

Category III Contract

**United States Department of the Interior
National Park Service**

Glacier Bay National Park & Preserve

Tour Vessel Services

Concession Contract No. **CC-GLBA037-06**

Concessioner:

New World Ship Management Company, LLC

11969 Westline Industrial Drive, Suite 300, St. Louis, MO 631463221

Phone Number: **(314) 655-3904**

Fax Number: **(314) 655-3901**

Email Address: **gwelsh@nwship.com**

Doing Business As:

[No d.b.a.]

Covering the Period **January 1, 2006** through **December 31, 2015**

This Contract is between the National Park Service and **New World Ship Management Company, LLC** (hereinafter referred to as "Concessioner"), a Corporation, d.b.a. [No d.b.a.], under the authority of 16 U.S.C. 1 et. seq., including 16 U.S.C. 5901 et. seq., and other laws that supplement and amend these laws. The Director and the Concessioner agree:

Sec. 1. Term of Contract

This Contract will be from **January 1, 2006** until its expiration on **December 31, 2015**.

Sec. 2. Services and Operations

(a) Required and Authorized Visitor Services

The Concessioner must provide the following required Visitor Services within the Area: Tour Vessel Services.

The Concessioner may provide the following authorized Visitor Services within the Area: None

(b) Operation, Maintenance and Quality of Operation

The Concessioner must provide, operate and maintain the Visitor Services in accordance with this Contract in a manner considered satisfactory by the Director, including the nature, type and quality of the Visitor Services. The Concessioner's authority to provide Visitor Services under the terms of this Contract is nonexclusive. The Concessioner's operations and contract compliance will be evaluated on at least an annual basis.

No government owned personal property is assigned to the Concessioner.

(c) Operating Plan

The Director will establish and revise, as necessary, after consultation with the Concessioner, specific requirements for the operations of the Concessioner under this Contract in the form of an Operating Plan. The initial Operating Plan is attached to this Contract as Exhibit B.

(d) Rates

All rates and charges to the public by the Concessioner for Visitor Services must be reasonable and appropriate and must be approved by the Director.

(e) No Capital Improvements

The Concessioner may not construct any Capital Improvements upon Area lands.

Sec. 3. Concessioner Personnel

(a) The Concessioner must ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public.

(b) The Concessioner must establish appropriate screening, hiring, training, safety, employment, termination and other policies and procedures.

(c) The Concessioner must review the conduct of any of its employees whose action or activities are considered by the Concessioner or the Director to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors and must take such actions as are necessary to correct the situation.

(d) The Concessioner must maintain, to the greatest extent possible, a drug free work environment.

Sec. 4. Environmental

The Concessioner must utilize appropriate best management practices (practices that apply the most current and advanced means and technologies available to the Concessioner to undertake and maintain a superior level of environmental performance reasonable in light of the circumstances of the operations conducted under this Contract) in its provision of Visitor Services and other activities under this Contract.

Sec. 5. Fees

(a) Franchise Fee

(1) The Concessioner must pay an annual franchise fee to the Director as follows: the greater of **\$13.00 per passenger per day** or **\$500**.

(2) "Passenger" means everyone on board except Concessioner employees (captain, officers, crew, etc.); contractors and sub-concessioners of the permittee; immediate family members of employees who are sharing the employee's quarters; and musicians, artists, guest speakers, art auctioneers, interpreters, rangers, etc. who are traveling free, but providing passenger services for the concessioner or the National Park Service.

(3) "Day" means any continuous period of time that services under this contract are provided in Glacier Bay National Park & Preserve between the hours of 12 midnight on one day to 12 midnight the next day, including services on marine waters other than when a vessel is transiting open waters along the Gulf of Alaska, Cross Sound, North Inian Passage and Icy Passage without entering any bay or inlet of Glacier Bay National Park and Preserve.

(4) The Concessioner has no right to waiver of the fee under any circumstances.

(b) Payments Due

(1) The franchise fee is to be paid as follows: A pre-payment of the greater of the estimated number of passengers scheduled to enter the park each year or \$500 is due not later than March 1, 2006 (or on execution of the permit, if this occurs after this date), and by March first of each successive year the permit remains in effect. Payments for the actual number of passengers minus the pre-payment amount, is due October 1 of the same year."

(2) All franchise fee payments consisting of \$10,000 or more, will be deposited electronically by the Concessioner in the manner directed by the Director.

(3) If adjustments need to be made to the franchise fee payment due to adjustments to the reported gross receipts at the time of submission of the Concessioner's Annual Financial Report, or for any other reason, the adjustments will be made as follows:

- Additional payments will be made at the time of submission of the Concessioner's Annual Financial Report.
- Overpayments will be offset against the following year's fees.

(c) Interest

An interest charge will be assessed on overdue amounts for each thirty (30) day period, or portion thereof, that payment is delayed. The percent of interest charged will be based on the current value of funds to the United States Treasury as published quarterly in the Treasury Fiscal Requirements Manual. The Director may also impose penalties for late payment to the extent authorized by Applicable Law.

Sec. 6. Insurance

The Concessioner must obtain and maintain during the entire term of this Contract at its sole cost and expense, coverage necessary to fulfill the obligations of this Contract. The insurance requirements are set forth in Exhibit D.

Sec. 7. Records and Reports

(a) Accounting System

(1) The Concessioner must maintain an accounting system under which its accounts can be readily identified with its system of accounts classification. Such accounting system must be capable of providing the information required by this Contract. The Concessioner's system of accounts classification must be directly related to the Concessioner Annual Financial Report Form issued by the Director.

