVE UPON THE SERVICES OR SCHEDULES REQUIRED BY THIS PROSPECTUS, TO PROVIDE A SUPERIOR PARK EXPERIENCE FOR ITS PASSENGERS.

The National Park Service expects that concessioners will support the NPS in its mission to inform park visitors and concession employees about park resources and values. Some examples of services and facilities which might improve the visitor experience:

- a. Offer Native Alaskan art and handcrafts prominently in shipboard gift shops.
- b. Provide an expanded library of resource materials on Glacier Bay, Alaska, Native Culture including standard references, books, periodicals, videos, maps, etc.
- c. Feature local Alaskan artists and craftspersons in shipboard displays and in gift shops.
- d. Insure that ship board activities, gift shop items etc. contribute to visitor understanding of the area (e.g. gift shops offer only stuffed toy animals which are native to the area).
- e. Implement corporate and/or shipboard programs related to protection of the (marine) environment.
- f. Establish minimum standards of knowledge about Glacier Bay and the National Park Service for officers and crew members.

1. Describe the services and facilities related to the above that you propose to offer.

| | | | | |
|--|---|-----|--|----|
| 1. Were any services and facilities described? | X | Yes | | No |
| Applicant Statements (reference page number): They have many videos on board, they offer "destination lectures, they have a newsletter that includes port of call coverage, they offer expert lectures, they have a program called "Crystal Clean" to promote environmentally safe operations this includes education for the crew and officers, they educate guests as to proper behavior while on board, they have a Crystal Visions Lecture series to provide education to guests and also have a series of talks by experts about art and cultural topics. They cease activities while in glacier Bay and have an Alaska channel on there TV system showing "every possible movie and documentary video available." (14A – G of 26) | | | | |
| Comments: They address a variety of approaches to interpretation and information. The do not say much about the sale of handcrafts other than in paragraph a on 14A of 26. | | | | |

Management Policies Manual, Chapter VIII. "Promoting the sale of United States made handcrafts including Native American handcrafts relating to the culture, historical, natural and geographic characteristics of park areas is encouraged and there shall be a continuing effort to enhance the scope and supply of local handcrafts where they exist and to establish them where they do not."

2. Describe what measures the company will take to implement this policy in your service.

| | | | | |
|---|--|-----|---|----|
| 2. Were such measures described? | | Yes | X | No |
| Applicant Statements (reference page number): Very little is said about handcrafts, only what is on page 14A of 26. Nothing about enhancing the scope and supply of handcrafts. Ten vendors of Native handcrafts listed. | | | | |
| Comments: The list shown on 14A of 26 is very weak. No real effort is displayed with this item by this offer. | | | | |

3. Describe other services, facilities, programs, itineraries, etc., your company will implement that will provide a superior park experience for the visitor.

| | | | | |
|--|---|-----|--|----|
| 3. Were other services, facilities, programs, itineraries, etc. described? | X | Yes | | No |
| Applicant Statements (reference page number): See the write-up at item one. Some items perhaps and some by degrees. | | | | |
| Comments: | | | | |

| | | | | | | |
|---|---|----------|--|------------|--|----------------|
| Cr. 2b. Summary | X | Superior | | Successful | | Not Successful |
| Summary Comments on this Factor: Very weak Superior. They satisfy the A level and made a rather weak effort at describing their B level efforts. | | | | | | |

CRITERION 3A. THE OFFEROR AGREES TO A FEE OF NOT LESS THAN THE AMOUNT DESCRIBED BELOW.

The NPS has determined that the fees described below is the minimum required offer:

\$5.00 per passenger (including both revenue and non-revenue passengers)

Please see the sample permit for specific details of the fee program.

