



EMPOWER CONCESSIONERS TO AID VISITORS AND PARKS

America's national parks are a marvelous, unifying legacy deserving celebration. As the National Park Service (NPS) reaches its Centennial year, we can celebrate and continue contributions by leaders from both parties who created this special collection of natural, historic and cultural places – and to invite all to share in their benefits.

But the excitement of a Centennial must not hide the reality that America's national parks need help. Our parks need new resources and new strategies. Vision and action shaped our national park system even as America fought and recovered from our Civil War. Vision and action advanced our national park system even in the depths of the Great Depression. Vision and action today, even as we confront global terrorism and other great challenges, can strengthen America's national park system.

America's national parks face big challenges today. National park visitation has just now returned to levels of 25 years ago despite a growth in the US population of more than 30%, a surge in international visitors and the addition of dozens of new park units. Stagnant park visitation reflects more leisure choices today *but is also the result of reduced visitor activity choices* – potential visitors choose other destinations. There are fewer park campsites, fewer lodging rooms, fewer restaurant seats, fewer ranger-led walks, fewer tours and outings. Visitor services eliminated by NPS have not been offset by new outdoor activities and special events.

Concessioners provide vital visitor services of some \$1.4 billion annually in more than 100 national parks. Concessioners pay \$100+ million annually to NPS in franchise fees and employ 25,000. We provide lodging, food services, gifts and souvenirs, equipment rentals, transportation and other visitor services under competitively-awarded contracts. Concessioners have been creating lasting national park memories for more than 125 years. NPS' first Director said, "Scenery is a hollow enjoyment to the tourist who sets out in the morning after an indigestible breakfast and a fitful night's sleep on an impossible bed." Concessioners were seen as key to the dual mission of the new agency when it was created in 1916: "... *to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same* ..." Today, NPS actions undercut contemporary, top-quality concessioner visitor services.

Concessioners built most of the lodges and key visitor facilities in our parks. Many of the first concession companies were affiliated with railroads. More recently, lodging was built by companies linked to some of the biggest park philanthropists – including RockResorts. These buildings are now government property. Maintenance and operation of the facilities largely remain a role for concessioners. But these facilities are challenged because NPS has never been able to secure adequate funding for park operation.

The situation has deteriorated following legislation in 1998. Contracts were shortened to 10 years – only recently have a few longer contracts been created. The pricing approval process has become more burdensome. Concessioner efforts to add new visitor services have become very difficult. Despite clear direction from the Congress to make "protecting and preserving park areas" and "providing necessary and appropriate services for visitors at reasonable rates" the primary goals of concessions contracts, NPS seems focused on higher franchise fees while discouraging denying needed investments.

Prospectuses for concessioner services issued by NPS have not attracted companies new to the field and some generate no offers. NPS is pursuing higher payments by concessioners to the agency while simultaneously limiting business opportunities

Facilities operated by concessioners need improvements, yet franchise fees which should be used for other purposes are too often used to “buy-down” LSI and PI and for other purposes. The law requires 80% of all franchise fees be used for visitor services and facility maintenance in the generating unit, but NPS has “borrowed” these fees for other purposes and other units.

There has been very little expansion of concessioner-provided visitor services in new units of the national park system. Concessioner services are rarely contemplated in new unit planning processes. Use of NPS campgrounds has dropped because of outdated facilities lacking contemporary options.

Efforts to promote national parks in conjunction with the 2016 Centennial of the National Park Service will magnify the challenges. We SHOULD invite all Americans to visit their parks. This is required by the Organic Act of 1916, which states: “The service thus established shall promote and regulate the use of the Federal areas known as national parks, monuments, and reservations ...” But we need to be prepared: when Americans actually show up at their parks, dated and inadequate visitor services will not deliver great park experiences. The **\$12B backlog in deferred maintenance at NPS units** is a big problem. Ex-U.S. Senator Tom Coburn noted **deferring maintenance often raises ultimate costs 6-fold**. Additional concessioner investments can help prepare our parks for more visitors!

Here are our action recommendations for legislation linked to the NPS Centennial:

- 1) **Congress should enact a NPS Centennial Act which empowers the agency and its partners to provide more great experiences throughout the National Park System. We support HR 4680 although we feel it should be amended to allow NPS to employ longer contracts which justify concessioner investments in modernizing, replacing and adding needed and appropriate visitor facilities. The maximum contract length should be increased to at least 30 years from the current limit of 20 years.** Congress should tell the NPS to use its LSI authority to add and modernize visitor facilities rather than use appropriations of taxpayer funds.
- 2) **Congress should encourage, recognize and reward appropriately superior operation by concessioners.** Rewards can include contract extensions of up to 50% of the original term, increased discretion on pricing and points in new contract awards competition.
- 3) **Congress should substitute a 5-year, \$1 surcharge on all NPS entrance fees as a substitute for the proposed new 5% tax on lodging.** This alternative allows many more park visitors to support the Centennial, generates more funding and avoids competition with local DMOs and governments, which already tax overnight park stays in most parks.
- 4) **NPS concessions prospectus system is burdensome, process-focused and needs major revisions but can be changed to accomplish the nimbleness cited as the goal of NPS’ ill-defined VSMA proposal.** Costs to NPS and concessioners have skyrocketed. Current operators have little influence on prospectus provisions. Concessioner performance is largely ignored in bid evaluations. The flexibility of concessioners picked for hospitality capability is then hampered by pricing approvals and barriers to introducing new services and offerings. Yet these burdens are largely self-imposed and can be changed by use of two-step concessions evaluations, for example, under 36 CFR 51.12.
- 5) **Congress should define the mission of the NPS concessions program as encouraging and facilitating the use and enjoyment of national parks with appropriate services in a manner which protects park resources and increases visitor appreciation for national parks.** The Congress should require park visitor advocacy in agency operations and facilitate use of contemporary hospitality practices by its concessioners, including offering appropriate new services.