

**PROPOSAL FOR CONCESSION PERMIT FOR  
THE OPERATION OF CRUISE SHIP SERVICES  
WITHIN  
GLACIER BAY NATIONAL PARK & PRESERVE**



**SUBMITTED BY CRYSTAL CRUISES, INC.  
JUNE 18, 1998**



**SUBMITTED TO  
NATIONAL PARK SERVICE, ALASKA REGIONAL OFFICE  
CONCESSIONS DIVISION  
2525 GAMBELL STREET, ROOM 107  
ANCHORAGE, ALASKA 99503-2892**

The information specifically identified on pages of this offer and exhibits constitutes trade secrets or confidential commercial and financial information that the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law.

## **National Park Service Note**

**The Following items are not included in this NPS release of:  
Crystal Cruises, Inc. Proposal for Cruise Ship Services 2000-2004**

Marked "Trade secrets... exempt from disclosure" by the applicant (these items may be available, pending final determination of releasability):

Consolidated Financial Statements:

Crystal Cruises (3 pages)

Exhibit A: Crystal Cruises, Inc. report on Audited Financial Statements for years ended December 31, 1996 and 1997

Exhibit K: NYK's letter of confirmation about on-going concern of Crystal Cruises, Inc., dated January 28, 1998

Materials generally available to the public or which repeats information included (available on request):

Exhibit B: Nippon Yusen Kabushiki Kaisha Annual Report for the year 1997 (39 pages)

Exhibit E: Crystal Cruises, Inc. – Awards, Endorsements and Accolades (approx. 65 pages)

Exhibit G: "Reflections" Newsletters (approx. 120 pages)

Exhibit H: Crystal Cruises ' 1999 Cruise Atlas (121 pages)

United States Coast Guard Marine Causality Investigation Report (24 pages)



## Proposal for Concession Operation

June 18, 1998

James Brady, Superintendent  
Glacier Bay National Park and Preserve  
Attention: Division of Concession Program Management  
P.O. Box 140  
Gustavaus, AK 99826

Dear Mr. Brady:

We hereby offer to provide cruise ship and services at Glacier Bay National Park & Preserve, in accordance with the terms and conditions as specified in your Prospectus and to execute the draft permit contained in the prospectus without substantive modification (except as may be required by NPS pursuant to the terms of the Prospectus and /or inclusion of items from the selected offer which are beneficial to the government). We are enclosing the required "APPLICATION" which, by this reference, is made a part hereof. We certify that the information furnished herewith is true to the best of our knowledge and belief. In addition, we agree to complete the execution of the Concession Permit within fifteen working days after it is presented by the National Park Service.

Gregg L. Michel  
Senior Vice President, Finance  
2121 Avenue of the Stars, Suite 200  
Los Angeles, CA 90067

6/18/98  
Date

### CERTIFICATE OF CORPOARTE OFFICER

I, Takashi Kamihagi, certify that I am the Secretary of the corporation named as *Offeror* herein; that Gregg L. Michel, who signed this proposal on behalf of the *Offeror*, was then Senior Vice President, Finance of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

2121 Avenue of the Stars  
Los Angeles, California 90067  
310/785-9300 • Fax 310/785-0011

## Application

### SUBMISSION OF OFFERS

- *Response Period for Submission of Offers*

Ninety (90) days will be allowed from the date that this Prospectus was announced for responses to be received for the initial allocation of up to 68 cruise ship entries during June 1 - August 31. Specific dates applicable are on the cover page of this Prospectus. Ninety days is a sufficient response time because the necessary information on which to base an offer is readily available, there is not a requirement for a substantial capital investment, and there is not a requirement for a building and improvement program. Therefore, there are no exceptional circumstances warranting a longer or shorter response period.

The offer to apply for cruise ship entries into Glacier Bay National Park shall remain open throughout the term of the permits offered, or until the allocation number is filled or another prospectus is issued, and companies may submit a proposal at any time. It is expected that all of the entries during the June 1 - August 31 period will be awarded during the initial allocation, but the open offer will allow additional companies to submit proposals at any time to operate during the rest of the year.

- *Separate Offers*

As explained in "Business Opportunity", up to 68 entries are divided into the following six separate categories. This is necessary to give satisfactory incumbent concessioners their statutory right of preference in categories "B - F".

The best proposal(s) will be selected by the NPS in each of these six separate categories. The entries will be awarded to the best proposal(s) in each of the six separate categories.

Offerors may specify they want to apply and compete in all six categories in order to maximize their opportunity. If an offeror does not wish to compete in all categories, they must specify which of the following categories and the number of entries they are applying for:

Category A. A maximum of 38 entries for which there is no incumbent concessioner with a right of preference in renewal.

Category B. A maximum of 13 entries in permit LP-GLBA003-92. This permit expires Dec. 31, 1999 and is currently assigned to Princess Cruises, which has a right of preference in renewal.

Category C. A maximum of four entries in permit LP-GLBA043-92. This permit expires Dec. 31, 1999 and is currently assigned to Cunard Line Limited, which has a right of preference in renewal.

Category D. A maximum of seven entries in permit LP-GLBA007-92. This permit expires Dec. 31, 1999 and is currently assigned to Kloster Cruise Limited, which has a right of preference in renewal.

Category E. A maximum of four entries in permit LP-GLBA006-92. This permit expires Dec. 31, 1999 and is currently assigned to World Explorer Cruises, which has a right of preference in renewal.

Category F. A maximum of two entries in permit LP-GLBA036-95. This permit expires Dec. 31, 1999 and is currently assigned to Crystal Cruises, Inc., which has a right of preference in renewal.

- *Form in Which Offer Must Be Submitted*

The proposed concession permit, which sets forth the terms and conditions under which the concession operation is to be conducted, is attached. OFFERORS SHOULD CAREFULLY READ AND CONSIDER THE PERMIT AS WELL AS THE OTHER INFORMATION IN THIS PROSPECTUS AND THE DOCUMENTS REFERENCED IN THE APPENDIX BEFORE COMPLETING THE ATTACHED APPLICATION. The NPS reserves the right to modify the terms and conditions of this PROSPECTUS by notice to all OFFERORS.

The APPLICATION, including the "OFFEROR's Transmittal Letter," must be used in applying for the concession opportunity. These documents must be completed in full in accordance with the instructions included within them and within this Prospectus. If an OFFEROR fails to complete any part of the APPLICATION, the offer may be considered to be non-responsive and the offer may be rejected.

The format provides for latitude in presentation. A complete APPLICATION will include comments and information added to the basic format. Please number added pages to correspond to their proper location in the document. The numbering system should allow reviewers to be sure they have all of the submitted information.

The APPLICATION should be completed with the information provided in the Prospectus in mind. In the preparation of all proposal materials and when framing the requested answers, OFFERORS should keep in mind the nature of the operations to be conducted. OFFERORS should feel free to add to the APPLICATION while staying within its organizational framework.

- *Where and How to Submit An Offer*

Offers and any modifications of them should be submitted to the National Park Service at the address and by the due date and time shown on the cover of this Prospectus. Offers may be delivered in any manner convenient to the offeror during normal business hours for the receiving office. It is the responsibility of the offeror to have the offer at the correct place at no later than the appointed date and hour as described on the inside cover of this prospectus. Offers or modifications of offers received after the due date will not be considered.

Offers and modifications of them shall be enclosed in sealed envelopes marked "CONCESSION OFFER, MAIL ROOM DO NOT OPEN." In addition, the offeror shall show on the envelope the date specified on the face of this Prospectus for receipt by the National Park Service, and the name and address of the offeror.

**Two identical copies of the proposal are required.**

- *Offers May Be Considered As Public Documents*

ALL OFFERS SUBMITTED IN RESPONSE TO THIS PROSPECTUS MAY BE DISCLOSED BY THE DEPARTMENT OF THE INTERIOR TO ANY PERSON UPON REQUEST PURSUANT TO THE FREEDOM OF INFORMATION ACT. If the offeror believes that the offer contains trade secrets or confidential commercial or financial information exempt from disclosure under the Freedom of Information Act (5 USC 552), the cover page of each copy of the offer shall be marked with the following legend:

The information specifically identified on pages of this offer constitutes trade secrets or confidential commercial and financial information that the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law.

The offeror shall also specifically identify what it considers to be trade secret information and confidential commercial and financial information on the page of the offer on which it appears and shall mark each page with the following legend:

This page contains trade secrets or confidential commercial and financial information that the offeror believes to be exempt from disclosure under the Freedom of Information Act, and which is subject to the legend contained on the cover page of this offer.

Information so identified shall not be made public by the National Park Service except as may be otherwise permitted by law as determined by the National Park Service.

## CRITERIA FOR EVALUATION OF OFFERS AND SELECTION

- *How Offers Are Reviewed And A Selection Made*

### Evaluation Factors

Concessioners are selected through an evaluation of the timely offers received upon application of the factors that are described in 36 CFR 51. The three principal factors are (1) the experience and related background of the offeror; (2) conformance to the terms and conditions of the prospectus in relation to quality of service to the visitor; and (3) the offeror's financial capability. A franchise fee offer in excess of the specified minimum amount is a secondary factor.

### "A" and "B" level CRITERION and Questions

The APPLICATION identifies the principal evaluation factors and contains, as part of those factors, criteria and specific questions, which require a response. All of the principal evaluation factor CRITERION have an "A" and some have a "B" level. Below each criterion are questions which focus offerors on the required information. Some of the questions are framed for yes or no responses.

The *A level* identifies the requirements considered necessary to meet the basic objectives of the National Park Service with respect to the principal evaluation factors. There may be questions related to an *A level* CRITERION which require a yes or no answer. These questions are used to determine, in part, whether an

offer is responsive. A non-responsive offer is one which fails to meet the material terms and conditions of the prospectus. Failure to answer "yes" to any of the *A level* criterion questions calling for a yes or no answer makes the offer non-responsive and is cause for rejection of the offer.

Answering "yes" where called for but indicating in further response to the criterion or elsewhere in the offer that the "yes" answer is in fact inaccurate because the offer conditions or otherwise indicates non-acceptance of the criterion's requirements, likewise will make the offer non-responsive. Offers may indicate preferences or recommendations for changes to mandatory requirements so long as they nonetheless commit unconditionally to carrying out the requirements as contained in the criterion.

*B levels* will provide direction on the manner in which an offeror can improve its offer by furthering specific National Park Service objectives for the park. By following this direction, the offeror may pursue making an offer superior to one that meets the basic NPS objectives as set forth in *A level* requirements. The phrasing of the *B levels* will either set particular better offer circumstances or requirements, or give guidance as to how making a better offer within that CRITERION should be approached.

### **Evaluation of A and B Levels**

In the Appendix to this Prospectus are the Evaluation Panel instructions. These explain the procedures to be used to evaluate offers.

### **Preferences**

See "Preferences" in the Business Opportunity Section of the prospectus for a discussion of the several preferences applicable to award of these permits.

### **Effect of Not Meeting A Levels**

Offers must provide all of the information requested and agree to meet the A level requirements included in the APPLICATION. If there are yes or no questions included in the A level Criteria, you must answer yes to have made a responsive offer. Careful and thorough answers are encouraged. Over responding is better than a minimum response.

### **Questions**

If, as a potential offeror, you do not understand the questions or what is wanted, you should ask, in writing, for an explanation in advance of the submittal date. Any response to such questions will be made in writing and to all potential offerors. Sufficient time to inform all interested parties of such questions and answers must be allowed for by those with questions. If there is not sufficient time to ensure all offerors have equal information, the question will not be answered.

### **Congressional Review**

Contracts and permits negotiated for a term of FIVE (5) years or more, or when the annual gross receipts exceed \$100,000, are required by law to be submitted to the Congress for SIXTY (60) days before they may be awarded. This Contract action requires such a submittal. A minimum of 90 days is required to complete this action from the date of transmittal from the NPS's Alaska Regional office to the National Park Service, Washington, D.C.

• *Cautions to Offerors About Submission and Evaluation of Offers*

1. Grouped under the three principal evaluation factors, the application includes, in bold capital letters, the criteria to be used by the national park service to evaluate offers. Offerors should ensure that they address the criteria provided. The responses to the criteria are what will be evaluated to determine if the principal evaluation factors have been addressed sufficiently. The questions provided beneath the criteria should be individually addressed. However, they are not intended to be the only information one could or should provide in addressing those criteria.
2. The facilities and/or services requested, generally as described herein, will be sufficient for the park's needs. Offers of expansion generally not in accordance with the scope of facilities and/or services requested by this Prospectus will not be considered as elements of a better offer.
3. Offers to provide direct or indirect monetary or other benefits to the park or government that are not within the scope, requirements, purpose, and control of the permit or National Park Service will not be considered as elements of a better offer.
4. Offers for financial commitments will be closely reviewed against balance sheet and income statement projections and the National Park Service's knowledge of the operating costs of businesses similar to this business. Predictable, stable, and well-run businesses consistently offering maximum service to the public are most consistent with the National Park Service's objectives of public service. Financial commitments that appear inconsistent with these objectives and/or that do not appear to allow the concessioner a reasonable opportunity for a profit from the operations authorized hereunder, based on the capital invested, are not acceptable. However, not-for-profit or non-profit proposals will be evaluated as such.
5. The APPLICATION and related materials submitted should reflect the entire offer being made. Offerors should keep in mind that their written submissions will be considered by the National Park Service as their full and final offer in response to the Prospectus.
6. Offerors, including existing concessioners, are cautioned that nothing should be assumed to be known about the offer or about the offeror or be presumed to be in the possession of the National Park Service from previous correspondence or submissions. Each offer should be complete when submitted.
7. The National Park Service may request written clarification of points as it feels necessary from one or more offerors. This is for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the offer. It will not evaluate supplemental information not requested or alterations of the offer made that are submitted after the closing of the time period for receipt of offers, nor will it consider any additional information that is not specifically requested, in writing, by the National Park Service.
8. To apply an OFFEROR must respond to the CRITERIA and the questions in the APPLICATION and to the requirements of the Prospectus.
9. It is the intention of the National Park Service to select a concessioner from the offers made without further submittals or presentations. However, the National Park Service reserves the right to request additional information or presentations from the OFFERORS which submitted the more advantageous offers if a "best offer" cannot be selected from the initial submittal and/or to request improved offers from all responsive offerors. (See item 5. above)
10. This prospectus and related documents reflect the views and objectives of the National Park Service with regard to the proposed concession operation. Should an OFFEROR consider any statement in the prospectus inaccurate, it must submit its objections or questions to the National Park Service in writing no later than 30 days prior to the closing time period for receipt of offers. Send such comments to the office named on the inside front cover for the receipt of offers. Comments or objections relating to the contents of the prospectus that are made after this date will be considered to have been waived and will not be considered. (For questions, see the above section "Questions").



## Format Of Offer Letter

The OFFEROR's letter set forth below requires the Offeror to accept the terms and conditions of the concession opportunity as set forth in the Prospectus. However, the National Park Service will review the entire application to determine whether the OFFEROR's proposal in fact accepts without condition the terms and conditions of the Prospectus. If not, the offer may be considered non-responsive or as failing to meet A level Criteria even though an unconditional OFFEROR's letter was submitted.

### Proposal for Concession Operation

Submit To:

**James Brady, Superintendent  
Glacier Bay National Park and Preserve  
Attention: Division of Concession Program Management  
P.O. Box 140  
Gustavus, AK 99826**

Dear Mr. Brady:

We hereby offer to provide cruise ship and services at Glacier Bay National Park & Preserve, in accordance with the terms and conditions as specified in your Prospectus and to execute the draft permit contained in the prospectus without substantive modification (except as may be required by NPS pursuant to the terms of the Prospectus and/or inclusion of items from the selected offer which are beneficial to the government). We are enclosing the required "APPLICATION" which, by this reference, is made a part hereof. We certify that the information furnished herewith is true to the best of our knowledge and belief. In addition, we agree to complete the execution of the Concession Permit within fifteen working days after it is presented by the National Park Service.

Signature & Date  
Printed Name  
Title  
Address

**(Offerors who are not corporations should skip the following certification)**

#### CERTIFICATE OF CORPORATE OFFICER

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the corporation named as *Offeror* herein; that \_\_\_\_\_, who signed this proposal on behalf of the *Offeror*, was then \_\_\_\_\_ of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

Signature

## 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). See Page 7A

2. Provide materials to explain the financial circumstances, legal form, and ownership of that ENTITY. See Page 7A

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. None

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. Not Applicable

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. See Pages 8 and 8A

Name of Offeror: Crystal Cruises, Inc.

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Response to Criterion 1A., Question 5:

Crystal Cruises, Inc. is a self-contained cruise ship operating company providing cruise services throughout the world, and, as such, will provide all aspects of its service under the concession permit to operate in Glacier Bay, except vendor-provided materials. See Organizational Chart for Crystal Cruises, set forth in Exhibit D.

Crystal Cruises has no U.S. affiliate which could or would apply as a separate entity for permits for Glacier Bay entries.

**ANILCA Section 1307 Preferred Operator**

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

6. Is the entity making this offer 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.*

 Yes

 No

7. Are you 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.*

 Yes

 No
**Preference for New and Small Operators**

8. Do you provide cruise ship services within Glacier Bay National Park under a current limited permit with the National Park Service?<sup>3</sup>

 Yes

 No

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)?

 Yes

 No

<sup>3</sup> Answers will be used by the NPS to help identify offers from new prospective cruise ship concessioners or existing operators which have been allocated less than 14% of the available entries into Glacier Bay. Responsive offers from any qualified entity with less than 14% of the available entries (<14% offeror) will receive additional consideration during the selection process. If two or more offers, where at least one or more is a <14% offeror, are determined to be substantially equal offers by the NPS, additional consideration will be given to any <14% offeror in the selection process.

This policy is to "favor" new prospective concessioners or existing operators with less than 14% of the available entries. The policy is not meant to circumvent the established selection process contained in 36 CFR 51. Therefore, an offer which is determined by the NPS to best meet the overall objectives of the National Park Service will be selected. This selection criteria favors more rather than fewer cruise ships operators in compliance with the *Glacier Bay Cruise Ship Management Plan* (see business opportunity section, "preferences"). At such time as at least seven concessioners (separate ownership and control) are in operation, the policy will be reconsidered.

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.*

Yes

No

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. See Pages 10A-10D

12. Describe the business management qualifications and experience of the ENTITY and the NEW CONCESSIONER proposed to manage and operate this business. See Page 10D

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.*

Yes

No

See Pages 10D-10E

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.

**Use the *Individual Experience Form* on the following page and add to it as necessary, or use your own format providing it includes *all* of the requested information.**

Response to Criterion 1A., Question 11:

Crystal Cruises Inc., and its management team, have demonstrated experience and expertise in managing a first class cruise ship operation and in establishing and pursuing efficient, effective and targeted business goals within the cruise ship industry.

Crystal Cruises was established in May 1988 after several years of research by its parent company, NYK Line, the largest shipping company in the world. From May 1988 until the time its first ship, CRYSTAL HARMONY, was launched in July 1990, the company's efforts were concentrated on assembling a management team, which was experienced and highly qualified to operate its cruise ship business and on determining the specifics of its product delivery. With the market fairly well saturated at the lower and middle segments, Crystal Cruises' management team identified the luxury market as the best place for expansion. It was the company's goal to create and deliver a luxury cruise experience the way it was meant to be historically within the cruise industry but in a style and with the technology of the nineties. The company was able to establish, pursue and achieve these goals because of five key elements: (1) the financial support of its parent company (See Response to Criterion 1A., Question 2 at page 7A and Criterion 7A, Question 2 at page 25A); (2) the creation of an exceptionally experienced management team (See Response to Criterion 1A., Question 14 at pages 11A-11R); (3) the development of a sound and very targeted marketing program; (4) a clear image of what the luxury cruise experience should be; and, (5) the willingness to listen and continuously strive to improve its service.

As set forth below, Crystal Cruises, and its management team, have achieved the goals set for the company of developing and providing a premier cruise ship service.

The company's first ship, CRYSTAL HARMONY, was launched in July of 1990 after two years of company development and ship building. While this was a challenging time to launch a new company (recession; Gulf War; problems in China and Panama), the ship and its product were very well received. Due to the successful introduction of the CRYSTAL HARMONY, in 1992 Crystal Cruises committed to build a second luxury ship. This sister ship, CRYSTAL SYMPHONY, was christened in May of 1995.

At the time Crystal Cruises was launched, it was most important to ensure that the company's various target audiences -- travel agents, the press and the consumers themselves -- knew what this new travel product was going to be and to clearly establish what was going to make it different. The Crystal Difference arose from the company's simple but all-encompassing goal: to give its

guests the finest large luxury cruise ship experience in the world. This commitment is evident in every aspect of the Crystal Experience, where attention to detail and availability of choices is unsurpassed in the world of travel.

While Crystal Cruises set a very lofty goal for itself, the line's management team believed then and still believes now that it is necessary to aim high to ensure that the company's employees know what their goal is. To reach this goal, all employees -- both shoreside and shipboard -- constantly strive to maintain the highest service standards possible. These service objectives are reinforced with comprehensive training in which employees learn to implement the Six-Star Crystal Basics, a multi-point credo for anticipating and fulfilling guests' needs.

