

Proposal for Concession Operation

June 17, 1998

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.

6/17/98

John Tillotson
Director of Operations
Discovery Shipping
2001 Western Avenue Suite 300
Seattle, WA 98121

CERTIFICATE OF CORPORATE OFFICER

I, Steve Clearman, certify that I am the Vice President of the corporation named as *Offeror* herein; that John Tillotson, who signed this proposal on behalf of the *Offeror*, was then Director of Operations 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.

National Park Service Note

The Following items are not included in this NPS release of: Discovery Shipping, 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:

- Discovery Shipping (4pages)
- Society Expeditions Income Statement (1 page)
- Criterion 7A: (6pages)

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

- Criterion 6A: Records related to Marine Casualties, Violation Notices and Food Service Sanitation (7 pages)
- Society Expeditions Arctic Alaska 1998 Brochure (15 pages)
- Society Expeditions Around the Ring of Fire 25th Anniversary Cruise Brochure (7 pages)
- Society Expeditions Mysteries of Papua New Guinea Brochure (7 pages)
- Society Expeditions Antarctica 1998-99 Brochure (15 pages)
- Society Expeditions The Secrets of Oceania 1998 Brochure (15 pages)

Exempt from Disclosure Statement

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.

PROSPECTUS

Discovery Shipping, Inc.

***For the Purpose of the Operation of Cruise
Ship Services within Glacier Bay National
Park & Preserve***

To: National Park Service, Alaska Regional Office
Attention: Concessions Division
2525 Gambell Street, Room 107
Anchorage, Alaska 99503-2892

CRITERION 1A

1. The offeror making this application is DISCOVERY SHIPPING, INC., a corporation, incorporated in Washington State, USA. The primary entity with which the National Park Service will be dealing is DISCOVERY SHIPPING, INC.

2. Attached please find:
 - a) Certificate of Incorporation for Discovery Shipping, Inc.
 - b) Business license for Discovery Shipping, Inc.
 - c) Most recent financial statement.

3. No other subordinate or superior entities will have a role in managing, directing, operating or otherwise carrying out the service to be provided.

4. CSSMN is the parent company of Discovery Shipping, Inc. and Society Expeditions, Inc.. CSSMN, Inc. has no activity itself.



STATE OF WASHINGTON

MASTER LICENSE SERVICE REGISTRATIONS AND LICENSES

UNIFIED BUSINESS ID #: 601 622 973
BUSINESS ID #: 001

EXPIRES 04-30-1999

ORGANIZATION TYPE
DOMESTIC PROFIT CORPORATION

DISCOVERY SHIPPING, INC.
2001 WESTERN 300
SEATTLE WA 98121

DOMESTIC PROFIT CORPORATION
RENEWED BY AUTHORITY OF SECRETARY OF STATE

The above entity has been issued the business registrations or licenses listed
DEPARTMENT OF LICENSING, BUSINESS & PROFESSIONS DIVISION
P.O. BOX 9034 OLYMPIA, WA 98507-9034 (360) 864-1400

[Signature]
Director, Department of Licensing

0001139 AT

EXPIRATION DATE
04-30-1999

UBI NUMBER
601 622 973 001

DISCOVERY SHIPPING, INC.
2001 WESTERN 300
SEATTLE WA 98121

(FOLD HERE)

(FOLD HERE)

DETACH THIS SECTION FOR YOUR WALLET
The information printed here serves as notice that the registrations or licenses listed have been issued for your business.



STATE of WASHINGTON SECRETARY of STATE

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

DISCOVERY SHIPPING, INC.

a Washington Profit corporation. Articles of Incorporation were filed for record in this office on the date indicated below:

U.B.I. Number: 601 622 973

Date: March 6, 1995



Given under my hand and the seal of the State of Washington, at Olympia, the State Capitol

Ralph Munro, Secretary of State

2-510303-7

OFFEROR, ENTITY, NEW CONCESSIONER, OPERATOR IDENTIFICATION FORM

(Enter the name of the person submitting the offer: The concession permit would be issued to this person)

Entity Name	Discovery Shipping, Inc.
Address	2001 Western Avenue Suite 300 Seattle, WA 98121
Contact Person	John Tillotson
Telephone Number	(206) 728-9400
FAX Number	(206) 728-2301
E-mail Address	societvexp@aol.com

Form of business

Corporation
 Partnership
 Individual (Sole Proprietor)
 Other (Explain)

Describe the expected role in providing this concession service: Discovery Shipping proposes to carry passengers aboard the M/V World Discoverer twice per summer within the confines of Glacier Bay National Park and Preserve for the purpose of wildlife observation and cultural enrichment in accordance with stated NPS objectives.

Structure of the Business: (how is it related to the other entities you have identified):

Ownership:

Name and Address of Owners (Corporations: Show controlling interest, Close Corporation: Show all interest)	Number and Type of Shares or Percentage of Ownership	Total Value of Investment
CSSMN Inc. 2001 Western Avenue Suite 300 Seattle, WA 98121	10,000 - 100%	\$10,000
Total of all Owners:	10,000	
Total Shares Outstanding:	10,000	

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?³

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

³ 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

See attached

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.

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

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

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.

10. Discovery Shipping has Special Use or Incidental Business permits with several refuges, Ranger Districts, and parks within Alaska. Attached, please find current permits within Alaska.
11. Discovery Shipping, Inc., in concert with Society Expeditions, Inc., has managed successfully the development and execution of numerous worldwide expeditionary voyages using M/V World Discoverer. Many of their voyages have been subsequently documented in well-known special interest magazines and journals. The success of these operations is based, in large part, on the consistent quality of the programs provided, and the high rate of repeat passengers. With 24 years experience in developing successful, even legendary, expeditionary cruise programs, Society Expeditions, Inc. has set the standard for an efficient and effective operation in its particular venue.
12. Discovery Shipping, Inc., in association with Society Expeditions, Inc., has completed approximately 30 voyages per year for the past 24 years.
13. On occasion, the M/V World Discoverer is chartered to various organizations. In this case, Discovery Shipping, Inc. will provide for all services contracted. This may include very specific itinerary or observation requests. Discovery Shipping, Inc. has received Satisfactory ratings from NPS for previous visits to Glacier Bay National Park and Preserve. (See attached)

U. S. DEPARTMENT OF AGRICULTURE Forest Service SPECIAL-USE PERMIT Authority: <u>Land and Water Conservation</u> <u>Fund Act (as amended)</u>	Holder No.	Issue Date	Expir. Date
	4 1 1 6-0 1	AUG/ 0 8/ 1997	1 2/3 1/9 9
	Type Site(s)	Authority	Auth. Type
	-- 1 5 3	2 3 9	0 0 2 0
	Region/Forest/District	State/County	
	1 0/ 0 5 / 0 5	0 2/ 2 2 0	
	Cong. Dist.	Latitude	Longitude
	--	-- -- -- --	-- -- -- --

Society Expeditions, Inc. of
 (Holder Name)

2000 Western Avenue #300 Seattle Washington 98121
 (Billing Address) (City) (State) (Zip Code)

(hereinafter called the Holder) is hereby authorized to use or occupy National Forest System lands, to use subject to the conditions set out below, on the Tonness National Forest.

This permit covers three million acres as shown on the location map attached to and made a part of this permit, and is issued for the purpose of: Conducting commercial outfitting and guiding activities in the areas specified below for the following activities: guided hiking/sightseeing/birding activities. Trips will originate from the M/V World Discoverer. This permit authorizes 320 priority service days.

*** REQUESTS FOR NON-USE (AUTHORIZED SERVICE DAYS THAT WILL NOT BE USED) MUST BE RECEIVED BY AUGUST 15 OF EACH YEAR -- PERMIT HOLDER IS RESPONSIBLE FOR FEE PAYMENT OF UNAPPROVED NON-USE ***

Misty Fiords National Monument - Rudyerd Bay area including Nooya and Punchbowl trails. Group size is limited to twelve people including guide in this area.

Thorne Bay Ranger District - Coronation Island Wilderness. Group size is limited to twelve people including guide in this area.

Sitka Ranger District - St. John the Baptist Bay.

Glacier Ranger District - Coghill Point area. Group size is limited to twelve people including guide in this area.

Cordova Ranger District - Kayak Island. Permit is for National Forest System lands only. It is permit holder's responsibility to acquire any additional permits or land owner permission for additional lands including state selected land.

The above described or defined area shall be referred to herein as the "permit area".

TERMS AND CONDITIONS

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

A. Authority. This permit is issued pursuant to the authorities enumerated at Title 36, Code of Federal Regulations, Section 251 Subpart B, as amended. This permit, and the activities or use authorized, shall be subject to the terms and conditions of the Secretary's regulations and any subsequent amendment to them.

UNITED STATES DEPARTMENT OF THE INTERIOR
National Park Service

SPECIAL USE PERMIT
for
COMMERCIAL SERVICES

Permit Period 1996-97

Name of Use: Incidental Business Permit

Date Permit Reviewed 1996 June 19

Reviewed 1996 June 27

Reviewed 1996 June 28

Expires 1997, Dec 31

Long Term
Short Term X

Permit #: ARO-AKFA-5300-IBP0523

RENEWAL IN PROGRESS

Alaska Field Area
Name of Area

SOCIETY EXPEDITIONS of 2001 WESTERN AVE., SUITE 300 SEATTLE, WA 98121 (206)728-9400
Name of Permittee Address Phone

is hereby authorized during the period from (Time 0800 day 28 Month 06 1996), through (Time 2400 day 31 Month 12 1997), to use the following described land or facilities in the above named area:

Aniakchak National Monument & Preserve (ANIA), Glacier Bay National Park & Preserve (GLBA)
Katmai National Park & Preserve (KATM), Kenai Fjords National Park (KEFJ)
Wrangell-St. Elias National Park & Preserve (WRST)

CAPE KENSON STERN - OK PER BOB BOYHART. WILL ESCORT GROUP AT CAPK, WILL FORWARD BILL
For the purpose(s) of:

Commercially providing guided hiking (day hikes only) services

Authority: 36 CFR §1.6 and 36 CFR §5.3

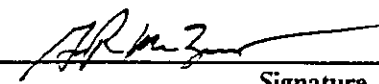
NPA Compliance: CATEGORICALLY EXCLUDED X EA/FONSI EIS

Performance Bond: Required Not Required X Amount \$

Liability Insurance: Required X Not Required Amount \$ See Exhibit "A"

ISSUANCE of this permit is subject to the conditions on the reverse hereof and appended pages.

