

NPHA 2010 ANNUAL MEETING



Tom Strickland, DOI Chief of Staff and Assistant Secretary for Fish and Wildlife and Parks, meets with concessioners

The National Park Hospitality Association (NPHA) held its annual meeting March 7-10 at The Ritz-Carlton, Pentagon City with special sessions at the U.S. Department of the Interior and on Capitol Hill. Concessioners, allies, and National Park Service (NPS) staff participated in discussions with top Interior Department officials and key Members of Congress. Conversation topics focused on several key opportunities and challenges currently facing the concessions industry, including proposed Director's Order 35B, revisions to the SERA process, alternative LSI valuation, the formation of the National Parks Promotion Council, opportunities related to 2016 and more.

Sunday, March 7, 2010

NPHA's Board of Directors met to discuss a packed agenda for the upcoming year. NPHA Chairman Joe Fassler gave his report, highlighting his satisfaction with the progress of the association in recent years, especially regarding the unity of the industry. This unity is particularly important, he said, as the concessions industry is currently facing its largest threats in decades – from alternative LSI valuation to the proposed full pass-through of utility costs to concessioners. Additionally, he noted, concessioners will benefit from improved dialogue between NPHA and NPS officials and increased contact with top Interior Department officials.

NPHA Counselor Derrick Crandall reported on the recent positive meetings with NPS regional directors and on the rewrite of NPS 48, which currently guides NPS concessions management. Additional regional meetings for the Southeast and National Capital regions are currently planned to occur by mid-May. He urged members to use the video *Partners in Parks: United for America* with their own staff, local NPS officials and gateway communities. Mr. Crandall also reported on the work of the Task Force on Rate Approval and Standards on behalf of its chair, John Rutter of Grand Teton Lodge Company. The task force had met with NPS Commercial Services staff via conference call as well as at a full-day meeting in February to follow up on NPHA's [November letter](#) to NPS and to provide input into the SERA (Standards, Evaluation and Rate Approvals) process. He noted that NPS has developed a comprehensive matrix of standards for multiple levels of services in the lodging, food and beverage, and retail fields. NPS has conducted a pilot effort to test application of the standards to concessioner services at Zion National Park and plans additional test applications at Yosemite and Grand Teton over the next three months. He explained that Mr. Rutter had reported that the standards were generally regarded as appropriate, if very elaborate, by task force members, but had noted (1) an absence of standards that relate specifically to assistance of enhanced park experiences, (2) no indication of ways to use the standards as means to recognize and reward concessioners who exceed requirements, and (3) a reliance upon "performance" standards versus "design" standards. With regard to the third point, he had especially noted the lack of discussions about third-party evaluations and measurement of visitor satisfaction as equal or more important than 100% compliance with detailed standards. Mr. Rutter had also noted the proposal by Delaware North Companies to consider a "core rooms" process, which would index more unusual lodging opportunities in parks to other lodging and thus ease the very burdensome comparability process.

Jim Santini, NPHA's advisor for the concessioners' political action committee – CONPAC – praised the CONPAC advisory committee, chaired by John Schoppmann of Forever Resorts. He outlined the work of CONPAC since the Park Partners Forum in October, including an important session with U.S. Representative Raúl Grijalva (D-AZ), Chair of the House National Parks Subcommittee. He told the board that the discussions initiated at the event for Congressman Norm Dicks (D-WA) at the 2009 Annual Meeting continued to produce results, and that expected changes in the House Interior Appropriations Subcommittee – with U.S. Representative Jim Moran (D-VA) assuming subcommittee leadership – offered a significant challenge and opportunity.

Terry MacRae of Hornblower Cruises briefed the board on recent progress of the National Parks Promotion Council (NPPC), later officially organized during the Annual Meeting. He reviewed efforts to enlist the support of state tourism agencies, gateway communities, park "friends" organizations and other major tourism organizations. Mr. Crandall outlined work underway to provide funding for the new organization and its programs, noting that while specific funding strategies may depend upon the nature of the programs developed by NPPC, efforts to outline possible funding strategies were necessary. He particularly noted the opportunities associated with the newly enacted Tourism Promotion Act for international promotion, the potential for coordinated marketing of the America the Beautiful Pass by NPPC members and use of a portion of those sales, and an earmark by Congress of a portion of concessioner-paid franchise fees, accompanied by clear guidelines on use of the funds to make clear Congressional views on allowed outreach and promotion efforts.