Today, Crystal Cruises unanimously receives the highest accolades available within the cruise industry. For example, Crystal Cruises has been awarded the highest ratings by the most respected cruise guidebooks: *Fielding's Guide to Worldwide Cruises* (1992-1998), *Berlitz Guide to Cruising and Cruise Ships* (1992-1997), the new 1998 Access<sup>®</sup> *Cruise*, among others. Also, for the past two years, Crystal Cruises has been the recipient of the coveted "World's Best Cruise Line" and "Best Large-Ship Cruise Line" honors from the readers of *Travel & Leisure* and *Condé Nast Traveler* magazines, respectively. These and other illustrative accolades are described in Exhibit E, with supporting documentation attached thereto.

There are several key elements to the cruise experience: the hardware (i.e., the ship), service, dining, entertainment and activities. To be a truly first rate, quality experience, each of these elements must be a cut above. Being competitive with the others in the same category is not enough; Crystal Cruises must and does find ways in each area to differentiate itself. It has done so with industry innovations ranging from the highest number of private verandas to the uniqueness of two alternative dinner restaurants, from a multiplicity of performers and production shows to a highly innovative lecture program, as described in its response to Criterion 2B.1.b. below at pages 14A-14G.

In addition to the onboard experience, the destination and cruise itinerary is a major component of the cruise. Crystal Cruises has chosen its itineraries very carefully and is always making sure to offer its guests a wide variety of places to go, ranging from nearby locations to the more exotic, far-away places about which they dream. The company's first destination in 1990 was Alaska/Canada. This was a well-considered decision based on industry evaluation and research. There were four cruises featuring the ports of Haines, Juneau, Ketchikan, Sitka, Skagway Vancouver, Victoria, and Wrangell. (Crystal Cruises sought without success the ability to call at Glacier Bay during the summer of

Name of Offeror: Crystal Cruises, Inc.

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that year.) There was also cruising in the exciting Endicott Arm, Icy Strait, Misty Fjords, Seymour Narrows, Snow Pass and Tracy Arm, and one call into Glacier Bay in early September. The Glacier Bay call was extremely well received by the ship's guests and made the company's interest in Glacier Bay all the more compelling.

Crystal Cruises returned to Alaska cruising in the summer of 1991, and operated five roundtrip cruises from the port of San Francisco in the months of June and July. However, no calls were made to Glacier Bay in 1991 as the ship was operated during the regulatory period and Crystal Cruises possessed no permits to call at Glacier Bay. With no permits to Glacier Bay during the regulatory period, Crystal Cruises operated in the Europe and New England/Canada (East Coast of the United States) trades in the subsequent years of 1992 through 1994 during its summer seasons. Crystal Cruises resumed operation in the Alaskan trade in 1995, introducing the CRYSTAL SYMPHONY to that trade in its maiden season. Crystal Cruises operated eight cruises in 1995 with four (4) calls at Glacier Bay during the summer season and one (1) call in the off-season. In 1996, Crystal Cruises had eleven (11) cruises to Alaska with six (6) calls in-season at Glacier Bay and three (3) calls during the off-season. In 1997 Crystal Cruises had six (6) Alaskan cruises all of which called at Glacier Bay in-season. In 1998, Crystal Cruises will have eleven (11) Alaskan cruises with five (5) in-season calls at Glacier Bay and two (2) off-season calls. As the foregoing demonstrates, Crystal Cruises is committed to continuing service in the Alaskan trade.

In a relatively short period of time, Crystal Cruises has assumed the leadership position in large ship luxury cruising. From its beginnings as primarily a "west coast" cruise line, Crystal has experienced substantial growth in awareness and business both nationally and internationally, and is recognized worldwide for its superior level of service, unique onboard programming, and innovative itineraries.

Over the last eight years, the company has added many new destinations and ports to its itineraries. From 1990-1998 the company will have visited 309 different ports in just about every cruise area there is. While the company is always ecologically aware wherever it goes, included in its list of locations are several which the company recognizes are particularly sensitive from an environmental standpoint. These locations include: Alaska, Norwegian Fjords, St. Croix, Grand Cayman and the Great Barrier Reef. Crystal Cruises has been and remains keenly aware of the need to take extra precautions in these areas in order to preserve the delicate balances that exist between man and its machines and marine life and nature, and has endeavored to make sure that passengers are also made aware of the need for such precautions.



As the company has grown, more ports have been added. In 1998, for example, 146 ports are being served (including 33 new ports), with itineraries including world cruising, Alaska, New England/Canada, South America, Transcanal, the Caribbean, Europe (all eight different cruising areas), the Black Sea, Africa, the Orient, Southeast Asia, Australia and New Zealand. With the addition of a second vessel, the CRYSTAL SYMPHONY, the company has been able to virtually double the number of locations travelled to in any given year, enhancing its guests' experience that much more.

The company's original goals have never been modified and it continuously looks for ways to improve and refine its product, both onboard and in terms of destinations. A keen sense of never resting on accolades and laurels is an important element of the company's philosophy, as is its commitment to delivering the finest luxury cruise experience in the industry.

Response to Criterion 1A., Question 12:

As set forth in Crystal Cruises' response to Criterion 1A., Question 11, (pages 10A-10D), Crystal Cruises' record demonstrates that it has the business management qualifications and experience to manage and operate a cruise ship business and to provide visitors to Glacier Bay with a unique educational and vacation experience, consistent with the National Park Service's mission. Crystal Cruises' management qualifications and experience are further evidenced by the individual and collective qualifications and experience of the corporate officers and onboard personnel who are responsible for the concession service, as described in Crystal Cruises' response to Criterion 1A., Question 14 (pages 11A-11R). See also Reliability Report of Better Business Bureau, attached at Exhibit F.

Response to Criterion 1A, Question 13:

In addition to its calls at Glacier Bay under the control of and pursuant to the direction of the NPS, Crystal Cruises has substantial experience dealing in a formal contractual sense with the Port Authorities in the turnaround or base ports out of which it operates. Such ports in the U.S. include San Francisco, New York, Fort Lauderdale, Honolulu and Los Angeles.

Crystal Cruises also has extensive experience in cruise ship operations in environmentally sensitive areas and has successfully operated in these areas while observing stringent standards and requirements for protection of the environment.

Name of Offeror: Crystal Cruises, Inc.

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Areas where Crystal Cruises has operated under specific environmental standards, in addition to Glacier Bay, Alaska, include: the northern part of the Atlantic along the Norwegian coast, the British Isles, all of the Mediterranean areas, New Zealand, the Witsunday Islands and the Great Barrier Reef. Crystal Cruises has also successfully operated in regions which have been designated as Biosphere Reserves by UNESCO, including the Aleutian Islands and the U.S. Virgin Islands, and has operated in several ports designated as World Heritage Sites, including Cape Porto, France (Corsica), Venice, Italy, and Rhodes, Greece. In these areas, Crystal Cruises has scrupulously adhered to specific environmental criteria, including prohibitions on smoke emissions, burning of trash, ballast pumping, and sewage dumping.

### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the officer and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name <b>JOSEPH A. WATTERS</b>		Employer <b>CRYSTAL CRUISES, INC.</b>	
Address <b>10813 PORTOFINO PLACE LOS ANGELES, CA 90077</b>		Employer Address <b>2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067</b>	
Employee Phone Number <b>310-440-9522</b>	Date of Birth or SSN	Employer Phone Number <b>310-785-9300</b>	Employer Fax Number <b>310-785-0011</b>
Position <b>PRESIDENT</b>	Hours/Week <b>37.5</b>	Number of People Supervised <b>10</b>	Employer e-mail (optional)

Duties & Responsibilities

See Pages 11A-11B

Role in Proposed Business and Estimated Hours Per Week

See Pages 11A-11B

Qualifications for This Role

See Pages 11A-11B

**CRITERION 1B. NONE.**

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
GREGG L. MICHEL		CRYSTAL CRUISES, INC.	
Address		Employer Address	
4515 ALLA ROAD MARINA DEL REY, CA 90292		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
310-821-0335		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
SR. V.P.-FINANCE	37.5	5	

Duties & Responsibilities

See Page 11B

Role in Proposed Business and Estimated Hours Per Week

See Page 11B

Qualifications for This Role

See Page 11B

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
DIETMAR WERTANZL		CRYSTAL CRUISES, INC.	
Address		Employer Address	
2717 NICHOLS CYN. RD LOS ANGELES, CA 90046		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
213-850-6633		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
SR.V.P.-HOTEL OPS.	37.5	10	

Duties & Responsibilities

See Pages 11B-11C

Role in Proposed Business and Estimated Hours Per Week

See Pages 11B-11C

Qualifications for This Role

See Pages 11B-11C

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
DOUGLAS E. DUNCAN		CRYSTAL CRUISES, INC.	
Address		Employer Address	
4017 BARCELONA PLACE NEWBURY PARK, CA 91320		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
805-499-1392		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
SR.V.P.- PAX SERVS.	37.5	3	

Duties & Responsibilities

See Pages 11C-11D

Role in Proposed Business and Estimated Hours Per Week

See Pages 11C-11D

Qualifications for This Role

See Pages 11C-11D

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
DALE GORDON		CRYSTAL CRUISES, INC.	
Address		Employer Address	
159 STAGE COACH RD. BELL CANYON, CA 91307		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
818-347-9593		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
SR.V.P.-STRATEGIC PROJECTS	37.5	2	

Duties & Responsibilities

See Page 11D

Role in Proposed Business and Estimated Hours Per Week

See Page 11D

Qualifications for This Role

See Page 11D

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
DAVID MORRIS		CRYSTAL CRUISES, INC.	
Address		Employer Address	
3831 TURTLE CREEK, #9F DALLAS, TX 75219		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
310-552-6008		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
SR. V.P. - SALES	37.5	6	

Duties & Responsibilities

See Pages 11D-11E

Role in Proposed Business and Estimated Hours Per Week

See Pages 11D-11E

Qualifications for This Role

See Pages 11D-11E

CRITERION 1B. NONE.



Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name <b>HARALD HAMMER</b>		Employer <b>CRYSTAL CRUISES, INC.</b>	
Address <b>13906 FIJI WAY #348 MARINA DEL REY, CA 90292</b>		Employer Address <b>2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067</b>	
Employee Phone Number <b>310-306-8588</b>	Date of Birth or SSN	Employer Phone Number <b>310-785-9300</b>	Employer Fax Number <b>310-785-0011</b>
Position <b>SR. V.P.MARINE OPS</b>	Hours/Week <b>37.5</b>	Number of People Supervised <b>3</b>	Employer e-mail (optional)

Duties & Responsibilities

See Pages 11E-11F

Role in Proposed Business and Estimated Hours Per Week

See Pages 11E-11F

Qualifications for This Role

See Pages 11E-11F

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
ADAM LEAVITT		CRYSTAL CRUISES, INC.	
Address		Employer Address	
1011 5th Street, #5 Santa Monica, CA 90403		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
310-458-1967		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
V.P. MARKETING	37.5	7	

Duties & Responsibilities

See Page 11F

Role in Proposed Business and Estimated Hours Per Week

See Page 11F

Qualifications for This Role

See Page 11F

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
OLE SKULLESTAD		CRYSTAL CRUISES, INC.	
Address		Employer Address	
13810 N.WEST PASSAGE, #304 MARINA DEL REY, CA 90292		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
310-821-4076		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
MARINE SUPERINTENDENT	37.5	4	

Duties & Responsibilities

See Pages 11F-11G

Role in Proposed Business and Estimated Hours Per Week

See Pages 11F-11G

Qualifications for This Role

See Pages 11F-11G

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name Helge Brudvik		Employer International Cruise Services, Lt (Bahamas)	
Address Trymsvei 23 5050 Nesttun NORWAY		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 47-55130826	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Captain	Hours/Week 70+	Number of People Supervised 450+	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11G</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11G</u>			
Qualifications for This Role  <u>See Page 11G</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Walter Holst		Employer International Cruise Services, Lt (Bahamas)	
Address Amalienborg 8475 Straunsjoen NORWAY		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 47-76138330	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Captain	Hours/Week 70+	Number of People Supervised 450+	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11H</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11H</u>			
Qualifications for This Role  <u>See Page 11H</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name		Employer	
REIDULF MAALEN		CRYSTAL CRUISES, INC.	
Address		Employer Address	
2801 KLONDIKE CT. LAS VEGAS, CA 89117		2121 AVENUE OF THE STARS, #200 LOS ANGELES, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
702-838-5884		310-785-9300	310-785-0011
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
CAPTAIN	37.5	3	

Duties & Responsibilities

See Pages 11H-11I

Role in Proposed Business and Estimated Hours Per Week

See Pages 11H-11I

Qualifications for This Role

See Pages 11H-11I

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name John Oekland		Employer International Cruise Services, Ltd. (Bahamas)	
Address Nordaashoegda 33 5041 Nordaas NORWAY		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 47-55139262	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Vice-Captain	Hours/Week 70+	Number of People Supervised 450+	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11I</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11I</u>			
Qualifications for This Role  <u>See Page 11I</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Gulleik Svalastog		Employer International Cruise Services, Ltd (Bahamas)	
Address 564 Cascade Falls Drive Fort Lauderdale, FL 33327		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 1-954-349-8454	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Vice Captain	Hours/Week 70+	Number of People Supervised 450+	Employer e-mail (optional)
Duties & Responsibilities  <u>See Pages 11I-11J</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Pages 11I-11J</u>			
Qualifications for This Role  <u>See Pages 11I-11J</u>			

CRITERION 1B. NONE.



Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name Glenn Edvardsen		Employer International Cruise Services, Ltd (Bahamas)	
Address Vaunasen 55 3133 Dukan NORWAY		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 4 7-33384859	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Vice Captain	Hours/Week 70+	Number of People Supervised 45	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11J</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11J</u>			
Qualifications for This Role  <u>See Page 11J</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name		Employer	
David De Havilland		Crystal Cruises, Inc.	
Address		Employer Address	
Hazeldone Court Ham Street Road Bromley Green Kingsmouth Ashford/Kent TN 29 Inn		2121 Avenue of the Stars #200 Los Angeles, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
011-441-233733704		310-785-9300	310-785-3891
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
Cruise Director	70	34	

Duties & Responsibilities

See Page 11K

Role in Proposed Business and Estimated Hours Per Week

See Page 11K

Qualifications for This Role

See Page 11K

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name		Employer	
Michael Thomas		Crystal Cruises, Inc.	
Address		Employer Address	
20 English Saddle Court Parkton, MD 21120		2121 Avenue of the Stars #200 Los Angeles, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
410-357-4403		310-785-9300	310-785-3891
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
Cruise Director	70	34	
Duties & Responsibilities			

See Pages 11K-11L

Role in Proposed Business and Estimated Hours Per Week

See Pages 11K-11L

Qualifications for This Role

See Pages 11K-11L

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name		Employer	
Ray Avon		Crystal Cruises, Inc.	
Address		Employer Address	
Montage 127 Westhall Road Warlingham Surrey CR6 9HJ England		2121 Avenue of the Stars #200 Los Angeles, CA 90067	
Employee Phone Number	Date of Birth or SSN	Employer Phone Number	Employer Fax Number
011-441-88-3622317		310-785-9300	310-785-3891
Position	Hours/Week	Number of People Supervised	Employer e-mail (optional)
Cruise Director	70	34	
Duties & Responsibilities			

See Pages 11L-11M

Role in Proposed Business and Estimated Hours Per Week

See Pages 11L-11M

Qualifications for This Role

See Pages 11L-11M

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Takeshi Oda		Employer International Cruise Services, Ltd (Bahamas)	
Address 10-27 Sento-Cho Yamaguchi City JAPAN		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 81-839-24-9001	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Deputy Captain	Hours/Week 70+	Number of People Supervised Reports to Captain	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11M</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11M</u>			
Qualifications for This Role  <u>See Page 11M</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Kazuo Ichiyama		Employer International Cruise Services, Lt (Bahamas)	
Address 2-10-14 Muraoka Higashi Fijisawa City Kanagawa JAPAN		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 81-466-26-7701	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Deputy Captain	Hours/Week 70+	Number of People Supervised Reports to Captain	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11M</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11M</u>			
Qualifications for This Role  <u>See Page 11M</u>			

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name John Reksten		Employer International Cruise Services, Ltd (Bahamas)	
Address 6920 Rognaldsvag NORWAY		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 47-577-45817	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Chief Engineer	Hours/Week 70+	Number of People Supervised 42	Employer e-mail (optional)
Duties & Responsibilities  <u>See Pages 11M-11N</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Pages 11M-11N</u>			
Qualifications for This Role  <u>See Pages 11M-11N</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Jarle Ringdal		Employer International Cruise Services, Ltd. (Bahamas)	
Address Rockarpsvagen 244 233 91 Svedala SWEDEN		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 46-41185133	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Chief Engineer	Hours/Week 70+	Number of People Supervised 42	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11N</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11N</u>			
Qualifications for This Role  <u>See Page 11N</u>			

CRITERION 1B. NONE.



Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Tor Hansen		Employer International Cruise Services, Lt (Bahamas)	
Address Froyasvei 15 3155 Asgardstrand NORWAY		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 47-33081274	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Chief Engineer	Hours/Week 70+	Number of People Supervised 42	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 110</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 110</u>			
Qualifications for This Role  <u>See Page 110</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name Josef Matt		Employer International Cruise Services, Lt (Bahamas)	
Address Bildacker 8J 6824 Schlins AUSTRIA		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 43-552236392	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Hotel Director	Hours/Week 70+	Number of People Supervised 450	Employer e-mail (optional)
Duties & Responsibilities  <u>See Pages 110-11P</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Pages 110-11P</u>			
Qualifications for This Role  <u>See Pages 110-11P</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

*Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).*

Name Per Egil Nilsen		Employer International Cruise Services, L (Bahamas)	
Address 983 Whimbrel Court Carlsbad, CA 92009		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 1-760-929-9315	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Hotel Director	Hours/Week 70+	Number of People Supervised 450	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11P</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11P</u>			
Qualifications for This Role  <u>See Page 11P</u>			

CRITERION 1B. NONE.

Name of Offeror: Crystal Cruises, Inc.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Herbert Jaeger		Employer International Cruise Services, Lt (Bahamas)	
Address 5532 Filzmoos 49 AUSTRIA		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 43-64-538273	Date of Birth or SSN ?	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Hotel Director	Hours/Week 70+	Number of People Supervised 450	Employer e-mail (optional)
Duties & Responsibilities  <u>See Pages 11P-11Q</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Pages 11P-11Q</u>			
Qualifications for This Role  <u>See Pages 11P-11Q</u>			

CRITERION 1B. NONE.

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### Individual Experience and Related Background of Key Managers

Use the following format to detail duties, qualifications, references, and contact information for the offeror and key managers. This information should cover employment history for a minimum of 10 years (if available).

Name Thomas Mazloun		Employer International Cruise Services, Ltd (Bahamas)	
Address Kurzgarnitz 37 8413 St. Georgen AUSTRIA		Employer Address Sandringham House 83 Shirley Street Nassau The Bahamas	
Employee Phone Number 43-31837116	Date of Birth or SSN	Employer Phone Number 47-22-334930	Employer Fax Number 47-22-33-4935
Position Hotel Director	Hours/Week 70+	Number of People Supervised 450	Employer e-mail (optional)
Duties & Responsibilities  <u>See Page 11R</u>			
Role in Proposed Business and Estimated Hours Per Week  <u>See Page 11R</u>			
Qualifications for This Role  <u>See Page 11R</u>			

CRITERION 1B. NONE.

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Response to Criterion 1A., Question 14:

Crystal Cruises has a rich background in and complement of shipboard and corporate management who have operated cruise ships and who have been involved in companies which have operated in the Alaska trade, including calls on an ongoing basis at Glacier Bay.

There follows a recitation of the background and experience of full-time onboard management personnel and corporate operating officers. All personnel listed below devote all of their time and energies to the delivery of quality cruise ship services for Crystal Cruises. The hours worked by each of these individuals far exceed those in a normal work week.

All shipboard personnel listed below are employed by Crystal Cruises, Inc. through International Cruise Services, Ltd., a Bahamian ship manning company. All such personnel perform their duties and responsibilities under the direct management and control of Crystal Cruises, Inc.

All personnel listed below can be reached through Crystal Cruises, Inc., 2121 Avenue of the Stars, Los Angeles, California 90067 (310)785-9300.

Corporate Operating Officers

**Joseph A. Watters, President and Chief Operating Officer**

Joseph A. Watters was appointed President and Chief Operating Officer for Crystal Cruises in May 1994. Mr. Watters' firm commitment to quality and vast knowledge and understanding of the cruise industry made him the ideal match for Crystal Cruises.

Mr. Watters joined Crystal Cruises from San Francisco-based The Watters Group, an international travel organization catering to the upscale market, where he served as President since 1989. Prior to founding The Watters Group, he was the Chief Operating Officer and President of Royal Viking Line, a position he held from October, 1985 until 1989. Under his leadership, Mr. Watters helped reposition the line within the luxury cruise industry and led them to their greatest profitability and highest product ratings. Mr. Watters was also President of Princess Cruises (1977 to 1985) and former Vice President, management Supervisor and Director of International Relations at Grey Advertising (1964 to 1977).

Mr. Watters received a Bachelor of Science Degree in Business Administration from Arizona State University in 1962. In 1965, he attended the Institute of Advanced Advertising Studies at the University of Southern California Graduate School of Business.

