

DRAFT MINUTES

United States of America

National Park Service

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Concessions Management Advisory Board Meeting

October 21-22, 2009

Ahwahnee Hotel

Yosemite National Park, California

TO: All Board Members

FROM: Jo A. Pendry, Concession Program Manager

SUBJECT: Draft Minutes of Concession Management Advisory Board October 21, 2009.

1. Welcome - Introduction of Board and Staff as well as Dave Uberuaga, the Acting Superintendent. Chair Eyster welcomed all participants.

2. Roll Call.

Present were: Chair Jim Eyster, Board members Ramona Sakiestewa, Richard Linford, Phil Voorhees.

Jo Pendry introduced the newly reconstituted board to the audience, consisting of four board members. Three remaining seats in the area of hospitality, management and

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52 Longwood Drive, San Rafael, California 94901 (415) 457-4417

tourism are still vacant.

3. Convene Business Meeting.

Chair Eyster called the meeting to order at 9:00 a.m. and reviewed the agenda. Members of the audience introduced themselves.

4. Approval of the March 12-13, 2008 minutes.

Board Member Linford moved, seconded by Chair Eyster to adopts the March 12-13, 2008 minutes with a correction on page 6, the number 69 rather than 39.

The motion carried unanimously.

5. Presentation by Acting Superintendent, Yosemite National Park.

Dave Uberuaga provided the Board and audience with recent experiences he had with visitors to Yosemite National Park. He mentioned a DVD presentation by Ken Burns of a heartwarming Yosemite experience, where there were hundreds of people watching it on big screen TVs in the Valley. He explained there had been three free weekends this year with a record attendance. The demand for the resources in Yosemite is quite high. Bear management in Yosemite Valley was a topic Mr. Uberuaga presented as one of the challenges.

He mentioned that Delaware North was the largest single contract for concession operations in the National

Park Service, grossing between \$125 and \$130 million a year. Ansell Adams Gallery is another concessions operation for the last 26 years on a one-year extension. A prospectus is out on the street, and closes on October 31st. The Yosemite Fund, a private nonprofit that raises funds for Yosemite, has been averaging a donation between \$4 and \$6 million a year to Yosemite. This year, it is about \$6 million, a great partnership.

With regard to the Hetch Hetchy Reservoir, the National Park Service Yosemite has paid to protect the water for San Francisco and is basically paying for a lot of the ranger protection and field science and research in the Hetch Hetchy water drainage.

Mr. Uberuaga further explained the relationship with the gateway communities., i.e. how the gateway work ties in to concession operations, tied in to successful business operations, and to the overall business experience.

Another subject he touched on was the litigation here at Yosemite, having just signed a monumental settlement agreement two weeks ago, September 29th, that settled some eight or nine years of litigation back and forth. The litigation and the river planning implications from that, are going to affect the whole National Park Service. There is a court order to do another plan, a \$10 million effort, expected to take three years. The Wild Scenic Rivers Act

was intended to be a discussion of broad ways to protect the outstanding and remarkable values of wild and scenic rivers, which the Merced River is through Yosemite. Through the issues of the court, it became more and more proscriptive, so it is probably the biggest challenge for the National Park Service, to try and figure out what the outcome might be. It will be number based, and there will be consequences from that such as "are we at capacity at Yosemite? What can we do? How do we manage visitor use differently? " Whatever happens Yosemite is going to have a ripple effect through the National Park Service in the planning. He said that no federal land manager institution has been able to do what the court has asked Yosemite to do to date. Transportation planning throughout the whole park is a big challenge.

Yosemite is one of the first designated climate friendly parks. Greenhouse gases are measured yearly for every single building every year; there are strategies to reduce that, but it is concessioner responsibility to work together to reduce those greenhouse gas emissions in every National Park, and find ways to be creative about that.

Board Member Linford inquired into plans to block cars from entering the Valley.

Mr. Uberuaga responded that those plans have been enjoined through the court proceedings for the last nine

years and in the settlement agreement. All those prior plans for the most part were thrown out and the park operates now under the General Management plan from 1980. There will always be cars in Yosemite and the challenges are going to be to come up with a viable transportation plan that will indicate how many can come in and how to do it.

