

National Park Service  
Concessions Management Advisory Board Meeting

October 30, 2013

9:00 am

Washington, D.C.

Present were:

Chairman Dr. James J. Eyster

Board Member Richard Linford

Board Member Courtland Nelson

Staff:

Lena McDowall

Erica Chavis

Ben Erichsen

## Welcome

Chairman Eyster welcomed the Board and attendees and opened the meeting at 9:00 am. He presented a brief overview of the agenda items and explained the procedures.

## Introduction of Attendees

All attendees introduced themselves.

Dick Linford commented that there are seven Board positions assigned and have five of them filled. Only three Board members are present and four Board members are needed for a quorum. The decision was made to hold the meeting anyway because of the importance of the communication and discussion across the table in the room

Courtland Nelson, Director of Parks and Trails in Minnesota, and new Board Member detailed his background and experience.

## Approval of the Minutes of September 18, 2012

Chair Eyster proposed and Board Member Lindford seconded the motion to approve the minutes of the September 18, 2012 Meeting. The motion passed with the proviso that a fourth member reviews and signs at a later date to make sure the motion carries.

## General Program Updates

Ben Erichsen provided brief details of the

program updates. He stated that in spite of SuperStorm Sandy, the shutdown and other difficulties, his office is right now on track to produce 2013 revenues of approximately \$1.26 billion; the franchise fees will be approximately \$73.6 million. This year 47 contracts will be awarded by the end of the calendar year. There are plans to issue 42 prospectuses for FY14 and 81 contracts; and to extend 107 of the '98 Act contracts by the end of December. The 1965 Act contracts are now down to only 19. Going forward, the greatest challenges are the areas of possessory interest, leasehold surrender interest, and some ongoing litigation. There are some funding shortfalls from Congress and he was looking forward to the upcoming budget discussions in the hope that they'll be sympathetic.

Chairman Eyster suggested to next discuss the shutdown impacts, and asked Lena McDowall to give an overview of what the Park Service is facing, and what steps are being taken. And then he would like to open the discussion to get input from the Concessioner community. And Derrick [Crandall, NPHA] would probably be able to speak to that.

#### Shutdown Impacts

Lena McDowall talked briefly about the decisions that the Park Service made prior to the

shutdown, and during the shutdown. There were some changes in how Concessions were treated during the course of the shutdown. In a quick recap she mentioned that the Park Service made the decision prior to the shutdown that, should a lapse in appropriations occur, the Park Service was essentially going to shut down everything -- parks, concessions, and many of the regular contracts were suspended, as well.

The decision to do that was essentially based on not wanting to violate the Anti-Deficiency Act, so the Park Service, like any other Federal agency, is not to spend money in advance of having an appropriation. When the decision was made to shut down everything, many concessioners received notices from Concessions specialists in the field that, when there was a lapse in appropriations, all the day use facilities had to close pretty much immediately, and then they were given 48 hours for the overnight facilities to close. The reason for the 48 hours was so people could have time to find someplace else to go, but it was also hoped that the duration of the shutdown will be short. Unfortunately, this one went a lot longer than two days, so we did end up closing all overnight facilities, as well. Going deeper into the shutdown, we started to be faced with some unique circumstances, such as Concessioners who were

located on through roads, or in parks that had concurrent jurisdiction, where they weren't completely reliant on the Park Service for law enforcement needs, etc.

The Park Service made the decision to start opening the door up to allow certain Concessions to stay open and spent a number of days and conversations with the Department and with Office of Management and Budget (OMB) on what criteria the Park Service was going to use to allow Concessions to stay open, or to reopen over the course of the shutdown. Those criteria were that for a facility to be on a through road or a road that remained open in accordance with whatever the park's shutdown plan was. In many cases there are state roads that go through park areas, or there are arteries that are needed for local commuting purposes, and the Park Service was going to leave that open during the shutdown. So if a facility was located right on the road, the thinking was, it's not behind the closed area, it doesn't rely on the Park Service to stay open, so that's one criteria used to sort out which ones could stay open.

The second one was that the facility or service did not require visitors to have access to closed parklands or facilities, as in the case of a lot of Outfitter Guides, for example, many of them would not have been able to restart operations under this policy

because, by their very nature, an Outfitter would need access to parklands in order to continue with their business.

In talking about facilities, one of the things that they were looking at was, would patrons of that facility be going there as a destination sort of in its own right? For example, the Cliff House in San Francisco, or City Tavern in Philadelphia, are standalone restaurants and many people who go and have lunch or dinner there aren't necessarily even aware that they're in a National Park Area. So those are the kinds of facilities with that criteria.

The third criteria, and it was quite a general one, was that reopening the facility would not cause the park to expend funds in violation of the Anti-Deficiency Act. This one was a very complex question for the Park Service that has not quite been sorted out yet. Ms. McDowall provided some details on this criteria as it relates to staffing. The decision that would have to be made would be: Would opening that concession require the park to bring on additional staff in order to accommodate that decision? One of the difficulties with that question comes with the parks that have more than one concession facility; it might be fine to open one facility in a park, but if you open five, then you might

be looking at having to add staff. This had to be sorted out during the shutdown. There were still 40 requests to reopen when the shutdown ended, that were not acted on.

What the Park Service is committed to doing at this point is taking a look at the policy that was hobbled together towards the end of the shutdown, and tightening that up somewhat; trying to make some decisions ahead of time about what facilities could remain open if we have to go through this again, and which ones would probably still have to close. The Comptroller for the Park Service has actually suggested obtaining a Comptroller General decision on this issue. It is a complex question, and over the next month or two discussions will be held to try to sort that out so that if there is another such situation, it will be easier for the Park Service to make decisions about what stays open and what stays closed, and to be more transparent with the Concessions community, so that they would know in advance whether or not their facility or service was something that would be eligible to stay open during the shutdown.

Chairman Eyster asked if, going forward, because this situation could potentially happen again, it would be necessary for not only the park system to have an action plan of sorts, but for the Concessioners

to have business interruption insurance. Whether this would even help or how it could ameliorate or compensate Concessioners for what they would consider to be legitimate damages. If the Park Service does compensate for that, where are those funds coming from. And if this becomes a recurring event, how can we structure our concession contracts so that both sides know ahead of time what the process is that's going to be used to handle this. Is there more risk involved now for the Concessioners, therefore do we build that into a higher return on their equity as a hurdle which may affect franchise fees. Chairman Eyster listed several different scenarios of business interruption and what fiscal impacts these would have on the various concession operations. He stressed the need for a contingency plan, what is needed to adjust, what is the cost to the Concessioner, and who pays the compensation. Or would this be part of the cost of doing business and the risk, and will this be built into the returns back to the Concessioner in the contract?