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Mr. Watters is ultimately responsible for all operating functions of the shoreside and shipboard activities of Crystal Cruises, Inc. He is ultimately responsible for the supervision of all of Crystal Cruises' approximately 180 shoreside and approximately 1,060 shipboard employees. He is also a member of the company's Board of Directors.

**Gregg L. Michel, Senior Vice President, Finance**

Gregg L. Michel, Senior Vice President, Finance, was one of the first members of the company's distinguished management team, and was responsible in significant part for helping to establish Crystal Cruises as a new luxury cruise line in 1988. He has now been with Crystal Cruises for 10 years.

Mr. Michel began his cruise line career with Princess Cruises in 1976. During his 12 years with Princess, he rose to the position of Vice President of Financial Planning and Corporate Development, and was instrumental in the company's phenomenal growth during the 1980s.

Mr. Michel's responsibilities as Senior Vice President, Finance, for Crystal Cruises, Inc. include all aspects of Finance & Accounting, Administration, Legal, Human Resources, Insurance and Retail functions of the company. He directly supervises a staff of more than 20 employees. He is also a member of Crystal Cruises, Inc.'s Board of Directors.

Mr. Michel received a Bachelor of Business Administration from Kent State University and a Master of Business Administration from the University of Southern California.

**Dietmar Wertanzl, Senior Vice President, Hotel Operations**

Dietmar Wertanzl is a 20 year veteran of the cruise and hotel industries. He rejoined Crystal Cruises in September of 1994 after spending three years as Vice President of Hotel Operations for Celebrity Cruises where he was responsible for positioning that new line as an innovative player in the premium market. Mr. Wertanzl is one of the cruises industry's most respected and knowledgeable hotel operations executives.

Mr. Wertanzl joined Crystal Cruises in 1989 as hotel director for the line's Six Stars ship, CRYSTAL HARMONY, and played a key role in the ship's early success. Prior to joining Crystal Cruises, Mr. Wertanzl worked at Royal Viking Line for more than six years.

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Mr. Wertanzl started his seagoing career in 1978 as Chef de Rang for Norwegian America Line's VISTAFJORD and SAGAFJORD ships and has worked for a variety of hotels in Switzerland including the Hotel Ammann, Hotel Sunstar Park and Hotel Silvretta.

A native of Austria, Mr. Wertanzl is an Adjunct Professor for Nova University's Center for Hospitality Management in Florida where he has taught undergraduate courses in cruise and hotel management. He earned his Certified Hotel Administrator (CHA) certificate from the Educational Institute of the American Hotel and Motel Association in 1993 and received a Hotelier and Restaurateur Diploma through the Master's Degree Program of the Swiss Hotel Association in 1989. In addition, he is a graduate of the Hotel Management School in Bad Gleichenberg, Austria, where he earned a Diploma with Distinction in 1976. He also obtained his Certified Hotelier of Austria degree in 1980.

Mr. Wertanzl, who is fluent in English, German and French, is a member of "Confrerie de la Chaine des Rotisseurs," "Ordre Mondiale des Gourmets et Degustateurs," "Les Toques Blanches," and "L'ordre de Canardiens."

Mr. Wertanzl's responsibilities at Crystal Cruises include overseeing all aspects of the hotel and all service operations both shoreside and onboard the CRYSTAL HARMONY and the CRYSTAL SYMPHONY. This includes overseeing Entertainment, Onboard Services, Quality Assurance, Land Programs, Meet & Greet and Hotel Purchasing Departments. Mr. Wertanzl supervises 22 shoreside employees and approximately 900 shipboard employees on the two vessels.

**Douglas E. Duncan, Senior Vice President, Passenger Services**

Douglas E. Duncan, Senior Vice President, Passenger Services for Crystal Cruises, has more than 25 years of expertise in the cruise industry.

He attributes his successful sales philosophy to his first cruise industry job as a Reservations Sales Agent for P & O Orient Lines in Toronto, Canada. Mr. Duncan says that it was there he learned the importance of building trust between the sales team and the travel agent.

In 1973, Mr. Duncan became District Sales Manager for Royal Viking Line and subsequently joined Princess Cruises in the same position in 1975. During his tenure with Princess Cruises, he was named Senior Vice President of Sales where his responsibilities included overseeing the line's U.S. and international sales programs and supervising a staff of 30 outside sales managers.



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Mr. Duncan joined Crystal Cruises as Senior Vice President, Sales when the company was formed in 1988. In 1995 he moved to his present position where he oversees Crystal's Reservation and Air/Sea departments and maintains a close working relationship with the travel agent community to ensure that these departments are considered the finest in the industry. Mr. Duncan supervises a staff of 60 employees.

Mr. Duncan attended Centenary College in Ontario, Canada.

**Dale Gordon, Senior Vice President, Strategic Projects**

Dale Gordon, Senior Vice President, Strategic Projects, has more than 25 years of cruise industry experience.

Prior to joining Crystal Cruises in June of 1988, Mr. Gordon served as Vice President, Corporate Computer Services at Princess Cruises. During his career at Princess, which began in 1970, Mr. Gordon was responsible for designing the accounting and reservations systems for Princess Cruises, Princess Tours and Princess Hotels and Resorts. In addition, from 1982-84, he was instrumental in developing the first onboard computer system for the line's flagship vessel, Royal Princess.

In addition to his work with Princess Cruises, Mr. Gordon has also held positions at CMS Industries, Occidental Petroleum and Getty Oil.

As Senior Vice President, Strategic Projects for Crystal Cruises, Gordon's responsibilities include directing the line's reservations, accounting and onboard computer systems as well as developing technology-based strategic projects. Mr. Gordon supervises a staff of 15 employees.

Mr. Gordon received a Bachelor of Science Degree in Accounting from California State University, Northridge.

**David Morris, Senior Vice President, Sales**

David Morris, Senior Vice President, Sales for Crystal Cruises, has more than 24 years of sales expertise in the cruise industry.

Mr. Morris began his career in the cruise industry business as a Regional Sales Manager for Holland America Cruises in Dallas and then moved on to become Vice President, Sales for Royal Cruise Line in San Francisco. In 1983, after eight years with Royal Cruise Line, he was named President of Heritage Cruises in New York.

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In 1985, Mr. Morris joined Cunard Line as Sales Vice President for groups and charters where he started the company's first group and charter sales team aimed at developing major leisure, fundraising and corporate accounts.

In 1988, he was promoted to Vice President of Sales for the line and then to Senior Vice President of Sales in 1990. As the line's senior sales executive, he was responsible for both domestic and international sales.

As Senior Vice President, Sales for Crystal Cruises, Mr. Morris is responsible for the development of international and national sales programs for travel agents. He heads the line's sales force, including group and international sales, regional sales directors in North America, inside sales support and a team of 17 outside managers.

#### **Harald Hammer, Senior Vice President, Marine Operations**

Harald Hammer joined Crystal Cruises as Senior Vice President of Marine Operations in November of 1993.

Mr. Hammer has diverse and extensive experience in ship operations. Prior to joining Crystal Cruises, Mr. Hammer served from January 1989 as a Project Consultant on ship audits of Europe Cruise Line. Prior to that (August 1985 to January 1989), Mr. Hammer was the Technical Director for Bergen Line's ferries and dry cargo vessels. Before joining Bergen Line, Mr. Hammer was Vice President of Ship Operations for Royal Viking Line, a position in which he served from June 1983 to July of 1985. Other positions held by Mr. Hammer include the following:

- Technical Director, Tankers, Bulk and Gas carriers, Johan Reksten Management, Bergen, January 1980 to June 1983;
- Technical Consultant, Tankers and Gas Carriers, A/S Maritek, Bergen, December 1976 to January 1980;
- Technical Superintendent, Bulk Carriers, Tankers and Cruise Ships, Fearnley & Eger, Oslo, November 1969 to September 1973; and
- Motorman, M/S BIAKH. Bulk Carrier, L. Gill-Johannesen, Oslo, July 1968 to April 1969.

All of Crystal Cruises' shipboard deck and engine personnel report to Mr. Hammer through the ship's master. Mr. Hammer manages overall ship operations for the company, including making all port arrangements, overseeing ship maintenance, safety, security and navigation. Mr. Hammer supervises a staff of 7 shoreside and 160

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shipboard employees.

Mr. Hammer received in 1976 a Masters of Science Degree in Marine Engineering from the Technical University of Norway. He also had training in Norway as a Ship Engineer (1968).

**Adam Leavitt, Vice President, Marketing**

Adam Leavitt, Vice President, Marketing, for Crystal Cruises, is a 13 year veteran of the cruise industry.

Mr. Leavitt began his career in the cruise business in 1982 at Royal Cruise Line in San Francisco. After 10 years in marketing with the line, as well as brief stints with Bank of America, and Oracle Corporation, he was named account supervisor at Citron Haligman Bedecarre in 1994, Crystal Cruises' advertising agency at the time.

In April 1995, Mr. Leavitt joined Crystal Cruises as director of advertising. Promoted to Vice President, Marketing in January 1997, he now oversees development of the line's advertising, collateral, direct mail and electronic promotions, as well as strategic planning. As the line's senior marketing executive, he is also responsible for initiating strategic partnerships and developing tactical promotions in conjunction with the sales department.

**Ole Anton Skullestad, Marine Superintendent**

Ole Anton Skullestad brings a wealth of experience in cruise ship operations to his position as Crystal Cruises' Marine Superintendent.

Prior to his appointment as Marine Superintendent, Mr. Skullestad, a cruise industry veteran since 1977, most recently served as Chief Officer/Consultant to Magical Cruise Co., Ltd. at the Fincantieri Shipyard. He has also served as Chief Officer and Staff Captain at Royal Caribbean Cruises and Cunard Line.

As Marine Superintendent since April 1998, Ole Anton Skullestad has performed a variety of duties related to the marine operations of Crystal Cruises' ships. He is responsible for the development of worldwide itineraries for both CRYSTAL HARMONY and CRYSTAL SYMPHONY in addition to communicating these itineraries to the appropriate shipboard staff. Mr. Skullestad maintains current information required for the scheduling process, such as nautical charts, accessible ports for Crystal Cruises' vessels, distance and tidal information. He prepares detailed budgets for port fees and general expenses and is responsible for the acquisition of the best

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quality fuel available. In addition, he oversees day-to-day communications with port agencies, port agents, port authorities and government officials. He also ensures that the company's safety and environmental objectives are met in order to secure ongoing compliance with national and international requirements.

Mr. Skullestad also serves as Crystal's Training Supervisor, ensuring the implementation of the line's training policy in accordance with international regulations. As Training Supervisor, the Marine Superintendent develops the yearly training plan and monitors the onboard training.

Mr. Skullestad was educated in Norway. His certification is Deck Officer Class 1, Master Mariner.

### Onboard Personnel

#### **Captain Helge Brudvik, Master**

Captain Brudvik began his career at sea 40 years ago as a galley boy on the cargo ship Taranger for Interocean Line. He later signed on with a tanker owned by Bergen Line, a former owner of Royal Viking Line. After three years at Bergen Seaman's College, graduating in 1963, Captain Brudvik returned once again to sea and received his Master's License in 1968.

He has worked on a variety of ships from Norwegian coastal express mail boats, which go along the Norwegian coast up to the borders of Russia, to ferries in the North Sea, barges, cargo ships and passenger ships throughout his extensive career.

Captain Brudvik joined Royal Viking Line in 1980 as Staff Captain on ROYAL VIKING SEA and after six months transferred to ROYAL VIKING STAR as Captain, the position he held until joining Crystal Cruises in 1993.

He has been to most of the world's ports many times over, including world cruises and to Alaska in both 1982 with ROYAL VIKING SEA for approximately ten cruises and in 1988 onboard ROYAL VIKING STAR for approximately six cruises. All of his cruises to Alaska have included visits to Glacier Bay.

Captain Brudvik joined Crystal Cruises in 1993 as Captain of CRYSTAL HARMONY and was Master of her sister ship CRYSTAL SYMPHONY which set sail in April 1995.

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**Captain Walter Holst, Master**

Captain Walter Holst, always wanted to see the world, but at the time he was growing up, there were no flights from Norway to America or the rest of the world. The way to travel was by ship. Captain Holst started his career in 1958 "scrubbing decks" at sea on a cargo ship as he traveled to his first venue, West Africa.

On May 17, 1961, he left the sea to attend Captain's College in Norway, where he studied for three years and received his license as First Officer.

Back out at sea, Captain Holst spent two more years on a cargo ship, working his way through natural progression from First Officer to Chief Officer to Captain.

Captain Holst studied shipping and economics in England for two years, and in 1971 he began work as a ship broker for the next 9 years. In 1980, he went back to sailing with the group of Kloster ships. He started with the Norwegian Cruise Line Ships, and then went over to the Royal Viking Line, where he worked aboard the STAR and the SEA. When Kloster took over Royal Cruise Line, Captain Holst was sent to Greece as the owner's representative, and he spent two and one half years in France supervising the building of the DREAMWARD and the WINDWARD, the latter which he captained.

On August 17, 1994, Captain Holst joined Crystal Cruises and has served as Master aboard both of its ships.

**Captain Reidulf Maalen, Master**

Captain Reidulf Maalen began his nautical career in 1961, working as a deckhand aboard a variety of freighters. He rose from Able Seaman to Carpenter to Bosun in a short time and enrolled in naval school. After graduation from Nautical College in Kristiansund, Norway in 1967, he became First Officer on freighters of the A.F. Klaveness Line, one of the parent companies of Royal Viking Line. He was soon promoted to Chief Officer, and one of his early assignments was working on one of the company's new projects, construction of the ROYAL VIKING SEA.

During the Norwegian oil boom of the 1970s, Captain Maalen transferred to an offshore oil rig in 1975, where he served for a year as second in command, thence joined several offshore oil drilling supply ships and diving support vessels in various areas of the world, from the west coast of Ireland to the east coast of Brazil.

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In 1982, he joined Royal Viking Line as Chief Officer aboard the ROYAL VIKING STAR. Shortly thereafter he was promoted to Staff Captain, and in 1986, Captain Maalen was named Captain of the ROYAL VIKING STAR. Two years later he was appointed Port Captain for the Line's entire fleet headquartered in Miami.

In 1989, Captain Maalen was approached by Crystal Cruises and was offered the position as Marine Superintendent of the new line. With the blessing of RVL, he accepted this challenging position, and he joined the team which supervised construction of CRYSTAL HARMONY, developed the ship's itineraries, conducted port surveys and interviewed port authorities and officials who would represent the ship in various ports of call. He was soon promoted to Captain of the vessel.

#### **Captain John Oekland, Master**

Captain Oekland was 18 years old when he first went to sea aboard a Norwegian cargo ship. After 2 years he returned to Norway to enroll in second mate's school. After completing his mandatory military service in the Navy, Captain Oekland went on to further his maritime education obtaining his first officer credentials. Upon graduating captain's school, he worked on a cargo vessel.

In 1975, he moved to the cruising branch of the industry with Royal Viking Line and Norwegian Cruise Line -- except for a 2 year stretch when he attended advanced-master's school which qualified him to teach navigation and hold administrative positions with a shipping company. Captain Oekland originally signed on the ROYAL VIKING STAR as first officer. In 1981 he was promoted to Chief Officer on the ROYAL VIKING SEA and 3 years later became Staff Captain. He has held Captain positions on both the ROYAL VIKING SEA and NCL's M/S STARWARD.

Captain Oekland joined Crystal Cruises in 1994. Captain Oekland has sailed to Alaska more than 20 times visiting Glacier Bay, Columbia and Hubbard Glacier.

#### **Gulleik Svalastog, Vice Captain**

Vice Captain Gulleik Svalastog first went to sea in 1970 as an Ordinary Seaman and an A/B on various cargo vessels. In 1974, he went to Second Officer school in Kristansand. Then, in 1975, he returned to sea as Second Officer on general cargo ships.

In 1977, he again went back to school in Tønsberg for his First Officer's examination. After successfully passing his examination, he served as a First Officer on a variety of ships for

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Maersk Line, one of the largest shipping firms in the world. Returning to Bergen Nautical Institute for his Captain's license, he graduated in 1980, afterwards going to work for Chevron on their oil tankers as a First Officer.

In 1981, Vice Captain Svalastog joined Norwegian Cruise Lines onboard the S/S NORWAY as a First Officer. Within the next few years, he worked his way up to Staff Captain onboard the S/S NORWAY, M/S STARWARD and the M/S SKYWARD. In 1988 to 1990, he worked ashore for NCL as Marine Superintendent. He then returned to the S/S NORWAY as Staff Captain in 1990 until 1992.

From 1992 to 1996, Vice Captain Svalastog worked as a Senior Surveyor/Lead Auditor for Det Norske Veritas in both their Oslo, Norway headquarters and Miami, Florida. While at DNV, he took a variety of courses including the ISO 14,000 (Introduction to Environmental Management).

In 1996, he went back to sea, working for Crystal Cruises as Vice Captain onboard M/S CRYSTAL SYMPHONY. In the summer of 1997, he served onboard M/S CRYSTAL SYMPHONY while she was doing her Alaska Season. He has also worked shoreside for Crystal Cruises as a Marine Superintendent, where his duties have included making itineraries and participating in the Northwest Cruise Association meetings, where many issues concerning Alaska and her environment are discussed.

#### **Glenn Edvardsen, Vice Captain**

Vice Captain Glenn Edvardsen began his career at sea in 1980 as a deck hand at the age of 16. In 1983, he joined Norwegian American Lines M/S SAGAFIORD. In his 18-year career at sea, he has worked on a variety of ships, including dry-cargo, oil tankers, cruise ships and gas tankers -- LPG, LNG. In 1990, at the age of 24, he became a chief officer on the high technology LNG vessel NORMAN LADY, owned by Leif Høegh.

Vice Captain Edvardsen started his nautical education in 1984 at Tønsberg Maritime High School and later Tønsberg Maritime College, on a system which allowed him to combine school/sailing. He received his Masters License in 1991. Further, he has studied Maritime Law as well as Maritime Insurance. These studies qualified him as a Maritime Senior Engineer with Norwegian, Liberian and Bahamian Masters Licenses. He joined Crystal Cruises in 1991 and was promoted to Vice Captain in 1994.

With 12 years of experience in the cruise industry, he has been to most of the ports in the world. This includes some 40 cruises in Alaskan waters, with most of them visiting Glacier Bay on the SAGAFJORD, SEA GODDESS, VISTAFJORD and CRYSTAL HARMONY.

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**David deHavilland, Senior Cruise Director**

Mr. deHavilland has been the Senior Cruise Director with Crystal Cruises since the inception of its service in April 1990, and he has vast experience with Alaska/Canada itineraries (including Glacier Bay), with Crystal Cruises, as well as with Holland America. As Cruise Director, Mr. deHavilland orchestrates all activities leading up to and including the Glacier Bay visit, and he is therefore one of the most significant members of Crystal Cruises' onboard team. He works with the lecturers and experts in scheduling their programs. He schedules accompanying multi-media support (film, video, brochure and other collateral availability). Mr. deHavilland also is responsible for assuring the quality of the educational information published in the ship's daily newsletter, for coordinating training sessions for the guests and crew on environmental matters, and for coordinating the distribution of materials instructing all persons onboard about preserving the natural beauty of Glacier Bay.

Mr. deHavilland supervises a staff of 25 persons and works 80-100 hours per week directing all onboard activities, entertainment, lectures, announcements, media (TV, movies, etc.) and cruise staff scheduling. Mr. deHavilland coordinates, manages, and implements all aspects of passenger entertainment programs and personnel.

Mr. deHavilland was educated at Kings School in Canterbury and Cambridge University in England. He has 28 years experience as a Cruise Director. He has been to Alaska as a Cruise Director at least 250 times, and specifically in Glacier Bay as Cruise Director at least 150 times.

There is, in Crystal Cruises' view, not a better qualified, more dedicated and professional Cruise Director in the industry than Mr. deHavilland, and his vast experience as a host during Glacier Bay visits adds immeasurably to the success, education and enjoyment of the experience for all onboard.

**Michael Thomas, Cruise Director**

Initially, Mr. Thomas taught high school Biology while he continued his graduate studies (on full scholarship) receiving a Masters Degree in Administration from Northeastern University in Boston, and 45 Graduate Credits beyond Masters in Marine Biology at the Northeastern University Marine Science Institute, and Salem State College in Massachusetts through a Full Scholarship Grant from the Natural Science Foundation. During these pursuits, Mr. Thomas also maintained an active role in performing -- appearing as the romantic lead in such musicals as "Fiddler on the Roof," "Fanny,"



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and "Dames at Sea," was featured in productions such as "Jacques Brel" and "Hooray for Hollywood," and also appeared in night clubs in New England, New York and California.

Mr. Thomas' entry into the world of cruising began in 1979 as an entertainer (vocalist) and then as Assistant Cruise Director with Home Lines. Two years later he was offered a position as Associate Cruise Director with Holland America Line and was later promoted to Cruise Director where he enjoyed a 10 year tenure. During that time, he was part of the management team for the christening and maiden voyages of both the MS NIEUW AMSTERDAM and the MS NOORDAM.

Having joined the Crystal Family more than 3 years ago, the transition for Mr. Thomas was very smooth, as he served for many years with Crystal Cruises colleague, David deHavilland while both were with Holland America Line.

