

Evaluation Document

For

Cruise Ship Services Prospectus issued February 19, 1998

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

Offeror:	Yachtship CruiseLines, Inc. (American West Steamboat Co.)
Evaluator(s):	Stephen G. Crabtree, Concessions Team Leader, Western Region
	Mary Beth Moss, Chief of Resource Management, Glacier Bay NP&P
	Jerry Case, Chief of Interpretation, Glacier Bay National Park & Preserve
	Randy King, Chief Ranger, Glacier Bay NP&P
	David Nemeth, Chief of Concessions, Glacier Bay NP&P

- ***Submittal of Offer***

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

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

Were two complete copies of the offer submitted?	☒	Yes	☐	No
Applicant Statements (reference page number):				
Comments:				

Offer Letter

Was an offeror's letter submitted as required?	X	Yes		No
Applicant Statements (reference page number): The applicant letter and the corporate certification were provided.				
Clarification: Copy of "First Meeting of Directors" submitted as verification of President's authority to certify his own signature.				
Comments: Robert Giersdorf signed both the offer letter and the corporate certification, which is questionable since the certification may be meaningless when done in that way. Clarification regarding authority to do so is needed.				
Clarification: The <i>Minutes</i> do not appear to confirm the authority of the President to make commitments such as this, on behalf of the offering entity, without certification of another corporate officer.				

Summary		Superior		Successful	X	Not Successful
Summary Comments on this Factor: In this case the Corporation is wholly owned by Giersdorf and his wife. Absent other shareholders, the discrepancy in the certification, for our purposes and in these circumstances, is probably acceptable.						
Clarification: Legality of the offer letter should be resolved in order to assure the offer complies with requirements of applying entity.						

Factors, Criteria and Questions

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

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

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

1. Was the offeror adequately identified?	☒	Yes	☐	No
Applicant Statements (reference page number): The offer is from Yachtship Cruiselines, Inc. DBA American West Steamboat Company. It is owned 100% by Robert and Lori Giersdorf. (pg 8 of 26) A certificate of incorporation from the State of Washington dated October 16, 1989 is provided.				
Comments: There is also an entity called <i>Great Rivers Cruise Tours</i> which is owned by the Giersdorfs but which is not said to have anything to do with the offer being made.				

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

2. Was adequate information provided?	☒	Yes	☐	No
Applicant Statements (reference page number): See 1, above. Financials are in Factor 3.				
Comments:				

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

3. Were related, subordinate and superior entities adequately described?	☒	Yes	☐	No
Applicant Statements (reference page number): There is only one formal entity and it is identified. American West is a DBA subordinate to Yachtship, which is a corporation.				
Comments: There is a related entity that is not shown as part of the whole except as it is casually referenced by Giersdorf in one of his background write-ups. That is <i>Great Rivers Cruise Tours</i> . If it is a DBA and part of Yachtship Cruiseline, Inc. its problems could become our problems.				

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

4. Were layers of entities adequately described?	☒	Yes	☐	No
Applicant Statements (reference page number):				

Comments: There are none.

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

5. Were these forms provided?	X	Yes		No
Applicant Statements (reference page number): Page 8 of 26				
Comments:				

ANILCA Section 1307 Preferred Operator

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

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

6. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): Not local, pg. 9 of 26.				
Comments: AWSC would not have "local" preference.				

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

7. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): Not Native, pg. 9 of 26.				
Comments: AWSC would not have "most directly affected Native corporation" preference.				

Preference for New and Small Operators

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

8. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): No, pg. 9 of 26.				
Comments:				

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

9. Was this information provided as required?		Yes		No
Applicant Statements (reference page number):				
Comments: Question is not applicable.				

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

10. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): There is none, pg. 10 of 26.				
Comments:				

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

11. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): Five marketing booklets are provided showing the company marketing trips provided by others to Glacier Bay. The management also formerly used its own boats to enter Glacier Bay with tours. The company operates on the Columbia, Willamette and Snake Rivers in Washington/Oregon with a riverboat called the <i>Queen of the West</i> (a video was provided). A narrative is provided at Enclosure 1 that recaps the Giersdorfs experience in the Alaska tourism market and at Glacier Bay and other locations.				

