

From: Hanson, Tanner [Tanner.Hanson@mail.house.gov]
Sent: 5/1/2018 8:27:56 PM
To: Hanson, Tanner [Tanner.Hanson@mail.house.gov]
CC: Small, Jeff [Jeff.Small@mail.house.gov]
Subject: Interior Acts on Caucus' Request, Initiates Review of NPS Franchise Fees



For Immediate Release
Contact: Tanner Hanson

Date: May 1, 2018
Tanner.Hanson@mail.house.gov

Department of Interior Acts on Caucus' Friday Request **Delays NPS contract fee increases in order to review impacts**



WASHINGTON, D.C. – Today, Congressional Western Caucus Chairman **Paul A. Gosar D.D.S. (AZ-04)**, Chief Regulatory Reform Officer **Andy Biggs (AZ-05)**, Chief Defense and Interior Officer **Chris Stewart (UT-02)**, Chief Infrastructure and Forestry Officer **Bruce Westerman (AR-04)** and Western Caucus Members **Doug LaMalfa (CA-01)** and **Brian Babin (TX-36)** as well as **Executive Director of the Grand Canyon River Outfitters Association John Dillon** released statements after the Department of Interior - in response to a Caucus-led request made last Friday by 20 Members of Congress - moved to delay implementation of planned National Park Service franchise fee hikes in order to give additional review to their impacts:

Chairman Paul Gosar stated, "Last Friday, we asked the National Park Service to alter course on implementing a new franchise fee prospectus which - if nothing changed - was on track to put many longtime guides and outfitters in our National Parks out of business. I'm happy to announce that on Monday night, they listened. Secretary Zinke and the Acting Director of the NPS Dan Smith heard our requests and moved to immediately delay implementation of the prospectus. Now, those same river guides and outfitters who had their livelihoods threatened are one step closer to the contract security that will allow them to continue providing Park attendees with the experience of a lifetime. Secretary Zinke and Acting-Director Smith have earned our praise for showing that even our hulking federal agencies can listen responsively and move quickly to fix bureaucracy-generated problems. Now, we just need to make sure that as a consequence of this review period, franchise fees don't price these important service-providers out of our Parks."

Chief Regulatory Reform Officer Andy Biggs said, "I want to thank Interior Secretary Zinke and NPS Deputy Director Smith for extending the solicitation deadline and strongly urge DOI and NPS to rescind any proposed franchise fee increases. I am hopeful that President Trump's Administration will remain committed to making government work for the people, opening up boundless opportunities for our constituents to experience the American Dream."

Chief Defense and Interior Officer Chris Stewart stated, "I'm pleased to see the National Park Service and Department of the Interior take the time to review the proposed franchise fee increase. This fee increase will only continue to hurt outfitters and guides, putting many out of business. This is a step towards making sure our public lands stay accessible."

Chief Infrastructure and Forestry Officer Bruce Westerman said, "I applaud the Department of Interior's willingness to listen to the concerns of small business owners and Parks visitors. This delay will save jobs, and the subsequent review should further protect the tourist economies in our small towns. I thank Secretary Zinke and NPS Deputy Director Smith for their quick action, and encourage all agency heads and cabinet secretaries to follow their lead in future decisions."

Congressman LaMalfa stated, "I'm very pleased the National Park Service is taking seriously our request to review proposed rate hikes on franchise fees for guides and outfitters. These significant increases would force the hand of many businesses to raise prices on the public, lay off employees, or even close their doors. The willingness of NPS to extend the solicitation deadline and genuinely review our concerns is certainly a positive step. Last October, the House passed my bill, the Guides and Outfitters (GO) Act, which will streamline processes and remove red tape in order to increase recreational opportunities on public lands. If combined with a favorable result following this extended review period, life would be much easier for both our guides and outfitters, as well as the general public who simply wish to enjoy our public lands."

"I am pleased that the National Park Service listened to us and delayed their plan to implement higher fees. Now, we just need to make sure the fee increase itself never sees the light of day. Our National Parks are for the enjoyment of the American people and preserving the natural beauty of our great nation. If not also cancelled, the proposed higher fees for Park vendors will drive up the costs for retirees and families visiting our Parks and adversely impact Park services," said **Congressman Babin**.