1. Do you agree to this initial level of fees as shown above and in the sample permit?

| | | | | |
|---|---|-----|--|----|
| 1. Does the offeror agree to pay the fees as shown? | X | Yes | | No |
| Applicant Statements (reference page number): Page 25 of 26 (Offered a higher fee under criterion 8B). | | | | |
| Comments: Offering of a higher fee commits CCI to payment of at least the minimum fee. | | | | |

| | | | | | | |
|---|--|----------|---|------------|--|----------------|
| Cr. 3a. Summary | | Superior | X | Successful | | Not Successful |
| Summary Comments on this Factor: CCI offers at least the minimum fee (through their offer of a higher fee (\$7.00/passenger)). | | | | | | |

CRITERION 3B. NONE

CRITERION 4A. THE OFFEROR PROPOSES TO PROVIDE INTERPRETIVE SERVICES (EITHER THOROUGH THE NPS INTERPRETIVE PROGRAM OR THOROUGH AN APPROVED CONCESSIONER PROGRAM) WHICH MEETS THE REQUIREMENTS OF THE PROSPECTUS AND PERMIT.

1. Do you agree to provide an interpretive program meeting these minimum criteria?

| | | | | |
|---|---|-----|--|----|
| 1. Does the offeror agree to provide an interpretive program meeting these minimum criteria? | X | Yes | | No |
| Applicant Statements (reference page number):Application, page 17 | | | | |
| Comments: | | | | |

2. Will you participate in the NPS Interpretive Program (including cost-recovery)?

| | | | | |
|---|---|-----|--|----|
| 2. Will the offeror participate in the NPS Interpretive Program (including cost-recovery)? | X | Yes | | No |
| Applicant Statements (reference page number):Application, page 17 | | | | |
| Comments: | | | | |

If you do not participate in the NPS Interpretive Program, submit a full description of your proposed interpretive program, including employment standards (resumes for existing interpretive staff or position descriptions for currently unfilled interpretive positions), staffing levels, staff and supervisory training program, monitoring and mentoring program, native and local hire program, procedures for updating interpretive program with current research and park management directives, sources for information, description of resource and reference materials available for the interpretive staff, description of slide file (or other media) available for audio-visual and other presentations, and other materials that would assist in evaluating the program. Minimum criteria for the Interpretive program (as stated above) must be met in order for the offer to be considered responsive.

| | | | | |
|--|--|-----|--|----|
| 2a. If not, did the offeror submit an alternative Interpretive Program? | | Yes | | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

| | | | | | | |
|--|--|----------|---|------------|--|----------------|
| Cr. 4a. Summary | | Superior | X | Successful | | Not Successful |
| Summary Comments on this Factor: Offeror agrees to meet minimum criteria by participating in NPS Interpretive Program. | | | | | | |

CRITERION 4B. THE OFFEROR PROPOSES TO PROVIDE INTERPRETIVE SERVICES BEYOND THE MINIMUM LEVELS LISTED IN CRITERION 4A.

1. Do you propose to operate in accordance with an *optimal itinerary* ...?

| | | | | |
|---|---|-----|--|----|
| 1. Does the offeror agree to operate in accordance with an <i>optimal itinerary</i>? | X | Yes | | No |
| Applicant Statements (reference page number):Application, page 19 | | | | |
| Comments: | | | | |

2. If NO, provide the proposed itinerary or itineraries, including, at a minimum, all areas to be visited, activities in each area and the times for each activity (one format for this is the table below).

| Was an alternative itinerary provided? | | Yes | | No |
|---|--|-----|--|----|
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

The itinerary submitted should also include a list and timetable for all passenger activities, including meals, while in Glacier Bay, noting any activities that would restrict public address system interpretive commentary or impact the interpretive focus on the park.

3. If you answer yes to item 1, but would also like to propose possible alternative itineraries which you feel would provide a superior visitor experience, please do so here. Provide details of why you feel this would be a superior itinerary and whether or not this itinerary is an optional or integral element of your proposal (*optional* meaning implementation of the itinerary would be at the NPS’s discretion; *integral* meaning that, under your proposal, some entries would *need* to use the alternative itinerary).

| 3. Were itineraries in addition to the “optimal itinerary” proposed? | | Yes | | No |
|---|--|-----|--|----|
| Applicant Statements (reference page number): Application, page 19 - Offeror responded with “Not Applicable” | | | | |
| Comments: | | | | |

Additional Elements of the NPS Interpretive Program

The following items are elements of the NPS Interpretive Program which exceed the minimum requirements listed in 4A. If you indicated in 4A #2. (above) that you would participate in the NPS Interpretive program, you will be credited with providing these additional items. Applicants who will not be participating in the NPS Interpretive Program would need to specifically address each item in order to receive consideration for exceeding minimum standards for that item.