In closing, Mr. Uberuaga stated that he felt there now is a perfect alignment consisting of the Centric Commission report, the 2016 Centennial, a great administration, a great Department of Interior Secretary, and a great Director, and the collective judgment of this room and Advisory Council, to take some risk and push for making new decisions.

6. Overview of accomplishments & challenges.

Jo Pendry, Chief, Commercial Services Program welcomed the Board and expressed how helpful the board has been in the past. She also thanked the National Park Hospitality Association, particularly Joe Fassler, the Board of Directors, and all of the concessioners for the meetings that were held over the past couple of days, sharing the various concerns and ensuring that the best visitor services possible will be provided.

One of the accomplishments over the past year, in 2008, it was the first year that concessioner revenue

exceeded a billion dollars with a protected \$100 million more than in 2008. In terms of franchise fees being returned to the Government from the revenue generated by concessioners, in 2008, it was approximately \$53.2 million; and in 2009, those franchise fees are projected to be \$58 million. Those franchise fees are needed and used by parks to help run day to day park operations, to improve visitor services, and also to reinvest back into concession facilities. It is a very large growing business with franchise fees growing along equally with revenue.

Ms. Pendry provided an update on training programs, specifically, the superintendents' training program. Approximately 60 teams were trained, 60 superintendents and 60 concessions specialists. This equals approximately half of the park superintendents.

Evaluation and Pricing training involve about 30-35 people annually . Next year two classes a year are planned rather than just the one and at the request of the Hospitality Association, there will be more outreach to training the concessioners so that they also understand the processes for evaluation and pricing. This year the evaluation and training class was videotaped to be streamed over the web in order for concessioners to view it as well as concessions specialists.

In the area of asset management, several web-based

asset management trainings were developed and those are available for concessions specialists through the DOI Learn, which is a complete network of training programs. So far approximately 30 people were trained through those classes. In addition, there are Project Manager trainings, designed to help people at the park regional and national level become better Project Managers. The Project Managers are the people who develop prospectuses and manage the prospectus development process. Approximately 50 people were trained in project management and there is another project management training coming up in just a couple of months.

The second update is in NPS 48, the guidelines for the Concession Program. NPS 48 was last issued in the '80s, the guidance has been slowly been updated. New chapters on asset management and construction are close to being issued. The leasehold surrender interest user's guide is also almost ready, which will help the park superintendents and park concessions specialists understand how to manage leasehold surrender interests.

The Condition Assessment Scope of Services is being updated enabling us to not only get information regarding structural fire and seismic issues that may be affecting a certain park, or a certain prospectus, but it will also gather all of the financial information needed in

order to be able to value LSI down to the component level.

Several years ago the Board had asked to develop a computer-based system to manage the concessions program. That system used to be called the Concession Data Management System, and that system has evolved now and is called the Concessions Commercial Services System. That system has been out in beta testing. It helps manage the numbers of contracts, providing information on a daily basis how many contracts there are, the status of those contracts, whether they are on extension or continuation, whether they have been renewed; the franchise fee, who the concessioner is, who the primary point of contact is, so the parks have the main ability to input information. It is anticipated to be rolled out in the spring. The system will not only contain the contracts database, but it will have an LSI tracking tool, it will have the annual financial report information, it will have the ability to compare and contrast across concessions. All of the contracts are now available through the CSS system. Access to the system is restricted to Park Service and it has different levels of access. The annual financial report data is an external system where the concessioners can electronically enter their annual financial report information and that will ultimately be dumped into the CSS system, which is a secure system.

Next Ms Pendry addressed the AFR automation. This

year was the first year that concessioners submitted their data, their annual financial reports through the automated system. Staff worked hand in hand with many concessioners because there were quite a few problems with the system and bugs that needed to be worked out. Modifications were made all throughout the year and hopefully when it comes time to submit next year's, AFR's system will be much more smooth.

In FY10, we have been very very successful in getting the Park Service to give increases in the base budget at the Washington level. About \$700,000 was added to the budget three years ago, and this year there was a budget increase of about \$400,000. This enabled the hiring of a person to manage the commercial use process.

