

**Statement of Derrick Crandall, Counselor, National Park Hospitality Association Before the Subcommittee on Federal Lands, Committee on Natural Resources, U.S. House of Representatives, on the Discussion Draft of the “National Park Service Centennial Act,” December 2, 2015**

Mr. Chairman and Members, the National Park Hospitality Association (NPHA) offers this testimony regarding the discussion draft of the “National Park Service Centennial Act.” NPHA is both enthusiastic about and actively engaged in activities associated with the Centennial of the National Park Service. The role of this agency in protecting and supporting the enjoyment of the special legacy of America’s more than 400 park units is important and appreciated by the public.

We applaud and share the interest of the Congress in using the Centennial as a time to assess and improve the tools available to operate our park units. We are especially proud of the role we played, in concert with the Bipartisan Policy Center and the National Parks Conservation Association, in 2013 at a Bridgebuilder session examining **Sustainable Supplementary Funding for America’s National Parks**. We offered sixteen white papers for Congressional and agency consideration, from a new Penny for Parks increase in federal motorfuel taxes to provide better public access to the Great Outdoors to changes which would allow historic tax credits for investments in qualifying sites in parks.

Concessioners have served park visitors since the 1870's and today serve some 100 million park visitors annually in approximately 120 park units. NPHA members have a combined workforce of nearly 25,000 persons, mostly front-line, visitor contact jobs, and provide in excess of \$1 billion in goods and services to visitors annually. Concessioner franchise payments to NPS are more than \$100 million annually. Concessioner marketing and promotion efforts total more than \$20 million annually, and are coordinated with marketing and promotion efforts of states and gateway communities that equal that amount. Concessioners are leading efforts to promote the National Park System to all Americans. Visitation to parks has been flat over the past three decades, and has actually declined if you discount new units added to the system. Most importantly, concessioners are committed to meeting America's needs – needs for healthier lifestyles, for better and lifelong educational opportunities, for strong local and regional economies that can sustain and protect our parks and for connecting all Americans across differences in regions, ages, income and ethnicity.

We applaud efforts to enact meaningful NPS Centennial legislation. The discussion draft provides the means to invite and challenge individual and organizational donors – by leveraging the impact of their contributions. This is a proven strategy for parks and philanthropy in general. Several of our members were involved in an initial and successful Centennial Challenge effort mounted under then-Interior Secretary Dirk Kempthorne.

We further support the concept of an endowment for our parks, although we believe that the mammoth backlog in deferred maintenance is of such urgency that we cannot support diversion of fees and other current funding streams away from critical current operational needs.

Based upon our knowledge about visitation to America's national parks, we offer the following specific suggestions:

- 1) We strongly support the purpose statement of the Discussion Draft:

**To prepare the National Park Service for its Centennial in 2016 and for a second century of promoting and protecting the natural, historic, and cultural resources of our National Parks for the enjoyment of present and future generations, and for other purposes.**

- 2) We recommend a replacement in the funding stream proposed for the endowment account established under the National Park Foundation. The proposed 5% tax on lodging within national parks should not be adopted for several important reasons. First, it would alter the comparability provisions for the pricing of lodging in parks established under the 1998 concessions law. Second, the tax would be paid by a very small portion of all park visitors and would yield no responsive benefits to those paying the tax. Third, the tax could be a real deterrent to efforts to attract visitors to parks during shoulder seasons, undermining important streams of revenue to the agency from entrance fees and franchise fees that are key to operations and maintenance. Fourth, the addition of a new federal tax on state and county sales and tourism taxes, utility pass-through charges and more is likely to have a chilling effect on the guest donation program – again, an important source of support for park programs and projects today and an important opportunity for expansion as a funding strategy once needed revisions are made to NPS Directors Order 21. And fifth, the administration of this tax will be a challenge and the transfer of the tax to a nonfederal entity raises a variety of issues.

Instead, we suggest that the Committee add a Centennial Park Entrance Fee Surcharge of \$1 on all existing entrance fees – whether for vehicles or per person. We believe that this would be a fair and appropriate means to raise revenues of at least \$10 million annually. We also believe that park visitors can be told about the surcharge in a way that will yield support, and perhaps interest in additional actions to support parks.

