



Issues Paper on Road-based Commercial Tour Requirements,

Fees and Reservation Systems for National Parks

September 2018

Introduction

The National Park Service (NPS) finalized two proposals in April 2018 that would significantly increase the costs for the motorcoach, tour and travel industries to access national parks. In fact, fees could increase as much as 800%-1,000% at some national parks under the current proposals. Additionally, a proposed reservation system pilot program for purposes of crowd management, poses further challenges for the industry. The lack of a standardized and transparent process for the development of the fee proposals and the reservation system pilot, as well as the projected increases in costs, has raised significant concern throughout the motorcoach, tour and travel industries, prompting the industries to pursue a dialogue with the Department of Interior (DOI) and NPS. Importantly, the industries wish to ensure DOI and NPS have a comprehensive understanding of how commercial tours are developed and conducted.,

In May 2018, the Western States Tourism Policy Council (WSTPC) held a meeting with representatives of NPS, western parks management, DOI, the International Inbound Travel Association (IITA) and other industry partners to discuss issues impacting the national parks and public lands, specifically those related to commercial tour operators bringing visitors into the parks. Additionally, in June 2018, representatives from the American Bus Association (ABA) and the National Tour Association (NTA) held further discussions with DOI officials. From these various efforts we seek a way to continue to support NPS in its efforts to address the \$11.6 billion maintenance backlog while not overly burdening the motorcoach, tour and travel industries.

Background

Over a period of years, for a variety of reasons including funding and managerial deficiencies, a significant maintenance backlog has developed with the NPS park system, despite record

volumes of visitation. The motorcoach, tour and travel industries have consistently advocated for increased funding for the national parks to address the nearly \$12 billion backlog of maintenance and repairs.

As part of its efforts to address aging park infrastructure and improve the visitor experience, on October 24, 2017, the NPS announced in a press release, proposals to increase national park fees and standardize Commercial Use Authorization requirements and fees. These proposals were finalized in April 2018, with minimal consideration or opportunity for input by stakeholders or the public at large. For example, normally when an individual park unit decides to modify its transportation management plan, it conducts significant public outreach including holding multiple public meetings to gather input.

Further, NPS provided very little detail in the announcements concerning the proposals, causing confusion, speculation and concern. While the motorcoach, tour and travel industries have supported standardized procedures among the parks for commercial tour operators and reasonable fee increases, the industry broadly agrees that the backlog of maintenance and repairs should not be disproportionately shouldered by park visitors, especially visitors arriving via commercial group tours in motorcoaches.

America's national parks are a significant attraction for its citizens as well as international visitors to the United States and are integral to state tourism department marketing strategies. These sites are heavily promoted as "must see" destinations by Brand USA, commercial tour operators, surrounding communities and even federal government agencies.

However, the new requirements for commercial tour operators may result in making it cost prohibitive to include national parks in tour packages. This will not only impact tour companies, but also the economies of surrounding communities dependent on national park visitation, along with concessionaires on NPS properties. International tourism means \$236 billion to the U.S. economy and 2.5 million American jobs. Actions which prohibit inclusion of national parks in inbound international traveler itineraries would almost certainly channel this spending away from these communities to other areas, including regions outside the U.S.

Issue #1: Commercial Tour Requirements and Fees

The new commercial tour fee structure NPS finalized with the intent of standardizing commercial tour procedures, can require up to three separate fees from the tour company: 1. a Commercial Use Authorization permit (CUA) application fee (*\$300 per application*); 2. a CUA management or administrative fee per CUA (*\$5 per person, for each person traveling under the CUA*); and 3. where applicable, a per-person park entrance fee. Keep in mind, these procedures also clarify that commercial tour operators will be required to obtain a separate CUA for access to each park unit, regardless of whether a park entrance fee is charged.