Comments:
Nothing specific is said about the second part of the question.

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

12. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): The statement at Enclosure 1 provides this answer.				
Comments:				

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

13. Was this experience identified?		Yes	X	No
Applicant Statements (reference page number): The offer names three agencies in the penultimate paragraph of Enclosure 1. They say they have been a permit holder. The Giersdorf's operated Glacier Bay Lodge under concession contract with the NPS.				
Comments: They do not actually say what they did & do not identify what they have experience providing.				

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

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

14. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): Several forms are provided recapping the background of key people to be involved in the Empress of the North. Enclosure 2, gives more background on key managers.: President, VP Admin, Exec. VP, VP Pass. Services, VP Marine Operations, VP National Accounts, Adv. Mgr., Reservation Mgr.,				
Comments: There is a good presentation here of the team to be involved. All seem experienced and very able. There was not information for any on-board personnel as requested. Since the vessel has not yet been built, this is not surprising. As an alternative, standards for these positions would normally be provided.				

Cr. 1a Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: The principal making the offer and the team to be involved in carrying it out have appropriate backgrounds and experience. We have an idea what the structure of the organization is and what entity we would be contracting with.						

CRITERION 1B. NONE.

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

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

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

1. Does the offeror agree to provide the required services under the conditions specified in the Permit?	X	Yes		No
Applicant Statements (reference page number): An applicable statement is included at Enclosure 3. The question is answered at 12 of 26.				
Comments:				

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

2. Was all information provided?	X	Yes		No
Applicant Statements (reference page number): Ship is to be new, diesel electric powered, sternwheel and twin z-drive, #2 diesel as fuel, 232 max, passengers in 112, 224 sq. ft. cabins. Crew is all to be American. American flag. Name is to be Empress of the North. (pg. 12 of 26)				
Comments:				

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

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

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

4. Did the offeror answer this question (enter number of entries under comments)?	X	Yes		No
Applicant Statements (reference page number): Seeking 13 June to August entries, pg. 12 of 26.				
Comments:				

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

5. Does the offeror wish to apply and compete in all categories in order to maximize your opportunity? If "NO", specify the category or categories under which they are applying and the number of entries in the following table:	X	Yes		No
Applicant Statements (reference page number): Pg. 13 of 26.				
Comments:				

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

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

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

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

6. Does the offeror intend to utilize all entries?	X	Yes		No
Applicant Statements (reference page number): Pg. 13 of 26.				
Comments:				

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

7. Does the offeror agree to notify the NPS of any unused entries ?	X	Yes		No
Applicant Statements (reference page number): Pg. 13 of 26.				
Comments:				

Cr. 2a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: The offeror agrees to provide the services required, wants 13 entries to do so, and agrees to sign the permit as written.						

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:

- Offer Native Alaskan art and handcrafts prominently in shipboard gift shops.
- Provide an expanded library of resource materials on Glacier Bay, Alaska, Native Culture including standard references, books, periodicals, videos, maps, etc.
- Feature local Alaskan artists and craftspersons in shipboard displays and in gift shops.
- Insure that ship board activities, gift shop items etc. contribute to visitor understanding of the area (e.g. gift shops offer only stuffed toy animals which are native to the area).

- e. Implement corporate and/or shipboard programs related to protection of the (marine) environment.
- f. Establish minimum standards of knowledge about Glacier Bay and the National Park Service for officers and crew members.

