

# NATIONAL PARKS BACKLOG

---

---

HEARING  
BEFORE THE  
SUBCOMMITTEE ON NATIONAL PARKS  
OF THE  
COMMITTEE ON  
ENERGY AND NATURAL RESOURCES  
UNITED STATES SENATE  
ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

TO CONDUCT OVERSIGHT OF THE MAINTENANCE BACKLOG, LAND  
ACQUISITION BACKLOG, AND DEFICIT IN PERSONNEL WITHIN THE  
NATIONAL PARK SYSTEM, INCLUDING THE IMPACT OF NEW PARK  
UNIT DESIGNATIONS ON RESOLVING EACH OF THESE CONCERNS

---

JULY 8, 2003



Printed for the use of the  
Committee on Energy and Natural Resources

---

U.S. GOVERNMENT PRINTING OFFICE

89-076 PDF

WASHINGTON : 2003

---

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON ENERGY AND NATURAL RESOURCES

PETE V. DOMENICI, *New Mexico, Chairman*

DON NICKLES, Oklahoma	JEFF BINGAMAN, New Mexico
LARRY E. CRAIG, Idaho	DANIEL K. AKAKA, Hawaii
BEN NIGHTHORSE CAMPBELL, Colorado	BYRON L. DORGAN, North Dakota
CRAIG THOMAS, Wyoming	BOB GRAHAM, Florida
LAMAR ALEXANDER, Tennessee	RON WYDEN, Oregon
LISA MURKOWSKI, Alaska	TIM JOHNSON, South Dakota
JAMES M. TALENT, Missouri	MARY L. LANDRIEU, Louisiana
CONRAD BURNS, Montana	EVAN BAYH, Indiana
GORDON SMITH, Oregon	DIANNE FEINSTEIN, California
JIM BUNNING, Kentucky	CHARLES E. SCHUMER, New York
JON KYL, Arizona	MARIA CANTWELL, Washington

ALEX FLINT, *Staff Director*

JAMES P. BEIRNE, *Chief Counsel*

ROBERT M. SIMON, *Democratic Staff Director*

SAM E. FOWLER, *Democratic Chief Counsel*

---

SUBCOMMITTEE ON NATIONAL PARKS

CRAIG THOMAS, *Wyoming, Chairman*

DON NICKLES, *Oklahoma, Vice Chairman*

BEN NIGHTHORSE CAMPBELL, Colorado	DANIEL K. AKAKA, Hawaii
LAMAR ALEXANDER, Tennessee	BYRON L. DORGAN, North Dakota
CONRAD BURNS, Montana	BOB GRAHAM, Florida
GORDON SMITH, Oregon	MARY L. LANDRIEU, Louisiana
JON KYL, Arizona	EVAN BAYH, Indiana
	CHARLES E. SCHUMER, New York

PETE V. DOMENICI and JEFF BINGAMAN are Ex Officio Members of the Subcommittee

THOMAS LILLIE, *Professional Staff Member*

DAVID BROOKS, *Democratic Senior Counsel*

# CONTENTS

## STATEMENTS

	Page
Akaka, Hon. Daniel K., U.S. Senator from Hawaii .....	3
Campbell, Hon. Ben Nighthorse, U.S. Senator from Colorado .....	2
Cornelssen, Curtis E., Director, Hospitality Leisure Group, Price- waterhouseCoopers, Boston, MA .....	26
Dillinger, Eric, Vice President, Carter and Burgess, Inc., Fort Worth, TX .....	23
Hill, Barry T., Director, Natural Resources and Environment, General Ac- counting Office .....	9
Kiernan, Thomas C., President, National Parks Conservation Association .....	28
Murphy, Donald W., Deputy Director, National Park Service, Department of the Interior .....	4
Thomas, Hon. Craig, U.S. Senator from Wyoming .....	1

## APPENDIXES

### APPENDIX I

Responses to additional questions .....	43
---	----

### APPENDIX II

Additional material submitted for the record .....	45
--	----

## NATIONAL PARKS BACKLOG

---

TUESDAY, JULY 8, 2003

U.S. SENATE,  
SUBCOMMITTEE ON NATIONAL PARKS,  
COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:04 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Craig Thomas presiding.

### OPENING STATEMENT OF HON. CRAIG THOMAS, U.S. SENATOR FROM WYOMING

Senator THOMAS. Good morning. The time has arrived so we will begin, and I hope we will have some more members here. I think we will have. Thank you all for being here. I particularly want to welcome the National Park Service, General Accounting Office and other witnesses for appearing before today's National Parks Subcommittee hearing. Our purpose is to talk a little bit about the deferred maintenance and plans to deal with that over time, and of course it's one of the issues that is always before us with respect to these facilities.

Over the years, of course, the Park Service has for various reasons deferred, or perhaps even had to set aside facility maintenance until funds were available and of course you know, if you use that approach on your car, it wouldn't be long before it would stop running, and so there has to be a plan of some kind over time to be able to maintain those facilities if we are going to maintain the kind of parks that all of us want.

And the estimates are large. We have heard a lot lately about the outstanding needs in the range of \$4 to \$6 billion, a tremendous amount of money. The GAO conducted a review of the backlog in 1998 and identified several things that I am sure we will talk about today, and I am glad they joined us today.

I think the Park Service has historically had a difficult time in trying to take care of all the facilities that are there and identifying all of those, and so I was pleased when the Secretary and the Director released a report on their progress a week ago in terms of how best to do this, and I think that's important that we have a system. I think, you know, in any sort of business that we have, the maintenance of facilities has to be one of the things in the operating budget or you run into big problems.

Basically what we're seeking to do today, I think, is get a feel from you all as to the scope of the deferred maintenance backlog that is there, I think to get some idea with respect to reducing or

eliminating that backlog, what has been done and as importantly, what yet needs to be done, and of course talk about systems to do that. I think we ought to consider somewhere along the line the impact of new park unit designations and additions and what impact that has on the Park's ability to maintain the facilities that we now have, 388 facilities or something, and every week there is more, all of which are good, but there also needs to be at some point some decisions made there; I think whether or not the Park Service either reduced or had to have neglected some other activities in order to have a maintenance backlog and of course, whether or not that funding has delayed filling job vacancies and imposed itself upon the operating budget in particular.

I'm also interested, I have heard and seen, I think, some administration ideas that there would be \$4 or \$5 billion available for this backlog over time, but yet, I believe that the current budget recommendation is about the same as last year, so I would be interested in knowing what the plans are there.

I think it will be an excellent time for us to really deal with this issue and see how we can help to do that.

Senator, welcome. Glad to have you here, sir. Do you have any opening comments?

[A prepared statement from Senator Campbell follows:]

PREPARED STATEMENT OF HON. BEN NIGHTHORSE CAMPBELL,  
U.S. SENATOR FROM COLORADO

Thank you for calling this hearing, Senator Thomas. The advent of our national parks system was a hallmark of the 20th century. Our parks have and continue to be regarded as the world's best, attracting tourists from all over the globe.

Unfortunately, toward the end of the last century, the National Park Service has become burdened by a tremendous maintenance backlog. The reasons for that backlog are many, in no small part due to Congress' consistent expansion of the system.

Under Secretary Norton's leadership, the Service has done an admirable job in meeting that backlog, especially if one considers the need to spend greater resources on security on tighter budgets. Interior's recent document titled, *National Park Service: Partnering and Managing for Excellence*, highlights the Park Service's successes in meeting the maintenance backlog. For example, it points out that since FY 2002, nearly \$2.9 billion has been provided to address the \$4.9 billion backlog. Approximately 900 repair/rehabilitation projects were addressed in FY 2001 and 2602, and another 500 projects are being tackled in FY 2003. The report goes on to note the innovative partnerships between the Park Service and state and local governments, as well as working with third-party interests in meeting funding needs.

However, the Park Service seems to focus on quantity and not quality in prioritizing its backlog. For example, at Mesa Verde National Park in my state of Colorado is home to some of the greatest cultural resources in the Americas. Mesa Verde has long been an important site to several Indian Tribes who return to the Park for all manner of sacred and traditional rituals. In fact, three million artifacts dating from 600 to 1300 A.D. were found and are stored at Mesa Verde.

Unfortunately, the curatorial storage facility housing these treasures was woefully inadequate, resulting in the tangible loss of history. Mesa Verde's curatorial facility has long been recognized as lacking. Recently, the Park spent hundreds of thousands of dollars to improve the facility, yet it still only meets 60% of Secretary Norton's own criteria defining adequate storage. To make matters worse, Mesa Verde is constantly threatened by a very real sense of danger from wildfire. Just last year, all of the artifacts had to be temporarily relocated to a new facility when a catastrophic wildfire blazed through the Park.

Even though the current facility fails the Secretary's own scorecard, and wildfire and inadequate storage threatens the existence of priceless artifacts, the National Park Service did not list a new facility as a priority for next year or even the year after that. Rather, the NPS provides funding for a new facility in 2009—seven years from now.

I was perplexed at how can the Park Service delay and delay saving and preserving these artifacts year after year so I did a little checking on how the Service identifies and manages its backlog. As I understand it, the NPS uses a system called, "choosing by advantages," which is similar to a cost-benefit analysis. In this case, the NPS identifies a high value because it would be protecting 3 million priceless artifacts. The Service then divides that value by the cost of the protection.

In this case, because we are talking about preserving 3 million priceless resources, the cost of building such a structure would be expensive because it would have to be relatively large. In the case of the Mesa Verde Park, the result of "choosing by advantages" is that the project with the greatest value, even where there is the greatest need, can be relegated to second tier or FY09 status.

Something needs to change. I commend the National Park Service and Secretary Norton. However, so much more needs to be done. I urge the Park Service to take a hard look at the way in which it prioritizes projects in administering its backlog. Thank you.

**STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR  
FROM HAWAII**

Senator AKAKA. Thank you very much, Mr. Chairman, and thank you very much for scheduling this hearing.

When I came to Senate in 1990, the National Park Service deferred maintenance backlog was a major issue, and it remains one today. While I understand there are different views about the extent of the backlog and progress being made to reduce it, I know we all agree on the importance of addressing this issue.

I hope this hearing will serve two purposes. First, it is important that we get a better understanding of the underlying facts and issues that are involved. For example, what is our best estimate of the backlog and what progress have we made toward reducing it? Even more basic, is there agreement on what actually constitutes deferred maintenance, or are we double counting already scheduled maintenance projects? In other words, we need a clear understanding of what service categories of deferred maintenance and backlog reduction are consistent and accurate over time. Second, this hearing is important to draw attention to this matter because whatever the reason for the backlog accumulating in the first place, the only way it's going to be reduced or eventually eliminated is by having more money appropriated.

As a former member of the House Appropriations Committee, I can appreciate the difficulties my colleagues on the Appropriations Committee will face in trying to find additional funds for this or any other worthwhile program. Unlike many issues facing the committee, National Park issues are rarely partisan. I hope we will focus not on who is responsible for the problem, or who should get credit for an increase in maintenance funding, but rather, on how we will solve this problem.

Finally, as important as it is to try to reduce the maintenance backlog, I think we need to remember that this is not the only priority for the Park Service. Deferred maintenance funding cannot come at the expense of management and interpretive needs of the Park Service, and we need to ensure that we don't offset money from existing operational accounts to increase the score card on maintenance. The Park Service must have the ability to accomplish its primary mission, and that is to protect and preserve our irreplaceable natural, cultural, and historic treasures.

Mr. Chairman, again, I want to thank you for holding this hearing and I look forward to hearing our distinguished witnesses.

Senator THOMAS. Thank you, sir. Senator Alexander, do you have a statement?

Senator ALEXANDER. Glad to be here, Mr. Chairman, I look forward to hearing from the witnesses and I will ask my questions after that.

Senator THOMAS. That was a beautiful short statement, thank you, sir. A bit unusual around here.

Let's go on then with the panel. We would like to welcome Donald Murphy, Deputy Director, National Park Service, who is with us this morning, and Barry Hill, Director, Natural Resources and Environmental Issues for the GAO. Welcome, gentlemen. Glad to have you here.

Go right ahead, Mr. Murphy, please.

**STATEMENT OF DONALD W. MURPHY, DEPUTY DIRECTOR,  
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR**

Mr. MURPHY. Thank you, Mr. Chairman, for this opportunity to appear before the subcommittee and discuss the National Park Service's backlog of deferred maintenance and some of the related issues. We're pleased to have the opportunity to share our successes in addressing the deferred maintenance backlog with you this morning, which is an important component of the President's Parks Legacy Program.

As you already mentioned, Secretary Norton and Director Maniella did issue a report just recently, gave it to the President, on the National Park Service: Partnering and Managing for Excellence, where we highlighted some of the accomplishments that we have made as far as the maintenance backlog is concerned. As you pointed out, the backlog has been estimated anywhere from \$4 to \$6 billion. There was the original report by the General Accounting Office that highlighted approximately a \$4.9 billion maintenance backlog and the President of the United States, or course during the campaign and then early on in the administration, took that number as an estimate of what the current maintenance backlog happened to be and made a pledge to try to tackle at a minimum, that much of the maintenance backlog.

So far, over the past 2 years, we have of course spent approximately \$2.9 billion tackling that backlog. He's proposing more than \$760 million annually over a 5-year period that will totally roughly \$3.84 billion toward addressing that backlog, as well as during that same period approximately \$1.26 billion to handle road maintenance. The funds provided to date have addressed very specific projects, everything from wastewater treatment plants that you have read about in the report to money that has gone to Federal Hall Foundation, some to respond to some of our resource management projects as well, \$2.1 million to Yellowstone to replace a wastewater treatment plant and relocate sewer lines that were threatening Old Faithful. Approximately 900 repair and rehab projects have been addressed during that period, with another 500 or so in the pipeline.

