

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

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

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

Yes

No

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

Ship Name M.S. STATENDAM	Former Names N/A	Registry Netherlands
Gross Tonnage 55451	Builder Fincantieri	Date Launched April 3, 1992
Length (ft.) 719.8	Beam (ft.) 101.0	Date of Last Refit N/A
Draft (ft.) 25.3	Stack Height (ft.) 159.4	Propellers (no. & type) 2 x 4 Blade Var. Pitch
Propulsion type (diesel electric, etc.) Diesel Electric	Propulsion power (kW or HP) 2 x 12000 KW	Fuel (type/weight) IFO 180 - 1510 MT.
Passenger Capacity (basis 2) 1266	Passenger Capacity (all berths) 1629	Cabin Size (mean sq. ft.) 198
Passenger/space ratio (basis 2) 45.0	No. of Cabins 633	No. of Wheel Chair accessible cabins 6
Officer Nationality Dutch	Crew Nationality (approx. % each) Dutch 13%; Indonesian 59%; and Filipino 26%	

Ship Name M.S. MAASDAM	Former Names N/A	Registry Netherlands
Gross Tonnage 55451	Builder Fincantieri	Date Launched December 12, 1992
Length (ft.) 719.8	Beam (ft.) 101.0	Date of Last Refit N/A
Draft (ft.) 25.3	Stack Height (ft.) 159.4	Propellers (no. & type) 2 x 4 Blade Var. Pitch
Propulsion type (diesel electric, etc.) Diesel Electric	Propulsion power (kW or HP) 2 x 12000 KW	Fuel (type/weight) IFO 180 - 1510 MT.
Passenger Capacity (basis 2) 1266	Passenger Capacity (all berths) 1629	Cabin Size (mean sq. ft.) 198
Passenger/space ratio (basis 2) 45.0	No. of Cabins 633	No. of Wheel Chair accessible cabins 6
Officer Nationality Dutch	Crew Nationality (approx. % each) Dutch 13%; Indonesian 59%; and Filipino 26%	

Ship Name M.S. RYNDAM	Former Names N/A	Registry Netherlands
Gross Tonnage 55451	Builder Fincantieri	Date Launched October 9, 1993
Length (ft.) 719.8	Beam (ft.) 101.0	Date of Last Refit N/A
Draft (ft.) 25.3	Stack Height (ft.) 159.4	Propellers (no. & type) 2 x 4 Blade Var. Pitch
Propulsion type (diesel electric, etc.) Diesel Electric	Propulsion power (kW or HP) 2 x 12000 KW	Fuel (type/weight) IFO 180 - 1510 MT.
Passenger Capacity (basis 2) 1266	Passenger Capacity (all berths) 1629	Cabin Size (mean sq. ft.) 198
Passenger/space ratio (basis 2) 45.0	No. of Cabins 633	No. of Wheel Chair accessible cabins 6
Officer Nationality Dutch	Crew Nationality (approx. % each) Dutch 13%; Indonesian 59%; and Filipino 26%	

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

Yes

No

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

Number of Entries (maximum is 68)
40

As explained in "Business Opportunity", up to 68 entries are divided into the following six categories. This is necessary in order to give the incumbent concessioners their statutory right of preference in categories "B - F".

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

Yes

No

If "NO", specify the category or categories under which you are applying and the number of entries as follows:

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

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

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

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

Yes No

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

Yes No

RESPONSE: HALW has a long history of cooperating with the NPS and other cruise lines to reallocate unused permits and to work out schedule conflicts through conscientious work with Cruise Line Agencies of Alaska.

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.

RESPONSE: See combined response below, 2 B, 3.

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.

RESPONSE: See combined response below, 2 B, 3.

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

RESPONSE: HALW will provide the following superior services, facilities and schedules to support the NPS in its mission to inform Park visitors and concession employees about Park resources and values. The goal is to provide a superior Park experience for HALW guests and give special attention to interpretation and the effort to preserve and protect Glacier Bay National Park.

- HALW will continue to showcase Glacier Bay more prominently than any other cruise line in the belief that creating awareness of the striking beauty of the Park not only attracts visitors but builds appreciation of the need to preserve and protect this national treasure.
- HALW will continue its on board Naturalist program strengthening it to dovetail with NPS interpretation. This includes a Glacier Bay lecture on every ship before the Park visit (Exhibit 5) and careful coordination with NPS to support their program while in the Park. HALW will send its onboard Naturalists to NPS "Training" as referenced in Criterion 4A.
- HALW will enhance consumer access to interpretive and general information about Glacier Bay National Park by providing funding and expert resource to develop, in concert with designated National Park Service personnel, a comprehensive Glacier Bay National Park and Preserve website.
- Native Alaskan art and hand crafts will be available on board HALW ships in its art auction program and gift shop. Up to this point supply has been limited. To address this problem, HALW has entered into an exclusive support arrangement with the new Alaska Native Heritage Center through which HALW will be provided with a consistent offering of art and hand craft beginning in 1999. This cooperative effort directly supports the NPS goal to include Native Alaskan content and the mission of the Center to pass traditions and skills from tribe elders to younger natives.
- As part of the HALW commitment to the Alaska Native Heritage Center, a "Native Alaskan Artist-in-Residence" program including lectures and demonstrations is being developed for introduction on newly permitted "S Class" ships in 2000.

- HALW has also moved to provide superior support to development of visitor understanding of the relationship of people to the lands and waters of Glacier Bay, particularly relating to the most effected tribe - the Tlingits. Glacier Bay was the Tlingit ancestral homeland. This information is currently included in the HALW Glacier Bay environmental video where it is presented by a Tlingit elder. As part of newly granted permits, HALW will strengthen support of native Alaskan interpretation through an exclusive arrangement with Hoonah Tlingits to have interpreters on board and develop, with the NPS, a linked interpretive program.
- HALW has expanded the availability of resource materials on Glacier Bay, Native culture and Alaska wildlife to include a minimum of 33 books and 7 videos, 2 copies of each, in the library of each ship. (See Exhibit 6 for titles).
- HALW has created a dedicated “Alaska Channel” which features the Glacier Bay video, an NPS Ranger interview about the Park and HALW’s Glacier Bay environmental video along with other programs about Alaska wildlife and Native culture. See sample Daily Program (Exhibit 7), for Alaska Channel programs.
- HALW will continue its “Club HAL” youth program and strengthen it to include NPS Ranger input on development of Junior Ranger content. Specific education on Glacier Bay and Alaska wildlife including availability of youth oriented videos and books has been added. The children’s segment of the program also includes Alaska wildlife “beanie” dolls. (Exhibit 8)
- In addition to including native artwork and hand crafts, shops on HALW ships also offer books and videos about Alaska along with Alaska oriented gifts for children such as stuffed moose, seals and puffins. Products of Alaska now include special teas, syrups and a variety of smoked salmon.
- In addition to the above mentioned activities, programs and materials designed to enhance the visitor experience of Glacier Bay, please note, in the sample daily program, that no conflicting activity is scheduled during the time in the Park.
- In order to protect the Glacier Bay marine environment, HALW has implemented a strong Pollution Minimization Program including policies, procedures and training. This program is detailed in the “Glacier Bay Pollution Minimization Plan 2000-2004” submitted with this application. Elements of pollution minimization specific to Glacier Bay are elaborated in response to Criterion 5B and include:
 - A quick response oil spill prevention program that will position trained personnel and equipment in the Park.
 - A zero discharge policy eliminating any discharge other than unadulterated sea water taken in for engine cooling.
 - No use of incinerators at any time in the Park.
 - Careful monitoring of stack emission with recorded opacity meters and TV cameras to insure lower than 15% opacity is maintained.
 - Use of low sulfur and lighter grade fuels to lower emissions.
 - Limitation of engines used in Glacier Bay to keep noise to the absolute minimum necessary for navigation.