As Mr. Thomas puts it: "With my background in Marine Biology and Entertainment, cruising is the ideal environment in which to work, and now having the opportunity to serve as Cruise Director aboard the finest ship in the Cruise Industry . . . what more could I ask for? This is the ultimate in professional gratification."

#### **Ray Avon, Cruise Director**

Ray Avon blends a first-hand knowledge of the entertainment industry and travel with prodigious administrative skills. Born and raised in the Isle of Jersey in Great Britain's Channel Islands, he is a celebrated performer both in his home country and on the international circuit. He was a member of the successful recording group "The Avons". The group performed extensively through Great Britain, Australia, Canada, Africa and Europe. "The Avons" also had their compositions successfully recorded by such well known entertainers as Petula Clark, The Shadows, Gene Pitney, Billy Fury and Bobby Rydell. He has also enjoyed performing challenging lead parts in well-known musicals such as Professor Higgins in "My Fair Lady"; Fagin in "Oliver", and Tveje in "Fiddler on the Roof."

Mr. Avon has over 15 years of experience as a Cruise Director with Royal Viking Line and has been to Alaska as a Cruise Director over 40 times, and to Glacier Bay as Cruise Director over 20 times. As with Mr. deHavilland, Mr. Avon is directly responsible for shipboard entertainment, guest events, lectures, and theme nights, and will be responsible for all activities leading up to and including calls at Glacier Bay. He is among the Captain's senior officers, and for guests, he is the most visible member of the shipboard staff.

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Mr. Avon was educated at Cambridge University in England.

Mr. Avon is extremely knowledgeable about, and qualified to manage, Crystal Cruises' onboard program for Glacier Bay.

**Captain Takeshi Oda, Deputy Captain**

Captain Takeshi Oda began his career at sea in 1966 at 20 years of age, graduating from the Oshima Merchant Marine Academy with his Second Officer license. He received his Captain's license ten years later in 1976.

His first position was as Third Navigational Officer for Crystal Cruise's parent company, NYK Line, onboard a cargo ship. During his years at sea, he has worked on a variety of different ships including conventional cargo ships, container ships, oil tankers and, of course, cruise ships. He was also a Captain on a hydrofoil ship for international trade between Nagasaki and South Korea.

Prior to joining Crystal Cruises in 1993, he was Staff Captain on the expedition ship, FRONTIER SPIRIT, which cruised in the northern area of Alaska, the Arctic and Antarctica.

Captain Oda's thirty-two years with NYK Line has also including work ashore: he taught at the seaman's training school, was the NYK Line resident representative in Jeddeh, Saudi Arabia and was also involved in the container terminal operation in Tokyo.

**Kazuo Ichiyama, Deputy Captain**

Captain Ichiyama joined NYK line in 1967. He served as Second Officer for 5 years. Between 1974 and 1977 he transferred to the NYK office. In 1977, Captain Ichiyama returned to sea for 5 years service as Chief Officer. In 1982, he became the Port Captain for NYK, a position he held until 1986. From 1988-1993, Captain Ichiyama worked for the NYK Ship Management Company as a Manager responsible for the employment and training of seamen. He then went back to sea as captain of a 55,000 ton car carrier. Captain Ichiyama joined Crystal Cruises in May 1994 in the position of Chief Officer. He has been Deputy Captain since August 1994.

**John Reksten, Chief Engineer**

Chief Engineer John Reksten first went to sea in 1972 as a Motorman Apprentice and was soon promoted to Repairman. In 1975, he entered the Arendal Maritime Academy's School of Engineering, where his concentrations included both mechanical and maritime

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studies. In 1977, he graduated with his licenses for Second Engineer and First Engineer, and he then returned to sea. He served on a variety of vessels. Including car, gas (LPG), bulk (OBO) and general cargo carriers before returning again to the academy to earn an advanced engineering degree, graduating in 1985 with his Chief Engineer's license.

In 1986, Mr. Reksten joined Cunard Line onboard VISTAFJORD as Assistant Chief Engineer. He then transferred in 1987 to VISTAFJORD's sister ship, SAGAFJORD, where he was promoted to Chief Engineer in 1988, a position he also held on both SEA GODDESS I and II. While aboard SAGAFJORD, Mr. Reksten's cruising schedule included approximately six seasons in Alaska, where the areas visited always included a stop in Glacier Bay.

As a man who definitely is an outdoor sportsman, Mr. Reksten is a concerned and active environmentalist, and one who is very aware of the strict rules and regulations that come into play when visiting national parks around the world and what it takes to maintain their beauty, especially concerning the areas of pollution, smoke emissions and any disturbance of the local wild life.

In October 1993, Mr. Reksten joined Crystal Cruises and in January 1994 he traveled to Turku, Finland to finalize the completion of CRYSTAL SYMPHONY, on which he holds the position of Chief Engineer.

#### **Jarle Ringdal, Chief Engineer**

Mr. Ringdal completed his formal training in Norway, before beginning his career at sea at the age of 27. At that time, he worked on a Chemical Tanker, OBO Carrier and Ferry. In 1982, Mr. Ringdal began his employment onboard the NORDIC PRINCE, a Royal Caribbean-owned Cruise Liner as a motorman. This was the beginning of his employment in the Cruise Industry. He was subsequently promoted to Second, and then First Engineer.

After returning to Norway to complete his Advanced Engineers Degree, Mr. Ringdal graduated with his Chief Engineers License in 1987. He then rejoined Royal Caribbean and began work as an Assistant Chief Engineer in 1989.

In 1992, Mr. Ringdal accepted a position as Chief Engineer with Crystal Cruises. Having worked on CRYSTAL HARMONY and CRYSTAL SYMPHONY, his time onboard has included four seasons in Alaska as Chief Engineer.

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**Tor Hansen, Chief Engineer**

Chief Engineer Tor Hansen first went to sea when he was 16 on a car carrier for Anton Von Der Lippe from Norway, working as an Oiler in the Engine Room. He went back to Engineering School in 1973, graduating in 1975 with a Second Engineer license. He then went back to sea for 3 years, working on a variety of cargo, tanker (OBO) and car carriers for Anders Jahre.

Mr. Hansen returned to Engineering School at the Tønsberg Maritime Academy School of Engineering in 1979, where he studied for another 2 years. He graduated with a Chief Engineering license in 1981. At that time, he went back to work for Anders Jahre as a First Engineer on a crude oil carrier.

In 1984, Mr. Hansen joined Cunard Line onboard the VISTAFJORD as an Assistant Chief Engineer. He also served as Assistant Chief Engineer on her sister ship, the SAGAFJORD. He was promoted to Chief Engineer onboard the VISTAFJORD in 1986, a position he held on both the VISTAFJORD and SAGAFJORD. During his tenure as Chief Engineer on the SAGAFJORD, he served in the Alaska trade for three seasons. Mr. Hansen was Chief Engineer onboard the Cunard ships for 8 years. In 1994, he was promoted to Assistant Vice President of Technical Operations for Cunard's offices located in New York City, NY-USA and Southampton, UK.

In 1997, Mr. Hansen joined Crystal Cruises as Chief Engineer onboard CRYSTAL SYMPHONY for her Dry Dock in May of that same year. Currently, he goes between both Crystal Cruises ships as Chief Engineer. Onboard CRYSTAL SYMPHONY, Mr. Hansen sailed in the Alaska trade during the 1997 season.

**Joseph Matt, Hotel Director**

Mr. Matt began his apprenticeship at the age of 16 as a pastry chef, followed by training as a chef for another 3 years. Between 1977 and 1980, he attended the Hotel Management School in Lucerne, Switzerland. Mr. Matt began his career at sea in 1983 aboard the Royal Viking Line ships. He climbed the traditional management ladder holding various positions including Food and Beverage Controller, Provisions Master and Food & Beverage Manager. In 1987, he was promoted to Hotel Director, a position which he held aboard 3 Royal Viking ships.

He joined Crystal Cruises in the position of Hotel Director in March 1994. Mr. Matt has cruised 2 seasons in Alaska visiting Glacier Bay on numerous occasions and it is an itinerary he enjoys immensely. As Hotel Director for CRYSTAL HARMONY, his responsibilities include managing all aspects of the ship's hotel

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operations including front office, bars/lounges, main dining room and the two alternative restaurants, staterooms and penthouses, finance and accounting and housekeeping.

**Per Egil Nilsen, Hotel Director**

Mr. Nilsen's extensive background in Hotel/Restaurant Management, along with impressive culinary expertise, and business degree in Norway, have all provided him with a broad and thorough foundation. This background has suitably prepared him for the position of Hotel Director.

Mr. Nilsen went to his first Chef school in Oslo at the age of 17, after which he took his apprenticeship at the *Hotel Continental* in Oslo. He spent approximately three years working to get his Chef Diploma and subsequently worked at various hotels and restaurants in Oslo. Mr. Nilsen also served H.M. King Olav V of Norway (at the castle) for two years as a member of the King's private entourage.

While serving as Restaurant Manager and Director of a 5-star Hotel/Restaurant in Stavanger, he accepted an offer to work as a Food and Beverage Director for Kloster Cruise Line. He worked for a period of four years with Kloster, including work aboard the then largest cruise ship in the world, the SS NORWAY.

Six years ago, Mr. Nilsen joined Crystal Cruises initially as Food and Beverage Manager, and shortly thereafter he was promoted to Hotel Director. As a Hotel Director, his responsibilities include managing all aspects of the ship's hotel operations. The four major departments are Food and Beverage (bars and lounges, main dining room, the two alternative restaurants, and all galleys), Rooms Division (Front Desk, Housekeeping and Avenue of the Stars shops), Contracted Services (Beauty Salon and Spa, Caesars Palace at Sea Casino, Photo Shop), and Entertainment (all performers, musicians, and production shows, as well as health and fitness). He also oversees finance and accounting, personnel, and purchasing for each of these departments, and is in charge of over 470 crew members.

**Herbert Jaeger, Hotel Director**

Herbert Jaeger was only 15 when he started at cooking school, and by 18, had his degree as a cook from one of the foremost culinary academies in Salzburg, Austria, his hometown. He spent the next season as a chef in Austrian winter resorts, then went to Vienna to cook for a year with United Nations, preparing repasts for the likes of Valery Giscard d'Estaing and other notable heads of state.

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After Vienna, Mr. Jaeger worked as Chef at the Grand Hotel in Oslo, Norway, where he became fascinated with the comings and goings of cruise ships. He applied at the Oslo personnel office of Royal Viking Line, and in 1981 was hired as Sous Chef for its three-ship fleet. Part of his later RVL training took him to France, where he studied with renowned chef Paul Bocuse.

After seven years with Royal Viking, the company transferred Mr. Jaeger to Finland in 1988, where he assisted in setting up the galley aboard the new ROYAL VIKING SUN, and served as Executive Chef in its inaugural year.

The move to Crystal Cruises was inevitable. When Crystal Cruises was assembling the galley staff, it looked to Mr. Jaeger to become executive Sous Chef. He joined Crystal Cruises in January of 1990, and for the next six months he assisted in overseeing the galley construction, and helped establish the fine culinary program aboard. In October 1990, Mr. Jaeger was promoted to the important position of Executive Chef on CRYSTAL HARMONY, a position he held until transferring to CRYSTAL SYMPHONY in Finland during her construction in 1994. He set up and oversaw the entire Food and Beverage operation on the new ship, and served as F&B Manager until his promotion to Hotel Director in mid-1995.

Mr. Jaeger is a member of the prestigious culinary "Chaine de Rotisseurs" and the United States chapter of the "Odre Mondial des Gourmets Degustateurs," both the highest achievements in culinary arts.

At only 30, Mr. Jaeger was one of the youngest Executive Chefs at sea; at 35, he now serves as one of the youngest Hotel Directors in the cruise industry. His extensive background in hotel and restaurant management, along with his impressive culinary expertise, provided Mr. Jaeger with a thorough foundation to serve as Hotel Director for CRYSTAL SYMPHONY. His responsibilities include managing all aspects of the ship's hotel operations, presiding over five major departments: Food and Beverage (bars and lounges, the Crystal Dining Room, Prego and Jade Garden restaurants, the Lido Cafe, buffets, private parties, room service, and all galleys); Room Division (all staterooms and penthouses, Reception/Front Desk, Housekeeping); Contracted Services (Beauty Salon and Spa/Fitness Center, Caesar's Palace at Sea Casino, Photo Shop); all Entertainment (performers, musicians, and production shows, as well as the health/fitness/sports program, and the Crystal Visions Enrichment lecture and Ambassador Host Programs); and Crystal Cruises' own Avenue of the Stars Shopping Arcade.

He also oversees the finance and accounting, personnel, and purchasing for each of these departments.

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Thomas Mazloun, Hotel Director

After working in the hotel industry in Switzerland, Austria, Germany and the United States, Mr. Mazloun was lured to Crystal Cruises, and an ultimate "life at sea" by Dietmar Wertanzl, Crystal Cruises Senior Vice President, Hotel Operations.

Mr. Mazloun did not begin his career at Crystal Cruises as a Hotel Director, although his schooling had groomed him for such a position. He began as a member of the Front Office staff. His drive, attention to details, and desire to learn quickly took him through the ranks. He progressed to the positions of Clearance Officer, Front Office Manager, Food and Beverage Accountant, Food and Beverage Manager, and after almost one year working in the corporate offices setting up Crystal Cruises Post-Cruise Package Program, Mr. Mazloun went to sea.

During the year 1993, Mr. Mazloun received the prestigious "Employee of the Year" award. The recipient of the award is elected and voted on by the officers and crew aboard the ship.

Exactly five years to the date Mr. Mazloun joined the ship in his first position, he became Hotel Director for CRYSTAL HARMONY.

His responsibilities include managing all aspects of the ship's hotel operations. The four major departments are Food and Beverage (bars and lounges, main dining room, the two alternative restaurants, and all galleys), Room Division (Front Desk, Housekeeping, and Avenue of the Stars shops), Contracted Services (Beauty Salon and Spa, Caesars Palace at Sea Casino, Photo Shop), and Entertainment. He also oversees finance and accounting, personnel, and purchasing for each of these departments. It is a major responsibility, being in charge of the ship's largest department, to which over 450 of its 550 crew members are assigned.

- **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.

Yes  No

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.

Ship Name Crystal Symphony	Former Names None	Registry Bahamas
Gross Tonnage 51,044	Builder Kvaerner Masa-Yards	Date Launched July 1994
Length (ft.) 780.87	Beam (ft.) 99.18	Date of Last Refit May 1997
Draft (ft.) 26	Stack Height (ft.) 139.3	Propellers (no. & type) 2 CP-Propeller
Propulsion type (diesel electric, etc.) Diesel Electric	Propulsion power (kW or HP) 21 MW	Fuel (type/weight) IF 180
Passenger Capacity (basis 2) 930	Passenger Capacity (all berths) 957	Cabin Size (mean sq. ft.) 250
Passenger/space ratio (basis 2) 54.89	No. of Cabins 480	No. of Wheel Chair accessible cabins 7
Officer Nationality Nor., Jap., Eur.	Crew Nationality (approx. % each) Phil. 45%, Eur. 55%	

See Page 12A For Data On CRYSTAL HARMONY

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?

Yes  No

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

Number of Entries (maximum is 68)
8

See Page 12B



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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.

Ship Name Crystal Harmony	Former Names None	Registry Bahamas
Gross Tonnage 49,400	Builder Mitsubishi Heavy Indus.	Date Launched September 1989
Length (ft.) 791	Beam (ft.) 97.11	Date of Last Refit October 1997
Draft (ft.) 24.6	Stack Height (ft.) 147.64	Propellers (no. & type) 2 Kamewa
Propulsion type (diesel electric, etc.) Diesel Electric	Propulsion power (kW or HP) 24,000 kW	Fuel (type/weight) IF 180
Passenger Capacity (basis 2) 960	Passenger Capacity (all berths) 1010	Cabin Size (mean sq. ft.) 183-948
Passenger/space ratio (basis 2) 50.6	No. of Cabins 480	No. of Wheel Chair accessible cabins 4
Officer Nationality Nor., Jap., Swe.:	Crew Nationality (approx. % each) Phil. 51%, Eur. 35%, Asian 5%, Other 9%	

Asian 5%, Other 9%

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Response to Criterion 2A.4.:

Crystal Cruises here applies for eight (8) cruise ship entries into Glacier Bay from June 1-August 31. This number includes the two entries which Crystal Cruises has a right of preference renewal for, which it seeks to retain. (See Application, page 2 of 26.) Crystal Cruises thus seeks six additional permits.

The request for eight total entries is an honest request, not a so-called "negotiation" request. It is based upon Crystal Cruises' long-term plan to operate a minimum of eight sailings in the Alaskan trade during the June 1-August 31 time frame. Although in some years during the period 2000-2004, Crystal Cruises is planning to have more than eight sailings between June 1-August 31, it has determined to limit its request to the minimum number of sailings which it knows it will have in each of those years. Mindful of the Park Service's policy with respect to use of permits issued, Crystal Cruises does not want to put itself in a position where it might have to turn back one or more entries, other than for circumstances beyond its control.

Crystal Cruises believes its request for eight entries is reasonable and warranted. Eight entries represents less than 6% of the total of 139 entries permitted; and, the six entries sought over and above the two preference entries it has represents only 9% of the 68 entries to be allocated competitively. Moreover, Crystal Cruises has demonstrated its total commitment to the Park Service's policies and programs with respect to Glacier Bay, in particular, and Alaska generally. Crystal Cruises' believes the program and services which it provides with regard to Glacier Bay, the Park Service and Alaska (as detailed in this Application) are unsurpassed by any other cruise line. Crystal Cruises treats that program and services with the same dedication to quality performance that it gives to every other aspect of its six star cruise ship operation.

As explained in "Business Opportunity", up to 68 entries are divided into the following six categories. This is necessary in order to give the incumbent concessioners their statutory right of preference in categories "B - F".

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

Yes                       No

If "NO", specify the category or categories under which you are applying and the number of entries as follows:

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).

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.)

Yes                       No

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?

Yes                       No

**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.**

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." See Pages 14A-14

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

See Pages 14A-14

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

See Pages 14A-14

**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.

Response to Criterion 2B.:

Crystal Cruises recognizes and supports the overall mission of the National Park Service for the preservation and public enjoyment for future generations of significant aspects of the nation's natural and cultural heritage, and the need to inform Glacier Bay visitors and concession employees about park resources and values. Crystal Cruises believes that its unique approach to the cruise ship experience, as described below, complements well the National Park Service's interpretative program within Glacier Bay and enhances visitors' experiences in Glacier Bay far beyond the basic examples of services as described in Criterion 2B.

a. Availability of Native Alaskan Art and Handcrafts. Crystal Cruises promotes the sale of United States made handcrafts, including Native American handcrafts relating to the culture, historical, natural and geographical characteristics of Park areas in the gift shop onboard. Moreover, Crystal Cruises makes a continuing effort to enhance the scope and supply of local handcrafts where they exist and to establish them where they do not.

The following is a partial list of items we present for the purpose of promoting Native American handcrafts and environmentally friendly items.

<u>Items</u>	<u>Vendor</u>
Books	Alaska reference books and maps
Notecards	Alaska Eagle Arts
Totem Poles	Authentic Alaskan Crafts
Clothing Items	Camp David
Clothing Items	Gear for Sport
Novelties	Alaskan Treasures
Food Items	Alaskan Wildberry
Smoked Salmon	North Pole Enterprises
Miniature Carvings/ Jewelry	North American Lights Gallery
Stuffed Animals	Russ Berrie

b. Library Research Materials. A special section of the onboard Library is reserved as The Alaska Chronicles and offers books, articles, National Geographic magazines and similar periodicals, handbooks, guidebooks, atlases and other maps, and all other available collateral resource materials on Alaska. Most prominently, we provide a supply of the informative National Park Service brochures/maps of Glacier Bay, and other Alaskan sites.

Alaska travel and guide books currently in Crystal Cruises' ship libraries include: Adventure in Alaska - The Ultimate Travel Guide to the Great Land; Adventuring in Alaska, Peggy Wayburn; Alaska - Lonely Planet; Alaska Highway - An Insider's Guide; Alaska

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- Insight Guides; The Alaska Almanac - Milepost; Alaska, A travel Survival Kit, James Dufresne; Alaska, A to Z, Tom Bodett; Cruising Alaska, Larry Ludmer; Alaska By Cruise Ship, Anne Vipond; Alaska Wildflowers, Verna Pratt; Fielding's Alaska Cruises, Basch-Slater; Foder's 1998 Alaska, Foder's; and Frommers' Alaska, Frommers. The libraries also have the James Michener novel Alaska.

Alaska video tapes currently available include: Alaska's Inside Passage; The Forgotten Frontier; Aurora; Misty Fjords; Cruising to Alaska; Glacier Bay; Cathy Cook, National Park Service - Interview; Chilkoot Trail; Full Circle: Alaska and Russia; Crystal Clean (Crew); Discovery Alaska; Days of Adventure, Dreams of Gold; Glaciers of Southeast Alaska; Alaska: Glacier Bay; Anchorage! Alaska; Skagway: White Pass/Youkon Railway; Killer Whales: Wolves at Sea; Gold Rush Trail: Then and Now; National Geographic: The Grizzlies; National Geographic: Braving Alaska; National Geographic: The Great Whales; National Geographic: Polar Bear Alert; National Geographic: White Wolf; and National Geographic: Yukon Passage.