The undersigned hereby accepts this permit subject to the terms, covenants, obligations, and reservations, expressed or implied herein.

Permittee:  7/5/96
Signature Date

Authorizing Official: Rebecca L. Rhea 7/1/96
Concession Team Leader Date



UNITED STATES DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
KODIAK NATIONAL WILDLIFE REFUGE

SPECIAL USE PERMIT

Station No. to be Credited Permit No.
74530 - 98407

Date April 29, 1998

Period of Use (inclusive)

From ~~June 18, 1998~~ Signature Date
To August 18, 1998

Permittee Name
John Tillotson

Permittee Address
dba Society Expeditions
4341 B Street, Suite 101
Anchorage, Alaska 99503

Purpose (specify in detail privilege requested, or units of products involved)

to conduct wildlife observation, photography and/or sightseeing operations in Uyak Bay Kodak National Wildlife Refuge. Uses authorized by this permit DO NOT OVERNIGHT camping, guiding of hunters or guiding of fishermen.

Description (specify unit numbers; metes and bounds, or other recognizable designations)

Day use is permitted on all refuge lands and waters within Uyak Bay. NO OVERNIGHT use is allowed under this permit.

Amount of fee \$100.00 if not a fixed payment, specify rate and unit of charge: \$2.15 per client use day

- Payment Exempt - Justification:
- Full Payment
- Partial Payment - Balance of payments to be made as follows: within 30 days of receipt of the bill for collection

Record of Payments

Administrative fee paid by check # 11295 dated May 21, 1998.

Special Conditions

1. See attached special conditions and report(s).
2. Use of Native Selected or conveyed lands, as shown on the attached map, is NOT authorized by this permit.
3. Use of refuge lands and waters after 12/21/98 is permitted only if the permittee supplies Kodak National Wildlife Refuge with proof of liability insurance past that date.
4. All operations must be in accordance with the approved operations plan.

This permit is issued by the U.S. Fish and Wildlife Service and accepted by the undersigned, subject to the terms, covenants, obligations, and reservations, expressed or implied herein, and to the conditions and requirements appearing on the reverse side.

Permittee Signature

John Tillotson

Issuing Officer Signature and Title

Tony Chaito Adm. Refug. Mgr. June 3, 1998



UNITED STATES DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE

Alaska Maritime National Wildlife Refuge
2355 Kachemak Bay Drive, Suite 101
Homer, Alaska 99603

SPECIAL USE PERMIT

Station No. to be Credited Permit No.
74500 - 98007

Date **April 24, 1998**

Period of Use (inclusive)

From **May 24, 1998**
To **August 4, 1998**

Permittee Name

John Tillotson

Permittee Address

**Society Expeditions
2001 Western Avenue, Suite 300
Seattle, Washington 98121**

Purpose (specify in detail privilege requested, or units of products involved)

Access to lands and waters within the Alaska Maritime National Wildlife Refuge to conduct guided nature tours including wildlife-viewing and photographing.

Description (specify unit numbers, metes and bounds, or other recognizable designations)

Lands and waters managed by the Alaska Maritime National Wildlife Refuge including all, or parts of, the following island units: St. Matthew, Hall, St. Paul, St. George, Shumagins, Semidis, Unalaska, Attu, Kiska, Baby's, Egg, Chagulak, Amukta, Sagigik, Adak, Kanaga, Boborof, Tanaga, Alaid and Chiswells.

Please see Special Condition section below for Steller sea lion closure areas affecting some of the above islands.

Amount of fee **\$100** if not a fixed payment, specify rate and unit of charge: Client use day fees are required. See attached Special Conditions.

- Payment Exempt - Justification:
- Full Payment
- Partial Payment - Balance of payments to be made as follows:

Record of Payments

1998 administrative fee: *check # 11300 for \$100 dated 05/22/98*
1998 client use day fees:

Special Conditions

In addition to the General Conditions on the reverse of this permit, there are Special Conditions attached.

Your vessel (and any skiffs, zodiacs, or other boats) is not authorized within the three mile buffer zone around any Steller sea lion rookery site. Those islands with closure areas which are included in your itinerary include: Ugamak, Akutan, Akun, Adak, Kiska, Attu, Atkins, Chernabura and Chowiet. Please refer to 50CFR, or contact National Marine Fisheries Service, for a complete listing of closed areas.

This permit is issued by the U.S. Fish and Wildlife Service and accepted by the undersigned, subject to the terms, covenants, obligations, and reservations, expressed or implied herein, and to the conditions and requirements appearing on the reverse side.

Permittee Signature

John Tillotson

Issuing Officer Signature and Title

Patricia E. [unclear]

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
NPS CONCESSIONER ANNUAL OVERALL RATING

Region: Alaska Concid LP-GLBA045-95 Contract/Permit No.: _____
 Park: Glacier Bay National Park & Preserve Date: December 1, 1997
 Concessioner: Discovery Shipping Year of Operation: 1997

Operational Performance Rating Satisfactory
 (Satisfactory, Marginal or Unsatisfactory)

Contract/Permit Compliance Rating Satisfactory
 (Satisfactory, Marginal or Unsatisfactory)

Annual Overall Rating Determination: Satisfactory
 (Satisfactory, Marginal or Unsatisfactory)

Annual Overall Narrative Assessment and Comments on the Concessions Contractual Obligations and Operational Performance for the Year.

SUMMARY

Discovery Shipping, Inc. (affiliated with Society Expeditions, Inc.) offers multi-day cruises in Alaska during the summer months. A typical cruise includes one day cruising Glacier Bay and another day cruising along the outer coast. The company operated the vessel *World Discoverer* on one trip in Glacier Bay this season, carrying 125 passengers.

OPERATIONAL PERFORMANCE

John Tillotson, Director of Ship Operations, has been responsive to park needs and takes extra effort to assure operations run smoothly.

World Discoverer

We received no visitor complaints. Park rangers did not report any failure to comply with park regulations. The *World Discoverer* program has an educational and natural history orientation that is very compatible with park purposes and this was evident on their cruise.

CONTRACT COMPLIANCE

INSURANCE

The Concessioner purchased all required insurance. Certificates of insurance were provided as required.

FRANCHISE FEES/FINANCIAL REPORTING

The permit fee was due March 1 and received March 7. The Concessioner is reminded that franchise fees must be received by the submission date. The financial reporting requirements have been waived with the permission of the Washington Office of the Park Service.

[Signature] 12/8/97 [Signature] 12/18/97
 Superintendent's Signature Date Concessioner's Signature (to signify receipt of rating) Date

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
NPS CONCESSIONER ANNUAL OVERALL RATING

Region: Alaska Concid LP-GLBA045-95 Contract/Permit No.: _____
Park: Glacier Bay National Park & Preserve Date: October 29, 1996
Concessioner: Discovery Shipping Year of Operation: 1996

Operational Performance Rating Satisfactory
(Satisfactory, Marginal or Unsatisfactory)

Contract/Permit Compliance Rating Satisfactory
(Satisfactory, Marginal or Unsatisfactory)

Annual Overall Rating Determination: Satisfactory
(Satisfactory, Marginal or Unsatisfactory)

Annual Overall Narrative Assessment and Comments on the Concessions Contractual Obligations and Operational Performance for the Year.

SUMMARY

Discovery Shipping, Inc. (affiliated with Society Expeditions, Inc.) offers multi-day cruises in Alaska during the summer months, one day of which is spent cruising Glacier Bay. The company operated the vessel *World Discoverer* on one trip in Glacier Bay this season.

OPERATIONAL PERFORMANCE

We received no visitor complaints. Park rangers did not report any failure to comply with park regulations. The *World Discoverer* program has an educational and natural history orientation that is very compatible with park purposes and this was evident on their cruise.

World Discoverer

- The NPS Interpretive Rangers complemented Capt. Lampa and Expedition Leader Naomi Sture for their help and enthusiasm.

CONTRACT COMPLIANCE

INSURANCE

The Concessioner purchased all required insurance. Certificates of insurance were provided as required.

FRANCHISE FEES/FINANCIAL REPORTING

The permit fee was due March 1 and received March 7. The Concessioner is reminded that franchise fees must be received by the submission date. The financial reporting requirements have been waived with the permission of the Washington Office of the Park Service.

T. L. [Signature] 10-30-96 _____ Date _____
Superintendent's Signature Date Concessioner's Signature (to signify receipt of rating) Date
[Signature] 11-07-96



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:

C3823 (CI1604)

December 8, 1995

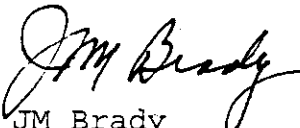
Ms. Marcia Davock
Director of Planning & Operations
Discovery Shipping, Inc.
2001 Western Ave, Suite 300
Seattle, WA 98121

Dear Ms. Davock:

Enclosed is your 1995 concessioner rating report. Please sign it, signifying receipt, and return it to us.

Thanks for the fine service you provided park visitors this year. We appreciate your efforts.

Sincerely,


JM Brady
Superintendent

Enclosures

UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
NPS CONCESSIONER ANNUAL OVERALL RATING

Region Alaska CONCID IP-GLBA045-95
Park Glacier Bay
Concessioner Discovery Shipping, Inc.