Board Member Nelson inquired into the roll-out after the shutdown.

Ms. McDowall replied that in 1995 some Concessions were allowed to stay open, and it was handled on a more local basis. During this most recent

shutdown, there was some confusion about why the shutdown plan had changed from one instance to this one - that was one issue. There was controversy in the Press about certain things that were blocked off, or not blocked off, open air monuments were one of the things that came up. The Park's thinking was, if we can restrict access to areas then there won't be as big of a trash problem, those sorts of things, when you have nobody to pick up trash. Those are the kinds of sort of day-to-day operational issues that a lot of park staff are thinking about, but there could be some changes in how those types of things are handled in the future.

Chairman Eyster opened the floor to discussion.

Derrick Crandall acknowledged that the shutdown was something that the Park Service did. It was a very disturbing time and we have gone up to the Hill and we have explained the consequences of the shutdown. It's very interesting to see the reaction in the media and the reaction among politicians about the importance of the shutdown, and to see the states coming in and saying they want to reopen the parks because of the importance that the parks represent to their economies, and symbolically the tours even outside of the parks.

There were lots of lessons that can be learned to make sure not to do it again. The closure of all the

websites in the Park Service, which was unique among the Federal Agencies was disturbing because it inhibited the concessioners' ability to help people plan trips long after any reasonable expectation that the shutdown would end.

He commended the Park Service's communication efforts. The first morning of the shutdown, Jon Jarvis personally called to explain both his empathy and to just review what was happening and to pledge to stay in contact, and he did. He had a conference call with many of the people in this room on October 11<sup>th</sup> in which he made very clear that he understood that, although the Park Service employees would be paid for their furloughed time, thousands and thousands of Concession employees would not be compensated because they're hourly employees, and when the restaurants are closed, when the hotels are shut, when other services are ended, there's no income and there's no way for people to do much more than what they did. In many cases they provide free housing, free food, and as Courtland pointed out, we had no choice but to keep them nearby because, in fact, if the shutdown had ended, there was an expectation that we would return to business very quickly.

There were also some things that were different this time around; in several National Parks, the

Concessions employees were forbidden from going out onto the trails, for example, they were told to stay in their rooms, which are not exactly large and luxurious accommodations.

The most important thing is to understand that the lemons that came out in the 17 days of October didn't end there; there is still finding a downturn in business, people who cancelled reservations not knowing for sure whether they could come in November. There needs to be better ways to communicate. There were in some cases excellent communications between Superintendents and Concessioners, and in other cases it was less than stellar. Overall, the extraordinary costs associated with this shutdown were high. In addition to food and a variety of other kinds of things, just the cost of the refund process, the extra cost of the reservation systems, were extraordinary costs. And it is important to understand that most of these costs are not covered by business interruption insurance, and they were not predictable. There is an opportunity for the Park Service to meet with the concessioners and look for successful ways to mitigate the damages that occurred. Mr. Crandall mentioned various ways in which these issues could be handled.

He said that the Director promised to have a

robust discussion with the Concessions community about the consequences of this shutdown, and what can be done to make sure that unfair losses and damages are mitigated.

Jim Houser, Delaware North commended Lena McDowall for working that weekend, that was very much appreciated. His question was why the reservation site was shutdown. A large amount of reservations were lost. He emphasized the need to make sure that doesn't happen in the future.

Board Member Linford asked if the only way to make a reservation in a hotel in the National Park is to go through the National Park Reservation System?

Mr. Houser replied that there is an individual reservation systems, but a lot of those reservations come through the National Park reservation system.

Chip Campsen with Fort Sumter Tours stated he was going to continue to work with the Park Service and see if there could be amelioration or mitigation in some fashion.

Chairman Eyster agreed and hoped to convince Congress that there are a few sacred cows in this country, namely the national parks, and the shutdown caused major repercussions. In the case of another shutdown, there are certain services that are still

considered to be essential, like keeping the airport and Washington open on weekends for our Congress members to get home. He said it was essential, together, the Park Service as well as the concessioners, to put pressure on Congress that if the shutdown does occur again, that there are certain exceptions that are made.

Carol Metzler thanked Lena McDowall for working over the weekend on applications. She said that hers was one of the 40 that did not get an answer. She would like to know, if there is an unfortunate shutdown again, whether to even have a hope for the possibility of reopening.

Derrick Crandall observed that many people don't realize how much the Concessioner employees, the Concessioners, the guests, communicated to Congress. He made a major effort working with NPCA and other park communities to try to draw attention to the fact that the parks were becoming a battleground over major budgetary issues and shouldn't be, that it was unfair.

Another important aspect is full documentation on what happened. And in the case of the previous shutdown 17 years before, there was a document that was developed, that allowed the State of Arizona to reopen the Grand Canyon and, in fact, there were three other park units that were reopened through decisions that were

there. Those documents were never shared with the public. Those had to be discovered through a variety of things like calling old retired Park Superintendents and asking if their personal files contained that. It was his hope that this Advisory Board would ask for those documents to be made part of the public record so that, should a shutdown reoccur, there would be a document reflecting what the agreement was between the Park Service and the states.

Chairman Eyster urged every concessioner to document damages over this period of time, because everything is so fresh in the minds right now, and there is documentation on the number of people that had to be laid off, the amount of food spoilage, the people that could not be laid off because it was not known when they would be needed again, whether tomorrow or next week. All these things like was there any compensation paid to food and beverage folks, was a salary paid? Did they still pay the base salary of the waiters and waitresses and cooks, and this sort of thing, even though that might be a third of what they take home by the time you put tips on that, did we continue to pay that? Or were they hourly employees, so they got nothing? Did some of you pay the wage plus some compensation for tips lost? And if you did, who to?

Whatever that is, it is important to document going forward because even though the data 15 years ago would be helpful, the data that we probably have right now in our hip pocket is even more valuable because this was a 17-day or 16-day layoff. It would be important for the Concessioners to document what their losses are and not to make them ridiculous by taking percentages of corporate overhead against this; it should certainly be done on marginal revenues and marginal costs. The Chairman reiterated to be a little bit conservative, rather than aggressive in documenting the damages. And the Board would like to see some contingency plan drawn up by the Park Service for another shutdown, and how that might be worked out.

Chair Eyster also had a question on the Anti-Deficiency Act and to what degree is there flexibility in that. A judgment call had to be made quickly about what can and cannot be funded and the Park Service must be at least rethinking some of that to see whether the decision that was made this past month was the appropriate decision, or whether there may be some way of moving the boundary a little bit to warrant some instances to allow more of the services to be continued.