- Restricted speed while in the bay.
 - Limit pitch change of props and bow thruster use to what is absolutely needed for safe navigation.
 - Crew training including a Glacier Bay environmental video. (Exhibit VIDEO)
 - Signs in crew areas and on deck stating not to feed animals or litter.
 - Use of reusable meal service ware to minimize chance of items blowing overboard and to minimize waste.
 - A Glacier Bay litter patrol on each deck watching to prevent accidental littering.
 - A Glacier Bay environmental video for passengers. (Exhibit VIDEO)
 - Passenger and crew handouts and in cabin material on HALW's Glacier Bay code of environmental conduct (Exhibit 9).
 - Spill retention boom and deployment equipment on each ship to fully encircle the ship as the first line of protection.
- In addition to the pollution minimization effort, HALW has a Safety Management System which is a proactive accident prevention program for each ship. This results in early detection of accident tracks so that accidents are eliminated.
 - To further protect the marine environment of Glacier Bay:
 - HALW will operate only "S Class" ships for these permits which means:
 - Isolated engine mounting to minimize transfer of engine noise to the ship hull.
 - Diesel electric propulsion which minimizes underwater noise by providing indirect drive to propellers.
 - The best emissions technology.
 - HALW fleet directives require that ships' officers and crew review educational material on Glacier Bay at the start of each Alaska season. This ensures they are prepared to answer passenger questions and add to visitor appreciation of the Park. Items included in this review are the history of Glacier Bay, the NPS Mission, the Park Area Mission, the "Glacier Bay Official National Park Handbook," the HALW Glacier Bay Pollution Minimization Plan and environmental video as well as the NPS Glacier Bay video.

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?

Yes

No

CRITERION 3B. NONE**CRITERION 4A. THE OFFEROR PROPOSES TO PROVIDE INTERPRETIVE SERVICES (EITHER THROUGH THE NPS INTERPRETIVE PROGRAM OR THROUGH AN APPROVED CONCESSIONER PROGRAM) WHICH MEETS THE REQUIREMENTS OF THE PROSPECTUS AND PERMIT.**

The National Park Service has determined that the following Interpretive program is the minimum acceptable program for cruise ship services in Glacier Bay.

Program Overview

The Interpretive program will support the missions of both the National Park Service and Glacier Bay National Park and Preserve. Please refer to the *National Park Service and its Mission* and the *Park Area and its Mission* sections in this Prospectus.

Staffing

A minimum of three staff (one supervisor and two interpreters) are needed to meet the minimum goals and objectives of the Interpretive Program.

Supervisor: - The supervisor needs to exhibit the knowledge, skills and abilities to supervise employees, to direct an operation, to maintain cooperative working relationships, to communicate effectively orally and in writing and to demonstrate and teach interpretive methods and techniques. The supervisor needs a working knowledge of the area.

Interpreters: - The interpreters must exhibit knowledge of the cultural and natural history of Glacier Bay and the skills and abilities to research, prepare and present professional quality interpretive programs to diverse audiences. The interpreters must utilize accepted interpretive techniques and principles found in the Support Materials list below.

Recruitment

In order to find applicants with extensive interpretive experience and education, recruit from a broad range of applicants with a comprehensive knowledge of cultural and natural history. As a minimum, Interpretive staff must have completed a 4-year course of study above high school leading to a bachelor's degree with 24 semester hours of job related course work; 1 year of relevant interpretive experience; a combination of 1 and 2 above; or knowledge, skills and abilities needed to perform the job by virtue of having lived in or near Glacier Bay National Park and Preserve.

Training

Provide a comprehensive training program that will result in an interpretive staff who are knowledgeable in the natural and cultural history of Glacier Bay, past and present research and Park management issues. Training includes skills and techniques needed to prepare original thematically based presentations. A minimum of three days of orientation spent exploring Glacier Bay first hand from forest floor to glacial barrens. Interpreters will be provided with the opportunity to observe an experienced interpreter while conducting interpretive programs. A fully trained interpreter will have a working knowledge of the references listed below in Support Materials. A returning interpreter (who has gone through the training shown above) will be given adequate time and materials to know and understand changes in research findings, new Park issues, etc. prior to commencement of duties.

Supervision

The interpreter must demonstrate knowledge of interpretive skills and techniques to professionally convey the Park's basic themes. In order to evaluate interpreter's effectiveness the supervisor will observe each of the interpretive activities during the first half of each season. Elements that the supervisor will be evaluating will include pace, flow, creativity, knowledge, accuracy, and thematic development presented in a meaningful and engaging manner. Guidance will be provided in a timely manner for both content and presentation skills.

Ship-board Commentary

Present a professional and comprehensive 30-minute commentary on Glacier Bay. An additional 10 minutes is added if Johns Hopkins is included in itinerary. Announcements should be approximately two minutes each, limited generally to the most important concepts. One subject per announcement following a strong Park theme. Narration should point out significant landmarks and features. No commentary is given when stopped at glaciers, near wildlife sightings or in the vicinity of campers and kayakers.

Formal Program

Present a 30-minute auditorium program that is Glacier Bay specific using interpretive techniques as defined in Support Materials listed below. If slides, video or music are used in the auditorium program they need to be of the highest quality.

Information Desk

The information desk provides the visitor with an opportunity to ask Glacier Bay specific questions of the interpreter. The information desk is staffed while the commentary is in progress except during staff meals and while the ship is in front of glaciers. In addition to the interpreter, the information desk is stocked with reference materials of the natural and cultural history of Glacier Bay.

Informal Visitor Contacts

While at the glaciers interpreters will stroll the outside decks to answer visitor questions. This allows for a more in-depth explanation of concepts introduced during commentary and a chance to discuss the glacial features visible alongside the ship.

Program Evaluation

The cruise ship interpretive program will be evaluated for its effectiveness in meeting NPS mission goals referenced above. NPS standards for evaluation of interpretive programs are being developed and, when completed, will apply to cruise ship interpretive services.

Logistical Support

Provide the logistical support needed for the interpretive operation as outlined in the Draft Permit section 9.(p).

