

**Statement of David B. Woodside, President of the Acadia Corporation
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**

Chairman Lummis and Members, the Acadia Corporation is pleased to offer this testimony regarding ways to continue and improve the tradition of great visitor experiences and telling of park stories through a partnership between concessioners and the National Park Service. My name is David B. Woodside and I serve as President of my organization. The Acadia Corporation served as a concessioner in Acadia National Park for eighty (80) years from 1933 to 2013, serving some 500,000 visitors annually by offering traditional food service at the Jordan Pond House restaurant as well as snacks, beverages, and retail merchandise in three locations in Acadia National Park. Despite very limited operations in our early years, the Acadia Corporation served well over four million meals and provided retail services to over three million park visitors during our tenure.

Our comments address our experiences and our ideas for hosting more and more diverse park visitors well, for using park financial resources effectively and efficiently, and for using the hospitality expertise and extensive local park knowledge offered by locally based concessioners.

The passage of the 1998 Concessions Act created a new competitive process for the award of all concessions contracts with gross revenues in excess of \$500,000. In 2001, the Acadia Corporation successfully competed against several bidders for a new 10-year contract. In 2012, we again competed for a new 10-year contract. On September 28, 2013, 10 months after submitting our proposal, we were informed that the contract had been awarded to Dawnland, LLC, a subsidiary of the New Mexico based Ortega Family Enterprises.

Responding to a NPS contract prospectus is an extremely time-consuming and costly process, particularly for smaller, single-park operators. I began work on our response during 2011, over a full year in advance of the July 2012 prospectus release. Over 2500 hours of company-management hours were spent on our prospectus development. In addition, we utilized professional assistance in developing and producing our proposal. In total, our out-of-pocket cost for our proposal exceeded \$90,000 excluding management salaries.

We went into the contract competition believing we had an excellent prospect of retaining the contract. While NPS evaluations only rate concessioners as satisfactory or unsatisfactory, in our recent evaluation we had been rated as “one of the best concessioners in the National Park Service” by our park superintendent. Our visitor comments rated us in the 90th plus percentile as good or excellent in food and service. We met or exceeded all contract requirements and maintained excellent relations with park management for 80 years. Lastly, we brought decades of experience at operating a restaurant that routinely served in excess of 2,000 visitors per day and operated high-volume retail operations in multiple park locations. In contrast, the successful bidder brought only three years of fine-dining experience, neither of which had served even 1,000 visitors in a day, and very limited experience in the logistics of operating multiple retail operations within a park location.

One could easily jump to the conclusion that we might have been complacent in our proposal, failing to respond to new contract requirements, offering little or no innovation, and offering a significantly lower fee. As referenced above, we expended extensive time, effort, and expense to develop our proposal. Our prospectus response offered over 100 new innovations to address the operational and environmental issues presented in the new contract. Our fee offering was significantly higher than the contract minimum. While the details of competing proposals are not divulged, the following information obtained from NPS records suggests our financial offering was superior:

2012 – Acadia Corporation; Total Sales \$6,032,172; Franchise Fee \$475,581; Fee Percentage 7.88%

2013 – Acadia Corporation; Total Sales \$5,601,411; Franchise Fee \$442,879; Fee Percentage 7.91%

(Sales reduction in 2013 due to the delayed spring opening and Government shutdown, Oct 1-20)

2014 – Dawnland, LLC; Total Sales \$5,756,757; Franchise Fee \$437,891; Fee Percentage 7.61%

In its first year of operation, despite significant menu price increases, compared with our last full season of operation Dawnland generated over \$250,000 less in sales, paid the government over \$35,000 less in fees and paid a lower percentage of their revenues to the government.

So what compelled NPS to select Dawnland, LLC? Under the current system, virtually no reasons are given for selection of a particular proposal. In a letter from NPS Director Jon Jarvis to Maine Senators Collins and King, he summarized the proposal review panel decision by succinctly stating, “Dawnland, LLC’s proposal received the highest cumulative point score.” As the long-time incumbent and as one who had spent endless hours developing our proposal, the only meaningful feedback I was able to obtain was by submitting a FOIA request to obtain a copy of the Dawnland contract. The contract, which was amended from the draft included in the prospectus, added additional provisions presumably from Dawnland’s winning proposal. Ultimately, after spending over a year of our company’s time and almost \$100,000 in costs, we were unable to obtain any meaningful feedback, receiving only thanks for our many years of service and wishes for good luck in the future.

That future is not a promising one for small, single-park operators such as the Acadia Corporation. I have been left to ponder what advice I would give to another small, single-park concessioner facing the decision of whether to compete for a new contract. More importantly, what will I advise our company when the Acadia contract comes up for bid in eight years? Absent any significant changes in concessions contracting, I would consider investing the time and resources necessary to compete to be a highly speculative investment. Absent congressional action, national park concessions are destined to be left to companies large enough to have personnel dedicated to proposal development and centralized management offering a homogenous, mediocre service lacking the distinctiveness befitting America’s unique national parks.

I would call upon Congress and the National Park Service to develop a system that truly recognizes outstanding concession operators. Such a system would go beyond the black-and-white rating system of satisfactory or unsatisfactory and develop the means to truly recognize outstanding

operators. The selection system also needs to fully recognize and value the input of local park management in making concessioner selections for local parks. Who is better qualified to evaluate the performance of a company than those park managers that have worked with that company on a daily basis?

It is critical to require a high standard of service and quality for park concessioners, but the heritage aspect of local concession management should play a significant role in the concession contract decision as well. A single-park concession with such a long history of service in support of a unique tradition cannot be valued entirely by balance sheets.

I would also encourage NPS to be more transparent with its concession awards. A fair process should be more open to public scrutiny, with restrictions only on information that is truly proprietary.

Ultimately, Acadia's visitors are the ones who have lost the most in the transition of concession operators. Many unsuspecting visitors now pay higher prices for a food service that visitors suggest is of lower quality than in the past. In addition, many of the unique, time-honored Jordan Pond traditions have disappeared as virtually hundreds of years of experience have been lost in the transition. Additionally, the local park has lost, as absentee management has generated less in fees while creating new park-management issues. Local nonprofits have experienced a loss in financial support and volunteers and the local and larger Maine community have experienced a loss of jobs as concessions management has been moved out of state and purchases of local crafts and foods have diminished in favor of national contracts. Wherever possible, national park visitors deserve goods and services unique to the distinctive character of each individual park. I call upon Congress and the National Park Service to develop a system that respects the role that locally owned and operated concessions can play in enhancing visitor services in our national parks.

I thank you for allowing me to share my 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.

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