

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:	Norwegian Cruise Line
Evaluator(s):	Jerry Case, Chief of Interpretation, Glacier Bay National Park & Preserve
	David Nemeth, Chief of Concessions, Glacier Bay NP&P
	Mary Beth Moss, Chief of Resource Management, Glacier Bay NP&P
	Stephen G. Crabtree, Concessions Team Leader, Western Region
	Randy King, Chief Ranger, Glacier Bay NPP

- *Submittal of Offer*

Was the offer received no later than 4 p.m., June 22, 1998?	X	Yes			No
Applicant Statements (reference page number):					
Comments:					

Was the offer submitted to the proper location?	X	Yes			No
Applicant Statements (reference page number):					
Comments:					

Were two complete copies of the offer submitted?	X	Yes			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: No certification of corporate officer section. This should be submitted prior to negotiation of a permit if offer is successful.				

Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: No certification of corporate officer section. This should be submitted prior to negotiation of a permit if offer is successful.						

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.

- 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): Pages not numbered. NCL Cruises Ltd. d.b.a. Norwegian Cruise Line, 7665 Corporate Center Drive, Miami, FL 33126, A Bermuda corporation Lamarr B. Cooler, Phone 305-436-4930, Fax: 3054364140 NCL Holding ASA, Ullern Alle 41, 0311 Oslo, Norway, A Norwegian Corporation, Traded on the Oslo Stock Exchange, owns 85.2% of NCL Kvaerner ASA, Norway, owns 14.8% of NCL Previously Kloster Cruise Ltd.				

Comments:
Information provided. No indication of there being a majority stockholder of NCL Holding ASA.

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): Criterion 7A section.: Audited financial statement and annual report, with auditor notes.				
Comments: Information provided on offeror and parent company				

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): See 1, above.				
Comments: See 1, above.				

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): See 1, above.				
Comments: See 1, above.				

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): See 1, above.				
Comments: See 1, above.				

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): Offeror is not a local resident.				
Comments: No 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		No
Applicant Statements (reference page number): Offeror is not a most directly affected Native corporation.				
Comments: No 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): Applicant does currently provide services under NPS permit and has 7 entries..				

Comments:

Applicant (under previous name, Kloster) is a satisfactory existing operator.

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): NCL has less than 14% of the June-August entries. They have 7 of 139 entries or 5%.				
Comments: NCL qualifies for the "small operator preference."				

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): NCL has operations in Virgin Islands (St. John's), Kihewea NP, Denali NP.				
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): Operations since 1966. Operations in Glacier Bay (Royal Viking Line 1984-1991, Royal Cruise Line 1992-1993, Norwegian Cruise Line 1994-present.				
Comments: The above oversimplifies the record, but none-the-less reflects a documented history of cruise ship operations experience.				

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.				

Comments:
See # 11, above.

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): See # 11, above. Operated in Glacier Bay (under several names) 1984-Present				
Comments: See # 11, above.				

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?	X	Yes		No
Applicant Statements (reference page number): Criterion 2A section: Information on CEO, President, CFO, VP Cruise Operations, VP Marketing, VP Hotel Ops., VP Passenger Services, SR. VP/General Counsel, Shore Excursions Manager, & Marine Supt.				
Comments: Appropriate and extensive experience and training for all positions submitted. Information not submitted for ship personnel (Master, Hotel Manager, etc.)				

Cr. 1a Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: NCL provided all information required and appears to be a viable and on-going cruise ship operator.						