- Provide interpreters with the opportunity to visit libraries, museums or institutions that have Alaska and Glacier Bay specific information or reference materials.
- Provide opportunity for interpreters to work with experts on interpretive program subjects such as communication and interpretive techniques.
- Offer mentoring program(s) for southeast Native individuals to introduce the field of interpretation and provide the passengers with cultural interpreters.
- Offer supplementary field trips both ashore and on the waters of Glacier Bay to provide interpreters with added personal experience to further enhance their programs.
- Provide the interpreters additional training and materials to develop more specialized and in-depth programs.

- Conduct focus groups and additional surveys to determine if passengers understand and appreciate the significance of Glacier Bay National Park and Preserve.

4. Do you propose to meet any or all of the elements shown above? [Applicable only if you will not be participating in the NPS Interpretive Program: the NPS Interpretive Program meets these elements.]

| | | | | |
|---|--|-----|--|----|
| 4. Does the offeror propose to meet any or all of the elements shown above? If the offeror is participating in the NPS program, they will meet all elements. | | Yes | | No |
| Applicant Statements (reference page number): | | | | |
| Comments: | | | | |

Additional Elements Not Included in the NPS Interpretive Program

The following items are potential areas where applicants could exceed minimum interpretive program requirements whether they are participating in the NPS interpretive program or not. All applicants should provide details of how each item would be addressed or provided if the item is to be included in the applicant’s operation.

- Schedule programs and provide materials specifically for children on board with a park related theme.
- Provide passengers and crew the opportunity to view video(s) about GLBA prior to arrival.
- Provide passengers and crew with supplemental materials about Glacier Bay prior to arrival in Glacier Bay.
- Provide programs for passengers by specialists on park related subjects, i.e. geology, ecology, natural history, Alaska history, native Alaskan culture and art, prior to arrival in Glacier Bay.

5. Do you propose to meet any or all of the elements shown above? If yes, provide details.

| | | | | |
|---|---|-----|--|----|
| 5. Does the offeror propose to meet any or all of the elements shown above? | X | Yes | | No |
| Applicant Statements (reference page number): Application, page 21A-C, 14A-G, and Exhibits G & H – employ Junior Activities Directors to conduct activities(pg.21A), dedicate one channel on shipboard television system for showing nature film and videos (pg21A), provides onboard daily newsletter, “Reflections” with articles on ports of call (pg.14B), and developed “Crystal Visions” a lecture series featuring experts from around the world who have expertise in natural /cultural history. | | | | |

Comments:

Provides no details on children’s programs other than to “conduct activities and show nature videos”(pg21A) Appears they do not have children’s programs with Glacier Bay related themes. One channel on ship-board television is dedicated as the Alaskan Channel where they show “National Park Service films and Glacier Bay videos”(pg14C). Supplemental materials provided consist of a daily newsletter, “Reflections”. Exhibit G includes ten issues, one per day, as a sample from a trip starting from, and returning to, San Francisco. One article in the ten issues provided supplemental interpretive material on Glacier Bay. Material describing the “Crystal Visions” lecture series and experts (14D and 21D) show that offeror could provide programs on park related subjects. It is stated on pg. 14D&E that “talks are scheduled both before and after a visit to the Bay”. Exhibit G shows the program prior to a visit to Glacier Bay was by an economist on an unrelated topic and the program following a visit was classical music. Material presented (Exhibits G & H) clearly did not support the claims.

Opportunity for Applicants to Propose Innovative Interpretive Program Elements

Applicants are encouraged to provide details of any additional interpretive services or interpretive program details (not listed above) which they propose to provide and which would result in improved interpretive program.