Board Member Sakiestewa inquired if there is a possibility of tracking and monitoring the carbon footprint in each building.

Ms. Pendry indicated it would be tracked if the contract requires the concessioners to report it. Many of the newer contracts, the so called '98 law contracts, have significantly more reporting requirements in them than the '65 law contracts did. But as far as collecting information about savings, for example, utility savings on a national level basis, no, this is not done. It is done at the park level.

This summer Ms. Pendry said she was fortunate to

be able to have two what is called "Business Plan Interns" come and be in the office to help with several projects. They produced a program overview that can be used for public purposes, so people who are not typically involved in the concessions program can read this overview and get a better understanding of it. The program produced is a comparative analysis of national park concession programs to state programs. They had approximately 20 different things that they were looking at. The results of the study will be presented at the next Board meeting.

Ms. Pendry next discussed marketing and promotion. The Ken Burns film was certainly a shot in the arm for the National Park Service generating much interest in visitation of the parks. Special events were promoted in a media blitz format that went out to all different types of media at the beginning of the summer. This will be repeated in the fall, winter, and again in the spring in the form of a continuous loop of information that comes from concessioners, goes through the Public Affairs Office, and is put into press releases so that media can pick it up. Another marketing devise is the three fee-free days, which occurred in the months of June, July and August. Data is still being collected those fee-free days to see if it was a significant increase. From the concessioner's perspective the fee-free days were successful in most parks.

The Park Service also, for the first time ever, as of about a month ago, has a Facebook site. There are over 10,000 members or "friends," and it is maintained by the Public Affairs Office on a daily basis.

A parallel effort was a reinvigoration of the website, the National Park Service.gov website. She encouraged the concessioners to provide office pictures and stories about concession activities and said they would be shown on a rotating screen of pictures. There will also be links to concessioner sites.

Chair Eyster posed the question if linkages occur now on the website to direct potential visitors to concession facilities. Ms. Pendry explained that there are a lot of inconsistencies and that only about 60 percent of the websites are complying with the "Plan Your Visit" requirement.

Mr. Kelly stated that they have the ability to track all of the clicks on the websites and will get back to Jo Pendry with details of how many are received through NPS.gov.

Ms. Pendry said that the National Park Foundation entered into an agreement with Expedia.com and people can go to a Plan Your Visit section. A discussion on this subject ensued.

Ms. Pendry continued with the announcement that

her staff has been moving forward with settling possessory interest. There are still what is called challenging contracts, and these are contracts that may not be economically viable for a concessioner, based on the amount of possessory interest in the contract. They were successful in settling possessory interest at 10 parks this year, which is significant. The amount of remaining contracts with possessory interest is now down to less than 30 and many of those are what is called "book value" versus sound value contracts.

In the area of marketing, there is now a beautiful National Parks quarter/dollar coin program. It is the replacement from the U.S. Mint from the states' quarters program. The Governors of each state were asked to participate in a selection process for which site they felt was most emblematic of their state, and of the 56 coins, one for each state, and one for each territory, 48 of the coins will have national parks on the back of them. The first five coins will be issued in the spring of this year, and they are going to be issued in the order that the site was set aside for the public enjoyment, which is not necessarily the same date that they were established as a national park. The first coin will be Hot Springs National Park in Arkansas, followed by the great State of California, and Yosemite, then followed by Yellowstone, and then a fourth

service site, Mt. Hood, and last but not least, in the first year, Grand Canyon. She said she was working very closely with the mint on a promotions program and also the creation of materials that can be sold through the mint, as well as working with the National Park Foundation to provide logoed retail items to concessioners. The Park Service will not be directly selling the products, the Foundation will be selling, and they will be allowed to use the NPS logo. So there will be revenue back to the Foundation, which the Park Service will earmark on how that revenue is used. The amount of revenue is unknown at this time, however, the U.S. Mint, through the State Quarters program generated \$100 million a year in revenue from that program. The Park Service will get a percentage of it from a licensing fee through National Park Foundation, and then the concessioners will get a franchise fee on every product that the concessioners sell. The law allows for a bullion coin that is required to be 99.9 percent pure silver and weighs 5 ounces and will be 3-inches in diameter. Apparently there is a huge market in the numismatic community for those types of coins, and also through collectors. It will be the first time the United States has produced a coin that is 3-inches in diameter. The Grand Canyon silver dollar bullion coin and the Yosemite coin will only be available in 2010. So there is belief that it would become a collector's item

amongst the numismatic community and certainly amongst people who like all things National Parks.

