



# EMPOWER CONCESSIONERS TO AID VISITORS AND PARKS

America's national parks are a marvelous, unifying legacy deserving celebration. The National Park Service (NPS) reached its Centennial year in 2016, celebrated by leaders from both parties who support this special collection of natural, historic and cultural places – and helped 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 recently exceeded 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 \$1.5 billion annually in more than 100 national parks. Concessioners pay \$110+ 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 and discouraging 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 but limiting business opportunities which would increase agency revenues more.

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: Americans are now actually showing up at their parks, and dated and inadequate visitor services are threatening 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!

Our recommendations for action to enable concessioners to better serve visitors and parks are:

- 1) Congress should enact key “missing pieces” dropped from the NPS Centennial Act (PL 114-289). Congress should authorize 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 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.
- 4) Congress should address park road and broadband needs in the now-being-formulated infrastructure initiative. Congress should also remove NPS’s responsibility for largely non-park-related assets like the Memorial Bridge in Washington, D.C.
- 5) Congress should authorize the Secretary to extend a current concessions contract if the concessioner agrees to assume responsibility for significant maintenance backlog items which impact visitor safety and enjoyment.
- 6) Congress should demand efficiency in national park operations, but it must make certain that tight federal budgets do not reduce access to parks and public lands and waters or diminish the quality of park experiences. Solutions to budget-related challenges involving partnerships and private investment have long been a tradition on the nation’s parks and need to be embraced.