Support Materials (must be available to Interpretive staff for training and reference)

- "Environmental Interpretation, a Practical Guide" by Sam Ham
- "Principles in Interpretation" by Freeman Tilden.
- "The Interpreter's Guidebook, Techniques for Programs and Presentations" by K. Regnier
- "Interpreting for Park Visitors" by William Lewis
- "The Process of Interpretive Critiquing " by William Lewis
- "The Tlingit Indians" by G.T. Emmons
- "Glacier Bay Official National Park Handbook"

- "Glacier Bay, the Land and the Silence" by Dave Bohn
- "Blue Ice in Motion, The Story of Alaska's Glaciers" by Sally D. Wiley
- "Glaciers of North America, A Field Guide" by Sue A. Ferguson
- "The Nature of Southeast Alaska" by R. O'Clair, R. Armstrong and R. Carstensen "Guide to Marine Mammals of Alaska" by Kate Wynne
- "Field Guide to the Birds of North America" by National Geographic Society
- "Plants of the Pacific Northwest Coast" by J. Poljar and A. Mackinnon
- "Glacier Bay, the Grand Design" video, NPS publication
- NPS Strategic Plan
- Glacier Bay NP Strategic Plan
- Glacier Bay NP Vessel Management Plan
- Glacier Bay NP General Management Plan
- Glacier Bay NP Interpretive Plan (when available)

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

Yes No

The National Park Service offers cruise ship Concessioners the option of utilizing the *NPS Interpretive Program* on a cost-recovery basis (the Concessioner pays the prorated cost of the program). The NPS program exceeds the criteria stated above and the additional criteria identified in 4B (below) and consists of NPS trained Interpretive Rangers, who provide commentary, programs, interpretive materials, etc. as described below. The program includes pilot boat service for boarding and disembarking the Rangers as each ship enters and leaves Glacier Bay. The cost will range from \$0.75 to \$1.50 per passenger, based on actual program costs.

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

Yes No

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

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

Optimal Itinerary

The NPS considers the following an optimal itinerary for a cruise ship visit to Glacier Bay: Vessel entry is scheduled so that the ship enters Glacier Bay from 0700 to 1100 (off Bartlett Cove), the ship then visits locations in the West Arm of Glacier Bay listed in the two examples below (in accordance with the provisions of this prospectus) and then departs Glacier Bay (off Bartlett Cove) from 1600 to 2100.

The following schedules give examples of an interpretive program resulting from specific arrival and

departure times within these optimal arrival/departure time periods. Experience has shown that arrivals earlier than 0700 do not allow passengers adequate time to wake up, have breakfast and find a place where they can view the glaciers and listen to the commentary. Please note: arrival between 0700 and 0759 would result in an *afternoon* interpretive presentation. Arrival between 0800 and 1100 would result in a *morning* interpretive presentation. As an element of the *optimal itinerary*, Concessioners would confirm the interpretive program schedule for each ship with the Park's Chief of Interpretation at least two weeks prior to the first entry.

Example of Optimal Itinerary for an 0700 Arrival

(Please note the *afternoon interpretive presentation* time for early arriving ships)

Time	Activity
0700	Arrive Glacier Bay
0900	Queen Inlet, Begin commentary
1030-1130	View Margerie and Grand Pacific glaciers
1230-1330	View Lamplugh Glacier (Jaw Pt./Johns Hopkins if appropriate). Commentary ends on departure from last glacier.
1400	Reid Inlet
1400	Interpretive presentation
1445	Second interpretive presentation, if needed
1600	Depart Glacier Bay

Example of Optimal Itinerary for a 1000 Arrival

(Please note the *morning interpretive presentation* time for late arriving ships)

Time	Activity
1000	Arrive Glacier Bay and make brief announcement about day's events on p.a. System
1030	Interpretive presentation
1115	Second interpretive presentation, if needed
1200	Queen Inlet, Begin commentary
1330-1430	View Margerie and Grand Pacific Glaciers
1530-1630	View Lamplugh (Jaw Pt./Johns Hopkins if appropriate). Commentary ends on departure from last glacier
1700	Reid Inlet
1900	Depart Glacier Bay

Muir Inlet is not part of the optimal itinerary because the NPS believes that the transit time needed for traveling to both the East and West arms of Glacier Bay could diminish the time spent at tidewater glaciers and thus passenger enjoyment and understanding of the Park.

Johns Hopkins Inlet is a secondary element of the optimal itinerary due to seasonal area closures, high concentrations of harbor seals and other factors that will often preclude going beyond, or even approaching, Jaw Point.

Other bays and inlets of Glacier Bay National Park (such as Dundas Bay, Lituya Bay) are not included due to potential conflicts of cruise ship activities with existing visitor uses.

Transit through **Glacier Bay National Park marine waters outside of headlands:** Icy Strait, Cross Sound and the outer coast open waters (the Park boundary extends three miles off shore) are considered an incidental use of the Park at this time. The NPS encourages cruise ship operators to develop appropriate ship-board programs to further passenger knowledge and appreciation of these remote areas of the Park.

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

Yes No

RESPONSE:

HALW will provide interpretive services superior to the minimum required levels. HALW will operate newly permitted entries on the optimal itinerary for morning interpretive presentation as outlined in the application. HALW currently operates this itinerary on temporarily permitted ships.

2. If no?:

RESPONSE: Not applicable.

3. Alternatives?

RESPONSE: Not proposed.

4. Additional elements if not participating in NPS Interpretive Program.

RESPONSE: Not applicable.

Additional Elements Not Included in the NPS Interpretive Program

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

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

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

Yes No

RESPONSE: HALW will provide superior interpretive services for Glacier Bay by supplementing NPS interpretation with the following programs:

- Described more fully in response to Question 6 below, HALW will have an exclusive agreement with the Hoonah Tlingits through which their members will provide an Alaska Native perspective on the Park aboard our Glacier Bay sailings. The program will be developed in full cooperation with the NPS as it is intended to support NPS interpretation. This enhanced Tlingit interpretation will provide Holland America Line guests with a unique perspective that will make their time in Glacier Bay even more memorable. HALW also views this as an excellent opportunity to support the Tlingits.
- A program to provide HALW guests the opportunity to experience Alaskan Native Art through interaction with a Native Artist in Residence is being introduced on our Alaska ships. This enhancement is more fully described in response to Question 6 below.
- HALW's exclusive On Board Naturalist program, in addition to educating passengers about Alaska and its wildlife, geology, ecology, history and native culture throughout the cruise, includes an introductory lecture about Glacier Bay (Exhibit 5). This lecture is presented on all ships before they arrive at the Park. The Naturalists are also specifically available to assist NPS Rangers throughout the Park visit. And as part of this application, HALW proposes to send its Naturalists to NPS Interpreter Training for Glacier Bay. Beginning in 1999, NPS Rangers will be invited, at HALW's expense, to make presentations at our Naturalist Orientation session in April.
- HALW further provides passengers and crew the opportunity to learn about Glacier Bay through:
 - A dedicated Alaska TV channel which shows: the NPS Glacier Bay video, an interview with an NPS Ranger, the Glacier Bay Environmental video and a video on Tlingit culture (see sample Daily Program channel listing - Exhibit 7).
 - A library of Alaska videos, including the NPS Glacier Bay video, available to passengers. (Exhibit 6)
 - An extensive library of books on Alaska aboard each ship, including titles on Glacier Bay, wildlife, plants, glaciers, history and native culture. (Exhibit 6)
 - Special children's books and videos which introduce the wildlife of Alaska are also available.
- "Club HAL", the HALW youth program, is being further adapted to provide younger visitors, kids and teens, with a better understanding of and appreciation for Glacier Bay. (Exhibit 8)
 - A "Monty the Moose" video module presents the wildlife of Glacier Bay and Alaska.
 - A "Match the Mammal" game with "beanie" wildlife prizes.
 - NPS Glacier Bay video showing and discussion.
 - Review and discussion of the Glacier Bay "Environmental Code of Conduct" and why it matters.
 - An environmental quiz with awards for knowing all 10 tips.