Ms. McDowall interjected that the Park Service has talked about doing some sort of after action review.

No decision has been made on exactly how to handle contingency planning going forward. There is a general reluctance to spend a huge amount of staff time and energy getting really good at shutting down. Nobody in the Park Service is interested in getting into a situation where we expect that these are happening continually. From the Director's standpoint, he's anxious to move forward and the Park Service has a lot of priorities and is spending significant resources planning for a shutdown. Something that is in the top five, probably not. They definitely want to sit down and look at what happened during the shutdown, talk about mistakes that may have been made, things that could be handled differently, better next time. And so far that's the commitment that has been made, but not necessarily to launch sort of a major planning effort necessarily.

Derrick Crandall stated he recognized that there were other organizations that were adversely impacted by the shutdown. A number of nonprofit organizations that work as partners to the parks, like the Golden Gate Park Conservancy and others were similarly affected, and their operations were literally locked out of their offices.

Secondly, one thing that this does raise is the fact that there are no resources with the Park Service to

try to help to bring publicity to the reopening. More importantly, the shutdown received so much recognition that it is now affecting the long term market of our ability to bring people to Ellis Island. There is no Park Service budget for advertising, marketing and things like that. And in fact, in a difficult time like the shutdown the concessioners had to allot significantly higher marketing programs to trying to get out there to the public and say "we are open in Yosemite," we are open in other kinds of places, to try to overcome this sort of attitude in the public that the parks are probably still shutdown, or it might take them a week to get back open.

So one of the things we'd like to suggest in the discussions with the Park Service is the need to have a contingency plan so that concessioners can in fact have a more successful ability to communicate the reopening, not just a shutdown, but also from hurricanes, or from fire.

Dan Jensen commented on the impact the shutdown had made in Yosemite and gave as an example the cancellation of seven weddings, numerous overseas tour bus operations and the impact it had on the 500 employees with more than 10 years of service with the company. If the surrounding economy through Yosemite is taken into account, 80 percent of the private sector jobs are linked

to tourism. Probably half of the workforce was unemployed for a period of time, so it was a huge impact not only on Yosemite and immediately on the Park workers, but also on the general economy.

A lengthy discussion followed on this subject.

Ms. McDowell reiterated that the Park Service did establish a precedent this last time that some Concessions can stay open during a shutdown. She did not foresee the Park Service being able to figure out a way for all Concessions to stay open during a shutdown, but some, yes. In her opinion, the Park Service is not looking at trying to get some sort of legislative remedy to allow parks to stay open.

Mr. Crandall raised one other issue and that was that a number of hospitality institutions on Park Service land were not impacted, such as Cavallo Point, such as the Argonaut, perhaps because they had commercial leases. He wondered if some lessons be learned: how do you apply some of the same logic? A commercial lease? Yes, maybe that does give a little bit more certainty. But the Concessions contract guarantees concessioners the ability to operate and that seems not to have had much standing in this kind of a situation; perhaps there is a need to look at change in the contracts, or changes in how to treat a Concessions operation.

Chairman Eyster said that the Board has had this discussion on and off for the last number of years about there appear to be limitations on what the Park Service can do and its ability to market itself in ways other than having kind of human interest stories written about the parks.

Ms. McDowall stated that marketing is much less of a bad word in the Park Service than it used to be.

Mr. Crandall thought there is no prohibition on advertising by the Park Service, it simply says that you have to notify the Congress about an impending decision on a contract, there is no prohibition.

Board Member Nelson suggested to ask Dean Reeder, the head of Tourism for the National Park Service, at our next meeting or conference call, some questions along that line. He then provided details of some similar situations a few years ago. Board Member Nelson referred to a handout depicting revenue and budgets for 2011. He did think that along with the after action report, there should be some effort to find methods that are acceptable currently within the National Park Service to get information out, to talk about the benefits, to put together a plan where that could be stimulated, whether it's nationally or North America, or internationally, to let people know about that. Because

there are folks who more than ever now want to have a National Park Service experience and take advantage of some of the things you have.

As far as the closure issue, this could have been handled better. He then recounted advice given by the various solicitors regarding what was and what was not to be closed. It was interesting that faced with the same situation, the NPS came up with a completely different solution in the recommendations that the Omaha office on what we should do on this issue of just the ability to access that property, do we get on it or not?

With regard to public access this may not help this group tremendously, but in terms of the NPS, he strongly urged to review that and to analyze it from the point of view of "it is public land and the public has a right to be on it," which was the approach of some of the other Federal agencies.

John Schoppmann had a good experience with the Park Service during this shutdown. There were a few isolated issues, but people really did care and did a lot of good. It was difficult for a lot of small communities around. He related experiences particular to his park and said it was really frustrating in the news to hear that it's not really affecting any people. It was really disappointing to see that happening to a lot of good

people and to the employees.

Chip Campsen with Fort Sumter Tours also expressed his appreciation for the Park Service's dealing with the shutdown. He realized the Park Service was having to make it up as they go. The Park Service at the end of the day made some good decisions in opening up parks, developing agreements, entering into agreements with the state, and provide the funding to open the parks. If the Park Service would consider opening components of or aspects of a park and not the entire park, or nothing at all, then a lot of the negative economic consequences on the local communities, on the Concessioner staff, the gateway communities, could be ameliorated. The incentive for the states to fund the operations of the Parks is, at the bottom line, to try to mitigate and mollify the negative economic consequences of the parks shutting down. If the Park Service could take a look at some contingency planning for having an abbreviated shutdown on a part by part basis, more states could agree contractually to fund the opening of the parks.

Terry MacRae referred to the question of marketing National Parks. Certainly within the National Parks there is an inherent cultural issue about the concept of marketing the parks, even though the organic

act clearly at the very beginning talks about promoting the parks. The Park Service is happy to use the words "outreach" and "education," but when you say "marketing, promotion and advertising," it's immediately scary. This is understandable as the background and the training of most of the people in the park system doesn't fit into that category. Dean Reeder in the Tourism Office is a very little place that talks about promoting or marketing, it's got no staff, it's got no budget. At the same time, the current leadership, understands the need for marketing and they have talked about it more in the last several years than probably the 20 or 30 years before that. They do see, as we do, an opportunity in connection with the Centennial to do some promoting and outreach and education and, yes, even advertising.

He mentioned that yesterday his organization inked a deal with Sue Waldron in the Communications Office to be a partner in promoting the Parks with an official Memorandum of Understanding to help with that. There is an opportunity now to work more closely together. He stressed that when you have a lot of international visitors, the lead time to get them to understand what happens in this country with our parks is a little bit greater, so it was his hope that the new agreement with the National Parks Promotion Council gives

the Park Service another tool and hopefully with this shutdown, they might have a little understanding of the need to do some marketing and promotion.

