GLBA Copy

Category III Contract

United States Department of the Interior
National Park Service

Glacier Bay National Park & Preserve

Cruise Ship Services

Concession Contract No. CC-GLBA004-10

Princess Cruise Lines, Ltd.

24305 Town Center Drive
Santa Clarita, CA 91355

Telephone Number: (661) 753-1525
Fax Number: (661) 753- 1510
Email Address: abuckelew@princesscruises.com

Doing Business As: **Princess Cruises**

Covering the Period January 1, 2010 through September 30, 2019

This Contract is between the National Park Service and **Princess Cruise Lines, Ltd.** (hereinafter referred to as "Concessioner"), a Bermuda Corporation, d.b.a. Princess Cruises under the authority of 16 U.S.C. 1 et. seq., including 16 U.S.C. 5901 et. seq., other laws that supplement and amend these laws, and Public Law 110–161 (121 Stat. 1844), Division F, Title I, Section 134. The Director and the Concessioner agree:

Sec. 1. Term of Contract

This Contract will be from January 1, 2010, until its expiration on September 30, 2019.

Sec. 2. Services and Operations

(a) Required and Authorized Visitor Services

The Concessioner must provide the following required Visitor Services within the Area: None.

The Concessioner may provide the following authorized Visitor Services within the Area: Cruise ship services including onboard interpretive services.

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

No government owned personal property is assigned to the Concessioner.

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

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

(e) No Capital Improvements
The Concessioner may not construct any Capital Improvements upon Area lands.

Sec. 3. Concessioner Personnel

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

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

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

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

Sec. 4. Environmental

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

Sec. 5. Fees

(a) Franchise Fee

(1) The Concessioner must pay a franchise fee to the Director as follows: **the greater of $12.00 per passenger per day or $500**. The National Park Service will adjust this fee each year in accordance with the Consumer Price Index, All Urban Consumers, published by the U.S. Department of Labor, by the same percentage increase or decrease from January of the preceding year to January of the current year. Should this index cease to be published, the National Park Service will select a similar index to annually adjust the fee.

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

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

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

(b) Payments Due

(1) The franchise fee shall be due on a monthly basis at the end of each month and shall be paid by the Concessioner in such a manner that the Director shall receive payment within fifteen (15) days after the last day of each month that the Concessioner operates. This monthly payment shall include the franchise fee equal to the specified passenger rate times the number of passengers for the preceding month.

(2) The Concessioner shall pay any additional fee amounts due at the end of the operating year as a result of adjustments at the time of submission of the Concessioner's Annual Financial Report. Overpayments shall be offset against the following year's fees. In the event of termination or expiration of this Contract, overpayments will first be offset against any amounts due and owing the Government, and the remainder will be paid to the Concessioner.

(3) All franchise fee payments consisting of $10,000 or more, shall be deposited electronically in accordance with all applicable laws.

(c) Interest

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

Sec. 6. Insurance

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

Sec. 7. Records and Reports

(a) Accounting System

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

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

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

(b) Annual Financial Report

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

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

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

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

(c) Other Reports

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

Sec.8. Suspension, Termination, or Expiration

(a) Termination and Suspension

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

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

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

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

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

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

Sec. 9. Assignment, Sale or Encumbrance of Interests

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

Sec. 10. General Provisions – See Addendum 1.

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

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Contract on the dates shown below.

Princess Cruise Lines, Ltd.

Signature: [signature]

Name: Alan B. Buckelew

Title: C.E.O.

Date:

United States of America

Signature: [signature]

Name: Sue E. Masica

Title: Alaska Regional Director

Date: August 4, 2009

Attest

Signature: [signature]

Name: Mona Ehrenreich

Title: General Counsel

Attachments:

Addendum 1 – General Provisions

Exhibit A – Nondiscrimination
Exhibit B – Operating Plan
Exhibit C – Reserved
Exhibit D – Insurance

Addendum 1
General Provisions

Sec. 1. Definitions

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

(a) "Applicable Laws" means the laws of Congress governing the Area, including, but not limited to, the rules, regulations, requirements and policies promulgated under those laws, whether now in force, or amended, enacted or promulgated in the future, including, without limitation, federal, state and local laws, rules, regulations, requirements and policies governing nondiscrimination, protection of the environment and protection of public health and safety.
(b) "Area" means the property within the boundaries of Glacier Bay National Park & Preserve.
(c) "Days" means calendar days.
(d) "Director" means the Director of the National Park Service, and his duly authorized representatives.
(e) "Exhibit" means the various exhibits, which are attached to this Contract, each of which is hereby made a part of this Contract.
(f) "Gross Receipts" means the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this Contract, commissions earned on contracts or agreements with other persons or companies operating in the Area, and gross receipts earned from electronic media sales, but excluding:

(1) Intracompany earnings on account of charges to other departments of the operation (such as laundry);
(2) Charges for employees' meals, lodgings, and transportation;
(3) Cash discounts on purchases;
(4) Cash discounts on sales;
(5) Returned sales and allowances;
(6) Interest on money loaned or in bank accounts;
(7) Income from investments;
(8) Income from subsidiary companies outside of the Area;
(9) Sale of property other than that purchased in the regular course of business for the purpose of resale;
(10) Sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded will not exceed the amount actually due or paid government agencies;
(11) Receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian, Alaskan Native, Native Samoan, or Native Hawaiian handicrafts.

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

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

Sec. 2. Legal and Regulatory Compliance

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

Sec. 3. Services and Operations

(a) All promotional material, regardless of media format (i.e., printed, electronic, broadcast media), provided to the public by the Concessioner in connection with the services provided under this Contract must be approved in writing by the Director prior to use. All such material will identify the Concessioner as an authorized Concessioner of the National Park Service, Department of the Interior.

(b) The Concessioner will provide Federal employees reduced rates, in accordance with guidelines established by the Director, when conducting necessary official business. Complimentary or reduced rates and charges may otherwise not be provided to Federal employees by the Concessioner except to the extent that they are equally available to the general public.

