MINUTES
United States of America
National Park Service
Concessions Management Advisory Board Meeting
24th Meeting
October 12, 2011
Mesa Verde National Park
Colorado

BOARD MEMBERS:

Dr. James J. Eyster, Advisory Board Chairman

Richard Linford, representing the Outfitter and Guide Industry

Philip H. Voorhees, representing the Non-Profit Conservation Parks and Recreation Industries

Ramona Sakiestewa, representing the Traditional Arts and Crafts Industry

Edward E. Mace, representing the Hospitality Industry

Michele Michalewicz, representing the Tourism Industry

Ruth Griswold Coleman, representing the State Parks and Recreation Programs

Jo Pendry, Chief of the Commercial Services Program

Debra Hecox, Planning and Development Branch Chief, Commercial Services

Kurt Rausch, Contract Management Team Lead

Erica Chavis, National Park Service Concessions Specialist

National Park Service:

Cliff Spencer, Superintendent, Mesa Verde National Park

Bill Nelligan, Deputy Superintendent, Mesa Verde National Park

Jennifer Bonnett, Chief of Concessions for the Intermountain Region

Anne Dubinsky Altman, Chief of Commercial Services, Pacific West Region

Cindy Orlando, Superintendent, Hawaii Volcanoes National Park

Walt Poole, Concessions Management Specialist, Hawaii Volcanoes National Park

Jennifer Bonnett, Chief of Concessions for the Intermountain Region

Anne Dubinsky Altman, Chief of Commercial Services, Pacific West Region of the National Park Service

Kevin Apgar, Concession Program Manager for the Alaska Region

Patrick Gregerson, Chief of Planning for National Park Service

Kurt Rausch, Branch Chief For Contract Management, Washington Commercial Services Office

Debra Hecox, Branch Chief, Planning and Development, WASO Commercial Services

Sandy Poole, Chief of Concessions, Midwest Region

Ethan McKinley, Chief of Concessions, Northeast Region

Deb Harvey, Branch Chief, WASO Commercial Services

Sue Johnson-Erner, Concessions Specialist, Mesa Verde National Park

Bob Hyde, Chief of Finance Branch, Washington Office Concessions

OTHER ATTENDEES:

Armando Ortega, Ortega Enterprises

Jim McCaleb, Xanterra Parks and Resorts

John Schoppmann, Forever Resorts

Bill Butts, Forever Resorts

Scott Socha, Delaware North Parks and Resorts

Derek Zwickey, Delaware North Parks and Resorts

Kevin Kelly, Delaware North Parks and Resorts

Kelly Scofield, Delaware North Parks and Resorts

John Svec, Delaware North Parks and Resorts

Bruce Fears, ARAMARK Parks and Destinations

Wade Willis, Science Now Project

P R O C E E D I N G S

Dr. Eyster welcomes the members and asks for them to state their names and organizations.

Ms. Pendry has the following updates.

A, concession contracting. From the past of approximately 400 concession contracts expired some time ago, now down to 30. Expect to take another seven to ten off backlog this year. Have to deal with possessory interests.

B, have completed condition assessments of all 4900 concession managed assets. Preparing prospectuses with detailed look at deferred maintenance for concessionaire information.

C, this information also useful in negotiating possessory interests and leasehold surrender interests.

D, staff changes: Jennifer Bonnett Regional Chief of Concessions Intermountain Region; Ethan McKinley, Northwest Region Chief of Concessions; Ernest Jutte, former Presidential Management Fellow, now on G. W. Parkway as administrative officer; Donny Leadbetter new Presidential Management Fellow; Washington/Denver chief of concession office still vacant with Jo Pendry serving as acting chief.

E, Office of Inspector General to conduct audit of revenue enhancing opportunities in Department of Interior.

F, American made products: Number one complaint by park visitors and number one concern of Congress.

Concessionaires to be encouraged to buy and sell more products made in America. There are fewer products produced in America. There is a dissonance with products not produced in America but finished in America: e.g., T-shirt from Thailand printed in America.

G, the Director has a new initiative, a Call to Action. There are five major goals. One, connecting people to parks, designed to help communities protect what is special to those communities; highlighting history and helping to rebuild economic and environmental sustainability in those areas. Two, advancing the educational mission of the park Service by strengthening our role as educator: Reaching out to universities, elementary, junior, and senior high schools, and talking about our core values and scientific contributions that we give back to the American public. Three, preserving America, special places. Demonstrating that Park Service is leader in this area and showing the benefits that cut across controls of the physical, social, and political international boundaries and partnerships with other communities and countries. Four, enhancing professional and organizational excellence by making sure that our work force is adaptable to the need of the visitors and the communities that they serve.

There are 36 actions in the Call to Action, from how to protect the night sky to healthy foods.

Dr. Eyster commends the staff for progress over the last four or five years in doing condition assessments and really getting their arms around possessory interests and LSI going forward. Will always be differences of opinion about assessing the condition of assets and LSI, but the field is clearer now. He commends the concession community and Park Service for really rolling their sleeves up, helping each other, and everybody is now in a better position than they were five or seven or eight years ago.

Debra Hecox states the program is meeting a tremendous challenge just to keep up with 1998 Act contracts that are expiring as well as continuing to reduce the '65 Act backlog. She commends the regional chiefs for working on not only prospectuses but contract management helping parks, leasing programs, fee program. In FY11 there were issued 17 prospectuses and three or four temporary contracts, including go ahead register notices approved, getting contract documents, themselves, approved. Temporary contracts have three-year life and, with larger operations that need condition assessments and the like, three-year process to get new contract in place. While a temporary contract seems an easy fix, it seems like it's more work than getting a prospectus out.

Issued the first prospectus with depreciating LSI for Signal Mountain prospectus, explaining why it was beneficial to competition and concessionaires as well as Park Service. Offers received. Selection of Signal Mountain Lodge Company, related to the incumbent, Rex Maughan. In stages of approving contract before award.

A couple prospectuses received no offers, which happens periodically over the past couple years. These tend to be smaller operations. Reevaluating how to proceed. Have to figure out how to make them attractive opportunities to get long term contracts in place. Next year we have challenging projection of issuing 30 prospectuses for 60 contracts, including five fairly large contracts: Shenandoah 001, which is the major lodging, food, and beverage retail operation in Shenandoah; Yellowstone 077, a similar contract at Yellowstone; Sequoia 006, a smaller contract in King's Canyon National Park; Acadia 001, primarily food and beverage and retail, and Mt. Rainier 002, the multi-service contract in Mt. Rainier. Ms. Hecox states she thinks a year from now she's going to be able to say we got all those prospectuses out.

There are two new contracts with prospectuses in the works projected to issue this year. One a bicycle rental and small food and beverage outlet at Grand Canyon at the visitor's center complex at 002; and the other is for trolley tours at Crater Lake, an operation that's been going on for several years under a commercial use authorization, but is exceeding statutory limitation of revenue with an in-park CUA.

Dr. Eyster asks about the bus operations in Denali, asking was there a contract awarded a couple of years ago.