Alex Klein, representing Grand Teton Lodge Company stated his appreciation being able to participate in the meeting. He observed that this was actually a partial government shutdown, it was not a full shutdown. He felt that all the players should collectively put their heads together to look for a way to keep the parks open should this happen again. You can spend all the marketing dollars in the world, but if this continues to happen again and again, it's not going to matter

Chairman Eyster called for the Park Service to put together its own statement to move forward and get that to Congress.

Other Regional Contracting Updates and Upcoming Prospectuses

Debra Hecox made the following presentation:

"Out on the table in the foyer is this report that we do for every Board Meeting, and it includes a report on what each region did in the past year as far as contracting actions, new contracts, prospectuses, planning. We also include leases because, although leases aren't under the charter of the Board, it is a huge workload in some of our regions, and so it just gives a perspective of how

the regions have to balance the various requirements. Some of our Regional Chiefs also manage the fee program.

The last two pages are both the contract backlog report, the 65 Act contracts, and our prospective releases for the next year. We're going to release 42 prospectuses in the next fiscal year, so from October 1<sup>st</sup> of '13 through September 30<sup>th</sup> of '14.

And it also includes one new opportunity which is a small opportunity in Indiana Dunes. We also labeled the Everglades contract as new, it's new operations there, we had the prospectus issued earlier, it didn't get bids, we're rethinking it and hoping to release that again soon.

In talking about the contract backlog and, again, these are the '65 Act contracts that have expired by their original term; we're down to 19, I think we have two 1965 Act contracts that have not yet expired, but with releasing four this year, the backlog should never again be above 20. Five years ago, our backlog was in the neighborhood of 270. So it's been a huge accomplishment. The unfortunate thing is, this year we're going to extend 107 1998 Act contracts, which means that we're not keeping up with our contracting workload as those contracts are expiring. Of those, about 80 are at Yellowstone. Both of those are involved with

planning, one is the Outfitters in the Back Country, about 46 are small contracts, all of them are under \$500,000, some of them are just a few thousand a year, connected to dude ranches outside the park, they may have one or two trips a year into the park, and so they're fairly small contracts. Others have operations in the park almost every day. And the park is doing some planning that has delayed that.

The others are the over-snow motorized vehicle contracts. I don't know how many of you have followed that, I think almost 20 year saga, of winter use planning in Yellowstone, but they just released another rule that has appeared to get some wide acceptance from both the conservation community, as well as the snow mobile manufacturers and the operators. We hope to release the prospectus for those contracts within the next month. It's been delayed a bit because of what we were speaking of just a few minutes ago, the shutdown, and so although that prospectus is being released before the end of the year, the contracts are extended to accommodate the fact that we need to go through that competitive process.

So if you took away Yellowstone's unique problems, we'd still be extending over 35 contracts and with a 500 contract inventory averaging 10 years, we should be renewing about 50 contracts a year. And so if

we're slipping 30 contracts behind, we're not being able to keep up. There are a lot of reasons -- staffing issues, planning issues, both at all three levels, Washington Region and in the parks, and it's a constant challenge and we provide as much support as we can to the regional and park offices that need extra help and support in getting those prospectuses finished and new contracts in place."

Board Member Linford wanted to know why were concessions shut down and leases not during the shutdown.

Ms. Hecox replied there was a lot of discussion at the Washington level and decisions were made.

The solicitor's interpretation had to do with the property right under a lease, and the differences in the property right under a lease and a concessions contract.

Chairman Eyster asked for comments on the no bid impacts on several of the concessions, The Glacier Bay Lodge and there was a Lake Mead proposal that got no bids.

Ms. Hecox stated that with regard to Glacier Bay, they issued a prospectus there for a 10-year contract, lodging, food and beverage, and a tour boat on the Bay. It had some good interest, it had several companies attend the site visit, which to us is an

indication that they're interested in submitting a proposal, but no proposals were received and the park contacted those who attended the site visit, or who had requested a copy of the prospectus and asked why not. She related that they have received some good information about things we can do to make it a more attractive opportunity. We're working actively in redefining the scope in that prospectus, and we're hoping to release it this summer.

Glacier Bay is closed for the season, but Aramark agreed to at least one more year of staying there, which is really appreciated. Because a closed facility is hard to market and open, an open facility is better. As for Echo Bay, it's one of these low water facilities, it was an old facility, the land-based facility is the hotel, the restaurant, they were dated. Forever took it on as a temporary contract and I think did as well as anybody could have done with it. Because of the water situation it was down to just some truly marina operations, docks, fuel, there is an RV park associated with it, and no, I don't even think we got any interest, let alone any bids. And so the concessions operations were closed. It was really affected by the ever-decreasing water levels at Lake Mead.

The Isle Royale contract is a launching

contract there, again with Forever, and it certainly faces challenges, the utility costs are tremendous. The park has never had many visitors, it's not easy to get to and it's not cheap to get to it, but it is wonderful and you should all go.

Sandy Poole explained that they have four concession contracts at Isle Royale, two are boats, one seaplane, and then the Rock Harbor contract which is the larger lodge, food and retail, tour boat, fuel, water taxi service, on and on, that Forever Resorts operates for us and does a wonderful job. The problem there is the extraordinary utility costs, one of many challenges that park faces, it is very expensive to get to, very difficult to do business there in a short season. So we're just limping along year by year, we've got about five years left on the contract and, you know, I'm just constantly sort of in begging mode for Forever Resorts to remain and help us provide those visitor services there, it's an extraordinary park. And we are trying to deal with the utility costs. We've been operating on utility waivers. What happened at that park is we basically implemented DO-35B 10 years ago and applied capital costs over to those utilities, so that is part of the problem with those utility costs in that park, and we've been operating on utility waivers and we're trying to continue

to do that. As we lose money or go through sequestration and things like that, it's much harder for us to provide some of that relief to the concessioners in those challenging parks.

Joe Fassler, Chairman, NPHA thought this would be a good way to segue into what he thought is important for this Board to hear and know. As the Park Service gets less and less appropriations, they need more and more money, and there's a resource called Concessioners that could bring this additional money to them. There are three or four concessioners here today that presented at the NPHA Board Meeting the other day ways that they could increase funds for the Park Service and at the same time allow the Park Service to reduce their expense and use the money that they do get for backlog or for other issues. He then launched into an explanation on how concessioners could bring money to the Park Service, and it would cost the Park Service nothing, and it would reduce their expenses. He then turned to Alex Klein to explain.