I think the most important thing that we will say here this morning is that we really have to get an honest handle on what the maintenance backlog is. The only way we can do that is through a systematic approach of inventorying what you have, and

prior to just 2 years ago, the National Park Service had absolutely no inventory of the facilities that made up its facility maintenance program. We have undertaken over the last 2 years to begin that inventory, have completed 125 parks so far, and the last parks will be completed by the end of this fiscal year, except for the four largest, which will be completed by the end of fiscal year 04. So first of all, you have to establish the universe of what you have and that's what the physical inventory does.

The next most important step in that is establishing a facility condition index for that inventory that you have, and that facility condition index is based on what it costs you to keep a facility in good repair, divided by its current replacement value. That gives you a ratio and as long as that ratio is .1 or below, you know your facilities are in good condition. If that number is above that, you know that you need to start taking care of those facilities.

Not only that, that has to be coupled with what's called also an asset priority index, which allows you to prioritize the importance of the facilities that you do have, so that not only do you have a facility condition index that you supplement with a priority index, and that gives you the ability to then focus on just those projects that are the most important and the most critical, those that you can really begin to make the most of the monies that you are spending.

This program never existed in the National Park Service before and it's really not until this program is really fully implemented that you're going to really have a very good understanding and handle on what the maintenance backlog is. Right now we're dealing with estimates and they're fairly good estimates, but they are not objective and systematic estimates based on real data.

That's what we're undertaking to do in the National Park Service and until that job is complete, all of this talk about what the scope of the maintenance backlog is just your best guess based upon the situation at any given moment.

We have provided CD-ROMs that we will give to the members that will really explain in great detail exactly how this facility assessment program will work in the National Park Service. It's used by the Department of Defense, it's used by other agencies across the Nation, and it really is a state-of-the-art computerized program that will help us finally get a handle on our maintenance or facility maintenance program. It's extremely important to us.

I think the other important thing to mention this morning is, you know, it's really important that we focus on the National Park Service's ability to connect with the American people. So as part of the President's Legacy program, he's encouraging American people to participate in the protection of national and cultural resources through such programs such as the Land and Water Conservation Fund, the new Preserve America program which was just announced, Take Pride in America, which is a program that has existed for a number of years and encourages volunteers to come and work in land management agencies as volunteers. And so, this is an extremely important part of the administration's focus on the Legacy for National Parks as well.

I think you all know of the effects of 9/11 on increased security in this Nation. The National Park Service has 9 designated areas



as critical infrastructure in this nation. There are icon parks, places such as the Status of Liberty, the Mall right here in Washington, all of the monuments, the Jefferson Memorial, all of these areas are falling under our areas with the need for increased security and we're focusing our efforts and resources on that as well.

You mentioned the addition of new units to the National Park Service. During the last 5 years, 14 new units have come into the National Park system. Congress created 11 new units, President Clinton established by proclamation three.

For fiscal year 04, it is important to know that the proposed operating budgets for these new units is nearly \$4 million dollars and includes a total of 10 full-time equivalents, and their staff will, of course, be expected to increase over the years and they do, of course, have an impact on the overall funding needs of the National Park Service.

So, we appreciate the opportunity to outline some of the visions that this administration has for managing the parks, particularly in the area of maintenance backlog and I seriously look forward to answering your questions as forthrightly as I can, and I have prepared testimony that we have made available for the committee as well. Thank you.

[The prepared statement of Mr. Murphy follows:]

PREPARED STATEMENT OF DONALD W. MURPHY, DEPUTY DIRECTOR,  
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR

Mr. Chairman, thank you for the opportunity to appear before your subcommittee to discuss the National Park Service (NPS) backlog of deferred maintenance and related issues.

We are pleased to have the opportunity to share our successes in addressing the deferred maintenance backlog, which is an important component of President Bush's National Parks Legacy Project. The Legacy Project was initiated to ensure proper care of our National Park System and is designed to enhance ecosystems, improve outdoor opportunities, address infrastructure needs, and establish accountability through performance goals. As the President said in his first address to a joint session of Congress in 2001, "Our national parks have a special place in our country's life. Our parks are places of great national beauty and history. As good stewards, we must leave them better than we found them."

On July 2, 2003, Interior Secretary Gale Norton and NPS Director Fran Mainella issued a report entitled "National Park Service: Partnering and Managing for Excellence" (NPS Accomplishments Report) that highlights the progress toward fulfilling the goals of President Bush's National Parks Legacy Project. A major focus of the report is the accomplishments NPS has made in addressing the deferred maintenance backlog.

The President has committed significant funding to address both the repair and management aspects of the deferred maintenance backlog. He is proposing more than \$760 million annually over a five-year period, for a total of \$3.84 billion, to pay for non-road maintenance and construction and nearly \$1.26 billion during the same period for road maintenance. In addition, for the first time ever, NPS has established the Asset Management Program which includes the implementation of the Facility Management Software System (FMSS), an off-the-shelf system to monitor and prioritize ongoing maintenance needs that will allow NPS to manage the backlog and prevent a recurrence of maintenance backlogs in the future. Most importantly, through the establishment of this program, NPS will be able to measure performance in improving facility conditions through a Facility Condition Index (FCI). This will allow us to track progress in achieving results, rather than just counting funds.

A May 1998 General Accounting Office report ("Efforts to Identify and Manage the Maintenance Backlog" GAO/RCED-98-143) stated that the NPS "does not have a routine, systematic process for determining its maintenance backlog" and cited concerns about the accuracy of the NPS estimate of \$4.9 billion (excluding new construction). Using the only estimate available, President Bush committed to provide at least \$4.9 billion in funding for NPS to address the deferred maintenance back-

log. The Administration is on a path to meet that goal. To put the funding increases in perspective, the more than \$1 billion requested for FY 04 is nearly 50 percent more than was provided in FY 00 and double what was provided in FY 97.

Funds provided to date are achieving tangible results, and the NPS has begun to improve the condition of hundreds of park assets using the increased funding Congress has appropriated at President Bush's request. For example:

- \$16.5 million has gone to Federal Hall National Memorial to repair cracks in the building;
- \$4.1 million is being used at Everglades National Park to repair a 135,000 gallon-per-day wastewater treatment system;
- \$4.1 million has gone to Lava Beds National Monument to relocate the visitor center away from fragile underground resources; and
- \$2.1 million is being used at Yellowstone National Park to replace a wastewater treatment plan and relocate the Old Faithful sewer line.

In the past two years, NPS has tackled approximately 900 repair and rehabilitation projects. These projects, including 60 fire safety projects, have enhanced visitor and employee safety. They have improved health protection by upgrading and repairing 186 water, wastewater, and sewer facilities. They have made buildings better and safer for visitors through over 325 general building and safety rehabilitation projects. Another 500 projects are underway in 2003 and approximately 400 more are programmed for 2004.

As part of the President's Legacy Project, park roads, too, will be brought into good condition. In 2001, just 35 percent of park roads were in good condition. Under the proposed highway transportation bill, which would provide \$1.89 billion over six years for the Park Roads and Parkways Program, over 80 percent of paved park roads would be brought into good or excellent condition, and virtually no paved road would be in poor condition.

An essential component of the National Parks Legacy Project is to prevent future backlogs by bringing state-of-the-art facility management to the parks. An essential component of the National Parks Legacy Project is to prevent future backlogs by bringing state-of-the-art facility management practices to the parks through the Asset Management Program. The Asset Management Program will give us the capacity to generate information about our assets on a service-wide basis. To accomplish this goal, NPS is implementing a new off-the-shelf software system, the Facility Management Software System (FMSS). This system is now operational in some parks and will be fully implemented by 2006. NPS has developed a CD-ROM that explains the asset management program. We have provided a copy to this subcommittee and hope that you will have an opportunity to view it.

NPS is taking the necessary steps to ensuring effective and efficient implementation of the Asset Management Program. The first step is to better understand the condition of the NPS infrastructure at each park by conducting an inventory, identifying deficiencies, and estimating the cost of repair and current replacement value of park assets. NPS is accelerating its efforts to complete these facility condition assessments at all 388 park units to provide, for the first time, a complete inventory of maintenance needs. Facility condition assessments at 125 parks were completed by December 2002. By the end of FY 03, facility condition assessments will be completed at all but four of the largest parks. The NPS will complete the final facility condition assessments on these parks in FY 04.

Our current estimates of NPS infrastructure show that it includes more than 26,000 historic structures and other buildings, 8,500 monuments, over 12,000 miles of trails, some 1,200 water systems, and about 1,400 wastewater treatment plants. Our road network is estimated to consist of nearly 5,500 paved miles of road, more than 6,000 miles of unpaved roads, and some 1,700 bridges. The facility condition assessments, completed as part of the Asset Management Program will allow NPS to refine and validate these numbers further.

The next step in implementing the Asset Management Program is to determine the Facility Condition Index (FCI) for park assets, except for roads which use the Pavement Condition Rating (PCR). The FCI is a performance measure used to help quantify or determine the condition of a particular park asset based on the cost of repair and the current replacement value. To determine the cost of repair of an asset, NPS uses FMSS to link information derived through the facility condition assessments to an industry-standard cost-estimating tool. Thus, NPS can measure progress against the industry-standard measure of a FCI for certain types of assets such as buildings. Other assets, however, such as monuments and cultural landscapes do not have industry-standard measures and are more difficult to compare.

Once the FCI is determined for individual assets, NPS will be able to establish a service-wide FCI baseline, and then use the baseline to determine FCI target

ranges for improved future conditions. NPS has established an initial FCI baseline by using statistical modeling on the facilities condition assessments completed thus far for eight major categories of regular assets (i.e., buildings, campgrounds, trails, paved roads, unpaved roads, water systems, wastewater treatment plants, and employee housing). FCI target ranges are NPS performance goals. NPS is still working to verify these numbers and determine the FCI levels for fair and good condition, so we are not yet in a position to discuss the total costs of bringing the facility average up to fair or better condition. We expect to be able to use FCI performance measures and targets to support the President's 2005 Budget. This process will allow NPS to evaluate the impact of particular funding levels on asset performance and condition and quantify the consequences of delaying or not accomplishing repairs.

The final step in implementing the Asset Management Program is to use FCI, the Asset Priority Index (API), and other policy considerations to prioritize the maintenance needs of park assets. The API is used by park managers to identify the importance of the asset in accomplishing the park's mission. Through the Asset Management Program, NPS will have to articulate clearly and consistently its asset priorities, the investment needed to sustain them, and the rate of deterioration over time. Other important reasons to invest in a facility include such considerations as critical health, safety, and resource protection needs, partnerships, and visitor services requirements. Likewise, it may be appropriate to demolish structures for which the costs to improve the condition are prohibitive.

Professional facility management also requires regular maintenance to prevent facilities from gradually falling into disrepair. In FY 03, funding for cyclic maintenance increased from \$22 million to \$42 million, and in FY 04 is slated to increase to \$56 million under the President's budget. By ensuring cyclic and preventative maintenance at regular intervals, this investment will help prevent a maintenance backlog recurrence. While new park facility maintenance needs will continue to emerge, the combination of increased funding and management reforms instituted through the Asset Management Program will allow the NPS to find the point where sustainable funding levels will cover an asset's life cycle maintenance and capital replacement costs.

Another component of the President's Legacy Project and the NPS Accomplishments Report recognizes NPS' special connection to the American people and its unique ability to engage the public, establish partnerships and promote volunteerism. The NPS is serving as a catalyst and encouraging many individuals and organizations to leverage resources and information, overcome organizational and procedural barriers, and increase cooperation and consultation. The President is encouraging the American people to participate in the protection of natural and cultural resources through such programs as Land and Water Conservation Fund stateside grants, the Preserve America Initiative, Take Pride in America, and the creation of public and private partnerships. Through these programs, our goal is to create a seamless national network of parks, historic places, and open spaces.

The President's Legacy Project also seeks to improve visitor service and keep the parks safe. The September 11, 2001 terrorist attacks on the United States and the resulting world events require increased security for our national parks and monuments throughout the National Park System. As the principal steward of our nation's most treasured cultural icons, the NPS has assigned nearly 200 additional protection rangers to meet increased security needs. Secretary Norton has issued directives to improve the management of the law enforcement program within the NPS and across the Department of the Interior. NPS also has developed a comprehensive Emergency Preparedness and Response plan to protect public health in the unique settings of the national parks and is coordinating with other bureaus and agencies to ensure complete communications integration. NPS will continue to strengthen security efforts through better training of personnel and improved equipment.

The efforts outlined in the NPS Accomplishments Report demonstrate the President's commitment to taking better care of the parks already under our stewardship. Because this effort focuses on addressing the deferred maintenance backlog, the Department has been asking Congress to defer action on bills that would establish new units of the National Park System, despite the fact that some of these proposals might otherwise merit our support. We have taken this position because we are concerned about the demands each new unit could create on the NPS budget.

When Congress authorizes new units, additional funding for operation, maintenance, and usually, land acquisition and construction are ultimately required. Additional personnel are also usually required. Existing authorizations to acquire land for new units and boundary expansions exceed available funds.

During the last twelve years (1991-2002), 34 new units of the National Park System were established. Congress created 31 of the new units and President Clinton established three by Presidential Proclamation. For FY03, the operating budgets for these new units total \$25.6 million. Some of these units are so new, they are not fully operational, so their operational costs will likely grow. For these 34 units, the current system of identifying needs in the park contain over \$30 million in recurring unfunded operational needs and over \$265 million in unfunded one-time projects. While all of these items will not be funded anytime soon, they represent new demands on the National Park System that were not there 12 years ago. The President's FY 04 request includes \$5.1 million or 36 percent of the total request for programmatic increases for parks with new responsibilities. A portion of this amount includes planning and start-up money for some of the newly authorized units.