Crystal Cruises also uses large display maps in several locations on the ships. These maps chart our course and have topographic displays of the surrounding areas. The map is entitled:

The Northwest Coast

They are large print and easily available for all to track our route. In addition, the usual navigational maps are displayed about the ship as well tracing our progress during each voyage.

c. Interpretation of Native Alaska Culture, Art and Handicrafts. On all cruises to Alaska, Crystal Cruises offers a variety of "destination" lectures to discuss a multitude of topics concerning facets of the Alaskan Frontier. Details of this program are set forth at page 21B of 26.

d. Crystal Cruises Inc.'s Newsletter. Through our Crystal Visions program, we are one of few cruise lines which offers not only a full-time lecture program during all cruises (described below), but also well-researched and extremely informative articles on our ports of call and itineraries in our onboard daily newsletter, Reflections. Reflections always dedicates its first two pages to exclusive coverage of the port-of-call or area of cruising. These articles are written by experts in their fields, and have been widely appreciated, judging by the newsletter's consistent 9.4+ rating by passengers (on a scale of 10). Representative copies are included in Exhibit G.

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For cruises calling at Glacier Bay, in advance of and on the date of arrival at Glacier Bay, the newsletter is supplemented to accommodate additional articles on the Park, the National Park Service, and Glacier Bay. In addition, there are (1) special showings of National Park Service films in our Hollywood Theater, (2) Glacier Bay videos (such as "The Grand Design") shown on our 14-channel in-cabin television system, and (3) National Park Service Glacier Bay brochures/maps available throughout the ship.

*Reflections* gives complete details of the expert lecturers, including biographical and photographic sketches, titles and schedules of their talks, schedules of Glacier Bay film and video showings, library hours and lists of available resource materials on Glacier Bay and Alaska, articles on Glacier Bay, the Inside Passage, Alaska, and other related subjects, including complete information on the National Park Service, its goals and objectives, as well as warnings about environmental and wildlife restrictions in the area. Newsletter articles about Glacier Bay include a discussion of the unique and special opportunity afforded our guests by being able to visit Glacier Bay.

Crystal Cruises is also keenly aware of its responsibility to educate its guests about such vitally important environmental concerns as not littering the oceans and not feeding wildlife. In furtherance of this, Crystal Cruises has developed the environmental program, "Crystal Clean" to promote the awareness and environmentally-safe operations of its vessels worldwide. The program is a response to the caring and collective conscience of Crystal Cruises' U.S. employees, U.S. and international guests, and all shipboard personnel to travel the world with respect and consideration for all marine life and the environment in which they live. The beginning of this program was developed, in particular, as Crystal Cruises applied for permission to visit Glacier Bay in Alaskan waters. It was Crystal Cruises' desire to raise the awareness of the responsible treatment of nature. The "mission" of "Crystal Clean" is to raise the awareness of responsible and respectful treatment of the marine environment in which Crystal Cruises operates, and to insure this awareness is put into effect in the operation of the vessel and the behavior of the guests and crew sailing onboard. The program includes specific educational aspects for the vessel's management, officers, and crew, as well as for the guests who sail onboard. We have, for example, a "Crystal Clean" instructional video which we air every cruise on our Crystal Channel. The overall program goal is to promote the concept and to affect the action of man as the caretaker of the world and the environment in which we live.

To implement "Crystal Clean", we remind our guests regularly in issues of the daily newsletter not to throw anything overboard, and to help us in our commitment to keeping our oceans free of

pollutants. In Glacier Bay, we also run stories about the area's indigenous wildlife, and the fragile environment and what must be done to continue its preservation. We also caution people about the dangers (and illegality) of feeding the birds and animals; and, to further emphasize this important safeguard, we also explain to the guests how any "foreign" food may alter these creatures' diets or behavior, and might ultimately contribute to their endangerment.

e. Crystal Visions Lecture Series. Crystal Cruises is dedicated to the enhancement, enrichment, and education of our guests and to that end has developed and implemented the Crystal Visions Lecture Series which has as its objective to inform and educate the ship's guests on a variety of subjects including: climatology, politics, finance, oceanography, cinematography, geology, personal improvement and growth, gemology, cooking and communications. As indicated on pages 15-17 of our 1999 Atlas, which is attached hereto as Exhibit H, our lecture series is about "discovery". We list various "themes" of our cruises; these include History, Oceanography, Politics, Anthropology, Nature, Geology, and Art History among other topics.

Crystal Cruises has adapted and augmented its highly successful Crystal Vision Lecture Series for calls at Glacier Bay to highlight the natural wonder and beauty of the Bay, the environmental and preservation issues relevant to it, and the unique mission of the National Park Service in Glacier Bay, and throughout the National Park System.

In addition, Crystal Cruises has supplemented these lectures with talks by experts in other fields, including, for example,

- a photographer whose published book contains over 100 images of animals and plants on the endangered species list;
- a renowned artist whose paintings explore various impressions of Alaska;
- a cultural anthropologist who discusses the historically significant contributions of Alaskan natives, their history, their achievements, and their ways of life;
- oceanographers, maritime historians, explorers, and naturalists familiar with the area; and
- arts and crafts experts who specialize in Alaskan handicrafts.

Crystal Cruises has also supplemented its already diverse and distinguished lecture program with National Park Service specialists, and it hires experts on the National Parks to give interpretive programs to our guests about the National Park



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Service, Glacier Bay, other national parks and preserves in Alaska. These talks are scheduled both before and after a visit to the Bay itself.

In short, the National Park Service's interpretive program is complemented by additional interpretive talks, newsletter articles, films and video programs about safety, the environment, history and culture of the entire area, as well as the National Park Service's important objectives, its resources, and values, as discussed above.

f. Cessation of Onboard Activities. On every visit to Glacier Bay, all onboard activities are ceased during that portion of the cruise. Crystal Cruises recognizes the serenity of the glacier areas, and contributes to the almost religious silence by eliminating all activities and playing no music or other distracting sounds.

g. National Park Service Access to the Ship's Public Address System. National Park Service naturalists are given unlimited access to the ship's public address system from Queen Inlet at least until the ship leaves the last tidewater glacier. The ship's cruise director introduces park naturalists and then turns the microphone over to them for public address commentary.

In addition to what is described above, Crystal Cruises also provides the following other quality services, facilities, programs and itineraries to ensure a superior experience for guests of the Park:

- Of our fourteen broadcast television channels onboard, one is dedicated as "The Alaska Channel," offering showings of every possible movie and documentary video available on Glacier Bay, the Inside Passage, the fjords, and the Alaskan Frontier in general. These are replayed on a regular basis throughout the cruise (before and after the Glacier Bay visit). National Park Service videos on Glacier Bay are shown on our Crystal Channel every day prior to arrival in Glacier Bay. In addition, the Cruise Director has produced a video interview with a National Park Service employee concerning Glacier Bay and the mission of the National Park Service which is broadcast live on our onboard television system, and re-shown at regular intervals.

- The Crystal Channel (Channel 1 on the in-cabin television system) lists all onboard activities, as well as on-camera interviews with various personalities onboard, hosted by our knowledgeable Cruise Director. These interviews include 30-minute visits with each of our expert lecturers. At least one features the National Park Service representative.

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- On the evening before arrival in Glacier Bay, we feature a National Park Service expert in the evening entertainment time slot, in an informal question-and-answer period hosted by the Cruise Director. This gives our guests a "hands-on" opportunity to ask specific questions about the National Park Service, Glacier Bay, and other related topics.

- We are mindful of the fact that park visitors may have more contact with our staff than with Park Service personnel and, accordingly, we make sure that our staff is fully prepared to assist guests in getting the most out of their visit to Glacier Bay, while at the same time respecting the environment. Crystal Cruises conducts a special orientation of the crew about the environmental, historical and anthropological importance of Glacier Bay and the need to preserve this national treasure for future generations. The orientation is conducted by the Captain, Staff Captain, Safety Officer, and Cruise Director, as well as other members of the staff and, where appropriate, visiting experts familiar with the unique conditions present in Glacier Bay (environmental and ecological matters, fish and wildlife feeding restrictions, litter, noise, and other issues of which the crew should be made aware). This orientation also includes discussion of stack emission control standards and hazardous waste management.

- During the actual visit to Glacier Bay, the entire focus of the shipboard activities is on the Bay and the visit itself. Onboard staff members do everything possible to further enhance the guests' enjoyment of the visit. They also monitor guests (and crew members), reminding them if necessary that the serenity of the Bay is to be honored.

- In both ship-building and onboard product delivery, Crystal Cruises is extremely sensitive to the specific needs of special populations and believes that the accessibility of its ships and services to such guests enhances the ability of the National Park Service to enable disabled individuals to see Glacier Bay.

CRYSTAL HARMONY has four staterooms for the handicapped and the CRYSTAL SYMPHONY has seven accessible staterooms for the handicapped. These staterooms have all of the latest technology available to make the private living environment accessible. The public spaces of the ships have been designed to be handicapped accessible, including, for example, extremely wide hallways, proper height dining room tables and sloped walkways, instead of stairs. All viewing areas onboard the ships are accessible to disabled guests; each ship's eight guest elevators can accommodate wheelchairs and allow access to all public decks; each elevator is also equipped with convenient, low control buttons; all outside decks are accessible to disabled guests; and, all of the ships' public areas/lounges on Decks 6, 11 and 12 are specially designed

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to be accessible to disabled guests. In addition, there is wheelchair access to the deck where the lifeboats would be in case of an emergency. Thus, wheelchair bound guests are not completely reliant on help if there is a problem. This also gives them access to the decks for viewing sights, such as Glacier Bay. In addition, the company is proud of CRYSTAL HARMONY being the first ship to add sound-enhancing devices in its public movie theatres and show lounges as well as close-captioning for its stateroom televisions. These enhancements are included on the CRYSTAL SYMPHONY as well.

The editor of the Berlitz Guide to Cruising (Mr. Douglas Ward) has been very helpful in this design area and has given the company his highest accolades in terms of access for the disabled. In addition, Dr. Michael Quigley, the founder and editor of the Handicapped Traveler Newsletter, who was wheelchair bound himself and very discerning in this area, cruised on CRYSTAL HARMONY and was unstinting in his praise of the facilities and service.

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Crystal Cruises believes a day in Glacier Bay should be the highlight of any Alaska cruise. We believe the activities and programs described above serve to greatly enhance the experience for all guests. We are, of course, open to any additional suggestions the National Park Service may have as to how to make this the most enjoyable and educational experience possible for guests. (If the Park Service has any questions or comments about the specific programs Crystal Cruises implements during its visit to Glacier Bay, please contact Kurt Frederick, Director of Guest Programs, (305) 785-9300, ext. 342.)

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

Yes

No

### 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.

The National Park Service has determined that the following Interpretive program is the minimum acceptable program for cruise ship services in Glacier Bay.

#### Program Overview

The Interpretive program will support the missions of both the National Park Service and Glacier Bay National Park and Preserve. Please refer to the *National Park Service and its Mission* and the *Park Area and its Mission* sections in this Prospectus.

#### Staffing

A minimum of three staff (one supervisor and two interpreters) are needed to meet the minimum goals and objectives of the Interpretive Program.

*Supervisor:* The supervisor needs to exhibit the knowledge, skills and abilities to supervise employees, to direct an operation, to maintain cooperative working relationships, to communicate effectively orally and in writing and to demonstrate and teach interpretive methods and techniques. The supervisor needs a working knowledge of the area.

*Interpreters:* The interpreters must exhibit knowledge of the cultural and natural history of Glacier Bay and the skills and abilities to research, prepare and present professional quality interpretive programs to diverse audiences. The interpreters must utilize accepted interpretive techniques and principles found in the Support Materials list below.

#### Recruitment

In order to find applicants with extensive interpretive experience and education, recruit from a broad range of applicants with a comprehensive knowledge of cultural and natural history. As a minimum, Interpretive staff must have completed a 4-year course of study above high school leading to a bachelor's degree with 24 semester hours of job related course work; 1 year of relevant interpretive experience; a combination of 1 and 2 above; or knowledge, skills and abilities needed to perform the job by virtue of having lived in or near Glacier Bay National Park and Preserve.

#### Training

Provide a comprehensive training program that will result in an interpretive staff who are knowledgeable in the natural and cultural history of Glacier Bay, past and present research and park management issues. Training includes skills and techniques needed to prepare original thematically based presentations. A minimum of three days of orientation spent exploring Glacier Bay first hand from forest floor to glacial barrens. Interpreters will be provided with the opportunity to observe an experienced interpreter while

conducting interpretive programs. A fully trained interpreter will have a working knowledge of the references listed below in Support Materials. A returning interpreter (who has gone through the training shown above) will be given adequate time and materials to know and understand changes in research findings, new park issues, etc. prior to commencement of duties.

### **Supervision**

The interpreter must demonstrate knowledge of interpretive skills and techniques to professionally convey the park's basic themes. In order to evaluate interpreter's effectiveness the supervisor will observe each of the interpretive activities during the first half of each season. Elements that the supervisor will be evaluating will include pace, flow, creativity, knowledge, accuracy, and thematic development presented in a meaningful and engaging manner. Guidance will be provided in a timely manner for both content and presentation skills.

### **Ship-board Commentary**

Present a professional and comprehensive 30-minute commentary on Glacier Bay. An additional 10 minutes is added if Johns Hopkins is included in itinerary. Announcements should be approximately two minutes each, limited generally to the most important concepts. One subject per announcement following a strong park theme. Narration should point out significant landmarks and features. No commentary is given when stopped at glaciers, near wildlife sightings or in the vicinity of campers and kayakers.

### **Formal Program**

Present a 30-minute auditorium program that is Glacier Bay specific using interpretive techniques as defined in Support Materials listed below. If slides, video or music are used in the auditorium program they need to be of the highest quality.

### **Information Desk**

The information desk provides the visitor with an opportunity to ask Glacier Bay specific questions of the interpreter. The information desk is staffed while the commentary is in progress except during staff meals and while the ship is in front of glaciers. In addition to the interpreter, the information desk is stocked with reference materials of the natural and cultural history of Glacier Bay.

### **Informal Visitor Contacts**

While at the glaciers interpreters will stroll the outside decks to answer visitor questions. This allows for a more in-depth explanation of concepts introduced during commentary and a chance to discuss the glacial features visible alongside the ship.

### **Program Evaluation**

The cruise ship interpretive program will be evaluated for its effectiveness in meeting NPS mission goals referenced above. NPS standards for evaluation of interpretive programs are being developed and, when completed, will apply to cruise ship interpretive services.

### **Logistical Support**

Provide the logistical support needed for the interpretive operation as outlined in the Draft Permit section 9.(p).

### **Support Materials (must be available to Interpretive staff for training and reference)**

- "Environmental Interpretation, a Practical Guide" by Sam Ham
- "Principles in Interpretation" by Freeman Tilden.
- "The Interpreter's Guidebook, Techniques for Programs and Presentations" by K. Regnier

- "Interpreting for Park Visitors" by William Lewis
- "The Process of Interpretive Critiquing" by William Lewis
- "The Tlingit Indians" by G.T. Emmons
- "Glacier Bay Official National Park Handbook"
- "Glacier Bay, the Land and the Silence" by Dave Bohn
- "Blue Ice in Motion, The Story of Alaska's Glaciers" by Sally D. Wiley
- "Glaciers of North America, A Field Guide" by Sue A. Ferguson
- "The Nature of Southeast Alaska" by R. O'Clair, R. Armstrong and R. Carstensen
- "Guide to Marine Mammals of Alaska" by Kate Wynne
- "Field Guide to the Birds of North America" by National Geographic Society
- "Plants of the Pacific Northwest Coast" by J. Poljar and A. Mackinnon
- "Glacier Bay, the Grand Design" video, NPS publication
- NPS Strategic Plan
- Glacier Bay NP Strategic Plan
- Glacier Bay NP Vessel Management Plan
- Glacier Bay NP General Management Plan
- Glacier Bay NP Interpretive Plan (when available)

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

Yes

No

The National Park Service offers cruise ship Concessioners the option of utilizing the *NPS Interpretive Program* on a cost-recovery basis (the Concessioner pays the prorated cost of the program). The NPS program exceeds the criteria stated above and the additional criteria identified in 4B (below) and consists of NPS trained Interpretive Rangers, who provide commentary, programs, interpretive materials, etc. as described below. The program includes pilot boat service for boarding and disembarking the Rangers as each ship enters and leaves Glacier Bay. The cost will range from \$0.75 to \$1.50 per passenger, based on actual program costs.

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

Yes

No

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.

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

**Optimal Itinerary**

The NPS considers the following an optimal itinerary for a cruise ship visit to Glacier Bay: Vessel entry is scheduled so that the ship enters Glacier Bay from 0700 to 1100 (off Bartlett Cove), the ship then visits locations in the West Arm of Glacier Bay listed in the two examples below (in accordance with the provisions of this prospectus) and then departs Glacier Bay (off Bartlett Cove) from 1600 to 2100.

The following schedules give examples of an interpretive program resulting from specific arrival and departure times within these optimal arrival/departure time periods. Experience has shown that arrivals earlier than 0700 do not allow passengers adequate time to wake up, have breakfast and find a place where they can view the glaciers and listen to the commentary. Please note: arrival between 0700 and 0759 would result in an *afternoon* interpretive presentation. Arrival between 0800 and 1100 would result in a *morning* interpretive presentation. As an element of the *optimal itinerary*, Concessioners would confirm the interpretive program schedule for each ship with the Park's Chief of Interpretation at least two weeks prior to the first entry.

**Example of Optimal Itinerary for an 0700 Arrival**

(Please note the *afternoon interpretive presentation* time for early arriving ships)

Time	Activity
0700	Arrive Glacier Bay
0900	Queen Inlet, Begin commentary
1030-1130	View Margerie and Grand Pacific glaciers
1230-1330	View Lamplugh Glacier (Jaw Pt./Johns Hopkins if appropriate). Commentary ends on departure from last glacier
1400	Reid Inlet
1400	Interpretive presentation
1445	Second interpretive presentation, if needed
1600	Depart Glacier Bay

**Example of Optimal Itinerary for a 1000 Arrival**

(Please note the *morning interpretive presentation* time for late arriving ships)

Time	Activity
1000	Arrive Glacier Bay and make brief announcement about day's events on p.a. System
1030	Interpretive presentation
1115	Second interpretive presentation, if needed
1200	Queen Inlet, Begin commentary
1330-1430	View Margerie and Grand Pacific Glaciers
1530-1630	View Lamplugh (Jaw Pt./Johns Hopkins if appropriate). Commentary ends on departure from last glacier
1700	Reid Inlet
1900	Depart Glacier Bay

Muir Inlet is not part of the optimal itinerary because the NPS believes that the transit time needed for traveling to both the East and West arms of Glacier Bay could diminish the time spent at tidewater glaciers and thus passenger enjoyment and understanding of the park.

Johns Hopkins Inlet is a secondary element of the optimal itinerary due to seasonal area closures, high concentrations of harbor seals and other factors that will often preclude going beyond, or even approaching, Jaw Point.

Other bays and inlets of Glacier Bay National Park (such as Dundas Bay, Lituya Bay) are not included due to potential conflicts of cruise ship activities with existing visitor uses.

Transit through Glacier Bay National Park marine waters outside of headlands: Icy Strait, Cross Sound and the outer coast open waters (the Park boundary extends three miles off shore) are considered an incidental use of the Park at this time. The NPS encourages cruise ship operators to develop appropriate ship-board programs to further passenger knowledge and appreciation of these remote areas of the park.

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

Yes

No

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).

Time(s)	Activity
	Glacier Bay Arrival
	Passing Queen Inlet northbound
	Begin Commentary
	Arrival at Margerie/Grand Pacific Glaciers
	Departure from Margerie/Grand Pacific Glaciers
	Interpretive presentation(s)
	Meals
	Times at other glaciers/inlets (specify)
	Activities which restrict interpretive commentary (specify activity)
	Departure from last glacier
	End Commentary
	Passing Reid Glacier southbound
	Depart Glacier Bay

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

Not Applicable



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).

#### **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.]

Yes

No

Not Applicable

#### **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.

Yes

No

See Pages 21A-21C. See also discussion at Pages 14A-14G, and accompanying exhibits.

#### 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.

See discussion at Pages 14A-14G, and accompanying exhibits.

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

Yes

No

See below.\* See also discussion at Pages 14A-14G, and accompanying exhibits.

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

Park vessel regulations (see appendix) require the following:

To obtain or renew an entry permit, a cruise ship company must submit and, after approval, implement a pollution minimization plan. The plan must ensure, to the fullest extent possible, that any ship permitted to travel within Glacier Bay will apply the industry's best approaches toward vessel oil-spill response planning and prevention and minimization of air and underwater noise pollution while operating in Glacier Bay. The superintendent will approve or disapprove the plan." (36 CFR 13.65(b)(2)(ii)(A))

The *Pollution Minimization Plan* was first implemented for the 1996 season. The NPS offered some initial ideas and suggestions to existing operators to help guide preparation of these pollution plans (see appendix - *Pollution Minimization Plan Elements*). These initial ideas are by no means exhaustive, nor are they mandatory requirements, but are offered to provide general guidance to all potential applicants. The *Pollution Minimization Plan* is an essential element of the Glacier Bay Vessel Management Plan's carefully crafted approach of providing increased access to the park while also assuring the performance of the NPS's fundamental and predominant stewardship responsibility to protect the park's resources and values. Companies are strongly encouraged to go beyond the elements initially suggested for these plans and to propose innovative, creative, and cost effective strategies to minimize air, water and underwater noise pollution.

