

## **2011 Intermountain Region NPS/National Park Hospitality Association Leadership Summit**

A blue-ribbon contingent of national park concessioners joined senior National Park Service (NPS) officials in Denver on April 28<sup>th</sup> for the 2011 Intermountain Region NPS/National Park Hospitality Association Leadership Summit. Topics ranged from national issues including outreach and promotion strategies and the efforts underway to use the 2016 centennial of the agency as a means to prepare national parks for a new century of relevancy to the nation to operational issues, including definition of Leasehold Surrender Interest and the impact of future government shutdowns on concessioner operations.

Leading the NPS delegation was Intermountain Regional Director John Wessels. Also participating were Yellowstone National Park Superintendent Dan Wenk, who has also served as both Deputy Director and Acting Director of the agency, and Rena Fugate, newly named as the Associate Regional Director for Business and Technology and Comptroller in the region. The concessioner delegation included NPHA Chairman Joe Fassler, former NPHA chairmen Rex Maughan and Andy Todd, and leading executives of most of the companies operating as concessioners in the region.

After sharing a general sense that park visitation in the region seemed likely to grow over 2010, NPHA shared an analysis of national and regional park visitation that demonstrated that parks had seen a significant decline in penetration in American households. Nationally, visitations have declined by 2% since 1987, despite a US population growth. The Intermountain Region has done better, although the number of visits to park units in the region has grown by less than half of the overall population growth. NPHA showed how visits to parks with significant visitor services have generally fared much better than the system overall. NPHA again emphasized that it was not advocating simple visitation expansion, because there are areas where visitation increases could create significant social and environmental conflicts. But to remain relevant, the national park system must provide cherished experiences for most Americans.

To address this problem, NPHA has shared a proposed Better Visitor Services Initiative with NPS and other key park advocates, including Members of Congress and the National Parks Conservation Association. NPHA has recommended that five areas be considered for inclusion as action steps in the 5-year strategy expected to be announced on August 25, 2011, a strategy designed to enable the national parks to serve the nation well for another century following the 100<sup>th</sup> anniversary of the creation of the NPS in 1916. The NPHA has invited other entities to comment on and add to the five opportunities it has urged NPS to consider:

- 1) improve the visitor infrastructure to attract more visitors, including replacement of worn-out facilities and creation of new lodging, dining and transportation infrastructure at undervisited park units;
- 2) revitalize NPS campgrounds;
- 3) encourage concessioner investment in parks, using existing authorities;
- 4) rethink park fees to reduce barriers to visitation and encourage more frequent visitation; and
- 5) undertake specific outreach efforts to boost visitation to parks.

John Wessels offered a series of observations and comments. He noted that the Intermountain Region had just 15% of total park visitation yet generated some 45% of the total of \$1 billion in in-park sales by concessioners. He noted that concessioners had at least as many employees in parks within the region as does NPS, and that there are over 200 concessions contracts in the region. He noted that the NPS has annual appropriations of some \$3 billion – a number that is facing real challenges as the Congress and the Administration seek to curb federal deficits – but also hosts a \$1 billion business which is largely unconnected to appropriations and is the collective poser of concessioners. “We can’t be an effective NPS without you,” he told the group.

John emphasized the changing skillsets of NPS leaders, noting that he and several of his key regional staff had both MBAs and business experience. And he described himself as embarrassed and apologetic about past failures to communicate well with concessioners. "Concessioner partners should not be surprised by important operational changes published in the Federal Register," said John.

Much of the remainder of the meeting focused on ways to communicate better, and on key issues where NPS and NPHA should work to be proactive. The April threat of park closures because of budget disagreements in Washington may well be repeated this fall and other times over the next five years – and we should not be waiting until just hours before a shutdown to share information. Concessioners noted that not all businesses on federal lands were slated for closures because of the shutdown. Ski areas on national forests, for example, were not instructed to shut down – nor were such operations on NPS sites as Cavallo Point and the Argonaut.

Another topic of discussion was the long-delayed NPS guidance on LSI, including definition of fixtures. Concessioners expressed frustration that needed investments were being denied, delayed and scaled back over LSI uncertainties. John Rutter told the group that he has been informed that there is now an Interior Solicitor's advisory in circulation addressing LSA and fixtures, and expressed dismay that the advisory might be converted into policy without consultation.

Healthy food and plastic bottles were discussed. While NPS and concessioners alike are in favor of healthy, sustainable menus and solid waste reduction, the discussion demonstrated that actions can have unintended and undesired consequences. John Wessels expressed strong interest in joint problem-solving sessions to help evaluate alternatives on these and other issues.

The length of concessions contracts and the assessment of differing offers regarding franchise fees, investment and more was discussed. All parties seemed to agree that longer contracts could increase concessioner investment and reduce the workload for NPS and concessioners without reducing competition. One year extensions and lengthy process delays are especially harmful to win/win solutions.

Discussion occurred about outreach to DOD and veterans, especially since these outreach efforts would be likely to reach younger and more diverse Americans compared to current park visitors. International visitation was discussed, including the opportunities to work with American Indian organizations to capitalize on interest in Indian culture outside the US.

Finally, the group discussed some possible challenges which might arise over the next 3-12 months, including high energy costs.

John Wessels urged concessioners to continue to meet with him and other regional directors as an industry, as well as on individual contracts, and offered to raise some of the items discussed at the meeting at the NPS NLC meeting and in discussions with other regional directors.

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