

Evaluation Document For Cruise Ship Services Prospectus issued February 19, 1998

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

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

- Submittal of Offer***

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

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

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

Offer Letter

Was an offeror's letter submitted as required?	X	Yes		No
Applicant Statements (reference page number):				
Comments:				

Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor:						

Factors, Criteria and Questions

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

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

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

1. Was the offeror adequately identified?	X	Yes		No
Applicant Statements (reference page number): Princess Cruises, Inc. , 10100 Santa Monica Boulevard, 18 th Floor, Los Angeles, CA 90067 Peter G. Ratcliff, President, Phone: 310-553-1770, Fax: 310-277-6175 California State corporation; 100% subsidiary of Peninsular and Oriental Steam Navigation Company (P&O), Peninsular House, 79 Pall Mall, London, England SW1Y 5EJ. Princess Cruise Lines, Inc. (Liberian Corp.) is the ship operator and is a sister company to PCI and 100% subsidiary of P&O. A list of substantial stockholdings is provided in the P&O annual report page 26.				

Comments:

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

2. Was adequate information provided?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Applicant Statements (reference page number): Pg 2 says that Princess was incorporated in California on April 7, 1959. Financial reports are provided				
Comments:				

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

3. Were related, subordinate and superior entities adequately described?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Applicant Statements (reference page number): There is Princess Cruise Lines, Inc., a Liberian Company, and Peninsular and Oriental Steam Navigation Company organized under the laws of England.				
Comments:				

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

4. Were layers of entities adequately described?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Applicant Statements (reference page number):				
Comments:				

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

5. Were these forms provided?		Yes	X	No
Applicant Statements (reference page number): Forms are included for Princess Cruises, Princess Cruise Lines but not for Peninsular and Oriental. (Pgs 3, 4) Ownership of P&O is at pg. 26 of the annual report.				
Comments: Information is provided in the forms and also otherwise.				

ANILCA Section 1307 Preferred Operator

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

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

6. Was this information provided as required?		Yes	X	No
Applicant Statements (reference page number): Pg. 5 No.				
Comments:				

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

7. Was this information provided as required?		Yes	X	No
Applicant Statements (reference page number): Pg. 5 No,				
Comments:				

Preference for New and Small Operators

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

8. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): Pg. 5				

Comments: They have 13 entries.

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

9. Was this information provided as required?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Applicant Statements (reference page number): They answer yeas (pg 5) . Princess Cruises, Inc. has 13 entries and P&O (under a separate permit) holds 32 entries.				
Comments: Applicant would not qualify for the as a new/small operator under the provisions of the Glacier Bay Cruise Ship Management Plan.				

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

10. Was this information provided as required?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Applicant Statements (reference page number): They answer yes. (Pg. 6) They are in Juneau, Sitka, Ketchikan and Skagway and have transportation, sightseeing and interpretive service in many places in Alaska. They own two lodges near Denali NP. The have put together a natural History tour which half their passengers take. NPS provide interpretation to them at McKinley Princess Lodge. They own Kenai Princess Lodge and do excursions to Kenai Fjords National park on vessels from Seward, They have operations at U.S. Virgin Islands National Park through an agreement with the park.				
Comments:				

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

11. Was this information provided as required?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
Applicant Statements (reference page number): They have been doing cruise ships in Glacier Bay for 35 years. (Pg. 7) They describe a little of the history of their company. Pgs 15-19 recap the backgrounds of several principal managers.				
Comments:				

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

12. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): They state, and their annual reports verify, that they are one of the worlds largest cruise lines. (Pg 8) They review some corporate history. On pages 8 through 13 they tell of their commitment to their Alaska business and how they have built their business.				
Comments: Appears to be a viable on-going company with a serious interest in Alaska tourism.				

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

13. Was this experience identified?	X	Yes		No
Applicant Statements (reference page number): Forest Service, Denali national Park, BLM (pg. 14)				
Comments: PCI briefly describes experience.				