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).

\*We are currently looking into a program of having Alaskan Raptor program on board between to ports in Alaska where the caretakers of native raptors bring the birds on board for presentations and lectures about these Alaskan birds.

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Response to Criterion 4B.4. and 4B.5.:

1. Schedule programs and provide materials specifically for children onboard with a park related them.

As most of our summer Alaskan cruises include children, we have two to four Junior Activities Directors onboard to conduct activities throughout the day. Part of their activity program includes the participation of the National Park Rangers giving presentations to the children when their time permits, sharing with the children the materials the Park Rangers bring onboard, and the special showing of nature and conservation videos for the junior cruisers. All of Crystal Cruises' Junior Activities Directors are trained in and briefed about Crystal Cruises' "Crystal Clean" program and the importance of environmentally respectful sailing.

2. Provide passengers and crew the opportunity to view video(s) about Glacier Bay prior to arrival.

Through the onboard television system, we dedicate one channel as our "Alaskan Channel" which features nature films, statements about our "Crystal Clean" corporate program, videos about Alaska from the National Park Service, and comments from our Cruise Director noting the times of live presentations about Alaska. All crew rooms have television sets and have access to these programs. Prior to the beginning of an Alaskan season, all crew go through an orientation of our "Crystal Clean" program inclusive of videos and our corporate mission statement about being an effective, environmentally safe operation in Alaskan waters. In addition, throughout the cruise, the Hollywood Theater (145-seat movie theater) is used for live lectures, and slide/video presentations on Alaska.

3. Provide passengers and crew with supplemental materials about Glacier Bay prior to arrival in Glacier Bay.

Materials obtained from the National Park Service at the beginning of the Alaskan sailing season are displayed in the library and other public areas for passengers' preview. In crew areas, outside the Crew Officer's office, materials and information about Alaska and our "Crystal Clean" program are displayed and offered to all crew for their reading and review. The shipboard library has a section of Alaska and nature related reading material especially boarded for the use of the passengers. Nature videos for borrowing and use in passengers' private staterooms are also available, at no cost, in the library.

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4. Provide programs for passengers by specialists on park related subjects (i.e., geology, ecology, natural history, Alaskan history, native Alaskan culture and art) prior to arrival in Glacier Bay.

Our enrichment lecture program, Crystal Visions, features experts from around the world who have expertise in the geology, history, culture and wildlife of Alaska. Crystal Visions is recognized as one of the most extensive and well-presented enrichment programs in the cruise industry. In Alaska, we focus on inviting experts who can directly address these issues. Examples of lectures we have had in the past are:

- "Alaskan Women" comprised of a group of current Alaskan residents who sailed on cruises giving slide presentations, and lectures on each specific port visited, Glacier Bay, the history of Alaska, and the current lifestyle of Alaskan residents.
- Dr. Neil Fahy, a retired professor of geology who discussed the geological formation of Alaska, glaciers and glacial movement, and the rich natural geological environment of Alaska.
- Dr. Jack Weatherford, professor of Cultural Anthropology, and author of several books, including "The Indian Givers", which addresses the history of the American Indian population, their reverence of nature and the environment. A frequent guest of television talk shows (i.e., Larry King Live), Dr. Weatherford is one of our most popular lecturers on Alaska.
- Susan Middleton, one of the country's foremost nature photographers, Susan has captured the wildlife of Alaska on film, and presents these photographs in slide format in lectures throughout an Alaskan sailing. Additionally, her best-selling coffee table books are on sale in the gift shops when she is onboard.

In addition to our usual lecture program, Crystal Cruises often has Star Name personalities onboard who share their background in their own area of expertise and later reference their Alaskan experience on television. In 1997,

- Barbara Walters sailed with Crystal Cruises in Alaska and later spoke of her Alaskan cruise on television.

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- Regis Philbin sailed and did a question and answer period on his career. He referenced his Alaskan cruise and the beautiful state twice in subsequent shows of "Regis and Kathy Lee."
- Gary Collins and Mary Ann Mobley are currently onboard (1998) as special guests of Crystal Cruises.

Yes NoSee Pages 22A-22F  
and Exhibit I**CRITERION 5B. THE OFFEROR PROPOSES TO MINIMIZE ENVIRONMENTAL IMPACT IN THE PARK.**

Following is a description of the potential environmental impacts cruise ships may have in Glacier Bay National 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.).

See Pages 22B-22F

**Stack emissions** - Stack emissions from cruise ships are a potential problem in the Park. Even low levels of cruise ship stack emission can create a lingering visual blue-gray plume layer in front of the Park's tidewater glaciers. These visible plumes impair scenic and photographic opportunities in the park.

**Discharge into park waters** - Discharge of pollutants, including petroleum products, waste water and other wastes may negatively affect marine and coastal resources.

**Underwater noise** - Radiated noise from cruise ships contributes to underwater sound levels in Glacier Bay. Research has demonstrated that vessel noise can cause behavioral changes in marine mammals which may ultimately affect reproductive capability or survival.

**Wildlife Protection** - Cruise ships may affect additional marine resources in Glacier Bay including:

**Harbor Seals** - The upper part of Johns Hopkins Inlet is one of the largest harbor seal pupping areas in the world. A closure prohibits cruise ship traffic south of an imaginary line running approximately due west from Jaw Point from May 1 through August 31. However, ships should remain ¼ nautical mile from all seal concentrations and should avoid disturbance of seals when operating in Hopkins outside of the closure period.

**Sea Birds** - Ship crews and passengers occasionally feed sea birds, particularly near nesting colonies at tidewater glaciers where the vessels remain for extended periods. This may result in an altered diet and behavior pattern for certain bird species. Detailed instructions should be provided to crew members and shipboard newsletters should explain why birds should not be fed in the park. The NPS will work with companies to develop appropriate wording for these messages.

**Sea Bird Nesting Colonies** - Sea bird nesting colonies are particularly susceptible to vessel disturbance. Vessels are required to maintain a minimum of distance of 100 yards from seabird nesting colonies.

**Litter** - Trash, coffee cups, ping pong balls, balloons, etc., discarded from cruise ships have occasionally been found in the park.

**Shipboard noise** - Music, public address system announcements and other noise transmitted on outside decks of the ship travels readily over water and interferes with the quiet enjoyment of the park by passengers on other vessels and park visitors on-shore.

Response to Criterion 5A and 5B:

Crystal Cruises Inc. is very aware of and sensitive to the need to minimize any environmental impact on Park resources while operating in Glacier Bay. Because each of Crystal Cruises' vessels was built in the 1990's, they possess state-of-the-art technology, and we believe that operation of the vessels has at least a comparable, if not lesser, environmental impact of any cruise ships presently operating in the Alaskan trade. Each vessel is designed to comply with all requirements with regard to pollution control set forth by MARPOL and U.S. Coast Guard regulations. From the initial planning stages, the designers and engineers have emphasized the importance of protecting the environment. For example, each vessel has all state-of-the-art equipment in order to reduce contamination of the atmosphere, as well as eliminating the discharge of sewage as further explained hereinbelow.

In 1997, Crystal Cruises submitted its Pollution Minimization Plan to Glacier Bay Park Service officials. The Plan was approved "as submitted" by Superintendent Brady. A copy of the Plan and the letter of approval are provided in Exhibit I. (This Plan is applicable to both the CRYSTAL SYMPHONY and CRYSTAL HARMONY).

Environmental protection practices are of the utmost importance to Crystal Cruises and all efforts are made to act beyond legal regulations and by continually looking for ways to improve operations. Crystal Cruises is dedicated to the protection of human life and the preservation of the environment.

- We have a thorough Waste Management Plan that is overseen by ship engineers. Procedure manual directives are followed and log books are kept
- All garbage is separated into dry burnable waste, food waste and unburnable waste:
  - wet garbage/food parts are mashed, pressed and burned in the incinerator
  - paper, wood, rags are burned in the incinerator
  - aluminum cans and glasses are very finely compressed and off loaded to be recycled
- Each vessel has state-of-the-art sewage treatment plants onboard
- We use biodegradable paper trash bags instead of plastic bags and reusable hard plastic stemware & tumblers instead of disposable plastic cups in pool area
- Marked garbage bins are located in guest areas to

encourage proper waste disposal

- No use of fluorocarbons in dry cleaning machine
- Use of "reconditioned" toners to reduce need of new ones
- Implementation of water conservation system throughout the ship
- Suppliers are asked to advise on new environmental-friendly products (this is our standard procedure with all suppliers)
- "Crystal Clean" program

Crystal Cruises, Inc. is also very safety conscious which is a mindset that evolved from its present management and their years of experience in the cruise business, coupled with the safety orientation of its owners, NYK, the largest vessel operators in the world. Due to the collaboration of these two management groups, Crystal Cruises' vessels are each manned with three licensed masters (one serves as Master, one as Vice Captain and one as Deputy Captain), two licensed Chief Engineers, and a "1.5 watch system" in the English Room. This manning system provides a ship's operating safety system unsurpassed by any other cruise vessel. It allows for an increased safety element from the Bridge to the Engine Room which results in a higher safety probability when operating in sensitive and controlled environments such as Glacier Bay.

The "1.5 watch system" provides a double watch system in the ship's engine room in the sense that a certified 2nd engineer monitors the engine room electronically from the control room on a 24 hour basis -- at the same time a certified 2nd engineer is physically inside the engine room checking throughout the engine room on a 24 hour basis. The purpose of this redundancy is to minimize the possibility of casualty in the engine room and to provide the fastest discovery and response time should a casualty occur.

As to specific aspects of minimizing environmental impact in Glacier Bay, Crystal Cruises states as follows:

Stack Emissions -- Crystal Cruises is committed by the company's environmental program to avoid stack emission especially in protected areas such as Glacier Bay. The vessels' propulsion systems are diesel-electric. The great advantage of this system is that there are no mechanical links between the main engines and the propellers. The main engines are operating generators that are generating power for the electric propulsion motors. Thus, the



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main or generator engine operates on constant RPM, which reduces emissions considerably.

In addition to the design characteristics of the vessels, Crystal Cruises also takes special operational measures to control emissions. A television camera monitoring the exhaust outlets on the smoke stack has been installed on each vessel, thus enabling the engineer on duty to monitor the emissions at all times, and immediately take necessary corrective action if emissions should occur. Also, our Marine Operations department has prepared instructions for the Masters of the vessels as well as the Chief Engineers on how to maneuver the vessel in order to reduce emissions and to make sure the vessels operate as close as possible to 100% combustion. Finally, the quality of fuel is a very important factor with respect to emission and we ensure that only the highest quality lighter fuel oil (grade IF 180) is being consumed while in Glacier Bay.

Discharge into park waters -- There is no discharge while the ships are in Glacier Bay. Although the vessels are equipped with the latest innovation in garbage handling systems, the incinerators are shut off for the entire stay while in Glacier Bay. The vessels' sewage treatment systems are designed to comply with I.M.O. and U.S. Coast Guard regulations. There are no direct outlets of any kind of sewage from the vessels. All sewage is directed through a sewage treatment plant, and from there into sewage holding tanks. The capacity of the sewage holding tanks is large enough to accumulate sewage for 72 hours of the full complement of passengers and crew. Discharging of sewage is not necessary while in Glacier Bay, as the vessel's total time in the Bay is only 10 hours on each call, well below the capacity of 72 hours.

Furthermore, Crystal Cruises is aware of the need for and has taken all precautionary measures possible to avoid discharge of oil or other pollutants while in Glacier Bay.

Crystal Cruises has designated the master of each vessel as the vessel's Environmental Officer; thus, giving environmental concerns the highest priority in Crystal Cruises' cruise ship operations.

Moreover, Crystal Cruises has developed a detailed pollution response plan which enables the crew to detect spills or leaks quickly and respond immediately so as to avoid or minimize potential damage. The plan --

- requires immediate notification of company management and appropriate government officials whose facsimile and phone numbers are onboard at all times;

- sets forth the specific procedures for assessing the size, nature and cause of spills and leaks;
- sets forth detailed procedures for responding to spills of various sizes and resulting from various causes (such as groundings, collision, or operational spills);
- establishes a unified command structure to ensure immediate implementation of the response plan; and
- provides for training of all appropriate personnel and drills covering all aspects of the response plan and also on relevant pollution prevention regulations and procedures.

Underwater Noise -- Crystal Cruises realizes that noise radiated from cruise ships can be a significant contributor to underwater sound levels in Glacier Bay. Crystal Cruises is sensitive to this potential adverse impact with respect to vibration and noise. Indeed, vibration and noise on a luxury cruise ship are considered a major issue in terms of overall comfort of the passengers. Therefore, the ships are designed and constructed to minimize noise and vibration.

The most significant measures in this regard are: As the main engines are usually the cause of vibration and noise, Crystal Cruises' vessels' main engines are rubber mounted, i.e., "floating" on a rubber cushion. Thus, there are no direct mechanical links between the engine and the hull. Moreover, the diesel electric propulsion system uses no direct connections between the main engines and the propellers, as on conventional diesel powered ships. As a result, vibration levels during operation of the ship are well within the range and the lower guidelines of the I.S.O. 6954 "Guidelines for Vibration."

Wildlife -- Crystal Cruises realizes that besides the potential disturbance to Humpback whales, an endangered species, there exist three additional problems relating to disturbance of wildlife.

a. Crystal Cruises recognizes that the upper part of Johns Hopkins Inlet is a major seal pupping area and that the passage of ships is a disturbance. While vessel traffic south of the line drawn between Toyatte and Kashoto glaciers is prohibited until July 1, Crystal Cruises realizes that once open, passage of ships is a disturbance and its Captains will avoid areas where large numbers of seals are hauled out on icebergs. Crystal Cruises is aware of and will comply with the "Glacier Bay National Park Compendium" draft dated November 11, 1997, the Resource Protection, Public Use and Recreation Section (pp. 2 to 8) and Sub-Part C - Special Regulations, Specific Park Areas (pp. 8 to 10).

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b. Crystal Cruises is aware that some ship crews and passengers occasionally feed seabirds, particularly near nesting colonies at tidewater glaciers where the vessels remain for extended periods. Crystal Cruises is also aware that the result of this action is an altered diet and behavior pattern for certain bird species. Crystal Cruises understands that the feeding of wildlife is prohibited in national parks by federal law for crew members and passengers alike. Crystal Cruises advises all persons onboard its vessels of this fact by giving prior notice in the vessel's newsletter, *Reflections*, the day prior to any visit to Glacier Bay National Park, and does so again on the day of visitation. These newsletters not only advise the passengers that they are prohibited from such feedings, but also describe and explain to the passengers why birds should not be fed in the park, i.e., the result is an altered diet and behavior patterns of these certain bird species. Crystal Cruises also gives detailed instructions to all its crew members with respect to the prohibition of feeding wildlife. Crystal Cruises understands and supports the notion that the ecosystem of the Park should not be altered in any form or manner, whatsoever.

c. Crystal Cruises understands that sea bird colonies are particularly susceptible to disturbance and increased mortality due to vessels, and directs its Captains not to approach any closer than 100 yards of these colonies.

Litter -- Crystal Cruises is aware that trash, coffee cups, ping pong balls, balloons, etc., have in the past been discarded by cruise ships and have occasionally been found in the park. No styrofoam cups are used onboard Crystal Cruises' vessels. In addition, Crystal Cruises strictly enforces the rule that no trash or other such objects of litter may be discarded from its vessels. It makes clear to its passengers and crew members that absolutely no littering is allowed under any circumstances, and uses its newsletter, *Reflections*, to advise its passengers the day prior to the visit to Glacier Bay National Park and also on the day of visitation of this rule. This fact is also re-enforced through the use of temporary signs placed on deck on the day of visitation stating the rule, and by the enrichment lecturers who give presentations prior to entering Glacier Bay which are described more fully above. In short, this sensitivity to the prohibition of any litter whatsoever is communicated verbally, through signage, through enrichment lectures and in print via the ship's newsletter and is emphasized to the utmost.

In addition, to minimize the possibility of any inadvertent casting of debris overboard, all sports equipment (ping pong balls, tennis balls, etc.) is removed from the open decks prior to entering Glacier Bay. The Paddle Tennis Court, the Golf Driving Range, and all other outdoor sports facilities are covered by nets and, of course, are not open for use during the Glacier Bay visit.

Name of Offeror: Crystal Cruises, Inc.

APPLICATION  
22F of 26

Shipboard Noise -- As stated above, except for the National Park Service narration, the Public Address System is not used during the visit. All non-park related onboard activities cease while the vessel is in Glacier Bay and Crystal Cruises keeps announcements to a minimum, and plays no music or other distracting sounds.

Helicopters -- Crystal Cruises realizes that helicopters are an intrusion to the quiet enjoyment of the Park by passengers on the ship, other nearby vessels, visitors on shore, as well as park wildlife. In this respect, due to this intrusion, Crystal Cruises does not use helicopters in any way whatsoever, including use of helicopters to take advertising photographs of its ships at glacier faces.

**Helicopters** - Helicopters are an intrusion on the quiet enjoyment of the park by visitors both on the ship and off. They may also disturb park wildlife. Although helicopters have been used by the companies in the past to take advertising photographs of their ships at the glacier faces, the NPS will consider an offer that agrees to minimize use of helicopters in the park as a component of a better offer. See the permit for conditions related to helicopter use.

**Baseline Data Gathering** - The NPS is interested in obtaining baseline data on stack emissions and vessel noise levels as part of the *Pollution Minimization Plan*. This information will assist NPS in evaluating the effects of vessels and will also be helpful in designing meaningful operating requirements. Examples of useful data would be: automatic opacity measurements every minute or less keyed to time and location; stack emission sampling, vessel sound signatures; and below waterline hull vibration measurements keyed to time and speed and machinery use. The NPS has not developed specific sampling criteria, but rather is interested in specific proposals from the cruise lines based on available sampling technology.

1. Do you offer to provide baseline data from your vessel(s), such as stack emission opacity or noise levels?

Yes

No

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.

See Page 23A

#### **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 present<sup>4</sup>? *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).*

Yes

No

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.*

<sup>4</sup> 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.

Name of Offeror: Crystal Cruises, Inc.

APPLICATION  
23A of 26

Response to Criterion 5B, Question 1:

Baseline Data Gathering -- Crystal Cruises has baseline data from previously recorded stack emission observations. (See Exhibit J.) These observations were recorded for the CRYSTAL HARMONY in 1996, during its last season in Alaska, and for the CRYSTAL SYMPHONY in 1995. (It should be noted in conjunction with stack emissions that they are monitored 24 hours a day by visual TV monitors which are watched from the Control Room during maneuvering, and throughout the 24 hour watch by the duty engineers). On several past occasions, Crystal Cruises has attempted to obtain noise measurements. However, in every attempt background noise from shoreside caused too much interference for true readings. In any event, the Crystal Cruises' vessels do not emit a high level of noise. With respect to below water line hull vibrations, the vessels are fitted with resilient (rubber) mounted engines. Because of this, the vibration transferred from the diesel engines to the hull is minimal. The vessels do not have sensors fitted to monitor below water line hull vibration. Thus, baseline data for noise levels are not available.

Yes

No

**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.***

Yes

No

**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. See Page 25A
- 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. Not Applicable
- c. Sole proprietors and unconventional lenders and proposed individual investors: Provide personal financial statements. Not Applicable

**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. See Page 25A

- 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.

**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.**

See Page 25A



**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, below<sup>5</sup>). Secondary factors will be used in the evaluation of offers when a 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?**

Yes

No

**2. If yes, state the total franchise fee that you propose. Express this as a per passenger fee.**

Year	Per Passenger Fee
2000	\$ 7.00
2001	\$ 7.00
2002	\$ 7.00
2003	\$ 7.00
2004	\$ 7.00

<sup>5</sup>Public 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.