In addition to obtaining a CUA for each individual park, the CUA holder must also file an annual report with each park where a CUA is obtained. In addition to submitting annual reports to each park they visit under a CUA they must also determine a method to track, calculate and submit

the \$5/person CUA management fee for those park units that do not charge an entrance fee. It can be a significant challenge for many commercial tour operators to even determine whether a park charges an entrance fee because many parks have nonprofits managing park activities and there can be a variety of fees charged at the entrance (i.e. conservation fees etc). Both the economic and administrative burdens imposed by the new CUA requirements are significant, particularly considering the motorcoach, tour and travel industries are comprised primarily of small businesses.

Although CUA authority was enacted in 1998, historically, NPS fees and processes for commercial tour operators have lacked consistency throughout the park system. For example, most parks do not charge a management fee, others do not charge tour companies the CUA application fee and still others do not charge commercial entrance fees. As well, park units that did charge fees, did so at different times using various processes.

Based on the April 2018 finalized proposals, group tour pricing and motorcoach pricing will significantly increase for travelers visiting the parks through commercial tour operators. The new pricing will, in fact, result in a higher per-person rate for group tours than for individuals entering the parks. The administrative burdens of applying for CUAs and tracking and monitoring information and fees for the annual report, will also factor into the price.

Further, adding confusion, under the National Park Service's own requirements, charter buses are exempt from the requirement to obtain a CUA if the motorcoach company did not package, price and sell the tour; presumably because the tour operator has obtained the required CUA. Unfortunately, NPS has left the CUA exemption to the discretion of the individual park superintendent. When park superintendents impose the CUA and burdensome filing process on charter bus companies, it can result in duplicate registration and charges that are ultimately passed along to the individuals in the tour group, further exasperating their already disproportionate fees.

While some bus and motorcoach companies operate tours as well, only one CUA should be required when a tour group visits a national park.

Example for Motorcoach Group Entering Rocky Mountain National Park

Comparison Between Current and New Costs of a Motorcoach Group

Currently: A tour company pays a \$200 motorcoach entrance fee for a group of 50 passengers to enter Rocky Mountain National Park. There is no requirement for a CUA, thus no application fee or management fee, and there is no annual reporting requirement.

Under the new system: Based on a motorcoach group of 50 passengers, assuming one annual visit to the park, the tour company would be required to:

- 1. Obtain a CUA, at a cost of \$300 for the application fee*;*

2. Pay a \$20 per person park entrance fee (\$5 of which, per person would be allocated as the CUA management fee), thus: \$20 x 50 passengers = \$1,000; and
3. File annual report to the park unit accounting for all the passengers brought to the park for that year.

Providing a cost of \$1,400 (\$300 CUA + \$1,100 entrance fee), which if broken down by passenger cost, would equate to \$28 per person. This is an increase of \$8 per person, over the current cost, and it does not account for the administrative costs of the reporting requirement. Also, by traveling in a group via motorcoach, there is no recognition of NPS discounts for seniors or children.

**Note: For illustrative purposes. If an operator arranges more than one group annually to the park unit, the CUA fee could be spread accordingly, however additional trips would increase the burdens associated with the annual reporting requirement.*

Comparison of Per Person Cost Between Private Car and Motorcoach Group

The new per vehicle (private car) entrance fee is \$35, so for a carload of 4 people the per person cost would be \$8.75, which is less than the \$20 per person entrance fee paid by passengers traveling by motorcoach.

The impact of the new commercial tour requirements and fees on tour operators' operations, products and costs will vary by park, and for tour operators/groups visiting multiple parks, costs will increase exponentially.

The new CUA requirements, if applied to the 415 parks, monuments, historic and cultural sites, will not ease congestion at the most visited parks that are already overcrowded. These sites will remain in group itineraries due to visitor demand. Consequently, lesser-known/visited parks that may be considered "secondary" would be eliminated from tour itineraries to keep costs down. These are the park sites that want to grow visitation and will suffer by being left off tour operators' itineraries.

The parks that want more visitors will still be left wanting, while the parks that are overcrowded will remain overcrowded.

The following are examples of the impact of both NPS fee increase plans, on a road-based tour operator visiting a U.S. National Park, based on 1 visit carrying 50 passengers.

