

DRAFT MINUTES OF THE  
CONCESSIONS MANAGEMENT ADVISORY BOARD  
19<sup>TH</sup> MEETING  
LAKE MEAD, NV

October 14-15, 2008

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**Welcome** - Chairman James Clay welcomed attendees.

Jo Pendry announced that the meeting was held under the authority of Public Law 105-391 and follows FACA rules.

Mr. David Vela, the new Regional Director in the Southeast Region was introduced.

Mr. Vela briefly addressed the Board and attendees.

Next, Ms. Pendry introduced Bill Dickinson, the host superintendent at Lake Mead National Recreation Area.

Bill Dickinson provided a compilation of the challenges at the park with the aid of a slide show. He explained that Lake Mead is at the convergence of three of the four North American deserts that includes incredible geological formations and a rich human history. Lake Mead is mostly known for the recreational opportunities. He detailed the various recreational uses of the park. There are ten major concessions contracts, bringing in about \$48 million and the park generates somewhere between \$500 million to a \$1 billion to the regional economy. There are nine major developed areas to service the intense visitation, a wastewater system, buildings, roads, basically everything one would find in a major city. He emphasized the need for strong partnerships with the concessioners.

Mr. Dickinson then explained the repercussion of the dropping lake levels and resulting sedimentation that came into the wash, necessitating the relocation of Lake Mead Marina. Water level is going to be an ongoing challenge here at Lake Mead, and an ongoing challenge for the concessioners. Mr. Dickinson said he was reassessing the development concept plans, which have direct implications in terms of the concession operations. Of the ten contracts, nine are expired and there are some significant challenges in how to actually go about updating and renewing those contracts.

**Board Roll Call** -

Present were: Board Members Richard Linford, Burt Weerts, Phil Voorhees and Jim Eyster. Board Member Ramona Sakiestewa was present by telephone during part of the Board Meeting.

Chairman James asked everyone to introduce themselves. Introductions were made by all attendees of the meeting.

Chairman James announced the availability of the draft of the *Annual Report to Congress for 2007* and asked for the approval of the Board to submit this to Congress.

**MOTION:** Board Member Weerts moved, seconded by Board Member Eyster to approve submittal of the draft to Congress. The motion passed unanimously.

**MOTION:** Board Member Weerts moved, seconded by Board Member Eyster to approve the March 12-13, 2008 minutes. The motion passed unanimously.

**Reports, Contracting Status Update, Regional Chiefs.**

Debra Hecox provided the Board with an overall status of contract actions. This included an update of the total contracts and plans on how to reduce the existing contract backlog. She stated there was a total of 566 active contracts or permits with a current backlog of 66. She was hoping to reduce this backlog down to 39. She briefly touched on the reasons why the overall projections were not met.

Ms. Hecox provided the Board with an update on conference calls with every Regional Chief and Regional Director over the summer. The program now is staffed with six Project Managers, and a policy person. This makes it possible to reach out to the various regions and provide them assistance and additional capacity where they need it.

**Regional reports** - Steve LaBel from the National Capital Region was unable to attend. Ms. Hecox reported on his behalf on contracts awarded as well as work on upcoming prospectuses. This included an update of the total contracts.

Kevin Apgar, the Concession Program Manager for the Park Service in Alaska spoke next and reported on projects in

the Alaska Region. He stated the Park Service continues to see major benefits in going through the competitive selection process, and his region has a high proportion of guides and outfitters, most of which have a renewal preference and, of course, there is a very high correlation between having a renewal preference and getting a new contract.

In addition to the 105 concession contracts, there are 325 commercial use authorizations. 75 percent of the commercial visitor services in Alaska's 15 national parks continue to be authorized by commercial use authorizations, and the other 25 percent are contracts.

A short discussion followed on planning issues that are holding things up at Katmai. It involves the waste water treatment plant which is located on top of an archaeological site.

Ms Jacque Lavelle, Chief of Concessions for Intermountain Region reported on the prospectus development arena. She also reported on a number of staffing changes.

Sandy Poole the Midwest Region, Chief of Concessions reported on contracts in her region. This included an update of the total contracts in her region, including plans on how to reduce the existing contract backlog.