We are trying to slow the growth of the National Park System so that we can focus our resources for the time being on reducing the deferred maintenance backlog. In advancing President Bush's National Parks Legacy Project, the NPS has substantially reduced the deferred maintenance backlog and instituted measures to prevent its recurrence. We are also taking other steps to be the most effective and efficient agency possible with the financial resources we have at our disposal.

We appreciate this opportunity to outline the vision of caring for and enhancing the special places in our National Park System, as set forth in President Bush's National Parks Legacy and the "National Park Service: Partnering and Managing for Excellence" Report. We will continue to work with this subcommittee as we move forward with our efforts to address the maintenance backlog and improve the management of the National Park System.

Mr. Chairman, that concludes my statement. I would be pleased to answer any questions you may have.

Senator THOMAS. Thank you, sir. I'm sure we will have some questions.

Mr. Hill.

**STATEMENT OF BARRY T. HILL, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, GENERAL ACCOUNTING OFFICE**

Mr. HILL. Mr. Chairman and members of the subcommittee, I'm pleased to be here today to discuss the National Park Service maintenance backlog and if I may, I would like to briefly summarize my prepared statement and submit the full text of the statement for the record.

Senator THOMAS. It will be included.

Mr. HILL. For decades, GAO, the Department of the Interior and others have reported on the Park Service's efforts to develop an effective maintenance management process that would enable the Agency to provide accurate and reliable estimates of the amount of deferred maintenance on its assets. Over the years, the Agency's estimates of its deferred maintenance backlog have varied widely, sometimes by billions of dollars. Today the Agency estimates that its deferred maintenance backlog is about \$5 billion. The Agency acknowledges that it still does not have the data needed to properly manage the broad array of historic, cultural and natural assets placed in its care. In 1998 the Park Service initiated and designed a new asset management process that is intended to provide the Agency with a better overall approach to managing its asset inventory.

My testimony today summarizes our prior work regarding the potential of the Park Service's new asset management process and provides an update on the progress the Park Service is making in implementing it.

Let me start by briefly summarizing our prior work. In April 2002, we reported the Park Service had made progress in develop-

ing a new asset management process that when fully and properly implemented, should provide the Agency with more accurate and reliable estimates of the amount of deferred maintenance on its assets. As currently planned the new process will, for the first time, enable the Agency to have a reliable inventory of its assets, a process for reporting on the condition of the assets in its inventory, and a system-wide methodology for estimating deferred maintenance costs for its assets.

Although the new process appears promising, we raised the following concerns. First, the success of the process could not be determined until staff at each of the park units are trained and the process is fully and properly implemented.

Second, the Park Service had not yet estimated what the total implementation cost for the process would be, or developed a schedule for when full implementation would occur. Third, two different operating divisions within the Park Service, that being concessions management and facilities management, were developing separate processes for tracking and reporting deferred maintenance and it was unclear whether their efforts were duplicative. And finally, only about one third of the park units complete annual conditions systems by the end of fiscal year 2002. While this approach may have been appropriate for meeting management and financial reporting needs in the short term, without comprehensive assessments, more complex and costly problems might be overlooked in the long term.

Now let me update the progress we're aware of in implementing the new process. Since our last report, I'm pleased to say that the Park Service has made progress. The Park Service now reports that it has completed its inventory of assets for all park units as well as the first round of staff training on the use of the computer software.

The Agency has also developed costs and schedule estimates for implementing the process. According to the schedule, the process is to be fully implemented by the end of fiscal year 2006 at a cost of about \$90 million, including the costs of performing condition assessments on park assets. Thereafter, the annual cost of sustaining the process will be about \$20 million.

Also, the Park Service is now in the early stages of developing a plan to eliminate any duplication or inconsistencies between the concessions and the facilities management organizations. Furthermore, the Agency has completed annual condition assessments on all but 9 of the larger parks in the system, and is concurrently performing the more detailed comprehensive condition assessments on other park units.

Mr. Chairman, may I point out that we have not had the opportunity to verify the information I'm providing on the status of the Park Service implementation of its new process. However, we believe that if this new process is fully implemented as planned, the Park Service will be in a better position to determine the conditions of the assets in its portfolio and to develop accurate and more reliable estimates of its deferred maintenance needs.

This concludes my prepared statement and I will be more than happy to answer any questions you or the members may have.

[The prepared statement of Mr. Hill follows:]

PREPARED STATEMENT OF BARRY T. HILL, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Subcommittee: I am pleased to be here today to discuss the National Park Service's maintenance backlog. GAO, the Department of the Interior, and others have reported on the Park Service's efforts to develop an effective maintenance management process that would, among other things, enable the agency to provide accurate and reliable estimates of the amount of deferred maintenance on its assets. Over the years, the agency's estimates of the amount of its deferred maintenance backlog have varied widely—sometimes by billions of dollars.

Currently, the agency estimates its deferred maintenance backlog at over \$5 billion. Although the Park Service has spent almost two decades addressing its maintenance backlog, it acknowledges that it still does not have the data it needs to properly manage the broad array of historic, cultural, and natural assets placed in its care—including accurate and reliable data on its deferred maintenance needs.<sup>1</sup> In 1998, spurred by continuing congressional concerns and new federal accounting standards,<sup>2</sup> the Park Service initiated the design of a new asset management process that is intended to provide the agency with a better overall approach to managing its asset inventory.

A major goal of this new process is to provide the Park Service with a reliable and systematic method for estimating and documenting its deferred maintenance needs and tracking progress in reducing the amount of deferred maintenance.

As you requested, my testimony today will (1) summarize our prior work regarding the potential of the Park Service's new asset management process to provide maintenance data that will permit agency managers and the Congress to monitor progress in reducing deferred maintenance and (2) update the progress the Park Service is making in implementing its new asset management process and realizing its potential for improved management.

For the most part, my testimony is based on a report we issued last year.<sup>3</sup> At that time, the design of the new process was complete but implementation was just beginning. In preparing for today's hearing, we obtained updated information from the Park Service. However, we did not have the opportunity to independently verify the information the Park Service provided. To do so would have required work at regional offices and parks. We conducted our work in accordance with generally accepted government auditing standards.

RESULTS IN BRIEF

As we previously reported, the Park Service's new asset management process is designed to address deferred maintenance, commonly referred to as the maintenance backlog, as part of a much broader approach to asset management. When fully and properly implemented, the new process is expected, for the first time, to enable the agency to have a (1) reliable inventory of its assets; (2) process for reporting on the condition of each asset in its inventory; and (3) consistent, system-wide methodology for estimating the deferred maintenance costs for each asset.

As a result, agency managers and the Congress should receive much more accurate and reliable information on the extent of deferred maintenance needs throughout the national park system. Nonetheless, while the Park Service's current efforts are promising, we reported on a few areas that the agency needed to address to improve the performance of the process. These included the need to (1) develop costs and schedules for completing the implementation of the process so that the agency's performance could be monitored and assessed, (2) better coordinate the tracking of the process among Park Service headquarters units to avoid duplication of effort within the agency, and (3) better define its approach to assessing the condition of its assets, and determining how much the assessments will cost.

Since our report last year, I am pleased to say that the agency appears to have made progress. While complete implementation of the process will not occur until fiscal year 2006, the agency has completed, or nearly completed, several substantial

<sup>1</sup>This maintenance includes resources and activities needed to maintain facilities and the infrastructure in the system, such as buildings, trails, botanical gardens, bridges, and other structures. It does not include maintenance or restoration of natural landscapes, such as removing non-native plant species from a meadow.

<sup>2</sup>The Statement of Federal Financial Accounting Standards No. 6, *Accounting for Plant, Property, and Equipment*, issued by the Federal Accounting Standards Advisory Board in 1996, requires that deferred maintenance be disclosed in federal agencies' annual financial statements beginning in fiscal year 1998.

<sup>3</sup>U.S. General Accounting Office, *National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data*, GAO-02-56SR (Washington, D.C.: Apr. 12, 2002).

and important steps. According to the Park Service, it has completed its asset inventory, trained staff on the use of the required computer software, and completed most of the on-site inspections necessary to determine the condition and maintenance needs of inventoried assets. In addition, the Park Service provided information indicating that it was addressing each of the concerns identified in our prior report.

#### BACKGROUND

The national park system contains 388 park units. These park units have a diverse inventory of facilities and other assets, including over 18,000 permanent structures, 8,000 miles of roads, 1,800 bridges and tunnels, 4,400 housing units, about 700 water and wastewater systems, over 400 dams, and 200 solid waste operations. The Park Service values these assets at over \$35 billion. Needless to say, the proper care and maintenance of the national parks and their supporting infrastructure is essential to the continued use and enjoyment of our national treasures by this and future generations.

However, for years Park Service officials have highlighted the agency's inability to keep up with its maintenance needs. In this connection, Park Service officials and others have often cited a continuing buildup of unmet maintenance needs as evidence of deteriorating conditions throughout the national park system. The accumulation of these unmet needs is commonly referred to as its "maintenance backlog." Although the Park Service has spent almost two decades and about \$11 million addressing this problem, it still does not have a reliable estimate of deferred maintenance needs for its facilities and other assets.

In the past several years, concerns about the cost of operating and maintaining federal recreation sites within the National Park Service, as well as other federal land management agencies, led the Congress to provide a significant new source of funds. This additional source of funding the Recreational Fee Demonstration Program<sup>4</sup>—was, in part, aimed at helping the agencies address their backlogged repair and maintenance problems. This new funding source is in addition to annual appropriations the Park Service receives each year for maintenance activities.<sup>5</sup>

Despite the years of attention and funding and the well-intended efforts of the agency and the Congress to resolve the maintenance backlog dilemma, it has not gone away. While Congress continues to provide hundreds of millions of dollars annually to deal with the maintenance backlog at the national parks, the Park Service still has no reliable data on the size of the problem, raising questions about what has been accomplished with the provided funds.

#### WHEN FULLY AND PROPERLY IMPLEMENTED, THE PARK SERVICE'S NEW ASSET MANAGEMENT PROCESS SHOULD PROVIDE ACCURATE AND RELIABLE DEFERRED MAINTENANCE DATA

As we reported in April 2002, the Park Service has made progress in developing a new asset management process that, when fully and properly implemented, should provide the agency with more accurate and reliable estimates of the amount of deferred maintenance of its assets. As currently planned, the new process will, for the first time, enable the agency to have a (1) reliable inventory of its assets; (2) process for reporting on the condition of assets in its inventory; and (3) system-wide methodology for estimating deferred maintenance costs for assets.

The new asset management process is composed of both system-wide, integrated software to track cost and maintenance data and regular condition assessments of Park Service assets. The cornerstone of the new asset management process is the Facility Management Software System. This cradle-to-grave asset and work management process will allow park, regional office, or Park Service headquarters managers to track when, what, and how much maintenance and related costs has been directed at each specific asset.

In addition to using the software system, the Park Service plans to assess the condition of its assets. These assessments will be inspections to document the condition of an asset as measured against applicable maintenance or condition standards. There are two types of condition assessments annual and comprehensive. Annual assessments are essentially "eyeball inspections" of facilities to identify obvious and

<sup>4</sup>Since fiscal year 1996, the Park Service, as well as three other federal land management agencies, have been authorized to have a fee demonstration program. Under this temporary program, the agencies are permitted to experiment with increased and/or new recreation fees. The revenue generated from this program remains available for agency use to address a variety of needs, including maintenance, without further appropriation.

<sup>5</sup>The House Committee on Appropriations has stressed that recreation fees should never be used to replace appropriated funds; the fees should be used for direct improvements on site that enhance the recreation experience. H.R. Rep. No. 106-646 (2000).

apparent deficiencies. Comprehensive assessments are more in-depth inspections to identify less obvious deficiencies, such as foundation or structural problems. While the eye-ball assessments are annual, the comprehensive assessments, which are much more expensive and time-consuming, occur in 5-year cycles. The Park Service is to use the information obtained from these condition assessments to establish the overall condition of a facility or asset, including the resources needed to address its deferred maintenance needs and future facility needs. The cost of identified deferred maintenance needs will be estimated using another computer software system that will provide a uniform method for estimating repair and maintenance costs for each asset in the inventory. Agency managers will use the condition assessment information in combination with an asset priority ranking system to set priorities for deferred maintenance projects.

While the design of the new process is complete, we reported in April 2002 that the Park Service had just begun implementing it. For example, at that time, the agency was still inventorying its assets and training staff on how to use the new process at about a third of the park units in the national park system. We reported that because managers at each park will be required to implement this new process using a uniform system-wide methodology, the resulting deferred maintenance estimates should permit agency managers, as well as the Congress, to monitor progress in reducing deferred maintenance both at the individual park and system-wide levels. However, we noted that while the new process is promising, its success cannot be determined until staff in each of the park units are trained and the new asset management process is fully and properly implemented.

In our last report, we also raised three concerns about the Park Service's implementation of the new asset management process. While these matters were not significant enough to undermine the overall merit of the new process, we believed that addressing them would improve the effectiveness of the process. First, even though the Park Service had been developing its new process for more than 3 years, it had not yet estimated its total implementation costs or developed a schedule for completing implementation. While the agency had made progress in developing schedules and costs for some components of the process, it had not yet estimated when it will complete all the required condition assessments or what they will cost. We noted that monitoring and assessing performance against budgets and time frames would be difficult without complete estimates and schedules that include all components of the process, including the completion of condition assessments.