Contract/Permit No. _____
Date 1/1/94 - 12/31/97
Year of Operation 1995

Operational Performance Rating - Satisfactory
(Satisfactory, Marginal or Unsatisfactory)

Contract/Permit Compliance Rating - Satisfactory
(Satisfactory, Marginal or Unsatisfactory)

Annual Overall Rating Determination: Satisfactory
(Satisfactory, Marginal or Unsatisfactory)

.....
.....
Annual Overall Narrative Assessment and Comments on the Concessions Contractual Obligations and Operational Performance for the year.

See attached narrative.


Superintendent's Signature

11/27/95
Date


Concessioner's Signature
to signify receipt of rating

1/31/96
Date

DISCOVERY SHIPPING, INC.
1995 ANNUAL EVALUATION
NARRATIVE COMMENTS

Discovery Shipping, Inc. (affiliated with Society Expeditions, Inc.) offers multi-day cruises in Alaska during the summer months, one day of which is spent cruising Glacier Bay. The company operated the vessel World Discoverer on one trip in Glacier Bay this season, on August 29, 1995.

We received no visitor complaints. Park rangers did not report any failure to comply with park regulations. The World Discoverer program has an educational and natural history orientation that is very compatible with park purposes and this was evident on their cruise. The on-board park naturalist did suggest some improvements could be made to the ship's itinerary in Glacier Bay. Also, all public address system commentary by the park naturalist had to be approved in advance by the Captain, a significant departure from our normal operating procedure with other companies. The company and park should coordinate the schedule and operating procedures before the next cruise, in order to give the passengers on optimal Glacier Bay experience.

The permit fee was received on time. The financial report has been waived with the permission of the Washington Office of the Park Service. Insurance documentation was provided.

The overall rating is satisfactory.

Individual Experience and Related Background of Key Managers

<p>Name: John Tillotson Address: 3025 36th Ave. SW Seattle, WA 98126 Phone #: 206-932-5456 SSN: Position: Director of Operations Hours/Wk: 40</p>	<p>Employer: Discovery Shipping, Inc. 2/95—present Employer 2001 Western Ave. Ste. 300 Address: Seattle, WA 98121 Phone #: 206-728-9400 Fax #: 206-728-2301 Number of People Supervised: 6</p>
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Duties and Responsibilities:

Itinerary development. Selection of ship agents, land agents, and ground operations. Secure access permits from various governmental agencies (U.S., Russia, Micronesia, Tonga, Fiji, Tahiti New Zealand, Falkland Islands). Manage Operations Department including Passenger Services, Provisions, and Air Department. Responsible for hiring, training and regular evaluation of departmental employees. Secure qualified lecturers and expeditionary staff.

Role in Proposed Business and Estimated Hours Per Week:

Secure permits. Insure vessel compliance to all regulations and provision of the concessionaire agreement. Coordinate and confirm all entry dates (18 months in advance if possible). Provide ship's crew with all general and specific knowledge to insure responsible travel within the confines of Glacier Bay National Park and Preserve in accordance with the concessionaire's agreement.

Qualifications for This Role:

- 4 years experience with Discovery Shipping—securing all regional access permits to remote and ecologically sensitive regions worldwide. Insure compliance with all provisions and regulations set forth by various governments for visitation.
- Company representative and designated environmental officer to the International Association of Antarctic Tour Operators (IAATO).
- Assisted in drafting IAATO Initial Environmental Evaluation for ship-based tourism in Antarctica, South Shetland Islands, and South Orkney Islands as required by the Antarctic Science, Tourism and Conservation Act of 1996 (deposited with EPA 1997).
- 4 years experience as Director of Training and Development, Exploration Cruise Lines, a Glacier Bay concessionaire. Bob Giersdorf, President (206) 292-9606.
- 5 years experience as Director of Operations for Yachtship Cruise Lines, a Glacier Bay Concessionaire—Bob Giersdorf, President (206) 292-9606.

Individual Experience and Related Background of Key Managers

<p>Name: Steve Clearman Address: 875 SE 10th Street North Bend, WA 98045 Phone #: 206-728-9400 SSN: Position: VP—Finance/Operations Hours/Wk: 40</p>	<p>Employer: Discovery Shipping, Inc. 1/97—present Employer Address: 2001 Western Ave. Ste. 300 Seattle, WA 98121 Phone #: 206-728-9400 Fax #: 206-728-2301 Number of People Supervised: 3</p>
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Duties and Responsibilities:

- Financial Reporting
- Management of the Operations, Administration, and Accounting Departments
- Responsible for policies and procedures relating to financial reporting, order entry, employee benefits, and operations
- Responsible for hiring, firing, training, and evaluation of departmental employees

Role in Proposed Business and Estimated Hours Per Week:

Oversee all administrative aspects of the concessionaire's agreement and provide timely payment of related expenses.

Qualifications for This Role:

- BA in Business Administration—University of Washington
- 5 years audit experience with Touche Ross and Company
- 8 years management experience with StairMaster Sports/Medical Products with responsibilities for financial and operations departments. Supervised 35 employees.

12/88—12/96 Phone: 918-831-0100

Individual Experience and Related Background of Key Managers

<p>Name: Captain Karl-Ulrich Lampe Address: Starenweg 12 26131 Oldenburg, Germany Phone #: 49-441-54555 DOB: Position: Master Hours/Wk: Variable</p>	<p>Employer: Society Expeditions, Inc. Employer Address: 2001 Western Ave. Ste. 300 Seattle, WA 98121 Phone #: 206-728-9400 Fax #: 206-728-2301 Number of People Supervised: 75</p>
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Duties and Responsibilities:

Overall responsibility for all aspects of ship operation.

Oversees all departments to insure safe operations in accordance with all applicable regulations and requirements.

Role in Proposed Business and Estimated Hours Per Week:

Master, M/V World Discoverer

Will make final itinerary decisions based on safe responsible transit in Glacier Bay.

Qualifications for This Role:

Since 1987, has performed all duties as master (unlimited license) of M/V World Discoverer making many successful primary voyages to remote and uncharted waters all over the world including: Europe, the Russian and American Arctic, Antarctica, the South Pacific, Indonesia, the Indian Ocean, and the Amazon River.

1966—Master's License from Nautical Academy, Elsfleth/Weser, Germany

• 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.

See attached ship specifications.

Ship Name	Former Names	Registry
Gross Tonnage	Builder	Date Launched
Length (ft.)	Beam (ft.)	Date of Last Refit
Draft (ft.)	Stack Height (ft.)	Propellers (no. & type)
Propulsion type (diesel electric, etc.)	Propulsion power (kW or HP)	Fuel (type/weight)
Passenger Capacity (basis 2)	Passenger Capacity (all berths)	Cabin Size (mean sq. ft.)
Passenger/space ratio (basis 2)	No. of Cabins	No. of Wheel Chair accessible cabins
Officer Nationality	Crew Nationality (approx. % each)	

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)
2

World Discoverer Ship Specifications

Built: 1974 **Signal Letter:** ELDU3 **Official No.:** 7584
Yard: Schichau Unterweser AG, Bremerhaven, Germany
Registry: Monrovia, Liberia

Classification:

Classed to American Bureau of Shipping, +AE+AMS ice class "A" for unrestricted Passenger Service. Fulfilling laws and regulations of: Danish State Ships Inspection. SOLAS 1960 for a one compartment vessel for unrestricted passenger service. IMCO 1967, including chapter 2, 4th, fire method 1. U.S. Coast Guard, fire subdivisions, fire protection and escapeways. U.S. Health Service, sanitation, deratting and freshwater arrangements. Panama Seaway Authorities. International Measurements Rule 1947 plus amendment 1965 and Danish Rule.

Dimensions:

Length: 87.00 m (285 ft) Breadth (beam): 15.20 m (50 ft)
Draft, max.: 4.45 m (14.6 ft) Deadweight: 700 tons
Gross Tonnage: 3724 GRT Net Tonnage: 1188 NRT
Speed: 12.8 knots (maximum) 12.0 knots (cruising)

Engines:

Main: Two nonreversible MAK 8m452 diesel engines driving one Kamewa propeller through clutches and reduction gear. Total output: 2 x 2400 bhp at 500 rpm.

Auxiliary: Three 3-phase generators each with a capacity of 400 kw, driven by three MWM diesel engines. One 3-phase emergency generator with a capacity of 60 kw, driven by a 90 hp Caterpillar diesel.

Voltage: 440 volt/220 volt - 60 cycles.

Steering Gear: One electrohydraulic Frydenboe steering-engine with dual pumps driving a Becker rudder.

Bow Thruster: One 400 hp Schottel bow thruster, thrust approximately 5200 kp at 880 rmp.

Bunker capacity: 370 mt MGO

Consumption: Max. speed: 14 mt MGO/day ,
Cruising speed: 12 mt MGO/day Cruising range: 8000 NM

Fresh Water: One Atlas low pressure evaporation plant with a capacity of 20 mt/24 hours. One reverse osmosis plant of 60 mt/24 hours. Fresh Water Capacity: 285 mt.

Air Conditioning: Full air, 100% individual control.

Garbage/Sewage Plant: A full biological sewage destruction plant and a burn-away destruction chamber for solid garbage.

Mooring and Anchor: Two combined electric Westfalia 5000 kp pull anchor/mooring winches.

Winches: Two electric Westfalia 5000 kp mooring winches.

Cranes: One 2 mt hydraulic crane forward, two 2 mt hydraulic cranes aft.

Navigation Equipment:

Two Anschütz gyro compasses, one Anschütz auto pilot, SATNAV + GPS - Navigator, NAVTEX RS 6100, radio direction finder, weather satellite receiver ORBIT 5000, one electric chronometer, one RACAL-DECCA S-Band ARPA - Radar, one KODEN MD 2000 X-Band Radar, one facsimile receiver for ice and weather charts, two searchlights (each 2000W), three controls for engine and bow thruster, two Atlas echosounders type 470 and 461.