Ms. Anne Dubinsky-Altman provided the Board with a report on contracts in the Pacific West Region. She introduced some of her staff members present at the meeting. She referred to a hand-out containing the list of contracts that the region is planning on awarding. She noted they have a very aggressive concession contracting program in the Pacific West. She also mentioned that, in the Pacific West, there is the largest contract in the Park Service, the Yosemite Delaware North contract. It expires on September 30, 2011, and work is already under way to try and get it out before the deadline allowed by law, which is 18 months before the contract expires.

Kathleen Karhnaak of the Northeast Regional Office, reported on a couple of staffing changes in that office. She next reported on status of the Northeast Region's 37 active concession contracts.

Bill Stevens reported on the Southeast Region, and stated that nine prospectuses have been released over the past year. He mentioned that three big ones were released over the past six months, and that quite a few should be released within the next six months. These would include convenience item contracts throughout the whole Southeast Region, as well as several in the Everglades and Smoky Mountains.

In response to questions about the 27 additional prospectuses released between now and March and about the forecast for the remaining 39, Debra Hecox, Branch Chief Planning and Development, Washington Commercial Services Program explained the process of prospectuses going through final review. She explained that sometimes there is a delay issuing prospectuses until the winter to avoid the prime operating seasons of many concessioners, and as the program moves forward, a lot more prospectuses will be issued during the winter than during the summer. The majority of the prospectuses to be released were in the Pacific West Region and most of those prospectuses are undergoing final reviews. She was fairly confident with the numbers and hoped to report full success in March.

Ms. Pendry explained that the 39 contracts that are left are probably some of the most difficult contracts remaining. Concessioners believe that their possessory interest is worth typically a lot more than what NPS thinks it is worth. Many times, with these high dollar value contracts, if the possessory interest is valued, you could drown the contract because the revenues of the contract can often not support the amount of possessory interest. She stated that 170 contracts are expiring in 2014, but most of those are river runner

contracts at one park, which are all lumped together. So it might be 100 and some odd contracts, but it only represents about 78 prospectuses . There are now either quarterly or semi-annual meetings with the Regional Directors, with the Associate and the Assistant Director, and Ms. Pendry. The Regional Directors have been basically put on notice that this is part of their performance standards, to get these contracts out, which is something that the Board asked for and wanted to happen a long time ago.

Board Member Linford stated he was very impressed with the way the backlogs have been dealt with.

Chairman James inquired into a recent change in policy of not releasing the names of the bidders on various contracts until after the announcement is made.

Ms. Pendry said this was a regional decision, region by region. In many of the regions the decision was made to not release the names. In particular, there is a hesitation to release names when there is only one offer because it is not in the Park Service's best interest to let everyone know that only one offer was received. So it is a region by region decision, and most of the regions have now decided not to release names.

A short discussion followed on staffing and on funding. She explained the strategy behind the human capital

strategy. Part of the goal is to be able to at least demonstrate to superintendents how many concessions specialists it does take to screw in the light bulb. Right now, there really is no standard, and so that is part of what needs to be done with the human capital strategy.

**Evaluation Panel Process Overview.**

Debra Hecox, the Branch Chief for Planning and Development, NPS Commercial Services Program gave a PowerPoint presentation on the Evaluation Panel Process. This presentation detailed the factors of the 1998 Concession Act for selecting the best proposal which is implemented through the Evaluation Panel review process.

The Regional Chiefs of Concessions are responsible for compiling the panel. All panel members must be federal employees, and they should have the skills to enable them to evaluate the proposal. Officials of the park where the contract is located may not serve as panel members, and superintendents from parks where a concessioner is likely to submit a proposal, may not serve as panel members.

There are also technical advisors typically drawn from the Office of the Solicitor and, ideally, this is the attorney who has been with the project from its inception; attended various development meetings that occur during the development of the

prospectus so that they are familiar with the opportunity and the prospectus. Sometimes they attend the entire panel, sometimes they just attend the last hour of the panel, and they often attend the end of the panel where all of the scoring and consensus building occurs. There are also technical advisors with outside expertise; they are not always federal employees.

Ms. Hecox then went on to explain how panels work. She explained that after the panel evaluation is all approved, then the decision maker, which is either the Regional Director or the Director, makes a selection based on the panel's determination of what was the best proposal. The determination of best proposal is based on its merit and in comparison with other proposals, and the one that gets the most points is the one selected. That is what the law requires.

A discussion on this subject followed.