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

1. Were any services and facilities described?	X	Yes		No
Applicant Statements (reference page number): Application page 14 is not in the package but we have Enclosure 3 which provides the intended answers and Enclosure 8 which provides images of the intended boat. They plan to showcase Native Alaskan art and handcrafts. On board shop will emphasize local artists. Opportunities for on-board craft demonstrations. Will offer items native to the area. Will emphasize items focused on culture, scenery, and wildlife. Will have a ship's library with natural and cultural resources. (Encl. 3.) Claim an insider advantage in obtaining local and native handcrafts due to prior experience operating Glacier Bay Lodge gift shop. Ship to be a floating art gallery emphasizing native cultures, and gold rush and Russian history. One of a kind Russian works of art to be on display as well as native works. On board historian will be a ship's curator and will explain the art collection. (Encl. 3) All crew members to complete mandatory NPS mission and policies orientation. Will emphasis their stewardship role and minimum impact requirements. Will educate the crew on cultural, historical, and geologic features.				
Comments: They covered five of the six suggested areas included in the Application portion of the prospectus. There is no evidence for the handcraft access claim or what it would mean in practice. The art work and curator idea is special but there is no explanation of the scope of the collection. There is no direct marine environment protection program addressed. The library, according to plan 5-C included with Enclosure 8 is within one of the lounges. The gift shop is a cabin-sized space in plan 5-B although it may be on "Texas Deck" based on a note shown on the plan sheets.				

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

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

2. Were such measures described?	X	Yes		No
Applicant Statements (reference page number): See 1., above. They will be promoting Native American handcrafts. Nothing said about enhancing the scope and supply.				
Comments: Nothing more in this question than in question 1.				

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

3. Were other services, facilities, programs, itineraries, etc. described?	X	Yes		No
Applicant Statements (reference page number): Enclosure 3. They will use the optimal itinerary but arrive at 8 AM so passengers can go ashore, take a nature walk. Also want to cruise Marble Island seabird colony and sea lion haul out area.				
Comments: The shore based trip might be useful but this ship carries as many as 232 passengers and landing such a group and conducting a presentation would require facility preparation and planning by the NPS and would not always be practical due to the weather at Bartlett cove. Also, there are presentations to be given on board within the optimal itinerary so what is gained by going ashore at Bartlett Cove?				

Cr. 2b. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: There is so little specific information provided that the ideas offered are really not strong enough to warrant a superior rating. Landing 232 people at Bartlett Cove will likely create more confusion than help educate them. The gift shop is so small that barely anything can be merchandised. The other ideas are really one sentence restatements of the ideas in the prospectus. Without idea development or originality, the response is fine and may lead to something but not sufficient to warrant a Superior rating.						

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

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

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

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

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

1. Does the offeror agree to pay the fees as shown?	X	Yes		No
Applicant Statements (reference page number):Pg. 17 of 26				
Comments:				

Cr. 3a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: Page 14 of 26 of the Application is not included in the package. The answer is checked yes on page 15, which is included, but there is no way to tell what might have been written on the bottom of page 14.						

CRITERION 3B. NONE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. If you answer yes to item 1, but would also like to propose possible alternative itineraries which you feel would provide a superior visitor experience, please do so here. Provide details of why you feel this would be a

superior itinerary and whether or not this itinerary is an optional or integral element of your proposal (**optional** meaning implementation of the itinerary would be at the NPS's discretion; **integral** meaning that, under your proposal, some entries would *need* to use the alternative itinerary).

3. Were itineraries in addition to the "optimal itinerary" proposed?		Yes		No
Applicant Statements (reference page number):				
Comments:				

Additional Elements of the NPS Interpretive Program

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

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

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

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

Additional Elements Not Included in the NPS Interpretive Program

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

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

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

5. Does the offeror propose to meet any or all of the elements shown above?	X	Yes		No
Applicant Statements (reference page number): Application, page 21 – No documentation submitted to address Question #5, but information submitted for Question # 6 applies here. Offeror will provide children's informational packet to include coloring book and additional handouts. Lectures, discussions, slide shows, and videos will be presented prior to entering the park. Passengers will receive an orientation on Glacier Bay(Enclosure 3, page 21).				
Comments: Few details were provided on how each item would be addressed or provided. Programming was referred to in general terms, with few specifics.				