A discussion followed on the amount of possible revenue from the sale of the coins as well as on the use of the NPS logo on shirts and caps and other possible marketing strategies.

7. Concession Contracting Status Update and Regional Chiefs Reports.

Ms. Hecox provided the Board with an update on the concession contract status. This includes both the backlog progress, as well as a forecast of the future over the next three to five years in developing prospectuses. The main points Ms. Hecox covered in detail were:

- Status of Contracts - October 2009
- Contract Backlog Status
- Progress of the Reduction of the 1965 Act Contract Backlog
- FY2009 Releases
- Program Updates
- New Consulting Contracts
- Projected FY2010 Releases of Backlog Contracts (22)
- Outlook Current 1998 Law Contracts
- Projected Releases 1998 Act Contracts

Regional Chiefs' Reports

Chris Bockmon, Alaska Region presented the Board with an overview of the status of not only the 105 contracts but also the 300 commercial use authorizations. He also announced recently awarded contracts to four companies providing cruise ship services to Glacier Bay. Upcoming contracts will be the Denali Transportation and related services contract. A component of that is a road environmental impact statement in order to look to see how better to manage those vessels, both the number and type of buses, when they run. There is a contract for a single individual proprietor to provide commercial hunting guide services within Yukon Charlie Rivers Natural Preserve.

Mr. Bockman talked about resiting the Southside Visitors Center on state park lands on the south side of the range, which will locate it a whole lot closer to Anchorage, which interests a lot of the visitor service providers to get people a remarkable view on the right day. The state has led a design for the road, have identified a site for it, so there is progress being made there.

Ms. Pendry asked Mr. Bockmon to elaborate for the Board the success and the difference of the fees that are being collected from the cruise ship operators.

Mr. Bockmon explained that Congress had set the

fee a number of years ago at \$5.00, which was increased to the minimum of \$7.00 and charge per passenger. In addition to that, all of the successful offerors elected to do a cost reimbursement agreement with the Park Service to provide interpretive services during the time that they are in the park, so we board at least two and sometimes three interpreters, depending on the size of the vessel. And they, then, spend a day in Glacier Bay on the cruise ship with pretty much a dedicated microphone to provide the interpretation for the visitors. In other words, the Park Service is putting interpreters on the boats and the cruise ships, and the cruise ships are reimbursing the Park Service for these interpreters. It is a full cost reimbursement, it does not just include the staff time, it includes the vessel to get the interpreters from Bartlett Cove to meet up with the cruise ships and to both put the interpreters on the vessel, and to take them back off.

Sandy Poole, Chief of Concessions and Leasing in the Midwest Region reported on progress made since first reporting to the Board when there were 80 contracts, 79 of those were expired in the region. With the target moving all the time, it is going to end up when they are all renewed, 68 contracts. In 2009 six contracts were turned over. We also settled possessory interest on a few of those contracts successfully. All the franchise fees were

increased on all of the contracts so far, except for one.

Ms. Poole listed all the contracts being worked on and/or up for renewal. There was a reduction in concessions from 79 to 68 accomplished by bundling some contracts and moving them to Commercial Use Authorizations. Six contracts were eliminated and either reallocated or bundled with a couple of contracts.

Ethan McKinley , Northeast Region reported on 37 active concessions contracts, seven of which have been advertised, awarded, and are now in place over the last year. He then proceeded to give details about the various contracts. He provided further information on the ferry operation contract.

Jacque Lavelle, Chief of Concessions for Intermountain Region joined the meeting by telephone. She stated they were having three prospectuses on the street right now, Amistad 002, Glacier 001, and Grand Canyon 004, which is a mule ride operation on the north rim of Grand Canyon. Upcoming prospectuses are Grand Teton 003, which is Signal Mountain, Great Sand Dunes, a firewood contract, and Rocky Mountain Horseback Ride Operations. Ms. Lavelle stated her office was now almost fully staffed in the Intermountain Region, and in the past year, they were able to recruit some great skill sets from the private sector. She pointed out that the 1998 law contracts are quite a bit

different than the old contracts and the new hires are helping to design tools and help parks understand the differences in reading these contracts and managing the contracts, and helping the concessioners in the parks start these conversations early on in the process.

