



NATIONAL PARK HOSPITALITY ASSOCIATION

November 13, 2009

The Honorable Jon Jarvis, Director
National Park Service
1849 C Street, NW
Washington, DC 20240

Dear Mr. Jarvis:

Members of the National Park Hospitality Association (NPHA) recently met to discuss a wide variety of topics. We were fortunate to have Interior and agency officials join us, as well as to have the opportunity to meet with the NPS Concessions Management Advisory Board. We will be contacting you on several topics resulting from our meeting. This letter focuses on ways to reduce the burden on concessioners and NPS staff as they jointly pursue excellence in customer service and protection of park resources.

We support concessions contracts and operations which reflect the needs of individual units. Park units and authorized concessioner-provided services vary greatly in size, scope and complexity, and variations in management are often appropriate. Yet unjustified inconsistencies in the administration of the concessions program at individual units and failure to adopt uniform standards and best practices add substantially to the burden on concessioners and the National Park Service commercial services staff. NPHA supports (1) increased uniformity in adoption of currently available tools and policies contained in NPS Guidelines 48 and other related documents and (2) clear authority for application of alternatives where park situations make such customization appropriate.

To that end, we urge issuance of a national guidance memo on concessions operations before the end of this calendar year which strongly encourages uniformity in specific areas in order to facilitate changes in advance of the 2010 summer season. We urge that the memo address the following issues:

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1) **Permission to publish anticipated rates and collect advance deposits in reliance on those anticipated rates.** Concessioners large and small regularly work with businesses in the travel and tour field which require agreements on prices 12-24 months in advance. In addition, some concessioners are permitted to accept reservations more than a year in advance. Yet NPS rate approval for accommodations, tours and other services, including houseboat rentals, is almost never done more than a year in advance largely because of uncertainties regarding comparability. In parks with a limited supply of rooms and a high demand for these rooms, it is common for rooms to be reserved immediately when offered for reservations a year and a day in advance. Without the ability to use an anticipated rate, concessioners either remain a year behind comparability or face the task of informing a guest of a new approved rate, sometimes at check-in -- if even permitted by NPS to apply the new rates to existing reservations. Until a more complete solution is found to this issue through SERA, NPHA urges NPS to establish national policy direction permitting concessioners to cite anticipated rates, rates the concessioner intends to request. This is really a deposit policy, because the guest will never be charged more than the approved rate in effect at check-in or at the time the service is provided. To protect visitors, NPHA recommends that posted anticipated rates be accompanied by a qualifying statement, such as: ***"The rate shown is the anticipated rate but has not been approved by the National Park Service. The actual rate charged will not exceed this rate, even if a higher rate is approved, and will be reduced to the actual approved rate if that rate is lower than the published anticipated rate"*** or ***"All rates are subject to National Park Service approval; book now and your rate is guaranteed. Should a lower rate be approved, your rate will be reduced."***

2) **Response time to requested rate approval.** Most park units strive to respond in a timely way to requests for rate approvals and, in most cases, concessioners and NPS staff meet to discuss comparables and other issues prior to submission of rate-approval requests. Yet concessioners have experienced long delays where rate approvals are assigned a low priority by a park unit, or where NPS staff makes changes to comparables or imposes new requirements for comparability inspections and other requirements without consultation. NPHA urges NPS to adopt the following policy, and to identify systems and methodology and staffing making this policy possible: ***NPS shall respond to a rate-approval request within 60 days. If no action is taken by NPS to approve or disapprove the request, and if no request for additional normal and appropriate information is made to the concessioner within this period, the requested rate shall be deemed approved. This provision shall not apply if an alternative rate-approval timetable is contained in the concessions contract.***

3) Use of Core Menu and Competitive Market Declaration Options.

These tools are not used by a number of parks and their absence adds unnecessarily to the burden on concessioners and NPS. NPHA recommends that both tools be applied wherever possible unless a specific park unit decides that the use of these tools is not appropriate. We also plan to meet with Commercial Services staff to seek improved definition of core menu and to overcome the inequity of the "markup method" of pricing store items. There should be uniformity on the key products used for establishing a core menu, such as the three most popular entrees, a medium soft drink, domestic beer and a standard dessert, such as cake or pie, and core items should reflect 25% to 40% of the total restaurant revenues. We suggest the following language for the national guidance memo: ***Core Menu and Competitive Market Declarations should be utilized in park unit concessions management unless a unit determines that these tools are inappropriate.***

4) Uniform response to unexpected and major marketplace changes.

In the summer of 2008, energy costs soared unexpectedly. Both direct and indirect costs to concessioners rose dramatically. In addition to paying higher costs for transportation, heating and related items, concessioners encountered fuel surcharges from vendors and shippers. Response to these changes varied dramatically from park to park. Often, no provision was allowed for increasing already-published fees and rates. ***NPHA urges that NPS Commercial Services staff be empowered to allow a rapid and uniform response to unexpected and national major marketplace changes, and that the fees and/or surcharges approved to offset these unexpected/extraordinary business expenses (dollar-for-dollar relief) not be subject to franchise or maintenance reserve fees. Once the business environment stabilizes, the fee increases and/or surcharges shall be withdrawn.***

5) Use of unique mark signifying status as official concessioner. In light of significant and recurring deceptive practices by some businesses which confuse the public, and as a way to promote the visibility of the National Park Service and its official concessioners, NPHA requests prompt authorization of the NPS "arrowhead" mark in a circle and surrounded by an appropriate descriptive term, paralleling use of the mark for official volunteer programs of NPS.

6) Direct access to concessioner offerings from NPS unit websites.

Since NPS has determined the need and appropriateness of lodging, food, transportation, tours and other services in the concessions contract process, it is essential to provide potential visitors to national parks with information on these services vital to enjoyable experiences. To ensure this availability,

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NPS should direct all units to provide easy access to concessioner information from the unit's home page and other appropriate pages on the internet. Moreover, NPS should determine a means to allow access to this information in a way that eliminates the confusion now created by warnings and pejorative messages encountered in some instances when moving from NPS websites to concessioner websites, providing the concessioner agrees to appropriate guidelines and conditions. ***NPHA asks that these provisions be implemented as soon as possible and not later than March 1, 2010.***

7) **Non-rate issues.** The variation among units in the approval of policies regarding deposits, cancellations, minimum stays, special provisions for holiday and other high-demand periods and other similar issues is significant. These policies are important strategies for non-park hospitality businesses. In many instances, the selection of comparables for pricing focuses only on maximum prices for a single night and does not cover comparability for these non-rate issues, or adjustments when concessioner operations are significantly more remote. Additionally, many alternative destinations include such options as trip-cancellation insurance and hurricane and natural-disaster insurance, options rarely encouraged or approved by NPS units. ***NPHA suggests that a joint NPS/concessioner task force address these non-rate issues and offer a suggestion to NPS for implementation no later than June 1, 2010.***

NPHA members are eager to work closely with you in overcoming challenges facing America's national parks, from deferred maintenance to a lack of connection to many Americans. We believe that improved efficiency and clarity in concessions management will help us focus on these issues. Thank you for considering this request. We look forward to responding to your questions or requests for additional information.

Sincerely,



Joe Fassler
Chairman

CC: NPS Regional Directors
NPS Commercial Services Office
NPS Concessions Management Advisory Board