Second, two different operating divisions within the Park Service—Concessions Management and Facilities Management—were developing separate processes for tracking and reporting deferred maintenance, even though both units are responsible for managing the condition of government-owned facilities. Because both of these units have similar responsibilities, it seemed reasonable that they would work together in a coordinated way to ensure that their efforts are not duplicative.

Finally, the Park Service reported that about one-third of the park units were to complete annual condition assessments by the end of fiscal year 2002. We noted that this approach may be appropriate for meeting programmatic and financial reporting needs in the short term; however, without comprehensive assessments, this approach might result in overlooking more complex and costly problems in the long term. As a result, this approach could understate the extent of the deferred maintenance problem. Park Service officials told us that the agency eventually planned to conduct comprehensive assessments for all assets. However, at the time they had not developed a plan detailing where, when, and how the assessments will be done or what they will cost.

THE PARK SERVICE HAS MADE PROGRESS IMPLEMENTING ITS ASSET MANAGEMENT  
PROCESS SINCE OUR LAST REPORT

Although full implementation of the new asset management process is still years from completion, the Park Service appears to have made progress since our last report. Also, importantly, Park Service management has demonstrated its commitment to implementing this process by withholding some fiscal year 2003 funding from parks that are not complying with the agency's implementation goals.

The agency now reports that it has completed its inventory of assets for all park units as well as the first round of staff training on the use of the facilities management software. The agency also contracted with a consulting firm to evaluate its training and implementation efforts to help ensure that the training is effective and that the software system is being consistently applied throughout the park system. The Park Service is now analyzing the firm's results and recommendations to determine what changes it should make for the next training cycle and in the ongoing implementation of the process.



The agency is also addressing each of the issues raised in our last report. Specifically, the Park Service has now developed cost and schedule estimates for the complete implementation of the process. According to the schedule, the process is to be fully implemented by the end of fiscal year 2006, when all the comprehensive condition assessments are complete for all park units and deferred maintenance and other needs can be estimated on a reliable and consistent basis for assets throughout the national park system. The Park Service estimates now that the cost of the complete rollout and implementation, including performing condition assessments, will be about \$91 million from fiscal years 1999 through 2006. Thereafter, it estimates that the annual costs of sustaining the process once it is fully operational will be about \$20 million.

In response to our concern that two different operating divisions within the agency—Concessions Management and Facilities Management—were developing separate processes for maintaining government-owned facilities, the Park Service told us that they agreed and are committed to implementing a single facilities management process. According to the agency, it is now in the early stages of developing a plan to eliminate any duplication or inconsistencies between these two components of the organization.

The Park Service has also made progress in performing its service-wide facility condition assessments. According to the Park Service, it has completed annual condition assessments—visual inspections—on all but nine of the larger parks in the system.<sup>6</sup> In addition, the Park Service is concurrently performing the more detailed, comprehensive condition assessments on other park units. According to the Park Service, the work done so far are necessary steps and reflect some of the best practices of the private sector in developing and implementing an effective facility management process.

#### CONCLUSION

The Park Service has an awesome responsibility in taking care of the nation's natural, cultural and historic treasures. While it has unfortunately taken decades to achieve the current level of focus on maintaining these treasures, the Park Service apparently now has made substantive progress in developing and implementing a system it can use to determine the conditions of the assets in its portfolio and develop accurate and reliable estimates of its deferred maintenance needs. However, the agency has not yet completed the task. Determining the assets' conditions and their maintenance costs will require years of sustained commitment by the agency and by the Congress to ensure that the full benefits of the agency's new facility management process are realized.

Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions that you or Members of the Subcommittee may have.

Senator THOMAS. Okay, thank you. Mr. Murphy, let me go back to the administration's idea of how much money they are going to put in there. How is that reflected in the President's budget now that's being considered?

Mr. MURPHY. Well, as I pointed out in my testimony, roughly \$760 million is included in the President's budget for facility maintenance in the National Park Service and that, I think people often ask what that consists of, so let me just take a minute and explain the components there.

That consists of our line item construction program, repair and rehabilitation, cyclic maintenance, and it also includes roads as well, and that totals the roughly \$760 million included in the President's budget, as stated earlier in my testimony.

Senator THOMAS. My information is that the construction budget is more like \$325 million.

Mr. MURPHY. That's the line item construction budget. That's why I was taking pains to include or explain the fact that the overall facility maintenance program includes line item construction, which you just mentioned. It includes repair and rehab, and it also

<sup>6</sup>These parks include Appalachian Trail, Delaware Water Gap, Gateway, Golden Gate, Grand Canyon, Great Smoky Mountains, Rocky Mountain, Yellowstone, and Yosemite.

includes the roads program as well, and that's how you come up with that total I just mentioned.

Senator THOMAS. What about the fee demo program?

Mr. MURPHY. That's the other component that I left out. That's roughly, \$75 million dollars is the total that the fee demo program—we have asked all of our park units to concentrate a certain percentage of the fee demonstration program on facility maintenance, and that contributes about \$75 million annually to the program as well.

Senator THOMAS. Most of the emphasis there, though, has been for visitors' enjoyment, hasn't it? It's a little tough to have the visitors think about fixing the sewer.

Mr. MURPHY. Well, it certainly has, but visitor enjoyment certainly includes repair and rehab of visitor service facilities, and those kinds of facilities affect restrooms. A visitor certainly wouldn't be able to enjoy themselves if restroom facilities aren't available.

Senator THOMAS. I understand. What is the process for setting priorities in terms of the Park Service priorities for maintenance and picking up things that need to be done?

Mr. MURPHY. Well, I will just reiterate for a minute and maybe staff can give you a little more detail about how the facility assessment program works. In the past, you know, we really haven't had a very objective and systematic way of establishing priorities. So now in this new program under this management performance, we have what is called the asset priority index, and we actually have a sheet where every single facility asks a series of questions which allows us to then establish a priority for that particular facility.

There are about 10 questions and those questions add up to about 40 points—I'm sorry, add up to a number of points, it's more than 40, and based on the number of points that that particular facility gets, 40 or more says that that facility is an extremely important asset. And then that coupled with the facility condition index, which I mentioned earlier, the ratio of what it costs to keep the facility in good condition divided by its current replacement values, those two things taken together will allow the National Park Service now to establish clear and defensible priorities for the maintenance of its various facilities throughout the National Park Service. That's extremely important to us because in the past we really have not had a systematic way of doing that.

Currently, our priorities are mainly based upon health and safety, and then down from there according to the visitor——

Senator THOMAS. So if I'm a park superintendent, so I list these things, and then I suppose it goes to the regional office, and then it goes here and you make these decisions at each level, is that it?

Mr. MURPHY. They're reviewed at each level, after we give out—we give out what we call budget instructions or instructions on how things are to be done and prioritized. Right now, as I was saying, health and safety are the main criteria that are used to establish priorities for doing certain of our projects. Ultimately, though, as I explained with the new program, we have this objective measure, and it's one that's agreed upon throughout the Service, and everyone is trained in it, including the regional offices and including the Washington office. Then we come to Congress and we present it to

you and we say look, we have a very objective system that we're using that's credible, it's based in data, and we would have agreement across the board.

The Department of Defense uses this program now, it has agreements with Congress that this is the way we develop our budget, it's very clear and systematic, and now we would like to have agreement that these are our priorities and they should be funded as such. A much more objective approach than we've ever had.

Senator THOMAS. I was surprised when you said only 14 units had been added in the last 5 years.

Mr. MURPHY. Yes, since 1990 or so.

Senator THOMAS. I don't believe that can be quite accurate. It seems like we have a couple of them every week around here.

[Laughter.]

Mr. MURPHY. These units are since 1998 through 2002, and they're Little Rock, Tuskegee Airmen, the Minuteman Missile, Rosie the Riveter, First Ladies National Historic Site, Sam Creek, Great Sand Dunes, Governor's Island was added, Virgin Islands Coral Reef—

Senator THOMAS. These aren't, they don't include Heritage and some of those other kinds of facilities?

Mr. MURPHY. Not the Heritage, no, because these are units that were actually added to the National Park System.

Senator THOMAS. Okay, thank you. Senator Akaka?

Senator AKAKA. Thank you very much, Mr. Chairman. Mr. Murphy, please extend my greetings to Director Maniella.

Mr. MURPHY. I will pass it along.

Senator AKAKA. I have questions about old money and new money, and would like to try and clarify some of the budget numbers you referred to in your testimony. You stated that the President proposed \$3.84 billion in funding for non-road maintenance in the National Park System and \$1.26 billion for road maintenance over the next 5 years, to address the \$4.9 billion that are estimated backlog. When I look at the budget numbers, however, it looks like most of that funding is essentially a continuation of existing funding levels.

For example, the current fiscal year, about \$730 million was appropriated for park construction and maintenance accounts excluding roads. That amount is slightly lower than the \$736 million that was appropriated for those same accounts the previous year, and somewhat higher than the \$600 million that was appropriated during the last year of the previous administration. So, my question to you is, how much of this funding is new money that will help reduce the backlog deficit, as opposed to simply maintaining current funding levels?

Mr. MURPHY. Roughly \$2 to \$300 million, and the difference between those numbers that you cited for those 2 fiscal years, there is often variation in line item construction projects that are done. Some years, those projects are higher and some years they're lower, but if you look at the money, for example, that has gone into—let's take cyclic maintenance, which is one of the areas. That's increased significantly, because if you don't do cyclic maintenance on a regular basis, clearly, you are going to be adding to the maintenance backlog if you're not doing it the way they should be on a cyclic

basis. And that has roughly gone from about \$23 million in fiscal year 2000 and is now at roughly \$46 million dollars and is proposed to go up to \$57 million in fiscal year 04. That's an example.

Our repair and rehab money has increased as well, and then we mentioned for example, the fee demonstration program, monies that we're now adding, roughly \$75 million on an annual basis is also money that's going into the facility maintenance program. So roughly over those years, there is about a \$2 to \$300 million increase in terms of new money.

Senator AKAKA. Thank you. Following up on that previous question, the booklet that the Park Service published last week, I went through it yesterday. It claims that the administration has already spent \$2.9 billion to reduce the backlog. Are you now claiming that the backlog has been reduced from \$4.9 billion to \$2 billion over the past years?

Mr. MURPHY. No. I wouldn't for a minute, you know, start down that road, because the fact of the matter is, as I stated earlier, the knowledge and the understanding of what the entire backlog is in the National Park Service will not be fundamentally addressed until these facility condition assessments are done and this program is fully in place. That's when we're going to know and have a very good objective understanding of what's going on.

What was done at the beginning of the administration, there was some very, the best estimates that could have been made at the time possible that what we were talking about in terms of maintenance needs, that is, maintenance projects that weren't done on their normally scheduled time, that had gone undone for a period of time, that's basically what deferred maintenance is, and people made their best guess, that number was roughly \$4.9 billion.

The administration said well, we're going to really concentrate on addressing at least that much of the program while we do what should have been done years ago and put into place the right kind of facility maintenance management system that allows us to really understand what the nature of the maintenance backlog is. And so, we are saying that we have spent \$2.9 billion addressing what we understood or understand the current snapshot of a backlog to have been at a particular point in time.

Senator AKAKA. Thank you. Mr. Hill, I would like to follow up on my previous question to Mr. Murphy. The administration is claiming to have already spent almost \$3 billion on the backlog and claims to be on track to fully address the issue at the end of the 5-year funding cycle proposed by President Bush. Based on your reviews, are we making significant reductions in the backlog and will it be eliminated in the next 5 years at the funding levels that the President is proposing?

Mr. HILL. Well, that's an excellent question. Unfortunately, there is no way to answer that question because of just the problems we have been talking about with this backlog. Until now, that backlog is a moving target, it's just a guesstimate, it's really not based on any type of inventory of the assets, the condition of those assets, the amount of money it's going to cost to deal with that problem. And I think Congress is asking the right question, if we put \$2.9 billion into dealing with this backlog problem, why does that number just keep staying and floating between \$4 and \$6 billion.

There is really no accountability right now in terms of the money that you're investing to deal with this problem versus the progress that's being made to correct it. And that's because you have an estimate that's just basically a guess on the part of the individuals that are running the park system. I think the new maintenance management system that they are coming in with will hopefully give us the tool that we can now get a handle on just what is the true extent of this backlog problem, so that in the future, when Congress invests money to deal with this problem, the Park Service will be able to come back and show you how that money was used and how it impacted that backlog.

Senator AKAKA. Thank you for your response. What concerned me is hearing no accountability, no real data, I hear best guess, and as you pointed out it's a moving target, so it makes it very difficult for us to try to figure this out too, but thank you very much.

Mr. MURPHY. Mr. Chairman, if I may have just a brief follow up on the no accountability statement. I understand what folks are saying in terms of the objectivity and the ability of not having a system that allows you to fundamentally measure how you're doing over time, but there is a level of accountability in the sense that these projects are real projects.

There are fundamental changes that are taking place in the National Park Service over time, and you can go back in and look at the data and the number of projects that are done, and see both quantitatively and qualitatively change.

I just wanted to make the subtle difference that what we don't have, sir, is a clear understanding of the total scope, because we haven't done all of these assessments and these inventories yet, but the money we're spending is accountable to you and we can show what it has gone to.

Senator THOMAS. Thank you. I think the hopeful thing is, as you pointed out earlier, that there is a process going on that will put us in a better position to be able to know exactly what the situation is.

Mr. MURPHY. That's true.