### **Voluntourism Initiative**

Corky Mayo spoke about interest in VolunTourism. He stated that the U.S.D.A. Executive Potential Program contacted him. They had a group of GS-13 through 15 federal employees who were forming a team to work on solving a problem in Government and they took some interest in the volunteer program, in general. The result was for them to do a feasibility study on VolunTourism in the Service. They have begun

interviewing some of the parks, utilizing already existing volunteer programs such as the American Hiking Society. Consideration needs to be given to the legal ramifications, such as what kind of documents might need to be in place to make a VolunTourism program work.

In the process of developing the work plan, it was clear that the fee program in the Park Service would have a strong interest in this, and obviously the Concessions Programs would have a strong interest in it, as well. The overall goal is found in the NPS report to Congress that was made in May of 2007, wherein it states "established VolunTourism is encouraged in the National Parks for volunteers to help achieve natural and cultural resource protection goals."

The purpose of this feasibility study is to gain information about VolunTourism programs so that if, indeed, parks decide to move on this, or if, indeed, there is a need to write some policy on it, the background information will be available to do just that. The team meets by phone once a week.

Dan Jensen with DNC at Yosemite provided details of volunteer work at Yosemite National Park. The Yosemite Association has month-long programs for volunteers that consist of coordinating and putting kitchen supplies together, so the visitors can just pick up a cook kit and take that to the camp

ground, at cost. Twenty man years of service gets donated in Yosemite over the course of a year. Mr. Jensen gave a couple more examples of volunteerism.

Steve Tedder with Xanterra Parks and Resorts said they were currently working with Tauck Tours on the volunteer service programs in the park.

Mr. Mayo added that the people with VolunTourism would actually be coming and spending the night in the park, doing the same kinds of projects. And in the case of some tour companies, it might be a tour that occurs on a frequent basis, once a month, or once a week, or on some set schedule. The main thing is trying to find out or make sure of what the burden is to run these programs, so that if parks are interested in having the overnight experience and working with the concessions and the tour industry, that everyone is aware of what is involved to make this program operate.

Rod Taylor with Forever Resorts stated they have a clean-up program called Ecology Dive here in the Lake Mead Recreation Area. They calculated over 22,000 hours of volunteer service on the Ecology Dives, with thousands of volunteers coming out. It does spur some overnight stays, and it helps with the activism throughout the dive community.

Mr. Mayo asked to e-mail him with information on

these overnight experiences, and where people are coming from and from what distance to work, some feedback, and if there is interest in talking to the people that are doing the study.

A discussion followed on this subject.

#### **National Park Centennial.**

Frank Dean briefed the Board on the status of the National Park Service Centennial in 2016. The intent was, in the first year of 2008, that the President's Budget had \$100 million in additional funding for parks, and that included over 3,000 seasonal staff. The Centennial Challenge portion of this program this year was a \$25 million matching program, and 80 percent of those funds are already obligated, and the balance will be obligated and spent in the next few months. The President's Budget had \$160 million in operational increases for the Centennial in the '09 Budget. This budget bill has stalled, that would have added seasonal staff, and provided permanent increases to park budgets that would endure. There is a continuing resolution until March that is based on the '08 levels of funding.

He pointed out that visitation to many of the parks is flat.

A further discussion ensued.

## Park Service Produced Utilities

Tim Hudson, Associate Regional Director in Alaska for operations provided the Board with a review of the sale of Park Service produced utilities. The policy change to Director's Order 35B was proposed in 1983 and requires the NPS to recover utility capital investment along with operational and cyclic costs through higher utility fees to non-park utility consumers. This meant that non-park utility customers could face huge increases in Park Service produced utilities prices. Since that time, there has been a lot of effort coming from the Inspector General's Office to collect capital cost recovery for utility systems. This was not done for ten years. In 1998, it was agreed to implement five of the six findings by October of 1999.

A revision is necessary to include identification recovery of costs, capital costs through rates, and document any exceptions, guidance for recovering costs.

Mr. Hudson went on to provide a historic overview since the 1990s. He also spoke to the implementation status. The Reference Manual is a fluid document and does not have to go out for review to the *Federal Register*. There is an implementation period that will be phased in over five years, or completely with a new contract, whichever comes first. Only the assets that were installed in 2000 or later will be put in,

none for the assets installed before 2000, and none of the assets that have been there for 40 years are going to be on the books. Accurately evaluating economic viability will be looked at on a contract by contract, park by park basis. That is the only way to do it. Mr. Hudson proceeded with a detailed explanation of the various components of Director's Order 35B.