Alex Klein made the following statement:

"We just finished a great series of meetings and we talked about some new ideas. I've challenged my team to come up with some new ideas on what we might be able to do to think outside of the box.

We're owned by Vail Resorts headquartered in Colorado and, as many of you know, Vail is the leading operator of ski resorts in the nation, they now operate 11 ski resorts. What I'm not proposing is skiing in the Tetons, as fun as that would be, but Vail Resorts did institute a new program called Epic Mix, and Epic Mix is actually a new digital program that was introduced four or five years ago on our mountains, and what it does is, for all of our guests that have a season pass or even a day pass, it tracks the number of vertical feet they ski, they're allowed to earn points and pins and things of that nature and it really took off the first year, and the second year we decided that we were going to actually add a photo component to that. And the photo component from a business perspective was mildly successful; however, from an exposure perspective was wildly successful. People could ski our mountains at the top of lifts and periodically throughout the mountains, as well as in the ski schools, our guests could get their pictures taken. When my little girl was actually in lessons for the day, her picture was being taken with the Mascot, as well as with the teachers, and I would actually get these photos on my phone and see that she was having a good time. These photos would then be posted on Facebook, Twitter, and other social media, sharing that excitement. It was

a great marketing tool, we got \$6 million impressions in just the first year alone, and this type of program could easily be implemented in our national parks. In Grand Teton, you could just imagine that people on our back deck at Jackson Lake Lodge, or going down the Snake River on our raft trips, or participating in horseback rides would have the same experience.

There is a financial element to it. Vail Resorts offers unlimited photos in high definition for just \$40.00 a year. In all honesty, that really offsets the cost of implementing the program, but there would be fees payable on that.

Secondly, when we took over our concessions counter back in 2007, there was really no safe way to navigate the roads in the Tetons, especially with the rental RVs. For those of you that are cyclists, nothing scares us more than a rental RV -- for good reason, but they actually built an award winning trail system. The terminus of that trail system is about 200 yards away from the store that we operate at Jenny Lake. Right now, our concession contract does not allow us to rent bicycles for a fee. But we're clearly in a unique position, unlike any other outsider, to provide that service in an existing facility. We do have a large porch around that facility, we could easily hang bikes,

station somebody out there, generating income for ourselves, as well as fees for the National Park.

Now, the third idea is probably a little bit more out there in a National Park, but I think it's relevant in today's time and that's actually placing a mobile food truck in the National Park. Currently, we are one of just two significant concessioners, the other concessioner is located across the table, Forever Resorts, they have restaurants and food service in the park, and kitchens that are inspected by public health service. I think that uniquely qualifies us to provide the service as opposed to somebody coming from the town of Jackson or elsewhere. There are two locations in the Tetons that are rather underserved by visitor facilities, including Food and Beverage and that's Stream Lake at South Jenny Lake. I just talked about the store that we operate, but that store is all of about 2,000 square feet, and it's full primarily of t-shirts and other tchotchkes and doesn't really offer any kind of full service food and beverage. That's where the majority of in-Park visitors, whether they come from the north or south, spend their days. And so obviously the prime time would be lunch, and we feel that a food truck would not only supplement our income, but also provide income to the Park."

Mr. Klein thought it important to note that in addition to franchise fees, these two new elements do not add any new LSI, and they actually cause us to pay our maintenance reserve fee on the income that we see, so that actually means more dollars going into the maintenance reserve, and thus being invested in the park facilities to help procure the deferred maintenance.

Mr. Houser stated that if we want to drive revenue, the best way is to increase the stay. If we can get people to stay two days, we can double our revenue, which doubles the concessions fees and doubles everything else. Now, for those of you that have been to Shenandoah, you get a million dollar view from Big Meadows, you get a million dollar view from Skyland, but after you do the million dollar view, you really don't have a whole lot else to do. So that's why it's one stay, or a one-night stay, so I think what we need to do is look at a solution that would keep people there for more than one night by adding some extra amenities. We have horseback riding, but I hate to say it, the equestrian things are starting to die down and there's even been talk of taking that away because they've had some accidents up there.

So what we need to do is look at ways we can keep families to stay over for an extra day, and if we

can do that, we can drive the revenue that way. And maybe it's taking mountain bikes and doing guided mountain bike tours on the equestrian routes, not on the hiking routes, but on the equestrian routes; or maybe it's adding some family amenities that they could use, that would keep families around for an extra day so that, when they were done hiking in the evening they could gather around the campfire and make smores. We had campfires in some of our private hotels out in the west in Yellowstone and they've been a huge hit. If we can increase the stay, we really drive the revenue. And more importantly, we drive the experience. And if we drive the experience, you get the return visitor. You get the word of mouth marketing. What we need to focus more on, is working with our Superintendents and getting the amenities that are going to make people's experiences great and their stays longer.

Terry MacRae, Alcatraz Cruises, Statue Cruises stated the following:

"There are three concepts that would dramatically improve the business of concessions in the parks to the National Parks and the taxpayers, the first one is matching -- these are going to sound really simple, but the first one is matching supply with the appropriate schedules. I use the analogy of going to Mount Rushmore at 9:00 in the

summer and you can still get up close and personal with the monument, but the Statue of Liberty? If you don't buy a ticket by 2:00 in the afternoon, you won't be able to see the Statue of Liberty. And it sunsets about the same time in those two places. So a great opportunity just to simply change the schedule. And we have that in both of our parks.

The second is to add products to meet the market desire. If people want to buy food and there's no food available, it's a missed opportunity, just as a simple concept. The third one is dynamic pricing. There's not a single person in this room that arrived here, bought an airplane ticket, stayed in a hotel, that didn't operate with some form of dynamic pricing. You know, if you go to New York during UN Week, you're going to pay much more for a hotel room than if you go in the middle of March when there's nothing going on. It's expected, people understand that, but it's not a concept that the Park Service embraces or utilizes. If they do, it's in very narrow ways. All three of these things can be done while protecting the natural historical and cultural resources. There's no compromise to any Park Service mission or policy necessary to do these things.

I've got probably eight different things in each of the two parks, 16 different things total. I'm

not going to go through all of them, but there are so many places to do this. I'll give you one example with Alcatraz, the carrying capacity studies which were probably done 20 or 25 years ago basically point to the fact that the public has a high interest in the cell block. The Park Service, on the other hand, would really not focus on the penitentiary era, even though the public wants that. But as a result of the way the tour is structured there, if you put too many people on the island at one time, they pinch up in the cell block because the way the tour experience is going, the audio tour there, there is a required component. So essentially not everybody listens and paces themselves the same way, and you get a few slow people that hold things up. On the other hand, the cell block is all the ground floor and there are three different elevations that offer exactly the same type of opportunities, in some cases, the chapel for instance, is on the second floor and people would like to see that, but you really can't when you go see the island. So there's a huge opportunity there to expand the types of tours that are available and it's simply a modification of the carrying capacity, assumptions and analysis, and having the local park feel like it's in their interest, and also having the Friends group that provides some of the services

being willing to do it. So in my view, there's a huge opportunity with these three things: match demand with your scheduling, add products to meet the market, and use dynamic pricing."