6. Do you propose to any additional interpretive elements or services? If yes, provide details.

| 6. Are additional interpretive program elements proposed? | X | Yes | | No |
|---|---|-----|--|----|
| <p>Applicant Statements (reference page number):Application, pages 21 and 14A-G – currently looking into an onboard Alaskan Raptor program, consisting of birds and lectures.</p> <p>Amended Proposal: Offers to provide at least 44 specific books and 25 specific videos related to park values available to passengers. Offered to provide on-board naturalist to assist with NPS Interpretive program. Offered to provide an on-board youth program including park theme related activities. Offered to provide a in-room programming related to the natural and cultural history of Southeast Alaska.</p> | | | | |
| <p>Comments: No details given but the idea has merit and may provide additional interpretive services relating to Glacier Bay.</p> <p>Amended Proposal: The additional elements would result in an improved interpretive program.</p> | | | | |

| Cr. 4b. Summary | X | Superior | Successful | Not Successful |
|--|---|----------|------------|----------------|
| <p>Summary Comments on this Factor: Only slightly superior from minimal interpretive programming. Do provide some additional interpretive services but exaggerate claims for other theme related interpretive services.</p> <p>Amended Proposal: The additional elements offered in the amended proposal meets the terms of the best initial offer.</p> | | | | |

CRITERION 5A. THE OFFEROR AGREES TO SUBMIT A POLLUTION MINIMIZATION PLAN

1. Do you agree to submit the required *Pollution Minimization Plan* as part of your application and, after approval, implement the plan as approved? If yes, attach the plan (see Criteria 5B for additional elements which may be included).

| | | | | |
|--|---|-----|--|----|
| 1. Does the offeror agree to submit the required <i>Pollution Minimization Plan</i> as part of your application and, after approval, implement the plan as approved? | X | Yes | | No |
| Applicant Statements (reference page number): PMP submitted to Glacier Bay in 1997; copy of the Plan and letter of approval are provided in Exhibit I | | | | |
| Comments: Exhibit I does not contain the complete PMP. It contains the letter of approval and an Oil Pollution Emergency Plan. Information contained throughout the rest of the application was used to assess the offeror's pollution minimization strategies. | | | | |

| | | | | |
|--|---|-----|--|----|
| 1a. Was an adequate pollution minimization plan provided? | X | Yes | | No |
| Applicant Statements (reference page number): Air Quality/Stack Emissions <ul style="list-style-type: none"> • Diesel electric engines – no mechanical links between main engines and propellers – engines operate on constant RPM (pg. 22B) • TV camera monitors exhaust outlets on smoke stack (pg. 22C) • Masters instructed in how to maneuver vessels to reduce emissions and operate at 100% combustion. (pg. 22C) • Highest quality lighter fuel oil (grade IF 180) used (pg. 22C) • Incinerators not used (pg. 22C) Underwater Noise <ul style="list-style-type: none"> • Main engines are rubber mounted – no direct mechanical link between engine and hull (pg. 22D) • Diesel electric engine which reduced vibration (pg. 22D) Oil Spill <ul style="list-style-type: none"> • Detailed pollution response plan (pg. 22C) • Three licensed masters, 2 Chief Engineers, 1.5 watch system aboard enhances safety (pg. 22B) • SOPEP included (Exhibit I) • Oil spill clean up kit (Exhibit I, pg. 39) • | | | | |
| Comments: Offeror claims vessel design (engine type and mounting) reduce both stack emissions and underwater noise. Offeror offers few operating techniques which would be implemented to reduce air quality or noise (i.e., not using bow and stern thrusters). Camera monitoring of stack emissions likely reduces incidences of unacceptable opacity. Offeror did not describe any mechanisms by which NPS could verify that offeror employed techniques, methods, equipment described | | | | |

| | | | | | | |
|--|--|----------|---|------------|--|----------------|
| Cr. 5a. Summary | | Superior | X | Successful | | Not Successful |
| <p>Summary Comments on this Factor: Offeror's vessels are relatively new and designed to reduce air and underwater noise pollution to some extent. Offeror does not present any new concepts, equipment, techniques, etc. for reducing pollution, but meets the criteria for a successful pollution minimization plan.</p> | | | | | | |

CRITERION 5B. THE OFFEROR PROPOSES TO MINIMIZE ENVIRONMENTAL IMPACT IN THE PARK.

