



United States Department of the Interior
NATIONAL PARK SERVICE

Glacier Bay National Park and Preserve

P.O. Box 140
Gustavus, Alaska 99826-0140

Summary of Offers Memorandum

[Review of Amended Proposals and Clarifications (ref: initial Summary of Offers dated Dec. 1)]

February 8, 1999

Glacier Bay National Park & Preserve

Subject: Cruise Ship Services Pursuant to Prospectus Issued February 19, 1998

To: Regional Director, Alaska Region

Through: Superintendent, Glacier Bay National Park & Preserve

From: David Nemeth, Rating Panel Chair

Jerry Case, Panel Member

Mary Beth Moss, Panel Member

Randy King, Panel Member

Stephen Crabtree, Panel member

Panel Recommendation

The Rating Panel recommends that the proposals from Crystal Cruises, Inc., NCL Cruises, Ltd., Princess Cruises, Inc. and World Explorer Cruises be accepted as being substantially at least equal to the best initial offer (Holland America) and that each incumbent receive the number of entries for which they have a preference on renewal.

The panel recommends that Holland America Line/Westours, as the best initial offer be awarded the forty (40) new entries for which they applied. This is in addition to the 39 entries for which they have ANILCA sec. 1307 rights to non-competitively renew.

The panel recommends NCL Cruises, Inc. and Princess Cruises, Inc. as substantially equal second best initial offers. In accordance with the preference for new or small operators, we recommend that the remaining two (2) entries be awarded to NCL Cruises, Inc.

These recommendations would result in the following allocation of 139 June – August entries:

Incumbents

Crystal Cruises, Inc.	2
NCL Cruises, Ltd.	7
Princess Cruises, Inc.	13
World Explorer Cruises.....	4

Unencumbered Entries

Holland America (new entries).....	40
NCL Cruises, Ltd. (new entries).....	2

Historic Entries

Holland America (Historic Entries).....	39
P&O (Historic Entries).....	32

Total..... 139

The panel further recommends that the clarifications provided by Crystal Cruises, Inc., Discovery Shipping, NCL Cruises, Ltd. and World Explorer Cruises be accepted as verification that these proposals are responsive to the minimum requirements of the prospectus.

The panel recommends that the proposals from West Travel, Inc., Goldbelt, Inc., Yachtship Cruiselines, Inc. and Cunard Line Limited be considered non-responsive, for reasons summarized below. Since the opportunity to apply under this prospectus remains open throughout the term of the permits for off season (September 1 – May 31) entries, these applicants may still qualify for off-season entries once technical problems with their offers are resolved.

Off season permits could therefore be offered to:

Celebrity Cruises, Inc.
Discovery Shipping, Inc.
Royal Caribbean Cruises Ltd.

Additional Information/Clarifications are needed before off season permits are offered to:

Cunard Line Limited
Goldbelt, Inc.
West Travel, Inc.
Yachtship CruiseLines, Inc.

Amended offers and technical clarifications were requested by January 6, 1999. Some clarification information, submitted shortly after this date, was accepted due to postal and courier delays and when doing so did not delay the decision-making process.

Evaluation of Amended Proposals

Crystal Cruises, Inc. stated they agree to “fully meet the seven elements of the best proposal ...” and provided appropriate details regarding how they would meet each specific element.

NCL Cruises, Ltd., substantially met the terms of the best offer in a point-by-point proposal meeting or exceeding each of the standards set by the best offer.

Princess Cruises, Inc. amended its proposal offering to “fully meet... the terms of each of the seven elements identified in (the December 4 NPS letter)” and matched the best offer point by point.

World Explorer Cruises addressed each of the seven elements of the best offer point-by-point and substantially met or exceeded the standards set by the best offer.

Goldbelt, Inc. did not amend their initial proposal.

Identification of Second Best Offer

Based on evaluation of all initial proposals, as summarized in the December 1 Summary of Offers memorandum, we find Princess Cruise Lines and NCL Cruises substantially equal and clearly superior to all other offers (except the clearly superior Holland America Line/Westours offer). In accordance with the *Glacier Bay Cruise Ship Management Plan* provisions which provide for favoring operators with less than 14% of the available entries, NCL Cruises (with 5% of available entries) should be favored over Princess Cruises (with 32% of available entries, combining P&O and Princess entries).

Evaluation of Clarifications

Crystal Cruises, Inc.

Previously identified technical problems:

(1) Crystal Cruises did not submit information on all marine casualties.

Response: CCI indicated they misunderstood the need to provide the USCG reports. They indicate they have requested these reports under a FOIA request of the USCG and will submit the reports as soon as they receive them. However, none of the marine casualty incidents reported by the USCG would be considered by NPS as precluding the applicant from successfully meeting this criterion.