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

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

14. Was this information provided as required?	X	Yes		No
Applicant Statements (reference page number): The background of several key staff are at pgs 15 – 19: CEO, President, President Princess Tours, VP Fleet Services, VP Marine Services, Captains (2), VP Env. Health, VP Legal Affairs, VP Public Affairs.				
Comments: Some information not provided: DOB or SSN, little information on duties and responsibilities. Six ships listed, information on only two captains provided (and none for other ships positions).				

Cr. 1a Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: This appears to be a successful on-going cruise ship operator. They appear to have made a long term commitment to tourism in Alaska.						

CRITERION 1B. NONE.

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

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

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

1. Does the offeror agree to provide the required services under the conditions specified in the Permit?	X	Yes		No
Applicant Statements (reference page number): Answer is yes. (Pg. 20)				
Comments:				

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

2. Was all information provided?	X	Yes		No
Applicant Statements (reference page number): They have five ships they plan to use: Crown Princess – launched in 1990, refitted in 1997, 1748 passengers in 798 cabins of 190 sq. ft., diesel electric, mixed nationality crew.; Regal Princess – launched 1991, refitted 1996, 1748 passengers in 798 cabins of 190 sq. ft., diesel electric, mixed crew; Sun Princess – launched 1995, refitted 1997, 2272 passengers in 975 cabins of 155 or 135 sq. ft., diesel electric, mixed crew.; Dawn Princess – launched 1997, refit 1998, 2272 passengers in 975 cabins of 155 or 135 square feet, diesel electric, mixed crew.; Sea Princess – launched 1998 (under construction), 2272 passengers in 975 cabins of 155 or 135 sq. ft., diesel electric, mixed crew; Ocean Princess – to be built, 1999 launch, 2272 passengers in 975 cabins or 155 or 135 sq. ft., mixed crew.				
Comments: Information provided as requested				

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

3. Does the offeror agree not to substitute ships without approval?	<input checked="" type="checkbox"/>	Yes		No
Applicant Statements (reference page number): Pg. 26.				
Comments:				

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

4. Did the offeror answer this question (enter number of entries under comments)?	<input checked="" type="checkbox"/>	Yes		No
Applicant Statements (reference page number): Pg. 26. PCI requests 46 entries. They say they want to continue to have five ships in Alaska and add one in 2000. Each ship needs 13 permits. They need 78, therefor. They have 32 as an historical operator so they are short 46. The 46 includes the 13 they have had before. (Pg. 26)				
Comments: If given all entries requested, P&O/PCI combined would have 78entries. 32 historical, 13 past allotment, 33 new.				

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

5. Does the offeror wish to apply and compete in all categories in order to maximize your opportunity? If "NO", specify the category or categories under which they are applying and the number of entries in the following table:	<input checked="" type="checkbox"/>	Yes		No
Applicant Statements (reference page number):				
Comments:				

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

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

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

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

6. Does the offeror intend to utilize all entries?	X	Yes		No
Applicant Statements (reference page number): Pg. 27.				
Comments:				

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

7. Does the offeror agree to notify the NPS of any unused entries ?	X	Yes		No
Applicant Statements (reference page number): Pg. 27.				
Comments:				

Cr. 2a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: All required information was provided.						

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.

1. Were any services and facilities described?	X	Yes		No
<p>Applicant Statements (reference page number): They are going to talk to Huna Totem corporation and Sealaska Native Corporation to enhance their existing gift program. As a tour operator they are working with <i>Alaska Native Heritage Center</i> (opening in Anchorage in 1999). They have two books, <i>Alaska Tour Companion</i>, in both northbound and southbound editions (13 pgs on glacier Bay), have “extensive” libraries on board, they do Alaska emphasis on board as a way to emphasize their Alaska experience., They have developed Planet Princess to emphasis to crew and passengers sound practices, they have zero-dumping world wide, comprehensive recycling (see video provided) , washables rather than disposable, have awards fro program from many, they have a Love Boat Kids program and want to partner with us in further development of it. They educate their staff, want us to edit their copy. They discuss these and other things at Pgs 28 – 30.</p>				
<p>Comments: They appear to have a strong program now and good ideas for improvement of it. Details missing regarding exactly what is in the extensive libraries (though they do say they will include most titles form the NPS list in the prospectus), what the <i>Alaska Native Heritage Center</i> does and how they will work with it. The <i>Alaska Tour Companion</i> is a well written and informative book. PCI does not say what will be done with the book (available for sale on board, given to passengers, ??).</p>				

