

STATEMENT OF THE NATIONAL PARK HOSPITALITY ASSOCIATION [NPHA] ON THE STATE OF THE NATIONAL PARK SYSTEM, A HEARING HELD BY THE U.S. SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES ON MAY 26, 2021, DELIVERED BY NPHA CHAIR SCOTT SOCHA

Good morning. Thank you for the opportunity to share with the Committee our perspective on the state of the United States' National Park System.

I am Scott Socha, Chair of the Board of Directors of the National Park Hospitality Association (NPHA). The association represents small and large businesses that provide amenities and services to park visitors. In addition to my volunteer leadership role of NPHA, I am Group President for Parks and Resorts and Travel for Delaware North, a hospitality and entertainment services company headquartered in Buffalo, New York. Delaware North operates in seven national parks and has a significant presence in and around Yellowstone and Glacier National Parks. In addition to hospitality services in national parks, Delaware North is proud to partner with NASA in operating the Kennedy Space Center Visitor Complex.

The members of NPHA wholeheartedly support the National Park Service's (NPS) mission to conserve our treasured parks for enjoyment, education and inspiration unimpaired for this and future generations. As concessioners, we have partnered with NPS for more than 100 years to help all visitors safely access our parks.

Concessioners operate under agreements administered by NPS and obtained through a competitive process. By law, concessioner services have always been, and will continue to be, limited to "necessary and appropriate" services for visitors as determined by the agency. These services include lodging and food services, transportation, sale and rental of recreation equipment, souvenir sales including Native American art and crafts, guide and recreation services and more.

Concessioners include leaders in the global hospitality industry as well as small businesses that are often multi-generational and very specialized to specific park units. We typically operate in challenging locations and conditions, often distant from traditional labor markets and subject to seasonality, weather and wildfires. We are proud of the recognition concessioners have received from NPS and others for our commitment to world-class operations and environmental stewardship.

As the distinguished members of this Committee are aware, 2020 was a challenging year without precedent. Prior to the pandemic, we had predicted that total in-park concessioner annual revenue would near \$2 billion, that our corresponding franchise fee payments back to park units would near \$150 million, and that in-park employment would exceed 25,000 persons. COVID-19 had a major impact on National Park enjoyment by the American public. Concessioners took on key responsibilities for protecting the health of park visitors, our employees, staff of the National Park Service and other partners. All the while, the complete, and then partial, closures of the parks led to a dramatic reduction in revenues averaging 60%.

COVID-19's impact on concessioner operations varied significantly by park unit and type of service. The impact was greatest on businesses relying on international/long-haul travelers and guided/transportation related operations. While some NPHA members were able to access economic recovery provisions covered in the COVID-19 relief legislation passed by Congress, meaningful direct assistance was limited for most of our members. Because of this, more than 90 operators filed requests with NPS for reductions in franchise fee rates, as permitted in our contracts in the event of "extraordinary, unanticipated changes" to business. We recognize that the NPS is also experiencing financial impact

from COVID-19, including diminished receipts from concessions contracts which are typically related to a percentage of concessioner sales. Therefore, NPHA worked closely with the NPS to try and find solutions that would limit the impact to NPS's budget while providing struggling family run businesses with vital relief.

We are happy to report that, in late March 2021, NPS creatively offered a two-year contract lengthening to many NPHA members, which provided a critical lifeline for many concessioners. Our organization thanked Department of Interior Secretary Deb Haaland for being a thoughtful partner in responding to COVID-19 challenges, reflecting our shared goal of ensuring safe and accessible visitor experiences for all visitors to national parks. While this relief helped many of the NPHA members, a few were shut out and we encourage the NPS to find ways to help those who continue to have outstanding relief requests.

Looking to the upcoming summer, we are encouraged that Americans are excited to visit and explore our national parks. There is tremendous pent-up demand for travel to outdoor destinations. Concessioners are working closely with park superintendents and NPS leadership to adjust safety protocols and hospitality offerings as needed and on short notice. The COVID-19 pandemic has only further demonstrated the value of partnership between NPS and concessioners.

NPHA members have worked tirelessly with their local superintendents and NPS regional and national staff to ensure a safe and enjoyable summer season for everyone in our parks, including guests, NPS staff and concessioners' employees. We expect that as the pandemic continues to recede, we can continue to relax protocols in a responsible manner. I especially want to thank the park superintendents from across the country. They worked closely with us in a very difficult situation, and we appreciate their flexibility in trying to provide the best and safest guest experience.

As we come out of the pandemic, we will continue to adjust our operations as needed to protect public health and there are important lessons that we intend to apply to our operations. One area in need of review is employee housing in NPS units. There is acute need for safe and good quality in-park housing for employees of NPS, concessioners, and other partners. We believe that the Committee on Energy and Natural Resources should conduct an inquiry into the state of current in-park housing and encourage innovative ways to increase the quality of the housing stock. Simply put, additional and higher quality housing is needed to maintain adequate employment levels; and adequate employment levels are needed to ensure the safety of parks visitors.

In addition to the pressing matters related to COVID-19, NPHA notes that implementation of the *Concessions Management Improvement Act*, enacted in 1998, deserves review. NPHA applauds recent NPS proposals to modify some regulations written more than 20 years ago to make the parks' concessions programs more responsive to visitors. NPHA worked closely with NPS in recommending some of these changes and we look forward to working with the NPS and Department of Interior on finalizing these important regulatory changes.

We would also be remiss if we did not mention the steadfast work of members of this committee in the passage of the *Great American Outdoors Act* (GAOA). NPHA members actively supported this important legislation. It represents a commitment to continue our legacy of protecting vital places for all time, and for caring better for these special treasures. GAOA will play a vital role in revitalizing our parks, national forests, wildlife refuges and more. Deferred maintenance efforts pose threats to access, to the environment and to the safety of visitors to the great outdoors. NPHA is engaged with NPS and supports

leveraging our resources to not merely end the impact of past budgetary inadequacies, but to implement new systems that will prevent future deferred maintenance growth.

In closing, NPHA is enthusiastic about the future of national parks and, we are encouraged by indications that an increasing number of Americans will explore these spaces this summer.

Thank you.

Scott Socha, Chair
National Park Hospitality Association