Radio Equipment:

Radio equipment for communication on voice and telegraphy, telex. Frequency arrangements on VHF, MF, CT and HF. Satellite communication Saturn 3 (Identity Number 1242744 disc x), with telex and telefax receiver. Two JOTRON emergency radio beacons.

Communications:

Satellite communications system with telephone, fax, telex. Ocean Region codes precede the ship's number.

From Direct Dial Phones:

011+ Ocean Code (below) +363-650-910

Facsimile service to the ship:

011+ Ocean Code (below) +363-650-920

Telex service to the ship:

011+ Ocean Code (below) +463-650-730

Ocean Region Codes:

871 or 874 - Atlantic, Caribbean, Antarctica,
West Coast of South America, and the
Mediterranean Oceans

872 - Pacific Ocean

873 - Indian Ocean

Auxiliary Craft:

Two launches: 12.26 m (40 ft) in length, 3.95 m (13 feet) in breadth, 0.90 m (3 ft) loaded draft, 2 x 220 hp Volvo Penta diesels, twin propellers. Speed: 12 knots. Capacity: 70 passengers plus 3 crew per launch.

Two lifeboats: 9.40 m (31 ft) in length, 1 x 16 hp Saab diesel engine each. Capacity: 30 persons. Speed: 8 knots.

Ten Zodiacs Mark V: 5.80 m (19 ft) in length, 2.45 m (8 ft) in breadth. Capacity: 15 persons each.

Four SOLAS inflatable life rafts: Capacity: 25 persons each.

Cabin Information:

Square Footage: Cabins range in size from 89 - 218 sq ft.

Connecting Cabins: 205-206, 207-208, 223-224 and 225-226.

Singles: Cabins 311, 313, 314 and 316, each with one lower and one upper bed. Cabin 1 has large windows, with one lower bed.

Triples: Cabins 204, 212, 312 and 315 contain a third upper bed.

Doubles: All remaining cabins have two lower beds, except the Owner's Suite.

Suites: Owner's Suite (also called Cabin 2): One large room, queen sized bed, bathtub/shower combination. Suites 99 & 114: Two rooms, two twin beds, with bathtub/shower combination.

Cabin Windows: All cabins have outside views via windows or portholes with no obstructed views.

- The following cabins have windows:

Cabin 1 (45x70 cm=18x28 in), Cabin 2 (50x120 cm = 20x48 in).

Cabins 99, 100, 101, 102, 103, 110, 111, 112, 113 and 114

(45 x 70 cm = 18 x 26 in).

- The following cabins have portholes:

A-Deck: 104, 105, 106, 107, 108, 109 B and C Decks: All cabins.

Room Service: Room service is only available if a passenger is unable to attend a meal.

Cabin Service: Twice daily servicing of cabins, with evening turndown by cabin stewardesses.

Cabin Furnishings and Amenities:

- Bathroom: Toilet, shower (bathtub/shower combinations in suites 99 and 114), storage space, hairdryer. Soap, shampoo, other bathroom amenities.

- Bathroom Dimensions for Suites:

Cabin 2 (four square meters) door measures 65 cm

Cabin 99 (three square meters) door measures 55 cm

Cabin 114 (two square meters) door measures 55 cm

- Beds: Two different sizes in cabins: Sofa-bed (75 x 190 cm = 30 x 75 in) Bunk-bed (75 x 195 cm = 30 x 77 in).

- Electrical Voltage: 220 volts, 60 cycles. A 2-pronged plug or adapter plug is necessary. A small number of converters are available in the Boutique on loan (deposit: \$50). All cabins have electrical outlets in the main cabin and bathroom.

- In-room radio/lecture system, telephone.

- Writing paper, postcards, pen, information on the ship, participant list, description of services, laundry bags, maintenance cards, ice bucket, etc.

- Writing desk, table, sofa, closet, drawers (6 drawers on A-Deck; 3 drawers in other cabins).

- Suites 99 and 114 have a separate sitting area.

- Individual temperature control.

- Individual small safes at Reception Desk for valuables storage.

Public Spaces, Facilities and Locations:

Marco Polo Restaurant: Located on the Odyssey Deck. 148 seats, panorama windows. Single seating dining.

Discoverer Lounge: Located on the Boat Deck, forward. 128 seats, panorama windows. Used for recap and briefings at cocktail hour, evening bar service, some daytime lectures.

Lido Lounge: Boat Deck, aft. 74 seats, panorama windows. glass doors to the Pool Deck. Used for early morning breakfast, daytime bar service, special events such as barbecues.

Observation Lounge: Located on the Observation Deck. 20 seats, 180° view, fiction library.

Cinema/Lecture Hall: Located on the Observation Deck. 120 seats, panorama windows with curtains. Used for lectures, videos, films.

Bridge: Located on the Bridge Deck. Open Bridge to meet with Captain and officers, learn about navigation.

Swimming Pool: An outdoor saltwater pool, located on the Pool Deck is available for use in tropical climates.

Sun Deck: Located on the Boat Deck.

Hospital: Located on the Voyager Deck. Medical Facilities and physician on board.

Library: Located on the Boat Deck. Contains extensive books on nature, culture, history, plus fiction and board games.

Hair Salon: Located on the Discoverer Deck.

Gift Shop: Located on the Boat Deck. Boutique with clothing, hats, jewelry, souvenirs, some practical supplies.

Laundry Service: Laundry service is available, however, there is no dry cleaning.

Reception: Located on the Boat Deck. Cruise Director and staff are available to assist with all onboard services. News of the world is received by telex daily Monday through Friday.

Meals on Board:

Continental and ethnic cuisines, prepared by European-trained chefs. Open seating in Marco Polo Dining Room. Light menu available, also special diets can be accommodated.

0630 - 0900: Early-riser breakfast, buffet in Lido Lounge.

0730 - 0830: Full American-style breakfast in Marco Polo Dining Room.

1230: Lunch in the Marco Polo Dining Room.

1600: Afternoon tea/cookies in the Lido Lounge.

1845: Recap and briefings in the Discoverer Lounge, with hors d'oeuvres.

1930: Dinner in the Marco Polo Dining Room.

2230: Late night canapes in the Discoverer Lounge.

- Meal times may vary depending upon excursions ashore.
- Additional special snacks/drinks are provided depending on the day's activities.
- A continuous supply of espresso, coffee, tea, bouillon, ice water, snacks is available in the Lido Lounge. Beverages such as alcohol, wine, beer and soft drinks are additional and signed to passenger account.
- Two shipboard occasions: Captain's Welcome and Farewell Dinners.

Nationalities on Board:

Passengers: (138): Predominantly North American, German, British, many other nationalities.

Officers: European (predominantly German) and Filipino.

Cruise and Lecturer Staff: North American, European, other nationalities.

Hotel Staff: European and Filipino.

Crew: Filipino.

Services Ashore:

- Fleet of Zodiacs and a covered SuperLaunch to provide versatile landings ashore.
- Fully experienced Zodiac drivers and boats men.
- Expedition Leader and staff to supervise and guide ashore, plus expert local guides ashore.
- All shore excursions, as outlined in brochures, included in cruise fare.

Smoking Policy:

No smoking in the Dining Room, at lectures/recap or in the cabins. Smoking is permitted only in designated sections of the Lido Lounge and at any time, on the exterior decks.

Shipboard Account:

For services rendered aboard the ship, each passenger will charge to his or her own persona account using the "chit" system (for services such as drinks in the lounges, hairdresser, laundry, etc.). The account will be totaled and settled prior to disembarkation. The last day of the voyage is on a cash-only basis. Although not equipped to handle large transactions, the World Discoverer accepts both travelers checks and Personal checks as payment for the shipboard account. Accepted credit cards are: American Express, VISA and MasterCard.

Gratuity Recommendation:

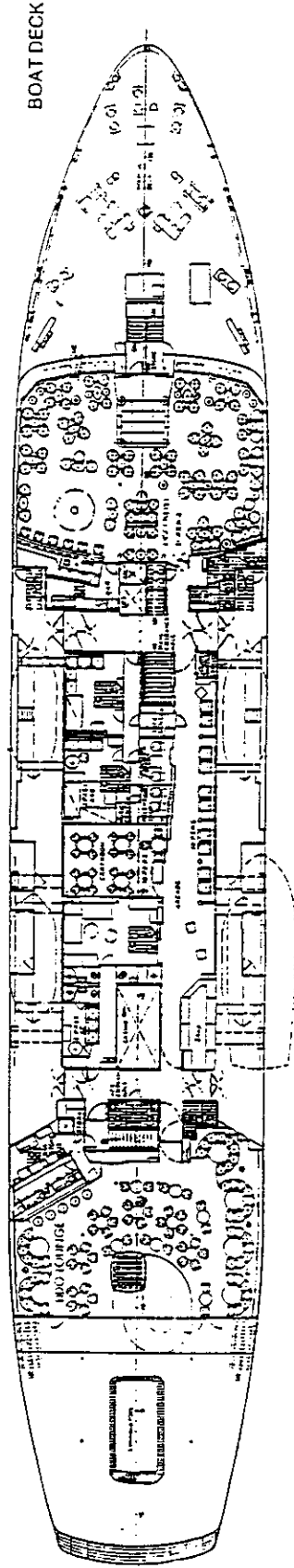
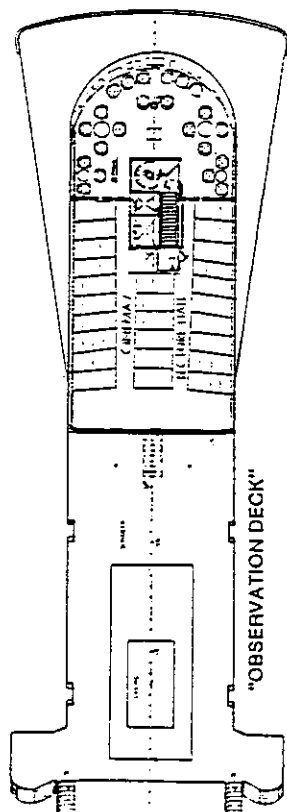
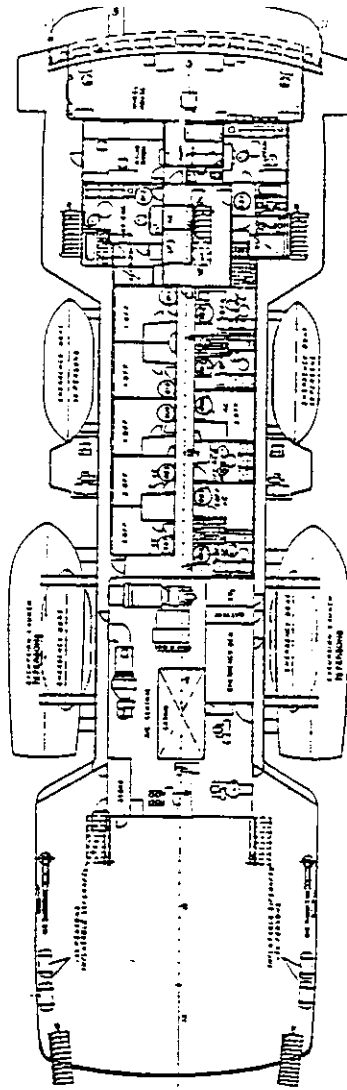
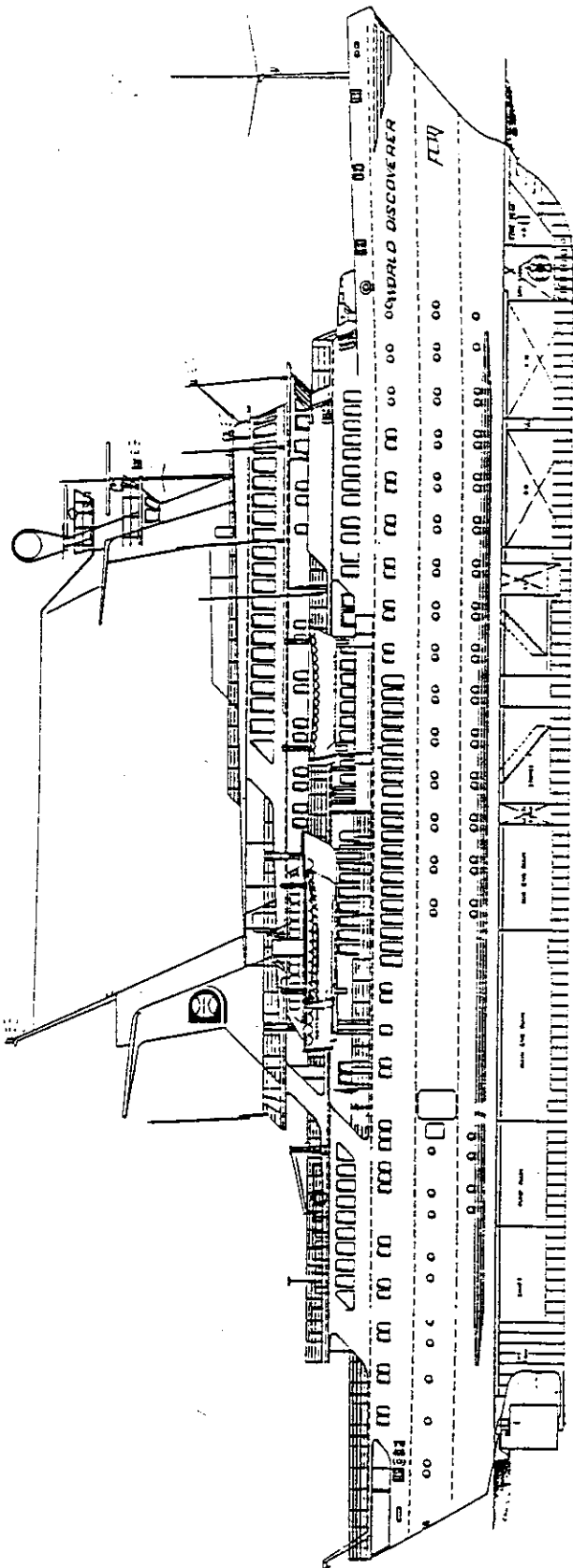
At the end of the cruise, tips are placed in an envelope at the Reception Desk to be shared equally by the ships crew. We recommend about \$11 per passenger per day.

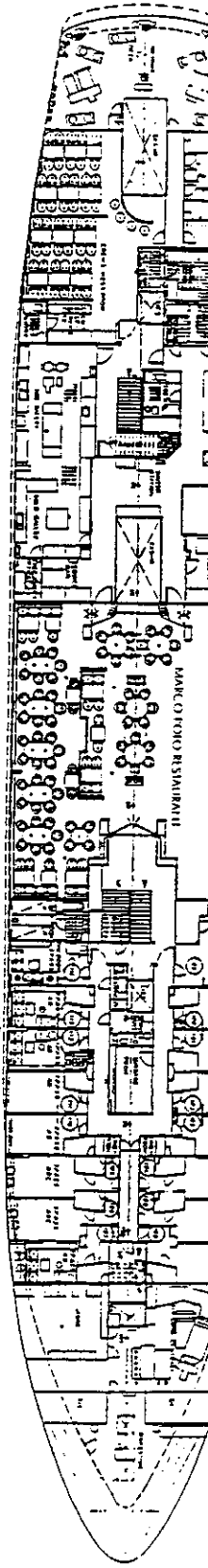
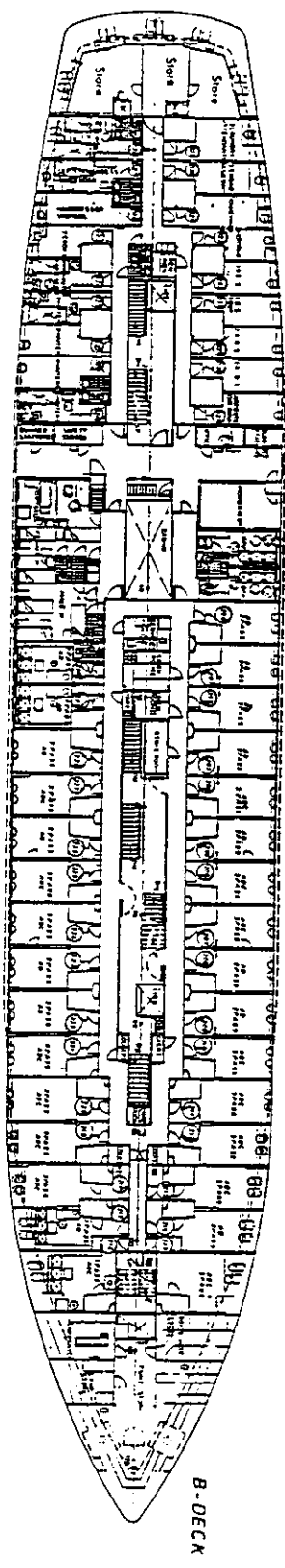
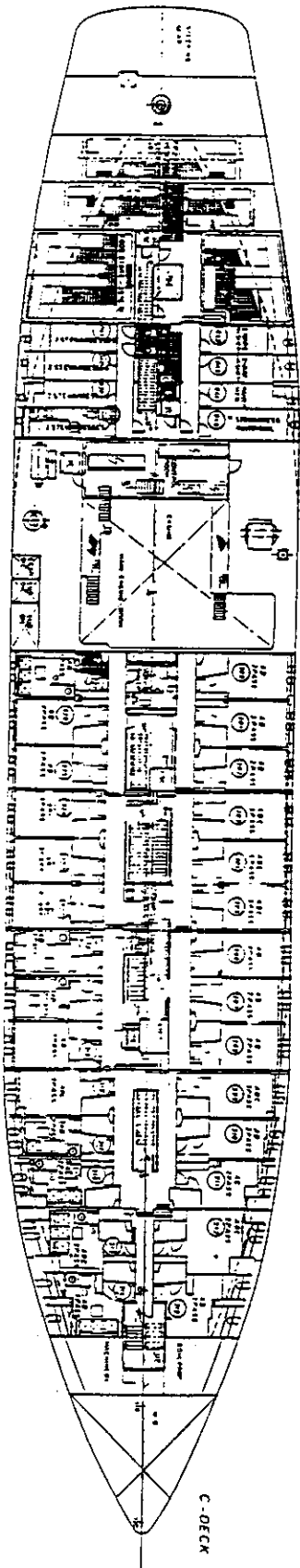
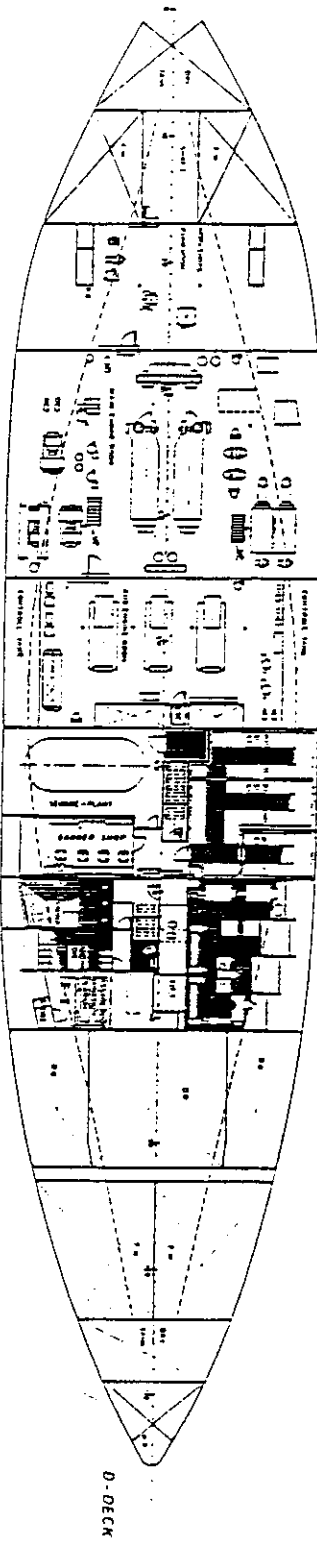
Brief Ship History:

Built in Germany in 1974, the *World Discoverer* was designed as an ice-class ship specifically built for polar and worldwide expedition cruising. The ship has a number of "firsts" to her credit, including:

- First cruise ship to explore New Guinea's Sepik River as far as Angoram.
- First cruise ship to call in Rangoon, Myanmar (Burma).
- First cruise ship to call in Saudi Arabia and Yemen in the Red Sea.
- First cruise ship to cross the Northwest Passage from the Pacific to the Atlantic.

