

**Statement of Christopher Belland, CEO of Historic Tours of America, Inc.
Before the Subcommittee on Interior, Committee on Oversight and Government Reform,
U.S. House of Representatives, On Modernizing the National Park Service
Concessions Program
July 23, 2015**

My name is Chris Belland and I am the CEO of Historic Tours of America. Historic Tours of America is a national company headquartered in Key West, Florida and has sightseeing and historic attraction operations in Key West, St. Augustine, Savannah, Washington, Boston and San Diego. We are the largest themed vehicle sightseeing carrier in the United States, hosting approximately 3 million guests each year. Most recently, we were awarded the contract to provide interpretive sightseeing tours for Arlington National Cemetery. In addition to our sightseeing business, we also operate historic attractions including, for the State of Florida, the Truman Little White House which is the only Presidential home in the State of Florida, the Key West Aquarium, the Key West Shipwreck Treasure Museum, the Oldest Jail, the Oldest Store and Potter's Wax Museum, the first wax museum established in the United States in St. Augustine, Florida, as well as the Boston Tea Party Ships and Museum, a \$25 million re-creation of Griffin's Wharf celebrating the single most important event leading up to the American Revolution on December 16th, 1773.

My comments for your consideration address our experiences and our ideas for hosting a larger and more diverse number of park visitors well, for using park financial resources effectively and efficiently, and for using the hospitality expertise, promotional talents and people management skills of recognized corporate leaders in the hospitality industry.

Our company has operated in partnership with the founding operators of the high-speed ferry to Dry Tortugas National Park for more than ten years. Together, our partnership, Yankee Freedom III, LLC, competed for and won a new ten-year concessions contract in 2010, becoming the exclusive provider of ferry service to Fort Jefferson and the Dry Tortugas National Park. The contract allowed us to carry 150 passengers daily, providing them with breakfast and lunch, snorkeling gear and introduction to and interpretation about the national park on board our vessel and during tours of the Fort.

As part of our concession proposal, we were required to supply a purpose-built, state of the art high-speed ferry at the cost of approximately \$6.5 million with a US Coast Guard certified capacity of 250 passengers. Although prior concessions contracts in the park had allowed two operators each the right to transport 100 passengers to and from the park unit, we became subject to the general management plan maximum capacity of the Dry Tortugas of 350 visitors per day, of which 150 were permitted to arrive by ferry. The rationale for requiring a 250 passenger vessel but imposing a limit of only 150 passengers a day was to provide a more commodious experience and to provide for camping gear of our guests who were going to the island for that purpose.

It became obvious from the beginning that the 350 visitor-per-day cap in the GNP was well in excess of actual visitation – even though we regularly reached our limit of 150 passengers arriving by ferry. The additional visitors were expected to arrive by private vessels and by seaplane. Expense and the remote nature of the Dry Tortugas and visitor preference kept the other two access options well

under projections. In other words, there was unused visitor capacity to allow more Americans and international visitors alike to discover what **USA Today** and others have acclaimed as one of the true treasures of the Florida Keys.

As we began to work more closely with the National Park Service in marketing this unique unit, focusing on a rich array of historic stories ranging from the imprisonment of Dr. Samuel Mudd to visits by Ernest Hemingway and John Audubon, we quickly discovered that many more guests wanted to visit the Dry Tortugas than we were allowed to take. The market had spoken – visitors wanted to experience the Dry Tortugas National Park and preferred our boat over other options.

There were many days when our standby guest list numbered twenty or more – and those on the list arrived early in the morning at our dock in hopes that one of our passengers holding a reservation failed to arrive. We knew many more just gave up and did not even try to go standby. It was against this backdrop of unused capacity and market demand that we petitioned the National Park Service in February 2013 for an amendment to our contract, allowing us to carry an additional 25 guests for a potential total of 175 each day.

Everybody seemed to think it was a good idea, including strong advocates for protection of the park and the local NPS officials. Unfortunately for prospective park visitors, though, we learned that mid-contract revisions to concessions contracts have no easy path. Logic was clearly on the side of at least a trial of a higher number of ferry passengers. First and foremost, we could increase the number of persons having a Dry Tortugas experience substantially – by at least 7500 annually. There were other persuasive factors. Each additional visitor would pay a park entrance fee as well as fees for the ferry ride, which are subject to a sizeable franchise fee – at least \$30 in additional park receipts per additional visitor, most of which would be retained in the park for needed repairs and services. The increase in our business would also mean new jobs and new spending in the Key West area for services and supplies.

After more than 20 months, the NPS finally agreed to the increase, and that is what I'd like to highlight. The torturous path of paperwork between the local park and the region and the national office was costly to all parties and was stressful to the relationship between our company and NPS. We can certainly share details about a paper trail that involved a back-and-forth among three levels of agency staff, Interior attorneys, from Everglades to Atlanta to Washington and back. What did not appear to gain consideration was the 10,000+ potential park visitors that could have experienced Dry Tortugas during this period, or the revenue loss to NPS of \$250,000 or more. We are not seeking to blame anyone for this unfortunate episode; we ask the help of the agency and the Congress to place more value on the advice of companies like ours dedicated to being a strong and long-term partner in park protection and visitor experiences, especially when local NPS staff endorse such endeavors. We suggest that both the Congress and NPS encourage ways to attract visitors where capacity exists, and to encourage the testing out of changes in operations and services which are based upon solid information about visitor expectations, experiences and preferences.

