

The Business of the Parks

Introduction

From time to time, members of Congress, the news media, and the public find reasons to complain about the management of the national parks by the National Park Service (NPS). Generally when they do, it is with statements like “the parks should be run like a business” or “the National Park Service should adopt standard business practices” or “the parks should raise all of their revenue from fees, just like a business.” What they mean is that, for example, the NPS should charge far higher prices in the most heavily visited parks as a way to reduce visitation; or that entrance fees generally should be high enough so that the parks can be self-supporting on the revenue they generate; or that NPS should build cheaply, using off-the-shelf designs, to save money, regardless of the fact that the structures would not last.

For reasons set out below, none of these suggestions are possible, or desirable. However, there are some standard business practices which are espoused by the private sector (though not always practiced), like multi-year budgeting, long-range planning, measuring accomplishments, improving efficiency, eliminating waste, and utilizing sustainable practices that can and should be fully embraced by the NPS.

Finally, law and policy, as well as the inherent separation of powers in the U.S. Constitution between the agencies of the administration and the committees of Congress, make it impossible for the Park Service to act like a business in many important regards.

Why National Parks and Private Business Cannot be Compared Budgets: A one-year horizon is all NPS gets. It is a common practice

in the business world to work with multi-year budgets, which allow the business a great deal of flexibility and enable it to respond rapidly to external changes. Certainly businesses must know their bottom line, but they also can plan for growth, retrenchment, or other major changes, on a multi-year basis. The NPS cannot.

In late January, when the president’s budget for all agencies in the federal government is submitted to Congress, the Park Service certainly knows what funds for which programs have been requested. This knowledge is of little use, however, until nine or ten months later, when Congress passes, and the president signs into law, the bill making appropriations for the Department of the Interior. Far more often than not, the bill finally approved for the NPS contains many millions of dollars for projects, particularly construction

and land acquisition, that the NPS did not request. Often the bill contains specific programmatic directions and policy directives, as well. Such direction is often frustrating, sometimes debilitating, to specific programs, occasionally brings a windfall to a particular activity of the agency, and generally has a few really big surprises. Nevertheless, such control by the Congress is a standard part of the way the federal government goes about *its business*, and is accepted, if not enjoyed, by the Park Service.

The situation could be vastly improved, however, simply by appropriating more of the NPS funds on a no-year or multi-year basis. Park operations, the largest, most flexible, and least tampered-with portion of the appropriation to the NPS, should be handled both on a no-year and a multi-year basis. With no-year money, there would be no reason to scramble to spend leftover operating funds as the end of the fiscal year approaches. Often, at present, funds are wasted or, at best, not spent on the highest priorities during the last weeks of the fiscal year. Usually this scramble to spend is driven out of a fear that if all funds are not spent, someone in Congress or at a higher level of the NPS will think that all of the funds are not needed, and will reduce or reallocate the money to another park or another part of the federal budget.

Multi-year appropriations for park operations (at least three-year, and preferably five-year) would vastly

improve the ability of the park superintendent to hire and manage staff, and carry out serious natural and cultural resource management projects in particular.

Until now, Congress has been unwilling to approve multi-year funding for park operations out of a fear that the NPS would no longer be accountable to the Congress for its actions. However, with passage of the Government Performance and Results Act and the development of the NPS's first strategic plan under the act, this plan rather than an annual appropriation can and should be used to judge the Park Service's accomplishments, and to hold it accountable both for its expenditures and its actions.

Planning and decision-making: Everyone has a say. Of course, with one-year funding it is virtually impossible to do multi-year planning and priority-setting. With one-year funding, the NPS does not set its own priorities—they are set for it by others. The funding cycle and the planning cycle are inextricably linked. They don't need to be decoupled, but both need to be set on a multi-year basis so that decisions and their implementation can be more consistent, rational, and understandable.

Such a multi-year process, if generally accepted, might also have the unanticipated beneficial effect of slowing the growth of the National Park System. If members of Congress knew that a park that they wanted to have authorized for addition to the system could not get funded for five

years, they might hesitate to seek immediate authorization.

In fact, the haphazard growth of the system, through individual acts of Congress, often of sites that have not been fully studied by the NPS (if at all), is another common practice which is unlike anything in private business. In the private sector, acquisitions and mergers are typically planned carefully and often secretly. When an acquisition occurs in the private sector, they will have already taken into account the budget adjustments needed, and personnel changes will have been planned. At present, when new parks are added to the system, they are typically funded at the expense of budget increases for existing parks.

Unlike corporate decision-making, where virtually all major decisions are either made by the chief executive officer or the board of directors, NPS decision-making within the agency takes place with full public involvement. Virtually no decision, however small, can be made without some public involvement, and most decisions, especially park management plans and Servicewide regulations, elicit a huge outpouring of opinion. The individuals who make up the general public are the "stockholders" of the NPS, and have far more control on a routine basis than do the stockholders of any corporation in America.

