Basic Idea Regarding the Selection of Cruise Ship Liners
to have a Partnership with the Naha Port Authority on a
"International Cruise Hub Formulation Plan
by Public-Private Partnerships"

Naha Port Authority July 27, 2018

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The Naha Port Authority (hereinafter referred to as "NPA") is planning the initiation of the second cruise berth project to respond to rapidly increasing demand for port calls by cruise ships and to promote future cruises in Okinawa. NPA is going to invite cruise ship liners who wish to have a partnership with NPA to apply to the public invitation of "International cruise hub formulation plan by Public-Private Partnerships (Outline)" (hereinafter referred to as "the PPP Plan") announced by Ports and Harbours Bureau, Ministry of Land, Infrastructure, Transport and Tourism (hereinafter referred to as "MLIT") on May 31, 2018.

This document lays out NPA's standpoints for the formulation of the cruise hub, with fairly and impartially selecting cruise ship liners (hereinafter referred to as "Partnership cruise ship liners) to have a partnership with NPA.

#### 1. Vision of Naha Port Toward the Future

In the "Okinawa 21st Century Vision Basic Plan (Revised Plan)" which was formulated by Okinawa Prefectural Government in May 2017, Okinawa Prefectural Government showed its future vision to become a wonderful island filled with hope and energy, and it aims to form a global standard tourist resort as its basic measures.

Okinawa Prefectural Government also formulated "The Caribbean of Asia Concept" as a new comprehensive plan based on its medium- to long-term viewpoint of Okinawa cruising promotion to assist forming a global standard tourist resort in March 2018. In this plan, initiatives to create an East Asian cruise hub are specifically shown with pillars of "Attract Nansei Islands cruise", "Promote Fly-and-Cruise", "Undertake initiatives aimed at becoming a departure/arrival port, base port and home port in a progressive way"

NPA is promoting further port calls by cruise ships and creating "Fly-and- Cruise" at Naha Port, and aiming to promote transformation into an international cruise hub in collaboration with Okinawa Prefectural Government. NPA shall play the principle role to realize this concept.

NPA's main initiatives from "The Caribbean of Asia Concept" are as follows.

- (1) Promote the development of the second cruise berth and cruise terminal
- (2) Undertake initiatives aimed at becoming a departure/arrival port, base port and home port in a progressive way.
- (3) Promote fly-and-cruise at Naha, maximizing on its proximity to Naha Airport, Umisora tunnel and the Naha Cruise Terminal.

\*For details of "The Caribbean of Asia Concept", please refer to the URL below. <a href="http://www.pref.okinawa.jp/site/bunka-sports/kankoshinko/yuchi/h29touyounokaribukousou.html">http://www.pref.okinawa.jp/site/bunka-sports/kankoshinko/yuchi/h29touyounokaribukousou.html</a>

#### 2. Selection Method etc.

Partnership cruise ship liners will be selected through an application process open to the public.

Regarding selection, NPA will implement a "qualifications check for participation" that judges whether applicants possess the qualifications to participation and a "proposal review" that examines the contents etc. of applicants' proposals.

In the qualifications check for participation, NPA will conduct a review regarding applicants' qualifications, in case applicants who don't satisfy required qualification, they may fail to pass in participation.

In the proposal review, the selection committee will conduct a review of the content of the proposal documents submitted by applicants. Based on the results of the proposal review, the selection committee will select first priority negotiation rights candidate and secondary negotiation rights candidate, then report to NPA.

NPA will decide priority negotiation rights and secondary negotiation rights after considering the suggestion from the selection committee.

# 3. Qualification for participation for Applicants

Applicants must meet the following requirements.

- (1) Cruise ship liners that has a plan to use Naha Port, and also has the will and capability to invest in construction of facilities at Naha Port.
- (2) Cruise ship liners that has plans for a considerable number of port visits to Japan in the future
- (3) If requirements regarding management conditions are necessary, they will be shown in "the Application Requirements".
  - \*Joint applications by multiple cruise ship liners are also acceptable

    However, when applying, the primary cruise ship liners must be determined in
    advance

#### 4. Establishment of a Selection Committee

To fairly and impartially review the contents of proposals during the selection of priority negotiation rights-holders, NPA has established a selection committee comprised of persons with expertise.