(2) If the Concessioner's annual gross receipts are \$500,000 or more, the Concessioner must use the accrual accounting method.

(3) The Concessioner must keep its accounts in such manner that there can be no diversion or concealment of profits or expenses in the operations authorized under this Contract by means of arrangements for the procurement of equipment, merchandise, supplies or services from sources controlled by or under common ownership with the Concessioner or by any other device.

(b) Annual Financial Report

The Concessioner must submit annually as soon as possible but not later than March 1 a financial statement for the preceding fiscal year or portion of a year as prescribed by the Director ("Concessioner Annual Financial Report").

(1) If the annual gross receipts of the Concessioner are in excess of \$1,000,000, the financial statements must be audited by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(2) If annual gross receipts are between \$500,000, and \$1,000,000, the financial statements must be reviewed by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(3) If annual gross receipts are less than \$500,000, the financial statements may be prepared without involvement by an independent Certified Public Accountant, unless otherwise directed by the Director.

(c) Other Reports

(1) Balance Sheet. If requested by the Director, within ninety (90) days of the execution of this Contract or its effective date, whichever is later, the Concessioner must submit to the Director a balance sheet as of the beginning date of the term of this Contract. The balance sheet must be audited or reviewed, as determined by the annual gross receipts, by an independent Certified Public Accountant.

(2) The Director from time to time may require the Concessioner to submit other reports and data regarding its performance under this Contract or otherwise, including, but not limited to, operational information.

Sec.8. Suspension, Termination, or Expiration

(a) Termination and Suspension

(1) The Director may temporarily suspend operations under this Contract in whole or in part or terminate this Contract in writing at any time in order to protect Area visitors, protect, conserve, and preserve Area resources, or to limit Visitor Services in the Area to those that continue to be necessary and appropriate.

(2) The Director may terminate this Contract if the Director determines that the Concessioner has materially breached any requirement of this Contract.

(3) In the event of a breach of the Contract, the Director will provide the Concessioner an opportunity to cure by providing written notice to the Concessioner of the breach. In the event of a monetary breach, the Director will give the Concessioner a fifteen (15) day period to cure the breach. If the breach is not cured within that period, then the Director may terminate the Contract for default. In the event of a nonmonetary breach, if the Director considers that the nature of the breach so permits, the Director will give the Concessioner thirty (30) days to cure the breach, or to provide a plan, to the satisfaction of the Director, to cure the breach over a specified period of time. If the breach is not cured within this specified period of time, the Director may terminate the Contract for default. Notwithstanding this provision, repeated breaches (two or more) of the same nature will be grounds for termination for default without a cure period. In the event of a breach of any nature, the Director may suspend the Concessioner's operations as appropriate in accordance with Section 8(a).

(b) Requirements in the Event of Suspension, Termination or Expiration

(1) In the event of suspension or termination of this Contract for any reason or expiration of this Contract, no compensation of any nature will be due the Concessioner, including, but not limited to, compensation for personal property, or for losses based on lost income, profit, or the necessity to make expenditures as a result of the termination.

(2) Upon termination of this Contract for any reason, or upon its expiration, and except as otherwise provided in this section, the Concessioner must, at the Concessioner's expense, promptly vacate the Area, remove all of the Concessioner's personal property, and repair any injury caused by removal of the property. This removal must occur within thirty (30) days (unless the Director in particular circumstances otherwise determines). Personal property not removed from the Area will be considered abandoned property subject to disposition by the Director, at full cost and expense of the Concessioner.

Sec. 9. Assignment, Sale or Encumbrance of Interests

This Contract may not be assigned [e.g. sold] or encumbered [e.g. mortgaged] without the approval of the Director in accordance with 36 CFR Part 51 with respect to proposed assignments and encumbrances.

Sec. 10. General Provisions – See Addendum 1.

Addendum 1 attached to this Contract is made a part of this Contract.

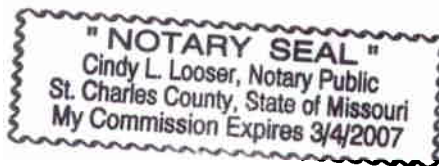
New World Ship Management Company, LLC

United States of America

Signature: *Gary E. Welsh*
Name: GARY E. WELSH
Title: VICE PRESIDENT

BY *Tomie Patrick Lee*
Name: TOMIE PATRICK LEE
Title: SUPERINTENDENT
National Park Service

Attest: *Cindy L. Looser*
Name: Cindy L. Looser
Title: Notary Public
My Commission Expires 3/4/2007



Attachments:

- Addendum 1 – General Provisions
- Exhibit A – Nondiscrimination
- Exhibit B – Operating Plan
- Exhibit C – Reserved
- Exhibit D - Insurance

ADDENDUM 1 GENERAL PROVISIONS

1. Definitions.

The following terms used in this Contract will have the following meanings, which apply to both the singular and the plural forms of the defined terms:

- (a) "Applicable Laws" means the laws of Congress governing the Area, including, but not limited to, the rules, regulations, requirements and policies promulgated under those laws, whether now in force, or amended, enacted or promulgated in the future, including, without limitation, federal, state and local laws, rules, regulations, requirements and policies governing nondiscrimination, protection of the environment and protection of public health and safety.
- (b) "Area" means the property within the boundaries of Glacier Bay National Park & Preserve.
- (c) "Days" means calendar days.
- (d) "Director" means the Director of the National Park Service, and his duly authorized representatives.
- (e) "Exhibit" means the various exhibits, which are attached to this Contract, each of which is hereby made a part of this Contract.
- (f) "Gross Receipts" means the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this Contract, commissions earned on contracts or agreements with other persons or companies operating in the Area, and gross receipts earned from electronic media sales, but excluding:
 - (1) Intracompany earnings on account of charges to other departments of the operation (such as laundry);
 - (2) Charges for employees' meals, lodgings, and transportation;
 - (3) Cash discounts on purchases;
 - (4) Cash discounts on sales;
 - (5) Returned sales and allowances;
 - (6) Interest on money loaned or in bank accounts;
 - (7) Income from investments;
 - (8) Income from subsidiary companies outside of the Area;
 - (9) Sale of property other than that purchased in the regular course of business for the purpose of resale;
 - (10) Sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded will not exceed the amount actually due or paid government agencies;
 - (11) Receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian, Alaskan Native, Native Samoan, or Native Hawaiian handicrafts.

All monies paid into coin operated devices, except telephones, whether provided by the Concessioner or by others, must be included in gross receipts. However, only revenues actually received by the Concessioner from coin-operated telephones must be included in gross receipts. All revenues received from charges for in-room telephone or computer access must be included in gross receipts.

- (g) "Superintendent" means the manager of the Area.
- (h) "Visitor Services" means the accommodations, facilities and services that the Concessioner is required and/or authorized to provide by this Contract.

2. Legal and Regulatory Compliance

This Contract, operations under it by the Concessioner, and its administration by the Director, are subject to all Applicable Laws. The Concessioner must comply with all Applicable Laws in fulfilling its obligations under this Contract at the Concessioner's sole cost and expense. The Concessioner must give the Director immediate written notice of any violation of Applicable Laws by the Concessioner, including its employees, agents or Contractors, and must promptly correct any violation.

3. Services and Operations

- (a) All promotional material, regardless of media format (i.e., printed, electronic, broadcast media), provided to the public by the Concessioner in connection with the services provided under this Contract must be approved in writing by the Director prior to use. All such material will identify the Concessioner as an authorized Concessioner of the National Park Service, Department of the Interior.
- (b) The Concessioner will provide Federal employees reduced rates, in accordance with guidelines established by the Director, when conducting necessary official business. Complimentary or reduced rates and charges may otherwise not be provided to Federal employees by the Concessioner except to the extent that they are equally available to the general public.
- (c) The Director and Comptroller General of the United States, or any of their duly authorized representatives, will have access to the records of the Concessioner as provided by the terms of Applicable Laws.
- (d) Subconcession or other third party agreements, including management agreements, for the provision of Visitor Services required and/or authorized under this Contract, whether in consideration of a percentage of revenues or otherwise, are not permitted.
- (e) The Concessioner will ensure that any protected sites and archeological resources within the Area are not disturbed or damaged by the Concessioner's activities. Discoveries of any archeological resources by the Concessioner will be promptly reported to the Director.

4. Environmental Data, Reports, Notifications, and Approvals

- (a) Inventory of Hazardous Substances and Inventory of Waste Streams. The Concessioner must submit to the Director, upon request, an inventory of hazardous chemicals used and stored in the Area by the Concessioner. The Concessioner must obtain the Director's approval prior to using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this Contract. The Concessioner must also submit to the Director, upon request, an inventory of all waste streams generated by the Concessioner under this Contract.
- (b) Reports. The Concessioner must submit to the Director copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to regulatory agencies. The Concessioner must also submit to the Director any environmental plans for which coordination with Area operations are necessary and appropriate, as determined by the Director in accordance with Applicable Laws.
- (c) Notification of Releases. The Concessioner must give the Director immediate written notice of any discharge, release or threatened release (as these terms are defined by Applicable Laws) within or at the vicinity of the Area (whether solid, semi-solid, liquid or gaseous in nature) of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product or petroleum by-product.
- (d) Notice of Violation. The Concessioner must give the Director in writing immediate notice of any written threatened or actual notice of violation from other regulatory agencies of any Applicable Law arising out of the activities of the Concessioner, its agents or employees.
- (e) Communication with Regulatory Agencies. The Concessioner must provide timely written advance notice to the Director of communications, including without limitation, meetings, audits, inspections, hearings and other proceedings, between regulatory agencies and the Concessioner related to compliance with Applicable Laws concerning operations under this Contract. The

Concessioner must also provide to the Director any written materials prepared or received by the Concessioner in advance of or subsequent to any such communications. The Concessioner must allow the Director to participate in any such communications. The Concessioner must also provide timely notice to the Director following any unplanned communications between regulatory agencies and the Concessioner.

- (f) **Cost Recovery for Concessioner Environmental Activities.** If the Concessioner does not promptly contain and remediate an unauthorized discharge or release arising out of the activities of the Concessioner, its employees, agents and Contractors, as set forth in this section, or correct any environmental self-assessment finding of non-compliance, in full compliance with Applicable Laws, the Director may, in its sole discretion and after notice to the Concessioner, take any such action consistent with Applicable Laws as the Director deems necessary to abate, mitigate, remediate, or otherwise respond to such release or discharge, or take corrective action on the environmental self-assessment finding. The Concessioner will be liable for and must pay to the Director any costs of the Director associated with such action upon demand. Nothing in this section precludes the Concessioner from seeking to recover costs from a responsible third party.