(c) The Director and Comptroller General of the United States, or any of their duly authorized representatives, will have access to the records of the Concessioner as provided by the terms of Applicable Laws.

(d) Subconcession or other third party agreements, including management agreements, for the provision of Visitor Services required and/or authorized under this Contract, whether in consideration of a percentage of revenues or otherwise, are not permitted.

(e) The Concessioner will ensure that any protected sites and archeological resources within the Area are not disturbed or damaged by the Concessioner's activities. Discoveries of any archeological resources by the Concessioner will be promptly reported to the Director.

Sec. 4. Environmental Data, Reports, Notifications, and Approvals

(a) Inventory of Hazardous Substances and Inventory of Waste Streams

The Concessioner must submit to the Director, upon request, an inventory of hazardous chemicals used and stored in the Area by the Concessioner. The Concessioner must obtain the Director's approval prior to using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this Contract. The Concessioner must also submit to the Director, upon request, an inventory of all waste streams generated by the Concessioner under this Contract.

(b) Reports

The Concessioner must submit to the Director copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to regulatory agencies. The Concessioner must also submit to the Director any environmental plans for which coordination with Area operations are necessary and appropriate, as determined by the Director in accordance with Applicable Laws.

(c) Notification of Releases

The Concessioner must give the Director immediate written notice of any discharge, release or threatened release (as these terms are defined by Applicable Laws) within or at the vicinity of the Area (whether solid, semi-solid, liquid or gaseous in nature) of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product or petroleum by-product.

(d) Notice of Violation

The Concessioner must give the Director in writing immediate notice of any written threatened or actual notice of violation from other regulatory agencies of any Applicable Law arising out of the activities of the Concessioner, its agents or employees.

(e) Communication with Regulatory Agencies

The Concessioner must provide timely written advance notice to the Director of communications, including without limitation, meetings, audits, inspections, hearings and other proceedings, between

regulatory agencies and the Concessioner related to compliance with Applicable Laws concerning operations under this Contract. The Concessioner must also provide to the Director any written materials prepared or received by the Concessioner in advance of or subsequent to any such communications. The Concessioner must allow the Director to participate in any such communications. The Concessioner must also provide timely notice to the Director following any unplanned communications between regulatory agencies and the Concessioner.

(f) Cost Recovery for Concessioner Environmental Activities

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

Sec. 5. Fees

(a) Adjustment of Franchise Fee

(1) The Concessioner or the Director may request, in the event that either considers that extraordinary, unanticipated changes have occurred after the effective date of this Contract, a reconsideration and possible subsequent adjustment of the franchise fee established in this section. For the purposes of this section, the phrase "extraordinary, unanticipated changes" will mean extraordinary, unanticipated changes from the conditions existing or reasonably anticipated before the effective date of this Contract which have or will significantly affect the probable value of the privileges granted to the Concessioner by this Contract. For the purposes of this section, the phrase "probable value" means a reasonable opportunity for net profit in relation to capital invested and the obligations of this Contract.

(2) The Concessioner or the Director must make a request for a reconsideration by mailing, within sixty (60) days from the date that the party becomes aware, or should have become aware, of the possible extraordinary, unanticipated changes, a written notice to the other party that includes a description of the possible extraordinary, unanticipated changes and why the party believes they have affected or will significantly affect the probable value of the privileges granted by this Contract.

(3) If the Concessioner and the Director agree that extraordinary, unanticipated changes have occurred, the Concessioner and the Director will undertake good faith negotiations as to an appropriate adjustment of the franchise fee.

(4) The negotiation will last for a period of sixty (60) days from the date the Concessioner and the Director agree that extraordinary, unanticipated changes occurred. If the negotiation results in agreement as to an adjustment (up or down) of the franchise fee within this period, the franchise fee will be adjusted accordingly, prospectively as of the date of agreement.

(5) If the negotiation does not result in agreement as to the adjustment of the franchise fee within this sixty (60) day period, then either the Concessioner or the Director may request binding arbitration to determine the adjustment to franchise fee in accordance with this section. Such a request for arbitration must be made by mailing written notice to the other party within fifteen (15) days of the expiration of the sixty (60) day period.

(6) Within thirty (30) days of receipt of such a written notice, the Concessioner and the Director will each select an arbiter. These two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel. Unless otherwise agreed by the parties, the arbitration panel will establish the procedures of the arbitration. Such procedures must provide each party a fair and equal opportunity to present its position on the matter to the arbitration panel.

(7) The arbitration panel will consider the written submissions and any oral presentations made by the Concessioner and the Director and provide its decision on an adjusted franchise fee (up, down or

unchanged) that is consistent with the probable value of the privileges granted by this Contract within sixty (60) days of the presentations.
(8) Any adjustment to the franchise fee resulting from this section will be prospective only.
(9) Any adjustment to the franchise fee will be embodied in an amendment to this Contract.
(10) During the pendency of the process described in this section, the Concessioner will continue to make the established franchise fee payments required by this Contract.

Sec. 6. Indemnification
The Concessioner agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend and indemnify the United States of America, its agents and employees from and against any and all liabilities, obligations, losses, damages or judgments (including without limitation penalties and fines), claims, actions, suits, costs and expenses (including without limitation attorneys fees and experts' fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, in any way connected with or arising out of the activities of the Concessioner, its employees, agents or Contractors under this Contract. This indemnification will survive the termination or expiration of this Contract.

Sec. 7. Notice of Bankruptcy or Insolvency
The Concessioner must give the Director immediate notice (within five (5) days) after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The Concessioner must also give the Director immediate notice of any petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this Contract or any part thereof upon execution, attachment or other process of law or equity. For purposes of the bankruptcy statutes, NPS considers that this Contract is not a lease but an executory Contract exempt from inclusion in assets of Concessioner pursuant to 11 U.S.C. 365. The Director may terminate this Contract if the Director determines that the Concessioner is unable to perform the terms of Contract due to such bankruptcy or insolvency action.