Board Member Nelson was interested in the comments about new users. What should be done about attracting new users, not only that initial experience, but how can we sustain that relationship with them and have them become patrons of this great organization.

Joe Fassler, NPHA stated it was important to try to reverse the decline in visitation, especially out of the urban areas and the younger people. When you sit back and look at what the Park Service and Concessions are allowed to offer, it's not what these young people want to go to. And the question is, the deterioration and visitation, what do we do to reverse it? Well, today there's things called iPads, cell phones, you keep going, apps, compared to 100 years ago, there weren't televisions, so people had reasons to go to National Parks that were of interest to them at that point in time. Nothing has changed. Even televisions in rooms would attract some people. In order to have televisions in rooms, the Park Service has to think differently. Now, I know I've been told in the past the Superintendent makes those decisions, but when you go to the

Superintendent, they say, "We can't step out of tradition, we'd be violating our regulations from Washington." The campgrounds have always been run by Park Service. There are some concessioners that have taken over those campgrounds, but not enough. When you think about concessioners that operate hotels, restaurants, transportation, gift shops, you name it, they could also operate campgrounds. Now, the use of campgrounds is increasing, but not in the Park Service. Why? No investments in those campgrounds. There are some campgrounds without showers. The concessioner that operates in those parks could make investments; as a matter of fact, it would be part of the requirement if you take over the campgrounds - modernize those campgrounds, operate those campgrounds, pay the Park Service its franchise fee on those campgrounds, and the Park Service can then use that labor that they won't need any longer in the campgrounds and use it elsewhere inside their organization. That's a way of mitigating their shortfall and appropriations. Of course, there's never really going to be enough of appropriations to give the Park Service what it needs, and it's just a matter of thinking outside the box.

Chairman Eyster said he would reserve response because he did not know to what degree the Park Service

manages its campgrounds. Maybe at the next meeting there could be some discussion on the campground process.

A discussion followed on the topics just discussed involving Alcatraz and other issues regarding revenue increase potential and opportunities.

Chairman Eyster inquired into how to move along new ideas that are promoted or suggested by a concessioner to increase service or provide a new service into the parks. What's the present process?

Ben Erichsen explained that as the NPS is currently structured, if you have a great idea and you're a concessioner, you take that idea to your Superintendent and in some cases the Superintendent is fairly entrepreneurial and can see the merit in the idea. In other cases the Superintendent may be more traditional or may have a different idea or background, and so the idea will die right there. There is the ability to appeal, if you will, to a Regional Director that is the boss of the Superintendent and maybe get their buy-in to an idea, but that's the current structure of the National Park Service, so that if one were trying to get into a place where lots and lots of great ideas got to be heard, we wanted to be able to open up to the concession community with a conference call on a regular basis. He also suggested something as simple as this, if people would

shepherd a great idea through his desk and simply write it up in a 12=point type, one-inch margins, one page, giving a brief recap on these things, he would try to collect them and somehow at some later date, maybe at the Regional Directors meetings, or whatever, the ideas would at least get a hearing. But right now there isn't an organized conduit for some truly good ideas, but there certainly is some area for growth.

A discussion ensued regarding the foregoing subject.

Chairman Eyster stated the Board would be talking and spending some time with the Park Service staff to discuss some of these issues.

#### Working Group Updates

Debra Hecox referred to a handout with regard to Innovative New Commercial Visitor Services and explained in more detail the scope of the project is, i.e. preliminary work, the members of the working group, concessioners, Board members, as well as Park Service folks, CMAB Work Group tasks, and the planned schedule. The idea is to meet call to action goals. Ms. Hecox explained there is a need to look at ways in defining this project. CHM Government Services was awarded the contract. There will be conference calls with the work group probably starting in January, it's delayed a bit

probably because of the shutdown. The goal is to still have a report to the Board in the March meeting with the recommendations for the Board to consider and perhaps get back to the Park Service. CHM is interviewing Park Service people, superintendents, interpretive folks, concessions specialists, in parks with concessions contracts and in parks without concessions contracts. There will be interviews of concessioners, interviews of commercial use authorization holders, and interviews with State Park Directors, as well as a fairly extensive document review of existing literature. There is a lot of literature, a lot of people have already been looking at what are trends, what are new trends, and what are generational trends

Ms. Hecox then proceeded to provide highlights of the preliminary report. Most visitors to National Parks are aging baby boomers, typically between 45 and 55, mostly Caucasian, financially secure. Visibly absent are those from the GenX, GenY and millennial groups, and visitors from ethnic groups other than Caucasian. Today's travelers tend to be educated, well-traveled and sophisticated in expectations. Today's traveler expects the availability of certain routines like good coffee, good meals, an activity to social media, mobile phone and wireless phone activity, branded products like Starbucks,

amenities such as televisions, high quality lodging and dining, modern bathrooms, and utilities. Travelers expect segmented offerings to provide choices: low-cost/high-cost/luxury standard, that sort of thing Today's travelers want an experience not just sightseeing, they seek assistance in achieving their experience. They may want to backpack through the wilderness, but they want someone to take them on that backpack and help them prepare for it, maybe provide the appointment so they can show up, go on backpacking trip, and come back. The packaged experiences are very popular.

People travel to parks for many different reasons, but the experiences that the Park and concessioners provide are similar to what has been provided for decades. However, today's travelers want more than just that sight-seeing experience.

The Park Service employees acknowledge they don't know how to attract ethnically diverse visitors. They also acknowledge that there are internal cultural barriers that will be difficult for the Park Service to get around to offer different type of opportunities. Some of the experiences for recreation experiences that travelers want may be Triathlons, Adventure Racing, Hallmark Skiing, Trail Running, Biking, those sort of

activities that the Park Service has tended to resist for at least the past decade. You can go elsewhere and do that, that's what recreation travelers want, and so is there an opportunity for the parks to provide and how and when.