Opportunity for Applicants to Propose Innovative Interpretive Program Elements

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

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

6. Are additional interpretive program elements proposed?	X	Yes		No
Applicant Statements (reference page number): Application, Enclosure 3, page 21 – Provides an alternative to the optimal schedule by stating that this vessel will stop at Bartlett Cove and off-load passengers for two hours.				
Comments: Proposed itinerary to stop at Bartlett Cove presents several logistical problems and departs from the optimal schedule determined by the NPS. Offeror stated in #1, above that they would operate in accordance with the optimal itinerary but this is a deviation from that itinerary. In #2, above, no alternate itinerary was provided.				

Cr. 4b. Summary	X	Superior		Successful		Not Successful
Summary Comments on this Factor: Only slightly superior from minimum interpretive programming. Provides some children's activities and proposes to provide information prior to entering Glacier Bay, though no details on this proposal were offered.						

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

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

1. Does the offeror agree to submit the required <i>Pollution Minimization Plan</i> as part of your application and, after approval, implement the plan as approved?	X	Yes		No
Applicant Statements (reference page number): See Enclosure 5, Page 21 & 22.				
Comments:				

1a. Was an adequate pollution minimization plan provided?	X	Yes		No
Applicant Statements (reference page number): Enclosure 5, Page 21 & 22 Air Quality/Stack Emissions: • Diesel electric engines w/state of the art catalytic converters and scrubbers • Will operate at constant RPM • Will reduce number of operating engines • Opacity sensors will be in place • Opacity data recorded and filed • Will provide NPS with naval architecture plans Underwater Noise • Diesel electric generators are soft-mounted and located above deck • Will maintain constant RPM • Will maintain appropriate engine loading by selective use of Z-drives and paddlewheel • Will provide underwater noise signature test data on vessel completion Oil Spill • Emergency Response Plan will be implemented • Absorbent pads and boom will be stored • Licenses crew members will be trained by licensed certified state-approved response personnel				
Comments: Offeror describes engine specifications which are claimed to minimize both stack emissions and underwater noise as well as several operating strategies for reducing air and noise pollution. Oil spill readiness strategies are standard, but difficult to evaluate because specific information is not provided. Offeror does not describe any monitoring actions or methods for NPS to verify that pollution minimization techniques are being implemented.				

Cr. 5a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: Much of the Pollution Minimization Plan strategies presented rely on vessel design, in particular, the type of engine (diesel electric). Some operating methods described would also likely reduce both air and underwater noise pollution. Oil spill readiness is difficult to evaluate, but it appears the offeror is appropriately considering planning, training, and equipment.						

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

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

Did the Offeror address in their proposal measures they would take which go beyond law and regulation to further minimize or eliminate these environmental impacts while operating in the park ?	X	Yes		No
Applicant Statements (reference page number): Enclosure 5, Page 21&22 - Zero discharge of effluents or solids except for condensate gray water - Grey water, sanitation devices, incinerator ash, and oil water effluent discharged out of Park waters. - Welcome Aboard brochure asks passengers not to litter - Waste receptacles with lids placed throughout vessel - Waste carried ashore at drop-off points outside the park - Disposable tableware will not be used on outer decks - Passengers will have an opportunity to view a video which warns them about feeding wildlife - State of the art sound systems will ensure that "unnecessary noise" is not transmitted - Helicopters will not be used for photography Comments: In addition to those points made in 5A which exceed strict requirements and laws, the offeror describes nominal actions for reducing littering and wildlife feeding and agrees to not use helicopters.				

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

1. Does the offeror offer to provide baseline data from their vessel(s)?	X	Yes		No
Applicant Statements (reference page number):				
Comments:				

1a. If yes, did the offeror describe the nature and format of the data, procedures for data submission and constraints, if any, for data use or distribution?	X	Yes		No
Applicant Statements (reference page number): Enclosure 5, Page 21				
Will provide underwater noise signature test data.				
Comments: The offeror does not describe baseline data which would be made available other than a sound signature following completion of vessel construction.				

Cr. 5b. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: The offeror makes few commitments regarding environmental protection strategies beyond those required by law or regulation. Actions to minimize litter and wildlife feeding will likely be valuable (video, welcome aboard brochure). Sound signature information will be very useful in evaluating the effects of vessel noise on marine resources, particularly if the offeror agrees to work with NPS on data collection design (i.e., collecting sound signatures at various speeds, etc.).						

