

Statement of  
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Before the  
Subcommittee on National Parks, Forests, and Public Lands  
Committee on Natural Resources, U.S. House of Representatives  
**Making America's Best Idea Better: Stronger Partnerships for the Next Century of the  
National Park System**  
September 23, 2010

Mr. Chairman and Members of the Subcommittee, my name is Derrick Crandall and I am delighted to appear as a representative of the National Park Hospitality Association (NPHA) to discuss the future of the National Park System and, in particular, the role of increased partnerships with the National Park Service (NPS) to protect parks, promote park visitation and provide outstanding services and experiences for the millions of people who visit units of the National Park System each year.

Concessioners are proud of the important role they play in helping people enjoy parks. Visitors come to the national parks to be inspired by the beauty of the parks while relaxing, recreating, learning, and having a good time with family and friends. What we do as concessioners has a great deal to do with the overall experience when they visit the park. We're an integral part of the national park experience and an important element in helping the NPS meet its mission. We are working hard at demonstrating best practices in environmental management, and are ISO-certified in many parks. We are active in offering healthy, sustainable foods to park visitors. We are true partners with the National Park Service.

Concessioners have served park visitors since the 1870's and today serve some 100 million park visitors annually in approximately 160 park units. NPHA members have a combined workforce of nearly 25,000 persons – mostly front-line, visitor-contact jobs – and provide in excess of \$1 billion in goods and services to visitors annually. Franchise fee payments to NPS generated from the approximately 600 concessions contracts exceed \$70 million annually, or about the combined sum raised annually by the National Park Foundation and members of the Friends Alliance. And concessioners do far more than generate franchise fees. Our Guest Contribution programs operate in partnership with local friends organizations and the National Park Foundation. The NPF-associated programs alone, in 13 parks, have generated \$1.1 million for deserving park projects since 2006, including more than \$300,000 in the year ending June 30, 2010. Concessioner marketing and park promotion efforts exceed \$10 million annually, and are coordinated with the marketing and promotion efforts of state and gateway communities that equal that amount. Concessioners are leading efforts to find ways to focus promotion on the *National Park System* and those *Americans unaware of the great benefits available through time in our parks* rather than on *specific parks and services* and *traditional park visitors*. Most importantly, concessioners are committed to meeting America's needs – needs for healthier lifestyles, for better and lifelong educational opportunities, for strong local and regional economies that can sustain and protect our parks, and for connecting all Americans to our parks across differences in regions, ages, income and ethnicity.

Concessioners are concerned that park visitation by Americans is lower today than several decades ago – even as our population has grown by 25%. While visitation to showcase parks remains stable, many other units of the National Park System offer wonderful experiences but are highly underutilized. In many cases, these less-visited, high-potential parks have limited visitor services, and this is an area we urge the Congress to examine. Some have argued that in today’s complex, fast-paced world, even if we build new facilities in these park units, people might not come. We can tell you that the evidence seems conclusive: if we don’t provide park lodging, restaurants and more, people won’t come and the relevancy of parks to our society is threatened. As we look at partnerships and parks, we suggest that concessioners can and should be prime partners in building a new generation of park-appropriate, LEED-certified, ADA-compliant and architecturally significant park structures. And concessioners can be equally prime partners in outreach and promotion – promoting not just increased park visitation but targeting especially use of the many under-visited and underutilized units of the park system.

At a hearing on national parks earlier this year, Ken Burns, producer of the “America’s Best Idea” series about national parks, praised the National Park Service’s first Director, Stephen Mather, as a premier promoter and for working actively with railroads and others to build roads to and through parks and to build visitor facilities ranging from lodges to restaurants in the expanding National Park System. Mather’s motive is clear from his oft-quoted statement: *“Scenery is a hollow enjoyment to the tourist who sets out in the morning after an indigestible breakfast and a fitful night’s sleep on an impossible bed.”* We enjoy the legacy of Stephen Mather today in the world-class facilities concessioners operate: El Tovar, Ahwahnee, Many Glacier Hotel and more. Ken Burns concluded his testimony by saying, “If you think you have a good park but no one knows about it, you don’t have a good park.”