The National Environmental Policy Act (NEPA), arguably the single most important environmental law ever enacted, certainly revolu-

tionized the way decisions are made inside the federal government, and assures that NPS decision-making can never be comparable with that of business. In 1978, the draft general management plan for Yosemite National Park drew nearly 80,000 individual comments. Currently, the Yosemite Valley implementation plan is likely to draw as many if not more. The intense feelings being exhibited over use of personal watercraft—"jet skis"—in the parks will no doubt result in similarly large numbers of public comments before the national rule is made final.

Day-to-day management: Whose rules? Another area of major difference between the NPS and private business is in the policy and regulations that govern the normal, routine, day-to-day decisions that make each organization function. NEPA defines the manner in which NPS must involve the public in its decisions, as has been mentioned. The Occupational Safety and Health Act, the Davis-Bacon Wage Act, the Americans with Disabilities Act, and other laws apply disproportionately to federal agencies over private businesses, and, taken together, make any attempt at direct comparison an impossibility.

If a business finds that overtime, a rule, or a regulation which it imposes on itself or its employees is out of date and should be revised, it simply revises it, usually with little fanfare, certainly without public involvement. Even if its employee union, when there is one, is concerned, resolution of the issue between management and

the union is often accomplished in private; if it hits the news media, it still is settled without regard to public opinion in most instances. With the parks, policy and regulations—whether applicable to the park visitor or to the agency employees—are not set internally but always involve the public, the news media, and often other federal agencies.

For example, a regulation was adopted into the Department of Interior manual during the Johnson administration which forbids the NPS from charging location fees to a movie company; the NPS may charge only the actual costs it incurs in overseeing the work of a film company while filming in a park. A typical film company pays far more to film on any street corner in America than it does in national parks. From “North by Northwest” to “Indiana Jones and the Last Crusade” to “Amistad,” movie scenes filmed in parks are visible to all who enjoy movies, but the NPS cannot charge a fair market value for making the park available.

What the NPS Can Learn from Business Practices

Observing and learning from the world around us. No business can survive for long without taking careful stock of what’s going on around it: its competition, its customers, and its neighbors. For too long, the NPS operated with a feudal lord mentality. Superintendents customarily paid little attention to activities in the Forest Service or the Bureau of Land Management, not to mention in state,

county, or local parks. Superintendents acted as if the park’s boundary was its castle wall, complete with moat, and did not care what went on outside this line, so long as they controlled everything that took place within it. Today, while some still cling by their fingernails to the old mentality, most progressive superintendents both realize the necessity and accept the challenge of working with both other agencies and with surrounding communities. A few of the best even realize that they can carry out the mission of the NPS *better* by doing so with enthusiasm and energy. These few also realize that doing all of the things that private business would refer to as being entrepreneurial isn’t just a necessity of the times, but a better way. Establishing partnerships builds understanding, understanding brings support, support builds constituency, and a broad and deep constituency will lead to political and public support for the mission of the Park Service.

More and more park superintendents understand the value of partnerships, and the NPS has embraced this approach. Another aspect of being entrepreneurial, that of taking risks, is still less well-accepted in the NPS, and is often mentioned within the agency as a sure way to a dead-end career. Too often the Sam Rayburn approach—“go along to get along”—is still the path of choice for NPS employees.

The eyes of the Park Service are on the superintendents of Colorado National Monument and Capitol Reef

National Park to see if their risk-taking in standing up for park purposes against local demands will help or hurt their advancement in the agency. Similarly, folks throughout the NPS are watching to see the outcome of the controversy over excessively priced construction. Park housing and outhouses have been singled out in the news media because the public knows the cost of a decent house and of toilets. Some superintendents have condoned \$500,000 houses while others have found alternative means to get park housing for a more reasonable-looking \$150,000 apiece. Some parks have \$300,000 outhouses, and others have insisted on \$10,000 “sweet-smelling toilets.”

Eliminating waste, cutting costs, improving efficiency, measuring the bottom line, being accountable, justifying accomplishments—all of these are common terms and phrases in the business world. They are not always adhered to there, to be sure, but are certainly applicable to the way in which the national parks ought to be managed.

What NPS Needs to Know to Work with Business —And What It Can Teach

Advance notice to meet planning horizons. Some more modest actions, based on lessons learned from the private sector, could be taken by the NPS. Businesses tell us all the time that they can conform to almost any park rule or regulation (short of a ban), or any reasonable fee increase, *if they have enough advance notice.* So

for some at least, timing is everything.

Not unlike treaty negotiations, the mere fact of sitting down together around a table to discuss the problem and the need to develop an effective solution will often produce a workable solution, where no amount of the old “decide–announce–defend” approach to decision-making on public policy will ever work. While there is still a problem with “paralysis by analysis,” there can be no question that engaging with our interested constituencies, including the private businesses that have a vested interest in parks, is more effective and expedient than trying to ignore them.

The commercial tour bus fee is a good example of the benefit of consultation. Tour industry opposition to the fee announced abruptly in 1995 was instantaneous, loud, and extensive. After some intense meetings at the highest levels of the Park Service and the Department of Interior, it was agreed that such instant application of fee increases on the tour industry had a disproportionately greater adverse impact that it did on the private individual or family. Most tour groups are packaged and often paid for 12-18 months in advance. At least the price is published in tour industry advertising that far in advance. Advance notice, rather than the amount of the fee, thus emerged as the real issue.