- Alaska Naturalist Youth programs: Match the Mammal, Measure a Whale, Youth Slide Presentation, Alaskan Native Story reading and/or Dream Catchers craft.
 - A “Meet the Ranger” program during the Glacier Bay visit including a conservation talk and certificates.
- In addition to the above, HALW distributes supplemental materials about Glacier Bay to passengers and crew prior to arrival at the Park. These include the newsletter cover article about Glacier Bay (Exhibit 7), the HALW Alaska Environmental Awareness flyer (Exhibit 9) and the “Daily Quiz” for Glacier Bay. (Exhibit 10)

Opportunity for Applicants to Propose Innovative Interpretive Program Elements Applicants are encouraged to provide details of any additional interpretive services or interpretive program details (not listed above) which they propose to provide and which would result in improved interpretive program.

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

Yes

No

RESPONSE: HALW will introduce two new shipboard interpretive programs which will provide visitors with the opportunity to better understand the relationship of people to the lands and waters of Glacier Bay. Additionally, HALW proposes to extend availability of interpretive and general information about Glacier Bay beyond our guests by developing, with the NPS, a comprehensive Glacier Bay website.

- HALW, through an exclusive relationship with the Hoonah Tlingits, will sponsor Tlingit interpreters to sail on our ships to Glacier Bay. Since the intent behind this program is to supplement and not replace the work being done by NPS interpreters, the final form of the program will be carefully developed in concert with the NPS. The actual operation of the program and its tie-in with the NPS program will require the concurrence of both the NPS and Hoonah Tlingits. While HALW sees the addition of the Tlingit interpreters as a very positive step, we are committed to not doing anything that would interfere with the excellent interpretive program already offered by the NPS. HALW also wants to assure the NPS that this program will not represent an additional drain on NPS resources (e.g., the Tlingits will have their own housing in Gustavus and will not require the use of NPS facilities).

One of the Park Interpretive Themes and Goals is to provide visitors “with the opportunity to understand these relationships [between the people and the lands and waters of the Park], including Glacier Bay as Tlingit ancestral homeland.” The program envisioned by HALW will allow the Tlingits themselves to play an integral role in describing that relationship. HALW believes this will add a quality to the overall interpretive experience that could not otherwise be achieved. HALW intends to offer this program not only on the Statendam, Maasdam and Ryndam but also on the ships using the 39 ANILCA entries.

HALW also believes that bringing the Tlingits into the onboard interpretive program will ultimately benefit the NPS, other cruise lines and Park visitors in general. It provides one

more opportunity to keep the traditions and memories alive for the benefit of future generations.

Under ANILCA, the Hoonah Tlingits would qualify as the "most directly affected Native corporation" (as that term is defined by 36 CFR 13.85). This gives HALW the distinction of being the only applicant that will have a Native Alaska interpretive program that involves the most directly affected Native corporation. While the Hoonah Tlingits are not themselves applying for entries, HALW views their agreement to provide HALW with Native interpreters, on an exclusive basis, as a strong indication of their understanding and appreciation of the tradition of excellence that HALW has maintained both in its shipboard operations as well as in its dealings with all peoples in Alaska.

- HALW, through a second exclusive contract with, and as the official cruise/cruisetour partner of, the new Alaska Native Heritage Center in Anchorage, will provide visitors with a Native Alaskan Artist-in-Residence program on the ships together with an expanded opportunity to purchase Native arts and crafts. HALW pioneered the onboard Naturalist program in which individuals sail with the ships on a full-time basis in order to provide passengers with a daily opportunity to learn more about the areas they are visiting. HALW will now be first again in its introduction of the Native Alaskan Artist-in-Residence Program.

This unique program will bring Native Alaskan artisans onto the ships for the entire 7-day cruise to share their skills and traditions with visitors from throughout the world. It represents a wonderful opportunity for people to do more than merely buy arts and crafts. In much the same way that places like Sturbridge Village in Massachusetts and similar attractions have enthralled visitors for many years, HALW sees this as a great addition to its onboard programs. Children in particular should find this one of the activities they most remember and learn from - actually observing artisans at work making crafts much the same way it was done years ago.

In addition to having artists on the ships, the Alaska Native Heritage Center has made arrangements with various Native Alaskans to provide HALW ships with a steady supply of arts and crafts for sale to passengers. This will address a problem that HALW has encountered in the past when it tried to market authentic Alaskan arts and crafts. Through this arrangements, HALW will also help the Alaska Native Heritage Center during its initial years of operation.

Equally important is the positive impact this program will have on the maintenance of Native Alaskan culture. It is often said that artists record a culture for future generations - through art we learn about people, their traditions and their way of life. The program being developed by HALW will provide Native Alaskan artists with both a market for their products and an opportunity to demonstrate with pride their skills and traditions to thousands of people.

- HALW will provide funding and expert resource personnel to develop, in concert with the NPS, a comprehensive Glacier Bay National Park website. The site would provide detailed interpretive and general information on the Park. While there currently are several sites that reference Glacier Bay, a search of "Glacier Bay," using the major

search engines, does not access a site that does the Park justice. Excellent source materials from maps and manuals to photos and video are readily available. As conceived, the site would contain text, pictures, site maps, audio, animation and video. Special sections could be aimed at youth, prospective visitors and educators or students. This website has the potential to educate people who have been to, are planning to visit or who will never visit the Park. Consequently, development of the site represents an excellent extension of the NPS interpretive program.