- 3) We enthusiastically support the continuation and expansion of the Centennial Challenge Program. Encouraging non-profits, corporations and individuals to contribute toward important national park programs and projects is a vital part of a long-term strategy for keeping America's parks relevant and well-functioning.
- 4) We support the proposal to authorize an appropriation of up to \$25 million annually for the National Park Foundation. We strongly support the Foundation's Centennial efforts, including leadership of the **Find Your Park Campaign**, to make our national park system relevant, enjoyed and supported. We support continuing outreach efforts after the Centennial. We think appropriated general funding, and other sources including resource mitigation and penalty funds, can dramatically increase available park resources.

- 5) We urge the Committee to act outside of the discussion draft to support creation of a **Centennial Penny for Parks** federal motorfuel excise tax surcharge. We are attaching our letter to the Chairman of the Committees on Transportation and Infrastructure and Ways and Means that further outlines this concept. The significant revenues associated with this program would allow elimination of the large and growing backlog in transportation-related investment needs in national parks and other federally managed lands within a decade and could underwrite innovative ways to improve accessibility of our Great Outdoors to all Americans.
- 6) We support the addition of a new title to the discussion draft. We suggest use of this description: **Visitor Outreach and Experience Improvement Program**. For decades, national parks offered the leading example of use of private capital to support public agency efforts. Investments by concessioners since the early 1900's have produced a remarkable set of treasured structures that are world-renowned. From Yosemite Valley to the Grand Canyon, from Grand Teton to Glacier, from Acadia to the Blue Ridge Parkway, lodges and restaurants and stores and marinas have been built with private capital – and are now some of the most prized elements of our National Register of Historic Places. We now see a similar pattern of public/private partnerships emerging in transportation and other programs. The National Park Service can and should build upon this wonderful tradition in its second century, guided and encouraged by new Congressional direction in the Centennial Act.

Specifically, we urge this new title to include direction to attract needed investment from concessioners to expand and improve visitor services in parks, including through modernization of lodges, campgrounds and marinas. Part of this modernization will depend upon new flexibility by the agency, including authority to issue concessions contracts of up to 40 years – a provision that should permit eligibility for historic tax credits by concessioners and thus boost the attractiveness of significant investments that can permit existing and iconic structures to be functional and efficient and modernized to incorporate best practices in design. Improved visitor experiences will also result from extension of operating hours and seasons and encouragement of the transfer of existing campgrounds to concessioner operations which will offer more diverse overnight options, serve more visitors and generate new revenues for the agency.

We would also support experimentation with new models for public-private partnerships, especially for park units that now receive low visitation and/or have inadequate visitor services to accommodate greater visitation. We have suggested that NPS experiment with leases and non-appropriated funding instrumentalities over the next decade, and support Congressional authority for up to ten pilot efforts which supplement, but do not compete with or replace, the agency's current concessions contracts and authorities.

- 7) We ask the Congress to support NPS efforts to promote visitation of national parks, a core mission of the agency established under its 1916 organic act:

**“The service thus established shall promote and regulate the use of the Federal areas known as national parks, monuments, and reservations ...”**

Promotion efforts of the agency flourished during its initial 50 years of operations, including hosting the original U.S. Travel Bureau. In order to revitalize this core program, we urge the Congress to specifically authorize the use of up to 10% of the franchise fees paid by national park concessioners annually to support NPS outreach and marketing efforts in partnership with states, gateway communities and concessioners. We believe that outreach and promotion efforts will increase collection of park entrance and recreation fees sufficiently to underwrite both improvements in visitor experiences and specific efforts, including fee-free days, to successfully invite non-traditional park visitors. There are numerous examples of isolated and successful cooperative efforts now underway, including shared interpretive costs and outreach to international visitors through Federal Row at IPW, which could be made commonplace.

Most concessioner franchise fees are retained in the park generating those fees – 80% of all franchise fees are used locally. The remaining 20% are used at the discretion of the NPS Director. We urge incorporation in the Centennial Act of a new National Park Outreach and Promotion Fund and the following funding strategy:

***“Up to 10% of the concessioner franchise fees collected by the agency each year may be used to support agency outreach and marketing programs designed to connect all Americans to their parks, and especially those portions of the American public under-represented among current park visitors. Nothing in this provision, however, shall authorize any change in the use of concessioner franchise fees retained by the park generating the fees. Outreach and marketing programs shall be undertaken in cooperation with state and regional DMOs and NPS concessioners, and shall require not less than 1:1 matching of federal funds.”***

- 8) We support increased use of conservation corps in national parks. Concessioners in Shenandoah National Park, Yellowstone National Park and other units are utilizing youth conservation corps to undertake construction, reconstruction and maintenance projects which replicate many of the successes of the Civilian Conservation Corps Program of the 1930's, including connecting urban youth to parks. Pilot projects have shown that use of conservation corps can also actually reduce project costs. Direction by the Congress in the Centennial Act would aid in expanding use of conservation corps in parks, working cooperatively with The Corps Network, the National Trust for Historic Preservation and concessioners, reducing the barrier of current Federal Acquisition Regulations (FAR) and more.