Promoting national park visitation is important for many reasons. Not only is it good for jobs, but it also reconnects people to nature, provides them with an opportunity to be physically active, promotes learning, and strengthens families. Today we live in a world that is filled with distractions – a world where we can connect with information and communicate with people almost instantaneously. Unfortunately, these alternatives seem to increase the extent to which people become disconnected from nature and focused on virtual connections to places and to people. A recent study by the Kaiser Family Foundation indicated that the average American youth spends 7.5 hours a day focused on a screen of some sort. No wonder that so many of the nation’s youth are obese and at risk of Type II diabetes.

The National Park Service and its partners – including concessioners – need to undertake new outreach and marketing efforts. The efforts would not be based on advertising – as if we were selling a car or a theme park. But the efforts should include outreach to schools and to families with children and greatly improved information on the internet. In fact, Secretary Salazar undertook a major outreach and marketing effort last year – which he is repeating again this year – creating fee-free periods at national parks.

Mr. Chairman, we urge the Congress to act on several important opportunities to assure that the parks are able to remain relevant and loved over the next hundred years.

## New, Enduring Visitor Infrastructure

We urge you to help in the creation of new park facilities in the tradition of the grand, enduring structures, many predating the creation of the National Park Service in 1916, that are synonymous with the National Park System. Unique architecture and quality construction mark structures like the Ahwahnee and El Tovar Hotels, lodges in Glacier and Yellowstone and many more historic structures that help make 21<sup>st</sup> Century park visits lifelong memories. Yet not all visitor structures in our parks are grand, or even park-appropriate. Many of those constructed mid-20<sup>th</sup> century are quite unremarkable, are costly to operate, and produce inferior visitor experiences. These structures fail to meet expectations of the Congress, the agency, concessioners, and the public that our parks should serve as outstanding examples of design in harmony with nature.

We believe that one of the greatest opportunities associated with the upcoming 100<sup>th</sup> anniversary of the National Park Service can and should be a limited number of new structures that, even in 2116, will still demonstrate national park-appropriate design and operations. This would mean quality design and materials that meet LEED and ADA design requirements. The resulting structures would minimize barriers to serving all Americans well while also achieving agency-espoused goals in energy efficiency, reduced water use, and other environmental objectives. The National Park Service has undertaken some important planning in this area, although much of the planning has focused on buildings that would be constructed with appropriated funds and used for visitor centers, offices and more. This base of knowledge, though, could be united with the knowledge of concessioners operating in the park and other companies to achieve truly outstanding results.

New strategies to encourage non-federal capital investment in park visitor services and facilities are needed. Very few of the facilities now operated by concessioners were built with appropriated federal funds, and there is no reason to begin doing so now as the National Park Service approaches its 100<sup>th</sup> anniversary. Yet invitations to build new park facilities have been rare – certainly not enough to support a growth in capacity equal to population growth. And where new facilities have been added, like Cavallo Point in Golden Gate NRA, it has often been done as an exception to usual practices. It is noteworthy that the reuse of Fort Baker as a world-class conference center was initially proposed as a concessions contract. After careful study, all major current concessioners and other leading hospitality companies declined to offer qualifying bids. Fortunately, the combined vision and energies of GGNRA's NPS leadership and friends organization found an alternative course – a commercial lease which, ironically, could only be offered after concluding that there was no necessary visitor service to be provided at the location.