5. Fees

(a) Adjustment of Franchise Fee

- (1) The Concessioner or the Director may request, in the event that either considers that extraordinary, unanticipated changes have occurred after the effective date of this Contract, a reconsideration and possible subsequent adjustment of the franchise fee established in this section. For the purposes of this section, the phrase "extraordinary, unanticipated changes" will mean extraordinary, unanticipated changes from the conditions existing or reasonably anticipated before the effective date of this Contract which have or will significantly affect the probable value of the privileges granted to the Concessioner by this Contract. For the purposes of this section, the phrase "probable value" means a reasonable opportunity for net profit in relation to capital invested and the obligations of this Contract.
- (2) The Concessioner or the Director must make a request for a reconsideration by mailing, within sixty (60) days from the date that the party becomes aware, or should have become aware, of the possible extraordinary, unanticipated changes, a written notice to the other party that includes a description of the possible extraordinary, unanticipated changes and why the party believes they have affected or will significantly affect the probable value of the privileges granted by this Contract.
- (3) If the Concessioner and the Director agree that extraordinary, unanticipated changes have occurred, the Concessioner and the Director will undertake good faith negotiations as to an appropriate adjustment of the franchise fee.
- (4) The negotiation will last for a period of sixty (60) days from the date the Concessioner and the Director agree that extraordinary, unanticipated changes occurred. If the negotiation results in agreement as to an adjustment (up or down) of the franchise fee within this period, the franchise fee will be adjusted accordingly, prospectively as of the date of agreement.
- (5) If the negotiation does not result in agreement as to the adjustment of the franchise fee within this sixty (60) day period, then either the Concessioner or the Director may request binding arbitration to determine the adjustment to franchise fee in accordance with this section. Such a request for arbitration must be made by mailing written notice to the other party within fifteen (15) days of the expiration of the sixty (60) day period.
- (6) Within thirty (30) days of receipt of such a written notice, the Concessioner and the Director will each select an arbiter. These two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel. Unless otherwise agreed by the parties, the arbitration panel will establish the procedures of the arbitration. Such procedures must provide each party a fair and equal opportunity to present its position on the matter to the arbitration panel.

- (7) The arbitration panel will consider the written submissions and any oral presentations made by the Concessioner and the Director and provide its decision on an adjusted franchise fee (up, down or unchanged) that is consistent with the probable value of the privileges granted by this Contract within sixty (60) days of the presentations.
- (8) Any adjustment to the franchise fee resulting from this section will be prospective only.
- (9) Any adjustment to the franchise fee will be embodied in an amendment to this Contract.
- (10) During the pendency of the process described in this section, the Concessioner will continue to make the established franchise fee payments required by this Contract.

6. Indemnification

The Concessioner agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend and indemnify the United States of America, its agents and employees from and against any and all liabilities, obligations, losses, damages or judgments (including without limitation penalties and fines), claims, actions, suits, costs and expenses (including without limitation attorneys fees and experts' fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, in any way connected with or arising out of the activities of the Concessioner, its employees, agents or Contractors under this Contract. This indemnification will survive the termination or expiration of this Contract.

7. Notice of Bankruptcy or Insolvency

The Concessioner must give the Director immediate notice (within five (5) days) after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The Concessioner must also give the Director immediate notice of any petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this Contract or any part thereof upon execution, attachment or other process of law or equity. For purposes of the bankruptcy statutes, NPS considers that this Contract is not a lease but an executory Contract exempt from inclusion in assets of Concessioner pursuant to 11 U.S.C. 365. The Director may terminate this Contract if the Director determines that the Concessioner is unable to perform the terms of Contract due to such bankruptcy or insolvency action.

8. Additional Provisions

- (a) This Contract contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this Contract. This Contract may be extended, renewed or amended only when agreed to in writing by the Director and the Concessioner.
- (b) This Contract does not grant rights or benefits of any nature to any third party.
- (c) The invalidity of a specific provision of this Contract will not affect the validity of the remaining provisions of this Contract.
- (d) Waiver by the Director or the Concessioner of any breach of any of the terms of this Contract by the other party will not be deemed to be a waiver or elimination of such term, nor of any subsequent breach of the same type, nor of any other term of the Contract. The subsequent acceptance of any payment of money or other performance required by this Contract will not be deemed to be a waiver of any preceding breach of any term of the Contract.
- (e) No member of, or delegate to, Congress or Resident Commissioner will be admitted to any share or part of this Contract or to any benefit that may arise from this Contract but this restriction will not be construed to extend to this Contract if made with a corporation or company for its general benefit.
- (f) This Contract is subject to the provisions of 43 CFR, Subtitle A, Part 12, Subpart D, concerning nonprocurement debarment and suspension. The Director may recommend that the Concessioner be debarred or suspended in accordance with the requirements and procedures described in those regulations, as they are effective now or may be revised in the future.