Kevin Apgar states the contract was awarded to a Doyon/ARAMARK joint venture, beginning in 2003. Dr. Eyster asks about alternatives for managing vehicles there. Mr. Apgar responds main contract at Denali is essentially a bus contract; 90 percent of the revenue from bus tours and the visitor transportation system. The park Service has a vehicle management plan/environmental impact statement in progress right now to assess how to manage vehicle tours and visitor transportation system going forward. Major changes are not expected. The plan is scheduled to be completed the summer of 2012.

Dr. Eyster asks concerning Yellowstone National Park and Grand Canyon National Park about significant LSI issues there. Will this continue to be significant for the park?

Ms. Harvey states at Yellowstone they are ready with the region and the park to start discussing ending LSI estimates with the concessionaire. Still working with the park on finalizing our estimates at Grand Canyon.

Ms. Pendry states this will continue to be an issue. Hopefully we will be successful in negotiating an ending number. It's no secret, though, that LSI at Grand Canyon is significant. She has confidence they're going to be able to release a prospectus that is economically viable.

Dr. Eyster asks about the difference between leasing and contracting. Why is there a lease component or a category in a concession contract category; what makes the difference.

Ms. Hecox responds it's pretty complex. 1998 Concessions Improvement Management Act very clearly says that commercial services for visitors to the park should be under concession contracts or commercial use authorizations unless there is a statutory authorization otherwise. At Golden Gate there is a statutory authorization for certain facilities, such as Louis' Restaurant, that was just converted to lease, where, by statute, that park has options of how to authorize what otherwise may only be authorized under a concession contract. If it's an commercial visitor service in a park, it should be a concession or a CUA. Our leasing authority that dates from the same general act that our concession law was in very specifically says that, if it should be a concession contract, it cannot be a lease.

We are left with certain operations that are commercial in nature, because of the location of the operation or just the type of service. People frequent that business not because it's in a national park, but because it's right there: Such as an architect's office in one of our historic buildings in a park; they would go because that's where the architect is, not because it's an architect in a park.

City Tavern in Philadelphia is in an area with a lot of or restaurants. When it was first built, it was the only restaurant in the area. The area previously had few restaurants but now is in an enterprise zone. Because of that, it was concluded it is not really serving visitors to the park, because a lot of people who are there aren't aware they're in a National Park.

We look at each of those carefully. Some requests were denied, even though the alternative is we don't get a feasible contract out of it. So the service just goes away. That was the hostel at National Park.

She is not sure why the program has leasing. Historically it's in the land division in a lot of regions and in Washington. But we do have it and that's why we report on it, because it tends to be a tremendous workload for some of our rental offices.

Ms. Pendry responds some regional Commercial Services program chiefs are responsible for leasing and some are not. It varies by region. This is why her office is called Commercial Services, not concessions, because of the dual responsibility for leasing and for commercial use authorizations. We have very strict policy guidance on how to convert something from a concession to a lease. Much time is spent discussing whether something is necessary and appropriate, a key term for concession. If it's a necessary and appropriate commercial activity, it is to be a concession contract.

City Tavern was a concession contract for many years. As the city grew up around it, it wasn't necessary and appropriate to have a restaurant, so another alternative use of that building is to lease it out.

Many buildings are sitting empty in Park Service that are available to be leased. They are not necessarily there to provide visitor service. Some are schools, some are architects' offices, some are residences, some child care centers. A building that is being used is also being maintained. Leasing is also a good alternative to generate a little bit of revenue. Buildings have to be leased at fair market value and also to have the buildings maintained. There is an uptick in the amount of leases we're working on.

Mr. Mace commented a couple of the contracts are very large coming up, Yellowstone and Grand Canyon in particular. Is there a percentage of asset size or franchise fee or something like that of these contracts as to what they represent to the organization or to the National Park Service? Is this 20 percent, 40 percent, 50 percent of the park Service just in terms of size?

Ms. Pendry responds the largest single contract is at Yosemite, and it's generating 130 million. Last year the park Service had a total of a billion to a billion-one. That contract is 10 percent. The top 10 contracts represent 45 to 50 percent of revenue. The majority of the contracts are under $500,000. There are lots of little contracts and few big once. Grand Canyon is in the 90-95 range.

Mr. Mace asks about Olympic National Park had contract for cabins and got no offers. Also a separate contract coming up for lodging. Anne Altman says recently there are more no-offers: With venues that are financially poor/asset rich and sometimes have not been maintained properly.

Also, at Lake Mead, a ferry operator. Included as the required purchase is a paddle boat that we're unsure if the visitors want it anymore. The trend is moving away from a 300-person cruise and people are looking for a more intimate experience. It will cost more to get the paddle boat off the lake than to actually purchase the paddle boat, as it was constructed at the lake. Some of these unique situations make it hard, and one has to continue to assess options.

Ms. Pendry replied, saying that we are haunted by provisions in many contracts that require the next concessionaire to buy the personal property of the prior concessionaire. This is good for the old concessionaire with the paddle boat, but not so good for the new concessionaire. New contracts generally do not have that provision in them.

Ms. Sakiestewa asks if now is the time to prune those concessions that are non-performing and there's no interest. Ms. Altman says it depends. At Olympic, the Log Cabin Resort provides a lower price point accommodation. The view is spectacular. The park Service has to swallow hard and make hard choices: Do we put a lot of money in the facilities or do we close it down, are sort of the two options.

Ms. Pendry says sometimes we misjudge and put franchise fees out that maybe when we're developing the prospectus the economy was better. Since development, the economy has worsened. Perhaps we have a higher franchise fee or didn't do the IRR right. We learn from not getting bids or getting comments back. If a prospectus is reissued, it is adjusted.

Dr. Eyster asks: City Tavern is government owned, right? The option of selling -- is there a policy of under no circumstances do we sell an asset? Who makes the decision?

Ms. Hecox says it takes an Act of Congress to remove property from a park. Perhaps for City Tavern the requirements in the request for proposals for the lease may have been a little steep for the current economy. It was a 10-year lease that was proposed. With leasing one can go up to 60 years. Buildings have been disposed of before and they can be dismantled and taken out of the park as an option. If they're historic structures, which the City Tavern isn't, there's a mandate that it's a park resource and we try to preserve those rather than dispose of them.

Mr. McKinley points out the City Tavern was constructed for the Bicentennial. No way that the National Park can justify disposing of an asset that was only built 30 years ago. The question is what sort of use goes on within that asset. Leases have a lot of benefits in that they try to maintain the asset for the park when the park doesn't always have the resources to maintain it. It is more important that the park have it maintained than they have any particular service in it, as with the concession contract.

As to why the RFP came back negative, we have received a lot of feedback from interested parties. The market value, the rent that was assessed, was simply too high for the market. Something that needs to be worked out with the Office of Valuation Services to make sure that the appraisals don't come back with numbers that are too high.

Also, there was a requirement for ADA accessibility. One has to go through the back basement kitchen if one's in a wheelchair. There's a requirement that the next operator install an elevator, with rent credit. But it is hard to find somebody to invest a million dollars into a restaurant facility right now. The industry would like the park Service to invest the money so that the building is turnkey and have a shorter lease due the competitive market.

Next Mr. Rausch spoke for Standard Evaluation and Rate Administration (SERA). Since the last board meeting we have had opportunity to move forward with SERA Phase 1, a series of standards that address lodging, food and beverage, and retail operations, specifically merchandize retail, not convenience items. Finalized and received our first set of comments from concessionaires solicited through the advisory board springtime last year. Submitted those comments to a service work group and gotten final comments back. The standards and classifications for those three service types are at the 99 percent mark.