Earlier in the day, meeting participants were treated to a unique excursion to Gettysburg National Military Park, hosted by NPHA members Gettysburg Tours and ARAMARK Parks and Destinations. The evening concluded with a welcome reception for the more than 50 concessioners who gathered at The Ritz-Carlton for the annual meeting.

Monday, March 8, 2010

Rev. Spencer Lundgaard, Executive Director of A Christian Ministry in the National Parks and an honorary NPHA member, opened the association's annual meeting with an invocation. He encouraged concessioners to continue their work to connect people to special outdoor places through innovative means, saying, "To get what you've never had, you have to do what you've never done." Mr. Fassler delivered his Chairman's report and oversaw the election of the 2010-2011 Board of Directors. Mr. Crandall then discussed the importance of the growing strength of the concessions industry, particularly during these times of financial challenge. He told the group about two key influences on the thinking of NPS Director Jon Jarvis. The philosophies of singer Bob Dylan and hockey player Wayne Gretzky are guiding NPS policy, Mr. Crandall said, because Bob Dylan sang "Don't Look Back," and Wayne Gretzky exemplified going where the puck *will* be. Mr. Crandall said that, instead of focusing on the past, NPS is looking forward to future opportunities in its second century. He noted that Director Jarvis is strongly supportive of efforts to reach out to youth. Such efforts will help address findings of a new Kaiser Permanente study that kids have, on average, added an additional hour per day of screen time in the past five years, bringing the total to 7.5 hours daily and contributing to obesity, behavioral problems and depression. Mr. Crandall also reported on the creation of a coalition of doctors called the "PHATFOs" – Physicians for a Healthier America Through Fun Outdoors – led by Dr. Michael Suk, a former White House fellow at the Interior Department, and Dr. Daphne Miller, a *Washington Post* contributor. He encouraged concessioners to participate in the blog from the Partners Outdoors conference, www.partnersoutdoors.typepad.com, focused on building the connection between healthy parks and healthy people.

The discussion then moved to proposed Director's Order 35B, which would implement a full pass-through of utility costs to concessioners. NPHA submitted a comprehensive comment to NPS on the potentially devastating impact the regulation could have on the concessions industry, [found here](#). Issues range from a competitive disadvantage with gateway communities, invalidation of contracts, unfairness of charging one party for resources used by all, and more. Although the deadline for formal comments closed on March 5, Mr. Crandall encouraged concessioners to bring their comments to their Members of Congress during their time in Washington.

Mr. MacRae announced that the National Park Promotion Council (NPPC) had officially been created that morning with Gerry Gabrys of Guest Services, Jonathan Simon of Van Ness Feldman, Derrick Crandall and himself as the founding organizational board, and that more details would be presented at the organizational meeting of NPPC that afternoon.

The group then addressed the February *Federal Register* notice regarding alternative valuation of LSI (leasehold surrender interest). A key issue is the provision in the 1998 Concessions Act that bars taking by governments of a company's LSI without compensation. While the new proposal may only be applied to a handful of concessions contracts, concessioners reported that they find the negative attitude of NPS toward private investments in the parks suggested by the notice to be most disturbing. The contract specifically addressed by the proposal is Signal Mountain in Grand Teton, but the rule appears destined for application elsewhere on contracts with LSI valued above \$10 million. Concessioners said that alternative LSI valuation erodes the incentive for them to invest in the properties they operate, and while NPS is arguing the rule may increase competition among concessioners in the long run, in the short run, concessioners expressed concern that the properties and quality of visitors' experiences will suffer.