Senator THOMAS. Some of the things like business plans and so on that are taking place in the parks, I think are all part of this and that needs to be done.

Senator.

Senator ALEXANDER. Thank you, Mr. Chairman. Mr. Murphy, when will this process be finished? When will you be able to come before the committee and say we have gone through this process and here's our 5- or 10-year maintenance plan and here's what it costs, here's what we can afford to do?

Mr. MURPHY. We should be able to do that by fiscal year 06, and right now where we are is we will have completed the inventories for all of the parks except for the four major at the end of this fiscal year, the four other parks will be finished at the end of the next fiscal year, and then we have to systematically go about putting together the facility condition indexes with the asset priority indexes, and putting together a plan.

Senator ALEXANDER. Okay.

Mr. MURPHY. So it will be 2006.

Senator ALEXANDER. Will you separate road construction from everything else?

Mr. MURPHY. Road construction is now separated. In other words, our roads program has a roads condition index that we do, and we work with Federal Highways on putting that together and it is separated. The numbers I talked about today did include the roads, but it is part of this program too, and actually it's up and running right now.

Senator ALEXANDER. Well, your new proposal, which I applaud, is to go up to a \$300 million dollar figure if Congress approves it this year, but then will there be additional general appropriation funds for park roads to be spent, or is that the whole amount?

Mr. MURPHY. That would be the whole amount, it would raise the numbers up to \$300 million. We're roughly getting \$165 million right now, and so it would be increased to \$300 million. What's really important about that program is that we're working with Federal Highways really to expedite the expenditure of that money so that we can bring these roads up to good condition expeditiously.

For example, the National Park Service usually does individual roads projects with individual parks, and one of the things that we have already explored and entered into with Federal Highways is to bundle these road projects together so that they can be bid on by contractors, and you can get economies out of it and also get these projects done quicker than they would be done individually.

Senator ALEXANDER. I applaud that, and I for one want to work within the Senate to try to see that we stick to the \$300 million figure, because that helps make the idea of seriously addressing the non-road maintenance issues realistic, when 10 or 15 years ago there wasn't any gas tax money, as I remember, going for park roads, or not much, and this basically frees a lot of money that otherwise would be spent on the roads for other purposes.

Let me ask you, one of the President's commitments as I remember was to fully fund the park backlog problem, and I applaud that. Another was to fully fund the Land and Water Conservation Fund. Can you explain to me where we are on that and where the administration hopes to go, and particularly talk about why some of the money that you count for Land and Water Conservation Fund doesn't go to land acquisition but goes to other purposes?

Mr. MURPHY. Let me talk about one of the things that has been coming up in this committee, land acquisition, and the National Park Service has provided testimony on a number of occasions that we are wanting to slow the growth, for example, of the National Park Service so that we can concentrate on some of the current needs of the National Park Service. And so therefore, the question—

Senator ALEXANDER. Well, land and water also includes the State sites, so if you don't want to spend it federally, what's your attitude toward spending it on the State side?

Mr. MURPHY. Well, I think it's important to have funds provided for the State side of the Land and Water Conservation Fund, and the administration continues to be committed to the State side of the Land and Water Conservation Fund. Some of the funding in the Land and Water Conservation Fund has gone to projects such as the cooperative conservation initiative which the administration

has brought forth, which allows communities to participate in the conservation of parks locally, which I think is a good idea.

And State side, of course, has been roughly between \$100 and \$150 million, depending on how Congress has acted on the President's budget, but the Administration remains committed to the State side of the Land and Water Conservation Fund. I think it's extremely important to continue to provide those kinds of funds for outdoor recreation.

Senator ALEXANDER. Help me with my figures, please, if I've got them wrong. The full funding of the Land Water Conservation Fund would be \$900 million a year equally divided, Federal and State; is that right?

Mr. MURPHY. Yes.

Senator ALEXANDER. Is it the administration's position that there ought to be full funding of the \$900 million equally divided between Federal and the States?

Mr. MURPHY. Well, I know the administration has looked upon the Land and Water Conservation Fund as an opportunity to put together programs that provide money, both Federal and State, in various projects, some of them new projects, that accomplish the goals of the Land and Water Conservation Fund. I know the administration has made a commitment to fully funding the Land and Water Conservation Fund, and I think that commitment, as far as I know, remains.

Senator ALEXANDER. Good. I want to encourage that commitment and be supportive of it. Thank you, Mr. Chairman.

Senator THOMAS. Thank you. It's going to be kind of interesting when you talk about the highway fund. As you know, there is not as much money in that fund as there was last time because of 11 September and so there is going to be competition for those dollars as there was now. So, there is direct funding from the highway fund, however, for park highways; is that correct?

Mr. MURPHY. That's correct.

Senator THOMAS. So that is not part of what we're talking about here in terms of having a budget for the parks?

Mr. MURPHY. Well, it is in the sense that we're getting the \$165 million from Federal Highways now, and this new proposal that we offered provided \$135 million.

Senator THOMAS. Perhaps.

Mr. MURPHY. Yes, that's the proposal.

Senator THOMAS. But if the highway fund does not have it, we will see. Okay.

What about new construction? In terms of the dollars that we are talking about here that are available for maintenance, how much of that goes to new—how do you divide that between new construction and maintenance of existing construction?

Mr. MURPHY. Well, the new construction programs, again, all of the funding that we are committing in the National Park Service is prioritized based on health and safety needs, the needs for rehabilitating worn out facilities, and that's sort of where the emphasis is. And when we get new park units in, some of that money is budgeted for new facilities that comes before Congress or gets proposed in the President's budget. But the emphasis is on maintaining those facilities that we do have. We go through a prioritization

process for available funding, which gives priorities to existing facilities and to health and safety.

Senator THOMAS. But there is a difference between routine maintenance and new construction.

Mr. MURPHY. Yes.

Senator THOMAS. And so when you're talking about having over time \$4.9 billion to deal with maintenance, are you talking about new construction as well in there?

Mr. MURPHY. No, not generally, we are not talking about new construction. When we do our line item construction programs, what we're trying to do in those programs is look at facilities that are in dire need of repair, and facilities that meet the criteria process that we've established within the National Park Service and the Department of the Interior for determining what's going to go into those programs. And in our prioritization, we don't give as high priority to new construction based on our need to take care of what we have.

Senator THOMAS. Mr. Hill, how do you, or what issues do you identify as you talk about the operational portion, the management portion, what do you contribute the maintenance backlog to primarily, why is that there?

Mr. HILL. There is a number of reasons that it was created. First of all, obviously it's a huge system and many of the facilities in that system are aging. You have a high visitation volume, visitors are using those facilities. And then clearly, the operations and maintenance budget over the years has not kept pace with the maintenance needs, and that's how the backlog was created. And then it's compounded when the size of the system continued to increase. I mean, the more parks you add to the system, the more assets you now have in the system, the more assets you need to maintain. So, it's a problem that has been building over the years and it just has to be dealt with.

Senator THOMAS. Well, of course, you talk about being used and being old, we know that's the case but nevertheless, that's true with anybody's facilities, so in the management process, you have to set aside a certain amount of dollars for maintenance as opposed to operations. That's not a new concept, but apparently it hasn't been done in this case.

Mr. HILL. It has not been done well in the past. Here again, a problem that has already been alluded to, the Park Service has not had a good handle on the problem. In the past they have had an inconsistent definition of what maintenance was, park units were trying to use a different definition, so you don't have good data, you don't have a good inventory of what your assets are, you don't know what the conditions of those assets are, and it compounds and snowballs into the problem that you have now.

Senator THOMAS. Mr. Murphy, do you believe that the maintenance difficulty has resulted in reduction of other facilities such as security, such as employees, other operational problems? Some people say well, you haven't done much of what you should be doing over in another area because of this. Has that had an impact?

Mr. MURPHY. I think when you're dealing with a situation where you have limited resources and limited capacity, there is always some effect of one system on another, but then it becomes a matter



of management and prioritization, so we try to manage and prioritize in such a way that, for example, we don't compromise health and safety, and critical needs in the National Park Service, while making some clear management priority decisions about what we are going to focus on. And in this case where we have all these facilities that haven't been taken care of in the past, it's very important for us to utilize the resources that we do have for taking care of our maintenance needs and beginning to address this very severe maintenance backlog.

And so, we have managed in such a way that we don't impact, for example, security, our law enforcements needs in these particular instances. And we try to augment where we can by putting in additional funding so we don't get into this robbing Peter to pay Paul situation.

But clearly, it has been our position that we need to slow the growth of the National Park Service so that we don't have a situation where new units coming in, adding new facilities on while the maintenance budget is not increasing will further exacerbate the problem that we're trying to resolve.

Senator THOMAS. That's a tough issue. Senator, do you have further questions?

Senator AKAKA. No questions.

Senator THOMAS. Senator Alexander.

Senator ALEXANDER. Just one. Help me understand where visitation fits into your, the process you're establishing. We all—I will speak for myself. I know more about the Great Smoky Mountains National Park than I do about others. I know it had 9 or 10 million visitors a year, three times what any other park would have, I think that's about right. I know that when I go hiking in it, a lot of my friends are up there doing volunteer trail maintenance, and that's a good thing, but they tell me that maybe half the trail maintenance is done by volunteers.

So, are you taking into account when you develop this process—well, I'm sure you are. How are you taking into account as you develop this process the fact that some of our parks and other National Park facilities are extremely heavily used and have more wear, more maintenance, and deserve a higher level of funding for that reason?

Mr. MURPHY. It's a very good question. First of all, parks that are highly used and have greater wear and tear on those facilities, this program in our facilities maintenance management system actually captures that in an objective way. We will be able to tell if those facilities are wearing out, including the trails that you mentioned, which are included as a category in our facility assessment program, so that will be captured, where we have more trails, more wear and tear, that easily gets taken into consideration and captured in a very objective way.

In fact, Great Smoky Mountains is one of the four parks which we are spending more time on, that's why it won't be completed until 2004, for the very reason that you mentioned, more visitation, more facilities, greater wear and tear, it is going to take a little bit longer to do those kinds of assessments. This is a very objective system that takes that into consideration right up front.

Senator ALEXANDER. Thank you.

Senator THOMAS. Thank you. I'm more familiar with Yellowstone, and I think that's a good example of some of the things that have been done, \$22 million spent in the past 5 years to do part of the backlog on water and wastewater treatment there, \$6.9 million research center at Gardner. \$48 million spent on paving 49 percent of the park's 300 and some miles, which is good. So you know, we're making some progress.

What about the security that you mentioned? Does Homeland Security, do you get any funding from Homeland Security to do things like the border in Mexico and so on?

Mr. MURPHY. We're in discussions currently about that. The answer right now is no. And we hope to continue to work with Homeland Security to make it clear what our responsibilities are, what Border Patrol's responsibilities happen to be, and to make sure that we're coordinated in our efforts. But currently we are not receiving any funding from Homeland Security for those issues.

Senator THOMAS. Gentlemen, we thank you. I think the most encouraging thing is that there is apparently a system in place that's going to be able to put us in a better position to know where we are and be able to manage more towards those needs, so we appreciate that very much, and we appreciate you being here. Thank you.

Okay. We will have our second panel, Mr. Eric Dillinger, program manager, Carter and Burgess, Fort Worth, Texas; Mr. Curtis Cornelissen, director, Hospitality and Leisure Group, Price-waterhouseCoopers, Boston; and Tom Kiernan, president, National Parks Conservation Association, who I understand had a little bicycle difficulty.

Mr. KIERNAN. Yes, sir, need more bike paths.

Senator THOMAS. I hope you're doing well.

Okay. Let's start with Mr. Dillinger.

**STATEMENT OF ERIC DILLINGER, VICE PRESIDENT,  
CARTER AND BURGESS, INC., FORT WORTH, TX**

Mr. DILLINGER. I am pleased to be here, Mr. Chairman, and have this opportunity to testify and to give you information on some of the issues you identified. In particular, I would like to focus my comments on the maintenance backlog issue, and slightly on the personnel issue, and focus in those two areas. I have prepared some testimony that I ask that you include in the record as well.

Senator THOMAS. It will be included.

Mr. DILLINGER. A lot of my background on this issue comes from working in 1998 and previously on a publication that the Federal Facilities Council developed called "Stewardship of Federal Facilities," and the focus of that document was to look at some of the questions that the subcommittee has asked with respect to, are we caring for our facilities appropriately, where did this current maintenance backlog issue come from, and that is truly the test for the Congress.

In particular, and more recently, the GAO has provided two documents that I think are key to this, in their High Risk Series. One focused on the risk with respect to intellectual capital, smarts, if you will, that the Government has, and the second one focused on facilities. And I would suggest that the intersection of those two

issues, well-trained individuals managing public facilities, is a key to your questions. So it is very important to have quality folks involved in this process for the process to succeed, because that process happens every day at the location in the individual parks. That's where the maintenance occurs. So from an accountability standpoint, quality staff at that location becomes key, so you focus on people and facilities, it's the intersection of those two that you have to have your sights on, if you will.

The second issue that we have identified extensively, and I think I have heard the committee discuss, and I want to put it in real basic terms. The chairman used the analogy of the vehicle, maintaining a car, and the facilities are much like having a fleet of vehicles, and deferred maintenance represents the case when we didn't have time to rotate and balance the tires and we continuously replaced tires prematurely because we didn't have the opportunity to rotate and balance the tires, and because of this tires might be required to be replaced, and that would relate to our maintenance backlog. Our challenge becomes to shift out of that mode and to start to figure out how to rotate and balance the tires so they don't wear out prematurely.