Categories discussed were:

- Existing Policy
- Capital Cost Recovery
- Five 1998 OIG Recommendations
- Leasehold Surrender Interest (LSI)
- Special Directive 83-2 to Director's Order 35B
- Review of DO 35B
- Implementation Status
- Reference Manual
- Issues/Concerns
- DO-35B Costs to be recovered
- DO-35B and Capital Investments
- Capital Investment Structures
- Fixed Capital Equipment
- Adding Amortized Capital Costs
- Capital Costs

- Fixed Capital Equipment
- Fixed Capital Equipment/Contribution to Rate Base
- Rate Implications of DO 35B Facility Management Software System (FMSS)
- Measurement, Accountability, and Billing
- Three types of Accounts
- Actual Implementation
- Exceptions
- Parks Affected
- In-Depth Studies of 8 Parks
- 2008 Rates with DO 35B
- Total Water and Waste Water Costs Non-NPS Users
- 1 year projected rate and Impact of DO35B
- 5-year Projected Impact Only
- 5 year Projected Rate and Impact of DO35B
- Observations

Ms. Pendry inquired when Mr. Hudson expected the *Federal Register* notice to be published for comment and what the length of the comment period would be.

Mr. Hudson responded that, typically, the length of the comment period is 60 days, but the comment period could be anywhere from six weeks to six months.

Ms. Pendry expressed concern that this proposal has a major impact on some of the concessioners and the utility rates, and it has a major impact on financial viability of future contracts. She asked to be given notice as soon as it does get ready to hit the *Federal Register* in order to notify the concessioners that the comment period is open.

Mr. Hudson said that was his intention.

A follow up discussion was held on this subject.

Mr. Tedder inquired into pass-through accounts and a lengthy discussion followed on that subject.

Mr. Fears asked for guidance from the Board with regard to a position paper and he was advised to contact his Congressional Delegation. The Board would also look at it and review it when the draft comes out of the *Federal Register* and make a recommendation.

Mr. Hudson pointed out that the Director's Order has not been signed and it has to go through a review.

Board member Sakiestewa joined the meeting by telephone.

**Buy American Issue.**

Judy Bassett, Policy Analyst working for Jo Pendry in Washington, D.C. Commercial Services Program explained the purpose of particular presentation was to give a brief update and overview of the Buy American issue. This issue started several years ago over Congressional concerns regarding the prevalence of imported products and the seeming lack of American made products in the parks' concession retail stores. In March, 2008 the Board decided to form a special work group under the leadership of Jim Eyster and Ramona Sakiestewa.

The Buy American Work Group is made up of concessioners, concession retail managers, NPHA members and the National Park Service. In May, a teleconference was held to discuss the issues, the approaches, and the research that would be required to address the Buy American issue. There was a deadline for this particular meeting because of a special request to come to Capitol Hill and discuss this issue with Senate National Park Service subcommittee staff on June 10th. So a great deal of work had to be accomplished very quickly in order to get research information together. Ms. Bassett next provided a list of Work Group participants.

The Work Group decided to focus the research on five different retail areas: the first area are Gifts, which would include the non-logo pottery, ceramics, glass, art work, fine gifts; the

next segment is Media, which includes both electronic media and print media; the next segment would be Souvenirs, and this is defined more lower cost gift items and logoed items, excluding all of the apparel and clothing; the next segment is Apparel and clothing; the final segment is Gourmet, regional food and wine gifts whether or not the concessioners were tracking those as a separate or subset within their various categories.

The Work Group gathered the information for the concession retail sales for analysis and the item sales within the categories that were either American made, Finished in America or imported. The result of the analysis was detailed in the accompanying slide presentation.

Various categories discussed were detailed in a slide presentation.

Ms. Pendry listed some of the common complaints received from visitors.

Ms. Bassett indicated that she is in the process of putting together preliminary findings and the work group is going to have to get back together again and meet to discuss these particular findings.

Board Member Eyster commented that Ms. Bassett's presentation was very enlightening and that it would be important for the retail stores to let people know what is

American Made, or even finished in America, and that is part of an educational process.

A discussion followed on the various aspects of merchandize that a visitor might buy.

Ms. Bassett suggested that retailers can emphasize American Made products already in stock and have these more prominently displayed. By making sure that items are highlighted as American made, it may not necessarily require changing the mix of the current inventory.