Exhibit A - Nondiscrimination

Section I: Requirements Relating to Employment and Service to the Public

A. Employment

During the performance of this CONTRACT the Concessioner agrees as follows:

- (1) The Concessioner will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or disabling condition. The Concessioner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disabling condition. Such action shall include, but not be limited to, the following: Employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Concessioner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary setting forth the provision of this nondiscrimination clause.
- (2) The Concessioner will, in all solicitations or advertisements for employees placed by on behalf of the Concessioner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.
- (3) The Concessioner will send to each labor union or representative of workers with which the Concessioner has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Secretary, advising the labor union or workers' representative of the Concessioner's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) Within 120 days of the commencement of a contract every Government contractor or subcontractor holding a contract that generates gross receipts which exceed \$50,000 and having 50 or more employees shall prepare and maintain an affirmative action program at each establishment which shall set forth the contractor's policies, practices, and procedures in accordance with the affirmative action program requirement.
- (5) The Concessioner will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (6) The Concessioner will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the Concessioner's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (7) In the event of the Concessioner's noncompliance with the nondiscrimination clauses of this CONTRACT or with any of such rules, regulations, or orders, this CONTRACT may be canceled, terminated or suspended in whole or in part and the Concessioner may be declared ineligible for further Government concession contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (8) The Concessioner will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, so that such provisions will be binding upon each

subcontractor or vendor. The Concessioner will take such action with respect to any subcontract or purchase order as the Secretary may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Concessioner becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Secretary, the Concessioner may request the United States to enter into such litigation to protect the interests of the United States.

B. Construction, Repair, and Similar Contracts

The preceding provisions A(1) through A(8) governing performance of work under this CONTRACT, as set out in Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, shall be applicable to this CONTRACT, and shall be included in all contracts executed by the Concessioner for the performance of construction, repair, and similar work contemplated by this CONTRACT, and for that purpose the term "CONTRACT" shall be deemed to refer to this instrument and to contracts awarded by the Concessioner and the term "Concessioner" shall be deemed to refer to the Concessioner and to contractors awarded contracts by the Concessioner.

C. Facilities

(1) Definitions: As used herein:

- (a) Concessioner shall mean the Concessioner and its employees, agents, lessees, sublessees, and contractors, and the successors in interest of the Concessioner;
- (b) Facility shall mean any and all services, facilities, privileges, accommodations, or activities available to the general public and permitted by this agreement.

(2) The Concessioner is prohibited from:

- (a) Publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin, or disabling condition;
- (b) Discriminating by segregation or other means against any person.

Section II: Accessibility

Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978, requires that action be taken to assure that any "program" or "service" being provided to the general public be provided to the highest extent reasonably possible to individuals who are mobility impaired, hearing impaired, and visually impaired. It does not require architectural access to every building or facility, but only that the service or program can be provided somewhere in an accessible location. It also allows for a wide range of methods and techniques for achieving the intent of the law, and calls for consultation with disabled persons in determining what is reasonable and feasible.

No handicapped person shall, because a Concessioner's facilities are inaccessible to or unusable by handicapped persons, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance or conducted by any Executive agency or by the U.S. Postal Service.

A. Discrimination Prohibited

A Concessioner, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of handicap:

- (1) Deny a qualified handicapped person the opportunity to participate in or benefit from the aid, benefit, or service;
- (2) Afford a qualified handicapped person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
- (3) Provide a qualified handicapped person with an aid, benefit, or service that is not as effective as that provided to others;
- (4) Provide different or separate aids, benefits, or services to handicapped persons or to any class of handicapped persons unless such action is necessary to provide qualified handicapped persons with aid, benefits, or services that are as effective as those provided to others;
- (5) Aid or perpetuate discrimination against a qualified handicapped person by providing significant assistance to an agency, organization, or person that discriminates on the basis of handicap in providing any aid, benefit, or service to beneficiaries of the recipient's program;
- (6) Deny a qualified handicapped person the opportunity to participate as a member of planning or advisory boards; or
- (7) Otherwise limit a qualified handicapped person in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service.

B. Existing Facilities

A Concessioner shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by handicapped persons. This paragraph does not require a Concessioner to make each of its existing facilities or every part of a facility accessible to and usable by handicapped persons.

Exhibit B - Operating Plan

A. Introduction

1. This Operating Plan shall serve as a supplement to Concession Contract CC-GLBA037-06. It describes specific operating responsibilities of the Concessioner and the Service with regard to services provided by the Concessioner as authorized by the Contract. In the event of any conflict between the terms of the Contract and this Operating Plan, the terms of the Contract, including its designations and amendments, shall prevail.
2. This plan will be reviewed annually by the Superintendent in consultation with the Concessioner and revised as determined necessary by the Superintendent of the Area. Any revisions shall not be inconsistent with the main body of the Contract. Any revisions must be reasonable and in furtherance of the purposes of the Contract.

B. Definitions:

In addition to all defined terms contained in the CONTRACT, the following definitions apply to this Operating Plan:

1. “*Glacier Bay*” or “*Glacier Bay proper*” means all marine waters inside a line from Pt. Gustavus to Pt. Carolus.
2. “*Park*” means Glacier Bay National Park & Preserve.
3. “*Park Compendium*” or “*Compendium*” refers to a compendium of park designations, closures, permit requirements and other restrictions.
4. “*Pool*” or “*Use day pool*” or “*vessel use day pool*” means tour vessel use days not allocated to a specific concessioner, but which are potentially available for use by any tour vessel concessioner.
5. “*Vessel Use Day*” or “*Use day*” means any continuous period of time that a motor vessel is in Glacier Bay between the hours of 12 midnight on one day to 12 midnight the next day.
6. “*Over-size tour vessel*” means a vessel over 100 tons but less than 300 tons meeting the criteria for such passenger carrying vessels as provided in Pub.L. 108-293 sec. 616.
7. “*Prime Season Operator*” means the holder of a concession contract to provide tour vessel services which includes an allocation of Glacier Bay use days for the June 1 through August 31 period.