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

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

2. Were such measures described?	X	Yes		No
<p>Applicant Statements (reference page number): Pages 28 & 29: Yes, see block 1 above. The plan efforts with 2 native corporations.</p>				
<p>Comments: PCI does not provide details regarding what they expect to accomplish through discussions Huna Totem or Sealaska other than point of sales displays. Assuming PCI these discussions lead to offering appropriate Tlingit culturally based handcrafts, this could be a very positive program.</p>				

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

3. Were other services, facilities, programs, itineraries, etc. described?	X	Yes		No
Applicant Statements (reference page number): See the write-up at page 31. They have music off, minimum of announcements, no lounge entertainment. Will have their own on board naturalists. "Planet Princess" environmental awareness program. Love Boat Kids Program. PCI mentions awards (USCG, Smithsonian, APTA, British Airways, Center for Marine Conservation) but do not provide details of reasons for the awards. PCI will include park review in all PCI materials provided to passengers. PCI will not use helicopters.				
Comments: PCI offers what appears to be a complete and well designed program, though there is a shortage of specific information regarding details of the programs. Planet Princess program appears to be well developed. Not much detail on waste or recycling programs: mentions standards for product packaging but does not provide the standards). Reference to several publications, but do not provide examples.				

Cr. 2b. Summary	X	Superior		Successful		Not Successful
Summary Comments on this Factor: They meet the basic requirements for this "B" level that are in our a-f list and have additional efforts they are making to do more. Additional details are really needed in some areas in order to fully evaluate some proposals.						

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

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

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

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

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

1. Does the offeror agree to pay the fees as shown?	X	Yes		No
Applicant Statements (reference page number): Pg. 32. They agree to the \$5 per person fee.				
Comments:				

Cr. 3a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: They agree to the \$5, per person fee.						

CRITERION 3B. NONE

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

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

1. Does the offeror agree to provide an interpretive program meeting these minimum criteria?	X	Yes		No
Applicant Statements (reference page number):Page 32				
Comments:				

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

2. Will the offeror participate in the NPS Interpretive Program (including cost-recovery)?	X	Yes		No
Applicant Statements (reference page number):Page 32				
Comments:				

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

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

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

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

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

1. Does the offeror agree to operate in accordance with an <i>optimal itinerary</i>?	X	Yes		No
Applicant Statements (reference page number):Page 34				
Comments:				

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

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

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

3. If you answer yes to item 1, but would also like to propose possible alternative itineraries which you feel would provide a superior visitor experience, please do so here. Provide details of why you feel this would be a superior itinerary and whether or not this itinerary is an optional or integral element of your proposal (*optional* meaning implementation of the itinerary would be at the NPS’s discretion; *integral* meaning that, under your proposal, some entries would *need* to use the alternative itinerary).

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

Comments:

Additional Elements of the NPS Interpretive Program

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

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

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

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

Additional Elements Not Included in the NPS Interpretive Program

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

- Schedule programs and provide materials specifically for children on board with a park related theme.
- Provide passengers and crew the opportunity to view video(s) about GLBA prior to arrival.
- Provide passengers and crew with supplemental materials about Glacier Bay prior to arrival in Glacier Bay.