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):				
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): Norwegian Wind, Norwegian Sky, Norwegian Dynasty Norwegian Wind – launched 1993, refitted 1998 and stretched 40 ft., propulsion (unclear), 2000 max. passengers in 874 cabins of 165 sq. ft., mixed crew.; Norwegian Sky – launched 1999, 24000 max passengers in 1000 cabins of 165 sq. ft., diesel electric, mixed crew; Norwegian Dynasty – launched 1992, refitted 1997, diesel powered, 916 passengers max. in 410 cabins of 150 sq. ft., mixed crew.				
Comments:				

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): Page 12 of 26				

Comments:

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): NCL applies for 39 entries.				
Comments:				

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): Page 13 of 26				
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?	X	Yes		No
Applicant Statements (reference page number):				
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 ?	X	Yes		No
Applicant Statements (reference page number):				
Comments:				

Cr. 2a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: NCL answered all questions and provided all required information.						

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
<p>Applicant Statements (reference page number): Criterion 2B section: 200 items of Alaskan merchandise offered. Art auction with items by Tresham Gregg of Haines. Lectures by Bill & Gene Tauck on park themes. Children's programs with park themes. Operates under ISM Code for passenger ships. Safety Management System audited by <i>Det Norske Veritas</i> Complies with "International Code for the safe operation of ships" Master of each ship given: copy of permit, vessel regulations, PMP, concession policy act, 36 CFR pt. 51 for distribution to appropriate personnel on board. Cultural & natural history "expected" of Officers and crew. "Provide program for passengers by a specialist on park related issues ... prior to arrival."</p>				
<p>Comments: All areas covered, but with minimal detail. Gift items listed do not appear to be handcrafts. Local artist involvement good. Only speak of "several images" so difficult to tell the extent of involvement. Cruise News provide park orientation information prior to arrival. No indication of standards or qualification for "specialist" program. "International Code for the safe operation of ships" referenced but not described. <i>Det Norske Veritas</i> cited but not described. Children's programs: Eskimo & polar bear themes (neither native to the area)</p>				

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?	X	Yes		No
<p>Applicant Statements (reference page number): See #1, above.</p>				
<p>Comments: See #1, above.</p>				

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?		Yes		No
<p>Applicant Statements (reference page number): See #1, above.</p>				

Comments:
See #1, above.

Cr. 2b. Summary	X	Superior		Successful		Not Successful
<p>Summary Comments on this Factor: A number of services and facilities were offered. There was little detail which would allow analysis of the extent of the services. The use of a local Alaska artist is good, as are "an expanded" library. DNV & ISM compliance a plus, but inadequate information provided about these programs/services.</p>						

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):				
Comments:				

Cr. 3a. Summary		Superior	X	Successful		Not Successful
<p>Summary Comments on this Factor: NCL agrees to the \$5 minimum fee.</p>						

CRITERION 3B. NONE

CRITERION 4A. THE OFFEROR PROPOSES TO PROVIDE INTERPRETIVE SERVICES (EITHER THORUGH THE NPS INTERPRETIVE PROGRAM OR THORUGH 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):page 17 of 26				
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):page 17 of 26				
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?

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 page 19 of 21)				
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?	X	Yes		No
Applicant Statements (reference page number): Tabbed Crit.4A, third page-Offeror wants to adjust schedules slightly to present optimal experience for the passenger				
Comments: Suggestion may be workable, shows desire to improve schedule for Glacier Bay visit.				

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): Tabbed Crit.4B, third page-states they provide specifically designed children’s onboard programs, opportunity to view GB videos for crew/passengers prior to arrival, full-time lecturers employed onboard while in Alaska.				
Comments: Language taken directly from prospectus. Does not address what or how this programming will be provided. No further details than vague options suggested by NPS.				

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
Applicant Statements (reference page number): Tabbed Crit. 4B, eighth page-we intend to extend pilot project (Yakutat Tlingit Tribe Pilot Program), if possible, to other destinations in Alaska.				
Amended Proposal: Offers to provide at least 34 specific books 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.				
Comments: Implies program might happen on Glacier Bay portion of trip, if possible. Though presented in Yakutat this program might support interpretive programming for GB by presenting native Alaskan culture. This documentation would be better used in Criteria #4B.5, above.				
Amended Proposal: The additional elements would result in an improved interpretive program.				