LIST OF EXHIBITS

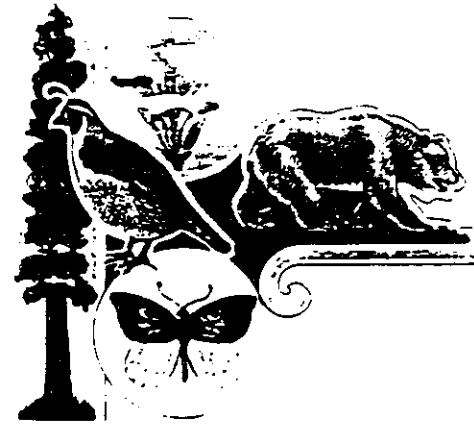
- Exhibit A      Crystal Cruises, Inc. Report on Audited Financial Statements for years ended December 31, 1996 and 1997 [CONFIDENTIAL DOCUMENT]
- Exhibit B      Nippon Yusen Kabushiki Kaisha Annual Report for the year 1997
- Exhibit C      State of California Certificate of Status of Domestic Corporation, dated May 20, 1988; Certificate of Incorporation, dated May 20, 1988; Articles of Incorporation, filed May 20, 1988; and amendments thereto, filed November 28, 1989 and May 30, 1991.
- Exhibit D      Organizational Chart for Crystal Cruises, Inc.
- Exhibit E      Crystal Cruises, Inc. - Awards, Endorsements and Accolades
- Exhibit F      Better Business Bureau Reliability Report for Crystal Cruises, Inc., Issued June 9, 1998
- Exhibit G      "Reflections" Newsletters
- Exhibit H      Crystal Cruises' 1999 Cruise Atlas
- Exhibit I      Pollution Minimization Plan and Letter of Approval
- Exhibit J      Baseline Data Gathering on Stack Emissions
- Exhibit K      NYK's Letter of Confirmation About On-Going Concern of Crystal Cruises, Inc., dated January 28, 1998 [CONFIDENTIAL DOCUMENT]

Exhibits A and K contain trade secrets or confidential commercial and financial information that the offeror believes to be exempt from disclosure under the Freedom of Information Act, and which are subject to the legend contained on the cover page of this offer.



# State of California

OFFICE OF THE SECRETARY OF STATE



## CERTIFICATE OF STATUS DOMESTIC CORPORATION

I, MARCH FONG EU, Secretary of State of the State of California, hereby certify:

That on the 20TH day of MAY, 1988.

CRYSTAL CRUISES, INC.

*became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and*

*That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof; nor of a merger or consolidation which terminated its existence; and*

*That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and*

*That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and*

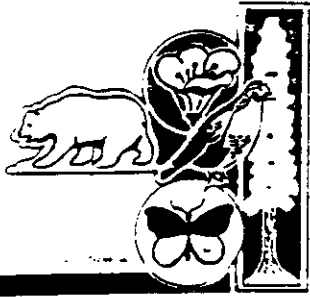
*That no information is available in this office on the financial condition, business activity or practices of this corporation.*



IN WITNESS WHEREOF, I execute this  
certificate and affix the Great Seal  
of the State of California this  
4th day of MARCH 1993

*March Fong Eu*

Secretary of State



State  
of  
California

OFFICE OF THE SECRETARY OF STATE

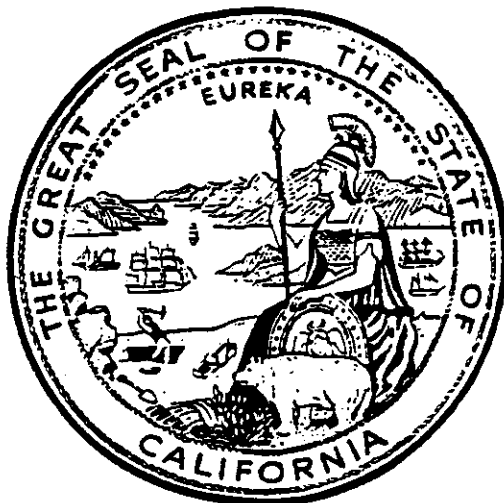
CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this

MAY 20 1988



*March Fong Eu*

Secretary of State

1002796

ENDORSED  
FILED

in the office of the Secretary of State  
of the State of California

ARTICLES OF INCORPORATION

OF


MAY 20, 1988

CRYSTAL CRUISES, INC.

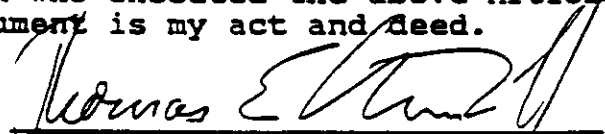
MARCH FONG EU, Secretary of S

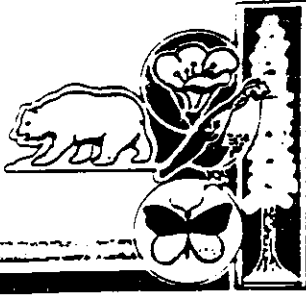
1. The name of this corporation is CRYSTAL CRUISES, INC.
2. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated under the California Corporations Code.
3. The name and address in this State of the corporation's initial agent for service of process is:  
  
Thomas E. Kimball  
c/o Lillick McHose & Charles  
Two Embarcadero Center  
Suite 2600  
San Francisco, CA 94111
4. The total of shares which the corporation is authorized to issue is 1,000,000.

Dated: May 20, 1988

  
\_\_\_\_\_  
Thomas E. Kimball  
Incorporator

I declare I am the person who executed the above Articles of Incorporation, and such instrument is my act and deed.

  
\_\_\_\_\_  
Thomas E. Kimball



State  
of  
California

OFFICE OF THE SECRETARY OF STATE

A379126

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California. hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF. I execute  
this certificate and affix the Great  
Seal of the State of California this

NOV 30 1989



*March Fong Eu*

Secretary of State

A379126

**ENDORSED  
FILED**

In the office of the Secretary of State  
of the State of California

NOV 28 1989

MARCH FONG EU, Secretary of State

CERTIFICATE OF AMENDMENT  
OF  
ARTICLES OF INCORPORATION  
OF  
CRYSTAL CRUISES, INC.

Arthur A. Rodney, President, and Robert B. Yoshitomi,  
Secretary, of Crystal Cruises, Inc., a corporation duly organized  
and existing under the laws of the State of California, hereby  
certify that:

1. They are the President and the Secretary, respectively,  
of Crystal Cruises, Inc., a California corporation (the  
"Corporation").

2. An amendment to the Articles of Incorporation of the  
Corporation has been approved by the Board of Directors.

3. The amendment so approved by the Board of Directors is  
as follows:

Article 4 of the Articles of Incorporation of the  
Corporation is amended to read as follows:

The total number of shares which the  
corporation is authorized to issue is  
2,000,000.

4. The shareholder has adopted said amendment by unanimous  
written consent. The wording of said amendment as approved by  
the unanimous written consent of the shareholders is the same as  
set forth in Paragraph 3 above. Said unanimous written consent  
was signed by the holder of outstanding shares having not less  
than the minimum number of required votes of shareholders

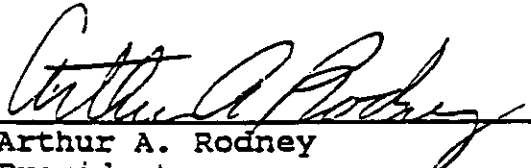
necessary to approve said amendment in accordance with Section 902 of the California Corporations Code.

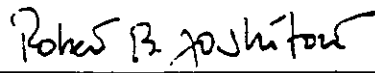
5. The designation and total number of outstanding shares entitled to vote on or give written consent to said amendment and the minimum percentage vote required of each class or series entitled to vote on or to give written consent to said amendment for approval thereof are as follows:

<u>Designation</u>	<u>Number of shares outstanding entitled to vote or give written consent</u>	<u>Minimum percentage vote required to approve</u>
Common	1,000,000	More than 50 percent

6. The number of shares of each class which gave written consent in favor of said amendment equaled or exceeded the minimum percentage vote required of each class entitled to vote. Said minimum percentage vote is set forth in Paragraph 5 above.

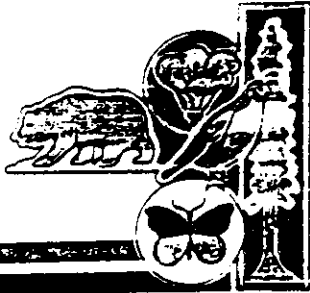
Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing Certificate are true of their own knowledge. Executed at Los Angeles, California on November 21, 1989.

  
\_\_\_\_\_  
Arthur A. Rodney  
President

  
\_\_\_\_\_  
Robert B. Yoshitomi  
Secretary



A403610



State  
of  
California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

I, *MARCH FONG EU*, Secretary of State of the State of California. hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this

MAY 21 1931



*March Fong Eu*

Secretary of State

A403610

ENDORSED  
FILED  
Secretary of State  
California

CERTIFICATE OF AMENDMENT  
OF  
ARTICLES OF INCORPORATION  
OF  
CRYSTAL CRUISES, INC.

MAY 30 1991

MARCH FONG JEL Secretary of State

Arthur A. Rodney, President, and Robert B. Yoshitomi, Secretary, of Crystal Cruises, Inc., a corporation duly organized and existing under the laws of the State of California, hereby certify that:

1. They are the President and the Secretary, respectively, of Crystal Cruises, Inc., a California corporation (the "Corporation").

2. An amendment to the Articles of Incorporation of the Corporation has been approved by the Board of Directors.

3. The amendment so approved by the Board of Directors is as follows:

Article 4 of the Articles of Incorporation of the Corporation is amended to read as follows:

The total number of shares which the corporation is authorized to issue is 3,000,000.

4. The shareholder has adopted said amendment by unanimous written consent. The wording of said amendment as approved by the unanimous written consent of the shareholders is the same as set forth in Paragraph 3 above. Said unanimous written consent was signed by the holder of outstanding shares having not less than the minimum number of required votes of shareholders

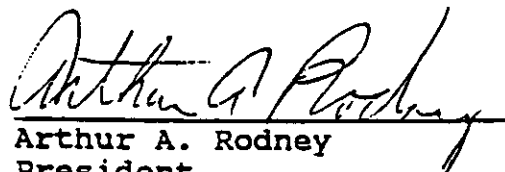
necessary to approve said amendment in accordance with Section 902 of the California Corporations Code.

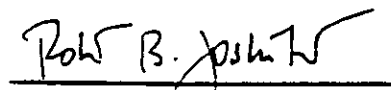
5. The designation and total number of outstanding shares entitled to vote on or give written consent to said amendment and the minimum percentage vote required of each class or series entitled to vote on or to given written consent to said amendment for approval thereof are as follows:

<u>Designation</u>	<u>Number of shares outstanding entitled to vote or give written consent</u>	<u>Minimum percentage vote required to approve</u>
Common	2,000,000	More than 50 percent

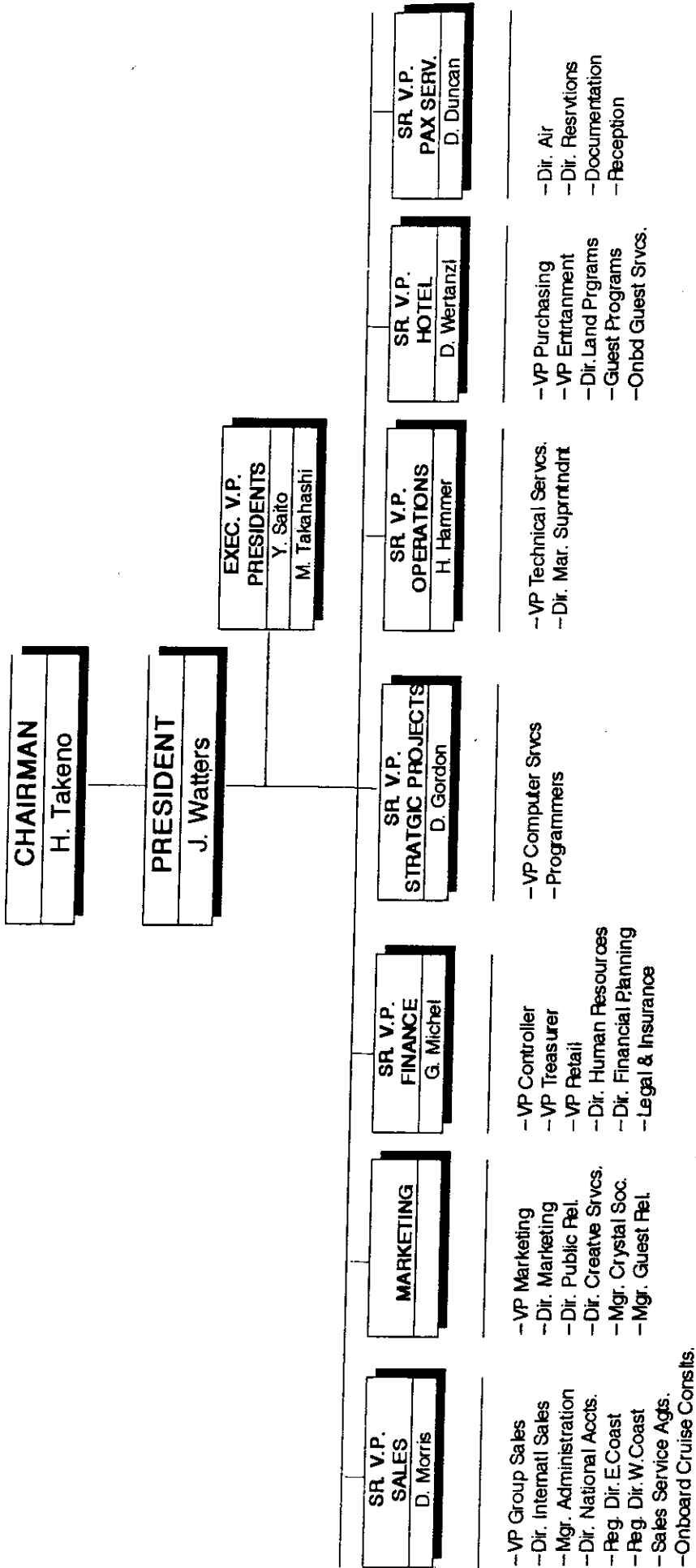
6. The number of shares of each class which gave written consent in favor of said amendment equaled or exceeded the minimum percentage vote required of each class entitled to vote. Said minimum percentage vote is set forth in Paragraph 5 above.

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing Certificate are true of their own knowledge. Executed at Los Angeles, California on May 23, 1991.

  
Arthur A. Rodney  
President

  
Robert B. Yoshitomi  
Secretary

# CRYSTAL CRUISES



# THE BETTER BUSINESS BUREAU



## Reliability Report

### INFORMATION SERVICES

290 North 10th Street Suite 206 Colton, California 92324  
P.O. Box 970 Colton, California 92324-0814  
(909) 825-7280 Fax - (909) 825-6246

### COMPLAINT DEPARTMENT

6101 Ball Road, Suite 309 Cypress, California 90630  
(714) 527-0680 Fax - (714) 527-3208

#### BUSINESS INFORMATION

Date Issued: 06/09/98

##### Company Name And Location:

Crystal Cruises, Inc.  
2121 Avenue of the Stars Suite 200  
Los Angeles, CA 90067

##### Main Telephone Number:

(310) 785-9300

##### Fax Number:

(310) 785-0011

##### General Information:

Business Start Date: 01/01/1988  
File Open Date : 07/25/1990  
Last Report Update: 07/01/1997  
Principal Contact : Mr. Gregg L. Michel

##### Company ID No. 28000508

Status: BBB Member  
Join Date: 02/15/1992

##### Nature of Business:

This company's business is luxury cruises.

Based on our standards, we rate this company as having a satisfactory business record.

To be rated satisfactory, we must first have company background information. The company must also have been established long enough for us to gain a clear understanding of the nature of its business to determine that it is not a marketplace problem. Finally, the company must have given proper consideration to any matters we may have referred to it. Our complaint history for this company shows that the one customer complaint brought to the company's attention was responded to and given proper consideration.

This company is a member of the Better Business Bureau and has agreed to the Bureau's membership standards, which include a commitment to ethical business practices.

A Better Business Bureau report is based on our file information and experience with an individual company over the past three years.

The Bureau does not endorse, recommend, or disapprove of any company, product or service.

The information contained herein has been compiled from sources deemed to be reliable and, while not guaranteed, is believed to be factual and accurate. It is not intended to recommend or deprecate, but is furnished solely to assist you in exercising your own judgement.

**THIS REPORT IS NOT TO BE USED FOR SALES OR PROMOTIONAL PURPOSES.**

Better Business Bureau  
Reliability Report on  
Crystal Cruises, Inc.

Date Issued: 06/09/98

Page 2 of 2

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ADDITIONAL TELEPHONE NUMBERS

(800) 446-6620 (800) 446-6645 (800) 446-6612

ADDITIONAL TRADE NAMES

Crystal Age

Crystal Harmony

ADDITIONAL ADDRESSES

No other addresses for this company.

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The information contained herein has been compiled from sources deemed to be reliable and, while not guaranteed, is believed to be factual and accurate. It is not intended to recommend or deprecate, but is furnished solely to assist you in exercising your own judgement.

**THIS REPORT IS NOT TO BE USED FOR SALES OR PROMOTIONAL PURPOSES.**

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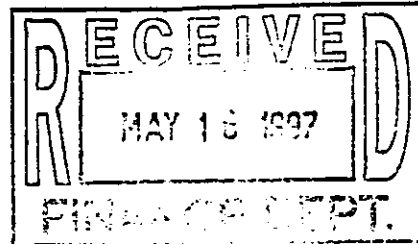
United States Department of the Interior  
NATIONAL PARK SERVICE

Glacier Bay National Park and Preserve  
P.O. Box 140  
Gustavus, Alaska 99826-0140

IN REPLY REFER TO:

C38 (GLBA)

May 7, 1997



Crystal Cruises, Inc.  
Attn: Gregg Michel  
2121 Ave. of the Stars  
Los Angeles, CA 90067

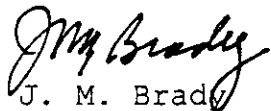
Subject: 1997 Pollution Minimization Plan

Dear Mr. Michel:

We have reviewed your *Pollution Minimization Plan* submittal for the 1997 season and approve it as submitted.

If you have any questions regarding our review of your *Pollution Minimization Plan*, please contact Resource Management Chief, Mary Beth Moss (907-697-2230).

Sincerely,

  
J. M. Brady  
Superintendent

PAID 12/8  
173 700 02



United States Department of the Interior  
NATIONAL PARK SERVICE

Glacier Bay National Park and Preserve  
P.O. Box 140  
Gustavus, Alaska 99826-0140

IN REPLY REFER TO:

C38

December 4, 1998

Crystal Cruises, Inc.  
Attention: Gregg Michel  
2121 Avenue of the Stars  
Los Angeles, CA 90067

Dear Mr. Michel:

This letter is to advise you that your June 18, 1998 offer to provide cruise ship services was not the best offer. As detailed in the prospectus, as a satisfactory incumbent operator you now have an opportunity to amend your proposal in order to meet the terms of the best offer. In addition, we require clarification of specific elements of your proposal. Your submittal amending your proposal and the clarifications must be received at the address shown above by January 6, 1999 in order to be considered in the final selection process. *Include with your submission, a certified statement that the information you provide is to be incorporated into your original proposal.*

**Elements of the best proposal. You will need to amend your offer to substantially meet the elements listed below by specifically stating how you would meet each element.**

The best proposal:

1. Offered reference materials to be available in the ship's library as follows: At least 32 *specific* books directly related to the natural and cultural history of Glacier Bay and the surrounding region. This included adult and children's books directly related to park themes and the region's natural and cultural history.
2. Offered to provide an onboard interpretive specialist to assist with the National Park Service (NPS) Interpretive program while in Glacier Bay and provide visitor and employee programs related to the park prior to arrival. The specific program elements



would be subject to NPS approval and may (at NPS discretion) involve NPS training sessions for offeror interpretive staff at offeror expense.

3. Offered to provide an onboard youth program (coordinated with the NPS Interpretive program) which could include age-appropriate videos, activities and games aimed at increasing understanding and appreciation of Glacier Bay's natural and cultural history.
4. Offered to provide (on ships with television/video available in each cabin) programming oriented towards the natural and cultural history of Southeast Alaska.
5. Offered to carry enough sorbant boom on each ship to fully encircle the vessel.
6. Offered to provide stack emission data as follows: "...(The offerors) ships are (to be) equipped with 2 opacity meters and recorders. One records main engine exhaust and the other emissions for boilers and incinerators. Each recorder receipts up to five inputs to provide perspective on emissions density over time. These records on opacity can then be time matched to GPS position printouts to provide NPS with the desired baseline data."
7. Offered to provide vessel sound signature information as follows: "...(Offeror will) negotiate an arrangement with a highly qualified acoustical consultant that would enable NPS and ...(the offeror)... to obtain baseline data on one of the newly permitted vessels operating in Glacier Bay. This effort would consist of the following elements. Task 1: Conduct a radiated noise signature of the vessel and perform onboard vibration tests. The consultant supplies engineers, instrumentation and analysis. The work is done in Glacier Bay by deploying an array of hydrophones from a small chase boat and taking range data. The minimum water depth needs to be 100 meters. A minimum of two hydrophones will be deployed at depths of 25' and 1 50'. Task 2: Use diagnostic data from Task I to identify radiating sources and paths of transmission as the basis for potential noise abatement procedures. The consultant will provide the potential change in noise signature for various abatement scenarios. Task 3: The consultant will compare data with information obtained from prior studies involving naval and commercial vessels. This information will also be compared to data on noise studies regarding whales. Combined this information will provide a yardstick with which to measure technology required for quieter vessels. The proposed consultant has years of experience working

December 4, 1998

with both governmental and private concerns (including the U.S. Navy) in the design of vessels and other facilities with a view towards minimizing noise. ... (The consultant) is (to be) uniquely qualified to take that data and, if reducing noise is necessary, make proposals that will have actual positive results."

**Information necessary in order for offer to be fully evaluated. The following information is needed to insure that the proposal was fully responsive to the prospectus.**

1. Under Criterion 6A (Application, page 23 of 26) we require that all marine casualties be reported. In your proposal you indicated that there had been no reportable marine casualties. 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. Please submit copies of the official reports as required.