Additionally, it's recognized that tires have a defined life, that we buy a new set when they reach 40,000 miles, so at the end of that 40,000 miles, we should not act overly surprised when we need a new set. That seems reasonable.

What we found in the Stewardship of Federal Facilities work and the work that we've done later is that while we typically recommend that agencies receive and spend about 2 to 4 percent of their assets value, what Mr. Murphy referred to as current replacement value, we rarely see that occur. So the genesis of the maintenance backlog is in the lack of annual maintenance expenditures, which seems obvious but may be a real important concept to get out briefly.

The maintenance backlog will continue to grow as we fail to fund annual maintenance adequately. That is true in every agency and in every public sector organization where there's insufficient funding. If we focus on the maintenance backlog, we're focusing on how many things have occurred, but not on how we stem the inflow. So those business practices in most organizations that are most successful on this issue in the private and the public sector combine removing or decreasing the maintenance backlog with stemming the inflow from future events. If we focus solely on the backlog, we will continue to have an inflow.

Some of the questions I think have come up are, what will the backlog look like in 5 years? Well, it will look like what we did, plus whatever occurred between now and then. So, the ability to draw it down to zero is tied to the ability to fund the maintenance appropriately so that we stem the inflow, and then to accomplish a maintenance program, so that we stem the inflow, or else our maintenance backlog will continue to shift and at any point in time it's just a static estimate, if you will, of what's broke. Tomorrow, additional things will occur and it will shift once again.

So, I think that's an important consideration as you look at the mix, is not just what we're spending on maintenance backlog, but are we focusing enough dollars on annual maintenance so that we

draw down the inflow of maintenance backlog in future events. And in that respect we can start to preserve the assets and get ahead of the game. If the inflow of maintenance backlog exceeds the expenditures, the backlog will continue to grow. That's the fundamental piece that I think needs to be addressed as you look at those pieces. With that, I would be happy to answer any questions, and I appreciate this opportunity.

[The prepared statement of Mr. Dillinger follows:]

PREPARED STATEMENT OF ERIC DILLINGER, PROGRAM MANAGER,  
CARTER AND BURGESS, INC., FORT WORTH, TX

Good afternoon, Mr. Chairman and members of the Committee.

My name is Eric Dillinger. I am the Vice President for Facility Management Services at Carter & Burgess, Inc. and one of the Committee Members responsible for the development of the 1998 National Research Council publication "*Stewardship of Federal Facilities*" as well as a number of other research efforts and publications focused on the subject of deferred maintenance, maintenance backlog, and total cost of ownership.

I am happy to have the opportunity to testify before the Subcommittee on National Parks and intend to focus my comments on two of the areas identified; maintenance backlog, and the personnel deficit.

Stewardship of Public Assets (Buildings and Infrastructure) is a critical issue in today's resource constrained environment and one that appears to have engaged every public sector entity. Recent efforts by the General Accounting Office including their "*High Risk Series*" have clearly indicated the important challenges facing the public sector.

The challenge to provide appropriate Stewardship is further compounded by limited personnel and resources as the General Accounting Office identified in another one of the "*High Risk Series*" publications.

I believe the combination of those two issues identifies one of the most significant issues facing every public agency, the availability of personnel and resources to provide appropriate Stewardship to Public Assets.

The issue of maintenance backlog within Federal Government has been widely discussed. The 1998 National Research Council committee found that Federal government processes and practices are generally not structured to provide effective accountability for the stewardship of federal facilities. Congress, the Office of Management and Budget, federal agency senior executives, facilities program managers, and field staff all make decisions that affect maintenance and repair programs. Because decision-making authority is so widely dispersed, no single entity can be held responsible or accountable for the results.

Inadequate funding for the maintenance and repair of public buildings at all levels of government and academia has been a long-standing and well-documented problem. While reliable and consistent expenditure data has been difficult to identify due to variations in terminology and expenditure strategies, agencies that briefed the Committee consistently reported that they received less than 2% of the aggregate current replacement value of their inventory. This level of funding is below the 2-4% guideline that is widely quoted in facilities management literature.

Several factors contribute to the lack of adequate funding. Maintenance and repair expenditures generally have less visible or less measurable benefits than other operating programs. There is the tacit assumption that maintenance and repair can always be deferred one more year or 5 more years in favor of more visible projects.

However, in the short term, deferring maintenance diminishes the quality of building services. In the long term, it can lead to a shorter service life and reduced asset value.

The scope of the problem is evident in the magnitude of deferred maintenance backlogs reported by agencies. The costs of eliminating these backlogs are estimated to be in the tens of billions of dollars. The total dollar amounts and the methods for arriving at these figures can be argued. However, the existence of deferred maintenance implies that the quality or reliability of service provided by the infrastructure is less than it should be to adequately serve the public.

Beyond the 1998 NRC committee's efforts, more recent investigations have begun to focus their attention not only on the current maintenance backlog, but also on an organization's strategy for limiting the growth of future backlog. This shift in focus and strategy has come in part over the realization that the root of the problem

lays not in the backlog number, but in the effective management and mitigation of potential future backlog through appropriate maintenance and repair efforts.

I believe this issue is at least as significant, if not more so than the current backlog as it represents important decisions and management issues that have the ability to slow the growth of future backlog concurrent with addressing the existing backlog.

Land management agencies face a particularly difficult challenge due to the mix of remote location, historical nature, and age of their assets. The availability and cost associated with training and maintaining the types of expertise required for good Stewardship in such remote locations is considerably more challenging than similar operations and maintenance requirements in an urban setting.

In summary, I believe you have identified several of the key issues facing Federal property managers but more importantly linked a key concern between the availability of personnel and the Stewardship requirements inherent in managing some of the Federal Governments most well known, and significant assets.

Thank you for the opportunity to present testimony to the Subcommittee on such an important issue.

Senator THOMAS. Thank you very much.  
Mr. Cornelssen.

**STATEMENT OF CURTIS E. CORNELSSEN, DIRECTOR, HOSPITALITY LEISURE GROUP, PRICEWATERHOUSECOOPERS, BOSTON, MA**

Mr. CORNELSSEN. Thank you, Mr. Chairman.

Mr. Chairman and distinguished members of the committee, I want to thank you for the opportunity to present today regarding maintenance backlog and related matters in our National Parks. I am Curt Cornelssen, director of the Hospitality Leisure Group at PricewaterhouseCoopers, also responsible for our work with the National Park Service on their concessions program. Over the next few minutes I would like to provide you with our perspectives on the maintenance backlogs in the context of the concession operations and facilities. This is where I have the most knowledge and expertise and that's where we ought to focus, so I will not address the land acquisition factors during my testimony.

Prior to presenting the approach that we're pursuing with the Park Service owned concessions facilities, I wanted just to make sure we pointed out a couple important facts. First of all, concession facilities are government-owned assets regardless of whether the concessioner has a possessory interest or leaseholds on the premises. I don't know, Mr. Chairman, but I think there has been some misunderstanding on that issue. These are government-owned assets.

Certainly, many of these assets are historic and are true icons of the parks in which they reside, such as the Old Faithful Inn at Yellowstone, and Ahwahnee Hotel at Yosemite. Unlike most Park Service assets, however, these facilities are operated and maintained by concessioners under a contractual relationship. Another way of looking at it is that the Park Service has outsourced operations and maintenance of these assets to the private sector. Lastly, it's important to note that in many of the large parks, concession improvements represent a significant if not predominant proportion of the total asset base.

In establishing an asset management regimen for Park Service concession facilities based on existing policy, we first work to ensure that the first priority for financial return is asset reinvestment. We want the money going back into the assets. In addition,

per the law, we must ensure a fair and reasonable return to the concessioners. And these two priorities are not mutually exclusive, as concessioners rely on these assets for their profitability and investment returns. I would like to provide a quick synopsis of our approach for concessions asset management.

We assembled a multi-disciplined team of experts to tackle concession assets. This includes engineers from Carter Burgess, appraisers, accountants and other financial and business experts. We start by conducting through asset inventories and condition assessments. This includes detailed inspections and analysis of every building or improvement down to the component level. From this, we are able to develop replacement cost values as well as the amount and type of deferred maintenance that exists. With our engineers, we then develop a life-cycle asset management plan for all facilities. We evaluate the cost requirements for this plan using both engineering and financial based budgeting approaches. If this group of engineers tell us they need the money, that doesn't mean they necessarily get it, we have to look at it from a financial perspective as well.

Our team then establishes facility and operating standards and inserts these requirements into the prospectus and RFPs for all bidders.

Lastly, we establish ongoing asset monitoring and oversight procedures to ensure that all facilities are well maintained and properly capitalized during the term of the new contract, and this is typically 10 to 15 years. Importantly, we must ensure that the proposed plan is realistic and affordable. Otherwise, we won't have any bidders for the new contract if this is not financially sound.

The approach presented above follows industry best practices in the public and private sectors, the same approach that prospective hospitality owners follow when they conduct due diligence for an acquisition or new contract.

Thus far, the team has completed this work for 18 major contracts at 15 national parks. In general, we are finding that the facilities are being maintained with reasonable standards. Nonetheless, most concession assets with or without PI, have some level of deferred maintenance. We are, however, able to structure plans that address this maintenance backlog as well as ensure that assets are aggressively maintained during the new contract term. As such, the Park Service is addressing all deferred maintenance in the new concession contracts. Some contracts will require creative funding and management strategies due to the significant costs of managing large asset bases. We are working diligently with both the Park Service and concessioners to enhance and sustain these high quality concession assets for visitors and for the American public.

Mr. Chairman, thank you once again for the opportunity to testify. I'm happy to answer any questions that you or the committee members may have.

[The prepared statement of Mr. Cornelssen follows:]

PREPARED STATEMENT OF CURTIS E. CORNELSSEN, DIRECTOR,  
HOSPITALITY LEISURE GROUP, PRICEWATERHOUSECOOPERS

Mr. Chairman and distinguished members of the Committee, I want to thank you for the opportunity to present today regarding the maintenance backlog and related

matters at our National Parks. I am Curt Cornelssen, Director in the Hospitality and Leisure Consulting Group at PricewaterhouseCoopers LLP. I am also responsible for our work with the National Park Service on their concessions program.

Over the next few minutes, I would like to provide you with our perspectives on the NPS maintenance backlog in the context of the concession operations and facilities, as this is the area where I have the most knowledge and expertise. I will not address the land acquisition backlog during the course of my testimony.

Prior to presenting the approach that we are pursuing with the NPS on their concessions facilities, I would like to point out a few important facts. First of all, concessions facilities are government owned assets, regardless of whether the concessioner has a compensable interest such as Possessory Interest (PI) or Leasehold Surrender Interest (LSI). Secondly, many of these assets are historic and are true icons of the parks in which they reside (for example the Old Faithful Inn at Yellowstone or the Ahwahnee Hotel at Yosemite). Unlike most NPS assets, however, these facilities are operated and maintained by concessioners under a contractual relationship. Another way of looking at it is that the NPS has outsourced operations and maintenance of these assets to a private sector partner. Lastly, it is important to note that in many of our large parks, the concession improvements represent a significant if not predominant proportion of the total asset base.

In establishing an asset management regimen for NPS concession facilities, and based on existing policy, we work to ensure that the first priority for financial return is asset reinvestment. In addition, per the law, we must ensure a fair and reasonable return to the concessioners. These two priorities are not mutually exclusive as concessioners rely on high quality assets for their profitability and investment returns. I would now like to provide a brief synopsis of our approach for concessions asset management.

PwC has assembled a multi-disciplined team of experts to tackle concessions assets. This includes engineers from Carter-Burgess, appraisers, accountants and other financial/business experts. We start by conducting thorough asset inventories and condition assessments. This includes detailed inspections and analyses of every building or improvement down to the component level. From this information, we are able to develop replacement cost values, as well as the amount and type of deferred maintenance that exists. With our engineers, we then develop a complete life-cycle asset management plan for all facilities. We evaluate the cost requirements for this plan using both engineering and financial based budgeting approaches. Our team then establishes facility and operating standards and inserts these requirements into the prospectus for all bidders. Lastly, we establish ongoing asset monitoring and oversight procedures to ensure that all facilities are well maintained and properly capitalized during the term of the new contract (typically 10-15 years). Importantly, we must ensure that the proposed plan is realistic and affordable. Otherwise, we will not have any bidders for the new contract.

The approach presented above follows industry best practices in the public and private sectors. This is the same approach that prospective hospitality industry owners follow when they conduct "due diligence" for an acquisition or for a new contract.

Thus far, our team has completed this work for 18 major contracts at 15 national parks. In general, we are finding that the facilities are being maintained to reasonable standards. Nonetheless, most concession assets (with or without PI) have some level of deferred maintenance. We are, however, able to structure plans that address this maintenance backlog as well as ensure that assets are aggressively maintained during the new contract terms. As such, NPS is addressing all deferred maintenance in the new concession contracts. Some contracts will require creative funding and management strategies, due to the significant costs of managing large asset bases. We are working diligently with both the NPS and concessioners to enhance and sustain high quality concession assets for visitors and the American public.

Mr. Chairman, thank you once again for the opportunity to testify. I would be happy to answer any questions that you or the Committee members may have.

Senator THOMAS. Thank you very much.

Mr. Kiernan.

**STATEMENT OF THOMAS C. KIERNAN, PRESIDENT,  
NATIONAL PARKS CONSERVATION ASSOCIATION**

Mr. KIERNAN. Mr. Chairman and Senator Akaka, thank you for the opportunity to testify before you today. I am Tom Kiernan, president of the National Parks Conservation Association. We are America's only nonprofit advocacy group dedicated to protecting and

enhancing America's National Park System. We were founded in 1919, 3 years after the Park Service itself was established, and now have over 350,000 members throughout the country.