Cr. 4b. Summary	X	Superior	X	Successful		Not Successful
Summary Comments on this Factor: Not able to rate this criteria for lack of detail on additional elements that would exceed minimum interpretive programming.						
Amended Proposal: The additional elements offered in the amended proposal meets the terms of the best initial offer and raises this category to superior.						

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):				
Comments:				

1a. Was an adequate pollution minimization plan provided?	X	Yes		No
<p>Applicant Statements (reference page number):</p> <p>Air Quality</p> <ul style="list-style-type: none"> • Norwegian Wind never issued emission violation • Diesel engine on Norwegian Sky (new vessel) includes: <ul style="list-style-type: none"> • High stroke/bore ratio • High compression ratio • Intensive injection • Controlled injection procedure • Optimized timing • High ignition pressure • Operational considerations <ul style="list-style-type: none"> • Variable RPM's drastically reduces vibrations on Norwegian Wind, so they operate that way • Incinerators not used in Park • Monitoring considerations <ul style="list-style-type: none"> • Camera in upper stack area for monitoring; equipped with video recording • Alarm system will be installed prior to 2000 • All vessels will be equipped with: <ul style="list-style-type: none"> • Exhaust gas economizer monitoring system • Smoke density monitoring and alarm • Coppart chemilinescent NOX analyzer • Will continue with independent contract readings during arrival/departure and port stays • Unannounced opacity readings can be used to verify • Fuel purchased at Vancouver BC, sulfur content is below 2% but may vary. • Combustion maximized by correcting air/fuel mixture, pressure • Maintenance program – occurs more frequently than recommended by manufacturers. <p>Underwater Noise</p> <ul style="list-style-type: none"> • All vessels (N. Sky, N. Wind, N. Dynasty) have rubber resilient mounted engines • Norwegian Sky – diesel electric engines produce less underwater noise • Propulsion is computerized, avoiding sudden changes • Bow and stern thrusters will not be used in Park (except in dangerous, unsafe condition) • Park rangers and Park staff can access vessels to verify procedures, etc. • Instruments to measure and monitor underwater noise will be installed on ships entering Park prior to 2000 <p>Oil Spill Response</p> <ul style="list-style-type: none"> • SOPEP on board • MARPOL approved spill cleanup kit including: <ul style="list-style-type: none"> • Boom that exceeds total length of ship • Absorbent material • Mobile pump with skimmer and flex hose • If NPS requires boom long enough to go around the vessel, such length will be provided • None of the 3 ships have ever experienced any oil spill or other MARPOL violations • Company policy is for all bridge officers to participate in Bridge Team management course • 10 bridge teams have participated, five more scheduled • Monthly drills related to oil spill and damage control performed including laying boom • All officers and 50% crew trained in onboard chemical management 				

Comments: The offeror provides extensive information on technologies, operational methods, monitoring procedures and verification procedures which could be implemented to reduce air, noise and water pollution. Many go beyond that required by law or regulation. The application indicates that the new ships have diesel electric engines while the Norwegian Wind still operates with a straight diesel engine. NPS could limit entries to those ships with diesel electric engines (which reduce emissions). The offeror describes opacity and noise monitoring techniques which would provide valuable information to NPS. Oil Spill Response actions are standard, but the offeror indicates a willingness to purchase additional boom (NPS could request this). Overall, this applicant has stated numerous strategies designed to reduce environmental impacts and indicated a strong willingness to continue working with NPS to further reduce impacts.

Cr. 5a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: Overall, this applicant has stated numerous strategies designed to reduce environmental impacts and indicated a strong willingness to continue working with NPS to further reduce impacts.						