Note: the ship has always been named the *World Discoverer*





THE WORLD DISCOVERER, A VESSEL BUILT FOR DISCOVERY

Built in Bremerhaven, Germany, the *World Discoverer* was specifically constructed for expedition cruising. The ship's shallow draft and easy maneuverability enable her to go virtually anywhere. And, her ocean-going capabilities coupled with her ice-hardened double-hull construction allow for itineraries not possible with other small vessels.

Although several smaller vessels have recently entered the expeditionary cruise market, the *World Discoverer* by comparison far exceeds them in every respect. In particular are the smaller "T" (tonnage limited) boats, built for and restricted to protected and inland waters only. The *World Discoverer*, by contrast, is a true ocean-going ship specifically designed to accommodate the safe deployment of auxiliary craft and their passengers in varying sea conditions. She is in the unique position of being able to approach some of the most isolated and pristine island habitats favored by breeding colonies of seabirds and marine mammals as well as maneuver the narrow channels and passageways where other wildlife can be found.

Although accommodating a mere 138 passengers, the *World Discoverer* has very extensive public spaces including three separate lounges, each large enough to hold private group meetings. These lounges also allow a comfortable serene space for reading, reflection or watching the scenery go by. In addition, the *World Discoverer* has a lecture hall/cinema which will accommodate all passengers, a well-stocked library with desks and writing materials, two bars, a pool, hairdresser, laundry and hospital with attending physician. You will find aboard the smaller ships that the lounge is also meeting room, lecture hall, bar, cardroom and library.

As a platform for observations, the ship has accessible outer decks both fore and aft, an enclosed forward observation lounge with panoramic windows, crow's nest and an open-bridge policy. The dining salon has picture windows and accommodates all passengers at one seating. In addition to the comfortable public space on board, each cabin has an outside view, lower beds, a private bathroom and individual temperature controls

Although the "T" boats describe comfortable outside cabins it is often overlooked that many of these cabins require the passenger to actually go outside, braving the elements on deck, to access their room. With a promenade deck in front of their picture window and cabin entrance, many passengers must choose between the view and their privacy. This is not the case on the *World Discoverer*. Here, all cabins have outside views and can be reached via interior companion ways, insuring privacy and protection from the weather.

In the dining salon you'll find our European chefs prepare sophisticated menus which are sumptuous and wholesome. Individual menu selection is available for all meals, as well as personalized service. On the smaller "T" boats, this level of service is simply not available. One reason is the limited space; another is the low crew/staff to passenger ratio. Aboard the *World Discoverer*, the crew to passenger ratio is one of the highest in the industry, thus ensuring the consistent professional quality of service our passengers have come to expect.

WORLD-RENOWNED EXPERTS AT YOUR SIDE

Our veteran on-board lecturers are eminently qualified in a number of fields including anthropology, botany, marine biology, ornithology, ecology and history. For the past twenty years, and long before other "adventure/educational/expedition" cruise and travel companies began operations, Society Expeditions has been developing the premier lecture staff in the industry second to none. The alumni of our very selective efforts are the leaders in their fields and our industry. Our current selections are of equal status.

Though flattered by the imitation by others, Society Expeditions continues to maintain and develop the highest standards and qualifications for lecturers. This long-standing commitment indicates the importance we place upon the enhanced educational opportunities these individuals can provide. In many cases, our lecturers have "written the book" in their particular area of expertise. With their many years of scholarship, writing, teaching and field experience, our lecturers provide the inspired insight which allows each passenger the means to create their own remarkable voyage of discovery. Here also, the high ratio of experts to passengers promotes conversation and attention to questions or quandaries on an individual basis.

Our lecturers are also dynamic guides who enthusiastically encourage personal discovery and welcome any question. They accompany all shoreside explorations as well as providing natural history interpretation in the field.

Recent on-board lecturers have included renowned experts and explorers such as the ornithologist Arnold Small, Polynesian archaeologist Edmundo Edwards, naturalist explorer Tony Soper, world-renowned arctic explorer Wally Herbert, dynamic and popular marine biologist Joe Valencic and more.

The Inside Passage of Southeast Alaska is known for its spectacular natural beauty, abundant wildlife, rich native American culture, history and colorful communities. Society Expeditions has therefore designed an itinerary which showcases the best of these features.

ZODIACS - THE KEY TO EXPEDITIONARY CRUISING

One of the most important design features of the *World Discoverer*, is her ability to accommodate the presence, maintenance and launching of her fleet of ten Zodiacs, extending her capabilities even further. With experience in the Antarctic, South Pacific and remote Alaska, our boatmen have the skills necessary to provide for safe and comfortable expeditionary journeys in virtually any weather and sea conditions.

And, the Zodiacs ensure that each passenger has a seat on all excursions. This allows some excursions to be organized according to areas of particular interest; for example: birds, wildflowers, intertidal zones, kelp beds, etc. As small groups in small craft, our Zodiacs are deployed in such a way as to allow an intimate yet unobtrusive wildlife viewing experience. The vessel's design permits safe and efficient launching and boarding of the Zodiacs in a timely manner. This means fewer stops are passed up and more time is spent either in the Zodiac or ashore close to the natural habitats.

On smaller vessels with less staff and equipment, a similar operation would most likely be done in shifts, thus reducing the amount of time available to each passenger at a given point of interest.

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."

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

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

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.

CRITERION 2B

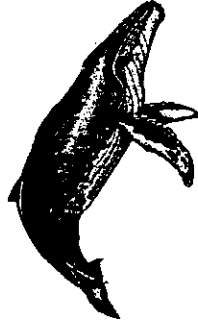
1.
 - a) Discovery Shipping currently offers Alaskan theme arts and books in the shipboard gift shop.
 - b) The ship's library includes many titles concerning the history of Alaska, Native cultures, Natural History of the region and several National Park publications concerning Glacier Bay specifically.
 - c) "Local Alaskan" artists and craftsmen are part of shipboard displays and occasionally sold, when available, in the gift shop.
 - d) Shipboard activities are primarily focused on observation and education concerning the area in which the ship is travelling. This includes regular lectures and slide presentations as well as field interpretation and observation. These presentations are provided by recognized experts (professors) in such fields as Marine Mammology, Oceanography, Glaciology, Botany, Ecology, Ornithology, Cultural Anthropology and History. The ship carries, on average, eight lecturers among her expeditionary staff.
 - e) Society Expeditions has, for the past 25 years, demonstrated a commitment to responsible waterborne travel in ecologically sensitive areas by developing a set of guidelines for both crew and passengers. The United Nations in conjunction with tour operations in Antarctica has in fact, adapted these guidelines. These guidelines are part of standard operating procedures for M/V World Discoverer and her passengers. (Sample included)
 - f) Passengers, Officers and crew are familiarized with required care for the environment in Alaska in general and Glacier Bay in particular through the ship's command and the lecturers upon embarkation.
2. Discovery Shipping supports the NPS mission of informing park visitors and concession employees about park resources and values: Our standard operating procedures regarding respectful travel in sensitive areas is in accordance with NPS guidelines.
 - Briefings and guidance for responsible behavior in these areas are provided to passengers and crew in advance of arrival.
 - The educational enrichment program is of the highest quality possible.
 - Discovery Shipping will endeavor to provide a variety of Alaska Native art and handcrafted items for sale in the gift shop.
 - Discovery Shipping will provide a variety of books germane to the region for sale in the gift shop.
3. To further enhance the park experience, Discovery Shipping shall provide the following:
 - a) A suggested reading list, including Glacier Bay specific books, will be sent to all passengers 6-12 months in advance of their voyage.
 - b) A book wholesaler has been contracted to provide passengers an opportunity to purchase in advance all materials requested from the reading list.
 - c) A log of the entire voyage will be compiled including complete lists of all flora and fauna observed, commentary on natural features, and detailed descriptions of daily activities. This will be edited and then sent to all passengers approximately 6 weeks after the completion of the voyage.

Be Safe

Be prepared for severe and changeable weather and ensure that your equipment and clothing meet Antarctic standards. Remember that the Antarctic environment is inhospitable, unpredictable and potentially dangerous.

- Know your capabilities, the dangers posed by the Antarctic environment, and act accordingly. Plan activities with safety in mind at all times.
- Keep a safe distance from all wildlife, both on land and sea.
- Take note of, and act on, the advice and instructions from your leaders; do not stray from your group.
- Do not walk onto glaciers or large snow fields without the proper equipment and experience; there is a real danger of falling into hidden crevasses.
- Do not expect a rescue service. Self-sufficiency is increased and risks reduced by sound planning, quality equipment, and trained personnel.
- Do not enter emergency refuges (except in emergencies). If you use equipment or food from a refuge, inform the nearest research station or national authority once the emergency is over.
- Respect any smoking restrictions, particularly around buildings, and take great care to safeguard against the danger of fire. This is a real hazard in the dry environment of Antarctica.

Keep Antarctica Pristine



Antarctica remains relatively pristine, the largest wilderness area on Earth. It has not yet been subjected to large scale human perturbations. Please keep it that way.