A new service category was added for lodging. We had not previously had what is called rustic lodging. It was added in based on feedback from the two groups as well as field experience. We have also added casual dining experience broken into two parts, family casual and upscale casual.

The standards and classifications are ready to start being used. Beginning to inform prospectus development process with those. Classifications needed because historically the park Service had a set of service standards but they were not classified; for example, rustic versus upscale lodging property. We are working on ranking of standards and creation of an evaluation tool. Have been encouraged to look beyond unsatisfactory, marginal, and satisfactory scoring system to include an enhanced ranking such as beyond satisfactory or exceptional. Considering financial as well as operational incentives to those scoring high, perhaps to be reflected in franchise fee, prospectus development, or operational practices.

Dr. Eyster inquires as to the existence of pilot programs. No pilots as yet, but consideration being given to Grand Teton, Yellowstone, and Zion National Parks.

Dr. Eyster inquires as to the appropriateness of concessionaire in-house satisfaction surveys. In addition to factors of contract compliance and management of assets, satisfaction surveys will be considered. One would have to have a high score on visitor satisfaction in addition to other factors to score beyond satisfactory or exceptional.

Mr. Willis points out that the client of a river rafting operation or the like may not have the expertise to appropriately comment on whether the service provided is satisfactory or not. As an example, a river rafting operator who does not provide a service on a particular day because of the operator’s concern about safety conditions. Mr. Rausch says that the concessionaires often have very sophisticated satisfaction surveys, and the management team can use that information to fill gaps.

Mr. Kelly states his company takes such matters into consideration, but also that they bonus employees for high satisfaction ratings. Mr. Fears says ARAMARK uses a balanced scorecard to get feedback, and also bonuses employees. Mr. McCaleb states that Xanterra states they get 100,000 comments per year and analyze those comments looking for trends, rather than just outliers.

Dr. Eyster inquires whether the park Service uses any of the information from concessionaires or does the park Service rely on third-party independent evaluations. Mr. Rausch answers that the park Service is now requiring in new contracts that such concessionaire survey information be provided to the National Park Service. Thought was given to National Park Service using third-party surveyors and mystery shoppers, but it would be redundant to that provided by the concessionaires. Mr. Socha expresses satisfaction with the abilities of Mr. Rausch and his department.

Mr. Rausch addressed healthy food. CDC has done a 50-park study of food from concessionaires. Also, the Institute at Golden Gate, part of the Golden Gate Conservancy, have prepared an initial report called “Food for the Parks”. This work has resulted in proposed minimum standards to be incorporated into operating plans and questions in prospectuses regarding healthy and sustainable food choices. However, popular items such as nachos at Signal Mountain, etc., will be retained. The intent is not to be the “food police” but to ensure visitors are able to make informed choices.

Mr. Rausch addressed White House interest in healthier food and childhood obesity. Information will be presented to the White House and it is expected there will be a half-day conference at the White House on this subject.

Ms. Sakiestewa asks if parks are exploring themed foods; reflecting the agricultural crops of Mesa Verde and the like. Mr. Rausch replies many parks to serve foods appropriate to the region and history; also part of the healthy foods program. Mr. Fears states his company doing much work to bring in locally produced foodstuffs. Ms. Pendry asks if healthy foods are being encouraged in the Parks, despite the demand by the visitor for “the 1800 calorie Double Whopper with cheese". Mr. Kelly responds healthy foods are encouraged. It is in part driven by the area of the country: California is more health conscious than, say, Niagara.

Ms. Coleman points out is the experience of State Parks that visitors acknowledge the importance of healthy food, but continue with their wants for the day, anyway. State Parks do encourage the serving of locally produced healthy foods, nevertheless. Mr. Rausch comments on the difficulty of evaluating non-restaurant food, such as from convenience stores.

Mr. Rausch then takes up the topic of rate administration. Four parks are involved in pilot programs exploring the use of TravelClick and Smith Travel.

(A recess is taken.)

Ms. Hecox addresses planning for commercial services, bedrock principles. In 1916, the National Park Service Organic Act established broad conservation mandate and role of public enjoyment for future generations. 1970 General Authorities Act requires management of recreation areas, parks, memorials, and monuments as a system, not as individual units. 1978 Redwood Amendment to General Authorities Act requires parks to be managed for original purposes parks were established for. 1998 Concessions Management Improvement Act reiterates 1916 Organic Act principles that parks exist to conserve resources of national importance; visitation is not to unduly impair or harm those resources; for services to be authorized under a concession contract, Park Service has to find them to be necessary and appropriate. In 2006 National Park Service redid its general management policies requiring: A. Keep in mind the specific purposes of areas under National Park Service control; B. Chapter 10 reiterates necessary and appropriate standard but also recognize importance of planning when authorizing contracts or commercial use authorizations; recognize that parks need to develop a commercial services strategy to analyze existing plans and glean from that what we should do with commercial visitor services, and realize at times it is necessary to do a plan specific to commercial purposes; and reiterates the statutory requirement, in order to issue a concession contract, a determination has to be made that it is a financially viable operation. A plan could be a beautiful plan but it cannot be implemented if it is not economically feasible.

Sandy Poole inquires as to the difference between a commercial services plan and a commercial services strategy. Ms. Hecox gave the example of the Flamingo Master Plan and Design Program. After being struck by two hurricanes, while the marina was operable, the lodging and restaurant areas were rendered unusable. The park undertook a study to determine what commercial services were needed in the area: i.e., a commercial services plan. Most parks have a library of plans done over the years such as back country management, resource management, winter use management programs which have identified resource issues and impacts, monitoring programs, and determined appropriate levels of use in the entire park and parts of the park. The commercial strategy analyzes these plans and gleans decisions that already exist as to what services are necessary and appropriate in the park.

Mr. Kelly inquires as to whether the commercial services strategy is documented. Ms. Hecox replies it should be and there is one at Yellowstone. Mr. Kelly inquires as to whether there is documentation of a commercial services plan. Ms. Hecox replies there is not and that most parks do not have one, the other, or both documented. But most parks have other plans on file on how to manage these resources.

Mr. Linford asks whether it is ever determined that an activity is no longer necessary and appropriate.

Ms. Hecox responds that under a commercial use authorization the determination is made as to whether the action is appropriate; while the determination of necessity is somewhat more subjective. For example, towing operations. CUAs are issued for towing operations rather than commercial service contracts.

Ms. Altman address the issue of lodging at Lake Mead. When Lake Mead was created, Las Vegas was not the large commercial operation it is today. There are today many lodging resources available outside the park. Also, the lake having dropped, much of the in-park lodging is far from the shores. The building are old. It has been determined that some of the lodging is no longer appropriate nor necessary.

Ms. Pendry asks if the concessionaires have any questions about how the park Services determines what concession activities need to be inside a park, when compared to services available outside a park.

Mr. Svec inquires whether the determination of necessity leads the National Park Service to the conclusion that it is easier to shrink services in a park as opposed to expanding them.

Ms. Hecox responds that there is not a bias toward reducing services. But there has been billions of dollars of deferred maintenance and built facilities. Some of this is roads, but some of it is structures. There has been $400,000,000 in deferred maintenance of just concession facilities. One must take into account not only the cost of building new facilities, but the future cost of maintaining them.