CRITERION 5A. THE OFFEROR AGREES TO SUBMIT A POLLUTION MINIMIZATION PLAN Park vessel regulations (see appendix) require the following:

To obtain or renew an entry permit, a cruise ship company must submit and, after approval, implement a pollution minimization plan. The plan must ensure, to the fullest extent possible, that any ship permitted to travel within Glacier Bay will apply the industry's best approaches toward vessel oil-spill response planning and prevention and minimization of air and underwater noise pollution while operating in Glacier Bay. The superintendent will approve or disapprove the plan." (36 CFR 13.65(b)(2)(ii)(A))

The *Pollution Minimization Plan* was first implemented for the 1996 season. The NPS offered some initial ideas and suggestions to existing operators to help guide preparation of these pollution plans (see appendix - *Pollution Minimization Plan Elements*). These initial ideas are by no means exhaustive, nor are they mandatory requirements, but are offered to provide general guidance to all potential applicants. The *Pollution Minimization Plan* is an essential element of the Glacier Bay Vessel Management Plan's carefully crafted approach of providing increased access to the Park while also assuring the performance of the NPS's fundamental and predominant stewardship responsibility to protect the Park's resources and values. Companies are strongly encouraged to go beyond the elements initially suggested for these plans and to propose innovative, creative, and cost effective strategies to minimize air, water and underwater noise pollution.

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

Yes

No

RESPONSE: The initial Pollution Minimization Plan submitted in 1996 to the National Park Service provided only a small part of a comprehensive environmental protection program that Holland America Line ships adhere to on a worldwide basis. Earlier this year, in connection with the renewal of its permits for the 1998-99 Seasons, HALW submitted a new Pollution Minimization Plan which included a more complete description of its overall program. In this application, HALW is further supplementing its Pollution Minimization Plan so that effective with the 2000 Season, HALW will be operating under a Plan that combines a rigorous year-round environmental compliance program with special initiatives that will result in HALW being the most environmentally proactive cruise line concessioner in the Park.

Pollution minimization, to be effective, does not begin and end when ships enter and leave the Park. Instead, it only happens if ships always operate to the highest environmental standards. Recognizing this, HALW has developed its Safety Management System (SMS) under which every aspect of ship

operations is directed towards maximizing safety and minimizing pollution. The SMS now comprises 14 manuals, several of which address, in whole or in part, environmental issues.

MR-700 is the heart of HALW's overall environmental protection program. Its development began almost ten years ago with a waste stream analysis of our shipboard operations. An operator cannot begin to minimize pollution until it understands how the pollution is being generated. That analysis led HALW to realize that substantial amounts of waste were being unnecessarily generated. HALW further realized that while some waste generation was inevitable, the pollution that resulted from that waste could be minimized through recycling and product changes.

HALW also recognized that simply requiring ships to adhere to legal requirements sent the wrong message to crewmembers. It would have told people that scraping by and making the least amount of effort was good enough. IT IS NOT. A good operator takes the next step, in fact the next several steps, to ensure that its operations will always be ahead of the curve. It is for this reason that the Pollution Minimization Plan submitted by HALW recognizes the need to go beyond legal requirements to minimize environmental impact on Glacier Bay National Park. Starting with our "Zero Discharge" policy and the extraordinary measures to limit emissions, noise and disturbance of wildlife, the Plan brings forward voluntary initiatives to provide baseline data for stack emissions and noise generation with the aim of finding new ways to further minimize both. It also details our actions focused on accident avoidance and effective spill response where we exceed legal requirements and industry standards in training of crew and equipping of our vessels.

HALW recognizes the need to make a detailed assessment of what is required to protect the Park's resources from oil spills. Contingent upon the grant of at least 20 new permits to HALW, the Plan will address the current need for an immediate oil spill response capability in the Park. HALW, at its expense, is prepared to place in the Park during the entire cruise ship season the equipment and personnel that will provide an immediate response to an oil spill during those critical hours that will necessarily elapse before equipment from Juneau or Valdez can be brought in. The HALW proposal would additionally offer the Park Service, again at HALW's expense, oil spill response training programs for local residents and Park personnel. This response capability would be available to deal with spills from any vessel, not just those of Holland America Line. HALW is also willing to provide expert assistance to the Park Service to prepare full response plans that include risk assessment, definition of resources to be protected and comprehensive action required.

The extraordinary effort extended by HALW to preserve and protect Glacier Bay National Park grows from a strong corporate commitment to environmental responsibility. Our long commitment to the environment is reflected in the establishment of the HAL Seagoing Environmental Awareness program on all ships (Exhibit 9) and the carefully controlled recycling element of our "Zero Discharge" procedures. But HALW efforts to protect the environment extend beyond company procedures. For example, our recognition of the need to protect biological diversity and critical habitat led to the establishment of a \$300,000 partnership with The Nature Conservancy. Our desire to support research about and rehabilitation of marine wildlife led to a \$200,000 contribution to the new Alaska SeaLife Center. For like reason, HALW is the major corporate supporter of Sitka's Raptor Center.

HALW's world leadership, initiative and commitment to voluntarily set the highest cruise industry standards for environmental respect and global citizenship was recently recognized by the "American Environmental Review" in a PBS documentary. (Exhibit VIDEO)

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

Following is a description of the potential environmental impacts cruise ships have in Glacier Bay National Park. Offerors should address in their proposal measures they would take which go beyond law and regulation to further minimize or eliminate these environmental impacts while operating in the Park.

RESPONSE:**Stack emissions**

HALW is committed to limit the opacity of stack emissions to below the required minimum levels especially while operating in environmentally sensitive Glacier Bay. The following operating procedures and extraordinary measures will apply to the newly permitted "S Class" ships:

- Vessel propulsion is diesel electric. This allows the diesel engines that operate the generators, which in turn power the electric propulsion motors, to be run at constant, maximum efficiency RPMs to control and minimize emissions.
- Fuel used for propulsion is the highest quality, lowest sulfur for the type fuel used in our engines. Fuels meet ISO 8217 Standards. They are significantly more expensive, but their use helps control stack emissions.
- Stacks are carefully monitored by color TV systems and opacity meters at all times in the Park to ensure particulate emissions are held below Alaska State and National Park Service regulation limits. Opacity meter alarms are set to sound if 15% opacity is exceeded. These state of the art monitoring systems assure engine adjustments are immediate if corrective action is needed. Additionally, each "S Class" ship is equipped with two opacity recorders. These will be employed to provide position related readings for the newly permitted ships. (See our response below at page 44 for baseline data on stack emissions).
- Incinerators will not be operated and sludge will not be burned while in Glacier Bay.
- To further limit emissions while in the Park, our ships operate at steady speeds with minimization of load shifts, particularly while maneuvering. The number of engines run while in the Park is also limited to only those needed for safe operation of the ship.

Discharge into Park waters

- HALW adheres to a strict "Zero Discharge Policy" while in Glacier Bay. The policy applies to all liquid and solid wastes. Bilge pumps are not operated; consequently oily water separators are not used in the Park. All sewage, even treated waste, is kept in onboard holding tanks while ships are in the Park. All solid waste goes into a comprehensive on board recycling and shore side disposal program as defined in the HAL Environmental Compliance and Waste Management Manual (MR 700). All outdoor cleaning and maintenance ceases during the Park visit. Even outdoor smoking by the crew is prohibited. These measures are extended through special environmental training of crew and an active passenger indoctrination including presentations, videos and printed materials.