B. Required Reports & Submissions

1. Summary of Concessioner Reporting Requirements:

| Requirement | Due |
|--|---|
| Annual Financial Report | March 1 |
| Franchise Fee Pre-Payment | March 1 |
| Certificate of Insurance | By startup of operations and as renewed |
| Concessioner’s Roster of Employees | Prior to the first visit each year. |
| Schedule of Trips and Itineraries | March 1 |
| Business Brochures and Advertising | As created |
| Proposed Rates | March 1 |
| NPS Activity Report (see below) | September 30 |
| Franchise Fee Final Payment/Reconciliation | September 30 |

2. **Annual Activity Report** [Ref: Contract Section 7(c)(2)]: The Concessioner will submit by September 30 the following information: date and time of each arrival and departure from Glacier Bay waters, broken down by time in Glacier Bay proper and in park areas outside Glacier Bay proper; park areas visited; number of passengers; number of officers and crew; and the time, location and a narrative description of any off-vessel activities within Glacier Bay National Park & Preserve (shore excursions, kayaking, etc.).
3. The Concessioner will report visitor use (and sport fishing activity, if any) for each use day in the park, in a format provided by the Service. The report must be received by the Superintendent not later than the 5th of every month for the previous month (i.e. report May use no later than June 5).

C. Operations

1. General Operating Provisions

- a. All vessel operations shall comply with relevant National Park Service regulations with particular attention to applicable elements of 36 CFR 13.65 and the Park Compendium.
- b. Food and beverage service shall be conducted in conformance with the U.S. Public Health Service, Food and Drug Administration Food Code.
- c. Tour vessel use in Glacier Bay (proper), for all operators combined, is limited to three vessels per day.
- d. Use of bays and inlets within the park, but outside Glacier Bay proper, is limited to one tour vessel at a time in each of the following areas: Lituya Bay, Palma Bay/Astrolabe Bay, Dixon Harbor, Torch Bay, Murk Bay/Graves Harbor, Dick's Arm, Taylor Bay, Dundas Bay and Sawmill Bay/Excursion Inlet (west side). Tour vessel operators will be expected to coordinate their itineraries to insure this limit is not exceeded.
- e. The Concessioner shall remove all solid wastes from the park for proper separation, recycling and disposal. Use of NPS solid waste receptacles or the park landfill is prohibited.
- f. Materials, supplies, or equipment of any type will not be cached or stored without prior written approval by the Superintendent.
- g. The Concessioner is required to notify park headquarters by telephone (907 697-2627) or marine band radio (KWM 20 Bartlett Cove on Channel 16) prior to entering Glacier Bay and provide or confirm the following:
 - (1) Name of the vessel operator (captain);
 - (2) Name of the vessel;
 - (3) Name of the concessioner
 - (4) Number of guests and crew on board the vessel; and
 - (5) Confirm the scheduled entry and departure dates for that trip.
- h. Bartlett Cove or other locations in Glacier Bay National Park cannot be used as an operating base for commercial activities authorized by this contract.

2. NPS Interpretive Program

- a. The National Park Service will provide an interpretive program aboard all tour vessels at the discretion of the Superintendent.
- b. If provided, the NPS Interpretive program may include:
 - (1) An introduction and orientation for all passengers in a main lounge;
 - (2) Periodic thematic commentary over the ship's public address system throughout the day.

- (3) Demonstrations related to Glacier Bay in lounges and/or on the deck throughout the day;
 - (4) Roving and opportunistic programs throughout the day targeted at specific passenger interests; and
 - (5) Audio/visual, living history or other formal programs.
3. In support of the NPS interpretive program, the Concessioner shall:
- a. Schedule the vessel to enter Glacier Bay proper between 5:00 am and 10:00 p.m., unless other arrangements have been approved by the Superintendent, and reach the face of at least one tidewater glacier (note NPS Ranger boarding times elsewhere). No meals or conflicting activities should be scheduled in the proximity of glaciers or other primary features of interest;
 - b. Stop at Bartlett Cove on entering Glacier Bay proper to board one or more NPS Rangers. The tour vessel will stop at Bartlett Cove on departing Glacier Bay proper to disembark the Ranger(s); [Boarding or disembarkation of the NPS Ranger at locations other than Bartlett Cove requires prior approval of the Superintendent and requires the Concessioner to pay all costs related to the alternative boarding. Requests for alternative boarding locations should be submitted to the Superintendent prior to March 1st of each year.]
 - c. Schedule boarding of NPS Rangers no earlier than 6:00 a.m. and disembarkation no later than 9:00 p.m.;
 - d. Provide sleeping accommodations for the NPS Ranger(s) if the tour vessel itinerary includes an overnight stay. The accommodations will be a private stateroom or crew quarters or a shared room with an officer or crew member of the same gender. Other accommodations require prior approval of the Superintendent;
 - e. Schedule the NPS Interpretive program to be the priority activity on the vessel while in Glacier Bay proper;
 - f. Spend at least 15 minutes at South Marble Island;
 - g. Spend at least 30 minutes at the face of Margerie or Johns Hopkins Glacier;
 - h. Provide a public address system with a cordless microphone that can be broadcast and understood on all inside and outside decks, for use in the NPS Interpretive program [Outside speakers for this system will be oriented such that sound projected beyond the vessel is minimized. The NPS Ranger should have free use of the public address system during this period, and the Ranger's commentary should be broadcast over all open decks and viewing lounges];
 - i. Provide audio-visual equipment and set up for the formal program;
 - j. Limit other ship-board announcements to those required for proper operation of the vessel;
 - k. Have cultural and natural history reference materials on board including maps, sighting lists, books, and videos [Proposal, page 8 of 26], and;
 - l. Have a map showing the vessel's route and current location available to passengers [Proposal page 8 of 26].
4. Resource Protection
- a. Tour vessels are prohibited from entering wilderness marine waters of Glacier Bay National Park unless specifically authorized in writing by the Superintendent. The following off-vessel activities are authorized in wilderness lands and waters:
 - (1) Guided or unguided day hikes (group size limit is 12 – including guides); and

