

DRAFT

The National Park Hospitality Association Proposes a Pilot Effort Designed to Test Strategies for Increasing NPS Revenues Through Additional America the Beautiful Pass Sales

The National Park Hospitality Association believes that increased sales of America the Beautiful Passes are both possible and desirable. Pass sales have been consistent at under 300,000 units for regular passes, and little data is available about pass purchasers or actual use of purchased passes. NPHA believes that regular ATB pass purchases may decline as the number of Baby Boomers attaining the age of eligibility to obtain life-time passes (62) for a one-time charge of \$10. NPHA further believes that annual pass owners will be more likely to visit NPS units which charge fees for shorter periods – in other words, NPHA believes that a \$15-25 cost for a short visit serves as a barrier to visitation for certain park units. NPHA also believes that ATB passes will reduce costs and dangers to NPS associated with fee collection and, just as with state efforts on lapsed fishing licenses and boat registrations, that careful use of ATB purchaser addresses can help NPS revenues and visitation in subsequent years in a cost-effective manner.

Site of Pilot: North Rim, Grand Canyon National Park

Dates of Pilot: October 1-30; 2012

Primary Pilot Partners:

Grand Canyon National Park
Forever Resorts

Additional Pilot Partners:

National Park Hospitality Association
Federal Interagency Fee Council
National Park Foundation
National Parks Conservation Association

Goals:

- 1) Conduct a pilot effort to assess the potential for increasing sales of America the Beautiful passes by national park concessioners;
- 2) Explore the feasibility of cooperation with a local park unit on such concepts as “will call” arrangements and vendor arrangements under simple Cooperative Agreements;
- 3) Test park visitor response to “value added” enhancements to the ATB pass, including gift store and return visit discounts;
- 4) Increase net park revenues;

- 5) Track ATB usage (via voluntary agreement with purchasers); and
- 6) Test causal interest in the ATB passes and interest in passes as holiday gifts.

Plan and Options:

NPHA members have expressed interest in substantially increasing sales of America the Beautiful Passes by offering passes to those reserving rooms, houseboats and other services offered under NPS Concessions Agreements. NPHA seeks to accomplish this goal in a manner which reduces transactional costs and risk. To help evaluate steps to achieve this goal, NPHA proposes a first pilot effort at the Grand Canyon National Park for the month of October 2011. NPHA efforts would be led by the concessioner for the Grand Canyon Lodge, Forever Resorts. Because the concessioner seeks to maximize benefits to the park unit, sale of the passes would be from the hard stock of passes at the park. For this pilot effort, neither NPHA nor Forever seek any commission.

The pilot would be focused on a program between GRCA and Forever for operation of Grand Canyon Lodge for seven days after its normal closure in 2011 (October 16). During this period, the concessioner will engage in special marketing efforts in cooperation with the National Park Foundation and the National Parks Conservation Association, offering:

- (1) lodging during a period when the facility is normally unavailable, and a consequent increase in NPS revenues through franchise fees;
- (2) special programs designed to add special value to park visits by park advocates, including special lectures, training and guests;
- (3) a causal link, by promising prospective guests a donation of at least 30% of room revenues to a new National Park Foundation account to be used for aiding nationally significant 2016 Centennial programs and projects; and
- (4) involvement of the NPHA and the Federal Interagency Fee Council in the pilot, to help assess the feasibility of repeating and expanding cooperative marketing of the ATB Pass.

The pilot program will offer those making reservations the chance to add an ATB purchase, either for use during this visit, as a renewal or as a gift. NPHA will seek to achieve an acceptable way to have the passes (1) delivered to guests at check-in, after passing through the entrance gate by showing identification consistent with the Pass and provided in a timely manner to the NPS by Forever Resorts; or (2) mailed to the purchaser in advance of arrival or, if the pass is for renewal or a gift, at an agreed-upon date.

To increase interest in purchase of the Pass, Forever Resorts will offer a mix of value-added features, expected to include gift shop discounts, special meal offers and discounts on future park stays at Forever sites. All offerings will be offered for review by GRCA and the Federal Interagency Fee Council.

Purchasers will be asked for permission to be contacted by NPHA during the

subsequent 18 months with offers and requests of information on use of the Passes, and to be offered a renewal by mail.

NPHA and the primary partners in the pilot will prepare a report on the pilot on or before January 1, 2012.

Expected Outcome;

NPHA anticipates a minimum of 500 reservations at Grand Canyon Lodge for the special pilot event. Our goal is to achieve a 25% success in sales of the ATB – or 125 passes. Gross income from the sales would be \$10,000, and the retention by GRCA would be \$8,000.

Option:

The pilot could substitute NPHA as the vendor of the passes, rather than GRCA. This would require NPHA to sign a vendor agreement with NPS and would entitle NPHA to a 10% commission. The pass receipts would be treated as national sales, apportioned under guidelines of the Federal Interagency Fee Council.

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