- Do not dispose of litter or garbage on land. Open burning is prohibited.
- Do not disturb or pollute lakes or streams. Any materials discarded at sea must be disposed of properly.
- Do not paint or engrave names or graffiti on rocks or buildings.
- Do not collect or take away biological or geological specimens or man-made artifacts as a souvenir, including rocks, bones, eggs, fossils, and parts or contents of buildings.
- Do not deface or vandalize buildings, whether occupied, abandoned, or unoccupied, or emergency refuges.



Guidance for Visitors to the Antarctic

Activities in the Antarctic are governed by the Antarctic Treaty of 1959 and associated agreements, referred to collectively as the Antarctic Treaty System. The Treaty established Antarctica as a zone of peace and science.

In 1991, the Antarctic Treaty Consultative Parties adopted the protocol on Environmental Protection to the Antarctic Treaty, which designates the Antarctic as a natural reserve. The Protocol sets out environmental principles, procedures and obligations for the comprehensive protection of the Antarctic environment, and its dependent and associated ecosystems. The Consultative Parties have agreed that, pending its entry into force, as far as possible and in accordance with their legal system, the provisions of the Protocol should be applied as appropriate.

The Environmental Protocol applies to tourism and non-governmental activities, as well as governmental activities in the Antarctic Treaty Area. It is intended to ensure that these activities, do not have adverse impacts on the Antarctic environment, or on its scientific and aesthetic values.

The **Guidance for Visitors to the Antarctic** is intended to ensure that all visitors are aware of and are therefore able to comply with, the Treaty and the Protocol. Visitors are, of course, bound by national laws and regulations applicable to activities in the Antarctic.

Extract from recommendation XVIII-1 adopted at the Antarctic treaty meeting April 1994.

Protect Antarctic Wildlife

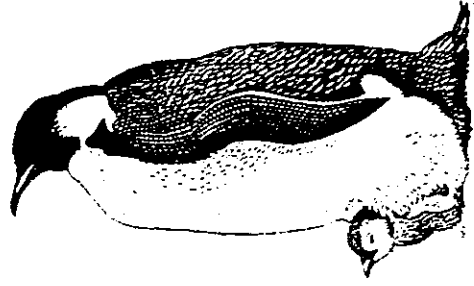


Taking or harmful interference with Antarctic wildlife is prohibited except in accordance with a permit issued by a national authority.

- Do not use aircraft, vessels, small boats, or other means of transport in ways that disturb wildlife, either at sea or on land.
- Do not feed, touch, or handle birds or seals, or approach or photograph them in ways that cause them to alter their behavior. Special care is needed when animals are breeding or molting.
- Do not damage plants, for example by walking, driving, or landing on extensive moss beds or lichen-covered scree slopes.
- Do not use guns or explosives. Keep noise to the minimum to avoid frightening wildlife.
- Do not bring non-native plants or animals into the Antarctic such as live poultry, pet dogs and cats or house plants.



Respect Scientific Research

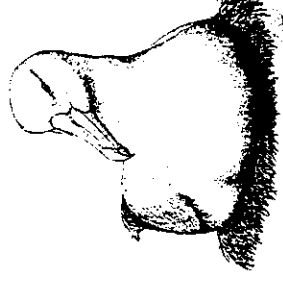


Do not interfere with scientific, facilities or equipment.

- Obtain permission before visiting Antarctic science and support facilities; recon- firm arrangements 24-72 hours before arrival; and comply with the rules regarding such visits.
- Do not interfere with, or remove, scientific equipment or marker posts, and do not disturb experimental study sites, field camps or supplies.



Respect Protected Areas



A variety of areas in the Antarctic have been afforded special protection because of their particular ecological, scientific, historic or other values. Entry into certain areas may be prohibited except in accordance with a permit issued by an appropriate national authority. Activities in and near designated Historic Sites and Monuments and certain other areas may be subject to special restrictions.

- Know the locations of areas that have been afforded special protection and any restrictions regarding entry and activities that can be carried out in and near them.
- Observe applicable restrictions.
- Do not damage, remove, or destroy historic Sites or Monuments or any artifacts associated with them.



The Protocol states, as a matter of principle, that all activities are to be planned and conducted on the basis of information sufficient to evaluate their possible impact on the Antarctic environment and its associated ecosystems, and on the value of Antarctica for the conduct of scientific research. Organisers should be aware that the Environmental Protocol requires that "activities shall be modified, suspended or cancelled if they result in or threaten to result in impacts upon the Antarctic environment or dependent or associated ecosystems."

Those responsible for organising and conducting tourism and non governmental activities must comply fully with national laws and regulations which implement the Antarctic Treaty system, as well as other national laws and regulations implementing international agreements on environmental protection, pollution and safety that relate to the Antarctic Treaty Area. They should also abide by the requirements imposed on organisers and operators under the Protocol on Environmental Protection and its Annexes, in so far as they have not yet been implemented in national law.

KEY OBLIGATIONS ON ORGANISERS AND OPERATORS

- 1) Provide prior notification of, and reports on, their activities to the competent authorities of the appropriate Party or Parties.
- 2) Conduct an assessment of the potential environmental impacts of their planned activities.
- 3) Provide for effective response to environmental emergencies, especially with regard to marine pollution.
- 4) Ensure self-sufficiency and safe operations.
- 5) Respect scientific research and the Antarctic environment, including restrictions regarding protected areas, and the protection of flora and fauna.
- 6) Prevent the disposal and discharge of prohibited waste.

PROCEDURES TO BE FOLLOWED BY ORGANISERS AND OPERATORS

A) WHEN PLANNING TO GO TO THE ANTARCTIC — Organisers and operators should:

- 1) Notify the competent national authorities of the appropriate Party or Parties of details of their planned activities with sufficient time to enable the Party(ies) to comply with their information exchange obligations under Article VII(6) of the Antarctic Treaty. The information to be provided is listed in Attachment A.
- 2) Conduct an environmental assessment in accordance with such procedures as may have been established in national law to give effect to Annex I of the Protocol, including, if appropriate, how potential impacts will be monitored.
- 3) Obtain timely permission from the national authorities responsible for any stations they propose to visit.
- 4) Provide information to assist in the preparation of contingency response plans in accordance with Article 15 of the Protocol; waste management plans in accordance with Annex III of the Protocol; and marine pollution contingency plans in accordance with Annex IV of the Protocol.
- 5) Ensure that expedition leaders and passengers are aware of the location and special regimes which apply to Specially Protected Areas and Sites of Special Scientific Interest (and on entry into force of the Protocol, Antarctic Specially Protected Areas and Antarctic Specially Managed Areas) and of Historic Sites and Monuments and, in particular, relevant management plans.
- 6) Obtain a permit, where required by national law, from the competent national authority of the appropriate Party or Parties, should they have a reason to enter such areas, or a monitoring site (CEMP Site) designated under CCAMLR.

7) Ensure that activities are fully self-sufficient and do not require assistance from Parties unless arrangements for it have been agreed in advance.

8) Ensure that they employ experienced and trained personnel, including a sufficient number of guides.

9) Arrange to use equipment, vehicles, vessels, and aircraft appropriate to Antarctic operations.

10) Be fully conversant with applicable communications navigation, air traffic control and emergency procedures.

11) Obtain the best available maps and hydrographic charts, recognising that many areas are not fully or accurately surveyed.

12) Consider the question of insurance (subject to requirements of national law).

13) Design and conduct information and education programmes to ensure that all personnel and visitors are aware of relevant provisions of the Antarctic Treaty system.

14) Provide visitors with a copy of the *Guidance for Visitors to the Antarctic*.

B) WHEN IN THE ANTARCTIC TREATY AREA — Organisers and operators should:

1) Comply with all requirements of the Antarctic Treaty system, and relevant national laws, and ensure that visitors are aware of requirements that are relevant to them.

2) Reconfirm arrangements to visit stations 24-72 hours before their arrival and ensure that visitors are aware of any conditions or restrictions established by the station.

3) Ensure that visitors are supervised by a sufficient number of guides who have adequate experience and training in Antarctic conditions and knowledge of the Antarctic Treaty system requirements.

4) Monitor environmental impacts of their activities, if appropriate, and advise the competent national

authorities of the appropriate Party or Parties of any activity, but which were not foreseen by their environmental impact assessment.

Operate ships, yachts, small boats, aircraft, hovercraft, and all other means of transport safely and according to appropriate procedures, including those set out in the Antarctic Flight Information Manual (AFIM).

Dispose of waste materials in accordance with Annex III and IV of the Protocol. These annexes prohibit, among other things, the discharge of plastics, oil and noxious substances into the Antarctic Treaty Area; regulate the discharge of sewage and food waste; and require the removal of most wastes from the area.

Co-operate fully with observers designated by Consultative Parties to conduct inspections of stations, ships, aircraft and equipment under Article VII of the Antarctic Treaty, and those to be designated under Article 14 of the Environmental Protocol.

Co-operate in monitoring programmes undertaken in accordance with Article 3(2)(d) of the Protocol.

Maintain a careful and complete record of their activities conducted.

ON COMPLETION OF THE ACTIVITIES

Within three months of the end of the activity, organisers and operators should report on the conduct of it to the appropriate national authority in accordance with national laws and procedures. Reports should include the name, details and state of registration of each vessel or aircraft and the name of their captain or commander; actual itinerary; the number of visitors engaged in the activity; dates, dates and purposes of landings and the number of visitors landed on each occasion; any meteorological observations made, including those made as part of the World Meteorological Organization (WMO) Voluntary Observing Ships Scheme; any significant changes in activities and their impacts from those predicted before the visit was conducted; and action taken in case of emergency.