Oil Spill Response

- As a further demonstration of its commitment to the protection of Glacier Bay and with the aim of submitting what is “clearly the best proposal...not substantially equal” to proposals from others, if granted at least 20 new permits, HALW will fund and position at the Park during the cruise ship season personnel and various items of equipment for the purpose of providing the NPS with an initial oil spill response capability. HALW recognizes that the NPS is evaluating its oil spill response requirements with a view towards implementing a comprehensive program. The effort now being proposed by HALW is not intended as a substitute for that comprehensive program. Instead, HALW views it as an interim measure that will afford the NPS the time to formulate and implement its own comprehensive program; HALW is committed to working with NPS on the development and implementation of that program.

The interim program proposed by HALW would, under contract with an established oil spill response company, position in the Park the following equipment:

- a 34' Aluminum Spill Response Vessel with bow ramp door and twin O/B.
- a RBS-6D Rotating Brush Skimmer System with extra Disc cassette for light oil recovery, complete with power pack and transfer pump, with a recovery rate of 75 bbls/hr.
- FL-5 (1320 gal.) surface response bags for temporary storage of recovered oil complete with valves and fittings matched to the RBS Skimmer system.
- 2000' of American Marine Special Simplex 8" diameter floatation x 12" Skirt oil containment boom, 22 oz. PVC material, tow bridles and various anchoring accessories.
- Training for selection of proper oil recovery equipment and for personnel protection.

In addition to this equipment, the program will provide two people in the Park on a full-time basis during the cruise ship season to maintain the equipment, work with NPS, conduct oil spill response drills, and, most importantly, be there to activate the equipment in the event of a real spill. The arrangement discussed with the contractor would also offer oil response and personnel protection training and annual updates to NPS personnel and other interested parties so they are in a position to act as standby crews in the event of an actual spill.

The program described above was developed through discussions between HALW personnel (many of whom have direct experience developing oil spill response programs) and individuals from the environmental contractor. Before it is implemented, HALW and the contractor will need the full review and approval of the NPS. While HALW believes this program will meet the initial response requirements of the Park until a comprehensive program can be implemented, HALW recognizes that the NPS is ultimately responsible for the stewardship of the Park. HALW looks forward to discussing this matter with the NPS. Most important is devising a means for meeting the oil spill response needs of the Park. By including this program in its Pollution Minimization Plan, HALW is demonstrating that it will do more than simply talk about those needs - it will work with the Park Service in a meaningful way to satisfy those needs.

- Oil spill prevention and response are given the highest degree of importance on our ships. Central to preventing oil spills is operating the ships safely. The HALW Safety Management System addresses protection of the environment by requiring officer and crew compliance with specific standards and procedures necessary to ensure the safe management and operation of ships. A “Shipboard Oil Pollution Emergency Plan” is in place along with the “Masters and Deck Officers Operating Regulations” (MR 400). This includes instructions on material use and requires on board training.
- All HALW Deck Officers have been attending Bridge Resource Management training. All new officers attend this training as soon as practicable. The course is taught at Marine Safety in Rotterdam and was specifically developed for HALW marine operations. Simulator exercises use ship specific maneuvering data to provide maximum practical experience and to develop operating practices which will minimize the potential of an accident occurring. The BRM course has been approved by the U.S. Coast Guard and the Netherlands Shipping Inspectorate. HALW has been at the forefront in encouraging pilots to attend BRM courses. By invitation, Alaska Southeast Pilots attend refresher BRM training on board our ships.
- Spill retention absorbent boom and moorings are carried on all Holland America ships, even though none is required. Additional equipment is being added to enhance our ability to fully encircle any spill around a vessel. Absorbent pads are also carried by each ship.
- The added spill response equipment on our ships also enables us to respond to assist, should another vessel suffer a spill in Glacier Bay while a Holland America ship is in the vicinity.
- HALW works closely with the U.S. Coast Guard, the State of Alaska and Cruise Line Agencies of Alaska in annual oil spill response exercises involving and training company staff who would actually respond in the event of a spill.
- Each calendar quarter, our ships perform oil and chemical spill response drills. Drills focus on containment, notification, clean up and personnel safety requirements.

Underwater Noise

- HALW makes every effort to minimize underwater noise while operating ships in Glacier Bay. Specific measures to limit noise include:
 - Keeping overall ship speed no faster than required for safe navigation.
 - Running at reasonably constant RPM and propeller pitch settings.
 - Limiting pitch changes and maneuvering to the minimum needed for safety and to provide a complete experience in the Park.
 - Minimizing use of bow and stern thrusters.
 - Limiting engine and machinery in operation to only what is required for safe passage.
 - Reducing speed and maintaining distance in areas of possible whale contact.

- The newly permitted “S Class” ships apply the latest technology to minimize underwater noise and vibration transmission to the hull:
 - Diesel electric propulsion eliminating direct connection of reciprocating engines to the propulsion system.
 - Resilient or “floating” engine mounts which isolate engines from direct link to the hull.
 - Isolation mounting of pipes.
 - Sophisticated controls enabling precise, slow changes in speed, direction and propeller pitch to eliminate noise caused by sudden changes.
- HALW will continue its practice of exceeding NPS guideline to not disturb whales by:
 - Keeping extra bridge watch for whales while in the Park.
 - Reducing ship speed anytime whales are seen nearby.
 - Exceeding minimum recommended distance guidelines.
- In demonstration of commitment to noise reduction and control, HALW has identified and contacted a highly qualified expert acoustical consultant with whom we will contract to conduct noise signature work for one of the newly permitted ships. The goal of this work would be to identify the main radiating sources and transmission paths to define noise abatement procedures. (See our response below at pages 44 and 45 for baseline data on noise).

Wildlife protection

- In addition to taking actions to minimize possible disturbance of whales:
 - HALW acknowledges that the upper part of John Hopkins Inlet is one of the largest harbor seal pupping areas in the world. Consequently, in addition to observing the May 1 through August 31 closure south of Jaw Point, ships will avoid any areas with large concentrations of seals hauled out on icebergs. A bridge watch for seals is maintained to minimize encounters.
 - HALW advises crew and passengers not to feed seabirds or other wildlife. This is accomplished through in cabin flyers, distribution of the HALW Alaska Code of Environmental Ethics, the Seagoing Environmental Program, ship signage, on board announcement, the ship’s Daily Program and through crew training and passenger environmental videos. This advice is accompanied with an explanation as to why the delicate ecosystem of the Park is not to be disturbed.
 - HALW ships are instructed to remain at least 100 yards from seabird nesting colonies.

Litter

- HALW implements a strong program to eliminate litter throughout Alaska with specific elements applied to Glacier Bay:
 - Distribution of the Alaska Code of Environmental Ethics with documents, in cabin information and in the Daily Program (Exhibits 7 and 9).