Executive Director of the Grand Canyon River Outfitters Association John Dillon stated, "The National Park Service's solicitation for the award of new concession contracts to run guided whitewater river trips in Grand Canyon National Park, unless it is revised, will impose a significant increase in the minimum franchise fee that the operators of these services are required to pay as a percentage of their gross revenues, at the same time that they are facing substantial

projected increases in labor and other costs under federal, state, and local law. The existing prospectus threatens the sustainability of these operations, and can be expected to result in increases in trip prices and cost-cutting measures that could affect the experiences offered to the public. We are extremely grateful to the twenty bipartisan Representatives in Congress, led by Representatives Paul Gosar, Tom O'Halleran, and Rob Bishop, who requested that the Secretary of the Interior immediately reconsider and revise these potentially financially fatal requirements in the solicitation. We are also grateful to Secretary Ryan Zinke and Acting National Park Service Director P. Daniel Smith, who were quick to recognize the concerns with the solicitation. The latest amendment to the prospectus is a step in the right direction, and we hope and expect that it will give the Service the time it needs to fix the prospectus so that it provides a reasonable business opportunity and ensures the public continued opportunities to enjoy high quality, professionally-guided and outfitted Grand Canyon whitewater river trips at reasonable rates."

Background:

Last Friday, a bipartisan group of 20 Members of Congress led by Reps. Paul Gosar, Tom O'Halleran and Rob Bishop signed and sent a letter to Secretary of the Interior Ryan Zinke and Acting Director of the National Park Service Paul Daniel Smith requesting that they consider revising or delaying the prospectus for the award of new contracts to service-providing entities including outfitters and guides operating within Grand Canyon National Park.

Click [HERE](#) to read the original letter with signatures, and [HERE](#) to see the Caucus press release from last Friday.

On Monday, the Department answered this request by immediately moving to delay implementation of the prospectus in order that it can provide full review of the impacts to Park visitors and service-provider businesses of the rate hikes.

The April 30 NPS Intermountain Region Memorandum delaying the solicitation deadline by 90 days – until August 2, 2018 – can be found [HERE](#).

Additional NPS franchise fee & Caucus-led letter information:

Pursuant to an act of Congress - the Concessions Management Improvement Act - the National Park Service (NPS) must consider whether the franchise fees they set for contracting businesses that offer outfitting, guide and other services on NPS lands facilitate those contract-holders in running a business based on projected costs and revenues. NPS must further subordinate the objectives of producing revenue to providing necessary and appropriate services for visitors at reasonable rates through the aforementioned contracting businesses.

Unfortunately, the National Park Service has issued a prospectus for the award of new contracts that represents a substantial increase in the minimum franchise fee payment - and one that appears inconsistent with the aforementioned Act - from a tiered structure requiring payment of 4% to 18% of certain gross receipts, to one requiring 5% up to 22.5% of gross receipts.

This letter makes clear that, as we are hearing from multiple contract-holders, the change in franchise fee structure will seriously imperil the sustainability of contract-holding businesses present and future, thereby potentially compromising the ability of park visitors to participate in

the many activities and experiences within Parks that require the services of contract-holding businesses.

These franchise fee increases come simultaneously with required overtime and minimum wage hikes affecting the same contracts per Department of Labor regulations issued during the last Administration, even though NPS has previously cited those same labor cost increases as a factor which should lead to *reduced* franchise fees. The NPS is contradicting itself with the new fee increases, potentially violating the law in so doing – and failing to provide any explanation for these actions in the process.

These increased costs will have to be passed onto Park visitors, effectively constituting an additional “rate hike” on Park attendees and decreasing Park attendance.

Letter signers asked that the NPS revise its prospectus such that it becomes consistent with its statutory mandates which facilitate contract-holders to run workable business models while privileging NPS visitors receiving appropriate services at reasonable rates.

The broader danger of these particular tiered rate increases is that they set a precedent whereby any National Park in the country can impose substantial fee hikes on contract-holders - hikes which are inconsistent with the statute in question and detrimental to the long-term mission of the Park. By addressing this problem for Grand Canyon National Park, the Department of Interior can set a clear precedent whereby it demonstrates the value it places on issuing rate structures nationwide that are consistent with the law and take into consideration the needs and interests of park visitors.

Letter Signers (20): Rob Bishop*, Paul Gosar*, *Tom O’Halleran**, Brian Babin, Andy Biggs, Liz Cheney, John Curtis, Greg Gianforte, Garret Graves, Doug LaMalfa, Doug Lamborn, Mia Love, Roger Marshall, Martha McSally, Mark Meadows, *Kyrsten Sinema*, Chris Stewart, Scott Tipton, Bruce Westerman, Ted Yoho

(* indicates letter-lead)

###