Ms. Sakiestewa inquires if there is a general master plan addressing environmental and economic impacts as well as architectural style, and other demographics similar to one used by Target. Ms. Pendry replies that Mr. Gregerson will address that question in his remarks.

Mr. Willis asks about consumptive take operations, such as hunting, where the amount of available resource and the amount of harvest resource available of all users varies from year to year. National Park Service attempts to manage commercial take but has no ability to manage non-guided take.

Ms. Hecox responds that Alaska is a unique situation. Park Service together with local Fish & Wildlife are better able to evaluate Alaskan resources.

Mr. Gregerson addresses planning broadly (NEPA and PEPC). In the past the National Planning Program dealt only with general management plans and not specific plans with often only a single paragraph on commercial services. However, commercial services has a large impact on park visitors. There are currently 60 general management plans in operation; there is a staff of 60 planners at the Denver Service Center; there are seven regional planners, and many park planners. The concept is to integrate these many plans into the general management plan. Prior to this time it was the custom to create a general plan which was used for 20 years and then a new plan written. It is the goal to come down from the “60,000 foot level” and integrate these plans into a portfolio of the general management plan and keep it updated. Funding will be made available for issue-specific and park-specific plans, such as commercial services plans, climbing management plans, and the like, rather than be limited solely to general management plans.

This will proceed under three guiding principles:

1. Identifying the purpose of the park and the significance

of the park in serving that purpose; 2. A portfolio of planning as a subset of the general management plan; 3. Leveraging National Park Service Planning Program funding with other parks and programs in order to integrate the programs and provide for park-specific needs. Together with Commercial Services, Natural Resource, Cultural Resource funding to take the “stovepipes” down and level the playing field.

Ms. Sakiestewa asks where the friends of parks fit in. Ms. Hecox replies this will be addressed in Ms. Clark’s presentation.

Ms. Pendry asks how foundational plans would be created for a hypothetical new park. Mr. Gregerson responds legislation comes through identifying and creating a new park. The legislation usually specifies that a general management plan will take place within three years of funding. When funding occurs, internal scoping takes place to identify the purpose and significance of the park with input from friends groups, concessionaires, politicians, and neighbors. This foundation is used to identify preliminary alternatives; i.e., identifying type of activities, resource protection, cultural resources, and interpretation. What type of NEPA document is necessary is determined. A draft general management plan is presented to the public for review and comment through PEPC (Planning Environment and Public

Comment, pronounced “Pepsi”) an online communication and comment area. In the past five years, 70,000 comments have been accumulated through PEPC on various proposals. Amendments are made to the general management plan and it is re-submitted for public review and comment. An environmental impact assessment is made. The process takes about seven years and costs a lot of money.

Dr. Eyster asks if there is a public comment process for existing parks that are undergoing review.

Mr. Gregerson responds that, as part of the NEPA process, there is opportunity for public comment, along with input from concessionaires and organizations who have expressed an interest in the park.

Ms. Coleman discusses the drop-off of visitation at many historic parks (museums and homes) and inquires how it is proposed to increase visitation to these parks.

Mr. Gregerson replies that some venues have always had a small amount of visitation; some of these venues now operate with reduced staff. Long-range interpretive plans are prepared; new and different activities are explored.

Mr. Linford asks: Once a new plan is created and handed off to the park superintendent, how do you make sure it is enacted?

Mr. Gregerson responds funding sources need to be identified and sought after. Three to five-year monitoring plans are being implemented.

Ms. Orlando brings up the topic that operating under a master plan that is 20 years old is quite difficult. Many things have been added to or removed from the park in that time. Washington is holding briefings on a more regular basis and vetting draft alternatives. There is a lot of competition for funding.

Mr. Gregerson replies that there is more Congressional oversight of spending. On the one hand, is a new building needed; on the other hand, there has been $11,000,000,000 of deferred maintenance.

It is pointed out there are roadblocks to the use of technology in the parks. For example, visitors want and expect Wi-Fi and cell phone usage. It can take as long as seven years to investigate the appropriateness of the technology, especially when the general management plan is silent as to the use of technology.

Mr. Gregerson replies that these issues will have to be addressed at a lower level than the general management plan. He states Wi-Fi, for instance, can be used to provide useful information to the visitors, such as scheduling of talks and films, or supplying maps to visitors who have lost their brochures.

Ms. Pendry asks: How does one get to the new plan, without taking seven years? Mr. Gregerson responds that assessment or planning need to determine a foundation.

Ms. Coleman states that the interpreters could be drivers for the technology. With fewer visitor centers being built, but a great demand for information, Wi-Fi would be useful. How do we overcome the prejudice against Wi-Fi and cell phone use in the parks? What difference is there between someone reading War and Peace in the evening and watching a movie of War and Peace in the evening?

Mr. Gregerson responds that having Wi-Fi available would make the parks more appealing to younger people. They can use it in the evening, but explore the park in the daytime. More parks are getting cell phone towers, although it is sometimes necessary to disguise their use.

Dr. Eyster points out that flexibility is required to fast track certain plans without going to the general management plan. He cites the Japanese car makers overtaking American car makers in the eighties because the Japanese were willing to implement new plans and American car makers were not willing to step outside of their four-year plans.

Mr. Gregerson says the thinking is to move the larger general management planning to the Denver Service Center and let the regions address the smaller plans.

Ms. Harvey asks: If a general management plan does not address certain technological issues, is it necessary to go back to the beginning of the general management plan and redo the entire plan?

Mr. Gregerson responds that it would be an operational issue and would need to be addressed in the general management plan.

Ms. Harvey points out that often the general management plan will specify how many hotel rooms she must have, and whether or not cell phone towers are permitted. How do you deal with a situation where the general management plan is so specific?

Mr. Gregerson responds that one would have to update the commercial services plan, which would update the general management plan if there was NEPA along with it.

Mr. Willis and another, unidentified, raise the issue: Is doing NEPA required in these circumstances?

Mr. Gregerson responds that, since Wi-Fi is generally not visible, not for Wi-Fi. A cell tower would require a NEPA, anyway. There are a number of needs that aren't being met today because of budgetary constraints such as building or repairing a comfort station. It would be up to the regional director to establish priorities for allocation of funds. At least get the project identified and “in the hopper” so it does not get lost and await funding in the future.

Mr. Linford returns to Dr. Eyster’s comparison of the general management plan to the different approaches taken by Detroit and the Japanese auto makers. How can we take a top-down plan and make it more flexible? How is it possible for the local supervisor to move forward without the general management plan telling him he can?

Mr. Gregerson responds to first identify the need and whether it affects the general management plan. The regional planners are being made available to the supervisor for study and planning. The supervisor can request from the regional planning chief for a few days to do a charrette to identify what type of activity can be done. NEPA doesn't always mean time. One can create a memo to the file that says that NEPA has already been done on a plan; there may be a categorical exclusion. NEPA does not always mean an environmental assessment or EIS is necessary. There are aspects of NEPA that can be very quickly done if it meets some of the other criteria.

Mr. McKinley states that the foundation plan is fundamentally different than the general management plan. Will the foundation plan be replacing the general management plan?

Mr. Gregerson replies it is not going to replace the general management plans.