The creation of the Lodge at the Golden Gate was financially viable only through a 50-year lease, through an approach to regulation of pricing of rooms and food radically at variance from the approach used by NPS with concessioners, and with an infusion of supplemental federal and Golden Gate National Parks Conservancy-raised capital. Contrast that approach with the NPS standard of a 10-year concessions contract and a concerted – and we think misguided – effort to expunge concessioner capital investments and limit clearly legal credit to concessioners for investments, as is being proposed in the now-pending concessions contract for Signal Mountain Lodge and related facilities in Grand Teton National Park. The decision to choose an alternative

treatment of Leasehold Surrender Interest (LSI) under this contract is likely to decrease payments to the National Park Service by \$3 million over 10 years, payments which are vital to facility maintenance and, because of the reduction, exacerbating the NPS serious deferred maintenance problem.

We urge the Congress to redirect NPS efforts and we offer several additional ideas for accessing private capital for beautiful, state-of-the-art, and enduring visitor facilities for the next century of park operations – structures that will be as beloved by the national park community in 2116 as the Ahwahnee is today.

First, concessioners remain willing and able to invest in new visitor facilities, major renovations of existing facilities and conversions of buildings to new uses – especially as opportunities may arise at new park units. To do so, a minimum concessions contract of 20 years is needed, possible under law, but a longer contract more comparable to that used at Cavallo Point or for ski areas in national forests would make this more viable. And concessioners need the protection of LSI provisions under the 1998 concessions act to make this investment economic.

Second, Congress and NPS should look closely at the dramatic rejuvenation of the Chicago lakeshore by the Chicago Park District (CPD). Over a decade, some \$250 million in investment has dramatically changed the park infrastructure on the lakeshore. Working in partnership with a concessioner with expertise in marina operation, the CPD has rebuilt and expanded nine recreational harbors with revenues from alternative revenue bonds. The added revenues from these improvements not only service the debt from the bonds – bonds that have no recourse to either CPD or the City of Chicago, but only to the revenue stream from the recreation operations on the lakeshore – but also provide some \$15 million annually in new operating funds for CPD. And those paying the higher fees – mostly recreational boaters – are delighted by the improved safety and services. Happily, millions of other visitors to the lakeshore are also beneficiaries of the investment – at no cost to them!

Third, NPS owns, and will be offered ownership of, many structures which, if privately held, would reward qualifying investments with historic tax credits. We urge the Congress to make investments by concessioners in these structures eligible for these tax credits. Noteworthy, after private investors in qualifying historic structures are rewarded with a 20% tax credit, the private owner then has 100% equity in the building and may sell the enhanced property for gain. Were historic credits to be offered to concessioners, ownership of the improved property would remain with the NPS.

Fourth, the President has proposed a creative approach to leveraging federal funds in the surface transportation arena that is worth examining for use in other arenas. Part of his newly announced and ambitious six-year surface transportation measure, expected to be outlined fully in his FY2012 budget early next year, is a new Infrastructure Bank. Using \$5 billion in federal funds as a guaranty, he proposes to raise \$50 billion in private funds to be invested in surface transportation projects. While some of these funds would go toward toll roads and bridges with revenues, the concept also includes investment in projects that are strategic public investments. We urge this committee to look carefully at the concept of an investment bank applied to needed park infrastructure investments – utilities, lodges, campgrounds, marinas, transportation systems

and more. It may well be that this new entity could be as vital to the future of the national parks in the century to come as the National Park Foundation is and should be.

Fifth, we urge the Congress to understand the immense advantages accorded to federal agencies with multi-year programs and appropriations. In transportation, agriculture and other fields, a multiple-year program empowers the Congress to express clear long-term goals and priorities, and provides partners – states, local governments and business – to similarly develop multi-year strategies. The savings to the involved federal agencies can also be dramatic. The arguments for multiple-year programs and appropriations for transportation and agriculture seem applicable to America’s park system – especially if a sustainable source of funding can be identified.

