

C3823(2410)

Memorandum

To: Regional Directors
Attention: Associate Regional Directors, Operations

From: Associate Director, Park Operations and Education

Subject: Financial Impacts to Concessioners

A number of questions have been raised concerning the financial impact to concessioners due to the recent terrorist attacks, resulting in nationwide economic impacts and unexpected closure of some Government facilities. While the causes and overall effect of this difficult situation may be somewhat different from past events and beyond our control on the initial closures, we must be consistent in our adherence to regulations, contractual agreements and policy in the difficult days ahead. We are working to reopen affected areas as quickly as possible consistent with safety of employees and visitors and recognizing heightened security requirements.

The entire economic impact of this tragic event is being felt throughout the public and private sector. How it will evolve in particular for national parks and our concessioners is not yet clear. As a technical matter, we may not waive franchise fees required by existing contracts as a result of these tragic circumstances.

However, there may be other ways to help the concessioners, and we encourage all of you to work with them in good faith, and wherever possible, to take actions operationally to help alleviate these effects (i.e., operating or maintenance plan revisions). We also encourage concessioners to proactively manage their operation taking into account recent events.

Additionally, the franchise fee requirement is usually expressed as a percentage of concessioner gross receipts and, as such, as concessioner sales decrease, franchise fee payments will also decrease. While this will not make the concessioners financially whole with respect to shutdowns because of the financial effect of certain fixed and ongoing expenses, it does, naturally, reduce some of the financial burden.

If you have any further concerns, please contact the Washington concession office and we will be happy to work with you in this effort. We also recognize that there may be specific and unique situations that may, consistent with this memorandum, have to be considered on a case-by-case basis. These, hopefully, will be rare. We encourage you to work with your regional concession program managers, however, in these instances.

bcc: WASO Concession office
CPC
Regional Concession Chiefs
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