The Park Service and its operating partners and concessioners need to market and promote the destination and products with an understanding of what that audience wants. The concessioners gather a lot of information about their customers and the Park Service doesn't have that kind of information. Is it appropriate for the Federal Government to get that kind of information? It is important for the Park Service to understand what we can do, but there's a lot of work with the concessioners to understand it can't be business as usual for them either, and there has to be a shared effort to move forward and understand different travelers and how to get those different travelers

Geoff Baekey of CHM Government Services referred to the recurring Olympics in that there was some introspective review about how they managed their programs, how they delivered their product to the media at large. One of the findings was that they had 290 sponsors; well, how do you satisfy 290 sponsors in a meaningful way? So they took a look at the nature of

those sponsors and contracted the inventory of those sponsors down to a meaningful number that generated the revenue, that actually saw a benefit in contributing more sponsorship revenue, because they were more prevalent in the message that was being sent to the market. They also took a look externally at the product they were delivering, and determined that in many cases, some of the activities, some of the events, were staged, sometimes boring, and not relevant to today's consumer, and took a hard look at creating a committee that would review those activities and those sporting events so that it was relevant as the markets changed. It resulted in a shift in the nature of activities, much more modern engaging activities, a cutting edge to the nature of the athletics and the events that can be seen in the Olympics right now, which resonates with today's market. And so that introspective and external look at how they were delivering their product and how they were structured internally really was the basis behind how they revolutionized the organization and in a way that was much more relevant to today's viewer.

Ms. Hecox reiterated there will be a preliminary report from CHM that will be reviewed with feedback. Then a second draft will be presented that then will be shared with the working group for additional

input and ideas through two conference calls that will be facilitated by CHM, and probably conclude those by mid-February, early February, so that we can get all of that back for the final report in time for the Board's meeting in March.

Chairman Eyster inquired if the report will provide some input on what can and cannot be done by the Park Service as far as outreach or marketing is concerned.

Ms. Hecox replied there will be a parallel effort in order to get a clear understanding of our authority, because Federal agencies have limited authority. She explained that the Park Service has the authority given by Congress, so even though we might not be prohibited from doing something, if we don't have that affirmative grant of authority, we may not be able to do it. So we may conclude that if we don't have the clear authority, we might not want to risk getting out there with using appropriated funds on something we don't have clear authority on because people can go to jail for things like that.

Ms. McDowall added that there is a large effort going on in the Park Service right now around marketing, and people are not using the word "advertising," necessarily, but they hired Grey Advertising (Grey)

through the Park Foundation to work with the Park Service around activities around our Centennial Anniversary, and they're looking at a number of things, they might be looking at advertising campaigns, they're looking at branding, they're looking at many of the things that we've been talking about in this room. The work that Debra Hecox is doing, the work that the sub group is doing, the information that we get from concessioners at meetings like this, all of that will feed into that work. There are similar efforts happening in groups like Interpretation and Education in the Park Service where there's a lot of soul searching about what visitors want today. The Park Service's challenge is to bring all these conversations together and actually make something happen. After this project is completed, the next step is to take it to the Park Service's National Leadership Council, which is all of the larger leadership group for the Park Service, to have these discussions about what this means operationally on the ground at the park

Chairman Eyster was interested in seeing what vehicle can the Park Service use, moving forward, to develop a unified strategic marketing plan and implementation of that plan, that is much more centralized than what has been in the past. Most companies will hire a marketing firm to put all this

together and to go out with some sort of unified coordinated message to its potential customers. That seems like the most effective way of doing this if the Park Service can somehow get the approval to put this together and do it.

Ms. McDowall stated this was exactly the work that's happening with Grey now. The Park Service is working with the Park Foundation with Grey to do just that. Grey has done some interviews and focus groups with concessioners, they will probably continue to do that.

A discussion followed on this subject. Mr. Baeky provided some more elaborations on the work being

Dan Jensen, Yosemite pointed out opposite interests as it relates to guided services and the Wilderness Act, because it would be against commercial activities in a park. He provided some examples as it relates to Yosemite.

Derrick Crandall stated that many of the issues under discussion can be developed by companies that are the concessioners. He thought that part of what needs to be done is go back to the doctrine that's guiding the Park Service preparing for its next Centennial where we talk about four pillars connecting people to parks. The fourth is enhancing professional and organizational excellence, to develop a

more flexible and adaptive organization.

Debra Hecox referred to the next two handouts relevant to this process; one is just an overview of the project, a list of the working group members for the simplified procedures project, and an overview of the tasks. This one has an internal Park Service Working Group looking at the four areas of the program, prospectus development, contract management, asset management, financial management, and how we can simplify procedures in those four areas, and then taking those ideas and gathering ideas from the small concession community, turning them back and forth, and coming up with some ideas. The first task that the internal working group took on was to define what is a small concession contract. The 1998 Act, in talking about the competitive process for concession contracts, states that we needed to use simplified procedures for small individually owned concession contracts in the competitive process for new contracts. And so we tried to define what is a small individually owned concession contract. Regulations and law talk about two different levels, one is \$100,000 and less, and one is the \$500,000 level, which is where you get preferred Offeror status, and based on the regulations the conclusion was that definitely any contract with revenue of \$100,000 and less

is a small concession contract that is likely to have a sole proprietor, so individually owned as the concessioner, or one for which a sole proprietor is likely to bid. Congress saw this \$500,000 level as also being meaningful for the right of preference, and so there's a second group that was recognized between \$100,000 and \$500,000. And so as we develop these simplified procedures, we should apply them for all contracts of \$100,000 and less, that primary category of small concession contracts, but on a case-by-case basis a Regional Director may apply those processes to that second category of contracts between \$100,000 and \$500,000. It was complicated and the working group looked at how other agencies defined what is a small business, and it was a pretty rigorous approach. That was the first step. Ms. Cox continued with her explanation on how the categories were identified and codified. A survey was developed in order to get a quicker approval process to collect information. When the Federal Government does a survey, it goes through an incredible process and sometimes it can take up to a year to get approval to collect information from people. This was a quicker process, although it did take longer than we wanted. The survey went out last week and it went to 260 different companies and individuals. Once that

survey comes in, we're going to analyze that, and that's when we're going to start having our working group meetings with the Board members and the concessioners on that working group to understand those results, figure out what projects we can pursue, prioritize them, and then move forward, again, on goals to try and have a report to the Board in March. There are things we are going to try and bounce off of leadership because a lot of processes are our internal ones, that we may be able to start implementing before we present it to the Board.

A short discussion followed on this subject.

Chairman Eyster inquired if there will be a proposal at the next board meeting from each of the three groups

Ms. Hecox replied it would be more along the line of a report of what was accomplished. The innovative services will have a proposal.

Standards, Evaluations and Rate Approval (SERA) - Progress Report.