Board Member Sakiestewa suggested that all of the vendors should really seriously think about selling an item that has educational and interpretive values, so a visitor can feel comfortable about paying more for an object or an artwork or reproduction because it does have something or some message to be carried forward from the park experience. Besides the coffee mug and the t-shirt and the shot glass, all of which generate huge revenue dollars for the vendor, other products need to be seen so that people step up to the plate and feel that they are supporting a Park Service message, or idea, or concept, and philosophy to the product and the marketing that is being done by those vendors.

Rebecca Rhea from Grand Canyon asked if there was going to be some direction on the labeling. The standard in

NPS-48 does require that the country of origin be shown or somehow indicated on the items that are for sale.

Ms. Pendry stated this was not going to change. The standard is the Federal standard for what is made in the U.S.A.

A further discussion followed on this subject.

Board Member Eyster commended the concessioners for making a real strong effort to buy local and regional merchandise, primarily in the craft area.

#### **Cooperating Association's Steering Committee.**

Ms. Bassett, filling in for Diane Chalfant presented the Board with her briefing paper. This particular initiative was a request of the National Leadership Council of the National Park Service. It was requested back in December of 2007, and the basic purpose is to re-examine the role and function of Cooperating Associations in the context of the changing environment with the National Park Service and Cooperating Associations. In other words, the traditional role of the Cooperating Associations as basically an adjunct to the Park for interpretive, educational research had been undergoing some changes in that associations would be asked to go into more of a fundraising, philanthropic role. Some Cooperating Associations were prepared to do, others could not, and then there is also

the growth of the Friends Groups that are focused on fundraising through philanthropy to bring in more dollars into the Park.

Under the current rules of the National Park Service, there are only two ways that one can sell items inside the park, and that is either through a Cooperating Association Agreement, or through a Concession contract. The National Leadership Council decided that they were going to have an internal NPS steering committee formed to address the Cooperating Association issues. This group started work at the beginning of 2008. In May, the committee made a preliminary presentation to the National Leadership Council with a series of proposed principles and guidelines. The National Leadership Council accepted a number of these, but also had a couple of other additional questions that they wanted the Steering Committee to go back and to revisit, and also develop with several specific deliverables like a superintendent's toolbox, and review of Cooperating Association revenue sharing models. The Committee has been doing a lot of work since May, and in July the committee met to work out the last pieces of these assignments. The report is to be presented formally to the National Leadership Council at their next meeting in November. Once the National Leadership Council Committee and the NPS Director has given approval, then these will be made public. Diane Chalfant has said that she

wants to set up a meeting with the concessioners to be able to present hear the results and findings of the report. The meeting will be set up through Diane Chalfant's office.

Ms. Pendry stated that APPL has invited the Park Service and a member of the Board to participate in a meeting, and she suggested the need for participation with regard to conflicts between concessioners and Cooperating Associations regarding merchandise, that that panel should include concessioners, and not just the Park Service. She asked for volunteer concessioners who would be interested in participating in that panel.

#### **Superintendents Training**

Ms. Bassett provided a report on the third Superintendents Training. It will be held in November in Denver, Colorado, from the 17<sup>th</sup> to the 21<sup>st</sup> of November. The next class is going to be drawn from every region of the National Park Service. The course instructors will be teaching a total of 18 teams from across the country. A "team" is a Park team, which would be a Superintendent and the Concessions Specialist, or park staffer assigned to concession functions.

Ms. Pendry added that the class has been really successful. Close to 30 Superintendents were trained so far, and also trained was Mr. David Vela who spoke earlier. He is

the only Regional Director who, as a Superintendent, went through the inaugural class.

A discussion followed on this subject.

### **Geo Tourism**

Mr. Reeder provided the Board with some background information on GeoTourism. The basic concept of turning America into just one big commodity so that it really did not matter what city or town you were in and it all starts to look like all the others, should be turned around. He provided some examples of this type of mass market tourism.

