

**Statement of Derrick Crandall, Counselor, National Park Hospitality Association
Before the Subcommittee on Interior, Environment and Related Agencies
Committee on Appropriations, U.S. House of Representatives
On FY 2016 Budget for National Park Service and Federal Recreation Providers
March 19, 2015**

Mr. Chairman and Members, the National Park Hospitality Association (NPHA) offers this testimony regarding the FY'16 budget for the National Park Service as well as related issues affecting other federal agencies providing recreation opportunities on public lands and waters. Our comments address recreation fees, the Centennial of the National Park Service and the concessions program of the National Park Service.

Concessioners have served park visitors since the 1870's and today serve some 100 million park visitors annually in approximately 120 park units. NPHA members have a combined workforce of nearly 25,000 persons – mostly front-line, visitor contact jobs – and provide in excess of \$1 billion in goods and services to visitors annually. Franchise payments to NPS are some \$100 million annually. Concessioner marketing and promotion efforts total more than \$20 million, and are coordinated with the marketing and promotion efforts of states and gateway communities that equal that amount. Concessioners are leading efforts to promote the national park system, where visitation has been flat over the past three decades, and have actually declined if you discount new units added to the system. Most importantly, concessioners are committed to meeting America's needs – needs for healthier lifestyles, for better and lifelong educational opportunities, for strong local and regional economies that can sustain and protect our parks and for connecting all Americans across differences in regions, ages, income and ethnicity.

We are excited by the Centennial of the National Park Service which will occur during Fiscal Year 2016. We have taken an active part in preparations for the Centennial, including a central role in **America's Summit on National Parks** in 2012, the **Bipartisan Policy Center's Bridgebuilder on Supplemental and Sustainable Park Funding** in 2013 and an important livestreamed session entitled **Marketing Parks and the Great Outdoors to All Americans** in 2014. As part of these efforts, we have worked with other park supporters on strategies to provide resources needed for operation of national parks, including an important assemblage of 16 white papers for the Bipartisan Policy Center program, supplied for use by this subcommittee.

Based upon these efforts, we offer the following recommendations:

- 1) The Federal Lands Recreation Enhancement Act should be extended for two years. We believe that there are changes which would improve the act, including more transparency in fee application and use, easier payment of fees, revisions to the senior pass provision, peak/off-peak pricing and more. The authorizing committees of Congress are considering a five-year extension of fee authority, but a two-year extension under the FY16 appropriation measure would protect the operations of a key funding mechanism for federal recreation services, now generating some \$300 million annually. In one important revision, we would urge the Congress to make the nation's leading provider of recreation, the U.S. Army Corps of Engineers, a full partner under the FLREA extension.

- 2) We enthusiastically support the continuation and expansion of the Centennial Challenge Program. Encouraging non-profits, corporations and individuals to contribute toward important national park programs and projects is a vital part of a long-term strategy for keeping America's parks relevant and well-functioning.
- 3) We support the agency's efforts to launch a new campaign, **Find Your Park**, to make our national park system relevant, enjoyed and supported. The current program is being funded through the National Park Foundation and connected with the Centennial in 2016. We support continuing outreach efforts after the Centennial and believe that this outreach is a core mission of the agency under its 1916 organic act which states:

“The service thus established shall promote and regulate the use of the Federal areas known as national parks, monuments, and reservations ...”

Promotion efforts of the agency flourished during its initial 50 years of operations, including hosting the original U.S. Travel Bureau. In order to revitalize this core program, we urge the Congress to specifically authorize the use of up to 10% of the franchise fees paid by national park concessioners annually to support NPS outreach and marketing efforts in partnership with states, gateway communities and concessioners. We believe that outreach and promotion efforts will increase collection of park entrance and recreation fees sufficiently to underwrite both improvements in visitor experiences and specific efforts, including fee-free days, to successfully invite non-traditional park visitors. There are numerous examples of isolated and successful cooperative effort now underway, including shared interpretive costs and outreach to international visitors through Federal Row at IPW, which could be made commonplace.

Most concessioner franchise fees are retained in the park generating those fees – 80% of all franchise fees are used locally. The remaining 20% are used at the discretion of the NPS Director. We urge you to encourage half of this remainder – 10% of the total franchise fees paid or nearly \$10 million annually – to a new National Park Outreach and Promotion Fund. To do so, we suggest adding the following language to the FY2016 Interior Appropriations legislation or its accompanying report:

"Up to 10% of the concessioner franchise fees collected by the agency each year may be used to support agency outreach and marketing programs designed to connect all Americans to their parks, and especially those portions of the American public under-represented among current park visitors. Nothing in this provision, however, shall authorize any change in the use of concessioner franchise fees retained by the park generating the fees. Outreach and marketing programs shall be undertaken in cooperation with state and regional DMOs and NPS concessioners, and shall require 1:1 matching of federal funds."

- 4) Visitor infrastructure in national parks is deteriorating. Facilities used by concessioners have an estimated backlog in deferred maintenance of \$1 billion, but that figure obscures the reality that the current inventory of facilities is dated and inadequate. There has been a loss of rooms, of restaurant capacity, of services and of retail space in national parks over two decades, producing a corresponding decline in overnight stays and in the average length of visitor stays.