Mr. McKinley asks: If there is a limitation in the general management plan, for instance, the number of rooms permitted, how can that be changed in a fast and efficient manner? Is it necessary to amend the full general management plan, or can one take a commercial services module of the general management plan and address the needs on a more efficient basis?

Mr. Gregerson responds, yes, quite often GMPs identify other plans that tier off the GMP. Once you identify the need it is addressed through its proper planning process and the NEPA process. This amends the GMP. There are needs, such as an old master plan that is 30 or 40 years old, where one would need to do a new general management plan. But the foundation document identifies the purpose, significance, FRVs, in one place, in the planning assessment.

Dr. Eyster says the it seems that the GMP needs to be general, not specific, and then refer to sub plans for cell towers or whatever, instead of going back to the GMP. With the GMP as general in nature, it can identify the values of the park and leave the detail and delay to the commercial services plan or environmental impact or interpretive, and have the decisions being made at the local level. It would seem the hang-up is when the GMPs try to get too specific.

Mr. Gregerson responds the GMPs became specific because there was not funding to do specific plans, therefore they tried to put everything into it. With the funding restriction changed, there is an opportunity to update the

GMPs.

(Recess for lunch.)

Ms. Hecox recaps the discussions by pointing out: Any activity authorized has to be consistent with the Organic Act principles as expanded by the General Authorities Act and the Redwood Amendment. There is a statutory requirement for long-term plans such as GMPs. Forest plans, while not as rigorous, have a statutory requirement for GMPs. The other statute that guides planning is NEPA: Draft plans with alternatives are prepared; public comment is received; those comments are considered in making the decision, although you are not limited to the one the public favors the most; NEPA can set up plans when the best decision is unknown but you're willing to monitor it; there are adaptive management plans with certain standards that are monitored.

Ms. Hecox reiterates the foundation document is not a plan but a part of the GMP which defines the purpose and significance of the park and identifies important resources and values associated with the park. This is the foundation from which other plans spring; other plans have to be well grounded in the foundation document.

Ms. Clark makes an address concerning Yellowstone. Yellowstone has a 1974 master plan and has opted out of having a GMP. There are issues concerning wild bison, winter use, grizzly bears, and the like that would make a GMP difficult. Instead, the focus is on the 2 percent of the park that is developed. Just as automobiles have become accepted in the parks, she foresees Wi-Fi and cell towers becoming necessary to attract and meet the needs of park visitors.

Grizzly bears, wolves recently introduced in northeast part of the park, threatened and endangered species (T&E), all attract photographers who are using point and shoot, cell cameras, and long-lens cameras.

The old way of planning would say a hotel or visitor center is needed for this part of the park. There would be a little postage stamp of resource analysis, a document written, and done. Next bathrooms would be needed next to the hotel or visitor center, and the same process would begin anew.

Sometimes the question is asked as to why concessions projects don't have to go through public comment. Visitors don't understand concessionaires have been invited in and have lots of constraints on them. A commercial services strategy, such as Yellowstone has, does not require public involvement; a commercial services plan or comprehensive plan does, which satisfies NEPA.

One has to look at the Fundamental Resources and Values which, if threatened, would threaten the significance. Without the small scale rusticity of the Tower-Roosevelt area, the area would not longer be significant. One has to look for the purpose and need of the plan, potential alternatives, alternative themes, and impact analysis. Tower-Roosevelt was a stage stop in a rustic setting; horseback riding and horse use is fundamental to the area. The average visitation in the Tower-Roosevelt area is three to four days.

Tower-Roosevelt had several controversial venues: A chuck wagon dinner, stagecoach rides, horse rides, which are very popular and huge revenue generators. A large parking lot in front of the stage stop interferes with the views.

One has a highly popular visitor experience that is also a threat to resources. A study was done. The horse rides and chuck wagon were found to be fundamental to the area. It was necessary to work on ways to manage this so it would be good for everybody, those riding the stage and the grizzly bear, and how to bring this together and make the commercial service work in this area.

Because only 2 percent of the park is under development, it was decided not to look at carrying capacities but, instead, what are the acceptable limits of change. An intense resource inventory was done for the area: Wetlands; rare plants, physical attributes such as roads, manholes, sewer lines; bears, bees. This created a remarkable knowledge base from which to manage.

Five planning zones were established, much like covenants, ranging from the administrative zone, the most flexible, to the historic zone, the least flexible. By having previously set, generalized design standards for each zone, the managers can be more flexible. If one forgot a utility line in their planning, it would not be necessary to do a new NEPA.

Partnership groups: To get outside expertise, Yellowstone has invited in five or six private partnership groups and academic groups such as the MSU School of Architecture to come in for a week, the lodging and meal expense being funded by the Yellowstone Park Foundation. The park Service identifies the resource in question, issues and concerns, and what is significant. For about $30,000 in meals and lodging, the park Service acquires about $500,000 worth of expertise in architectural landscape, architecture, and planning. This is folded back into alternatives and presented to the public.

Consultation is done with concessionaires and other stakeholders such as state historic preservation offices, U.S. Fish and Wildlife. Concessions manage 800 of the Parks historic properties. A lot of good planning has been done but not implemented because of funding or the plans didn't quite add up. The plans are looking at how do we link for the future. This is a new kind of planning and goes all the way from significant down to "let's implement it".

Ms. Pendry asks: How does this comprehensive plan compare to the GMP or the foundational plan?

Ms. Clark responds the foundation plan is still needed; one is in draft and has to be finalized by 2016. The area plans tier back up to the foundation plan. Either in austere or good budget times it allows you to look at what you need to do and then fund it as you go.

Ms. Altman asks how the comprehensive plans differ from the development concept plans. Ms. Clark responds they are very similar. The DCPs don't do the resource assessments for the whole area and they tend to be focused on a smaller piece. The comprehensive plans are for the whole developed area: All the circulation, structures, utilities. There were problems with DCPs at Yellowstone because the resource assessments weren't completed.

Mr. Gregerson points out they're pretty much the same: One's an old title; the other new. Development concept plans didn't have resource condition assessment: One dealt with the information at hand. The name was changed as more is done in the comprehensive plans. People have a better understanding of the comprehensive plans.

Ms. Clark states the point of origin is different. We are using park staff, who are there all the time, and we hope to have buy-in into these plans versus a team of outside experts. There could be issues both ways.

Dr. Eyster asks: When the concessionaires were brought in for input and feedback, what areas were most discussed and most helpful to you as planners?

Ms. Clark answered the concessionaires have in-depth knowledge and love of areas of the park and a back-of-the-house view in terms of their operations. Often they see things the planners do not. In the '93 plan it was decided to get rid of a facility and stopped putting funding into it. Now we've changed our mind, and are keeping it. The concessionaires ask to be included in the changes and keep them appraised so they can offer feedback and ideas. They are good sources of information. However, they are not at the decision making table.

Mr. McKinley inquires as to if the plans are tiered as foundational plan, comprehensive plan, etc.

Ms. Clark answers that they look first at the past legislation. Then the significance at the park level. Then tier down to what's the significance at the area level as it relates back to the park. The commercial services strategy identified commercial services activities and changes, which is then taken through public review and environmental analysis.

Ms. Hecox points out it is not so much as tiering off, as it is the foundation document is the center and the other plans are interconnected in a web.