Sec. 8. Additional Provisions
(a) This Contract contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this Contract. This Contract may be extended, renewed or amended only when agreed to in writing by the Director and the Concessioner.
(b) This Contract does not grant rights or benefits of any nature to any third party.
(c) The invalidity of a specific provision of this Contract will not affect the validity of the remaining provisions of this Contract.
(d) Waiver by the Director or the Concessioner of any breach of any of the terms of this Contract by the other party will not be deemed to be a waiver or elimination of such term, nor of any subsequent breach of the same type, nor of any other term of the Contract. The subsequent acceptance of any payment of money or other performance required by this Contract will not be deemed to be a waiver of any preceding breach of any term of the Contract.
(e) No member of, or delegate to, Congress or Resident Commissioner will be admitted to any share or part of this Contract or to any benefit that may arise from this Contract but this restriction will not be construed to extend to this Contract if made with a corporation or company for its general benefit.
(f) This Contract is subject to the provisions of 43, CFR Part 42, as applicable, concerning nonprocurement debarment and suspension. The Director may recommend that the Concessioner be debarred or suspended in accordance with the requirements and procedures described in those regulations, as they are effective now or may be revised in the future.

Exhibit A
Nondiscrimination

Sec. 1. Requirements Relating to Employment and Service to the Public

(a) Employment

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

(1) The Concessioner will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or disabling condition. The Concessioner will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disabling condition. Such action shall include, but not be limited to, the following: Employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Concessioner agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary setting forth the provision of this nondiscrimination clause.

(2) The Concessioner will, in all solicitations or advertisements for employees placed by on behalf of the Concessioner, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.

(3) The Concessioner will send to each labor union or representative of workers with which the Concessioner has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Secretary, advising the labor union or workers' representative of the Concessioner's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) Within 120 days of the commencement of a contract every Government contractor or subcontractor holding a contract that generates gross receipts which exceed $50,000 and having 50 or more employees shall prepare and maintain an affirmative action program at each establishment which shall set forth the contractor's policies, practices, and procedures in accordance with the affirmative action program requirement.

(5) The Concessioner will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Concessioner will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the Concessioner's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Concessioner's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Concessioner may be declared ineligible for further Government concession contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Concessioner will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, so that such provisions will be binding upon each subcontractor or vendor. The Concessioner will take such action with respect to any subcontract or purchase order as the Secretary

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

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

(c) Facilities
(1) Definitions: As used herein:
(i) Concessioner shall mean the Concessioner and its employees, agents, lessees, sublessees, and contractors, and the successors in interest of the Concessioner;
(ii) Facility shall mean any and all services, facilities, privileges, accommodations, or activities available to the general public and permitted by this agreement.
(2) The Concessioner is prohibited from:
(i) Publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin, or disabling condition;
(ii) Discriminating by segregation or other means against any person.

Sec. 2. Accessibility

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

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

(a) Discrimination Prohibited
A Concessioner, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of handicap:
(1) Deny a qualified handicapped person the opportunity to participate in or benefit from the aid, benefit, or service;
(2) Afford a qualified handicapped person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others;
(3) Provide a qualified handicapped person with an aid, benefit, or service that is not as effective as that provided to others;

(4) Provide different or separate aids, benefits, or services to handicapped persons or to any class of handicapped persons unless such action is necessary to provide qualified handicapped persons with aid, benefits, or services that are as effective as those provided to others;
(5) Aid or perpetuate discrimination against a qualified handicapped person by providing significant assistance to an agency, organization, or person that discriminates on the basis of handicap in providing any aid, benefit, or service to beneficiaries of the recipient's program;
(6) Deny a qualified handicapped person the opportunity to participate as a member of planning or advisory boards; or
(7) Otherwise limit a qualified handicapped person in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service.

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

Exhibit B
Operating Plan

This Operating Plan between Princess Cruise Lines, Ltd. (hereinafter referred to as the "Concessioner") and the National Park Service (hereinafter referred to as the "Service") describes specific operating responsibilities of the Concessioner and the Service with regard to those services provided by the Concessioner for the purposes authorized by the Contract.

In the event of any conflict between the terms of the Contract and this Operating Plan, the terms of the Contract, including its designations and amendments, will prevail.

This plan will be reviewed annually by the Superintendent in consultation with the Concessioner and revised as determined necessary by the Superintendent of the Area.

Any revisions shall not be inconsistent with the main body of the Contract. Any revisions must be reasonable and in furtherance of the purposes of the Contract.

Sec. 1. Definitions: In addition to all defined terms contained in the Contract, including without limitation Exhibit A, and Exhibits C - I, the following definitions apply to this Operating Plan:

(a) "*Area*" means the property within the boundaries of Glacier Bay National Park & Preserve.

(b) "*Cruise ship*" means any motor vessel of at least 100 tons gross (U.S. System) or 2,000 tons gross (International Convention System) certificated to carry more than 12 passengers for hire.

(c) "*Glacier Bay*" or "*Glacier Bay proper*" means all waters inside a line drawn between Point Gustavus at 135°54.927' W longitude; 58°22.748' N latitude and Point Carolus at 136°2.535' W longitude; 58°22.694' N latitude.

(d) "*Off-Season*" means October 1 through April 30.

(e) "*Park Compendium*" or "*Compendium*" refers to a compendium of area designations, closures, permit requirements and other restrictions.

(f) "*Pool*" or "*Use day pool*" or "*vessel use day pool*" means cruise ship use days not allocated to a specific concessioner, but which are potentially available for use by any cruise ship concessioner.

(g) *"Prime Season"* means June 1 through August 31.

(h) *"Prime Season Operator"* means the holder of a concession contract to provide cruise ship services which includes an allocation of one or more Glacier Bay use days for the June 1 through August 31 *prime season* period.

(i) *"Service"* means the National Park Service.

(j) "*Shoulder Season*" means May and September.

(k) "*Superintendent*" means the manager of the Area.

(l) *"Vessel Use Day" or "Use day"* means any continuous period of time that a motor vessel is in Glacier Bay between the hours of 12 midnight on one day to 12 midnight the next day.