I have 3 broad points I would like to make, first on the backlog, if I may, which as I think everyone has mentioned, has accumulated over time and is thus neither a Republican nor a Democratic issue. Both sides of the aisle can share in responsibility for the creation of the backlog, and hopefully share in the credit for its coming reduction.

Second, this maintenance backlog of road and building projects is only really one component of the total backlog that our national parks face. There is a very important and significant backlog of natural resource protection projects as well. For example, Shenandoah National Park, 20 percent of the plant and animal species are non-native invasive species in the park and need to be removed. That is as well a backlog project, if you will, but falls in the natural resource category, not a road or building category. Similarly, now in the Great Smokies, we know 10,000 species of plant and animals; we estimate there are probably about 100,000 species down in the park as well, and that is a backlog, an intellectual backlog and we need to invest similarly in that significant one-time project to complete the inventory in that park and similarly in other parks. So the backlog truly is more than just roads and buildings, there's also a natural resource knowledge backlog in the parks.

The third broad point I would like to make about the backlog is that eliminating it will require a multi-pronged strategy and if I can, I would like to just highlight four components of that recommended multi-pronged strategy. First of all is the need for a better inventory methodology, and we would like to praise the administration's effort that Mr. Murphy articulated. That does seem to be a good solid process that they are putting in place and we praise them for it.

Secondly, in addition to the inventory, there needs to be significant non-congressional funding to help address the backlog, and we would like to recognize the chairman and this committee for making the effort to make permanent the fee demonstration program. We see that as a strategy long term for helping address the backlog.

The third component is a significant amount of new congressional funding. In our opinion, the administration has mistakenly tried to implement the President's pledge of eliminating the Maintenance and Resource Protection Act, while only contributing \$371 million of additional new total funding over the last 3 years. So while the backlog is \$4.9 billion, we calculate there has only been an additional \$371 million of funding over the last 3 years to address and reduce that backlog.

The last component that we believe needs to be part of this four-pronged strategy is an increase in the operating budget, and I would like to echo Mr. Dillinger's comment that one of the best, if not the best means of long-term reducing the backlog is by increasing the annual operating support for our national parks. His analogy on rotating the tires, so to speak, is in the annual operating



budget of the parks where the funding is provided for rotating the tires, so to speak.

We would also like to recognize, again, the chairman's work, and Senator Akaka and others for recognizing and working to reduce the annual operating funding shortfall that we estimate at roughly 32 percent.

On land acquisition, we would like to make 3 points, if I may. We are aware of the concern that many have expressed that by adding new parks and new lands to the park system, we are adding to the long-term cost requirements of the parks. I would like to put forward somewhat of a counterpoint, that without the historic growth and diversification of the park system, we would not now have the degree of support from the American public. The system has succeeded, the National Park System has succeeded because it has grown and because it continues to strive fully to represent the increasingly diverse values that Americans represent.

Secondly, and quite specifically, this country is becoming increasingly diverse. Our National Park System must grow to reflect the history and stories of all Americans.

The last reason to look at continued support for land acquisition is the significant problem our parks face with in-holdings. There's a significant number of in-holdings inside our national parks where we have willing sellers that would like to sell, and that by selling to the Federal Government, we can obviously improve the ecological integrity of the park but also reduce some of the management burdens and challenges that the superintendent faces with that in-holding.

Lastly, if I may mention on the personnel deficit that was referenced at the beginning, this is as well a result of the annual operating shortfall of 32 percent that we have calculated. There are a whole series of anecdotes that are in our written testimony that I will not repeat that lead to shortfalls in the interpretation and resource protective work, as a result of the personnel deficit.

Thank you very much for the opportunity to testify this morning.  
[The prepared statement of Mr. Kiernan follows:]

PREPARED STATEMENT OF THOMAS C. KIERNAN, PRESIDENT,  
NATIONAL PARKS CONSERVATION ASSOCIATION

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify before you today. I am Tom Kiernan, president of the National Parks Conservation Association. NPCA is America's only national private, nonprofit advocacy organization dedicated solely to protecting, preserving, and enhancing the National Park System. NPCA was founded in 1919 and today has approximately 300,000 members across the country that care deeply about the well being of our national parks.

We greatly appreciate you focusing on the backlog of unmet needs throughout our national park system. You have asked that we discuss the maintenance backlog, land acquisition backlog, and deficit in personnel within the National Park System. In addition, you have asked that we explore the interaction of these issues and discuss whether certain parts of the system appear more affected by them than others.

I want to start by thanking you, Chairman Thomas, for helping to champion the bipartisan effort in the Senate to increase operational funding for the National Park Service. NPCA appreciates your leadership on this issue, working in a bipartisan fashion with senators Graham, Akaka, Smith, Bingaman, and others. Addressing the operational shortfalls in our parks is critical to both avoiding backlogs of the future and to ensuring the Park Service meets its mission to protect park resources and provide visitors to our national parks with the best possible memories and experiences.

## MAINTENANCE BACKLOG

Managing the National Park Service is an enormous undertaking. The 388 units that comprise the national park system include more than 30,000 structures and 80 million artifacts. The Park Service's portfolio includes 8,000 miles of roads, 1,500 bridges, 5,385 housing units, 1,500 water and wastewater systems, 200 radio systems, 400 dams and more than 200 solid waste operations. These items are all integrated into one of the most awe-inspiring repositories of our collective American heritage that exists.

There is no question that the maintenance backlog in our national parks is a problem. According to the National Park Service's recent report, *Partnering & Managing for Excellence*: "This backlog has had a profound effect on the visitor experience and the public's ability to appreciate and enjoy our national parks' natural, historic, and cultural wonders."

To better understand the backlog, one must understand its root cause—lack of sufficient funding for park operations and maintenance. It is also important to note that backlog is not a static term, but rather the backlog ledger is constantly changing as some maintenance needs are met and others arise. Additionally, effectively addressing the backlog requires an understanding about the condition of our parks. Historically, the Park Service and the rest of us have been ill equipped to know the extent of the maintenance needs in parks. According to the January 2003 GAO report *Major Management Challenges and Program Risks: Department of the Interior*: "Despite the importance of its maintenance program, the Park Service has yet to accurately assess or define the scope of its maintenance needs . . . the agency does not have an accurate inventory of the assets that need to be maintained, nor accurate data on the condition of these assets."

Since GAO issued its report, the Park Service has been engaged in a multi-year effort to develop an accurate baseline of backlog needs. They appear to be making progress with this important first step, and we are encouraged by reports of their new state-of-art system to inventory, monitor and prioritize backlog maintenance. This will be enormously helpful to the parks, Congress, and the public in better understanding and addressing the maintenance backlog in the parks. We also understand that the Park Service has launched an aggressive training and implementation plan to inventory and assess the condition of park facilities. The Park Service's recently released document entitled *Partnering and Managing for Excellence*, though it paints an overly rosy picture of the state of our national parks, reports that assessments at 125 parks were completed by December of 2002, and that by the end of FY 2003 assessments will be completed at all but four of the largest parks. We encourage the Park Service to share each assessment as it is completed.

The park maintenance backlog knows no party line. It has accumulated through Democratic and Republican administrations and congresses. We have been encouraged by the bipartisan support for addressing the operational funding shortfall for the parks, the root cause of the backlog. We also believe it to be critically important to have a highly transparent process for identifying the current unfunded backlog and how its dollar value compares with prior estimates, so we can collectively determine how to address the problem once and for all.

As you know, in 1998 the General Accounting Office estimated the maintenance backlog to be approximately \$6.1 billion based on Park Service data from 1993. However, \$1.2 billion of this estimate was for the construction of new facilities, leaving approximately \$4.9 billion for existing facility maintenance and construction. GAO indicated in January of this year that the Department of Interior estimated the backlog to be between \$4.1 and \$6.8 billion.

Clearly, addressing the backlog will require a significant increase in the rate of investment for the programs that comprise it—facility maintenance and construction—as well as more realistic annual operational funding for the Park Service to prevent additional backlog from accumulating. We had high hopes at the beginning of this administration, but have been disappointed by the administration's failure to come close to increasing the rate of investment to the extent necessary to significantly reduce and ultimately eliminate the backlog.

Nonetheless, we gave the administration credit for a number of its funding-related initiatives in our recent evaluation of their efforts. One area where the administration deserves praise is for its proposed increase for the park roads and parkways program. The administration's proposed transportation reauthorization bill would increase funding for park roads from \$165 million to \$300 million in fiscal year 2004, \$310 million in 2005 and \$320 million annually thereafter. The proposal would also dedicate \$30 million for alternative transportation, but makes several agencies eligible for the funds, leaving alternative transportation funds substantially short of the \$1.6 billion the Department of Transportation has conservatively

estimated will be needed over the next 20 years an issue we encourage the subcommittee to examine. Clearly, however, given the competing demands for funds within the transportation reauthorization bill it will be extremely difficult to achieve the overall funding level the administration has proposed, and we hope they will make this a litmus test issue as part of the reauthorization effort.

#### FEE DEMONSTRATION PROGRAM

The Park Service's Recreational Fee Demonstration Program has made important contributions to addressing a number of maintenance backlog needs in the parks, and we very much appreciate the leadership that Chairman Thomas and Senator Bingaman have shown on this issue. Although NPCA has taken no position on whether to expand that program to other agencies, we support your efforts to make the program permanent for the National Park Service. As you know, it is enormously important that the Park Service's fees be closely monitored and that the program supplement, not supplant federal dollars. Since it began in fiscal year 1997 the program has already provided \$584 million to the Park Service, with another estimated \$250 million in FY 2003 and 2004. Public surveys have shown strong, but not unlimited, support for entrance and use fees. The fee program is not the solution to the backlog, but it is part of the solution.

#### OPERATIONAL FUNDING

The failure of the Park Service's annual operations budget to adequately meet the needs in the parks contributes to the backlog. While Congress has placed a great deal of focus and attention to the maintenance backlog, we must be equally if not more diligent in our efforts to address the operational shortfall in our parks. Shortfalls in annual operations funding create new backlog. In addition, discussions of the backlog frequently gravitate toward bricks-and-mortar, but as the subcommittee knows, there is a critical backlog of unmet resource protection needs throughout the park system.

NPCA estimates based on the Park Service's business plans from more than 50 parks that national parks suffer from an annual shortfall in operational funding of roughly 32 percent. Although Congress, with the help and involvement of this subcommittee, has moderately increased the operating budget for the Park Service, this funding has not kept pace with the needs of the parks. Furthermore, NPCA shares the concern recently raised by the House Interior Appropriations Committee in its report on the fiscal year 2004 Interior bill—the erosion of base program budgets. According to the House appropriators, the capacity of the Park Service to serve the American people is eroding because recent budgets have only partially funded costs of pay increases proposed by the administration and approved by Congress, and have not provided sufficient inflationary adjustments. The resulting necessity for the National Park Service operating account to absorb fixed costs during the last two years has been equivalent to a three percent reduction from 2001 program levels. The end result is an erosion, not an increase, in the operational resources available to the Park Service—a critical issue when attempting to reduce the backlog over the long term.

The National Park Service has a tremendous responsibility as the caretaker for these national treasures, yet it does not have the tools it needs to do so fully. Homeland security demands have added a new dimension to the problem. Many parks throughout the system have shipped critical personnel elsewhere to augment homeland security demands at other sites, further straining resources that are already stretched to the limit. In addition, it is estimated to cost the National Park Service \$63,000 per day every time the Department of Homeland Security issues an orange alert. Each park has to bear the impact of these costs, making an austere budget climate even more grim. Across the system, the impact of these costs quickly adds up. Unfortunately, while the Park Service has faced increased costs due to homeland security needs, its budget has not increased correspondingly, nor is the Park Service eligible for funding under the Department of Homeland Security.

While it is important to address the current facility maintenance and resource protection backlog needs in the parks, if we continue to provide insufficient operating funding for the parks, we will only be replacing existing backlogs with new ones.

#### PERSONNEL DEFICIT

The 2001 National Park System Advisory Board report, *Rethinking the National Parks for the 21st Century*, focused important attention on the institutional capacity of the Park Service to accomplish its evolving mission. According to the report, "The Park Service must have the expertise to administer parks as educational resources, protect park resources in landscapes that are increasingly altered by human activ-

ity, and fashion broad collaborative relationships with academia, the private sector, state, local, and other federal agencies. It must continue to provide high quality visitor experiences, and present America's unfolding story in a manner that connects with the nation's increasingly diverse population."

The employees of the National Park Service, from rangers to maintenance workers, do a remarkable job with the resources available to them. They are committed individuals for whom the Park Service and public service are a way of life. Unfortunately, there aren't enough of them to meet the significant, evolving challenges that our national parks face.

Many of us remember how many campground programs, ranger walks, and other casual encounters we used to have with park rangers, interpreters, and other park service personnel when we were young. Unfortunately, our children have fewer opportunities, both because there are so many more visitors to the national parks today than there were 20 or 30 years ago, and because park service staffing has not kept pace with the need.

At Death Valley National Park, for example, public education activities were cut by more than one-third in fiscal year 2002. The park can no longer afford a staff member dedicated to public education and outreach, including environmental education programs for school and community groups. Today there are 1837 full time equivalent (FTE) interpreters in the national parks and 765 FTE among the part time ranks. That means the park service has roughly 1 interpreter per 100,000 park visitors. Although this is an admittedly crude measure of capacity, it illustrates the enormous challenge the Park Service faces in providing a quality experience to park visitors.