- (2) Guided or unguided day trips with hand propelled watercraft (group size limit is 12 – including guides).
- b. Off-vessel activities are authorized only when tour vessel groups are out of sight and sound of each other and of other wilderness groups. “Out of sight” means that each group will not be in view of each other at any time during the off-vessel activities. If because of topography, weather, or logistics each group can not remain out of sight of each other, they will remain at least one-quarter mile apart. Out of sound means that each group will remain far enough apart so they would not normally be able to hear each other. This separation may be further than the visual separation as sound travels easily around physical and water barriers that often restrict groups visually. This separation should be adjusted for each area based on topography and weather conditions. If because of topography, weather, or logistics each group can not remain out of sound of each other, they will remain at least one-quarter mile apart.
- c. Site specific off vessel activity restrictions:
 - (1) Reid Inlet: No more than two groups of up to 12 individuals may be in Reid Inlet at any one time. These groups include those involved in all off-vessel activities (shore and water based). Shore based activities are not authorized in the area surrounding the Ibach Cabin site. This area is used by numerous species of songbirds, shorebirds, waterfowl, and seabirds. There are mew gull and arctic tern nesting colonies south of the cabin that are susceptible to human foot traffic. Also, brown bears are frequently seen in this area.
 - (2) Leland Island: Off vessel activities are not authorized on Leland Island, including the reefs due south of the southern tip of Leland Island, due to the presence of harbor seals that haul out on land in this area.
 - (3) Tyndall Cove to Shag Cove and Geikie Inlet: Off vessel activities are not authorized on the small island at the entrance to Shag Cove due to an active bald eagle nest. Off vessel activities are not authorized on the shoreline directly opposite the small islet near the northwest entrance to Shag Cove. Marine birds (including harlequin ducks, scoters, and goldeneyes) tend to concentration in this area and can be susceptible to repeated human and vessel disturbance.
 - (4) South Sandy Cove, North Sandy Cove, Puffin Island, and Spokane Cove. Off vessel activities are not authorized above high tide in these areas due to a high concentration of black bears. Groups may go to shoreline to rest and for lavatory breaks but must remain below the high tide line.
 - (5) Guided hikes on the Forest Loop Trail in Bartlett Cove shall be limited to 20 people per group, including guides.
- d. Each vessel operator shall receive an NPS boater orientation prior to each operating season or on the initial arrival to Bartlett Cove. Orientations will be available at the NPS Visitor Information Station in Bartlett Cove from May-September or by prior arrangement with the NPS Ranger station. Phone number for the Visitor Information Station is 907-697-2627. VHF radio call number is KWM20-Bartlett Cove (they stand by on channel 16 and 12)
- e. Feeding wildlife is prohibited in national parks by federal law. The Concessioner will insure that crew and passengers do not feed wildlife (including birds) and that food and garbage are not accessible to wildlife.
- f. The Concessioner will not operate a motor vessel at more than 13 knots speed through the water [Proposal, page 5 of 26].

- e. The Concessioner shall notify the park concessions office of any cancellations of scheduled use days as early as possible.

8. Vessel Use Day Pool

- a. The concessioner will notify the Superintendent in writing on or before March 1 for the upcoming season of any tour vessel use days initially allocated that will not be used during the June 1 through August 31 period that year. Timely relinquished use days will be available for use in subsequent years unless permanently revoked.
- b. Any of the initially allocated vessel use days not timely relinquished and not used during the June 1 through August 31 period, or not used in two consecutive years, will be permanently revoked from the annual allocation of vessel use days, resulting in a reduction of the number of vessel use days allocated for the remainder of the term of the contract including any extensions. The superintendent may restore a permanently revoked vessel use day if the superintendent determines that the failure to use the vessel use day resulted from circumstances beyond the concessioner's control. The concessioner must inform the superintendent in writing as soon as it becomes aware of the circumstances that preclude use of the allocated vessel use day.
- c. Relinquished, revoked and unallocated use days (vessel use day pool) will be allocated by the superintendent to those prime season operators who indicate in writing an interest in receiving vessel use days. The Superintendent will allocate use days to those prime season operators who expressed an interest in proportion to their prime season allocation. Any remaining use days will be allocated to those concessioners, excluding over size tour vessels, without an allocation of use days for the June 1 through August 31 period who express an interest by random drawing. Any remaining use days will be allocated to over size tour vessels by random drawing.

Exhibit D - Insurance Requirements

I. General

The Concessioner must obtain and maintain during the entire term of this Contract, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of the Contract. The Director will approve the types and amounts of insurance coverage purchased by the Concessioner.