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

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

5. Does the offeror propose to meet any or all of the elements shown above?	X	Yes		No
<p>Applicant Statements (reference page number): Page 35-6 – Currently offers “Love Boat Kids” program which includes a marine curriculum, proposes to develop curricula to focus on GB wildlife and ecology. Broadcast GB related videos on ship-board TV, distribute on-board newsletter with GB information. Offeror states that onboard naturalists are provided and lists three individuals and brief resume.</p>				
<p>Comments: If proposed children’s programming were to happen this would be an excellent program to enhance the current NPS programming. Would require a commitment to work with educational staff at GB to develop park related themes. Few details are provided for other interpretive media. Onboard naturalists are listed but no detail as to how they will be used.</p>				

Opportunity for Applicants to Propose Innovative Interpretive Program Elements

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

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

6. Are additional interpretive program elements proposed?	X	Yes		No
<p>Applicant Statements (reference page number): Page 37 and Alaska Cruise Companion w/map – Offeror proposes to establish program to better coordinate onboard interpretive programs and has published guide book available for passengers.</p> <p>Amended Proposal: Offers to provide at least 32 specific books related to park values available to passengers. Offered to provide on-board naturalist to assist with NPS Interpretive program. Offered to provide an on-board youth program including park theme related activities. Offered to provide a in-room programming related to the natural and cultural history of Southeast Alaska.</p>				
<p>Comments: The forum for exchange of ideas with NPS Interpreters is an innovative idea that could enhance interpretive programming but few details are provided. The publication, “The Alaska Cruise Companion” w/map, provide supplemental natural/cultural history material about Glacier Bay and surrounding areas. This is a good reference guide for travelers. Does not state how this is available, for sale or provided?</p> <p>Amended Proposal: The additional elements would result in an improved interpretive program.</p>				

Cr. 4b. Summary	X	Superior	Successful	Not Successful
<p>Summary Comments on this Factor: Shows current effort to provide additional interpretive programming and proposes innovative programs in children's activities and information sharing.</p> <p>Amended Proposal: The additional elements offered in the amended proposal meets the terms of the best initial offer.</p>				

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

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

1. Does the offeror agree to submit the required <i>Pollution Minimization Plan</i> as part of your application and, after approval, implement the plan as approved?	X	Yes		No
<p>Applicant Statements (reference page number): Pgs. 38-41</p>				
<p>Comments:</p>				

1a. Was an adequate pollution minimization plan provided?	X	Yes		No
Applicant Statements (reference page number): Pgs. 38-41				
<p>Air Quality</p> <ul style="list-style-type: none"> • Engine types – latest in pollution minimization technology • No Princess ship employing these engines has ever received a notice of violation from ADEC (81 inspections, 0 violations) • Sulfur content for fuel purchased in 1998 is testing at less than 2% • Vigilant maintenance procedures and attention to proper operation – essential to minimizing emissions • Testing a new system that may result in reduced emissions (homogenizers) • Particulate recovery systems on exhaust gas boilers • Electronic surveillance equipment on stacks • infrared particulate sensors on incinerator stacks • Color TV monitors on diesel exhaust stacks • Incinerators not operated in park • Only 2 propulsion engines operated at constant speed • Crew trained in importance of minimizing stack emissions (pg. 42) • Will install a continuous diesel exhaust quantitative stack emission monitor • Will establish a testing regime for each class of ship to allow Princess to identify best practices for minimizing stack emissions; SOP will incorporate the findings from these tests. • Will test the efficacy of lighter weight fuels in reducing emissions; will use them if proven to favorably impact stack emissions. • 				
<p>Underwater Noise</p> <ul style="list-style-type: none"> • Diesel electric engines, compressors, fans resilient mounted. • Fixed pitch propeller which “has been documented to reduce underwater cavitation noise” • Double bottoms • Regularly scheduled noise surveys • Emphasized noise minimization in crew training • Operate at constant lower shaft RPM’s • Thrusters not used in whale sensitive areas • Zero Discharge – reduces pump-generated noise 				
<p>Oil Spill Response</p> <ul style="list-style-type: none"> • Officers on all ships undergo Bridge Team management training • Oil spill equipment – absorbent pads and 200 ft. of oil booms • Staff trained in deployment • SOPEP on board • Joint 2-day training drill in Juneau 				
<p>Comments: Air quality measures described by offeror are standard except that offeror is conducting 3 tests which may (if successful) reduce stack emissions. Offeror has committed to implementing actions as a result of these tests. Strategies described to reduce underwater noise and respond to oil spills are standard. Offeror claims that fixed pitch propellers reduce underwater cavitation noise but provides no documentation of this. The offeror describes several air quality monitoring techniques and a “regularly scheduled noise survey”, but does not describe mechanisms by which NPS could verify that offeror employed techniques, methods, equipment described.</p>				