After just seven months, we can tell you that Dry Tortugas has been able to host approximately 4,000+ more appreciative park visitors, and that some \$120,000 in additional, direct NPS revenues have been generated -- at least 80% of which will directly benefit the park in which we operate. It was done with the stroke of a pen, with no appreciable additional impact on park resources or staff.

And these benefits are sustainable and will recur year after year. I am also sure it is easy for you to understand that the Dry Tortugas, being 70 miles out in the open waters, is a very difficult area to supply. Resources to care for a facility such as Fort Jefferson, which is one of the largest brick buildings in the western hemisphere, are not abundant in this era of budget cuts. The supplemental monies generated by this action will have a clearly beneficial impact on National Park Service efforts to preserve assets vital to the long term sustainability of this park unit.

Let me reiterate that the National Park Service, at the Park, Regional and National levels, was receptive to our proposal. It was the system that made approval of our request needlessly challenging. I am pleased to say that our working relationship at all levels has been nothing but extraordinary and we look forward to the remainder of our contract being able to provide not only an excellent interpretive service to the Dry Tortugas but also to be able to make a significant contribution to the National Park Service and our country in a financial sense.

In this vein, it is incumbent upon me to tell you that I feel there are substantial opportunities that the National Park Service has immediately available to boost and improve visitation that fall into the same category as I have outlined above but, again, ultimate approvals of changes are very hard to accomplish. I am a businessman and have enjoyed a certain measure of success based on common sense and good financial practices. While I realize the National Park Service is not a business per se, it is in business and its future is likely to depend more than ever on the marketplace and its ability to be relevant to the leisure industry. With the substantial and ongoing budgetary restraints that the NPS is facing, it seems to me that the NPS can, with little effort, recover a larger portion of the costs of its many excellent programs from those directly benefiting from those programs. Recreation and tourism are a trillion dollar industry, and national parks are widely regarded as a top asset of this industry. In other words, the National Park Service can achieve its main missions of asset preservation and public enjoyment... by being more businesslike.

Here is one example. It would make no sense to me as a businessman to put out a Request For Proposals to manage one of my properties and not do two very important things for the organization I selected. First, there would be some mechanism in my agreement to amend the original terms of our agreement when it became evident that such amendments were beneficial not only to the operator but also my asset and to me personally. The NPS, in this regard, should be no different.

Secondly, it makes no sense to me that, at the end of an agreement, a stellar existing operator would have no advantage in a new contract. In the hospitality business, building brand and customer loyalty is a top priority. Together, NPS and its concessioner partners need to focus on this loyalty and preference to stay relevant and attractive in the face of competition for leisure time and spending.

I have enjoyed working with the National Park Service for a number of years now. There is no doubt in my mind that they are a dedicated group of individuals who have nothing but the best intentions as that pertains to the protection of the most extraordinary assets of this country. In this same vein, I believe they are also interested in operators who will provide first class service in both operations and hospitality to the many visitors from this country and around the world who wish to see some of the most unique places on earth. Though I do not speak for the National Park Service,

nor do I speak for any other concession operator but myself, I believe that a small amount of common sense in amending existing contracts would make an immense difference to all concerned.

Finally, I would also ask you to support a results-oriented revision to the NPS concessions program that, when an operator does well and exceeds its obligations, it is accorded a contract extension. In short, good operators should be rewarded for good efforts, just as good employees are encouraged to remain with an agency or business. The costs to NPS in preparing a contract prospectus are very large, as are the costs of proposal evaluation and start-up costs associated with a new concessioner. The costs of the concessioner competition process are steep for concessioners, too, and are many times a barrier to entry.

We are proud to partner with NPS and a variety of other public and private organizations to tackle the greatest needs of the nation. We want Americans to learn about and understand our history and core values. We want Americans to be active outdoors. We want to contribute to preserving special places. Just this summer, we joined in the connection of urban youth to our parks at the Boston Capital Campout with Massachusetts Governor Charlie Baker, and as a result now anticipate much more collaboration with the many park agencies in the Boston area in reaching out to diverse urban, Americans. We were also delighted to again assist the Great Outdoors Day of Service on and near the National Mall, as youth conservation leaders and volunteers served in these special areas.

Thank you for the opportunity to be a steward of one of the most extraordinary and unique places on earth. Thank you for allowing us to share our thoughts on how we can work in cooperation with the National Park Service and other organizations in the tourism and recreation communities to deliver great park experiences to a growing and changing America and to those who come to our nation to visit great places that tell America's stories. And ... thank you for your service.

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