Sec. 2. Required Reports & Submissions

(a) Summary of Concessioner Reporting Requirements:

Requirement	Due
Annual Financial Report [ref. contract §7(b)]	March 1
Franchise Fee Pre-Payment [ref. contract §5(b)(1)]	March 1
Proposed Schedule for following year	July 15
Activity Report [ref. Operating Plan §C.3.]	5 days after each month of operation.

Franchise Fee Final Payment/Annual Reconciliation [ref. contract §5(b)(1)]	15 days after each month of operation.

(b) **Activity Reports** [Ref: Contract §7(c)(2)]: The Concessioner will submit the following information within five days after each month during which the Concessioner operated within the Area: date and time of each arrival and departure from the Area, broken down by time in Glacier Bay proper and Area marine waters outside Glacier Bay proper; locations visited; number of passengers; number of officers and crew.

(c) The Concessioner will report visitor use for each use day in the Area, in a format provided by the Service. The report must be received by the Superintendent not later than 5 days after each month of operation (i.e., report May use is due no later than June 5).

Sec. 3. Operations

(a) General Operating Provisions

(1) All vessel operations shall comply with relevant National Park Service regulations with particular attention to applicable elements of 36 CFR Part 13, Subpart N and the Park Compendium.

(2) Food and beverage service shall be conducted in conformance with the U.S. Public Health Service, Food and Drug Administration Food Code.

(3) The Concessioner will facilitate boarding and disembarkation of Area staff in accordance with standard pilot boarding procedures (also see **Safety** below).

(4) Cruise ship use in Glacier Bay, for all operators combined, is limited to two vessels per day [36 CFR §13.1160].

(5) Off-vessel activities within Glacier Bay National Park and Preserve are prohibited unless specifically authorized in advance in writing by the Superintendent.

(6) Concessioner vessels are not authorized entry into bays and inlets of the Area other than Glacier Bay proper.

(7) When two cruise ships are in Glacier Bay on the same day, the second ship to arrive should coordinate their itinerary with that of the other ship so that both ships are not at Margerie Glacier or in Johns Hopkins Inlet at the same time.

(b) **Commercial Filming**: A separate National Park Service film permit is required for all commercial filming in Glacier Bay National Park except as specifically authorized below. Film permits are available through the Chief Ranger's office (phone 907 697-2230; fax 907 697-2654, or GLBA_Ranger_Activities@nps.gov). Concessioner's should allow at least 30 days for processing of film permit requests.

(1) **Use of Ship's Launches**: Each concessioner is authorized one launch per ship each year to photograph the ship for advertising purposes, subject to the following conditions:

(i) Prior to lowering the launch, the concessioner must advise the Superintendent in writing that the activity is to occur, indicating the company, ship, location and date. This notification may be by fax (907-697-2654), e-mail (David_Nemeth@nps.gov) or given directly to the Rangers on board.

(ii) This activity may occur only when no other cruise ships are within sight.

(iii) The ship must be at full stop while the launch is in the water.

(vi) When in the vicinity of a glacier, the launch may not pass between the ship and the nearest glacier face.

(c) **Resource Protection Program**

(1) The Concessioner will authorize Service staff to board their ships while in Glacier Bay and provide access to the bow of the vessel for wildlife observation purposes.

(2) Feeding wildlife is prohibited in national parks. The Concessioner will insure that crew and passengers do not feed wildlife (including birds) and that food and garbage are not accessible to wildlife.

(3) Public address system announcements shall be kept to a minimum, music will not be broadcast on outside decks and ship's horns will not be sounded unless necessary for safety purposes while in Glacier Bay.

(4) No trash, or other objects, may be discarded from the ship while in the Area.

(5) The Concessioner shall remove all solid wastes from the Area for appropriate separation and recycling or disposal.

(6) The Concessioner will not operate shipboard incinerators while in Glacier Bay [Proposal: Page 9 of 100].

(7) The Concessioner will include Glacier Bay locations in their bridge officer training simulators, including demonstration of the ranger boarding procedures, the impact of navigation adjustments on emissions and simulated ship/whale interactions. It is expected that all officers with the Princess Fleet who operate in Glacier Bay will have successfully completed the Glacier Bay simulation module prior to the start of the 2010 operating season. [Proposal: Pages 17 & 98 of 100; Princess Cruise Lines Full Mission Bridge Simulators Glacier Bay / Whale Avoidance Training Module: Page 3].

(i) The Concessioner will seek input from Service staff identified by the Superintendent in the development of the simulator training module to ensure that behavioral characteristics of humpback whales are accurately reflected in the simulation, including specifics on known whale gathering areas and other behaviors unique to the Bay. The Concessioner will keep the Service apprised of the development of the Glacier Bay Whale Avoidance module and share progress reports as the training simulator module develops [Proposal: Page 99 of 100].

(8) The Concessioner will utilize gas turbine engines on ships so equipped (in addition to at least one diesel generator) [Proposal: page 12 of 100].

(9) The Concessioner will use "low sulfur" fuel while in Glacier Bay [Proposal: Page 10 of 100].

(10) The Concessioner will engage an independent (third party) audit team to audit safety, health and environmental compliance [Proposal: Page 17 of 100].

(11) The Concessioner will implement a hotline and web page that encourages passengers and crew to report suspect environmental behavior [Proposal: Page 17 of 100].

(12) The Concessioner will continue its voluntary policy of setting exhaust opacity alarms at 15% opacity or below [Proposal: Page 16 of 100].

(13) The Concessioner will retain opacity monitoring data for at least one year and provide the data to the Service on request including related information regarding opacity meter service, engine maintenance, incinerator shut down and crew training [Proposal: Pages 20-21 of 100].

(14) The Concessioner will not discharge wastewater, treated or untreated sewage, grey water, ballast water, bilge water, hazardous materials or solid waste in Glacier Bay National Park waters or Cross Sound [Proposal: Pages 26-27 of 100].

(15) The Concessioner will not use Styrofoam, plastic or paper products on outer decks while in Glacier Bay [Proposal: Page 27 of 100].