Bryce Canyon National Park (Utah) – [225% increase]

	Current Payment	October 2017 Proposal *	April 2018 Proposal
Park Entry Fee	\$150 (vehicle fee)	\$450 (vehicle fee)	\$1000 (per person fee \$20 x 50)
CUA Application Fee	\$250	\$300	\$300

CUA Management Fee (\$5 per person)	None	\$250	(\$250) included in park entry fee
Total	\$400	\$1000	\$1300

* Bryce Canyon also had a peak period pricing proposal that would have increased the entrance fees to \$900 per motorcoach.

Everglades National Park (Florida) – [425% increase]

	Current Payment	October 2017 Proposal	April 2018 Proposal
Park Entry Fee	\$200 (vehicle fee)	\$300 (vehicle fee)	\$750 (per person fee \$15 x 50)
CUA Application Fee	\$0	\$300	\$300
CUA Management Fee (\$5 per person)	None	\$250	(\$250) included in park entry fee
Total	\$200	\$850	\$1050

Joshua Tree National Park (California) – [600% increase]

	Current Payment	October 2017 Proposal	April 2018 Proposal
Park Entry Fee	\$150 (vehicle fee)	\$300 (vehicle fee)	\$750 (per person fee \$15 x 50)
CUA Application Fee	\$0	\$300	\$300
CUA Management Fee (\$5 per person)	None	\$250	(\$250) included in the new park entry fee
Total	\$150	\$850	\$1050

Florissant Fossil Beds National Monument (Colorado) – [105,000% increase]

	Current Payment	October 2017 Proposal	April 2018 Proposal
Park Entry Fee	\$0 (vehicle fee)	\$350 (per person fee \$7 x 50)	\$750 (per person fee \$15 x 50)
CUA Application Fee	\$0	\$300	\$300
CUA Management Fee (\$5 per person)	None	\$250	(\$250) included in the park entry fee
Total	\$0	\$900	\$1050

Rocky Mountain National Park (Colorado) – [425% increase]

	Current Payment	October 2017 Proposal *	April 2018 Proposal
Park Entry Fee	\$200 (vehicle fee)	\$450 (vehicle fee)	\$750 (per person fee \$15 x 50)

CUA Application Fee	\$0	\$300	\$300
CUA Management Fee (\$5 per person)	None	\$250	(\$250) included in the park entry fee
Total	\$200	\$900	\$1050

* Rocky Mountain National Park also had a peak pricing proposal that would have increased the entrance fees to \$900 per motorcoach.

Mount Rushmore National Memorial (South Dakota) – [1000% increase]

	Current Payment	October 2017 Proposal	April 2018 Proposal
Park Entry Fee	\$50 (parking fee)	\$0 (vehicle fee)	\$0 (per person fee \$0 x 50)
CUA Application Fee	\$0	\$0	\$300
CUA Management Fee (\$5 per person)	None	\$0	\$250
Total	\$50	\$0	\$550

Suggested Solutions

The following are suggested solutions offered as a starting point for discussions among industry stakeholders, the Department of the Interior and National Park Service. Several of these solutions would provide administrative relief to both the NPS/parks and the commercial tour operator.

- **National Fee Analysis:** Allow the National Park Service to complete its national fee analysis study before implementing the new CUA requirements to ensure all potential consequences are identified and considered before implementation.
- **Single CUA Requirement:** Establish a single CUA submission requirement for commercial tour operators, to cover all or a group of parks, at a reasonable fee, relieving both the cost and administrative burden of multiple applications and of dealing directly with multiple parks. The NPS Form 10-550 CUA Application estimates “that it will take approximately 2.5 hours to prepare an application.” A centralized system for multiple park CUAs would significantly reduce the administrative burden for operators building itineraries for multiple parks. Also, by establishing one CUA, it would relieve the administrative burden associated with the annual reporting requirement.
- **Central Online CUA System:** NPS should establish a central online CUA application system, for either the one general CUA or multiple park CUAs which could be structured on a tiered basis.
- **Multi-Year CUAs:** Allow tour operators to secure CUAs for multiple years. Most parks’ CUAs are for one year, with a few offering CUAs for two years. However, a longer CUA

(e.g. 5-10 years) would reduce the administrative burden on both the NPS/parks and the commercial tour operator.

