

# Committee on Resources

## Subcommittee on National Parks and Public Lands

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### Testimony

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#### **STATEMENT OF MAUREEN FINNERTY, ASSOCIATE DIRECTOR FOR PARK OPERATIONS AND EDUCATION, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE HOUSE COMMITTEE ON RESOURCES, SUBCOMMITTEE ON NATIONAL PARKS AND PUBLIC LANDS, REGARDING PROPOSED CONCESSION REGULATIONS.**

**FEBRUARY 10, 2000**

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Thank you for the opportunity to discuss the progress the National Park Service (NPS) has made in implementing Title IV of the National Parks Omnibus Management Act of 1998.

Title IV became law on November 13, 1998. This title repealed the Concessions Policy Act, Public Law 89-249, and established a new concessions contracting process. The law is the product of over 20 years of work by legislators, Departmental officials, and interested citizens who desired to change the concessions contracting process. The primary goal of the title is to make concessions contracts more accessible to the business community by eliminating barriers to open competition. It does this by eliminating the right of preference in contract renewal for large operations, and by establishing controls on the amount of compensable interest that concessioners may acquire in the facilities in which they operate. Following Title IV's enactment, NPS immediately established a Task Force to develop regulations for its implementation. Proposed new concessions contracting regulations were published for public comment in the Federal Register on June 30, 1999. The original date for submission of comments was August 30, 1999. This date was extended to October 15, 1999, in response to public and congressional requests.

NPS is now in the process of considering public comments and drafting the final regulations to reflect the comments and our responsibilities under the 1998 Act. We anticipate publishing final regulations in March, 2000.

We have an urgent need to publish the final regulations. As of today, some 280 of the 630 NPS concession contracts and permits are operating under short-term contract extensions. NPS had to halt concession contracting actions as a result of the 1998 Act until publication of the new regulations. It is imperative that NPS recommence contracting actions in order to reduce this backlog. Concession operations conducted under short-term extended contracts are not good for park visitors, the concessioner, or NPS. Particularly, concessioners have little or no incentive to make needed capital investments in visitor facilities in park areas on the basis of an extended contract.

We are giving serious consideration to the public comments received on the proposed regulations. Although only 124 separate comments were submitted (as opposed to over 1,000 received in response to our revision of concession contracting regulations in 1992), a number of the comments made excellent suggestions as to how the proposed regulations could be improved for the benefit of concessioners and park visitors.

I am not in a position today to describe the particular changes to the proposed regulations we intend to recommend. However, I can assure the committee that a number of changes are being considered that will eliminate or lessen a number of the criticisms we received regarding the proposed regulations. These proposals include:

- \* The simplification of the concessions contracting process;
- \* The adoption of a numerical evaluation method for proposals;
- \* The elimination of a tiebreaker system for contract awards based on the amount of franchise fee offered in a contract proposal;
- \* A reduction in the information requirements and scope of approval for sales and transfer of concession contracts;
- \* Alternative methods to determine the costs and value of leasehold surrender interests; and
- \* The elimination of unnecessary restrictions on outfitter and guide concessioners.

In addition, there is one major issue that concerns existing concessioners. This is the repeal of the preference in renewal given to existing satisfactory concessioners under the old Concessions Policy Act. Existing concessioners feel strongly that they should be entitled to a preference in renewal of their existing contracts in accordance with the old law.

NPS is considering these views. However, the issue of whether the new law repealed the old law with respect to a preference in renewal for existing concession contracts is a legal matter. NPS has no discretion to do anything in this regard except comply with the law. A thorough legal review of this issue is underway now as part of our development of final regulations.

NPS believes that the final regulations will carry out the intentions of the Congress in the reform of our concessions program, and will be effective and fair to both existing concessioners and to new businesses that would like the opportunity to become NPS concessioners. Most importantly, we believe that the new regulations will assure that quality services will be provided to visitors at reasonable rates in units of the national park system and that the operation of these services will be conducted in a manner that is fully respectful of our primary mission, the preservation of the resources of our national parks.

This concludes my testimony. I would be happy to answer any of your questions.

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