(16) The Concessioner will pursue development of a "Rapid Spill Response Plan" for Glacier Bay, in collaboration with the U.S. Coast Guard, qualified response contractors, Alaska Department of Conservation and the Service, which will, if appropriate, include a dedicated land cache of spill containment boom, available for general use, to be rigged and stored in a location to facilitate rapid deployment by helicopter [Proposal: Pages 29-30 of 100].

(17) The Concessioner will avoid unnecessary sounding of whistles, horns and bells, limit side and reverse maneuvers, operate at constant lower shaft RPMs while maneuvering and avoid the use of auxiliary engines, pumps, power equipment, or tools while in Glacier Bay [Proposal: Page 34 of 100].

(18) The Concessioner will submit all classes of its ships proposed to operate in Glacier Bay to acoustical signature testing within two years of the commencement of this agreement, and share with the Service a copy of any reports within 60 days of report completion. The Concessioner will consult with the Service to develop a comprehensive Underwater Acoustical Test Program in collaboration with expert, qualified contractors, to be selected. The elements of this proposed testing program will be based upon review of the 1999 and 2004 NAVSEA test reports. The program will include the following:

(i) Testing of all classes of Princess ships proposed for operation in Glacier Bay;
(ii) Testing at an established facility conducted by a qualified entity;
(iii) Coordinating with other cruise lines committed to an Acoustic Research Program under this offer to ensure that results can be compared and best management practices shared.
(iv) Testing at operational speeds used in the Area: 8-10 knots; 10-13 knots; 18-20 knots;
(v) Conducting noise measurements to quantify ship noise directivity, i.e., stern and bow versus beam noise levels;
(vi) Conducting noise measurements running all normal operational equipment and engines typically used when operating in Glacier Bay;
(vii) Focusing tests upon establishing source-specific noise generation to include at least: propulsion motors, diesel engines, cavitation- propeller generated and other, frequency converters;
(viii) Defining speed dependent noise generation and sources;
(ix) Comparing data with information obtained from prior studies involving commercial vessels to define potential for reducing underwater noise generation [Proposal: Pages 34-35 of 100].

(19) The Concessioner will not use helicopters within or over the park other than for medical evacuations or other emergency purposes [Proposal: Page 95 of 100].

(20) The Concessioner will avoid deck maintenance work or moving of heavy equipment while in the Area [Proposal: Page 34 of 100].

(21) The Concessioner will limit use of the ships Public Address systems while in the Glacier Bay to Interpretive program announcements except as required for safe operation of the vessel, [Proposal: Page 96 of 100].

(22) The Concessioner will provide training to crew and information to passengers regarding the importance of reducing shipboard noise while in the Area, [Proposal: Pages 96-97 of 100].

(23) The Concessioner will implement their 'Whale Strike Avoidance Program" revision date 7/9/2008 or as approved by the Superintendent [Proposal: Page 99 of 100 and Exhibit 30 pages 1-16].

(24) The Concessioner will provide the Superintendent with data on ship location and speed through-the-water and over-the-ground obtained from each ship's onboard instruments in a text-based electronic format to be agreed upon between the Concessioner and the Service. Data will be provided no later than the final monthly franchise fee payment due date. [Proposal: Page 100 of 100].

(d) **Interpretive Program – General Concessioner Requirements**. The Concessioner will provide an interpretive program aboard all cruise ships by participating in the Service Interpretive Program (on a cost recovery basis). The Concessioner shall comply with the following.

(1) The Concessioner will distribute the Service Glacier Bay brochure to all passenger cabins the night before entering Glacier Bay. An additional twenty brochures will be available at the Purser's Desk each sailing for those passengers that request one.

(2) The Concessioner will distribute a ship's newsletter containing appropriate and accurate introductory information about Glacier Bay and times and locations for the day's interpretive events (such as scheduled programs, chats, commentary, information desk and children's programs) prior to arrival in Glacier Bay.

(3) Concessioner vessels will spend at least four (4) hours in the upper west arm area (between Queen Inlet northbound and Lamplugh Glacier southbound) and one (1) hour or more at the face of Margerie and/or Johns Hopkins glaciers.

(4) The Concessioner will schedule no ship board events or organized activities, from Queen Inlet, northbound, until past Lamplugh Glacier, southbound, which compete with the Interpretive Program. Examples of activities which should not take place include ice carving demonstrations, organized games such as bingo, auctions, dance lessons or photographic sessions involving props or costumes. Passenger services not involving organized public events, (e.g. gift shops, fitness centers, beauty salons) may remain open.

(5) The Concessioner will schedule a Service approved live interpretive commentary to be broadcast over the ship's public address system while transiting the upper West Arm and allow additional commentary at other appropriate points of interest. The Concessioner will provide a location, approved by the Service, for the person doing the commentary, which has unrestricted views forward and to either side of the ship (the vessel bridge is generally the best location). This public address system must be broadcast clearly over all open decks, pool areas, non-formal dining areas, and all lounges offering outside viewing. The Concessioner shall have a designated person on each ship responsible for ensuring that sound levels are set at appropriate levels in all areas and that any problems are immediately corrected. The Concessioner should adjust outside speaker orientation and volume to minimize broadcast of the commentary beyond the ship.

(6) The Concessioner will provide an information station in a smoke-free area where passengers congregate and where the interpretive commentary can be heard. The information station will be set up within one half hour of passing Bartlett Cove, northbound, and remain in place until 17:00 (5:00 pm) or the ship passes Lone Island (southbound), whichever occurs first. The information station shall be in a location approved by the Superintendent (generally forward or on the port side of the ship with an open view outside). The Concessioner will provide table space totaling at least 12 lineal feet and wall space, or an easel for mounting Glacier Bay exhibits (minimum wall or easel space: 4 feet high by 3 feet wide) at the information station.

(7) The Concessioner will provide a mounted map of Glacier Bay, based on the Glacier Bay brochure map, which will be set up in the information station area.[1]

(8) The Concessioner will schedule a Glacier Bay interpretive (auditorium) program approved by the Superintendent, to be presented in a primary theater or lounge with high quality image viewing capabilities. The Concessioner will provide a designated person on each ship responsible for operating audio-visual equipment and for ensuring that any problems are immediately corrected. The auditorium program will be scheduled no earlier than 30 minutes after boarding, or 1 ½ hours before disembarkation, and at a time which does not conflict with meal service, upper Glacier Bay glacier viewing, the Glacier Bay Chat or the ship-board commentary.