- **Phase in New CUA Requirements:** Minimize the financial and administrative burden to tour operators by phasing in the new requirements over multiple years.
- **Transparency and Inclusion:** Conduct outreach and pursue changes in accordance with the Administrative Procedures Act and Office of Management and Budget procedures, giving proper notice through the Federal Register, establishing an open docket for comment periods, and publishing justifications for final policy change decisions. Work with the tour operator industry and representative associations to have workable solutions for all parties, prior to making decisions.

Issue #2: Proposed Reservation System for Commercial Tour Operators

Like many national parks, Arches National Park is experiencing over-crowding during peak season and needs to address the traffic and parking congestion that this causes. Without increased allocations to develop solutions for alleviating the traffic problems and addressing the need for increased parking options, Arches National Park has proposed a reservation system, whereby individuals and commercial tour operators would make reservations in two-hour time slots.

Excerpt from the Traffic Congestion Management Plan for Arches National Park:
“... Commercial Tour vehicles (tour buses and similar vehicles) would not be required to make reservations through Recreation.gov, but instead would be managed via their CUAs. The park would set limits on the number of commercial tour vehicle entrances between 7 a.m. and 6 p.m. during March – October. If demand for commercial tour entrances exceeds these limits, allocations among operators would be made via lottery or a similar system prior to the beginning of the busy season each year.”

This proposed reservation system would require commercial tour operators to submit CUAs by Dec. 31 of the prior year and list all dates and estimated number of participants across all groups, at which point they would be collectively considered and scheduled by the park. All tour operators would be notified at the end of the CUA application period of their entrance dates and times.

A reservation system will not alleviate congestion on the entry roads, as private vehicles and motorcoaches will line up early, waiting for their entry times. If there is no place for them to wait to queue for their entrance time, they will be in the main entrance line, which will cause confusion and challenges for those trying to enter during their allotted time. Further, tour clients book anywhere from 18-months in advance to last-minute booking requests, so **making the reservations for groups at the time of the CUA application is not feasible; it is too late for groups already booked and too early to accommodate late bookings.** As well, it is extremely unlikely commercial tour operators will have detailed information, such as VIN numbers, specific to the vehicles to be used for specific tours, at the time of the filing of a CUA

application, as is currently required on several park unit CUA applications. If commercial tour operators must have all tour dates and times when they submit the CUA application and await approval, they will not be able to include parks in their early bookings/itineraries nor will they be able to accept late bookings, resulting in economic loss for the tour operator, as well as the community and region economically dependent on the park.

Fewer visitors entering the park with commercial tour operators will likely result in more independent travelers in cars, adding to congestion, parking and maintenance issues.

FIT (Independent Travelers)

Additionally, FIT visitors will have to make reservations, but will not be able to do so until six months in advance, which means they might not be able to get in during the time of their scheduled visit to the U.S.

Many inbound tour operators sell packages to international FIT travelers – that is, independent international travelers – who enter the park in private vehicles. These international travelers will be required to use the reservation system to visit Arches National Park.

FIT travelers generally book their packages to the U.S. a year or more in advance. In the proposed Management Plan, they would only be able to book their park admission 6 months in advance, which could result in them not having an option to visit the park during their booked trip, despite the park being the main reason to visit the area.

As reservations are likely to sell out quickly for peak season, **there would likely be a lot of trip cancellations to the Moab area**, as the international guests would not risk the chance of relying on “Day Before/Day Of” reservations. Overseas visitors make a significant investment to visit the area and are not likely to participate in a wait-and-see situation, again resulting in economic loss to the community and region.

It is further anticipated that all independent park visitors - American citizens and international visitors - may not understand they need to make advance reservations, which would result in frustration and anger among guests at the gates. Additionally, travelers often experience trip interruptions, like delay arrivals, illness, etc. and may miss their arrival window. The current proposal does not address how such trip interruptions will be handled.