We believe this offer is responsive to the prospectus.

Cunard Line Limited

Previously identified technical problems:

(1) The same individual signed the offer letter and *certificate of corporate officer* statement.

Explanation or revised statement needed. **Response:** A revised offer letter was submitted.

(2) The Cunard Line Pollution Minimization Plan requires clarification (Offeror did not answer question 5A - 1. from pages 21-22 of 26). **Response:** The offeror did not correct this. Instead they changed their answer to item 5B - 1. from pages 22-23 of 26 (saying they would **not** provide baseline information from the vessels).

(3) Explanation needed regarding unaudited financial information. **Response:** Offeror provided a Statement of Operations and Balance Sheet for Cunard Line Limited and consolidated balance sheets, statements of operations, statements of cash flows for 1995-1998 (without Notes) for Carnival Corporation.

We do not believe the Cunard Line Limited proposal is responsive to the prospectus due to failure to answer Criterion 5A question 1.

Discovery Shipping

Previously identified technical problems:

- (1) Discovery Shipping proposal includes references to *Society Expeditions* but needs to clarify the function of that entity. **Response:** Information provided.
- (2) Information on ownership of parent company (CSSMN) requires clarification. **Response:** Information provided.
- (3) Financial situation of Discovery Shipping needs to be comprehensively addressed. **Response:** An unaudited “income statement” was provided for Society Expeditions International.
- (4) Explanation needed regarding a “reorganization plan” which was mentioned. **Response:** No information provided.
- (5) Information regarding the parent company is needed. **Response:** Information provided.
- (6) Explanation for unaudited financial statements is needed. **Response:** The entities involved are privately held companies and therefore audited financial statements are not necessary.

The information provided, while not completely answering all questions, suggests that the offeror is capable of continuing to provide satisfactory cruise ship services and that the offer is responsive to the prospectus.

NCL Cruises, Ltd.

Previously identified technical problems:

- (1) NCL offer letter did not include *certificate of corporate officer* statement. **Response:** A corrected offer letter was submitted.

We believe this was a responsive offer.

West Travel, Inc. (Alaska Sightseeing/Cruise West)

Previously identified technical problems:

- (1) The same individual signed the offer letter and *certificate of corporate officer* statement. **Response:** By-Laws of West Travel submitted in support of certification as submitted.
- (2) AS/CW does not appear to own the vessel to be operated and did not provide information regarding the lease or purchase of the vessel. **Response:** Offeror declared that no vessel is currently owned and did not provide the requested information regarding funding for acquisition of a vessel.

The By-Laws submitted appear to require that the President sign “*with the Secretary*” offers such as this.

Clarification information was not fully provided. There is no information regarding funding of a vessel. The Offeror in the clarification stated that they were “negotiating” for lease or purchase of the proposed vessel and that if this vessel was not available, they would request approval for a replacement vessel. While we would not discount replacement of vessels, we do believe additional information is needed to assure that the offeror is likely to provide the services as proposed.

We are not satisfied that the offer signed by the President does not require certification by another officer. We also believe clarification regarding the actual vessel to be used and financial

information regarding the acquisition of such vessel is needed. We recommend that this offer not be considered responsive until these items have been adequately addressed.

World Explorer Cruises

Previously identified technical problems:

- (1) The same individual signed the offer letter and *certificate of corporate officer* statement.

Response: A revised offer letter was submitted.

- (2) The offer did not include owner information and lacked some required information about management personnel. **Response:** Most additional information provided. Ultimate ownership of the offering entity ("Hong Kong interest") was not answered in the initial clarification. The applicant subsequently identified the individual owner of the parent company (Jan. 13 fax).

We believe this was a responsive offer.

Yachtship CruiseLines, Inc. (American West Steamboat Company)

Previously identified technical problems:

- (1) The same individual signed the offer letter and *certificate of corporate officer* statement.

Response: Minutes of the First Meeting of the Directors of Yachtship CruiseLine, Inc. submitted in support of certification as submitted.

- (2) Information lacking on how AWSC will finance the new vessel construction. **Response:** Information provided documenting that 87.5% financing *may* be guaranteed by the Sec. Of Transportation, and a letter of interest from a lender.

The *Minutes* do not appear to confirm the authority of the President to make commitments such as this, on behalf of the offering entity, without certification of another corporate officer.

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

We recommend that this offer not be considered responsive until these items have been adequately addressed.

Goldbelt, Inc.

Previously identified technical problems:

- (1) Information on some (tour vessel) marine casualties needed. Information regarding financing of the new vessel to be built is needed. **Response:** Goldbelt did not provide clarification of these points.

We recommend that the Goldbelt offer be considered non-responsive to the prospectus due to failure to provide the requested information.

End