Franchise fees, investment requirements under new concessions contracts and appropriate use of existing Leasehold Surrender Interest (LSI) authority can cure these challenges. We have recommended steps to the agency which – with virtually no additional costs to NPS – could increase visitor spending and the franchise fees generated by an estimated 25% within 12 months, or \$25 million more each year, sustainably. This would involve lengthened hours and seasons and new and appropriate visitor services. In order to take advantage of this opportunity, we urge the committee to include the following language in the FY2016 Interior Appropriations legislation or its accompanying report:

“NPS shall solicit, evaluate and implement wherever possible suggestions from concessioners which would expand visitor services and the resulting franchise fees paid to NPS as provided in current concessions contracts. A report on expanded services implemented and planned shall be provided to the Congress by February 1, 2016.”

- 5) Campgrounds in national parks represent a substantial investment of public funds but often fail to serve the public well because of dated design, no marketing and inadequate services including food and supplies. Despite record sales and use of RVs, RV camper overnights are down by almost 2 million camper nights since 1987 – down by about half; tent campers are down by 750,000 camper overnights, or about 20%. Group campsites, desired by many non-traditional visitors, are often not available. Alternative overnight accommodations widely available in state parks and private campgrounds, from yurts to simple cabins, are generally unavailable. NPS should seek out private sector operators for most of its campgrounds, utilizing models in Grand Teton National Park and more, to improve visitor services and reduce its operating costs.
- 6) Concessioner-provided services should be expanded, especially in units with the capacity for additional visitation. The Congress should charge NPS with developing and submitting at least 12 significant opportunities to expand appropriate visitor services each year for five years. These opportunities should either reduce or eliminate current deferred maintenance or be accomplished with no additional cost to taxpayers through private investments. In some cases, structures with substantial deferred maintenance should be replaced with new structures meeting today’s best design standards, including both LEED- and ADA-compliant facilities.
- 7) The NPS concessions program is now guided by legislation enacted in 1998 which limited the term of contracts to 20 years. This limit denies concessioners the option to qualify for historic tax credits from investments in structures that are among the most important otherwise-eligible structures in the nation. The Congress should direct the Secretaries of the Interior and the Treasury to allow qualification of concessioner expenditures or report to Congress on any needed changes in law to make these expenditures eligible.
- 8) Concessioners in Shenandoah National Park, Yellowstone National Park and other units are utilizing youth conservation corps to undertake construction, reconstruction and maintenance projects which replicate many of the successes of the Civilian Conservation Program of the 1930’s, including connecting urban youth to parks. Pilot projects have shown that use of conservation corps can also actually reduce project costs. Active national support by NPS could aid in expanding use of conservation corps in parks, working cooperatively with The

- Corps Network, the National Trust for Historic Preservation and concessioners, reducing the barrier of current Federal Acquisition Regulations (FAR) and more.
- 9) Finally, we invite Members of this Subcommittee and others to join NPHA and key park partners in trips to several sites which would allow firsthand exposure to the opportunities and challenges associated with making 400+ park units responsive to the nation's needs. We believe two existing major park visits would be important and suggest Yellowstone and Grand Canyon National Parks. Important contrasts in philosophy and operations will explain very different scenarios influencing future visitor experiences and park operating costs. And visits to two urban park units, including Golden Gate National Recreation Area, would demonstrate how creative ideas and partnerships can greatly alter NPS costs and success in both protection of park resources and allowing for public enjoyment. These trips would also permit discussion of other important ideas which have been suggested to reduce the NPS' dependency on annual appropriated funding, including a dedicated fund for multi-year appropriations, use of bonds, earmarked revenues from the Highway Trust Fund for in-park transportation needs and use of DOD-style Non-Appropriated Fund Instrumentalities (NAFIs), all of which have been outlined in the Bridgebuilder report.

Mr. Chairman and Members, I know you would agree that we need to get Americans back in touch with nature, engaged in physical activities and outdoor recreation, and connected to the magnificent culture, heritage and landscapes that are celebrated by our National Park System. We need to reach out to youth to encourage them to share in the wonder and enjoyment of our National Parks and discourage the increasingly sedentary lifestyles that are contributing to our health care crisis. We need to expand park visitation to encourage minorities, disadvantaged communities, new Americans and urban residents to see their national parks for themselves and to build a broader constituency for America's great outdoors. And, we need to find new and innovative ways to reinvest in the maintenance, restoration, and expansion of critical park infrastructure – much of which was built either by private investment when the national parks were first created, or in conjunction with the work of the Civilian Conservation Corps more than half a century ago.

The National Park Hospitality Association and the National Park concessioners want to help you, the National Park Service, and all Americans in achieving these objectives. As the 100th Anniversary of the National Park Service shines a light on America's Best Idea, we hope you will help us build on our longstanding partnership with the NPS to find new and innovative ways to improve the parks and create a new generation of Americans who share in the wonder of this amazing legacy.

We thank you for considering these requests.

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