Offerors should address in their proposal measures they would take which go beyond law and regulation to further minimize or eliminate these environmental impacts while operating in the park (Address each item as an element of the *Pollution Minimization Plan* required in 5A.). [These include Stack emissions, Discharge into park waters, Underwater noise, Wildlife (Harbor Seals, Sea Birds, Sea Bird Nesting Colonies), Litter, Shipboard noise, Helicopters.]

| Did the Offeror address in their proposal measures they would take which go beyond law and regulation to further minimize or eliminate these environmental impacts while operating in the park ? | | Yes | | No |
|---|--|-----|--|----|
| <p>Applicant Statements (reference page number):</p> <ul style="list-style-type: none"> • Crystal Clean program – promotes awareness and environmental-safe operations of vessels for both passengers and crew (pg. 14C); includes video aired on every cruise; all crew watch video at beginning of season (pg. 21A) • Daily newsletters – guests reminded not to throw things overboard, not to feed wildlife as well as why these constraints are important (pg 14C-14D) • Crystal Clean program materials displayed in crew areas, outside Crew Officer's office (pg. 21A) • Waste Management Plan (pg. 22A) • Recycle Program (pg. 22A) • State-of-the-art sewage treatment plants (pg. 22A) • Biodegradable paper trash bags, reusable stemware and tumblers (pg. 22A) • Marked garbage bins (pg. 22A) • No fluorocarbons in dry cleaning (pg. 22B) • Reconditioned toners used (pg. 22B) • Water conservation system used (pg. 22B) • Suppliers asked to advise on new environmentally friendly products (pg. 22B) • Zero discharge policy (pg. 22C) • Vessel master is also Environmental Officer – indicative of high priority of environmental issues (pg. 22C) • Vessels will avoid seal concentrations in Hopkins when open (pg. 22D) • Newsletter describes why birds and other wildlife should not be fed and that trash should not be thrown overboard (day before arrival and day of) (pg. 22E) • Styrofoam cups not used (pg. 22E) • Signs placed on deck on day of visitation to reduce litter overboard (pg. 22E) • Sports equipment removed (pg. 22E) • Public address system not used during visit (except for naturalist) (pg. 22F) • Does not use helicopters in any way (pg. 22F) <p>Amended Proposal: Offers to provide enough sorbant boom to encircle each ship.</p> | | | | |

Comments:

The Offeror's Crystal Clean program is "visible" and aggressive and likely reduces incidences of wildlife feeding and littering in the Bay. Offeror has eliminated use of several products which could impact Glacier Bay waters (foam cups, plastic trash bags, etc.) Offeror agrees not to use helicopters for any purpose. Offeror thoroughly addressed the issues/concerns listed in this criteria.

Amended Proposal: Additional element meets the terms of the best initial offer.

1. Do you offer to provide baseline data from your vessel(s), such as stack emission opacity or noise levels? If yes, describe in detail the nature and format of the data, procedures for data submission and constraints, if any, for data use or distribution.

| | | | | |
|--|---|-----|--|----|
| 1. Does the offeror offer to provide baseline data from their vessel(s)? | X | Yes | | No |
| <p>Applicant Statements (reference page number): Vessels do not have sensors fitted to monitor below water line hull vibration – baseline data for noise levels not available (pg 23A).</p> <p>Amended Proposal: Offers to install stack emission monitors, match reading to location and provide data to the NPS. Offers to connect monitors to an engineering department alarm system. Offers to install centrifical and gravity oil water separators. Offers to provide sound signature information.</p> | | | | |
| <p>Comments: It is unlikely that such "sensors" would provide meaningful data even if implemented.</p> <p>Amended Proposal: Amended elements meet the terms of the best initial offer.</p> | | | | |