He stated that there is a demand for community character as part of the manner in which the highlights of a destination experience are offered. Part of this means buying local, buying everything from producers that are nearby. These Geo Regions are self-defined, self-managed, and yet the federal agencies do play a role in them. There is a nice balance of role and responsibility, which is probably a good principle to think about in all of the tourism partnerships. Mr. Reeder went on to explain in more detail the process involved in these partnerships. He also mentioned the importance of one MOU partner, the National Geographic Society. They are a major multi-media company that just announced a big major global partnership and at their root and their core, and sort of their

umbrella organization is National Geographic Society. A subset of that is the Center for Sustainable Destinations. He mentioned that in July, two Cabinet Secretaries signed the MOU, and all the relevant agencies within those two Cabinets, of course, including the Park Service. The website for that is [http://www.nationalgeographic.com/travel/sustainable/about\\_geotourism.html](http://www.nationalgeographic.com/travel/sustainable/about_geotourism.html).

Mr. Reeder provided further details on the scope of the NPS Tourism Strategy and park's General Management Plans as well as the development of a Marketing Plan. He also spoke about the NPS Tourism Strategy plan developed by the National Park Service was approved by the Director and is one of the elements of the tourism plan. He next described the briefing document that reflects proactive community engagement at all organizational levels. This will allow for a better understanding of consumer awareness, expectations and motivations for travel through parks, through research and analysis.

Mr. Reeder explained that the tourism strategic plan is a blueprint for implementation of several agency leadership objectives. He further explained the two initiatives; the Centennial and what is called the Interpretation and Education Renaissance and Action Plan.

Mr. Reeder suggested the formation of a System Advisory Board. He wondered if Boards interact and intercommunicate and if so, he suggested that the Concession Advisory Board use the tourism plan as a vehicle for dialogue and discussion with the Park Service Advisory Board; to look for ways to weave and interconnect marketing elements in the commercial services plans.

Board Member Eyster stated that one of the issues discussed a year or two ago was the coordination of a National Park Service Marketing Plan for the system of parks, coordinating that with the individual concessioners' marketing plans for marketing the parks as destinations

Ms. Pendry stated that if you look at Park Service websites, there has been a decentralized approach to how the websites are organized. The webmasters are trying to have more consistency among the websites. The connectivity between the commercial services and the development of the tourism strategy has not been as good as it should be.

A further discussion followed on this subject.

Chairman James thought it would be important to have somebody from the concessions side of the equation present at those committees so that they can represent the concessioners and get feedback to the concessioners.

## **Fuel Costs**

Deb Harvey, Asset Management Branch Chief for the Acting Contract Management Branch Chief briefed the Board on a request received where concessioners were seeking relief because of the rising fuel costs. The Commercial Services Program recommendation was that a temporary rate increase could be requested by the concessioner of the Park Superintendent. And the Park Superintendent could do a limited review of comparables and either approve that rate increase or not. Concessioners could also ask that this temporary increase would only be in effect as long as the prices were increasing, and comparables within the market area of the concessioner also had to be raising their prices due to fuel increases. When the prices start going down, the temporary fee would have to be reduced or eliminated. This information was sent out to the parks through the Washington office, to pass on to concessioners, to let them know that if you do have these impacts on your business that you can request a temporary rate increase through your Park Superintendent.

## **LSI**

Ms. Pendry explained that several years ago when Fran Mainella was the Director of the National Park Service, several concessioners approached her and asked for a committee to be

formed through the Advisory Board to look at the LSI regulations, and for the Board to recommend modifications. That committee took several years to look at and evaluate and attempt to come to consensus over leasehold surrender interests, regulations, and how they should be changed in the eyes of the Board, which was really more of a consensus solution between the concessioners, the Park Service, the Board, and the private sector advisors. There were three recommendations that were made by the Board. The first was to allocate leasehold surrender interests to the component level, as opposed to the building level; the second was to adjust LSI value as improvements are made to existing LSI capital improvements; and the third was commonly known as "eliminate the 50 percent rule," which came to be called "credit LSI based on the source of the funds used." If concessioners used their funds, they would receive LSI credit and the 50 percent rule would be gone; if the Park Service used its funds, there would be no LSI credit to the concessioner, and then a third concept was a Reserve Replacement Account, which would be an account that would basically reduce the franchise fee, establish a Reserve Replacement Account, and so if LSI eligible improvements were made from that account, there would also be no credit to the concessioners, increasing the concessioners' LSI. Once the recommendations were finally

put together work started on the proposed rule. The proposed rule came back with a request to make some modifications to it that really did not affect the rule itself, but just affected some of the rulemaking procedures. It was decided at that meeting with the Secretary that this regulation was not one of the top priorities of the Administration to release before the end of this Administration. There were other regulations that were seen as higher priority, so basically the regulation will not be released for comment. Once the new Administration is in, Ms. Pendry said she will brief the then Director, and ask them how they would like to proceed on the recommendations and on the draft rule.