- Signage on all decks and in crew areas prohibiting littering.
 - Prohibition of open deck smoking in Glacier Bay.
 - A litter patrol on each deck to assist passenger disposal of trash and watch for any loose items which may blow overboard.
 - Use of reusable service ware on deck while in the Park.
 - Storage of all open deck games (ping pong, tennis, etc.) prior to Park entry.
- As with other aspects of HALW's environmental program, fighting litter does not begin and end when ships enter and leave the Park. Through one of the most comprehensive recycling programs in the industry, HALW has sought to minimize the items that could otherwise end up being litter. HALW recycles glass (all colors), aluminum, cardboard, batteries and mixed paper. HALW requires that its photo concessionaire recover silver that is a byproduct of photo processing so that it does not contaminate the ship's waste stream; the silver is sold ashore and recycled. Even used cooking oil is employed as fuel in incinerators. HALW encourages crew participation in recycling by using the proceeds to support crew social programs.
 - Typical of HALW's commitment to the environment is the decision made several years ago to replace plastic stirrers with wooden ones. While seemingly small in nature, HALW realized that thousands of plastic stirrers were being introduced into the waste stream on every voyage. This seemingly small change meant the world was spared tons of plastic that would otherwise find its way into landfills.
 - HALW made a similar decision several years ago when it banned large plastic garbage bags from its ships. While dumping garbage bags overboard has always been prohibited, HALW wanted to eliminate even the possibility of this occurring.
 - Another example of being proactive was the decision made by HALW to eliminate small condiment packages from the ships and replace them with dispensers. Here again, a small gesture when viewed in isolation but a huge impact when one realizes that thousands of foil condiment packages (mustard, cream, ketchup, mayonnaise, maple syrup) were being thrown into the garbage on a daily basis.

Shipboard noise

- HALW recognizes that the visit to Glacier Bay National Park has the single purpose of enhancing visitor appreciation of the Park. Consequently, the public address system on ships is dedicated to broadcast of NPS Ranger Interpretation. No music will be broadcast and operational announcements will be made only when absolutely necessary. Other distracting noises such as whistles and bells will not be used, except in emergencies.

Helicopters

- Helicopters will not be used by HALW in Glacier Bay unless specifically authorized by the NPS.

Baseline Data Gathering - The NPS is interested in obtaining baseline data on stack emissions and vessel noise levels as part of the *Pollution Minimization Plan*. This information will assist NPS in evaluating the effects of vessels and will also be helpful in designing meaningful operating requirements. Examples of useful data would be: automatic opacity measurements every minute or less keyed to time and location; stack emission sampling, vessel sound signatures; and below waterline hull vibration measurements keyed to time and speed and machinery use. The NPS has not developed specific sampling criteria, but rather is interested in specific proposals from the cruise lines based on available sampling technology.

1. Do you offer to provide baseline data from your vessel(s), such as stack emission opacity or noise levels?

Yes No

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.

RESPONSE

- HALW “S Class” ships are equipped with 2 opacity meters and recorders. One records main engine exhaust and the other emissions for boilers and incinerators. Each recorder receives up to five inputs to provide perspective on emissions density over time. These records on opacity can then be time matched to GPS position printouts to provide NPS with the desired baseline data.
- It was HALW that originally advised the Park Service as to the possibility of obtaining sound signatures for vessels. While HALW had initially hoped these signatures could be obtained through the specialized facilities of the U.S. Navy near Ketchikan, further inquiries have ruled out that option. HALW has now received a proposal from and negotiated an arrangement with a highly qualified acoustical consultant that would enable NPS and HALW to obtain baseline data on one of the newly permitted vessels operating in Glacier Bay. This effort would consist of the following elements:
 - Task 1: Conduct a radiated noise signature of the vessel and perform on board vibration tests. The consultant supplies engineers, instrumentation and analysis. The work is done in Glacier Bay by deploying an array of hydrophones from a small chase boat and taking range data. The minimum water depth needs to be 100 meters. A minimum of two hydrophones will be deployed at depths of 25’ and 150’.
 - Task 2: Use diagnostic data from Task 1 to identify radiating sources and paths of transmission as the basis for potential noise abatement procedures. The consultant will provide the potential change in noise signature for various abatement scenarios.
 - Task 3: The consultant will compare data with information obtained from prior studies involving naval and commercial vessels. This information will also be compared to data on noise studies regarding whales. Combined this information will provide a yardstick with which to measure technology required for quieter vessels.

The proposed consultant has years of experience working with both governmental and private concerns (including the U.S. Navy) in the design of vessels and other facilities with a view towards minimizing noise. HALW's proposal goes beyond merely accumulating baseline data. HALW's consultant is uniquely qualified to take that data and, if reducing noise is necessary, make proposals that will have actual positive results.^{HAL4}

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 present^{NPS2}? If yes, submit a copy of the official report (US Coast Guard or other), except for injuries (submit a brief summary, including reason for each injury).

Yes

No

RESPONSE: A review of HAL records for reportable marine casualties (as defined by the USCG), for ms Statendam, ms Maasdam and ms Ryndam, for the three years prior to the date of this prospectus was issued through the present, identified one incident:

- ms Statendam: October, 1996; Emergency Generator Casualty.

An inspection by ship personnel in January, 1997 determined that the emergency generator diesel lubrication oil had overheated and damaged the generator. The cause of damage was failure of the lube oil heater thermostat. When the thermostat failed, it closed and overheated the lube oil causing it to bake on to internal engine components. The generator engine was completely rebuilt. The ship was fitted with a temporary generator until repairs could be completed. Using a temporary generator required approval of the Coast Guard, which approval was secured through verbal communications. The manner in which this incident evolved and the communications that ensued with the Coast Guard eliminated the need to file a Form 2692. As a result,

^{HAL4} HALW recognizes that under Section 704 of P.L. 104-333, a question exists as to whether Pollution Minimization Plans can be required of concessioners. HALW is proud of its environmental record and of its environmental compliance/pollution minimization program. Consequently, even though the law may not require the submission of a Pollution Minimization Plan, HALW has included one with this Application.

^{NPS2} 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.

no actual official report is available. Additional information will be provided upon request.

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

Yes

No

RESPONSE: Two violation notices were identified: ^{HAL5}

- ms Ryndam; January 1, 1997; Anchoring in a prohibited area; St. John, US Virgin Islands.
On January 1, 1997, ms Ryndam was cited for anchoring in a prohibited area off the island of St. John, U.S. Virgin Islands. The action resulted in damage to coral reef (approximately 4 square meters). A penalty of \$50 was paid for the infraction. In addition, HALW retained Dr. Walter Jaap, an expert on coral reef restoration, to work with the government to assess the coral reef damage. This action is consistent with the HALW philosophy that fixing damage is more important than merely paying a fine. As a result of Dr. Jaap's efforts, HALW contributed \$14,000 to help restore the coral reef. HALW's subsequent investigation concluded that the accident was caused by a defective chart; the one issued to the Ryndam did not show the area to be restricted. A subsequent Notice to Mariners amended the chart, making the area the ms Ryndam anchored in restricted (not available for anchoring). All ships have since checked charts to ensure that corrections have been made. Copy of citation attached as part of Exhibit 11.
- ms Statendam; March 29, 1998; Oil spill; San Pedro, California.
On March 29, 1998, while discharging ballast during bunkering, ms Statendam pumped oil overboard with the ballast water. The ballast tank being emptied was opened and oil was discovered to be leaking into the tank through a two millimeter hole found in the longitudinal bulkhead which separates the ballast tank from the bunker tank. This hole was caused by galvanic corrosion from an unattached stainless steel ballast water level transmitter touching the common longitudinal bulkhead. HALW believes that when the ship was constructed, the transmitter was not properly attached by the shipyard. The level transmitter has now been properly attached by the ship's personnel and the hole plugged. Since this incident, all Holland America Line ships built by the same shipyard have examined their ballast tanks adjacent to fuel oil tanks and found no similar problems.