Cr. 5a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: Offeror's strategies for reducing stack emissions are innovative and go beyond standard. Strategies for reducing underwater noise and responding to oil spills are minimal, but standard.						

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

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

Did the Offeror address in their proposal measures they would take which go beyond law and regulation to further minimize or eliminate these environmental impacts while operating in the park ?	X	Yes		No
Applicant Statements (reference page number): <ul style="list-style-type: none"> • Planet Princess program – increases environmental awareness of passengers and crew • Zero dumping policy/Zero discharge policy • Solid waste recycling program • Packaging standards to reduce use of plastics and unnecessary packaging (shampoo packages, wooden stir sticks, washable tumblers, no creamer containers or butter wrappers) • Paper plates not used on deck • Environmental info in brochures, newsletters, shipboard announcements • Environmental programs recognized by coast Guard, Smithsonian, Asian Pacific Travel Assoc., British Airways, Center for Marine Conservation – only cruise line to have received these awards • Passengers, crew reminded not to throw things overboard or feed wildlife (The Patter) • Sport equipment, balloons, decorative items, removed from deck in park • Music and outside announcements kept to a minimum. Princess does not use helicopters except as required for emergencies 				
Amended Proposal: Offers to provide enough sorbant boom to encircle each ship.				
Comments: In addition to those points outlined in 5A which exceed requirements and laws, the offeror has implemented several standard program designed to reduce litter in the park and has agreed to not use helicopters (except for emergencies). Actions described go minimally beyond those required by law or regulation.				
Amended Proposal: Additional element meets the terms of the best initial offer.				

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

1. Does the offeror offer to provide baseline data from their vessel(s)?		Yes	X	No
Applicant Statements (reference page number): Pg. 44 Proposes to monitor real time opacity data which will be a valuable tool for ships' crew to minimize emissions.				
Amended Proposal: Offers to install stack emission monitors, match reading to location and provide data to the NPS. Offers to connect monitors to an engineering department alarm system. Offers to install centrifical and gravity oil water separators. Offers to provide sound signature information.				
Comments: NPS could request that real time opacity data be provided.				
Amended Proposal: Amended elements meet the terms of the best initial offer.				

1a. If yes, did the offeror describe the nature and format of the data, procedures for data submission and constraints, if any, for data use or distribution?		Yes	X	No
Applicant Statements (reference page number):				
Comments:				

Cr. 5b. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: The offeror describes minimal actions designed to reduce environmental impacts beyond those required by law or regulation and does not offer baseline data.						
Amended Proposal: The additional elements offered raise the rating in this factor to superior and meet the terms of the best initial offer.						

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

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

1. Has the offeror had any reportable marine casualties (as defined by USCG regulations), including but not limited to grounding, loss of primary propulsion, collision, flooding, capsizing, fire,

explosion, loss of life or reportable injury for the period beginning three years prior to the date this prospectus was issued through the present¹? *If yes, submit a copy of the official report (U.S. Coast Guard or other), except for injuries (submit a brief summary, including reason for each injury).*

1. Has the offeror had any reportable marine casualties?	X	Yes		No
Applicant Statements (reference page number): The applicant describes 2 reportable marine casualty incidents involving the Regal Princess, one in 1995 and the other in 1998, on page 45.				
Comments: 2 marine casualty incidents reported in proceeding 3-yr. period for ss Regal Princess. No other reportable marine casualty incidents noted by applicant for the other 5 vessels (the Crown Princess, Sun Princess, Dawn Princess, Sea Princess and Ocean Princess) proposed for entry in the park and listed on pages 20—25. Two of these 6 vessels proposed for operation in the park by the applicant - the Sea Princess and Ocean Princes - are under construction and have no operating history to evaluate.				