The members of the selection committee are listed below.

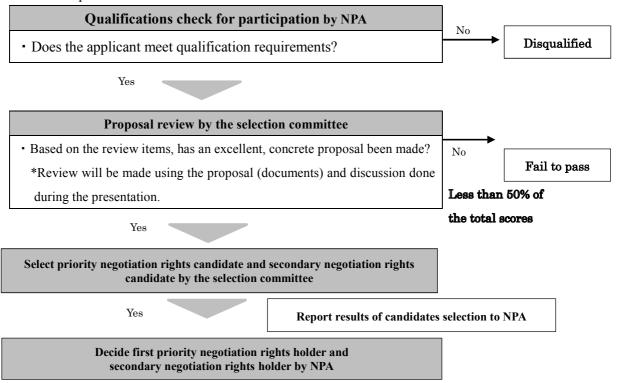
**Table 1-1: Selection Committee Members** 

Name	Official Title			
Yoshiho Ikeda	Professor, Osaka University of Economics and Laws			
Yoshiro	Professor, Faculty of Global and Regional Studies,			
Shimoji	Graduate School of Tourism Science Tourism,			
	University of the Ryukyus			
Kentaro Otani	Senior Associate Professor, Tourism Industry Division,			
	Faculty of International Studies, Meio University			
Seijun	Executive Director, Okinawa Convention & Visitors Bureau			
Wakugawa				
Takeshi	Certified Public Accountant, Koyama Accounting Office			
Koyama				

<sup>\*</sup> Before Partnership cruise ship liner is selected, any cruise ship liners who interacts with the above committee members regarding Partnership cruise ship liners' selection may have their application disqualified.

#### 5. Review Process

The review process will be as follows.



# 6. Regarding the Naha Port International Cruise Hub

NPA plans to formulate the international cruise hub by Public-Private Partnership. The planned location and conditions of Naha Port Second Cruise Berth are shown as follows.