^{HAL5} HALW has previously informed the Park Service that one of its affiliates (not HALW) will enter a guilty plea involving the activities of the former ss Rotterdam in 1994. Information on this matter has been omitted from this Application because the plea does not relate to the Statendam, Maasdam or Ryndam, nor is it being made by HALW. The same affiliate has also entered into a Compliance Agreement with the Environmental Protection Agency, acting on behalf of itself and the Department of the Interior, pursuant to which neither HALW's existing Concession Permit, nor any subsequent Concession Permit, will be impacted by these events. HALW will provide additional information on these matters upon request.

When the incident occurred, the vessel immediately notified governmental authorities. Working together with the California Department of Fish and Game's Office of Spill Prevention and Response, HALW hired Foss Environmental to clean-up the oil. As a result of HALW's quick and unequivocal response to the incident, State authorities did not assess any fines but instead only required HALW to pay \$20,000 under California's program which requires payment whenever there is natural resources damage (in this case, primarily mussels, barnacles and invertebrates). The Coast Guard has also assessed an \$800 fine under the Clean Water Act (which imposes liability without regard to fault). The maximum Clean Water Act fine that could have been imposed was \$11,000. A copy of the USCG citation is attached as part of Exhibit 11.

Both of these incidents resulted from causes that even the best operating system would have been hard-pressed to avoid. The goal of HALW's Safety Management System (SMS) is to eliminate as many incidents of this type as is feasible. The focus of the SMS is the safe operation of vessels and pollution prevention. The SMS goes beyond statutory requirements and establishes the high level of performance and quality that are the hallmarks of the Holland America tradition of excellence.

The SMS requires compliance with stringent standards and procedures deemed necessary to ensure the safe management and operation of its ships, the protection and safety of its passengers and crews and protection of the environment. The stringent standards include quarterly ships visits by Technical Superintendents, the issuance of Fleet Alerts to convey new policy, and annual safety and environmental audits by the Designated Person.

The SMS brings together all of the safety and environmental protection policies, procedures and practices that have been part of Holland America Line's systems in the past, and melds those policies and procedures together with the International Maritime Organization's International Safety Management Code.

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

Yes No

RESPONSE: Maasdam Public Health Inspection on February 11, 1997. Several cleaning and food handling issues, as well as dish washing equipment malfunctions were noted during the February inspection. To implement corrective procedures an inspection team consisting of Seattle based personnel visited the vessel. The team performed food handling training, and discussed supervisory and leadership skills. Several policies were changed and implemented. The Maasdam was reinspected during March 1997 and received a high passing score of 97. A copy of both USPH reports are included as part of Exhibit 12.

Statendam Public Health Inspection on January 14, 1997.

Several pieces of galley equipment and cooking utensils were found soiled. Several pieces of stainless steel galley equipment had to be modified to remove areas where dirt could accumulate. Similarly, ceramic tiles were found cracked and with grout missing. A Seattle team visited the Statendam. The

team reviewed cleaning and equipment maintenance procedures with the shipboard staff. Several pieces of equipment were re-welded to remove food traps and tiles were changed and/or re-grouted. Additionally, the team provided cleaning training. The Statendam was reinspected during March 1997 and received a high passing score of 98. A copy of both USPH reports are included as part of Exhibit 12.

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.

RESPONSE: As requested for corporations, we include copies of the 1997 Audited Financial Statements for HALW at TAB IV and for HAL Antillen N.V. and Subsidiaries at TAB V.

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.

RESPONSE: All funds required to provide the concession services will be available from current liquid assets and from revenues generated by ongoing operations. As demonstrated by the financial statements referred to above, HALW and HAL Antillen N.V. are extremely sound when measured by any generally accepted financial standard. ONE CLEAR EXAMPLE OF THIS FINANCIAL STRENGTH IS THAT NONE OF HOLLAND AMERICA'S SHIPS ARE ENCUMBERED BY SHIP MORTGAGES -THEY ARE FULLY PAID FOR. No external financial sources will be required. In addition, based on the strength of the submitted balance sheets, HALW does not anticipate any future financing issues.

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

RESPONSE: HALW, as an ANILCA Historical operator, has an established track record of financial responsibility with the NPS. Since we will not require funds from any external sources in order to offer the services, we do not present the NPS with any financing issues that will need to be negotiated in the future. Here again, the absence of any mortgage debt provides NPS with assurances that HALW, unlike many other operators, will be able to continue operating even if the economy weakens. While other cruise lines have also expanded, they have done so by becoming highly leveraged. A downturn in the economy could be devastating to their operations and to their ability to meet the safety and environmental commitments being made to the NPS. HALW does not present the NPS with that problem.

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, below^{NPS3}). Secondary factors will be used in the evaluation of offers when a selection of the best offer cannot otherwise be made from the results of evaluating the three primary factors. Public Law 89-249, Section 3(d) and 36 CFR Part 51.4b(3), (Both are included in the Appendix) provides guidance as to franchise fees.

^{NPS3} Public Law 104-333, Section 704, states: "Fees paid by certain permittees for the privilege of entering into Glacier Bay shall not exceed \$5 per passenger. For the purposes of this subsection, 'certain permittee' shall mean a permittee which provides overnight accommodations for at least 500 passengers for an itinerary of at least 3 nights". Therefore, the NPS may not be able to accept a higher franchise fee from applicants who fit the definition of 'certain permittee', but may accept such an offer from other applicants.

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

Yes

No

RESPONSE: HALW believes that it is prevented from offering a franchise fee above \$5 per passenger by the terms of P.L. 104-333. However, we believe in supporting the National Park Service in achieving its goals at Glacier Bay National Park. This is evidenced by HALW coming forward in 1996 to support the NPS in producing the new Glacier Bay video.

To further this type of support, beginning in 1999, HALW will initiate a program on board its ships visiting Glacier Bay that will offer passengers the opportunity to make voluntary contributions to the National Parks Foundation that are earmarked for Glacier Bay projects. This effort will include in cabin documents, coverage in the Glacier Bay environmental video and other significant promotional support. HALW views this as an excellent opportunity to raise monies from persons who will have recently been exposed to the wonders of Glacier Bay. This program, which HALW expects will quickly be copied by other cruise lines, should provide the Foundation with a steady source of funds to enable the continued maintenance and improvement of the Park.

2. If yes, state the total franchise fee that you propose. Express this as a per passenger fee.

Year	Per Passenger Fee
2000	\$
2001	\$
2002	\$
2003	\$
2004	\$