1a. Were copies of the reports submitted?	X	Yes		No
Applicant Statements (reference page number): Attachment 6.A.1 contains the marine casualty reports submitted by the applicant for the two incidents involving the Regal Princess.				
Comments: Regarding the Regal Princess, the 1/26/98 marine casualty involved a grounding in the Virgin Islands with minor damage to bottom plating resulting. A 9/25/95 incident in Ketchikan involved a collision with the pier and several moored vessels while berthing under control of an Alaska pilot; no description of damages provided. The USCG attributed the collision incident in Ketchikan to shifting winds during berthing maneuvers; Most concerning about the Virgin Islands incident – from the limited information available from the USCG report - was that prior to the grounding the ship had proceeded beyond a pilot station, without the pilot, after being ordered to standby. Neither incident, however, was significant in terms of property damage, and no injuries were reported.				

1b. Did a background check identify any additional casualties?	X	Yes		No
Applicant Statements (reference page number): On page 45 the applicant reported only the marine casualties involving the Regal Princess.				
Comments: USCG records provided information on 2 other reportable marine casualties involving ships listed by the applicant on pages 20-25. These included 1 grounding incident involving the M/V Crown Princess in Juneau on 5/16/95; cause was attributed to the City of Juneau for dumping debris off the pier and creating a small mound above the normal bottom contour. Another report was received for a missing passenger incident on the Sun Princess, 10/31/97, Yucatan. It is not clear why these incidents were not reported by the applicant, but neither marine casualty incident would be deemed significant by NPS. Another grounding incident was reported by the USCG for the Star Princess (6/23/95, Lynn Canal, Alaska). However, this is not one of the ships listed by Princess on pages 20-25 of their application.				

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

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

the period beginning three years prior to the date this prospectus was issued through the present? *If yes, submit a copy of the citation, indictment, etc., and an explanation of the violation, settlement, penalty (if any), and any corrective actions taken by the offeror.*

2. Did the offeror report any such citations, notices of violation, etc.?	X	Yes		No
Applicant Statements (reference page number): On page 46-48, the applicant delineates a total of 14 Customs and Immigrations penalties incurred during the preceding 3-yr. period, involving the MV Crown Princess, Regal Princess, Sun Princess and Dawn Princess. Documentation of the violations was provided in Attachment 6.A.2.				
Comments: Total fines for the violations exceeded \$21,000 and reflects a pattern of repeat violations for similar, Customs/Immigration offenses.				

2a. Were copies of the reports submitted?	X	Yes		No
Applicant Statements (reference page number): On page 48, the applicant referenced the reports provided in Attachment 6.A.2. Princess stated that it has programs and review procedures in place to prevent similar, related Customs and Immigration law violations.				
Comments:				

2b. Did a background check identify any additional violations?	X	Yes		No
Applicant Statements (reference page number):				
Comments: USCG violation records show an \$800 fine paid for an oil spill on 6/23/95; this is the date the Star Princess ran aground in Lynn Canal. However, this is not one of the ships Princess Cruises, Inc. has listed for potential entries in its application.				