Steve LeBel, National Capital Region provided the Board with a short overview of prospectuses currently under consideration. He stated that by the middle of next year, there will be a zero in-house standing contract count.

Anne Altman from Pacific West reported the award of a contract for two hostel operations at Golden Gate. A small contract was awarded for Pinnacles, there was a transition at Muir Woods in the Bay Area; a new contract was awarded to Cloudless Skies.

She said currently there are two prospectuses out on the streets - the Channel Islands Ferry Operation and then the Ansell Adams Gallery here at Yosemite. A prospectus will close at Lake Crescent in Olympic, and that selection will be announced in December.

The Pacific West has 19 contracts still in backlog. Eight of these are at Lake Mead. One more is at this point under litigation over the GMP at Sequoia. Those nine are almost impossible to target, as it is a difficult situation.

The Lake Mead contracts have significant

possessory interest problems, the water level is an issue, and it just is an ongoing situation. Ms. Altman explained the difficulties with the contracts in and around Lake Mead.

She then went on to explain the two major prospectuses that are coming out in the Pacific West; the Death Valley prospectus, and the Hawaii Volcanoes for the Lodge and Food Service and Retail there. In April of 2010 the contract for Yosemite contract worth \$130 million. The problem here is that for a contract that grosses \$130 million, by law you only have 18 months to issue a contract before the next one expires. If there is a transition in that contract, it is going to be extremely difficult by the time the prospectus is put on the streets, the offers in, and allowing for a long time for people to write their offers, time may run out. So they have to get their offers in, an extremely complicated panel will have to evaluate since it is expected that there will be a lot of competition, and then it has to go to the Hill for 60 days, and then there is a transition, all in 18 months. The plan is to get it out on April 1st, the first day that allowed by law, to obtain as much time as possible, and everyone has been working really hard towards that goal with the Washington office, the Region, and the Park.

The staffing in the Pacific West has stayed pretty status quo. Ms. Altman introduced all the staff from

Pacific West. She gave some details on a few unexpired 1965 Act contracts in the Pacific West, Cliff House being the oldest one, and it does not expire until 2018. There was not a fee before and now there is, increasing revenue to the Park. Part of it had to do with the long remodel of the Cliff House and not knowing the last time the fee was done how the Cliff House would fare after the remodel. The revenues have exceeded anyone's expectations. The financing was provided by both the concessioner and the Park Service. The concessioner will have possessory interest in 2018.

A short discussion followed on the financial aspect of the remodel of the Cliff House.

Ms. Altman next provided the Board with information on the lease for the Cavallo Point Lodge at Fort Baker which was done under a special legislative authority, but is in compliance with the leasing regulations for the same. It is operated now as a franchise fee, under a lease, and the Park Service would get its money essentially based on a fair market determination of how much the property should be leased for.

A discussion followed on this particular point, followed by a discussion on the timeline for the Yosemite contract.

8. Rate Approval Review and Standards, Evaluations, and Rate

Approval (SERA) Project Update.

Deborah Harvey gave an overview of the progress with SERA and bringing the Board up to date with what has transpired with the SERA project over the last year. A task order in place, with Geoff Baekey and his group, to start moving this project forward. Ms. Harvey then spoke about what the objective is, strategy, and the tactics.

The objective is to look at the standards and the rate administration process, and see what needs to be done to make it less consuming on the part of the concessioner, the Park, to bring it up to date with what is done in the industries knowing that business within the National Park Service is a really unique business. The standards have not been looked at since the mid-'80s, the industry practices have changed, and there should be more consistent standards and rate processes that are better aligned with the market. She outlined three elements necessary to accomplish this goal. The phase 1 is going to research existing practices. The following points were addressed:

- Classifications and Standard
- Rate Approval Program
- Operational Performance Program
- Classifications, Standard and Evaluation Timeline
- Rate Approval Program Timeline

Ms. Pendry asked Ms. Harvey at what point, in

addition to the concessioners who are involved in the pilots, and the survey, which will be going out within the next couple of weeks, in this process will the concessioners have an opportunity to discuss with and review the draft standards.