After reconsideration of public comments, the Service then agreed to provide 12 months advance notice of any fee increases applicable to the tour industry for the Fee Demonstra-

tion Programs increases, and for the future. As a direct consequence, both of the process and the decision, the tour industry has been a very strong supporter of the fee program, both in the news media and to the Congress, ever since. Flexibility and reasonableness, and the resultant support of the tour industry, are essential to convincing Congress, when it passes permanent fee authority, to grant the NPS the flexibility to make adjustments in the fees, and to keep the funds.

Running concessions like a business. Where park concessions are concerned, there are some standard business practices that we should apply to the companies who contract with us, and we should apply some standard business practices to how we manage and oversee their operations.

Competition is the single term most commonly used in America's free-enterprise system. The most basic methods and fundamental practices of private business depend on it. However, because of the out-dated Concessions Policy Act of 1965, there is little or no competition in the park concessions business. The NPS and the several administrations, including the Clinton administration, along with a bipartisan group of members of the House of Representatives and Senate, have been trying to amend the act as far back as 1971. All of the amendments being sought have had one simple goal: to make park concessionaires have to compete just like any other business in the private

sector does every day of their business lives.

However, if the NPS is to rely on competition in the concession business as a means of getting better service to the visitor and a better financial return to the government, then we need to embrace competition's effects fully. For example, the Park Service should get away from the need to review menus, weigh food portions served, dictate what can and can't be sold in concession stores, and similar overbearing controls. The NPS should generally broaden and lighten the government's heavy-handed approach to determining "comparability" to similar services and prices outside the parks. The market will determine whether the concessionaire succeeds or fails at enticing the visitor to buy.

Sustainability. Much is being said—and a little is actually being done—about sustainable practices these days, both in the NPS and in the private business sector. It seems almost as though there is a dynamic convergence of interests. However, private industry can naturally move faster than the government can. In 1995, the Denver Service Center's Bob Lopinski, then-deputy director John Reynolds, and many others around the agency developed a wonderful manual on sustainable design and sustainable facility construction practices. These principles have been embraced widely throughout the NPS, and are in use with all new design and construction. However, most of the facilities that the Park

Service has to work out of were built long before these principles were developed, and much effort will have to be undertaken to adapt, modify, re-configure, or otherwise apply these sustainability standards to the vast existing infrastructure of the National Park System.

Numerous major corporations have already implemented sustainable practices for the simple reason that they can readily show that full utilization of such practices improves the bottom line—saving money, time and energy. Even some park concessionaires, notably AMFAC in Yellowstone, are ahead of the Park Service. Each guest room in Mammoth Hotel, for example, contains a card urging visitors to conserve water and electricity and reduce paper wastes. The guest is urged to hang up bath towels to dry and be used again, and to not request to have sheets changed for multiple-night stays in the same room. A tastefully written message urges the guest to turn off the water and lights when leaving the room.

Many international companies, both in the travel industry (including airlines and hotels) as well as manufacturing companies, have adopted the international environmental management standards known as ISO 14000. The International Standards Organization (ISO) adopted a set of function-specific environmental management standards as one of the tangible results of the 1992 Rio environmental summit.

If the NPS truly wants to “walk the walk, and not just talk the talk” about

sustainability, then it should begin by selecting a few sample parks to serve as ISO 14000 Guinea pigs. Effective use of the ISO 14000 standards by the NPS will not only result in actual improvements in park sustainability, but will allow the agency to continue to be a world leader in environmental management. At present, we are running the risk of being just another follower, and not the environmental leader we consider ourselves to be.

Ecosystem management. One of the most important things that the NPS can teach to the business sector is that ecosystem management is not some new evil plot by the federal government to take over more control, but actually is far more compatible with the principles that business likes to say it believes in than either we or they have been willing to openly discuss.

To begin with, ecosystem management principles are dependent upon working both with larger spatial and longer temporal scales than has been commonly done in government land management. But private industry routinely does its planning, budgeting, expansions, marketing, and future development for long periods into the future and covering larger regions. Industry already thinks in ecosystem terms.

Unquestionably the two most important changes which “ecosystem management” practices have brought to federal land management is the fundamental principle that humans are the key to ecosystem management, and that ecosystem manage-

ment can be achieved only through the full integration of ecological, social, and economic factors.

At the risk of being overly simplistic, heretofore NPS has managed primarily with ecological factors in mind, and industry has managed primarily with economic factors at work. Neither of us can hope to succeed without application of the factors that the other is best at. Perhaps the time has come to try working together?

Conclusion

The next time someone tells those of us in the Park Service that "You should run the parks more like a business," we should just tell them

that we would be happy to be more business-like: give us a multi-year budget, a far shorter planning process, diminish the influence of politics on decision-making, remove burdensome but mandated regulatory red tape, etc., etc. It might be nice to try, but it isn't going to happen.

Instead, the National Park Service must expand communication, be more receptive to new ideas, accept change as inevitable, embrace the human factor in ecosystem management, and adopt the ISO 14000 environmental management standards. Only then can we say that we can handle the business of the parks for present and future generations.

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