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

3. Did the offeror any unsatisfactory food service sanitation inspection reports?		Yes	X	No
Applicant Statements (reference page number): Stated "no" on page 48.				
Comments:				

3a. Were copies of the reports submitted?		Yes		No
Applicant Statements (reference page number): N/A				
Comments:				

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

Cr. 6a. Summary		Superior	X	Successful		Not Successful
<p>Summary Comments on this Factor: Princess reported two marine casualty incidents involving the Regal Princess. Reportable marine casualty incidents involving two other Princess ships proposed for entry – Crown Princess and Sun Princess - were not reported. Neither of the unreported marine casualty incidents would be deemed relevant or significant by NPS. Reported violations, though numerous, were associated with customs and immigration laws; the applicant indicated that it has changed operational procedures to prevent recurrence of similar violations. Food service inspection ratings for all vessels proposed for entries in the park were satisfactory. The applicant is considered successful in meeting this criterion.</p>						

CRITERION 6B. NONE

• **PRINCIPAL FACTOR 3. THE OFFEROR’S FINANCIAL CAPABILITY**

CRITERION 7A. THE OFFEROR DEMONSTRATES THAT NEEDED FUNDING (EQUITY AND/OR BORROWED) IS AVAILABLE AND IS DEMONSTRATED TO BE SUPPORTABLE WITHIN THE INCOME STATEMENT AND BALANCE SHEETS REQUIRED.

1. Provide the following information:

- a. For OFFERORS and CONCESSIONERS provide the latest financial statement for themselves and their parent company (if any) including the notes to the statements or similar explanatory material and the related audit report.
- b. For corporations, partnerships, or others that are OFFERORS, or that propose to provide the services or part of the services required: Provide the latest financial statement available including the notes to the statement or similar explanatory material and the related audit report.
- c. Sole proprietors and unconventional lenders and proposed individual investors: Provide personal financial statements.

1. Was the appropriate information provided?	X	Yes		No
Applicant Statements (reference page number): Statements are at Attachments 7A and B. An audit of P&O is provided. There is no audit report for PCI or PCLI (See pg. 49). Those materials are audited within P&O.				
Comments: Information provided as required.				

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

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

2. Were funding sources identified?	X	Yes		No
Applicant Statements (reference page number): There are two of the ships for use in Glacier Bay that are being built. One is about finished and one to be delivered in 1999. The funding for those is already secured				
Comments: See the note to the P&O statement for bank history, financial reserves, and available operating income. Financing issues seem well covered.				

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

3. Were financing arrangements adequately described?	X	Yes		No
Applicant Statements (reference page number): See the P&O statement. See Pg. 49 P&O is a public company with \$8.8 billion of capitalization. They generate significant operating cash and has extensive routine funding sources.				
Comments: P&O is a very substantial concern. The financial issues associated with the provision of ships for the Glacier Bay operation are more than well covered in their overall program of construction and financing. The P&O financial statement includes an adequate demonstration of their strength..				

Cr. 7a. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor: Very strong and growing company.						

CRITERION 7B. NONE.

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

CRITERION 8A. NONE

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

A franchise fee offer above the required level will be a secondary factor as explained by the terms of PL 89-249 (and Public Law 104-333, Section 704, below²). Secondary factors will be used in the evaluation of offers when a

²Public Law 104-333, Section 704, states: "Fees paid by certain permittees for the privilege of entering into Glacier Bay shall not exceed \$5 per passenger. For the purposes of this subsection, 'certain permittee' shall mean a permittee which provides overnight accommodations for at least 500 passengers for an itinerary of at least 3 nights".

selection of the best offer cannot otherwise be made from the results of evaluating the three primary factors. Public Law 89-249, Section 3(d) and 36 CFR Part 51.4b(3), (Both are included in the Appendix) provides guidance as to franchise fees.

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

1. Was a higher franchise fee offered? If yes, enter fee offered under "Applicant Statements".		Yes	X	No
Applicant Statements (reference page number): Their answer is No, pg 50.				
Comments: They cannot pay under the rule of PL 104-333.				

Cr. 8b. Summary		Superior	X	Successful		Not Successful
Summary Comments on this Factor:						

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

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

End

Therefore, the NPS may not be able to accept a higher franchise fee from applicants who fit the definition of 'certain permittee', but may accept such an offer from other applicants.