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

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

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

1. Has the offeror had any reportable marine casualties?	X	Yes		No
Applicant Statements (reference page number): Applicant indicates reportable marine casualties in responding to Question 6.A.1 on page 23. The applicant provided a summary of the incidents along with a 16-page USCG printout on the M/V Queen of the West. The USCG summary describes 16 reportable marine casualties, including 4 groundings, 6 equipment failures, 5 personal casualties and 1 fire.				

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

Comments:

There have been 3 equipment failures on the Queen of the West since a major retro-fit in 1997; one USCG report/summary references a 480-gal release (or hydraulic fluid?) into the Columbia River. The applicant proposes to construct a new stern-wheel vessel, M/V Empress of the North, for operation in the park.

1a. Were copies of the reports submitted?

X

Yes

No

Applicant Statements (reference page number): See above.

Comments:

1b. Did a background check identify any additional casualties?

Yes

X

No

Applicant Statements (reference page number):

Comments:

Printout provided is from the USCG Port State Information eXchange, detailing all USCG records for the applicants currently operating vessel, Queen of the West.

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

2. Did the offeror report any such citations, notices of violation, etc.?

Yes

X

No

Applicant Statements (reference page number):

The applicant indicated no violations in responding to Question 6.A.2 on page 24.

Comments:

2a. Were copies of the reports submitted?

Yes

No

Applicant Statements (reference page number): N/A

Comments:

2b. Did a background check identify any additional violations?		Yes	X	No
Applicant Statements (reference page number):				
Comments: USCG reported no records of violations for the applicant.				

3. Has the offeror received any unsatisfactory food service sanitation inspection reports from the U.S. Public Health Service for the period beginning two years prior to the date this prospectus was issued through the present? If yes, submit the reports for these inspections and a summary of any corrective actions taken by the offeror.

3. Did the offeror any unsatisfactory food service sanitation inspection reports?		Yes	X	No
Applicant Statements (reference page number): The applicant reported no unsatisfactory food service inspections in responding to Question 6.A.3 on page 24. By separate attachment, applicant made available an inspection report with a marginal (85) rating and a subsequent follow-up correction report.				
Comments: Nothing to indicate an area of concern.				

3a. Were copies of the reports submitted?	X	Yes		No
Applicant Statements (reference page number): Applicant provided a report of a marginal rating although not required to do so.				
Comments:				

3b. Did a background check identify any additional unsatisfactory reports?		Yes	X	No
Applicant Statements (reference page number):				
Comments: Verification checks with U. S. Public Health Service confirmed applicant's information.				

Cr. 6a. Summary		Superior		Successful	X	Not Successful
Summary Comments on this Factor: There were 16 marine casualties involving the applicant's sole-operating vessel – the M/V Queen of the West. No violations or unsatisfactory food service inspections were reported or documented. The marine casualties included 4 groundings, 6 equipment failures, 5 personal casualties and 1 fire. None of the personal casualties were classified as serious. Four is a significant number of groundings for a 3-year reporting period, however. The high number and diversity of reportable marine casualties warrants concern about the applicant's ability to construct and safely operate a vessel similar to the Queen of the West in the park. Accordingly, the applicant is rated not successful in meeting this criterion without further information to assure that the proposed vessel would not suffer a similar pattern of marine casualties.						

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:

- 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.
- 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.
- Sole proprietors and unconventional lenders and proposed individual investors: Provide personal financial statements.