Mr. Rausch asks: What were some of the specific outcomes from this process, zoning, identification of resource constraints, and other things? Were there any specific design outcomes that have been executed?

Ms. Clark answers: In Tower-Roosevelt, a small area, we have processed nine projects. Four were clearly identified in the comprehensive plan and the others included within the scope of the plan such as utilities or crossings through wetlands that we didn't specifically identify. Because the resources had been assessed and the impacts and effects were known to be below that threshold, they could be included in the comprehensive plan. This gave a great deal of flexibility. We have snow nine months of the year. Now we can work in the winter and get things done nine months quicker.

Mr. Rausch asks: Anything in the specific context of commercial services?

Ms. Clark replied it helped us assess what was important in commercial services and how to manage effectively to get the projects done. If budgets were scarce these were the things that needed to be preserved. There will still be a cookout at Yancy's Hole. As far as a new store at the junction, the environmental compliance has been done, but the public feedback was the public liked the store where it was.

The compliance has been done for many options. If things were forgotten, we've already assessed what might be needed. Alternative locations for the parking in front of the lodge have been assessed.

Ms. Hecox, Ms. Altman, Mr. Gregerson, and Superintendent Spencer formed a panel for discussion.

Superintendent Spencer discussed, with his background in law enforcement, he viewed planning as a bottom-up approach: One learns techniques; a group of techniques becomes a tactic; a group of tactics becomes a strategy; and a strategy becomes a plan. One has to be adaptable to the situation.

It is Superintendent Spencer's experience that we have pretty much lost the local population: Durango, Farmington, Dolores, Cortez, and Mancos. The local people don't visit the park anymore. Many have not visited since a ninth grade field trip.

An effort is being made to expand visitor opportunities. Provide limited tours to areas tours are no longer provided to. With a snowmobile and a track layer, we started doing cross-country ski and snowshoe trials in Morefield Campground and on the Mesa Top Loop. Now there is another reason for visitors to come, especially the locals, because it happens in the wintertime. On the administrative side, an effort is being made to digitize 105 years' worth of research on archeological sites, building, and utilities. Many areas have already been researched.

Ms. Poole says she is pleased with Ms. Clark's presentation. In the past many people did not know how complex concessions can be. There were times in the past that she would find out about GMP meetings at the last moment and have to "crash" the meeting.

Some GMPs have been too restrictive; some too broad. It is a good thing to have an underlying strategy to offer more to the park visitor and encourage their coming.

Ms. Altman states the key is flexibility. Sometimes all you need related to commercial services is a general management plan. Other times you may need to do a specific commercial services plan or even something more specific, depending on the operation.

One of the things we really try to do is educate parks staff and other regional staff how to insert commercial services in a level that's appropriate to the planning they may already be doing. There will be more feasibility analysis: Are the preferred alternatives and the alternatives that end up in planning financially feasible; do the concessions makes sense. Market studies are done.

An example is a 10-room lodge may have operational costs so high no one would actually run it. A 20-room lodge may work fine for the park. One of the big issues is trying to help parks assess those issues in different ways.

There are three levels to NEPA planning: Environmental impact statement level; environmental assessment level; and categorical exclusion. Issuing a concession prospectus is an action that triggers NEPA.

Compliance is done on every prospectus that we issue. In issuing a concession prospectus where there are no changes to existing services or the services are covered in a different plan is a categorical exclusion. A statement is completed that walks through that for every prospectus we issue. The regional director signs off and says these facilities are still necessary and appropriate. Looking at the GMP, it refers back to the documents that demonstrate how we arrived at our decision.

Ms. Hecox discusses that in the past prospectus development operated without a timeline. Under the 1988 Act we have the base term plus three years. At this point our program is in good shape but there are challenges ahead of us. Ms. Hecox asks for thoughts and ideas about keeping planning that needs to inform our future operations on a schedule where the planning decisions are meaningful for the prospectus development process.

Mr. Gregerson says that education is needed. One of the biggest issues is that planners don't understand what concessions is about and what the needs are for the concessionaires or the concession program. There is a cultural issue that concessions is not that important. Every time a visitor goes to a park, they deal with concessions.

Ms. Hecox asks Superintendent Spencer to speak to the need for timely planning and flexibility in park operations to help the concessionaires react to market changes during the term of a contract.

Superintendent Spencer says it is necessary for the park staff to build awareness that concessions is a part of the visitor experience: Visitors will be looking for food, lodging, refreshments, fuel, etc. Mr. Page of ARAMARK is included as part of the management team at Mesa Verde and provides input from his perspective. Mr. Page and the head of the museum association are also part of the strategic planning.

Dr. Eyster asks if there has been a disconnect between permanent full-time park staff and the park concessionaires. He asks if concessionaires feel as if they have not been heard; if inadequate attention has been paid or weight given to decisions in planning processes.

Ms. Altman replies that many Park Service disciplines overlap: Natural resources and cultural resources; law enforcement and natural resources problems;

and administration. But the disciplines tend to be insular and, not being in the hospitality business, view it as a foreign world. If planners decide to shut down a lodge in six months' time, and they don't know rooms have been booked for one or two years in advance, they will have made a lot of visitors upset. It is a matter of education.

Dr. Eyster asks if there is a reason there is not a permanent seat on planning groups for concession management input, either regional or onsite.

Ms. Altman responds it is again a question of education. If you do something to affect an archeological site, one is aware of its implications. Not necessarily true related to hotel rooms. Ms. Clark adds it is not always thought that concessionaires are on the same team, as, for instance, a geologist. Park staff forget it's all part of the visitor experience and that concessionaires have been invited in. There can be "stovepiping".

Mr. Gregerson says another issue is the fact that the park Service is a transient organization. If one comes from a park that's never had concessions to one that does, they may not relate to them or how it relates to the park's use. There needs to be some understanding and training in this area.

Ms. Pendry offers to have a concessions person at every planning meeting training. Mr. Gregerson says there is a planning meeting in November and he wishes to invite someone.

Ms. Clark points out that there are lots of times that planners aren't included in concessions meetings.

Ms. Poole says we should have concessions folks involved with planning folks. In the future it wouldn't hurt to have people in the planning offices that have a business background. They need not be concessions staff.

Mr. Gregerson indicates they are hiring Wendy Berman who has concessions experience so they can have that connection.

Ms. Poole says, getting back to Dr. Eyster's question, with the change in the 1998 law where franchise fees started staying in the parks areas and park superintendents have begun to understand the concessionaires are here because we have to have this service. It is for the park visitor, not the concessionaire. There are concessionaires doing environmental and educational programs. At the fundamentals course at Grand Canyon park staff are learning how complex concessions can be.

Mr. Linford asks: If there is a problem with the concessionaire or you see something you don't like, what are the protocols?

Superintendent Spencer says that either he or Sue Johnson-Erner, Mesa Verde's concession specialist, will communicate with the concessionaire, depending on the degree of difficulty. Ms. Johnson-Erner speaks with Mr. Page on a daily basis. Mr. Page is also part of the management team and Superintendent Spencer interacts with him on at least a once-a-week basis. If the problem is minor, Ms. Johnson-Erner will deal with it. If is major, either Ms. Johnson-Erner or Superintendent Spencer will deal with it.