NPHA consultant **Jim Lyons** addressed opportunities for concessioners in the lunch presentation, *Making Your Case in Washington in 2010*. Mr. Lyons is also a lecturer and research scholar at the Yale School of Forestry and Environmental Studies and former Under Secretary of Agriculture for Natural Resources and Environment. Tightening budgets will force NPS to turn to partners to accomplish their goals, he said, because without private dollars, NPS is hard pressed to offer substantial services. Concessioners can help NPS fight maintenance backlog and achieve "green" goals. Initiatives such as First Lady Michelle Obama's "Let's Move" campaign to fight childhood obesity and the upcoming America's Great Outdoors Initiative also offer great opportunities for concessioners to shine as partners with NPS. Mr. Lyons encouraged concessioners to develop new champions in Congress, and to get to know the new House Appropriations Interior Subcommittee Chair Jim Moran, since "discussions are better when you know the person across from you." In a tough election year, Mr. Lyons said, Members of Congress are looking for friends, so it is important to demonstrate how concessioners employ their constituents. With the highest rates of unemployment in rural areas, he noted, politicians are sensitive about any further harm to employment opportunities in those regions.

In the afternoon, leaders of two very important park allies praised partnerships and increased communication with concessioners. **Neil Mulholland**, the new President of the National Park Foundation (NPF), voiced his interest in increased cooperation between NPF and concessioners. He applauded concessioners for being the face of the national parks, noting that concessioners are often the only park-related contacts visitors have in the parks. He promised concessioners that one of his top priorities is getting full accountability for

contributions made to the Guest Donation Program, which allows guests at concessioner operations to make a donations to NPF to be used at the park where it was collected. He said he has reevaluated the foundation's activity and that they are now focusing on three areas: connecting youth, the future stewards and concessioners' future customers, to their national parks; increasing philanthropic capacity at the park level – especially helping parks without friends groups and alliances; and maintaining parks and their resources for future generations. Mr. Mulholland is particularly supportive of utilizing new media in achieving his goals, and noted his career in the broadband media arena. **Tom Kiernan**, President of the National Parks Conservation Association (NPCA), praised the improving relationship of NPHA, NPF and NPCA. He noted that the Administration's upcoming America's Great Outdoors Initiative – expected to be announced in mid-April – will involve listening sessions across the country, and urged NPHA to join NPCA in contributing ideas to this new initiative. NPCA strongly supports the past, present and future role of concessioners in the national parks, Mr. Kiernan said, and wants to see concessioners strongly engaged in the future of the national parks. Both Mr. Mulholland and Mr. Kiernan spoke positively about the need to promote the national parks.

Dennis Biela of LightSpeed Media encouraged concessioners to think of smartphones as portable kiosks for their companies. He reported that iPhone application downloads have passed the 3 billion download mark, with 20% of all downloads being travel related. Mr. Biela reported the prediction that by 2012, 71% of all web content and information will be retrieved by mobile devices. Communicating with customers through applications is also more environmentally friendly, he said, because the carbon footprint of creating an “app” is 1/100,000 of what it is to create a book. NPHA’s Board of Directors have since approved the creation of a national parks app to be used as a promotional tool for concessioners as part of the NPPC launch.

Michelle Johnson, Director of America's Byways Resource Center, told concessioners about the America’s Byways Partnership Marketing Program, which is essentially a partnership program for assisting travelers in planning road trips. Currently, there are 150 national scenic byways in 46 states as designated by the Secretary of Transportation, and each byway has its own local hosting organization. Byways help generate an estimated \$4 billion in economic activity annually. Ms. Johnson encouraged concessioners to get involved with this initiative, describing it as the ideal marketing environment for them. She also reported that the response to outreach efforts for the project thus far have been extremely positive.

The **National Parks Promotion Council** (NPPC) was officially launched at the NPHA Annual Meeting with its formal incorporation as a 501(c)(6) nonprofit organization. The NPPC was created in response to recommendations of the NPHA Marketing Committee to address serious concerns facing our national parks. These concerns include: declining visitation for over 20 years, decreased visibility on the radar screens of most Americans, and growing disconnection between Americans and their national parks.

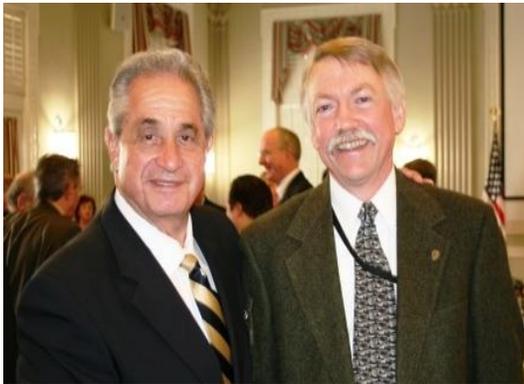
The NPPC Board of Directors will include representatives of national park cooperating and friends associations, tourism/hospitality entities, state tourism offices, gateway communities, NPF, NPCA, and the National Park Service, in an ex-officio capacity, and nationally prominent individuals committed to connecting Americans with their national parks. Membership in the NPPC will be open to anyone who supports the idea of connecting Americans to their parks. Dues payments will range from \$10,000 for Voting Members to \$100 for Associate Members. The website describing the NPPC, its leadership and activities is: www.nationalparksonline.org.