Procedures we will use in applying preferences can be found in the prospectus document. Please contact Chief of Concessions Management, Dave Nemeth, at (907-697-2230) if you have any questions.

Sincerely,



Tomie Patrick Lee  
Superintendent



FAX RECEIVED  
JAN 4, 1999

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JAN 08 1999

GLACIER BAY NATIONAL PARK  
& PRESERVE

January 4, 1999

VIA FACSIMILE 907-697-2654

12 Pages

Original being forwarded today  
via U.S. Postal Service

Ms. Tomie Patrick Lee  
Superintendent  
United States Department of the Interior  
National Park Service  
Glacier Bay National Park and Preserve  
P.O. Box 140  
Gustavus, Alaska 99826-0140

Dear Superintendent Lee:

In response to your letter of December 4, 1998, I submit herewith on behalf of Crystal Cruises, Inc. its "Amendment to its Proposal For Concession Permit For The Operation Of Cruise Ship Services Within Glacier Bay National Park & Preserve" and a Certification that the information provided in the Amendment is to be incorporated into Crystal Cruises original proposal dated June 18, 1998.

Very truly yours,

Gregg L. Michel  
Senior Vice President, Finance  
Crystal Cruises, Inc.

January 4, 1999

**CRYSTAL CRUISES, INC.****AMENDMENT TO  
PROPOSAL FOR CONCESSION PERMIT  
FOR THE OPERATION OF CRUISE SHIP SERVICES  
WITHIN GLACIER BAY NATIONAL PARK & PRESERVE,  
SUBMITTED JUNE 18, 1998**

In response to letter dated December 4, 1998 from Superintendent Lee, Crystal Cruises, Inc. submits this Amendment to its Proposal For Concession Permit For The Operation Of Cruise Ship Services Within Glacier Bay National Park & Preserve, dated June 18, 1998.

Crystal Cruises, Inc. agrees to fully meet the terms of the seven elements of the "best proposal" as set forth in Superintendent Lee's December 4, 1998 letter.

Specific information with respect to the manner in which Crystal Cruises will meet the terms of each element is set forth below.

**Item 1**

Crystal Cruises will provide in its on board library forty-four (44) specific book titles, many in multiple volumes, directly related to the natural and cultural history of Glacier Bay and the surrounding region (It should be noted that at the time its application was submitted, Crystal Cruises already had 27 of those titles in its on board library). These titles will include adult and children's books directly related to park themes and the region's natural and cultural history. A list of the books is attached hereto as Exhibit A.

In addition to the above mentioned books, Crystal Cruises presently maintains in its on board library twenty-five (25) videotape titles which are related to the natural and cultural history of Glacier Bay and the surrounding region. A list of the videotapes is attached hereto as Exhibit B. These videos are made available for guests to take to their individual staterooms, and are in addition to the continuous video loop which runs on Crystal's dedicated "Alaskan Channel" as referenced in Item 4 below. It should also be noted that all Crystal vessels provide television sets and video cassette players in each and every guest stateroom, thus allowing for convenient viewing of these materials.

**Item 2**

In addition to Crystal Cruises existing lecture programs (featuring experts such as Fred Hirschmann and Kim Heacox) which include Alaska history, culture, anthropology, and geology; Crystal will provide an on board interpretive specialist to assist with the National Park Service interpretive program while in Glacier Bay and provide visitor and employee programs related to the park prior to arrival. The specific program elements would be subject to National Park Service approval and may, at National Park Service discretion, involve National Park Service training sessions for the interpretive staff at Crystal Cruises expense.



### **Item 3**

Crystal Cruises has an extensive existing youth program (“Alaska Junior Activities”) which includes:

- Guest lecturer telling Alaskan stories/Native American Legends
- Group reading of Alaska books
- Viewing of Alaska movies and NPS videos
- Group discussions about Alaska scenery and wildlife
- Whale watching Sea-life education
- Arts and crafts
  - Create a puffy fish
  - Make Alaskan animals
  - Paint an Indian Totem Pole
  - Create bead jewelry
  - Make friendship bracelets
  - Lanyard making
  - Make homemade playdough
  - Finger painting
  - Mask making
  - Tissue art

In addition to this existing program, Crystal Cruises will train its youth counselors using National Park Service interpretive guidelines to include, as identified by the National Park Service, any additional videos, activities and games aimed at increasing the understanding and appreciation of Glacier Bay’s natural and cultural history.

### **Item 4**

In addition to providing the videos in the ship’s library for stateroom viewing, as referenced in Item 1 above, Crystal Cruises provides a dedicated “Alaskan Channel” through its on board television system which features nature films and generally provides programs oriented towards the natural and cultural history of Southeast Alaska. In addition, Crystal runs its “Crystal Clean” video on this channel which describes appropriate behavior for guests and crew members, particularly with regard to a respect for and care of the environment, while the ship is in Alaska. These elements were stated in the original application dated June 18, 1998, page 21A, a copy of which is attached hereto as Exhibit C.



### Item 5

Crystal Cruises will carry enough sorbent boom on its ships to fully encircle the vessel. In addition, Crystal Cruises will continue to maintain its Oil Spill Clean-Up Kit Carried On Board, as included in its original application dated June 18, 1998, Exhibit 1, page 39 a copy of which is attached hereto as Exhibit D; and Crystal Cruises is ready, willing and able to implement the Pollution Minimization Plan approved "as submitted" by Superintendent Brady (see Exhibit I to Crystal Cruises Application).

Crystal Cruises is extremely sensitive to the need to protect and preserve the environment and has a spotless environmental record.

### Item 6

As set forth in Items 5A and 5B on pages 22B and 22C on its original application dated June 18, 1998, Crystal Cruises has an extensive monitoring program in place for stack emission control and data. Copies of these items are attached hereto as Exhibit E. In addition to this program, Crystal Cruises will further provide stack emission data by means of the following:

- Its vessels will be equipped with two opacity meters and recorders. One opacity meter will record main engine exhaust while the other will record emissions from boilers and incinerators. Each recorder will receipt up to five inputs to provide perspective on emissions density over time. These records on opacity can then be time matched to GPS position print outs to provide the National Park Service with the desired baseline data.
- In addition to the features described in the above paragraph for stack emission data, Crystal Cruises will connect an alarm system to the opacity meters which will message the engine department for immediate action to remedy emissions that are above specific levels. This will provide an on-the-spot remedy for excess omissions.
- Further, please be advised that in October 1997 Crystal Cruises replaced the original oily bilge separator on Crystal Harmony with the latest design Westfalia type WSC25. This unit is based on centrifuge design. In addition to this new installation, Crystal Cruises will install an additional oily bilge separator of Blohm-Voss make, type TCS10HD which is a gravity based unit. While the original unit fulfilled regulatory requirements, this combined new installation provides state-of-the-art technology and moreover, the redundant second bilge separator will provide a back-up system which provides an additional safety net and confirms the commitment by Crystal Cruises to environmental safety.



**Item 7**

Crystal Cruises is prepared to participate in the “arrangement” which is set forth in the “best proposal” as described in Item 7 of Superintendent Lee’s December 4, 1998 letter. As stated in Item 7, this is a matter still to be negotiated by the offeror. Indeed, this is new ground, and as a consequence, Crystal Cruises is consulting on its own and has initiated discussions with outside experts in an effort to build upon or better the proposed arrangement.

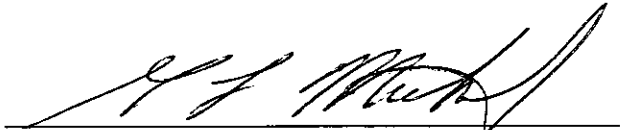
\* \* \* \*

Superintendent Lee’s letter also requested that Crystal Cruises submit copies of official United States Coast Guard reports in response to Criterion 6A of the Application with respect to certain described incidents. First, Crystal Cruises wishes to state that these reports were not supplied due to an honest misunderstanding on the part of Crystal Cruises personnel of what was required under this criterion. To remedy this, Crystal Cruises made a timely request of the United States Coast Guard for the reports, which request had to be submitted as a formal Freedom of Information Act (“FOIA”) request. Crystal Cruises was advised by the United States Coast Guard that it could not guarantee how long it would take to fill the request, particularly in the holiday season when many of its personnel are on leave. Crystal Cruises has made every effort to seek to expedite United States Coast Guard response to its request. As of the time of submission of this Amendment, the reports are not yet in hand. We expect them literally “any day” and shall immediately forward them to the National Park Service.



**CERTIFICATION**

I, Gregg L. Michel, Senior Vice President, Finance, of Crystal Cruises, certify that the information set forth in Crystal Cruises, Inc. "Amendment to its Proposal For Concession Permit For The Operation Of Cruise Ship Services Within Glacier Bay National Park & Preserve," dated January 4, 1999, is to be incorporated into the original proposal of Crystal Cruises, dated June 18, 1998, submitted to the National Park Service.



---

Gregg L. Michel



## **ALASKA TITLES**

Available in Crystal Harmony Library for Free Check-Out by Guests (as of September 1, 1998)  
(More titles will be added as available for 1999 season)

### **BOOKS** (88 copies of 44 titles)

1. Adventures in Alaska, The Ultimate Travel Guide to the Great Land (4)
2. Adventuring in Alaska, Peggy Wayburn (2)
3. Alaska, Insight Guide (4)
4. Alaska, James Michener (2)
5. Alaska, Lonely Planet (4)
6. Alaska A to Z (2)
7. Alaska Almanac, Mile Post (1)
8. Alaska Blue, Joe Upton (1)
9. Alaska by Cruise Ship, Anne Vipond (4)
10. Alaska Highway, An Insider's Guide (2)
11. Alaska, The Land, The People, The Cities, Mike Macy (1)
12. Alaska, A Travel Survival Kit, Jim Dufresne (1)
13. Alaska's Glacier Bay, Karen Jetmar (1)
14. Alaska's National Parklands, Fred Hirschmann & Kim Heacox (4) (also on sale in gift shop)
15. Alaska's Ocean Highways, Mark Kelley (1)
16. Alaska's Southwest, Touring the Inside Passage, Sarah Eppenbach (1)
17. Blue Ice in Motion, Sally Wiley (1)
18. Call of the Wild, Jack London (2)
19. Coastal Companion, A Guide for the Alaska Bound Traveler, Joe Upton (1)
20. Environmental Interpretation, A Practical Guide, Sam Ham (NPS) (1)
21. Field Guide to Alaska Wildflowers, Verna Pratt (1)
22. Field Guide to Birds of North America, National Geographic (1)
23. Fieldings Alaska Cruises (2)
24. Fodor's Alaska Ports of Call 1998 (2)
25. Glacier Bay, National Park Service Handbook (4) and Brochures (10)
26. Glacier Bay: The Land and the Silence, Dave Bohn (1)
27. Glaciers of North America: A Field Guide, Sue Ferguson (2)
28. Guide to Alaskan Seabirds, ANHA (1)
29. Guide to Birds of Alaska, Robert Armstrong (1)
30. Guide to Marine Mammals of Alaska, Kate Wynne (1)
31. Interpreter's Guidebook: Techniques for Programs and Presentations, K. Regnier (NPS) (1)
32. Interpreting for Park Visitors, William Lewis (NPS) (1)
33. Land of the Ocean Mists, Francis Caldwell (1)
34. Last New Land, Wayne Mergler (1)
35. Mammals of Alaska, Penny Rennick (1)
36. National Park System Map & Guide (10)
37. National Parks: Index (2)
38. National Parks: Shaping the System (2)
39. Nature of Southeast Alaska, The, R. O'Clair (1)
40. Plants of the Pacific Northwest, J. Poljar (1)
41. Principles in Interpretation, Freeman Tilden (NPS) (1)
42. Reader's Companion to Alaska, Alan Ryan (2)
43. Tlingit Indians, G.T. Emmons (1)
44. Travels in Alaska, John Muir (1)

2049 Century Park East, Suite 1400

Los Angeles, California 90067

Tel. 310.785.9300, Fax. 310.785.0011

[www.crystalcruises.com](http://www.crystalcruises.com)

## ALASKA TITLES

page 2

Available in Crystal Harmony Library for Free Check-Out by Guests (as of September 1, 1998)  
(More titles will be added as available for 1999 season)

NOTE: All videos and films are also shown continuously on the dedicated "Alaska Channel" on board

### VIDEOS / FILMS (40 copies of 25 titles)

1. Alaska (feature film) (2)
2. Alaska's Grizzlies (Nat'l Geographic) (2)
3. Alaska's Inside Passage (4)
4. Aurora (1)
5. Braving Alaska (1)
6. Cathy Cook, National Park Service Interview (1)
7. Chilkoot Trail (1)
8. Cruising to Alaska (2)
9. Days of Adventure, Dreams of Gold (1)
10. Denali Wilderness (2)
11. Discovering Alaska (2)
12. Forgotten Frontier, The (1)
13. Full Circle: Alaska and Russia (1)
14. Glacier Bay: A Moving Force (2)
15. Glacier Bay: Grand Design (1)
16. Glacier Bay (ANHA) (2)
17. Glacier Legacy (2)
18. Glaciers of Southeast Alaska (2)
19. Grizzlies, The (1)
20. Keeping Alaska Crystal Clean (4) (Crystal Cruises' self-produced info video)
21. Misty Fjords (1)
22. National Parks: An American Legacy (1)
23. National Parks: Our Treasured Lands (1)
24. Sitka (1)
25. Yukon Passage (1)

Name of Offeror: Crystal Cruises, Inc.APPLICATION  
21A of 26Response to Criterion 4B.4. and 4B.5.:

1. Schedule programs and provide materials specifically for children onboard with a park related them.

As most of our summer Alaskan cruises include children, we have two to four Junior Activities Directors onboard to conduct activities throughout the day. Part of their activity program includes the participation of the National Park Rangers giving presentations to the children when their time permits, sharing with the children the materials the Park Rangers bring onboard, and the special showing of nature and conservation videos for the junior cruisers. All of Crystal Cruises' Junior Activities Directors are trained in and briefed about Crystal Cruises' "Crystal Clean" program and the importance of environmentally respectful sailing.

2. Provide passengers and crew the opportunity to view video(s) about Glacier Bay prior to arrival.

Through the onboard television system, we dedicate one channel as our "Alaskan Channel" which features nature films, statements about our "Crystal Clean" corporate program, videos about Alaska from the National Park Service, and comments from our Cruise Director noting the times of live presentations about Alaska. All crew rooms have television sets and have access to these programs. Prior to the beginning of an Alaskan season, all crew go through an orientation of our "Crystal Clean" program inclusive of videos and our corporate mission statement about being an effective, environmentally safe operation in Alaskan waters. In addition, throughout the cruise, the Hollywood Theater (145-seat movie theater) is used for live lectures, and slide/video presentations on Alaska.

3. Provide passengers and crew with supplemental materials about Glacier Bay prior to arrival in Glacier Bay.

Materials obtained from the National Park Service at the beginning of the Alaskan sailing season are displayed in the library and other public areas for passengers' preview. In crew areas, outside the Crew Officer's office, materials and information about Alaska and our "Crystal Clean" program are displayed and offered to all crew for their reading and review. The shipboard library has a section of Alaska and nature related reading material especially boarded for the use of the passengers. Nature videos for borrowing and use in passengers' private staterooms are also available, at no cost, in the library.



5. ADDITIONAL INFORMATION

5.1 ON-BOARD CLEAN-UP EQUIPMENT

(Continued on page 40)

OIL SPILL CLEAN UP KIT CARRIED ONBOARD

<u>Sorbants</u>	50 pcs pads	97cm x 83cm (49450)
	400 pcs pads	48cm x 43cm (494200)
	2 pcs rolls	44cm x 48cm (49450 S)
	32 pcs booms	3m x 10cm Ø (494410 S)
<u>Emulsifier/Cleaning Chemical</u>	25 ltr Aquabreak PX 1 Jet spray	
<u>Protection Equipment</u>	6 pairs rubber boots 6 pairs oil chemical resistant gloves 6 overall suits Hand cleaner	
<u>Waste Containers</u>	10 plastic bags for holding recovered waste 2 big bags	
<u>Additional Equipment</u>	Walden Diaphragm Pump	1 pcs
	Non-sparking hand scoops	4 pcs
	Non-sparking shovels	2 pcs
	Non-sparking buckets 10 ltr	6 pcs

Name of Offeror: Crystal Cruises, Inc.APPLICATION  
22B of 26

encourage proper waste disposal

- No use of fluorocarbons in dry cleaning machine
- Use of "reconditioned" toners to reduce need of new ones
- Implementation of water conservation system throughout the ship
- Suppliers are asked to advise on new environmental-friendly products (this is our standard procedure with all suppliers)
- "Crystal Clean" program

Crystal Cruises, Inc. is also very safety conscious which is a mindset that evolved from its present management and their years of experience in the cruise business, coupled with the safety orientation of its owners, NYK, the largest vessel operators in the world. Due to the collaboration of these two management groups, Crystal Cruises' vessels are each manned with three licensed masters (one serves as Master, one as Vice Captain and one as Deputy Captain), two licensed Chief Engineers, and a "1.5 watch system" in the English Room. This manning system provides a ship's operating safety system unsurpassed by any other cruise vessel. It allows for an increased safety element from the Bridge to the Engine Room which results in a higher safety probability when operating in sensitive and controlled environments such as Glacier Bay.

The "1.5 watch system" provides a double watch system in the ship's engine room in the sense that a certified 2nd engineer monitors the engine room electronically from the control room on a 24 hour basis -- at the same time a certified 2nd engineer is physically inside the engine room checking throughout the engine room on a 24 hour basis. The purpose of this redundancy is to minimize the possibility of casualty in the engine room and to provide the fastest discovery and response time should a casualty occur.

As to specific aspects of minimizing environmental impact in Glacier Bay, Crystal Cruises states as follows:

Stack Emissions -- Crystal Cruises is committed by the company's environmental program to avoid stack emission especially in protected areas such as Glacier Bay. The vessels' propulsion systems are diesel-electric. The great advantage of this system is that there are no mechanical links between the main engines and the propellers. The main engines are operating generators that are generating power for the electric propulsion motors. Thus, the

Name of Offeror: Crystal Cruises, Inc.

APPLICATION  
22C of 26

main or generator engine operates on constant RPM, which reduces emissions considerably.

In addition to the design characteristics of the vessels, Crystal Cruises also takes special operational measures to control emissions. A television camera monitoring the exhaust outlets on the smoke stack has been installed on each vessel, thus enabling the engineer on duty to monitor the emissions at all times, and immediately take necessary corrective action if emissions should occur. Also, our Marine Operations department has prepared instructions for the Masters of the vessels as well as the Chief Engineers on how to maneuver the vessel in order to reduce emissions and to make sure the vessels operate as close as possible to 100% combustion. Finally, the quality of fuel is a very important factor with respect to emission and we ensure that only the highest quality lighter fuel oil (grade IF 180) is being consumed while in Glacier Bay.

Discharge into park waters -- There is no discharge while the ships are in Glacier Bay. Although the vessels are equipped with the latest innovation in garbage handling systems, the incinerators are shut off for the entire stay while in Glacier Bay. The vessels' sewage treatment systems are designed to comply with I.M.O. and U.S. Coast Guard regulations. There are no direct outlets of any kind of sewage from the vessels. All sewage is directed through a sewage treatment plant, and from there into sewage holding tanks. The capacity of the sewage holding tanks is large enough to accumulate sewage for 72 hours of the full complement of passengers and crew. Discharging of sewage is not necessary while in Glacier Bay, as the vessel's total time in the Bay is only 10 hours on each call, well below the capacity of 72 hours.

Furthermore, Crystal Cruises is aware of the need for and has taken all precautionary measures possible to avoid discharge of oil or other pollutants while in Glacier Bay.

Crystal Cruises has designated the master of each vessel as the vessel's Environmental Officer; thus, giving environmental concerns the highest priority in Crystal Cruises' cruise ship operations.

Moreover, Crystal Cruises has developed a detailed pollution response plan which enables the crew to detect spills or leaks quickly and respond immediately so as to avoid or minimize potential damage. The plan --

- requires immediate notification of company management and appropriate government officials whose facsimile and phone numbers are onboard at all times;



February 4, 1999

VIA US POSTAL SERVICE

Ms. Tommie Patrick Lee  
Superintendent  
United States Department of the Interior  
National Park Service  
Glacier Bay National Park and Preserve  
P.O. Box 140  
Gustavus, Alaska 99826-0140

RECEIVED  
FEB 08 1999  
GLACIER BAY NATIONAL PARK  
& PRESERVE

**Subject: Amendment To Proposal  
Criterion 6A**

Dear Superintendent Lee:

Further to Crystal Cruises, Inc.'s "Amendment To Its Proposal For Concession Permit For The Operation Of Cruise Ship Services Within Glacier Bay National Park And Preserve" dated January 4, 1999, please find attached the copies of official United States Coast Guard Marine Casualty Investigation Reports for those incidents mentioned on page 3 of your letter of December 4, 1998.

I trust the attached satisfies the information requested for criterion 6A of the Application (pages 23-26); however, should you require any further information please feel free to contact me.

Yours sincerely,

Gregg L. Michel  
Senior Vice President, Finance

GLM/jet

Attachments