[1] An electronic file of the map will be available from the Park.

(9) The Concessioner will schedule an informal interpretive program question and answer session for passengers ["Glacier Bay Chat"] in a smoke-free, public area. The Glacier Bay Chat shall be scheduled so that it does not conflict with the auditorium or children's programs.

(10) The Concessioner will schedule an approved Glacier Bay children's program to be presented in an appropriate area at a time which does not conflict with meals, the Glacier Bay Chat or the ship-board commentary. In most cases, the children's program should be scheduled for the same time period as the auditorium program.

(11) Concessioner staff in the youth and teen centers on all Princess ships will use the GLBA Junior Ranger and Teen Explorer activities as the basis for on-board youth programs and provide supplemental materials and programs such as an "Alaska Animal Spotting Guide," "creature feature show" in cooperation with organizations such as the California Science Center [Proposal: Pages 47-49 of 100].

(12) The Concessioner will cooperate with the Service in development of a non-reader Junior Ranger program targeting three to five year olds and implement the program onboard the Diamond, Sapphire, Coral and Island Princess ships [Proposal: Page 48 of 100].

(13) The Concessioner will provide extensive Alaska reference materials relevant to Glacier Bay aboard each ship operating in Glacier Bay, compiled with the assistance of Alaska Geographic, in onboard libraries with open access, to facilitate visitors' efforts to develop a better understanding of Glacier Bay [Proposal: Page 43 of 100].

(14) The Concessioner website will feature Glacier Bay National Park and have prominent links to the Glacier Bay National Park website (http://www.nps.gov/glba/ or http://www.nps.gov/state/ak/) and the Alaska Geographic cooperating association website (http://www.alaskageographic.org/) [Proposal: Page 49 of 100].

(15) The Concessioner will give passengers and crew the opportunity to view Glacier Bay and National Park Service related video programming prior to arrival in Glacier Bay [Proposal: Page 51 of 100].

(16) The Concessioner will provide a Glacier Bay edition of the "Princess Patter" ship newsletter, to passengers prior to arrival, that outlines the schedule of the Glacier Bay visit and which includes a special insert that contains supplemental Park information developed in concert with Service [Proposal: Page 51 of 100].

(17) The Concessioner will provide an onboard naturalist program on every ship visiting Glacier Bay that supports visitor understanding and enjoyment of Glacier Bay and its resources. The Concessioner will insure that naturalist program specialists have knowledge and training in a wide range of Area related subjects, including marine biology, environmental sciences, sociology, geology, natural history, Alaska history, and northwest native culture and art, and have specialized experience relating to Alaska [Proposal: Page 51-52 of 100].

(18) The Concessioner will provide enhanced facilities for the Service Interpretive Program located in high traffic areas, with easy outside access on each ship. Directional signs will be provided to further facilitate and encourage passengers' use of the centers. The facilities will include exhibits including a large Glacier Bay map showing the itinerary for the day; the daily schedule, including all scheduled interpretive programs and provide space for Service exhibits; and Alaska Geographic / NPS books and videos [Proposal: Page 53 of 100].

(19) The Concessioner will develop interactive kiosks to showcase Glacier Bay marine life, habitats, research and resource protection programs, and up-to-date weather information [Proposal: Pages 53-54 of 100].

(20) The Concessioner will incorporate humpback whale song recordings into a multi-media presentation to be presented in the main lounge in cooperation with the Service. The Concessioner will work with the Service to ensure the program meets the needs of the interpretive rangers [Proposal: Page 54 of 100].

(21) The Concessioner will provide audio-visual recordings of the Auditorium Interpretive Programs upon Service request. Blank DVDs will be provided by the Service. [Proposal: Page 54 of 100].

(22) The Concessioner will place sandwich board signs on decks prior to entry in the Area to remind visitors not to feed birds or wildlife and to ensure that no loose items—such as hats or scarves—blow overboard. In addition, similar posters promoting protection of area resources will be displayed on crew decks, in high traffic locations [Proposal pages 54-55 of 100].

(23) The Concessioner will provide training to all crew members regarding Glacier Bay operations and programming and any specific concession contract requirements related to their duties [Proposal: Page 55 of 100].

(24) The Concessioner will issue to crew an annual instructional letter, "Alaska Marine and Passenger Services Requirements," at the start of each Alaska season, and the Policies and Procedures (P&P) for Glacier Bay. The instructional letter and accompanying P&P will include specific requirements for Glacier Bay operations and programming. The letter will instruct the crew to familiarize themselves with the educational materials provided for Glacier Bay, including the new Glacier Bay passenger videos, Princess Patter Insert, and Service brochure/map. The P&P will also outline a clear direction on what has to be in place and how to properly facilitate the Glacier Bay visit. The contents of the letter and P&P are reviewed in pre-season destination briefings and reviewed by new crew members rotated in during the Alaska operating season. A copy of the Concessioner's P&P will be provided to the Service on request [Proposal: Page 55 of 100].

(25) The Concessioner will work, in cooperation with the Service, Huna Heritage Foundation and the Hoonah Indian Association to develop a documentary film highlighting the cultural history of Glacier Bay and featuring the story of the Huna people and their relationship to Glacier Bay [Proposal: Page 56 of 100].

(e) **Safety**

(1) Weather Monitoring and Reporting: the Concessioner shall participate with the NOAA Voluntary Observing Ship (VOS) Program [see: http://www.vos.noaa.gov/] while operating in Glacier Bay National Park. Concessioner will submit a location specific report while transiting the Drake Island/Tlingit Point area to the NOAA Weather Service Juneau Forecast Office, (907) 790-6824 [http://pajk.arh.noaa.gov/].