**Table 1-2: Conditions for the Second Cruise Berth (International Cruise Hub)** 

	```		
Item	Outline		
Address	Reclaimed land ahead of 4-Chome Minatomachi, Naha, Okinawa (Wharf #12, 13 at Shinko Terminal area in Naha Port planning)		
Property (reclaimed) area	1.8-2.1 ha		
Berth length	430m		
Water depth	-12.0m		
Other	Proprietary rights related matters such as possession and usage of properties are to be determined.		

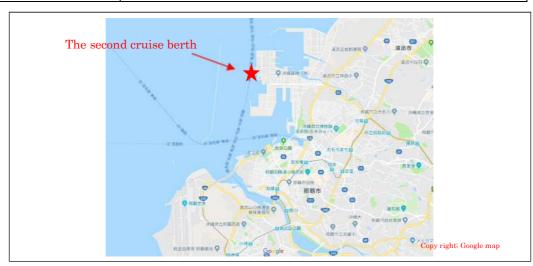


Figure 1-1: Location map for The Second Cruise Berth (International Cruise Hub)



Figure 1-2: Outline image of The Second Cruise Berth when operations begin.

Note: The berthing facilities, property area and roads have not been well constructed, so reclamation works and construction will be needed in the future.

# 2) Operations Beginning year

The second cruise berth could be in use within year 2022

Start-up operation of International cruise hub including its terminal is subject to further discussion.

### 7. Review of Proposal Documents

NPA will ask the cruise ship liners who wish to collaborate with NPA to submit their proposal documents regarding their idea about the investment for formulating the international cruise hub at Naha Port and usage of the hub based on "the Application Requirements".

The selection committee will set assessment standards and assess proposal documents. Proposals that do not reach a 50% score in points in the assessment by the selection committee will be disqualified.

The items that could be important in the assessment during the selection committee's review are listed below. The proposal documents will be assessed from the viewpoint of the contribution to Okinawa Prefectural Government(economy, tourism, etc.), consistency with "The Caribbean of Asia Concept", implementation procedure, appropriateness, capability of being realized, originality, etc.

When the "Application Requirements" and "Assessment Standards" are disclosed in public, NPA may set requirement criteria for applicants for the items below.

Table 1-3: Important assessment items

Item	Content	
Policy/goals for formation of the international cruise hub	<ol> <li>Image of using Naha Port as an international cruise hub in the year when the operation starts (the number of days for usage, deployment plan, the number of passengers, guest source marketing, etc. as a port for arriving and departing or a port of call)</li> <li>Image of using Naha Port as the international cruise hub in the targeted year that can be set arbitrarily (the number of days for usage, deployment plan, the number of passengers, guest source marketing, etc. as a port for arriving and departing or a port of call)</li> <li>*Regarding the proposals of ① and ②, Naha Port's image as the international cruise hub (a port for call*1, A Departure /arrival port*2, a base port*3, and a homeport*4) should be described.</li> </ol>	

Construction and management methods for international cruise hub facilities	<ol> <li>Facilities and layout design invested by ship liner</li> <li>Scale (functionality) and investment amount for facilities</li> <li>Management and operation policies</li> </ol>
Basic idea regarding berth usage	①Expected contractual period of preferential berth usage ②Expected contractual number of days annually for preferential berth usage ③Expected available period during which preferential berth booking can be obtained and applicable period of berth booking for preferential usage (Expected available period during which preferential berth booking can be obtained should be set more than one year before than the applicable period of berth booking for preferential usage.)  *Whether measures to increase the times of calling at Naha Port including usage of the berth by other cruise ship liners (improvement in berth utilization) can be taken.
Effects of and system for promoting the formulation of the international cruise hub	<ul> <li>① Economic effects caused by the international cruise hub</li> <li>Initiatives to revitalize the local community</li> <li>The number of employment in the local community</li> <li>Sourcing local products, etc. by the cruise ship liners</li> <li>Spending at local stores, tourist sites, etc. run on local basis (The ideas about shore excursion provided for passengers at a port of call), etc.</li> <li>② Having a view to collaborate with local municipalities and business society.</li> </ul>

<sup>\*1</sup> A port of call is a port calling during a cruise itinerary.

# 8. Proceeding for Acceptance and Response to Questions Regarding Basic Idea on "PPP Plan".

1. Submission of questions regarding the basic idea

NPA will take questions regarding the content in the basic idea as follows.

(1) Period of document submissions

July 27 (Fri.), 2018 - August 3 (Fri.), 2018 a.m. 9:00

(2) Documents to submit

Question Form (Form 1)

(3) Method for submission

<sup>\*2</sup> A Departure/arrival port is served as turnaround port where many passengers embark and disembark

<sup>\*3</sup> A base port is served in operation continuously as important regional base port for certain period of time.