Sixth, the Congress should conduct oversight on the 1998 legislation, which changed concessions practices, to see if the results are really those intended. The shortening of most contracts, the elimination of preferential rights on contract renewals and the substitution of Leasehold Surrender Interest (LSI) for Possessory Interest (PI) have increased the flow of franchise fee payments to the National Park Service, but it is not clear that goals of reduced burden on concessioners and the agency or increased competitiveness are being achieved. Moreover, there is good evidence that combined with the restrictions of Directors Order 21, the administration of the act has discouraged companies acting as concessioners from adopting best practices in customer service, since guest satisfaction is poorly monitored and offers no advantages for excellence. This committee needs to know the hurdles concessioners often face doing the “right thing.” Not long ago, the long-time practice of a concessioner here in Washington to provide free hot chocolate to children attending the Pageant of Peace on the Ellipse caused a mini-firestorm because Directors Order 21 prohibits concessioners from contributing directly to charitable events in parks which they serve.

#### New Opportunities in Health and Education

We believe that one of the most exciting opportunities for the national parks in the 21<sup>st</sup> Century is to recognize the measureable benefits the park system offers in fields such as education and health, and to develop sustainable funding responding to these contributions. There is good precedent. Beginning with ISTEA in 1991, a large share of park road costs has been shifted from natural resources appropriations to transportation appropriations.

There is significant and growing evidence that parks are, and can increasingly be, playing a significant role in reducing the nation’s healthcare costs. The nation now spends \$2.7 trillion on healthcare, or about \$8,000 annually per American. Of this cost, an estimated 70% is for chronic illnesses, which are lifestyle-induced and largely preventable. Historically, smoking has been the largest single contributor to these costs. Yet in the 21<sup>st</sup> Century, there is a new competitor for the top contributor to chronic illness: physical inactivity and eating patterns that are at the heart of an obesity epidemic with resulting illnesses ranging from diabetes to hypertension and strokes, cancer and depression. A growing army of medical experts is looking at parks and open space as cost-effective and successful intervention strategies.

In conjunction with the underway America’s Great Outdoors Initiative, we have teamed up with the Institute at the Golden Gate to begin the documentation of parks/medical community efforts.

In locations ranging from Albuquerque to Brooklyn, doctors are prescribing parks. In Arkansas, we discovered that cardiologists had personally raised more than \$1 million for construction and maintenance of an urban “Medical Mile,” offering both opportunities for healthy fun and information about “minimum daily requirements” for physical activity. Also in Arkansas, we learned that the University of Arkansas has invested \$90,000 in expanding and upgrading a U.S. Army Corps of Engineers campground because studies show that patients receiving long-term cancer treatment recover better and faster while staying in a park-like setting than in a hospital ward, a hotel or other facility – and at much lower costs. We see major healthcare insurers paying for park-focused activities for those diagnosed as pre-diabetic as a cost-effective way to arrest the advance of the disease. We applaud the partnership of NatureBridge, Olympic National Park, TriWest Healthcare Alliance and others that is bringing wounded warriors and their families to that park to heal physical and emotional wounds. And in California, we have found a healthcare insurer committed to helping its insureds control healthcare costs with regular screenings and steps as unusual as treating park entrance fees as reimbursable expenses. These and other initiatives have been collected as a first round of case studies on Health and the Great Outdoors in a booklet submitted with this testimony, and we propose to continue this collection and sharing of best practices.

In short, we believe that partnerships with medical interests are a huge opportunity for America’s national parks, and one that should be encouraged and aided by the Congress. Much of this activity can be attributed to the impact of a recent White House Fellow. Dr. Michael Suk, an orthopedic trauma surgeon, was selected and somewhat surprised when he was assigned to spend his fellowship year aiding the Secretary of the Interior. His seminal work connecting health and parks is now paying immense dividends and prompts us to recommend the establishment of a on-going fellowship program placing a doctor in the Office of the Secretary of the Interior as Special Advisor for Health Programs, perhaps in conjunction with the Robert Wood Johnson Foundation, which already places 12 fellows annually within the U.S. Department of Health and Human Services.