ANTARCTIC TREATY SYSTEM DOCUMENTS AND INFORMATION

Most Antarctic Treaty Parties can provide, through their national contact points, copies of relevant provisions of the Antarctic Treaty system and information about national laws and procedures, including:

- The Antarctic Treaty (1959)
- Convention on the Conservation of Antarctic Marine Living Resources (1980)
- Protocol on Environmental Protection to the Antarctic Treaty (1991)
- Recommendations and other measures adopted under the Antarctic Treaty
- Final Reports of Consultative Meetings
- Handbook of the Antarctic Treaty System (1994)
- Handbook of the Antarctic Treaty System (in Spanish, 1991)

ATTACHMENT A

Information to be Provided in Advance Notice
Organisers should provide the following information to the appropriate national authorities in the format requested.

1. Name, nationality, and contact details of the organiser;
2. Where relevant, registered name and national registration and type of any vessel or aircraft to be used (including name of the captain or commander, call sign, radio frequency, INMARSAT number);
3. Intended itinerary including the date of departure and places to be visited in the Antarctic Treaty Area;
4. Activities to be undertaken and purpose;
5. Number and qualifications of crew and accompanying guides and expedition staff;
6. Estimated number of visitors to be carried;
7. Carrying capacity of vessel;
8. Intended use of vessel;
9. Intended use and type of aircraft;
10. Number and type of other vessels, including small boats, to be used in the Antarctic Treaty Area;
11. Information about insurance coverage;
12. Details of equipment to be used, including for safety purposes and arrangements for self-sufficiency;
13. And other matters required by national laws.



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GUIDANCE FOR THOSE ORGANISING AND CONDUCTING TOURISM AND NON-GOVERNMENTAL ACTIVITIES IN THE ANTARCTIC

RECOMMENDATION XVIII-1, ADOPTED AT THE ANTARCTIC TREATY MEETING, KAMP, 1994

Antarctica is the largest wilderness area on earth, unaffected by large scale human activities. Accordingly, this unique and pristine environment has been afforded special protection. Furthermore, it is physically remote, inhospitable, unpredictable and potentially dangerous. All activities in the Antarctic Treaty Area, therefore, should be planned and conducted with both environmental protection and safety in mind.

Activities in the Antarctic are subject to the Antarctic Treaty of 1959 and associated legal instruments, referred to collectively as the Antarctic Treaty system. These include the Convention for the Conservation of Antarctic Seals (CCAS' 1972), the Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR' 1980) and the Recommendations and other measures adopted by the Antarctic Treaty Consultative Parties under the Antarctic Treaty.

In 1991, the Consultative Parties to the Antarctic Treaty adopted the Protocol on Environmental Protection to the Antarctic Treaty. This Protocol sets out environmental principles, procedures and obligations for the comprehensive protection of the Antarctic environment, and its dependent and associated ecosystems. The Consultative Parties have agreed that, pending its entry into force, as far as possible and in accordance with their legal systems, that the provisions of the Protocol should be applied as appropriate.

The Environmental Protocol designates Antarctica as a natural reserve devoted to peace and science, and applies to both governmental and non-governmental activities in the Antarctic Treaty Area. The Protocol seeks to ensure that human activities, including tourism, do not have adverse impacts on the Antarctic environment, nor on its scientific and aesthetic values.

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 THORUGH THE NPS INTERPRETIVE PROGRAM OR THORUGH 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

Discovery Shipping would like to request that the NPS Interpretive Program be provided on a cost-recovery basis.

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

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

Does Not Apply

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

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.

Yes

No These elements are currently adequately provided for.

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).

Yes

No

See Attached

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.).

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.

Pollution Minimization Plan – Glacier Bay “World Discoverer” – Discovery Shipping, Inc.

1. Propulsion Plan

Two non-reversible “MAK” 8m452 Diesel engines driving one “KAMEVA” propeller through clutches and reduction gear.
Total output: 2 x 2400 bhp at 500 rpm.

2. Generating Plan

Three 3-phase generators each with a capacity of 400 kw, driven by three “MWM” Diesel engines.

One 3-phase emergency generator with a capacity of 60 kw driven by a 90 hp “CATERPILLAR” Diesel engine.

Both propulsion and generating engines are operated on Marine Gasoil only. The combustion is almost smokeless.

3. Bowthruster

One 400 hp “SCHOTTEL” bowthruster. Thrust approx. 5200 kp at 880 rpm.

During the stay in Glacier the bowthruster will not be operated. As the vessel is equipped with a “BECKER” rudder, she is very maneuverable and the bowthruster is used for docking and undocking in port only.

4. Funnel Emissions

The vessel does not use the incinerator while in Glacier Bay.

5. Emission Monitoring Program

Standard procedure is to make appropriate adjustments if visible emission appears.

6. Low Sulfur Fuels

The vessel bunkers Marine Gasoil only. This is the highest possible fuel quality available. The analysis of fuel oil bunkered shows a sulfur content of 0.4% only.

7. Fuel Burning Efficiency

The vessel maintains the highest fuel burning efficiency possible through adjustment of fuel temperature and volume of air.

8. Underwater Noise

- a) Main engines will be operated at constant rpm in sensitive areas.
- b) Bowthruster will not be used in Glacier Bay.
- c) The operating engines will be used with minimum rpm.
- d) Engines are resilient rubber mounted.

Oil Spill

- a) The vessel is equipped with "Shipboard Oil Pollution Emergency Plan"
- b) Oil spill clean up kit is in place.
- c) Captain, Chief Officer, and Safety Officer are master mariners.
- d) All navigational equipment is in operational condition "GPS, SATNAV, RADAR (2), ECHO SOUNDER (2)".
- e) Weekly safety and oil spill drills for the crew involved are carried out.

General

- a) All certificates – originals as required – issued by USCG, ABS and Flag State (Liberia) are on board including Certificates for Financial Responsibility.
- b) Incinerator will not be used while in Glacier bay.
- c) The vessel is equipped with a full biological sewage plant and a food waste holding tank.
- d) Passengers, Cruise Staff and Crew are familiarized with required care of the environment in Alaska in general and Glacier Bay in particular through the ship's command and the lecturers after embarkation.
- e) World Discoverer has never been issued any notice of violation regarding stack emission.
- f) The shipboard staff will maintain control over deck areas in order to verify that no litter of decks takes place. Vessel does not use paper cups or plates.

Karl-Ulrich Lampe
Master World Discoverer

Baseline Data Gathering

1. Baseline data: Discovery Shipping, Inc. is very interested in providing any information that would be helpful in defining safe parameters of operation within the park. Without knowing specific criteria or approximate costs for providing “baseline” data, it is not possible to provide an unqualified assent.

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 See Explanation

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.

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 present⁴? 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.

⁴ 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.

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

See Attached

CRITERION 6B. NONE

Summary of Inspections

All recommended corrections were completed within 5 days of the CDC inspection.

Not
copied
to paper

CRITERION 7A

1. Attached please find the latest financial statement for Discovery Shipping, Inc.
2. The source of all needed funds comes from passengers' payments. These payments are placed in an FMC mandated escrow account to be held until the completion of each voyage. Receipts relating to Alaska voyages in 1997 totaled \$1,581,207.00 USD.
3. Discovery Shipping, Inc. proposes to make full payment for all services in advance of the ship's arrival.

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Trade Secrets
Safes



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

Discovery Shipping, Inc.
Attention: John D. Tillotson
2001 Western Avenue, Suite 300
Seattle, WA 98121

Dear John:

This letter is to advise you that elements of your June 18, 1998 offer to provide cruise ship services require clarification. Your 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.*

1. Principal Factor 1: Information required under Criterion 1A (Application page 7 of 26) was not provided as required. Ownership of parent company CSSMN, Inc. was not detailed. And the proposal refers to *Society Expeditions*, but does not clearly indicate what part this entity will play in providing the services. Please review the criterion and provide the information required.
2. Principal Factor 3: Financial capability. Information provided did not demonstrate that needed funding would be available. Financial circumstances requiring explanation includes: assets about \$2M and liabilities \$22M; the reason for the "reorganization plan"; the reason for the unaudited balance sheet; and income statements from and the part *Society Expeditions, Inc.* plays in the operation. In addition, financial information for the parent company was not provided. Please provide information as required under criterion 7A items 1, 2 & 3.

Please contact Chief of Concessions Management, Dave Nemeth, at (907-697-2230) if you have any questions.

Sincerely,

Tomie Patrick Lee
Superintendent

Society Expeditions

The Leader in Adventure Cruising, Since 1974.

Dave Nemeth, Chief of Concessions Management
Glacier Bay National Park and Preserve
Attention: Division of Concession Program Management
P.O. Box 140
Gustavus, Alaska 99826-0140

Dear Mr. Nemeth,

As part of this fax you will find the Income Statement for Society Expeditions International (SEI) for 1997. SEI has a bareboat charter agreement with the World Discoverer Shipping Corporation (an unrelated company) for the MV World Discoverer. SEI has a marketing agreement with Society Expeditions, Inc. (SE), where SE sells passage on voyages of the World Discoverer. SEI has a management agreement with Discovery Shipping, Inc. (DSI), where DSI is responsible for operational items for the MV World Discoverer.

Under the management agreement, DSI pays for operational expenses which are covered by SEI's revenue, thus the reason for inclusion of SEI statements. As SEI is a privately held company, audited financial statements have not been prepared. Also, I do not have their Balance Sheet at this time.

Both SE and DSI are owned by CSSMN, Inc., a New York corporation. The sole shareholder of CSSMN is Mr. Heiko Klein, a German citizen. CSSMN has no activity beyond that which comes from SE and DSI.

SE and DSI, under their respective agreements with SEI, have revenues that basically cover their expenses. Their statements are not audited either, as they also are privately held. SE's Balance Sheet is irrelevant to the demonstration of financial ability. The true funding capability is held by SEI.

Please incorporate this information into that sent with our original proposal.

Hopefully this clarifies the issues that you wanted addressed. Please contact me if you require additional information.

Sincerely,



Steve Clearman
Vice President