<sup>\*4</sup> A home port is of largest number of departure/arrival's calls and having preferential usage of berth

Documents must be submitted by e-mail.

The subject should be "Questions regarding the 'Basic Idea", and <u>receipt of them</u> must be confirmed over the phone after sending.

#### (4) Contact information

Cruise Promotion Division, Department of Planning and construction, Naha Port Authority E-mail: cruise@nahaport.jp, TEL: 098-868-2582

# 2. Responses to questions regarding the basic idea

NPA plans to publish questions and the corresponding answers, on NPA's website by early August. However, for matters NPA judges not to disclose from the perspective of protecting questioners' competitive positions as well as proper interests, questions and answers might not be published.

#### 9. Implementation of Separate Discussion

#### 1. Acceptance of Separate Discussion

NPA will conduct separate discussion with cruise ship liners which plan to apply before the "Application Requirements" and "Assessment Standards", etc. are publicized. Cruise ship liners which desire separate discussion will submit the "Application to Participate in Separate Discussion (Form 2)" and the "Things to be inquired for Separate Discussion (Form 3)", and conduct separate discussion based on the "Things to be inquired for separate discussion".

Separate discussion will be conducted with the goals of confirming there are no discrepancies between NPA's and the applicant's understanding of the "Basic Idea", "Application Requirements (Draft)" and "Agreement on Formulation of International Cruise Hub at Naha Port (Draft)" to be publicized in early August, leading the applicant to an appropriate proposal, and making the discussion being used for NPA's references considering public invitation concerned so that applicants are allowed to apply easily. It should be noted that the content of separate discussion aren't reflected in the proposal review.

(1) Period of document submissions

August 8 (Wed.), 2018 - August 14 (Tue.) a.m. 9:00

(2) Applicants

Cruise ship liners

- (3) Documents to submit
  - ① Application to Participate in Separate Discussion (Form 2)
  - ② Things to be inquired for Separate Discussion (Form 3)

    Lay out matters regarding the "Basic Idea", "Application Requirements (Draft)" and Agreement on Formulation of International Cruise Hub at Naha Port (Draft) (hereinafter referred to as "the Agreement (Draft)") that applicants need to confirm

directly with NPA in the discussion that have not brought forward in above 8. Submission of questions.

#### (4) Method of submission

Documents must be submitted by e-mail.

The subject should be "Separate Discussion regarding the 'Basic Idea'", and receipt of them must be confirmed over the phone after sending.

#### (5) Contact information

Cruise Promotion Division, Department of Planning and construction Naha Port Authority.

E-mail: cruise@nahaport.jp, TEL: 098-868-2582

# 2. Implementation and schedule for Separate discussion

NPA will conduct Separate discussion from August 20 (Mon.) to August 22 (Wed.), 2018 based on the "Things to be inquired for Separate Discussion" (see 1. (3) ②) submitted by cruise ship liners.

Detailed scheduling for the day of discussion and the method to be used for the discussion will be determined through adjustments made between NPA and the applicant (representative cruise ship liners). The language used will be Japanese, and the cruise ship liners will be responsible if an interpreter is needed.

#### 3. Publication of results of Separate Discussion

The results of separate discussion that judges necessary to publicize, each applicant who conducted separate discussion will be notified and publication will be done via posting on NPA's website in early September.

#### 10. Points to be Considered

1. When applying to the MLIT's Third Invitation, it needs to describe requirements that set forth in agreement for International cruise passengers ships acceptance promotion by the Public-Private Partnership \*2 (hereinafter called "the Agreement"), it is prerequisite for applicant that there must be agreement between NPA and the Partnership cruise ship liners before applying to the MLIT.

Regarding the main content set forth in "the Agreement", please refer to "the Application Requirements (Draft)" of "The PPP Plan" publicized by MLIT on July 20, 2018.

2. If the applicant is selected as a Partnership cruise ship liner, in order to work on "The PPP Plan" in cooperation with NPA smoothly, a chief negotiator must be selected in advance, and submitted to NPA using the designated forms.

- 3. Only the second cruise berth must be used for preferential usage by the Partnership cruise ship liner
  - \*2 An agreement that the port administrator of the international passengers cruise ships hub formulation port concludes with the cruise ship liners etc. in accordance with Article 50-18 of the Port and Harbor Act.

# 11. Future Schedule (Preparing for the MLIT's Third Solicitation) (Planned)

1. Publication of Basic Idea (NPA's website)
July 27 (Fri.), 2018

2. Acceptance of questions regarding the "Basic Idea" (submissions of Form 1 July 27 (Fri.), 2018 - August 3 (Fri.), 2018

