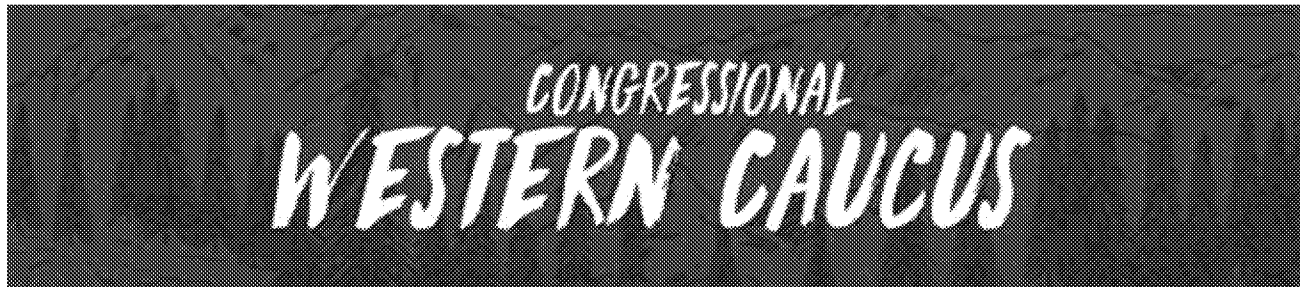


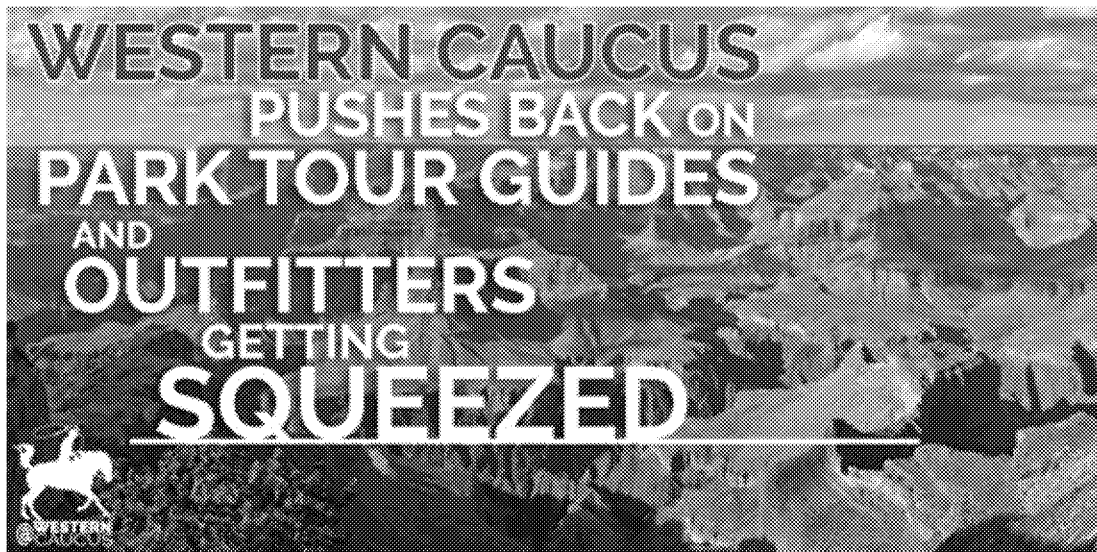
From: Hanson, Tanner [Tanner.Hanson@mail.house.gov]
Sent: 4/27/2018 9:19:15 PM
To: Hanson, Tanner [Tanner.Hanson@mail.house.gov]
CC: Small, Jeff [Jeff.Small@mail.house.gov]
Subject: Caucus Calls on DOI & NPS to Fix Unsustainable Park Franchise Fees



For Immediate Release
Contact: Tanner Hanson

Date: April 27, 2018
Tanner.Hanson@mail.house.gov

Caucus Calls on DOI & NPS to Fix Unsustainable Park Franchise Fees



WASHINGTON, D.C. – Today, Congressional Western Caucus Chairman **Paul A. Gosar D.D.S. (AZ-04)**, Chief Regulatory Reform Officer **Andy Biggs (AZ-05)** and Executive Director of the **Grand Canyon River Outfitters Association John Dillon** released statements after 20 Members of Congress led an effort to ensure the National Park Service sets fair franchise fees for outfitter, guide and other service-providers within National Parks:

Chairman Paul Gosar stated, "It's important that the National Park Service keep in mind that its responsibility is to serving the American people first. Any focus on revenue generation should come only after meeting - and *exceeding* - that goal. It makes good sense for the Park Service to charge reasonable rates so that service-providers have skin in the game and the best companies

win the contracts. What doesn't make sense is for the Park Service to price outfitters and guides out of business by imposing unsustainably high rates. For our Parks visitors to get the full experience they deserve, they invariably need to rely on these service providers. We should empower these passionate small-business owners instead of gouging them out of the market for a little short-term revenue. I'm hopeful that Secretary Zinke and Acting Director Smith respond favorably to this request."

Chief Regulatory Reform Officer Andy Biggs said, "This cost increase will hit the consumer's wallet, meaning fewer visitors will be able to afford a Colorado River tour. In a time of tax relief and less government interference, the NPS's action does not fall in line with what the American people voted for in 2016. I am hopeful that Secretary Zinke and Deputy Director Smith will see through the NPS's bureaucratic pursuit of taxpayer money, and respond favorably to our constituents' request."

Executive Director of the Grand Canyon River Outfitters Association John Dillon stated, "Sixteen river outfitting businesses are honored to provide professional guided backcountry whitewater rafting trips to over 18,000 people a year on the mighty Colorado River through the Grand Canyon National Park. Those Outfitters are small family-owned and operated multi-generational companies, some with origins back as early as the late twenties and early thirties. For decades they have worked in partnership and under concessions contracts with the National Park Service to provide visitors with an experience of a lifetime while helping preserve and protect this special place. And for that privilege, Outfitters pay a reasonable fee to the Park Service as outlined by Congress called a 'franchise fee'. It is a certain percentage of gross revenues. Unfortunately, the latest contract renewal prospectus issued by the Park Service is proposing massive unjustified and unexplained increases to our franchise fees. These much higher fees are extremely burdensome to our small businesses, and come on top of other large increases in the general costs to operate such trips including those associated with a new Department of Labor rule issued by the previous administration. Outfitters will have no choice but to pass these added costs on to the customer, raising prices substantially in the process and making river trips unaffordable to many. Equally concerning, the proposed franchise fee increases are so extreme that they could cause many outfitters to have to close their doors, killing jobs and reducing the overall visitor experience in the Park. We're hopeful the Park Service will heed these concerns and reverse course."

Background:

On 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 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 full letter with signatures.

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 that are dependent on 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)

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