Chairman James suggested it would be very important to push on this as quickly as possible after the new Administration takes office, to get something going one way or the other.

Ms. Pendry stated there are a couple of recommendations that the Board made, that can be done administratively. One was to track LSI by the component level. Several tools were developed that will allow to take the building, assign the agreed to LSI value, and then internally break it down to the component level and track it.

### **CUA Regulations**

Debra Hecox, Branch Chief, Planning and Development, Washington NPS Commercial Services Program gave a brief update on the CUA regulations. She did not think the regulations will be released until probably some time next spring after the new Administration is in, and the new NPS Director and the Secretary's Office has been briefed on what is a CUA, and why there is the need for regulations.

#### **NPHA**

Dave Woodside from Acadia Company stated that there was agreement that perhaps an NPHA Membership panel was not the most appropriate way to proceed at this meeting. He thanked the Advisory Board for this format, i.e. having the Advisory Board together to coincide with the NPHA meetings. It certainly facilitated attendance and having a dialogue of the concessioner community with the NPS. He then addressed the most overriding issue which is declining park visitation. He also stated there had been discussions about the Centennial Program, and the NPHA is moving forward to create a foundation.

Steve Tedder with Xanterra Parks and Resorts spoke in support of the direction of the NPHA meetings which were very productive, especially in the break-out sections. He recommended having representatives of the National Park Service in those sessions, to have an open dialogue.

A discussion followed on this subject.

Board Member Voorhees encouraged the NPHA Board to have more directed internal conversations about what partnerships mean, and what is it striving for. He thought there is a huge amount of room and a lot of opportunity and benefit to be gained from having a multi-layered conversation about this, with all the players.

A discussion followed on the issue of definition of partnership and implementation of a partnership with regard to superintendents training sessions.

#### **Human Capital Strategy**

Mr. Ernest Jutte explained the details of development of the Commercial Services Human Capital Strategy project and its importance to the National Park Service and Commercial Service program management and workforce training.

A contract was awarded in September, 2008 to Federal Management Partners and are working on: 1) a commercial service workforce analysis, which really will touch a lot of the activities that the concession specialist are doing in the field, and to help internally understand who is providing concession management services. This effort will help identify the role that concessions collateral duty functions play

currently. Doing a workforce analysis is Phase 1; Phase 2 involves developing competencies for all of the Concessions Specialists throughout the Park Service; Phase 3 will be looking at the Management, Organizational Structure, and Planning to review concession operations management and understanding why it is important to have concessioners at the table. Finally, this effort is going to be evolving into a training and development program as part of the Human Capital Strategy Implementation, specifically to help bring the Concessions Specialists gain the needed skills to handle their program duties. Concessions specialists will have better training and understanding through this process to engage more intellectually, more intelligently in the day to day management issues of the contracts.

Ms. Pendry gave the Board an overview of personnel changes.

#### **Discussion of Concessions Management Advisory Board Sunset Provision and Legislation**

Ms. Pendry explained that the Concessions Management Advisory Board was established by the 1998 Concession Management Improvement Act for a ten year period. The Act was passed in November of 1998, and the Board is scheduled to sunset in December 31, 2008. The one year continuation of the Concessions

Management Advisory Board and the National Park Service Advisory Board are contained in the Omnibus Public Lands bill which is currently under Congressional consideration. Unfortunately, Congress is preoccupied with the major credit collapse and bank bail out legislation. Consideration of the Public Lands bill may be delayed by these circumstances until after the election and when Congress returns for a lame duck session. The legislation uncertainty may mean that there will not be an Advisory Board meeting in March, or there will not be an Advisory Board meeting until it gets reauthorized.

A discussion followed on this subject.

A further discussion ensued with regard to agenda items and suggestions for future agenda items by various interested entities.

Board Member Linford spoke to the problem of diminished attendance in the parks and how to address these issues. He suggested to present some sort of united front going to Congress that would be Park Service, NPS, maybe American Recreation Association, America Outdoors, and some other people, just to start taking on the problem of this whole generation of kids growing up who do not spend any time outside. He also felt that greater efforts should be made towards marketing the Great American Outdoors to Europe.

#### **Adjournment**

The meeting adjourned at 3:45 p.m.