Mr. Linford asks: Ancillary to that, superintendents and concessions specialists are transient. What is more disruptive to the concessions manager, the leaving of a superintendent or the leaving of a concessions specialist?

Superintendent Spencer points out his two predecessors were at Mesa Verde for a combined total of 30 years. He is the third superintendent in 31 years. Mr. Kelly says the concessions managers are just as transient as park staff.

Ms. Michalewicz asks if there are programs where Park Service and concessionaire staff get together; if so, is it done yearly or twice a year. It would be helpful to have some kind of program in place in every park so park employees and the employees of the concessionaires can work as a team for the visitor's experience.

Superintendent Spencer replies at Mesa Verde it is not organized to that extent. However, the more isolated the area, the more park staff and concessionaires work together. The concessionaire is invited to seasonal training for seasonal staff. There the concessionaires learn a little bit about park history, interpretive information, and visitor service information that they'll then be able to dispense to the public.

Ms. Clark states they have interaction on a lot of levels including a twice-a-year concessions and park staff meeting. Also an orientation much like that mentioned by Superintendent Spencer.

Ms. Stavrevski inquires about the possibility of doing a financial analysis on preferred alternatives to a point earlier in the process.

Ms. Hecox responds it is one of her long term goals to have the kind of financial analysis used for the prospectuses incorporated into the planning processes that specifically look at commercial services.

Ms. Altman states, on three plans they have had, the contractor comes in and does a feasibility study for the plan. The contractor is already hired and on board. When funding becomes available, they are able to proceed. It is necessary to make sure there is some understanding of the kind of financial analysis that is done for concession contracts.

Ms. Pendry inquires of Mr. Gregerson what type of financial analysis is going to be done. The Flamingo plan was very expensive and can't be used.

Mr. Gregerson states that he paid for the design but had nothing to do with the plan, which was park-sponsored. There was not a good review process up the line. They didn't have Ms. Pendry's office or the regional office review it. It was good on paper. But when it was added to the GMP the Director put a stop to it. The cost and feasibility is being reviewed.

Ms. Clark points out it is difficult to estimate costs when you don't know when the plan will be implemented.

Mr. Butts states, although the consultants do fine work, it might not hurt to check with the concessionaires and get feedback from them. The bill may be a little less. Mr. Gregerson states that is a good idea.

Ms. Altman addresses the subject of the preliminary financial analysis which was done at Hawaii Volcanoes for the prospectus. The bids received didn't meet all the terms and conditions needed. Examination revealed that the prospectus was issued in 2008 right as the economy tanked. Cruise ships and air traffic were greatly affected. Ms. Orlando states that that has been corrected and the visitors are coming back. Ms. Altman says we revised and put together a more comprehensive economy and studied what we can live without, what we'll fund, and what the concessionaire is to fund.

Ms. Sakiestewa inquires where do you go for consultant inspiration? Theme park consultants? You're selling something and you have to get the public there.

Ms. Clark replies at Yellowstone they first look at what is necessary and appropriate and resource preservation. Then what is the appropriate experience that doesn't depreciate those resources. Charrettes are held with public sector, private sector, and academic sectors at the park and discussions are held. They have built a constituency of 75 people and students who come up with creative ideas. These are the people who design airports and zoos and plan for big cities. They have both perspectives.

Ms. Sakiestewa asks: Since this only applies to Yellowstone, what other methods are used?

Ms. Hecox states that a frustration is that the planning processes and prospectus development processes are often out of sync. A lot of ideas come through the planning process but they take longer than prospectus development. In the prospectuses we have to go with the best ideas and a lot of times that is the same thing we've had for 30 years because planning for something different is not in place.

Many of the park staff have good ideas. The frustration is a lot of plans and process are not being done in time.

Ms. Sakiestewa asks: How are you going to get people reengaged with Mesa Verde; how do you get new generations engaged with Mesa Verde?

Ms. Clark responds this is where some of the technological things can help. You have to meet the prospective visitors on their own terms.

Ms. Hecox states, focusing on the Call to Action and connecting people to parks, how can planning be focused on commercial visitors services to reach new visitors, both the new generation and the parents who drive the car to the park. Other than wireless, what else is there.

Ms. Sakiestewa replies that Disneyland manages their resources very well. The park has far superior resources to Disneyland but the process used there are worthy of study.

Ms. Poole points out some of the parks are so remote it is not just a question of getting visitors to the park, but also a question of getting staff to come and work in the park. It is necessary in planning to get away from "don't touch anything" and to invite people in to help preserve and protect. This is difficult because we have become prisoners of our own processes.

Ms. Coleman states in California they're starting to look at concessions as a form of revenue generating; not just for itself, but that's the only way to achieve our mission. In California we're creating the ability for the parks to be able to keep the money actually in the parks. The parks that make more money help the parks that make less. At Jack London a theater group put on an open air performance. Through free media, 800 people came at $40 each. This not only brought in money but brought the park to the attention of a lot of potential visitors.

Ms. Coleman is putting in a zip line, calling it an aerial trail, at Point Lobos Ranch, which has no public access. One takes the zip line from stand to stand, getting interpretation at each stand. Ms. Coleman likens it to Disneyland's E ticket rides. The public is in favor; the resistance comes from park staff. This is programming which does not hurt the resource but will bring people in.

Mr. Fears discusses an upcoming summit with NPCA, the National Park Foundation, and National Park Hospitality Association. 400 have been invited. They will discuss the next five years in the park.

Ms. Pendry says there might be an opportunity for the advisory board to be involved.

Ms. Michalewicz brings up marketing. The National Parks aren't even on the radar of the present generation. Ms. Hecox points out that, other than the Department of Defense for recruiting and the U.S. Postal Service, there is an executive branch prohibition on the use of appropriated funds for marketing.

Ms. Pendry states she can market, as in giving an interview on NPR, but she cannot take appropriated dollars and pay for advertisements.

Dr. Eyster says, in the first few years the advisory board was formed, we pushed very strongly to have NAFIs, Non-appropriated Fund Instruments. It didn't get approved. Ms. Orlando says that will be part of the conversation at the upcoming summit.

Mr. Kelly says NPH did form a group called the National Park Promotion Council to go out and generate additional funds for promotions. It is necessary to all work together. It would be good for the travel organizations to promote National Parks.

Mr. Willis notes that he, as a commercial use operator, has to market. But it is not only the concession contract owners who benefit. There are out-of-park industries such as hotels; state governments benefit; equipment manufacturers and retailers benefit. It would be wise to get these people involved.

Dr. Eyster asks of the concessionaires: To whom do you primarily target marketing dollars?

Mr. Fears says it varies by market. 90 percent of marketing in Alaska is done by cruise ship lines; ARAMARK does relatively little marketing in Alaska. But, for Lake Powell, ARAMARK has a huge marketing budget.

Ms. Michalewicz points out, with gateway communities, hotels, state tourism offices doing the marketing, the park Service is not controlling the message.

Ms. Pendry states the park Service for the longest time had a public relations/public affairs officer but not a communications office. In the past two years there has been established a communications office to redesign the website, develop Twitter/Facebook-type messages; and collateral marketing messages.

Dr. Eyster states, without a NAFI, there is not a vehicle that the park Service can use to spend its own money.

Ms. Pendry says: Not in direct marketing.