(2) The Concessioner will confirm Service personnel boarding and disembarkation times at a minimum of forty-eight hours in advance. Variations from the confirmed times will be considered in extenuating circumstances, such as severe weather, mechanical difficulties or medical emergencies, and must be approved by the Superintendent or their designee.

(3) Pilot boarding equipment and procedures for boarding of Service personnel and others in Glacier Bay must comply with Attachment A.

(4) The Service (pilot vessel operator, on board Rangers or other personnel involved in ship boardings) or the Concessioner can decide if personnel transfers should not be attempted due to safety, weather or other factors. In general, a transfer **will not take place** if the pilot vessel vertical oscillation exceeds 30 inches (76 CM) while alongside the ship.

(5) The Concessioner will provide appropriate accommodations and transportation to the next port if Service personnel are not able to disembark due to weather conditions or other factors.

(6) Procedures for medical evacuations at Bartlett Cove (unless directed otherwise by Area staff):

(i) The Concessioner will notify the Area of the need for a medical evacuation as early as possible via Marine VHF Channel 16 or by phone: 907-697-2627 (during business hours) or 907-697-2651 (after hours the emergency phone patch).

(ii) Area staff will facilitate the medical evacuation when necessary, but will not accept patients or take over treatment from the Concessioner's medical personnel.

(iii) The Concessioner will not begin a medical evacuation until Area staff has confirmed that an appropriate medical facility, treatment personnel and transportation to the medical facility will be available to accept and take over treatment of the patient.

(iv) The patient will not be transported from the ship until there is confirmation from Area staff that a means of evacuation (helicopter or air ambulance) is on the ground in the Gustavus or Bartlett Cove area.

(v) Medical transports will be by ship's launch.

(vi) The Concessioner will provide an appropriate medical care provider to accompany each patient from the ship. The Concessioner's care provider will remain with the patient until the patient is accepted by receiving facility personnel.

(vii) The patient shall remain on the ship if transportation from Gustavus to an appropriate medical facility is not available or if weather conditions make such transportation unsafe.

Sec. 4. Rates: A detailed listing of rates must be submitted annually, at the same time as the Annual Financial Report.

Sec. 5. Complaints: The Concessioner will provide a copy of all complaints received regarding services provided under this contract along with the Concessioner's response to the Superintendent within 30 days of receipt. The Concessioner will also provide the Superintendent with summaries of any visitor surveys or comment programs conducted by the Concessioner regarding services provided under this contract by November 15 of each year. The Service will forward to the concessioner any comments or complaints received regarding their services under this contract.

Sec. 6. Glacier Bay Vessel Use Day Allocation and Scheduling

(a) The Concessioner has an ***initial*** annual allocation of **fifty eight (58)** prime season cruise ship use days for Glacier Bay (proper). The number of use days may be changed in response to resource considerations, federal laws, regulations and/or court decisions. This initial annual allocation of 58 prime season use days includes the 32 prime season use days allocated to the concessioner in accordance with Public Law 110–161 (121 Stat. 1844), Division F, Title I, Section 134 and 36 CFR Part 13 Subpart E.

(b) The Concessioner shall submit, by June 15 of each year, a proposed cruise ship schedule identifying the days the vessel will be in Glacier Bay proper for the following season (i.e. June 15, 2010 for the 2011 season) for the Superintendent's review and approval. [Note: A consolidated schedule for all cruise lines is generally coordinated through normal industry channels, currently Cruise Line Agencies of Alaska, P.O. Box 8080, Ketchikan, Alaska, 99901, who submits a comprehensive schedule to the Superintendent for Service approval, fulfilling this requirement on behalf of each operator.] If the schedule is not timely submitted or if the proposed schedule when considered with all other prime season operator schedules results in more than two cruise ships scheduled on any day in Glacier Bay proper, the Superintendent will adjust the schedules so as not exceed two vessels per day. The Concessioner's vessels may enter Glacier Bay only accordance with the schedule approved by the Superintendent.

(c) The Concessioner's vessels shall arrive at Glacier Bay (off Bartlett Cove) no earlier than sunrise or 06:00 (6:00 am) local time, whichever is later, and depart Glacier Bay (off Bartlett Cove) no later than sunset or 21:00 (9:00 pm) whichever is earlier.

(d) The Concessioner shall notify the Bartlett Cove Ranger Station by telephone (907 697-2627) or marine band radio on Channel 16 (radio call number: KWM 20 Bartlett Cove) prior to entering Glacier Bay [36 CFR §13.1154].

(e) The Concessioner shall notify the Area's concessions office of any cancellations of scheduled use days as early as possible.

(f) **Reallocation of use days.** If there is a need to reallocate use days as a result of adjustments to the cruise ship quota, revocation of use days, cancellation of use days, or for other reasons, the Superintendent will adjust the allocations as follows.

(1) The allocation for prime season operators will be adjusted in proportion to the prime season initial allocation described in section G.1. (excluding any allocation pursuant to historic rights, provided the requirements of 36 CFR 13.310 have been met). Operators must commit to using any additional use days for the upcoming season before the Service allocates the use days to them.

(2) If there are use days still available after the reallocation of prime season operator use days (for instance, if prime season operators decline use days), an equal number will be offered to each non-prime season operator (odd numbers will be offered by random drawing). Operators must commit to using any additional use days before the Service allocates the use days.

(g) **Loss of Use Day Allocation.** The Concessioner will notify the Superintendent in writing, on or before June 15, if they will not be using any portion of their use day allocation during the following season (e.g. June 15, 2010 for the 2011 season). Use days relinquished by June 15 will be available for their use in subsequent years unless permanently revoked. Vessel use days which are not relinquished by June 15 and are not used for two consecutive years, will be revoked, resulting in a reduction in the number of vessel use days allocated for the remainder of the term of the contract. The Superintendent may restore revoked vessel use days if the failure to use the vessel use days resulted from circumstances beyond the concessioner's control.

(h) Failure to use all prime season use days allocated during the first year of the contract term may result in reallocation of the unused use days for the remainder of the contract term at the discretion of the Superintendent.