And we also believe similar partnership opportunities exist in the educational field. There is a growing body of evidence that experiential learning in parks achieves better educational outcomes and is cost-effective. And the educational community is reaching out to the parks community. Just 30 miles from Capitol Hill, Prince William County Schools – Virginia’s second largest and fastest growing school system – is moving from pilot to full implementation of ED OUT, an outdoors learning program that enlists adjunct faculty from federal, state and non-profit entities and utilizes 16 recreation sites in the county, ranging from Prince William Forest Park to wildlife refuges. The program is far more ambitious than a day of outdoor learning, however. Students – and parents – receive information about summer fun that relates to the upcoming year’s curriculum. Best of all, programs of this type can actually generate revenue for NPS and other agencies.

### Funding Sustainable Outreach and Promotion Efforts

As mentioned earlier, the NPHA believes that the National Park Service should undertake expanded outreach and marketing efforts – especially directed to urban Americans, Americans of

color, new Americans, and other portions of the American public with limited traditions of park visitation. To facilitate this, we offer the following alternatives.

One option would be to provide the agency with authority to utilize franchise fees paid by national park concessioners annually to support NPS outreach and marketing efforts. The NPHA urges committing 10% of the \$70 million in total franchise fees paid, or some \$7 million annually, to a new National Park Outreach and Promotion Fund.

Alternatively, 10% of the receipts from annual sales of the America the Beautiful Pass could be dedicated to a matching fund to support park promotion efforts. Purchase of the annual pass – permitting access to virtually all federal recreation sites for 12 months – should be a major component of park promotion efforts. Holders of passes can be reached to communicate opportunities in parks – and because they can enter any park without paying an entrance fee, they are likely to be interested in learning more about when and where they can add to their park experiences.

Current annual park pass sales are very limited, but a new promotion coalition could boost sales significantly, adding substantially to the current \$175 million in park fees now collected annually. If these funds could be used on a 50-50 matching basis with resources from private sources such as non-profit and philanthropic organizations, concessioners and other private interests, then the NPS could double its money and greatly expand outreach to minorities and other underserved communities, young adults, families with children, and the ever-expanding number of older Americans with grandchildren. This effort would be good for gateway communities, generating jobs and added income, and could help to expand interest and awareness among an entire generation of Americans who, without this promotion, are likely to remain unaware of this wonderful legacy of national parks. If successful, this effort could reverse recent trends in park visitation, and help generate additional income to support the parks and improve facilities and visitor services.

### Institutionalizing Creativity

America's park and conservation community has been blessed with visionary leadership for more than 150 years – reflected in the world's first national park, the world's first national forest and national wildlife refuge systems and more. That vision continues. For many of us who had the pleasure to work with the late Brian O'Neill, long-time General Superintendent of Golden Gate National Recreation Area, we saw firsthand one of the leading contemporary visionaries in our field. We are enthusiastic about the interest of the Chairman of this subcommittee in exploring ways to encourage and nurture this visionary spirit within NPS professionals and partners to the agency. While it seems like an oxymoron to attempt to institutionalize untraditional thinking and partnership-based thinking, we believe that it can and should be done. Our experience with our annual Partners Outdoors program, an effort drawing some 150 carefully chosen, diverse public and private sector representatives to look afresh at challenges and opportunities gives us confidence that the Chairman's objectives can be met with the right kind of governance and leadership.

## Summary

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

The National Park Hospitality Association and the national park concessioners want to help you, the National Park Service, and all Americans in achieving these objectives. As the 100<sup>th</sup> Anniversary of the National Park Service shines a light on America's Best Idea, we hope you will help us build on our longstanding partnership with the NPS to find new and innovative ways to improve the parks and create a new generation of Americans who share in the wonder of this amazing legacy. We thank you for considering our thoughts and recommendations. We would be delighted to provide additional information and respond to any questions you might have.

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