| | | | | |
|--|---|-----|--|----|
| 1a. If yes, did the offeror describe the nature and format of the data, procedures for data submission and constraints, if any, for data use or distribution? | X | Yes | | No |
| <p>Applicant Statements (reference page number): Previously recorded stack emission observations (pg. 23A)</p> | | | | |
| <p>Comments: Offeror does not agree to additional collection of baseline data (only existed data are presented).</p> | | | | |

| Cr. 5b. Summary | Superior | X | Successful | Not Successful |
|---|----------|---|------------|----------------|
| <p>Summary Comments on this Factor: Pollution minimization strategies described herein are standard (relying primarily on engine type – diesel electric) and, in general, do not reflect extra effort, funds, special programs, etc. on the part of the Offeror. The Crystal Clean program, however, is aggressive and well designed. Past stack emissions data reflect acceptable opacity levels and the offeror’s willingness to share them indicate some level of cooperation. Information provided was relatively thorough.</p> <p>Amended Proposal: The additional elements offered raise the rating in this factor to superior and meet the terms of the best initial offer.</p> | | | | |

CRITERION 6A. THE OFFEROR’S PAST RECORD RELATED TO MARINE CASUALTIES, VIOLATION NOTICES AND FOOD SERVICE SANITATION.

The past record of marine casualties, violation notices and food service sanitation reports for *each cruise ship* must be included in the offeror’s proposal. If there is less than a complete record for the time period described for any ship included in the proposal, establish a record for the company as a whole by providing the information requested for the company, including all cruise ships operated by the company.

1. Has the offeror had any reportable marine casualties (as defined by USCG regulations), including but not limited to grounding, loss of primary propulsion, collision, flooding, capsizing, fire, explosion, loss of life or reportable injury for the period beginning three years prior to the date this prospectus was issued through the present¹? If yes, submit a copy of the official report (U.S. Coast Guard or other), except for injuries (submit a brief summary, including reason for each injury).

| 1. Has the offeror had any reportable marine casualties? | | Yes | X | No |
|---|--|-----|---|----|
| <p>Applicant Statements (reference page number): The applicant indicated no reportable marine casualties in answering question 6.A.1 (page 23 of 26).</p> | | | | |
| <p>Comments: The applicant operates 2 cruise ships - Crystal Symphony and Crystal Harmony. Both ships are proposed for entry in the park.</p> | | | | |

| 1a. Were copies of the reports submitted? | | Yes | | No |
|--|--|-----|--|----|
| <p>Applicant Statements (reference page number): N/A</p> | | | | |
| <p>Comments:</p> | | | | |

¹ Information which comes to the attention of the National Park Service for the period of time after a prospectus is issued but prior to the actual award of a permit will be considered in the selection process.

Analysis:

| | | | | |
|--|---|-----|--|----|
| 1b. Did a background check identify any additional casualties? | X | Yes | | No |
| Applicant Statements (reference page number): Applicant indicated no reportable marine casualties in responding to Question 6.A.1 on page 23. | | | | |
| Comments: USCG records for the Crystal Harmony – obtained from the USCG Port State Information eXchange – list one reportable marine casualty involving a serious personal casualty (passenger injury) in Honolulu on 12/22/97. USCG records for the Crystal Symphony reported 3 marine casualty incidents, including a passenger injury, a passenger death, and damage to the vessel during a 6/29/95 mooring procedure in Ketchikan. Of these reportable incidents, only the damage during mooring reflected operational procedures. | | | | |

2. Has the offeror received citations or notices of violation received from, or criminal information or indictments filed by local, state, or federal authorities in the United States, regardless of the outcome, for the period beginning three years prior to the date this prospectus was issued through the present? If yes, submit a copy of the citation, indictment, etc., and an explanation of the violation, settlement, penalty (if any), and any corrective actions taken by the offeror.

| | | | | |
|--|--|-----|---|----|
| 2. Did the offeror report any such citations, notices of violation, etc.? | | Yes | X | No |
| Applicant Statements (reference page number): The applicant reported no violations in responding to Question 6.A.2 on page 24. | | | | |
| Comments: | | | | |

| | | | | |
|---|--|-----|--|----|
| 2a. Were copies of the reports submitted? | | Yes | | No |
| Applicant Statements (reference page number): N/A | | | | |
| Comments: | | | | |

| | | | | |
|---|--|-----|---|----|
| 2b. Did a background check identify any additional violations? | | Yes | X | No |
| Applicant Statements (reference page number): | | | | |
| Comments: USCG verified information provided by the applicant. | | | | |