NPPC will not duplicate the efforts of existing park community organizations and supporters. Instead, it will focus exclusively on promoting “America’s National Parks” in a cooperative fashion. It will analyze trends in park visitation to understand threats to future support for the parks. It will then develop promotional funding strategies, seek partnerships and craft inventive campaigns to stimulate visitor appreciation and appropriate use of the National Park System.

Tuesday, March 9, 2010

On Tuesday morning, Recreational Boating and Fishing Foundation (RBFF) President Frank Peterson spoke to concessioners about the work his organization does to increase participation in boating and fishing activities. RBFF is funded through special taxes and fees on fishing equipment and boating fuel. Similarly, the National Parks Promotion Council might seek access to a portion of the franchise fees concessioners pay to NPS. Mr. Peterson told concessioners that customers want to know “how to” and “where to,” and that much of RBFF’s promotion efforts have been focused on creating an all-inclusive website where anglers and boaters can find this information. RBFF’s website, www.takemefishing.org, has won 24 marketing and outreach awards. RBFF also sells 50,000 fishing licenses per month, said Mr. Peterson, and they are looking into ways to more actively engage their customers, perhaps by sending email reminders about expiring fishing licenses. RBFF uses its own social media network and has cool, young spokespeople spreading the message about fishing and boating. Mr. Peterson reported that RBFF will soon roll out a “map app” for smart phones to help people find the best places to boat and fish near them. The foundation is also involved in a three-year project with Discovery Education, which will introduce millions of kids in grades K-5 to fishing and boating activities.

Summit at the U.S. Department of the Interior



NPHA Chairman Joe Fassler with NPS Director Jon Jarvis

Concessioners met with top Interior Department officials during their Annual Meeting to discuss several challenges and opportunities facing the concessions industry. NPHA board members described concessioner activities, including improved communications with park visitors through new technologies and participation in implementation of the new SERA process and noted their excitement about opportunities linked to 2016. The newly formed National Parks Promotion Council was a major topic of discussion. NPPC co-founder Terry MacRae described the NPPC for NPS Director Jon Jarvis and other NPS leaders. NPPC Interim Director John Poimiroo reminded the group about the historical role of NPS in promotion, linked the National Parks

Promotion Council to recent Administration efforts on jobs and the economy, noted the various stakeholders who will be involved with NPPC, and outlined what NPPC intends to accomplish. Concessioners also discussed several concerns, including the proposed full pass-through of utility costs to concessioners, the proposed revised LSI valuation, implementation of the guns-in-parks law and the continued low visibility of concessioner offerings on official NPS websites.

NPS Director Jon Jarvis expressed his strong support for concessioners and their excellent visitor services, saying, “We cannot do our jobs without you.” Director Jarvis described his four priorities: workforce, stewardship, education and relevancy. He said that NPS considers

concessioners as part of their workforce, since park visitors see concessioners more than NPS officials. He stated that NPS and its concessions should be an exemplar in all areas of sustainability. He also noted that NPS has a responsibility to raise cultural awareness in America, as parks tell the history of our country. Mr. Jarvis stressed the importance of staying relevant in an ever-changing environment, where parks face tough competition for the leisure time of America's citizens. He also addressed concerns about tightening park budgets and the disturbing trend of state park closures around the country, saying, "So goes the state parks, so goes us." In preparation for the 100th anniversary of NPS, Mr. Jarvis outlined a new Administration initiative that will strategically work to reconnect Americans to their public lands, and he applauded efforts to work with the medical community to offer "park prescriptions" for obesity and other ailments. **Tom Strickland, Interior Chief of Staff and Assistant Secretary for Fish and Wildlife and Parks**, also praised concessioners for their offerings and facilities. He applauded concessioner environmental improvements in park and concessions operations, citing the recycling bins in rooms in Shenandoah National Park, and outlined plans to get more hybrid vehicles into the Interior Department fleet. As a former businessman, Mr. Strickland said he understands the challenges facing concessioners, stating, "There's no reason you can't run a successful business and serve the public." He is confident that Director Jarvis will be an excellent leader of the NPS, characterizing him as visionary yet practical. He expressed support for ensuring that funds stay in the park where they are collected. Mr. Strickland commented that he admired the promotional efforts of railroads and others early in the national parks' history, and noted that we could learn from what has worked in the past. **Ray Rivera, Director of the Interior Department's Office of Public Engagement**, talked about Interior's commitment to increasing youth involvement on public lands, and introduced the concessioners to Robin Snyder. Ms. Snyder, a stellar NPS staffer on assignment with Interior's Office of Youth, encouraged concessioners and other partners to help streamline the process of incorporating a huge increase of youth employees on the public lands.