1. Was the appropriate information provided?		Yes	X	No
Applicant Statements (reference page number): A personal financial statement for Robert and Lori Giersdorf is provided dated June 19, 1998. Also a statement is provided for American West Steamboat Company showing the 1998 (apparently estimated) revenue of the Queen of the West as well as 1999 and the estimates for both Queen of the West and Empress of the North for 2000 – 2004. A Yachtship Cruiselines, Inc. balance sheet for a period ending May 31, 1998 and showing a “this month” column and a “year-to-date” column. (After pg. 25 of 26)				

Comments:

There are no audit reports and no indications of who prepared the statements. Certain assumptions are made about the value of assets that are not justified. The Giersdorf's seem to have a variety of interests. Some of them are on the financial statements provided and some are not. The statements provided also do not provide a way of judging the overall obligations and commitments of the Giersdorf's and their companies and whether funds are actually available to finance the investment or a portion of the investment they plan to make. If they plan to show that they can use existing assets to finance the Empress of the North, what they provided is not sufficient.

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

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

2. Were funding sources identified?

Yes

X

No

Applicant Statements (reference page number): On page 25 at item (2) the Empress of the North, the vessel to be built, is estimated to cost \$27.5 million. A loan guarantee is to be sought under a federal law. A flier is provided describing the program. Engine manufacturer financing is said to be available but no specifics are provided. No material is provided as to who will actually loan the funds needed is provided. What specific resources of the Giersdorfs would yield the needed funds or a portion of them are not identified..

Clarification: Offeror submitted an excerpt of P.L. 105-383: "SEC. 431. VESSEL FINANCING FLEXIBILITY. The Secretary of Transportation may guarantee obligations under section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App.1273), for the vessels planned for construction to be purchased by the American West Steamboat Company and to be named QUEEN OF THE YUKON, which will operate on the Yukon and Tanana Rivers, and EMPRESS OF THE NORTH, which will operate in Alaska, Washington, and Oregon. Notwithstanding sections 509, 1103(c)), and 1104A(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1159, 1273(c), and 1274(b)), the Secretary of Transportation may guarantee obligations of 87 1/2 percent of the purchase price of such vessels. Each obligation guaranteed under this section may have a maturity date of 25 years from the date of delivery of the vessel concerned." And a letter of interest from *Debis Financial Services*.

Comments: The financing arrangements do not meet the specific requirements of questions 2(a.) and (b.) of Criterion 7.

Clarification: Neither item appears to guarantee financial support.

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

3. Were financing arrangements adequately described?

Yes

X

No

Applicant Statements (reference page number): There is no specific answer to this question.

Clarification: See above

Comments:

Clarification: See above

Cr. 7a. Summary

Superior

Successful

X

Not Successful

Summary Comments on this Factor: The offeror may or may not be able to finance the \$27.5 million cost of the Empress of the North. However, the personal financial statements cannot produce the needed funds. No lender is identified and the Federal guarantee hoped for has not been applied for. Engine company funding is not shown as applied for. The answers required are specific and to the point. What we received was far too vague and speculative to give the necessary assurances. This is particularly true since we are told the ship is in design.

Clarification: Information suggests that financing of the vessel *may* be guaranteed. While it appears that financing is likely, we believe information regarding conditions under which the funding would be guaranteed and steps taken by the offeror to meet these conditions are needed in order to confirm that services would be provided as submitted.

CRITERION 7B. NONE.

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

CRITERION 8A. NONE

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

A franchise fee offer above the required level will be a secondary factor as explained by the terms of PL 89-249 (and Public Law 104-333, Section 704, below²). Secondary factors will be used in the evaluation of offers when a selection of the best offer cannot otherwise be made from the results of evaluating the three primary factors. Public Law 89-249, Section 3(d) and 36 CFR Part 51.4b(3), (Both are included in the Appendix) provides guidance as to franchise fees.

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

1. Was a higher franchise fee offered? If yes, enter fee offered under "Applicant Statements".	X	Yes		No
Applicant Statements (reference page number): A schedule of fees is shown, \$15.00 in 2000 and 2001, \$17.50 in 2002 and 2003, and \$20.00 per passenger in 2004.				
Comments: A better fee offer and the passenger count at 232 is below the 500 limit.				

Cr. 8b. Summary	X	Superior		Successful		Not Successful
Summary Comments on this Factor: A valuable added fee offer. \$15.00 in 2000 and 2001, \$17.50 in 2002 and 2003, and \$20.00 per passenger in 2004.						

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

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

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

End