3. Has the offeror received any unsatisfactory food service sanitation inspection reports from the U.S. Public Health Service for the period beginning two years prior to the date this prospectus was issued

through the present? *If yes, submit the reports for these inspections and a summary of any corrective actions taken by the offeror.*

| | | | | |
|---|--|-----|---|----|
| 3. Did the offeror have any unsatisfactory food service sanitation inspection reports? | | Yes | X | No |
| Applicant Statements (reference page number): Applicant indicated no unsatisfactory food service inspections in responding to Question 6.A.3 on page 24 or their application. | | | | |
| Comments: | | | | |

| | | | | |
|---|--|-----|--|----|
| 3a. Were copies of the reports submitted? | | Yes | | No |
| Applicant Statements (reference page number): N/A | | | | |
| Comments: | | | | |

| | | | | |
|---|--|-----|---|----|
| 3b. Did a background check identify any additional unsatisfactory reports? | | Yes | X | No |
| Applicant Statements (reference page number): | | | | |
| Comments: Applicant's information verified by U. S. Public Health Service inspection records. | | | | |

| | | | | | | |
|---|--|----------|---|------------|--|----------------|
| Cr. 6a. Summary | | Superior | X | Successful | | Not Successful |
| <p>Summary Comments on this Factor: Applicant is considered successful in meeting this criterion. Marine casualty information submitted was incomplete when compared to USCG records for the Crystal Symphony and Crystal Harmony, vessels operated by Crystal Cruises. USCG records list 4 reportable marine casualty incidents for these 2 vessels. However, none of the marine casualty incidents reported by the USCG would be considered by NPS as precluding the applicant from successfully meeting this criterion. The applicant did not have any reportable violations or unsatisfactory food service ratings.</p> <p>Amended Proposal: The applicant misunderstood the need to provide marine casualty reports and has requested copies from the USCG.</p> | | | | | | |

CRITERION 6B. NONE

• **PRINCIPAL FACTOR 3. THE OFFEROR'S FINANCIAL CAPABILITY**

CRITERION 7A. THE OFFEROR DEMONSTRATES THAT NEEDED FUNDING (EQUITY AND/OR BORROWED) IS AVAILABLE AND IS DEMONSTRATED TO BE SUPPORTABLE WITHIN THE INCOME STATEMENT AND BALANCE SHEETS REQUIRED.

1. Provide the following information:

- a. For OFFERORS and CONCESSIONERS provide the latest financial statement for themselves and their parent company (if any) including the notes to the statements or similar explanatory material and the related audit report.
- b. For corporations, partnerships, or others that are OFFERORS, or that propose to provide the services or part of the services required: Provide the latest financial statement available including the notes to the statement or similar explanatory material and the related audit report.
- c. Sole proprietors and unconventional lenders and proposed individual investors: Provide personal financial statements.

| 1. Was the appropriate information provided? | X | Yes | | No |
|---|---|-----|--|----|
| Applicant Statements (reference page number): Crystal Cruises, Inc. and Nippon Yusen Kabushiki Kaisha provide annual reports including audited financial statements at Exhibit s A and B. A statement from Nippon Yusca Kaisha of its intention to provide financial support to Crystal Cruises at least until the 1998 audit. | | | | |
| Comments: | | | | |

2. Identify the source(s) of all needed funds. Document the source and availability of all funds with current audited financial statements, financing agreements, letters of commitment, and similar supporting documents from all sources. Present compelling evidence of offeror's ability to obtain the necessary funds. Be specific. Identify all sources and provide complete documentation. Explain fully the financial arrangements you propose to use.