Ms. Harvey suggested in the spring, sometime after Pilot 2, and then Pilot 3 would be based on their comments. Pilot 1 would be ready for presentation to the Board in the March meeting, but probably no results yet from Pilot 2, but just some information to be presented.

Mr. Fassler asked for an explanation of what is entailed in a pilot.

Ms. Harvey explained that the general premise behind the pilot. Basically the pilot is going to look at the standards compared to what is currently happening, and analyze the impact on the operations.

Chair Eyster expressed that one of the concerns of concessioners has been in the past, and probably maybe continuing in the present, is that it seems that the lead time is so great from when a concessioner submits a proposed rate schedule for a subsequent year until he or she gets back approval of that. He stated that the length of time really puts them in a very awkward position and he would like to see consideration being given to try to get that turned around in 30-45 days.

Another issue is the ability to free float rates for a percentage of his or her inventory, charge whatever the market will bear for 30 percent of the rooms, and have the SERA program focus on the other, let's say, 65-70 percent of the rooms, just suggesting that as a balloon idea.

Ms. Harvey agreed to consider that and said it was their goal.

Mr. Roth added the idea of approving several years worth at once with set escalations, and then one has to only re-visit it at a less frequent cycle.

Ms. Harvey said she was open to the concessioners to send her any suggestions they might have.

Derrick Crandall stated that one of the issues that his group will be raising is that it is fine to adopt something like this in SERA, but there still is a different degree of implementation at the individual park level, so it is still discretionary with the park as to whether their decision making corresponds with any guidance here, so that is really at the heart of it.

Ms. Pendry asked if Mr. Crandall would like mandated consistent standards that have to be in effect across the Service.

Ms. Poole interjected that the one thing that has

helped is the Superintendents' training. Many superintendents in her region have completed that training, which is getting phenomenal feedback, and they talk a lot about this issue through that training, and that has filtered down through some of the parks so that those parks really are understanding where there is a lot of collateral duty.

Chair Eyster suggested this would be the top priority for the Specialists.

Dan Jensen stated that for whatever the reason, whatever the factors, the rate requests are not timely. He provided examples. He stated that the law says concessioners are offered the reasonable opportunity to make a fair profit. Part of that is rate and part of that is timely approval of rate. And so, without a process in place that that is the result, no matter what the reason is, the result does not work. The result is not right. Part of that, also, has to do with the word "reasonable" that is in the law; here "reasonable" translates to "less." The process should define it and if the process is followed, it ought to be a fair answer. Mr. Jensen went on to explain how rates are arrived at at Yosemite. He did believe

there is a benchmarking or something that can happen, that can work. Again he offered examples relevant to Yosemite operations.

Lee Harlow from Volcano added that by going on the Internet, she found that some of the wholesalers they do business with and give industry standard wholesale discounts to, do not follow the suggested pricing. This results in outside marketers selling the property at a higher rate than the concession is able to sell it for.

A lengthy further discussion followed on this subject.

Mr. Roth responded to the discussion by stating that the method of setting a benchmark and fixing a ratio that then moves up and down just as a valid streamlining method, would need to revisit the ratio or relative percentages every once in a while. A market-based situation could be considered, but it would still need to be on a case-by-case basis because there is a notion or values in the Park Service of being able to offer that experience to a wide variety of the marketplace, different niches of that market, and what happens is, in a purely market situation, is your higher end niche of that market will end up driving and using up most of the demand for the in-park lodging. That is a value decision the Park Service made with their

various concession laws. They did not want to be driven solely by that higher end niche, they wanted to be a comparable.

Further discussion ensued on this subject.

Ms. Pendry commented that more dialogue like this is needed. The work groups need to talk to one another, and she suggested to host a forum to hear what the work group is thinking, and talk about finding a system that works for everyone, that is consistent with the laws and regulations, but that is not over burdensome on concessioners.