Sec. 7. Environmental Program

(a) The concessioner commits to the following environmental practices [Proposal: Page 84-94 of 100]:

(1) Shore power expansion to new ports;

(2) Reduction in fuel use;

(3) Reduction of water use;

(4) Increased recycling to include plastics;

(5) Decreased packaging for ship supplies;

(6) Reduction of paper consumption;

(7) Offload of all hazardous waste to qualified handlers;

(8) Elimination of invasive species from ballast water;

(9) Reduced use of perchlorethylene in dry cleaning processes;

(10) Decreased use of CFC refrigerants;

(11) Reduced use and volume of hazardous materials onboard;

(12) Strengthen "Planet Princess" to increase environmental awareness among passengers, crew and all employees; and

(13) Reduction in total greenhouse gasses.

(b) The Concessioner will provide metrics regarding the environmental practices identified in (a) above to the Superintendent on request [Proposal: Pages 88, 90, 91 & 92 of 100].

Attachments

Attachment A – Required Boarding Arrangements for Pilot

United States of America

Approved, effective: August 4, 2009

By: [signature]

Name: Cherry Payne

Title: Superintendent, Glacier Bay National Park & Preserve

Attachment A

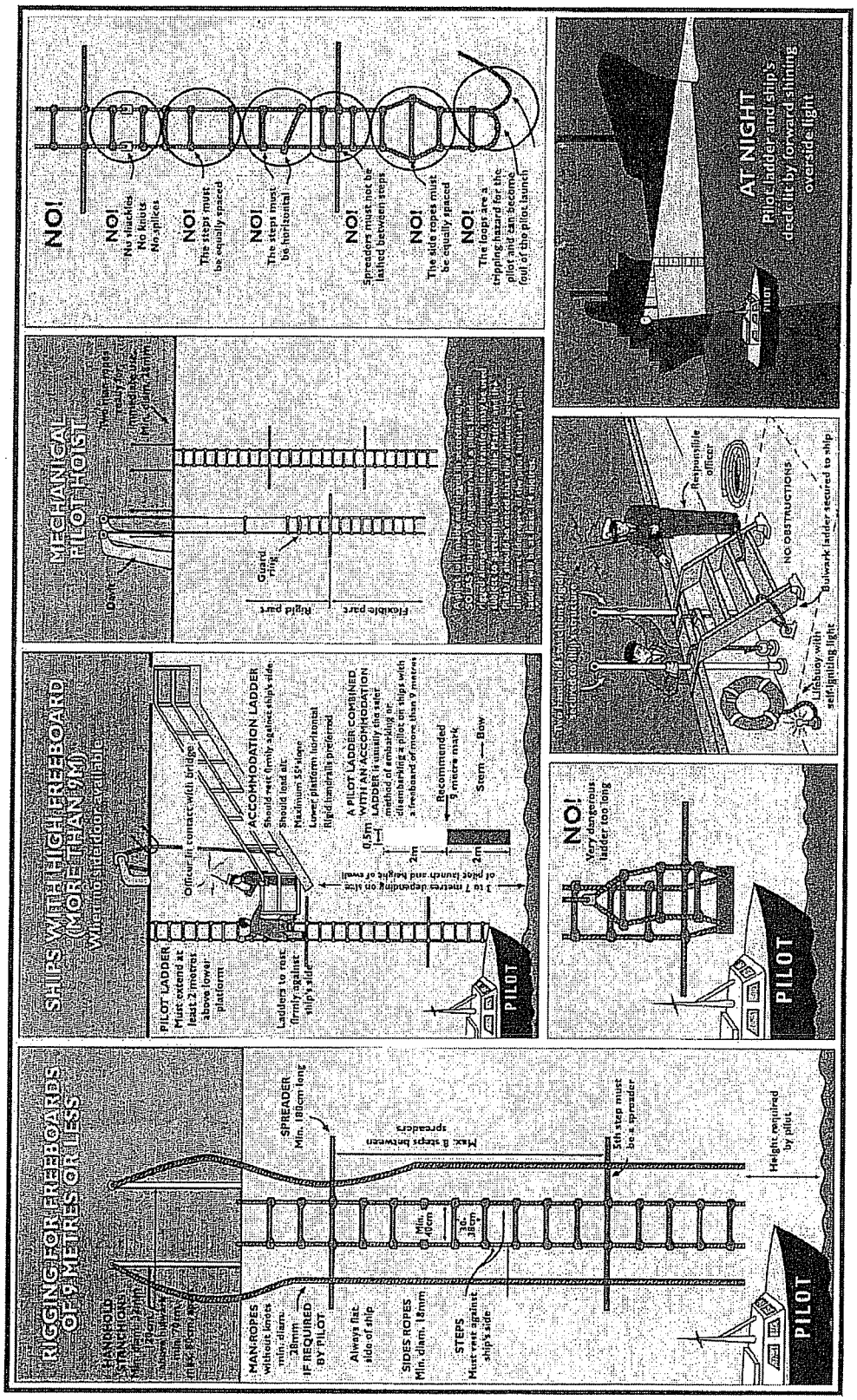

Exhibit D
Insurance Requirements

Sec. 1. General

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

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

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

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

Sec. 2. Liability Insurance

The Concessioner shall meet the insurance coverage requirements of 46 CFR Part 540 Subpart B notwithstanding provisions related to the place of embarkation or the number of berth or stateroom accommodations, as follows:

Twenty thousand dollars for each passenger up to and including 500; plus
Fifteen thousand dollars for each additional passenger between 501 and 1,000; plus
Ten thousand dollars for each additional passenger between 1,001 and 1,500; plus
Five thousand dollars for each passenger in excess of 1,500;
Except that, if the applicant is operating more than one vessel the amount shall be based upon the number of passengers on the vessel being so operated which has the largest number of passengers.

Sec. 3. Certificates of Insurance

The Concessioner will provide the Director with a current copy of a Certificate of Insurance, Federal Maritime Commission Certificate (Casualty), P&I Club Certificate of Entry, or other documentation of coverage to the satisfaction of the Director.

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

Sec. 4. Statutory Limits

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