- a. If funds are to be obtained from individuals, provide a current personal financial statement, documentation of assets to be sold, commitments from lenders, or other assurances that meet the need to make a compelling demonstration that the funds are available and committed.
- b. Funds from other sources must be supported by a current, audited balance sheet and income statement and whatever supporting documents are needed to provide compelling evidence that funds are available and committed.
- c. Funds obtained by the sale of assets must be supported by a description and condition of the assets and any encumbrances on those assets and/or the proceeds of their sale. Also, the condition of the market for such items should be indicated in a way that identifies both the ability to sell the asset at the necessary time and the ability to sell at a price sufficient to meet funding expectations. Qualified appraisals and other professional estimates of value must be provided. You must prove in a compelling way that the asset will yield the necessary funds at the necessary time.

| | | | | |
|--|---|-----|--|----|
| 2. Were funding sources identified? | X | Yes | | No |
| Applicant Statements (reference page number): Crystal is not planning to build new ships. The need no added funding and seem able to pay their routine operating costs. | | | | |
| Comments: | | | | |

3. Describe how your financing arrangements, taken as a whole, are advantageous terms for financing that both balance the financial interests of the NPS in this PERMIT and the need for a soundly financed concessioner with the least number of financing issues to be negotiated in the future.

| | | | | |
|--|---|-----|--|----|
| 3. Were financing arrangements adequately described? | X | Yes | | No |
| Applicant Statements (reference page number): | | | | |
| Comments: In the notes to the statement. No issue here since they have the needed ships and are not having to prove they can finance such costs. | | | | |

| | | | | | | |
|--|--|----------|---|------------|--|----------------|
| Cr. 7a. Summary | | Superior | X | Successful | | Not Successful |
| Summary Comments on this Factor: They have the two ships they need and other funds for operations are reflected on the financial statements. | | | | | | |

CRITERION 7B. NONE.

SECONDARY FACTOR(S). FRANCHISE FEE OFFERED ABOVE THE MINIMUM

CRITERION 8A. NONE

CRITERION 8B. A FRANCHISE FEE ABOVE THE LEVEL REQUIRED AT CRITERION 3A IS OFFERED.

A franchise fee offer above the required level will be a secondary factor as explained by the terms of PL 89-249 (and Public Law 104-333, Section 704, below²). Secondary factors will be used in the evaluation of offers when a

²Public Law 104-333, Section 704, states: "Fees paid by certain permittees for the privilege of entering into Glacier Bay shall not exceed \$5 per passenger. For the purposes of this subsection, 'certain permittee' shall mean a permittee which provides overnight accommodations for at least 500 passengers for an itinerary of at least 3 nights". Therefore, the NPS may not be able to accept a higher franchise fee from applicants who fit the definition of 'certain permittee', but may accept such an offer from other applicants.

selection of the best offer cannot otherwise be made from the results of evaluating the three primary factors. Public Law 89-249, Section 3(d) and 36 CFR Part 51.4b(3), (Both are included in the Appendix) provides guidance as to franchise fees.

1. Do you propose to offer a franchise fee above the level required at Criterion 3A?

| | | | | |
|--|---|-----|--|----|
| 1. Was a higher franchise fee offered? If yes, enter fee offered under "Applicant Statements". | X | Yes | | No |
| Applicant Statements (reference page number): At 26 of 26 they offer \$7 per passenger. | | | | |
| Comments: Based on information provided there is nothing to indicate a \$7.00 per passenger fee would not be appropriate. Under current law, the higher fee would probably not be viable. | | | | |

| | | | | | | |
|--|---|----------|--|------------|--|----------------|
| Cr. 8b. Summary | X | Superior | | Successful | | Not Successful |
| Summary Comments on this Factor: They offer \$7 per passenger for each of the five years (though they may be precluded from paying this by law). CCI is superior only to the extent that payment of the higher amount is likely. | | | | | | |

This document accurately reflects the panel members evaluation of this offer.

| | |
|--------------------------------------|--|
| Dave Nemeth /s/ Dave Nemeth | Stephen Crabtree /s/ Stephen Crabtree |
| Jerry Case /s/ Jerry Case | Randy King /s/ Randy King |
| Mary Beth Moss /s/ Mary Beth Moss | |

End