3. Publication of the "Application Requirements" and "Assessment Standards" (NPA's website)

Early August 2018

4. Responses to questions (NPA's website)

Early August 2018

5. Submissions of the "Application to Participate in Separate Discussion" and the "Things to be inquired for Separate Discussion"

(submissions of form 2 and form 3)

August 8 (Wed.), 2018 - August 14 (Tue.), 2018

6. Separate discussion

August 20 (Mon.), 2018 - August 22 (Wed.), 2018

7. Publication of results of separate discussion

Early September, 2018

8. Publication of "Application Requirements" and "Assessment Standards" (NPA's official website)

September 4 (Tue.), 2018

9. Acceptance of questions regarding "Application Requirements" and "Assessment Standards" (refer to "Application Requirements")

September 5 (Wed.), 2018 - September 11 (Tue.), 2018

10. Responses to questions (NPA's official website)

September 25 (Tue.), 2018

11. Acceptance of declaration statement of participation and documents for confirming qualification

September 18 (Tue.), 2018 – September 28 (Fri.), 2018

12. Notification of results of confirming participation qualification Early October 2018

13. Acceptance of proposals (refer to "the Application Requirements")

November 1 (Thu.), 2018 – November 7 (Wed.), 2018

14. Presentation by proposer to selection committee members, assessment by selection committee members

Late November 2018

15. Determination of priority negotiation rights-holders and secondary negotiation rights-holders (NPA's website)

Late November 2018

- 16. Creation of the plan with priority negation rights-holders
- 17. Submission of the PPP plan to the MLIT (Including "The draft of The Agreement")

  Late December, 2018

#### 12. Other

All mutual understandings regarding this public offer must be in writing, and the language used must be Japanese. If the applicant is a foreign cruise ship liner, Japanese and foreign languages may be written together, but the Japanese text will be prioritized if there are any differences between them.

Times will be shown in Japan Standard Time.

Regarding the Application Schedules and "Application Requirements (Plans)" prepared by MLIT, please refer to the following URL;

http://www.mlit.go.jp/kowan/kowan fr4 000040.html

Prevailing language;

For all provisions specified above, the Japanese text comes to be prevailing, any other translated languages shall be merely prepared for convenience' sake. If there are any discrepancies or differences of interpretation between them, the Japanese text shall prevail.

This form shall be filled out in Japanese when submitting to NPA	I
officially	i
(the english text is served merely for convenience of understanding)	•
	J

Month, Day, Year

# Question Form on the "Basic Idea"

I submit this form because I have questions/opinions on "Basic Idea Regarding the Selection of Cruise Ship Liners to have a Partnership with the Naha Port Authority on a "International Cruise Hub Formulation Plan by Public-Private Partnerships" as follows.

Trade Name or Company name	
Address	
Department name	
Name of person in charge	
Phone number	
Fax number	
E-mail address	

No.	Page	Major Item	Small Item	Item name	Question/Opinion
e.g.	6	6th		Screening of proposals	Regarding the image of the International Cruise Base sought by Naha Port Authority,
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

- Please write down one question for each column.
- Please add lines if necessary.
- Please send this form by e-mail.

Form 2		
	This form shall be filled out in Japanese when submitting to NPA	i
		Month, Day, Year

# **Application to Participate in Separate discussion**

I apply for participating in an Separate discussion on Basic Idea Regarding the Selection of Cruise Ship Liners to have a Partnership with the Naha Port Authority on a "International Cruise Hub Formulation Plan by Public-Private Partnerships".

Trade Name or Company name	
Address	
Department name	
Name of person in charge	
Phone number	
Fax number	
E-mail address	

Please circle the preferred date for an Individual Discussion the number in the parenthesis.

Preferred date for an Individual Discussion		
August 20 (Mon), 2018 PM	umber of participants (	) norgang
August 21 (Tue), 2018 PM	umber of participants (	) persons
August 22 (Wed.), 2018 PM		

- When you participate in Separagte Discussion, please use public transportations if possible.
- •Up to 2 persons for a company can participate in Separate Discussion.
- Please send this form by e-mail.

Form 3

This form shall be filled out in Japanese when submitting to NPA officially (the english text is served merely for convenience of understanding)

Month, Day, Year

Things to be inquired for Separate Negotiation

I submit this Content Confirmation Form for Separate Discussions on Basic Idea Regarding the Selection of Cruise Ship Liners to have a Partnership with the Naha Port Authority on a "International Cruise Hub Formulation Plan by Public-Private Partnerships" publicized on July 27, 2018.

Note 1) Please lay out matters regarding your proposal you need to confirm directly with NPA in	the
discussion	