



July 23, 2013

MEMORANDUM

TO: NPHA Executive Committee
FROM: Derrick Crandall
SUBJECT: Strategic Plan for NPHA and the National Park Concessions Industry, 2014 and Beyond

I wanted to share both information and ideas for discussion on our call tomorrow as 2014 nears. Let me begin with the goals I presented when I first met with the NPHA Board in Austin in the fall of 2007:

NPHA Goals:

- 1) **Achieve a regular flow of information between the national park concessions industry and NPS and US Department of the Interior officials and to achieve understanding that NPS visitations are down and harmful to both the agency and industry;**
- 2) **Unify the concessions industry and develop a plan to grow the industry through expansion of services in parks**
- 3) **Achieve support from other key park community organizations**, including National Park Foundation, National Parks Conservation Association, Friends Alliance

The backdrop of these goals was that NPHA and the concessions community had been virtually excluded from Secretary Kempthorne's efforts to focus on 2016 and the Centennial of the National Park Service by NPS staff and the Interior Solicitor's office. Key arguments were that concessioners were "prohibited sources" for solicitation, as well as a contention by the NPS Concessions office that concessioners were contractors, not partners.

I was part of the Kempthorne efforts as a representative of the recreation industry – and because of a long-time relationship with the new Interior Secretary. When I recognized the absence of concessioners in these conversations I initiated a process that ultimately went all the way to the secretary for resolution – and concessioners were invited to a key strategic planning session at NCTC and a NPF-sponsored major park community session in Austin, TX, in the fall of 2007, where we met briefly with then-Director Mary Bomar. The Austin session prompted cancellation of the NPHA fall meeting planned for Henderson, NV. By late 2007, all of the major park concessioners had agreed to be part of a revamped NPHA, pursuing the new goals.

By virtually every measure, the period between late 2007 and today has been very successful for concessioners. Among the noteworthy results:

- 1) NPHA became actively involved in Secretary Kempthorne's Centennial Challenge efforts
- 2) NPHA commenced regular spring meetings with NPS and Department of the Interior leaders, including Interior-hosted sessions at the department
- 3) NPHA developed strong relationship with leaders of other key park community organizations – in fact, the NPHA Counselor was dubbed one of the "Three Amigos" by NPS Director, and regular meetings were initiated by the Director and Three Amigos
- 4) NPHA undertook a series of key meetings and initiatives – the November 2011 Strategy Session, the January 2012 America's Summit on National Parks, the summer 2012 Survey of Likely Voters on National Park Issues, the October 2012 Grand Thoughts, the March 2013 Bipartisan Policy Center Bridgebuilder, and the July 2013 Senate Energy and Natural Resources Committee hearing on Supplementary Funding
- 5) NPHA played key roles in the development of both the President's National Strategy on Travel and Tourism and Brand USA and continues to be involved in both
- 6) NPHA played the catalytic role in NPS actions to commence development of a national, multi-year promotion Centennial campaign through NPF/Grey; and now plays a central role in the NPS advisory group on the Centennial
- 7) NPHA has achieved a fundamental refocusing of NPS CMAB efforts – three working groups on: simplifying prospectuses and contracts; encouraging and rewarding excellence; and adding new visitor services in parks.
- 8) NPHA persuaded the NPS to define goals for expanding WiFi and cell service as visitor services
- 9) NPHA now conducts regular regional meetings which have generated strong relations with key RDs – a key means to achieve progress on our issues through the NPS National Leadership Council
- 10) NPHA has a regular e-newsletter, provides free access to the Federal Recreation and Parks newsletter, developed a new logo and is undertaking a website makeover to increase awareness of issues and efforts within the broad concessions community
- 11) NPHA is recognized as the prime mover in an effort to support NPS funding augmentation with initiatives ranging from Penny for Parks to fee restructuring to growth in franchise fees
- 12) NPHA's changed relationship with NPS leadership was made evident by participation of NPS Director, Deputy Director, two Associate Directors and RD at its Fall 2012 meeting – each traveling to Grand Canyon for extended stays
- 13) CONPAC has grown and now provides access to key national Congressional leaders – Udall, Simpson, Bishop, Grijalva, Petri, Rahall
- 14) NPHA launched NPPC, which has made important progress in uniting those interested in promoting national parks at the International Pow Wow and more
- 15) NPHA developed a video that successfully positioned concessions as key to initial development of national park system and its growth in popularity
- 16) NPHA took actions to prevented American Indian Art and Made in America from becoming major problems to the industry

- 17) NPHA secured recognition for Guest Donation Program value, and outlined key constraints to growth of the program
- 18) NPHA has been a major force in getting the focus of **A Call to Action** on connecting people to parks – to moving the agency into a pro-visitor position
- 19) NPHA reframed the healthy food in parks initiative from mandate to partnership, based on choice and joint NPS/concessioner information efforts
- 20) NPHA a significant membership expansion – with all major concessioners now actively involved

As 2016 approaches, NPHA's leaders should discuss Key NPS Concessioner Issues, including:

GREY CENTENNIAL CAMPAIGN: HOW IMPORTANT IS IT TO CONCESSIONERS?

THE NPS FUNDING CHALLENGE: CAN CONCESSIONERS BECOME KEY TO FUNDING PARK INVESTMENTS AND OPERATIONS?

1998 CONCESSIONS ACT: ARE WE READY TO ACTIVELY PURSUE CHANGES IN THE ACT OR TO ITS IMPLEMENTATION?

One of the key issues facing NPHA is the organization's capabilities. When I agreed to take on the association's management, 2008 expenses were \$374,375. That declined to \$328,927 in 2011 and a projected \$340,000 in 2013. At the time I agreed to management of NPHA on a fee basis, I shared with the NPHA Board of Directors that a functioning association staff of three or four, based in Washington, would require a minimum of \$750,000 per annum in budget. That counsel continues. NPHA is clearly benefitting from large economies arising from use of ARC staff and resources, including office space, communications technologies and equipment.

The challenge is that NPHA activities now constitute a much larger than expected share of the ARC staff, and with important opportunities ahead associated with the Centennial and potential modification of concessions law and policy, even greater demands could exist.

There are several possible reactions.

One is to do nothing and allow the opportunities to go unrealized.

A second is to better utilize NPHA member assets – staff and consultants – and share the workload to allow the industry to capitalize on opportunities.

A third is to increase NPHA resources with an increase in dues and additional project funding.

A fourth is to generate new revenues with an event – perhaps a gala in Washington, or an auction of top vacations on eBay, or some other initiative.

A fifth would be to be truly bold, and find a way to subject all concessioner and cooperating association transactions in parks to a special levy – modeled after either the check-off tax used under agricultural marketing orders for beef and more or the lodging tax model widely used to fund DMOs. The program might be called the **Park Research and Outreach Fund (PROF)**. Based on sales of an estimated \$1.4 billion in 2014, a 2% assessment on in-park spending through concessioners and cooperating associations would yield \$28 million – money that could be used to help fund the Grey campaign and important research on park visitors – and non-visitors. A 5% administration fee would generate \$1,400,000 – enough to cover core operating costs of a combined NPHA/NPPC.

During discussions at its meeting on July 25, the Executive Committee agreed to the following steps:

- 1) I will interview each NPHA executive committee member on the issues and ideas in this memorandum, and compile a report on the views and ideas I hear in a non-attributed fashion by August 15; and
- 2) the NPHA Executive Committee will meet by conference call on August 22 at 10 AM EDT to discuss the report and a presentation to the NPHA Board of Directors via conference call planned for September 16th at 4 PM EDT.

Derrick