Impact on Park System

Recent conversations among industry representatives and other park officials have indicated that many of the larger, most-visited parks are also considering reservation systems to alleviate congestion, which will exacerbate the operational issues throughout the park system.

The proposed reservation system for individuals and commercial tour operators could create liabilities for U.S. inbound operators serving international visitors – groups and FITs - who are generally protected by international consumer laws that require travelers to receive what is promoted in the operators’ itineraries. As a result, U.S. inbound operators would not be able to

promote Arches National Park, despite it being the single biggest draw for visitors to the Moab area. The same would be true for other parks that implement a reservation system.

In summary, the proposed congestion plan/reservation system is impracticable and extremely burdensome for the motorcoach, tour and travel industries. It will cause confusion and aggravation for visitors, undue liability for inbound commercial tour operators and economic hardship for the Moab area.

Suggested Solutions

The motorcoach, tour and travel industries oppose a reservation system for Arches National Park and others that are under consideration. . Following are suggested solutions provided as a starting point for discussions among industry stakeholders, the DOI and NPS.

- **Systemwide Analysis:** Incorporate the consideration of centralized reservation systems for independent visitors and tour groups into the national fee analysis to ensure all needs and impacts are considered, especially given that there are different needs among the parks that are driving the discussion of reservations systems, e.g. traffic congestion, insufficient parking, and visitor experience.
- **Industry Collaboration:** Work with the motorcoach, tour and travel industry to cooperatively analyze park needs and collaborate on solutions.
- **Infrastructure Investment:** Allocate portion of park fees to funding parking and entry road improvements.
- **Marketing and Communication:** Seek ways to promote underutilized park units, particularly for international operators, as U.S. inbound operators are not in contact with the end consumer.

Conclusion

As facilitators of both independent and group travel, tour operators have control over a large percentage of visitation to the park and have the power to adjust programming in ways that will distribute visitors to less-crowded times/seasons to alleviate some of the pressure on America's most-visited attractions.

The American Bus Association (ABA) serves a thriving industry that provides more than 600 million passenger trips annually on charters, tours, scheduled service and shuttles. Membership in ABA includes motorcoach operators, tour operators, tourism-related organizations, and products and service suppliers.

International Inbound Travel Association (IITA) represents inbound tour operators who provide services to America's key international visitor markets, thus handling the primary

international trade aspect of our national parks. IITA members include inbound tour operators, destination marketing organizations and travel suppliers, like hotels, transportation companies, restaurants, and attractions. For more information please visit the website, www.inboundtravel.org.

International Motorcoach Group (IMG) is a network of 56 motorcoach companies who provide transportation services to both domestic and international travelers around North America. IMG companies provide unparalleled transportation to many industry segments with a large emphasis on domestic and international tour operators. As some of the leading motorcoach operators in North America, IMG's mission is a commitment to safety, training, customer service excellence and enhancing green travel solutions.

National Tour Association (NTA) is the premier organization of packaged travel professionals who serve customers traveling to, from and within North America.

Ontario Motor Coach Association (OMCA) is among the largest travel and tourism-related associations in Canada. It is the voice of the group travel industry in Canada, representing private sector bus operators, charter and coach tour operator companies as well as tourism the broader tourism industry including hotels, attractions, restaurants, and other group tour product providers from across North America.

Student & Youth Travel Association (SYTA) is the non-profit, professional trade association that promotes student & youth travel and seeks to foster integrity and professionalism among student and youth travel service providers. SYTA is "The Voice of Student and Youth Travel.

United Motorcoach Association (UMA), with more than 1100 members, is the nation's largest organization exclusively protecting and promoting the interests and welfare of private bus and motorcoach companies. Members include motorcoach companies and industry suppliers. To learn more about UMA go to their website. (www.UMA.org)

United States Tour Operators Association (USTOA) is a professional, voluntary trade association created with the primary purpose of promoting integrity within the tour operator industry. USTOA is not a tour operator and it does not conduct tours, but our members do.