Ms. Coleman asks: Does National Parks have a lot of influence over the National Parks Foundation? Could they point out what their higher priorities area? Ms. Pendry says the foundation can spend its own money on marketing and the park Service could choose to say what is a higher priority. Mr. Fears says ARAMARK does joint promotions with the foundation now.

Ms. Michalewicz asks: Could part of the prospectus include marketing dollars for the park Service to use?

Ms. Poole responds they do in the prospectus development. If parks have issues with visitation and feasibility, we ask potential offerors for ideas how they would market that park. This is already built into some of the prospectuses. There is not a set percentage. As a former business owner herself, Ms. Poole thinks any prudent business owner is already marketing. Concessionaires are not prevented from marketing. Commercial use authorizations can link to the park's website and the park discusses them as an authorized concessionaire or business partner. They have done a lot of work in that area.

Mr. Fears says you could spend days on the issue of marketing. Many people visit the United States with the expectation of visiting one of our parks.

Mr. McCaleb points out that the centennial of the park Service is coming up in five years. This would be a good opportunity to point out that the technology is improving through public service announcements. Ms. Pendry recommends at the next meeting Ms. Johnson-Erner and her communication staff be invited to discuss the efforts being undertaken with regard to communication and promotions.

Mr. Voorhees says he hates to rain on everybody's parade. There has been a lot of discussion about integrating concessions planning process with the general planning process, which is all well and good. First: What is the likelihood that the park Service would come out with another white elephant like Flamingo? Second: The planning I'm hearing about is how to do it better when we're thinking bigger, better, more. The way things are today, that will be a long way down the road. There is a lot of competition. Is there planning that runs the other direction so that, if you have to go the other direction, you know what you're doing.

Mr. Gregerson responds that presently we have a funding-based review process rather than function-based. If my program is funding a plan, I will see it; if a park is funding a plan, I won't see it. The Deputy Director has prompted us to start identifying a better review process to take those stovepipes down and do a functional review process. Checks and balances are being put in place to prevent another Flamingo. On the second question, I don't know what to do.

Ms. Clark states that financial analysis is austere in the future. The planning is being done so that, if funding becomes available, it can be used in the right direction with the idea of avoiding going in duplicative or redundant directions.

Ms. Poole states the review process is now very rigorous. But some parks do have structures falling down; the park doesn't have the money to fix it. The programs ask: Can't the concessionaire build that? But they don't under leasehold surrender interest or possessory interest. It is just something that we have to deal with and figure out. But the answer is it is unlikely to happen with the processes in place right now. And Flamingo was stopped.

Dr. Eyster asks the concessionaires: Do you see an immediate or interim demand for significant investment in the parks as far as visitor services are concerned?

Mr. Kelly responds: Yes. The facilities, both concession and the park, are tired. There needs to be reinvestment. There is no Wi-Fi at Mesa Verde; there is no cell phone at Mesa Verde. But it is very difficult to do any investment because of concerns over LSI and PI. It has to be figured out.

Dr. Eyster inquires of the concessionaires if they feel underutilized; are they being given opportunities to use their expertise?

Mr. McCaleb responds it is not the case that we are being ignored or underutilized. The National Park Service people have their hands tied with rules, regulations, and restrictions; on some cases tradition and mindset. There is a great need for investment, and we're not moving quickly enough.

(A recess was had.)

Wade Willis of Science Now Project address the meeting. He does not believe managing commercial sport hunting activities meets best management principles as a concession contract. He believes commercial use authorizations, which have a maximum life to two years, is more flexible than a ten-year contract. In Alaska the commercial guiding industry is only given a certain number of tickets to give out to the public. They are auctioned to the highest bidder, which excludes many people, and the concessionaire gets to keep the money. They are not paying their way.

The Alaska Supreme Court ruled that the wildlife resources of Alaska were the property of the residents of Alaska and the commercial guiding industry could not have exclusive guide use areas that allowed them to sell on the open market the right to harvest animals. State management of the commercial guiding industry was revoked.

National Park Service, in apparent defiance of ANILCA, adopted the policy that had been struck down by the Alaska Supreme Court, an interim emergency action that continued from 1988 to 2004.

Consumptive take of wildlife presents the greatest risk to the long-term integrity of the ecosystems of the parks in Alaska. Also, the government is mandated to prioritize consumptive take for federally qualified subsistence hunters. Simultaneously, the government is entering into ten-year business agreements.

There will be a NEPA review for the consumptive take from commercial industry in Katmai National Park. There has never been a NEPA compliance review of the commercial take of wildlife in Alaska.

Mr. Voorhees questions Mr. Willis about his assertion that CUAs are required where the industry provides services originating and terminating outside the boundaries of a park unit. River rafting, for example, is a concession.

Ms. Hecox is asked to explain the difference between a concession contract and a CUA. She says a commercial use authorization must be appropriate. It can originate inside the park or outside the park. They must have a minimal impact on the resource.

If it's determined to be a necessary and appropriate visitor service such as mountain climbing guides, those are concession contracts.

Mr. Willis says managing this activity through a concessions contract does not meet best management principles. The National Park Service's hands are tied regarding amending harvest rates, awarding to an individual versus a corporation, and transferring that contract from one individual to another.

Ms. Hecox answers the park Service has the ability to build the necessary flexibility to manage the resource into the contracts. Ms. Pendry says the park Service has greater flexibility under a concession contract because of the ability to add terms and restrictions. Also there is the right to terminate the contract at any time it's in the best interest of National Park Service.

Mr. Apgar points out the hunting guides concession contracts has an operating plan. Each specifies a maximum number of clients the guide can take. This can be changed any time the park Service has sufficient reason to change it. It is not fixed in the contract language; it's in the operating plan. Mr. Willis has raised legitimate issues about the level of NEPA compliance and the appropriate level of wildlife harvest. However, national preserves are open to sport hunting; parks are not. State law requires non-residents be guided for hunting certain species; non U.S. citizens must be guided for all species. There are 425 hunting guides in Alaska with occupational licenses from the state. The park Service decided to limit the number of guides in the national preserves to the number that existed at the time of the origination of the program, about 33. Since the number of guides and clients is limited, that dictated a competitive process to award the authorizations.

Mr. Willis responds that Congress clearly dictated to the National Park Service that they were to honor state law and ANILCA unless it negatively impacted a resource. Without doing NEPA the National Park Service assumed there was too much harvest opportunity. There has been no NEPA compliance of the commercial take of wildlife in Alaska in 23 years. This is not something new.

Ms. Pendry points out, if the park Service is not in compliance with NEPA, there are processes which citizens can follow to lodge complaints stating the park Service is inappropriately following NEPA processes.

Mr. Willis replies they did, and that's why Katmai is doing NEPA for the first time.

Mr. Voorhees expresses the thought that the board is not in a position to move on this matter. If Mr. Willis is following a legal recourse in a particular park in Alaska that is where he should direct his efforts.

Ms. Pendry says she will be happy to go over the law with Mr. Willis. The park Service has the ability to choose between a concession contract or a CUA. The law does not specifically mandate CUAs.

Dr. Eyster states the board will take the matter under consideration and make a recommendation. The board is not authorized to make a decision. The Concession Management Program will be asked to respond back to Mr. Willis with the recommendations.

There being no other business, the meeting was adjourned.