Derrick Crandall accepted Ms. Pendry's invitation and said he was looking forward to scheduling several meetings just to continue to pursue both the short term, as well as the longer term SERA issues.

9. Report on Professionalization of Commercial Services Program - Human Capital Strategy.

Ernest Jutte presented the Board with a report on the Human Capital Strategy. The overview presented included the following issues:

- What is the Human Capital Strategy
- How is the Strategy Organized
- Who is Commercial Services
- What Do We look like

- What is Good about our Program
- Where do we have challenges
- What do our employees say
- How do we improve
- What is competency
- How can we use competencies
- What are we working toward
- What remains
- What are the desired outcomes.

10. NPHA Concessioner Panel

A panel discussion was held, chaired by Joseph Fassler and Derrick Crandall about changes to the regulations and new recommendations.

Derrick Crandall discussed rate structure and rules. He stated that his organization was anxious to work with the advisory board and with the Commercial Services Office to try to figure out how to accomplish the goals that are set forth in NPS mission, ways to make the National Park Service Concessions programs and procedures more cost-effective, more process efficient, less burdensome, timelier, and to go on and meet other goals. He said he there is a significant problem in terms of the implementation of policy nationally regarding administration of Concessions. There is a need for quick action, prompt action, to establish national

baseline activities in terms of how various kinds of concession related issues are administered, and the key issues that deserve a national guideline for each park unit are:

- Anticipated rates.
- Response time on rate approvals.
- Use of tools like core menu and competitive market declarations
- Response to emergency situations
- The use of a unique mark by concessioners
- Access from Park Service websites
- Guidance in terms of comparables
- Non-rate issues
- Pre- and post- award debriefing

A discussion followed regarding the advantage of having some kind of a Park Service insignia or concessioner service mark, followed by a further discussion on minimum stay rates, deposits, cancellation fees and comparables.

Ms. Pendry brought up the fact that the National Park Service has a branding program, and anything that would

be developed would have to go through channels and be approved by the Park Service. It would give some credibility to concessioners and allow them a little extra panache to be able to say that they are a National Park Service concessioner, and that they are the only ones that can use that particular logo. Ms. Pendry stated she thought this would be helpful and that she would be willing to look into making it happen.

Carol Metzler referred to a question asked early today about the automatic reporting of financials. She provided a detailed explanation with regard to the 2009 reporting and the difficulties encountered with inputting the required information.

Mr. Hyde explained that one of the things to do with the 2009 report is to allow an attachment that will go along with the electronic version, so that the actual audited financial statement can go, as well as all the notes. He said there was never the intention to have audited statements.

Mr. Fassler described the National Park Promotional Council, which will include the National Park Conservation Association, the National Park Foundation, Friends Groups. It is the desire of the President and of the Secretary, Interior Secretary, and the Director of the National Parks to get youngsters, people who have never been

to a National Park, people from urban areas, to come. They are not going to know anything about the park unless the park is promoted. NPHA has offered to put in seed money to get it started, but this will only work in a true partnership and must include the National Park Service.

He acknowledged that the National Park, by policy, in the past do not market and therefore the suggestion was made to use the word "promote." By getting all the agencies together, working together in partnership, it is hoped that this will reverse the decline of visitation to National Parks over the years.

Mr. Crandall brought up the fact that he would not encourage shortening the length of the contracts from ten years to eight years or seven years, because it does not seem that that makes it any more efficient or any less burdensome on either the Park Service, or the concessioners. If anything, he would like to, at some point, approach the Congress about finding a way to extend the normal ten-year contract in return for exemplary performance on the part of one of the concessioners.

A discussion followed on some flexibility in a regulated industry where pricing is regulated, to get through a difficult period of time as when last summer gas prices spiked up really quick, and help was needed right away. When you are running a 100-day summer, every day is

one percent of your business and although two weeks does not seem like a lot of time, it is 14 percent of your business. He suggested to have some consideration on quicker response in such situations.

A lengthy discussion followed on this subject.

11. **Adjournment** - Upon motion by Board Member Linford and seconded by Board Sakiestewa, the meeting adjourned at 5:00 p.m.

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Not Approved For Release