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 ?	X	Yes		No
<p>Applicant Statements (reference page number):</p> <ul style="list-style-type: none"> • Zero Discharge policy • Recycling bins placed around vessel • No discharge from oil/water separator will take place in Park • Disposable or lightweight tableware and cups will not be used in Alaska • Upper decks patrolled to verify this policy • Cruise news used to inform passengers to not throw anything overboard or feed wildlife • PA system limited to park rangers • Helicopters will not be used • No requests to lower boats in the future <p>Amended Proposal: Offers to provide enough sorbant boom to encircle each ship.</p>				
<p>Comments:</p> <p>In addition to those points made in 5A that far exceed strict requirements and laws, the offeror describes several standard strategies for reducing environmental impacts. Of note, the offeror states they will not use helicopters or request the option to use auxiliary boats in the future.</p> <p>Amended Proposal: Additional element meets the terms of the best initial offer.</p>				

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
Applicant Statements (reference page number): 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.				
Comments: Amended Proposal: Amended elements meet the terms of the best initial offer.				

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
Applicant Statements (reference page number): <ul style="list-style-type: none"> • Composition of exhaust gases provided • NOX emissions for boiler presented • Underwater noise measurements will be provided for each ship entering Glacier Bay <ul style="list-style-type: none"> • Different speeds and load for main engines at different distances (1 n.m., .75 n.m., .5 n.m., .25 n.m., 500 ft., 250 ft., 100 ft. Tests completed from 15 – 25 ft from water surface 				
Comments: The offeror provided existing baseline data on existing equipment and emissions levels which is nominally valuable. However, the offeror committed to collecting extensive acoustic data which they would make available to NPS. This information would be quite valuable. Offeror's stack emissions monitoring capabilities are extensive; NPS could request the opportunity to review data from these sources.				

Cr. 5b. Summary	X	Superior		Successful		Not Successful
Summary Comments on this Factor: The offeror appears willing to implement pollution minimization strategies which exceed those required by law and to commit to rigorous data collection regarding air quality and underwater noise and to cooperating with NPS in collecting this information.						
Amended Proposal: The amended proposal meets (and in some areas exceed) the terms of the best initial offer.						

**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?	X	Yes		No
Applicant Statements (reference page number): The applicant indicated reportable marine casualty incident(s) in responding to Question 6.A.1 on page 23 of the application. The applicant proposes operating 3 ships within the park: Norwegian Wind, Norwegian Dynasty, and a new ship scheduled for completion in 1999, Norwegian Sky.				
Comments:				

1a. Were copies of the reports submitted?	X	Yes		No
Applicant Statements (reference page number): The applicant provided comprehensive materials describing all reportable marine casualties for all company vessels operated during the 3 year reporting period. The applicant summarized 15 reportable marine casualties involving 6 company vessels on the 2 nd page of the attached report information (following page 24 of the application). The summary describes 7 passenger and crewmember deaths, 3 equipment failures, 2 injuries, 2 missing crewmembers, and 1 boiler room fire. The ships involved in these casualties are the M/S Leeward, S/S Norway, M/S Norwegian Dream, M/S Norwegian Star, M/S Norwegian Majesty, and M/S Norwegian Crown. Neither of the 2 operating vessels proposed for entry into the park by the applicant – Norwegian Wind and Norwegian Dynasty - had any reportable marine casualties.				
Comments: Applicant was very forthcoming in providing marine casualty reports information for all vessels operated. Both summary and complete reports provided for all 15 of the reportable marine casualties for all company vessels.				
Analysis: The reported marine casualties describe a variety of incidents that could be considered typical of the industry. The deaths largely reflect passengers dying of health problems; an apparent crewmember suicide and 1 crewmember accidental drowning. Of the equipment failures, most serious was an incident involving loss of power and propulsion (M/S Dreamward, 10/97) for several hours while transiting the open ocean.				

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.

1b. Did a background check identify any additional casualties?		Yes	X	No
Applicant Statements (reference page number):				
Comments: USCG records confirmed the information provided by the applicant. No marine casualties were reported for either of the two vessels proposed for operation within the park – Norwegian Wind and Norwegian Dynasty.				