Concessioners spent the afternoon participating in the **NPS Concessions Management Advisory Board meeting**, where they reported on the NPPC and were able to explain their concerns on LSI and Director's Order 35B and seek support from the board.



Senator Mark Udall with concessioners

CONPAC – the concessioners' political action committee – hosted events for two legislators with much influence over National Park Service appropriations and policies on Tuesday night. Concessioners met with U.S. Senator Mark Udall (D-CO) and U.S. Rep. Mike Simpson (R-ID) to report on the Annual Meeting and to identify upcoming opportunities for concessioners. The political action committee is the mechanism by which concessioners can support the election campaigns of Senators and Representatives who support the concessions industry.

Senator Udall is the son of the late U.S. Rep. Mo Udall, who was the principal author of the first concessions act. Senator Udall, who chairs the Energy and Natural Resources Committee's National Parks Subcommittee, offered strong support for continuing the role of concessioners in parks and also showed great enthusiasm for using parks to help prevent illness, expressing real interest in concessioner efforts to promote the America the Beautiful Pass, perhaps at a discount for just co-pay costs through health care providers.

At a separate dinner event hosted by CONPAC, concessioners spent time with Rep. Simpson, the Ranking Member on the House Appropriations Subcommittee for Interior and Related Agencies. Congressman Simpson was particularly sensitive to the business challenges posed by Director's Order 35B and the alternative valuation of LSI. NPHA was delighted to welcome former Secretary of the Interior Dirk Kempthorne to the event as well. Secretary Kempthorne made clear that his championship of parks continues unabated, and both Kempthorne and Simpson shared plans for engaging the new House Interior Appropriations Subcommittee Chair, U.S. Rep. Jim Moran (D-VA), in park and concessioner issues.

NPPC and ED OUT launch at special Capitol Hill reception

The NPPC was officially announced at a special reception on Capitol Hill in conjunction with the launch of another exciting initiative – ED OUT – which will bring kids out to public lands for recreation and education during the final days of the 2010 academic year. U.S. Reps. Nick Rahall(D-WV), Chairman of the U.S. House of Representatives Committee on Natural Resources, and Sam Farr (D-CA), Co-Chair of the Congressional Travel and Tourism Caucus, both endorsed promotion of national parks and the importance of outreach to youth when NPHA members "hit the Hill" on Tuesday evening.

To read further details on ED OUT, [click here](#).

Wednesday, March 10, 2010

NPHA's Board of Directors reconvened on Wednesday morning. Mr. Fassler congratulated new and returning members of the board of directors, and the board elected the association's officers for 2010-2011. NPHA Treasurer Carol Metzler reviewed the 2010 budget, and the board discussed the potential for revenues from the mobile device "app" proposed by LightSpeed Media. There was substantial interest in this proposal, both as a source of revenue through "app" sales and as a generator of valuable email lists. The NPHA board approved the creation of a mobile "app" to be funded partly by voluntary contributions of members and allies and by up to \$10,000 in funding from the NPPC start-up account. Final details will be agreed to by the NPHA Executive Committee following a presentation on the "app," including direct and indirect revenue opportunities, via conference call by LightSpeed within 45 days.

Mark Your Calendars!

NPHA 2010 Park Partners Forum

October 17-20, 2010

Doubletree Guest Suites (a Guest Services Inc. property)

Naples, Florida