Board Member Linford inquired into points towards the next contract because many people would like an additional year on the contract. But one of the things he and Outfitters in general always objected under the new laws which are coming along, and were most

worried about and concerned with is that no matter how good a job you've done for the term of your contract, that is not recognized in bidding for the new contract.

A discussion ensued about pros and cons of evaluating for jobs well done and the need for a discussion on the subject of a better consideration of an outstanding and particularly long standing service to the public as a concessioner.

Kurt Rausch explained that SERA process has been going on for about four or five years now, and will come to fruition very soon.

Ben Erichsen talked about the difficulty for concessioners getting their ideas recommended and passed through to eventual implementation because of some possible blockages down on the Park level. The process as it is currently established is a concessioner deals with his local Superintendent, and if you have a Superintendent that is entrepreneurial or has some vision, or just there are a multitude of reasons why he might approve something, then you get approved. If on the other hand you have somebody who may not be comfortable with the decision or may not know that he has the authority, or for a variety of other reasons, your idea, however great it might be, and however much application it might have for the rest of the Park

Service in terms of an idea that could have legs and spread, it's dead. He explained he is in the process of setting up a protocol for easier access and approval.

Mr. Brown referred to prior discussions about the insurance requirements, type of coverage and availability. Many companies are not able to get the coverage they want and a different process currently being developed is certainly headed in the right direction. He asked that this item be tabled until the next meeting for a further report.

Derrick Crandall appreciated the discussion and thought this was a productive meeting. Area of concern is the definition of providing services beyond the existing units with the concession contracts. Mr. Crandall also talked about the planning process and the need to participate in foundation process. He thought the process was more design focused instead of performance focused. Mr. Crandall pointed out that historic structures are in need of investment and at the same time Congress has mandated that visitor services be provided by concessioners. He suggested that the Park Service be present at meetings as it provides an opportunity for both the NPS and concessioners to come together on this issue. He strongly encouraged that at least once a month there should be an opportunity for a

dialogue between the concessions community and the Park Service leadership. New legislation is needed regarding the various changes for the Centennial. Different methods for fee collection was another issue discussed.

David Brown stated he thought that there are too many hoops to jump through in order to implement new services. Concessioners may provide fairly benign activities in the parks only to be told that it is not consistent with park purposes. It is difficult for Federal lands to react to changing public interests and trends. The processes are too expensive and convoluted and until this process can be streamlined it will be very difficult to add new activities.

Richard Eisen from Delaware North provided an example with regard to their contract with NASA, where they as many folks as they could to the space program.

A further discussion followed on this particular subject.

Sandy Poole related that in the Midwest Region, in terms of general management plans and foundation documents, they have over the last several years made a push to include more concession activity there. Dialogs were started with various concessioners.

Debra Hecox pointed out that out of the 250 parks that don't have concession contracts, there are

over 4,000 commercial use authorizations in most of those parks for a lot of the kind of activities that concessioners provide in other parks under concessions contracts. Most of them are recreation, outdoor type things, fishing guides, climbing guides, just under a different authorization. So it's not as though those opportunities don't exist in those other parks, they're just under a different authorization.

Board Member Linford inquired into the process of developing a particular service. Ms. Hecox explained that if a commercial provider comes and makes a request to do something, and if it's consistent with core purposes, if it would have basically a very small effect on public resources, then a lot of Superintendents allow it. But there are some activities that might seem minor, but because of the location where it occurs, it's just not a good idea, and so it's turned down.

Sandy Poole added that sometimes when it's a small park, it's the feasibility issue.

Derrick Crandall pointed out that the language is pretty clear and the '98 Act says new or additional sources; the sector shall not grant a preferential right to concessioners to provide new or additional services in a unit of the National Park System. That is something that needs to be addressed. What would help the Park

Service a lot would be flexibility to concessioners to allow some of these kinds of additions.

New Business

Board Member Nelson made the following observations:

As the National Park Service is encouraged to go in a new direction, it might be well worth your while to support that effort in terms of their staffing needs and the expertise. Many of the things that these folks have been proposing today are going to take people to carry out that work in order to get it done. They're going to need MBAs, they're going to need technical people. It's a two-handed job. Some of the work that you're asking these people to do is going to take some time, it can't be sped up, it can't be skipped over, things have to be researched, they have to be looked at, in order to arrive at some great advances and some very good things to happen. But there needs to be the business acumen, the staff, in order to carry that out, or there's going to be a backing up and more things yet won't be achieved.

Second, he also suggested that in that great fun discussion that we had about marketing and advertising, and that if one were to narrow down the things you really want to do, it might ride on some

pretty smooth rails, at least initially. There are probably some convening factors among the Parks folks and the Concessioners for overnight accommodations for this kind of gray area right now of advertising, that might come together pretty quickly. There are some areas where that has not worked, but there are several places in the National Park Service world where they've had great successes and there's lessons to be learned, and they worked at the gateway level to make things happen. There are some bright and very motivated people who want to do all the things that we've talked about today with marketing and if there is a way that whole marketing discussion can be narrowed and you can focus on a couple of things and make them successful rather than the big and the broad, that there might be some benefits that would come much more quickly to that.

Thirdly, referring to the discussion about campgrounds, this is a situation that many of us in this business share, and so I have a strong opinion about it. Campground Management and the maintenance above and beyond some of the daily maintenance that occurs, an actual Park Service like my outfit and many of the older State Park systems has got many tens of thousands of campsites, but they've all been around for 40, 50, 60, 70 years. Great motivated people have tried to keep them up

and running, but it's never sexy enough to get the money to go in to do a big renovation, so they're essentially built for cars and vehicles in the 30's and the 40's, and you never get to that point where a campground can be put on ice for a season and it gets renovated, the new restrooms go in, the new asphalt, the new wiring, the Wi-Fi stuff, it just goes season after season after season. A group of smart people could sit down and analyze some of those numbers and see what the opportunities might be so that, in a big way, the private sector could come in and do some of the light improvements. Not the heavy stuff, that still has to be a function of the National Park Service, but some of the restroom improvements, some of the top dressing, some of the services that are provided, and you could develop a scale and scope of that to make it attractive to the private sector. He also thought that maybe this Government shutdown is the crisis that could be tied together with this Centennial to create some energy and some urgency behind some significant changes. There's maybe enough time and maybe enough congruence around leaders and likeminded people that there could be an opportunity going into the next couple of legislative sessions to do two, or three, or four of these things that we've talked about here in a very meaningful way. And have that be a significant

pillar for moving into the next century of the NPS.

Meeting Adjourned

Board Member Linford moved, seconded by Board Member Nelson to adjourn the meeting at 3:20 p.m.

DRAFT