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 indicated no violations in responding to Question 6.A.2 on page 24 of the application.				
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?	X	Yes		No
Applicant Statements (reference page number): Applicant indicated no violations during the 3-year reporting period (beginning 2/18/95) in responding to Question 6.A.2.				
Comments: USCG violation records provide information on 2 1995 oil spill violations by the M/V Star Odyssey, registered to Norwegian Cruise Lines, 7665 Corporate Center Dr., Miami, Florida. The first of these violations occurred on 2/14/95 - outside the reporting period for the application by 4 days. The 2 nd violation, however, describes a 3/1/95 spill of 126 gallons of crude oil into the Mississippi River during bunkering; no information provided regarding fine amount, although the report indicates USCG assessed a penalty.				

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 report any unsatisfactory food service sanitation inspection reports?	X	Yes		No
Applicant Statements (reference page number): The applicant did report unsatisfactory food service rating(s) in responding to Question 6.A.3 on page 24 of the application.				
Comments:				

3a. Were copies of the reports submitted?	X	Yes		No
Applicant Statements (reference page number): The applicant attached a summary of all unsatisfactory food service ratings, as well as each rating report, to page 24 of the application. Reports were provided for all ships operated by the company during the 2-year reporting period. The applicant's summary describes 6 unsatisfactory ratings involving 4 ships; attached to the ratings are the corresponding statements of corrective actions. None of the unsatisfactory ratings involved either of the 2 currently operating ships proposed for operation in the park by the applicant.				
Comments:				

3b. Did a background check identify any additional unsatisfactory reports?		Yes	X	No
Applicant Statements (reference page number):				
Comments: U. S. Public Health records verified information provided by the applicant.				

Cr. 6a. Summary	Superior	X	Successful	Not Successful
<p>Summary Comments on this Factor:</p> <p>The applicant was very forthcoming in reporting 15 marine casualties for a fleet of 10 operating ships. The marine casualties involved 6 Norwegian Cruise Line ships reporting a range of injuries, deaths, equipment failures, and a boiler room fire. One oil spill violation -involving the M/V Star Odyssey and a spill of 126 gallons of crude oil into the Mississippi River in March 1995 - was not reported by the applicant.</p> <p>Six unsatisfactory food service ratings were received for 4 of the applicant's current fleet of 10 ships during the reporting period. The information provided indicates that the applicant was responsive to each of the incidents/events reported.</p> <p>None of the marine casualties, the oil spill violation, or unsatisfactory food service ratings involved the either of the applicant's 2 operating vessels proposed for entry into the park - the Norwegian Wind and Norwegian Dynasty.</p> <p>None of this information, viewed singly and in totality, reveals a pattern of company or individual ship operational negligence or non-compliance. Neither of the currently operating ships proposed for entry in the park had any reportable marine casualties, violations or unsatisfactory food service ratings. Accordingly, the applicant is considered successful in meeting this criterion.</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): NCL Cruises Ltd. Consolidated financial statements 1996-97 & NCL Holding ASA Annual Report 1997.				
Comments: Information provided as required.				

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): NCL Cruises Ltd. Consolidated financial statements 1996-97 (Note 7, page 19) & NCL Holding ASA Annual Report 1997.				
Comments: New ship building: agreements with Norex detailed in financial statements.				

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): NCL Cruises Ltd. Consolidated financial statements 1996-97 & NCL Holding ASA Annual Report 1997.				
Comments: NCL appears to be an on-going cruise ship operator fully capable of providing the services proposed.				

Cr. 7a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: NCL appears to be an on-going cruise ship operator fully capable of providing the services proposed. Audited financial information provided.						

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".

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".		Yes	X	No
Applicant Statements (reference page number): A higher fee is not offered.				
Comments: Under current law, a higher fee would not be permitted.				

Cr. 8b. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: A higher fee is not offered.						

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

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.