At the request of the Director, the Concessioner must, at the time insurance is first purchased and annually thereafter, provide the Director with a Certificate of Insurance that accurately details the conditions of the policy as evidence of compliance with this section. The Concessioner must provide the Director immediate written notice of any material change in the Concessioner's insurance program hereunder, including without limitation, cancellation of any required insurance coverages.

From time to time, as conditions in the insurance industry warrant, the Director may modify this Exhibit, provided that any additional requirements must be reasonable and consistent with the types of insurance a prudent businessperson would purchase in similar circumstances.

The Director will not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by the Concessioner proves to be inadequate or otherwise insufficient for any reason whatsoever.

II. Liability Insurance.

The Concessioner must provide commercial general liability insurance against claims arising out of or resulting from the acts or omissions of the Concessioner or its employees, agents or contractors, in carrying out the activities and operations required and/or authorized under this Contract.

All liability policies must specify that the insurance company will have no right of subrogation against the United States of America and must provide that the United States of America is named an additional insured.

This insurance must be in the amount commensurate with the degree of risk and the scope and size of the activities required and/or authorized under this Contract. The following Liability Coverages and limits are to be maintained at a minimum, all of which are to be written on an occurrence basis only. The Concessioner may attain the limits specified below by means of supplementing the respective coverage(s) with Excess or Excess "Umbrella" Liability. Furthermore, the commercial general liability package and specified additional coverages listed below must provide no less than the limits described in the table below, or as specified in any applicable Federal or State statute or regulation.

Commercial General Liability: Federal Maritime Commission Certificate of Financial Responsibility or as shown below:

| Number of Passengers | Minimum Liability Insurance |
|----------------------|-----------------------------|
| 13-20 | \$1,000,000 |
| 21-50 | \$1,500,000 |
| 51-120 | \$2,000,000 |
| 121-220 | \$2,500,000 |
| 221-300 | \$3,000,000 |
| Over 300 | \$3,500,000 |

Coverage will be provided for bodily injury, property damage, personal or advertising injury liability (and must include Contractual Liability and Products/Completed Operations Liability, Bodily Injury and Property Damage):

Products/Completed Operations
Personal Injury & Advertising Injury
General Aggregate
Fire Damage Legal Liability ``per fire"

1. The liability coverages may not contain the following exclusions/limitations:
 - a. Athletic or Sports Participants
 - b. Products/Completed Operations
 - c. Personal Injury or Advertising Injury exclusion or limitation
 - d. Contractual Liability limitation
 - e. Explosion, Collapse and Underground Property Damage exclusion
 - f. Total Pollution exclusion
 - g. Watercraft limitations affecting the use of watercraft in the course of the concessioner's operations (unless separate Watercraft coverage is maintained)
2. If the policy insures more than one location, the General Aggregate limit must be amended to apply separately to each location, or, at least, separately to the appropriate NPS location(s).

A. Automobile Liability

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance or use of ``any auto," Symbol 1, which is used in Glacier Bay National Park & Preserve. (Where there are no owned autos, coverage applicable to ``hired" and ``non-owned" autos, ``Symbols 8 & 9," will be maintained.)

B. Liquor Liability (if applicable)

Coverage will be provided for bodily injury or property damage including damages for care, loss of services, or loss of support arising out of the selling, serving or furnishing of any alcoholic beverage.

C. Watercraft Liability (or Protection & Indemnity)

Coverage will be provided for bodily injury or property damage arising out of the use of any watercraft.

D. Aircraft Liability (if applicable)

Coverage will be provided for bodily injury or property damage arising out of the use of any aircraft.

E. Excess Liability or Excess "Umbrella" Liability

This coverage is not required, but may be used to supplement any of the above Liability coverage policies in order to arrive at the required minimum limit of liability. If maintained, coverage will be provided for bodily injury, property damage, personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage must be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance must be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the Excess Liability or Excess "Umbrella" Liability policy.

F. Care, Custody and Control--Legal Liability (Describe Specific Coverage)

Coverage will be provided for damage to property in the care, custody or control of the concessioner.

G. Environmental Impairment Liability

Coverage (if requested by the Director) will be provided for bodily injury, personal injury or property damage arising out of pollutants or contaminants (on site and/or offsite).

H. Special Provisions for Use of Aggregate Policies.

At such time as the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the concessioner may be required to reinstate such limit or purchase additional coverage limits.

I. Self-Insured Retentions.

Self-insured retentions on any of the above described Liability insurance policies (other than Excess "Umbrella" Liability, if maintained) may not exceed \$10,000.

J. Workers Compensation and Employers' Liability.

Coverage will comply with the statutory requirements of the state(s) in which the concessioner operates.

III. Insurance Company Minimum Standards.

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

1. All insurers for all coverages must be rated no lower than A-by the most recent edition of Best's Key Rating Guide (Property-Casualty Edition).
2. All insurers for all coverages must have a Best's Financial Size Category of at least VIII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
3. All insurers must be admitted (licensed) in the state in which the concessioner is domiciled.

IV. Certificates of Insurance.

All certificates of Insurance required by this Contract must be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their A.M. Best Identification Number ("AMB#"). The name, address and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.

Due to the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) in order to provide the space needed to show the required information.

In addition to providing certificates of insurance, the concessioner, upon written request of the Director, must provide the Director with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the concessioner.

V. Statutory Limits

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit will be considered the minimum to be maintained.