

Addendum

APPL Response to GAO Report

Specific Clarifications and Comments by Page

On page 10 of the report, the last paragraph of text refers to a decrease in contributions and revenues in 2001 that may be related to park visitation. Actually, it was the culmination of a major fund raising program at one association in 2000 that had the greatest impact on the decrease mentioned. Many other associations continued to show increases in their normal operations.

On pages 3, 7, and elsewhere in the report, it states that net assets of \$200 million are available for future contributions to parks. In reality, some net assets are the operating reserves and inventory of the association, and by nature not available for immediate donation. Other funds held in reserve for special projects may be available for future donations.

Beginning with page 21, under the discussion of sale of convenience items, it should be noted that there are a number of parks where the association operates concession activities because for-profit companies have turned down the opportunity to run these operations due to lack of sales potential and inadequate profitability. When nonprofit associations do so, it is with a concessions permit and they pay the franchise fee. While the growth in the sale of such visitor convenience items may be increasing percentage-wise, it still represents less than 3% of cooperating association revenues overall.

The text on page 29 describing Table 11 states that revenue increases have come from activities most like concessions – educational merchandise sales and visitor convenience products. In fact, the sale of quality educational products is core to the mission of cooperating associations, as noted in APPL’s response.

A clarification would be useful regarding recommendation number 3 (page 41 and elsewhere) to clarify what “provide a more predictable commercial environment in the parks” means. We suggest that the recommendation add the purpose of “defining commercial, or visitor services, activities upfront will help to eliminate confusion later.”

On pages 50-57, we found several parks were listed without cooperating associations, yet our members have noted that a cooperating association operates in these areas. Changes to this list would require recalculation of the percentages throughout the report on the total number of parks served by cooperating associations. We submitted a listing of these identified parks and the cooperating associations that serve them to GAO and it is our understanding that, following verification, these percentages were recalculated.

On page 27 we believe that there is an overstatement of the motivation for park managers to expand association operations based upon return of a higher percentage of their sales and service revenue to the parks compared to for-profit businesses. Cooperating associations are proud of the high levels of contributions to parks, and acknowledge that money is a quantifiable way of demonstrating they are doing their job of reaching the widest audience possible for their

interpretive mission. Increasing support can mean that cooperating associations are becoming more efficient in the way they do business. While it is an advantage of the unique relationship between the park and the association that allows a higher percentage return, this does not necessarily equate to higher dollars coming into a park from a cooperating association versus concession operations in the same park.

Specific Comments Regarding Sites Visited and Cooperating Associations Represented in the Report

Grand Canyon Association (Grand Canyon National Park)

Feedback from the current executive director of Grand Canyon Association (GCA) is that the conflict between the concession and the Association has been overstated, and that GCA has a strong working relationship with the concessionaire – with the general manager of the concession currently serving as a member of GCA’s board of directors. GCA recently entered into negotiations to work with this concession to help them celebrate the centennial of the El Tovar and Hopi House historic structures. GCA also recently entered into a new agreement with another major concession operator to jointly co-merchandise their products in limited areas.

GCA only sells film at one location, the Canyon View Information Plaza (or visitor center, as it is referred to in the report). The only reason for film sales at that location is that there is not a concession presence at the location, so the exception was done in the interest of visitor service. While the report refers to the Plaza as a major focal point in the park, the GCA has experienced poor sales at that site due to poor infrastructure support, citing the location as a “train station with no train.” The association also notes that GCA’s film sales for the period cited in the report were only \$40,000 during the time period that the concessions reported film sale losses in excess of \$140,000.

The executive director of GCA also believes that the image of the signage at Kolb lookout as pictured in the report portrays a slanted perspective. Lookout Studio is directly visible from the major tour bus drop-off point at Bright Angel Lodge, a major concession property. Kolb Studio, on the other hand, is more than a third of a mile along the canyon rim and completely invisible from the major visitor contact area and that is why it needs a sign. As a point of reference, the gift shop at Bright Angel Lodge, just one of many concession stores in the park, sells more product in any given year than the entire GCA system of seven stores including the north rim.

Eastern National (Fort Sumter, Eisenhower National Historic Site and Gettysburg National Military Park)

On page 17 of the report a reference is made that key chains are sold at Fort Sumter and slinkys and hula hoops at the Eisenhower National Historic Site. The president of Eastern National states that key chains are not sold at Fort Sumter, nor have they been sold there in the past. More important, however, is the reference to the slinkys and hula hoops which are sold at the Eisenhower National Historic Site. This reference is out of context, as the interpretive theme (as stated in the park’s scope of sales statement), is connecting visitors to lifestyle of the 1950’s. Both of these products are sold with interpretive text to work toward that process of visitor connection to that decade.

The report states on page 23 that a business was denied the opportunity to bid and compete for providing a tour bus service. According to the president of Eastern National, the opportunity was given by the NPS to any local business to operate the tour service, as long as they agreed to meet the stated requirements that the tour bus would operate regardless of how many tickets were sold. None of the companies in town, including the local business owner cited in the report, were willing to take that risk. Thus he was not *denied the opportunity*.

On page 44 it states in the last line of the first paragraph that Eastern National reports “20% of its expenditures are for charitable purposes and 80 percent for management and other overhead costs.” A more accurate statement would be that 80 percent is used to cover the cost of materials, selling, and administrative expenses.