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

The National Park Hospitality Association and the National Park concessioners want to help you, the National Park Service, and all Americans in achieving these objectives. As the 100<sup>th</sup> Anniversary of the National Park Service shines a light on America's Best Idea, we hope you will help us build on our longstanding partnership with the NPS to find new and innovative ways to improve the parks and create a new generation of Americans who share in the wonder of this amazing legacy.

We thank you for considering this testimony.

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Attachment



December 1, 2015

The Honorable Bill Shuster, Chairman  
Committee on Transportation and Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Kevin Brady, Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairmen Shuster and Brady:

We are writing to urge your personal support in capitalizing on important opportunities and national needs regarding the transportation infrastructure of our nation's national parks and other legacy Great Outdoors areas. The National Park Service will celebrate its 100th anniversary in 2016 - a wonderful testimonial to bipartisan leadership to protect special natural and historic sites across our nation and to use these sites to tell some of our greatest stories. Our national parks and other public lands - including national forests and national wildlife refuges and more - attract more than a billion visits annually. But these special places are in trouble.

Nearly one-third of our nation is managed by federal agencies ranging from the National Park Service to the Forest Service, from the Bureau of Land Management to the U.S. Army Corps of Engineers. These lands are vital to the nation for many reasons and certainly for their importance to recreation and tourism. Recreation expenditures in this country total more than \$650 billion annually. To demonstrate the importance of federal lands, consider just three numbers:

- 1) national park **concessioners provide more than \$1.4 billion in lodging, food, transportation and other services to tens of millions of visitors to national parks** annually, employing 25,000 persons;
- 2) key sectors of the recreation community are especially reliant on these lands and waters. **More than 60% of all downhill skiing occurs at ski areas in national forests;** and
- 3) the national strategy to dramatically boost tourism to the USA, essential to achieving a better balance of trade, relies significantly on America's Great Outdoors, according to Brand USA, the Congressionally-chartered corporation charged with **growing inbound visitors from 60 million in 2011 to 100 million in 2021.**

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The condition of infrastructure on federally-managed lands is bleak. Key forest roads essential to reaching campgrounds, river access points and trailheads are no longer safe for passenger cars. Our iconic National Park System, less than a year from its managing agency's Centennial, has a backlog of deferred maintenance of nearly \$12 billion in road, water system, dams and structures and has virtually no plans to expand its capability to serve our growing population. Other key agencies, including the Forest Service, also have backlogs of deferred maintenance totaling in the billions of dollars, and are actually closing roads and reducing public access.

Unlike virtually all other public roads in America, roads on America's public lands receive no support from the state motorfuel tax levied on gasoline sold at the retail level. For the estimated four million miles of interstates, primary and secondary routes, these state taxes fund 20% of road construction and reconstruction and nearly all maintenance and operations. Yet roads vital to Americans seeking to access campgrounds, trailheads, beaches and to reach rivers and lakes on federal lands depend upon appropriated federal dollars from the beleaguered domestic discretionary pot for operation and maintenance, contrasting with most public roads in the nation which qualify for 80% federal funding for construction and then use of state motorfuel revenues for operation and maintenance.

The solution is simple. The nation needs to add a **Penny for Parks** to its federal motorfuel tax rate for the next decade, a tax which would acknowledge the federal responsibility for accessing our nation's parks and other public lands. This funding would end the competition road operations and maintenance now pose to federal recreation and conservation programs in the annual appropriations process. Adopting this supplemental tax for a ten year period would allow continued and improved safe access by Americans to their public lands.

We believe that action on **Penny for Parks** in recognition of the National Park Service Centennial would enjoy broad support among the nation's recreation, tourism, conservation and transportation communities. We invite your leadership on this matter and commit to urging these communities to support your actions.

Sincerely,



Derrick A. Crandall  
Counselor