The Park Service also faces other staffing challenges. Several regional directors will retire in the very near future. Many parks have shortages in critical positions. For example, the number of commissioned law enforcement rangers has actually decreased since 1980. According to the Federal Law Enforcement Training Center, there were 1841 commissioned permanent rangers and 616 seasonal rangers in 1980. But by 2001 the number of permanent commissioned rangers had dropped 16.4 percent, to 1539, and the number of seasonals had dropped 23.9 percent, to 147. During the same time, visitation to the parks has increased by nearly 60 million people and the number of units has increased by 59.

The national parks provide incredible opportunities to connect all Americans, but especially youth with our collective history and to train the next generation of scientists. As the Advisory Board report points out, education that links classroom learning with field experiences produces better results. When students, or adults, for that matter, visit a Gettysburg, the battle and its historical importance comes to life. When they visit the Adams Historic Site, figures from their past become more tangible than when read about in textbooks. When students participate in a paleontological dig at Petrified Forest or hear a wolf howl at Yellowstone, these remarkable places and their value and meaning come to life.

Unfortunately, many parks must turn away requests from schools for on-site education programs. At Gettysburg, the Park Service must hold a lottery for its on-site education programs, denying one out of four schools. Petrified Forest is unable to accommodate many requests from local schools. At Yellowstone, lack of staff requires the park to turn away nearly 60 percent of all school groups wishing to participate in a week-long, hands-on educational program. Joshua Tree had to turn down approximately 75 requests for school programs in FY 2001. And these parks are not alone.

The business plans the Park Service has been producing at many national park units provide important information about how well existing resources enable park managers and staff to accomplish their mission. The Park Service deserves credit for continuing to use and improve the business planning process. The Business Plan Initiative helps strengthen financial management capabilities at parks and facilitate meaningful dialogue about park needs. Every year the Park Service's business plans get stronger, and the evolution of the program promises to continue delivering important benefits in the coming years.

The plans examine funding and staffing trends, describe the history and growth of the parks, provide functional analyses and identify strategic priorities and ways to more efficiently use scarce financial resources for the benefit of park resources and visitors. They typically examine five program areas: (1) resource management; (2) visitor experience and enjoyment; (3) facility operations; (4) maintenance; and (5) management and administration.

Two of the most important functional areas throughout the national parks are resource protection and visitor experience and enjoyment, both of which are generally also the most underfunded. Resource protection programs generally include collec-

tions, historic structures, and natural resources. Visitor experience programs generally include interpretation, education and visitor safety.

The fiscal year 2001 business plan for Gettysburg National Military Park and Eisenhower National Historic Site shows a resource protection deficit of \$907,000 and 10.73 FTE on a total resource protection budget of \$2.48 million and 42.5 FTE (full time equivalent positions). The shortfall is particularly acute in the cultural resource management program, therefore impacting the preservation and protection of historic structures, collections, and landscapes. Visitor experience and enjoyment programs at the two units are \$1.3 million and 13.3 FTE short of the need, compared with total available funding of \$1.5 million and 32.4 FTE. According to the plan, underfunding in this area means the parks have too few interpretive rangers to meet the demand of visitors and schools. Underfunding also means too few staff to orient visitors at the visitor center and insufficient operating funds to properly maintain, monitor and inspect the structural fire suppression system.

According to its business plan, Bandalier National Monument in 2000 had a shortfall of \$954,504 and 20 FTE for resource management compared to available funding of \$1.48 million and 22.1 FTE. The visitor experience budget was short \$461,650 and 9 FTE compared with available funding of \$646,066 and 12.8 FTE. Consequently, the park's primary challenge in this area is insufficient staffing for interpretation. In the case of Bandalier, the challenges the park faces in these two areas is joined by a management and administration funding shortfall of \$632,403 and 7.7 FTE compared to a management budget of \$487,270 and 7.9 FTE.

The chart below shows the business plan findings for a reasonably illustrative group of parks, to provide the subcommittee with an idea for how funding and personnel shortfalls are typically distributed within the parks. In highlighting these parks, we in no way wish to signal that they require more or less attention than others. Rather, they all produced quality business plans that can help the committee understand the resource and staffing challenges that face virtually all units of the national park system.

#### FUNDING AND STAFFING NEEDS SELECT PARK UNITS

Park & Program	Total Available \$ <sup>1</sup>	Total Required \$	Unfunded Need	Park FTE	FTE Deficit
Gettysburg (FY 2001)					
—Resource Protection .....	\$2,479,466	\$3,386,465	(\$907,019)	42.46	(10.73)
—Visitor Experience .....	\$1,515,120	\$2,813,654	(\$1,298,534)	32.42	(13.28)
—Facility Operations .....	\$946,644	\$1,494,375	(\$547,731)	18.07	(4.70)
—Maintenance .....	\$230,375	\$422,860	(\$192,485)	3.46	(4.20)
—Management & admin. ....	\$1,383,092	\$1,997,816	(\$614,724)	20.11	(4.08)
Bandalier (FY 2000)					
—Resource Protection .....	\$1,484,621	\$2,439,125	(\$954,504)	42.11	(20.07)
—Visitor Experience .....	\$646,044	\$1,107,717	(\$461,650)	21.83	(8.99)
—Facility Operations .....	\$469,597	\$837,720	(\$368,123)	13.11	(6.27)
—Maintenance .....	\$1,057,241	\$1,406,324	(\$349,083)	8.60	(1.05)
—Management & admin. ....	\$487,270	\$1,119,672	(\$632,403)	15.57	(7.66)
Acadia (FY 2000)					
—Resource Protection .....	\$931,501	\$2,609,995	(\$1,678,494)	42.2	(25.7)
—Visitor Experience .....	\$1,690,769	\$2,952,904	(\$1,262,134)	65.9	(24.6)
—Facility Operations .....	\$1,765,259	\$2,829,305	(\$1,064,046)	49.8	(18.0)
—Maintenance .....	\$1,195,498	\$3,254,330	(\$2,058,832)	35.7	(20.2)
—Management & admin. ....	\$956,374	\$2,235,184	(\$1,278,810)	53.0	(20.9)
Joshua Tree (FY 2001)					
—Resource Protection .....	\$1,242,993	\$2,012,095	(\$769,102)	20.3	(11.7)
—Visitor Experience .....	\$1,499,907	\$2,283,081	(\$783,175)	33.81	(12.7)
—Facility Operations .....	\$1,140,766	\$1,594,449	(\$453,683)	15.58	(4.6)
—Maintenance .....	\$1,116,011	\$1,310,011	(\$194,000)	10.65	(4.6)
—Management & admin. ....	\$990,167	\$1,436,010	(\$445,843)	13.1	(4.2)
Fort Stanwix (FY 2001) <sup>2</sup>					
—Resource Protection .....	\$72,951	\$337,500	(\$264,549) <sup>2</sup>	0.7	(3.1) <sup>2</sup>
—Visitor Experience .....	\$213,992	\$387,406	(\$173,418) <sup>2</sup>	5.16	(3.0) <sup>2</sup>
—Facility Operations .....	\$185,790	\$294,803	(\$109,013) <sup>2</sup>	3.25	(1.9) <sup>2</sup>
—Maintenance .....	\$56,141	\$56,315	(\$174) <sup>2</sup>	0.21	(0.0) <sup>2</sup>
—Management & admin. ....	\$277,272	\$472,926	(\$195,654) <sup>2</sup>	5.1	(1.7) <sup>2</sup>

<sup>1</sup> Includes appropriated and non-appropriated funds.

<sup>2</sup> Fort Stanwix received a \$570,000 appropriated base budget increase in FY 2002, nearly eliminating the entire 47 percent shortfall. The Fort is nearly fully funded.

Importantly, business plans are a tool that parks put to use. For each of the parks described above, the plans identified needs that park managers are working to address. Their challenge, of course, is implementing creative programs to maximize available resources and finding the additional funds to truly meet the needs of their parks. They have challenging jobs, which they and their staff do very well.

The chairman asked that we describe whether shortfalls in personnel and resources tend to be concentrated in certain regions, among different types of park unit, or tend to be specific to parks. The short answer is that we cannot yet be certain. However, our preliminary analysis suggests that most of the primary problems—particularly in interpretation (visitor experience) and resource preservation—are evenly distributed. Nor does there appear to be a significant difference between the national parks, historic parks, national monuments or other units. In general, the business plans developed with the Park Service have shown an overall shortfall ranging between 20 and 40 percent, with a small number of parks like Fort Stanwix National Monument, which received sufficient funds in FY 2002 to eliminate virtually its entire shortfall and is instituting strategies identified in the business plan to address the remainder. An analysis of the business plans developed by the Park Service thus far indicates that funding and staffing challenges are relatively similar across the system. The budget functions that tend to have the most significant need generally include resource protection and visitor experience. Overall, the ubiquitous nature of these shortfalls illustrates the enormous challenge that continues to face the park service, and calls into serious question the administration's aggressive effort to outsource Park Service positions.

Despite these challenges, modern technology presents incredible opportunities to bring the national parks closer to people who may be hundreds or even thousands of miles away—opportunities the Park Service works to provide through its *Parks as Classrooms* program. Volunteers provide enormous assistance to the parks through their dedication and devotion. In fiscal year 2002, 125,000 volunteers donated 4.5 million hours (equivalent to 2156 FTE) to the national parks. Since 1990, the number of volunteers in the national parks has increased by roughly 5 percent per year. But even though volunteers and technology provide invaluable tools to help protect the parks and even educate park visitors, they are not the entire solution.

Efforts to significantly increase volunteerism in the parks will require that sufficient staff be made available to supervise them. Volunteers must be trained and guided, and park staff need to determine how to put them to use.

#### LAND ACQUISITION

Since Congress created it in 1964, the Land and Water Conservation Fund (LWCF) has been the principal federal source of funding to acquire new park and recreation lands. Similar to the Highway Trust Fund, the LWCF account was envisioned as the primary dedicated funding source for land conservation. Revenues generated principally from drilling on the outer continental shelf are supposed to be allocated to land management agencies for land acquisition and recreation. However, as the subcommittee is aware, Congress has not fully funded the LWCF to its authorized \$900 million annually, despite trust fund revenues that far exceed expenditures. Through fiscal year 2001, the total amount that could have been appropriated over the years was \$24.5 billion, but only \$11.4 billion had been appropriated—less than half the authorized amount.

To address this situation, in fiscal year 2001 Congress reached an historic agreement to significantly increase funding for the LWCF through a new Conservation Trust Fund. This groundbreaking bipartisan accomplishment was intended to protect America's conservation, recreation, wildlife, and historic resources. As members of the subcommittee are aware, this funding mechanism was created as a compromise during the debate surrounding the passage of the Conservation and Reinvestment Act (CARA). The Conservation Trust Fund was intended to provide a dedicated level of annual funding for LWCF and other conservation programs for fiscal years 2001-2006, for a total \$12 billion during this period. Unfortunately, the Conservation Trust Fund was dramatically underfunded in fiscal year 2003, and appears to face similar shortfalls in the upcoming fiscal year.

Expansions of and additions to the national park system are necessary. Clearly, expansions of the system have had an impact on the fiscal and personnel needs of the Park Service, but the extent to which they have diminished the resources available for other Park Service needs is unknowable. It is far from clear that the Park Service would have the same financial resources or support it has today if these expansions had not occurred.

Until the rate of investment for the Park Service has increased to the point that is necessary to fulfill the Park Service's mission and purpose, the Park Service will have to struggle between competing priorities. NPCA strongly believes the operations budget should be a significant priority, but that we cannot turn a blind eye to once-in-a-lifetime opportunities or newly emerging threats to the very places we're trying to preserve for future generations. If a park is endangered and the acquisition of an in holding or adjacent land will help protect it, that acquisition should become a priority.

Importantly, in holdings frequently create management burdens for national park personnel. In some cases the acquisition of an in holding or adjacent land may actually reduce those burdens and enable personnel to focus on other needs. As the members of the subcommittee know, owners of ecologically, culturally or historically sensitive land within and adjacent to parks periodically decide to sell or develop those lands. At times, such situations pose direct threats to the enjoyment of park visitors and the well being of the parks, themselves. The Park Service must have the ability to acquire these lands when necessary to protect the integrity of a given park.

For example, Petrified Forest National Park is known worldwide as the premier window into Triassic era paleontology, but only 6 miles of the 22-mile long famous, fossil-rich Chinle escarpment are within the park. This is a priceless, rare resource that should be protected as part of the park, particularly with the primary land-owners anxious to sell their land and with strong support from the local communities. The park holds a time capsule of untapped scientific knowledge that can help us unravel some of the thorniest environmental questions of our time.

Among the select few land acquisition needs for which the administration requested funds in its fiscal year 2004 budget request are sensitive lands in Big Thicket National Preserve and at Valley Forge National Historical Park. Land acquisition at Big Thicket is essential to prevent timbering on non-federal lands at the preserve that would endanger the fragile ecosystem of the Big Thicket area. Timber companies are divesting themselves of 1.5 million acres in the surrounding area. Proposed development at Valley Forge National Historical Park threatens an area that once was occupied by the Continental Army during its encampment at Valley Forge in 1777-1778.

And as the result of the Chairman's initiative, the National Park Service recently acquired 1,406 acres of state lands and mineral interests within the boundary of Grand Teton National Park. In holdings like those in Grand Teton exist throughout the National Park System, and their acquisition by the parks when owners wish to sell them is generally in the strong interest of long-term park preservation.

#### SERVING THE NEW FACE OF AMERICA

History is not static, but is made every day. The national park system must evolve to remain the "best idea America ever had" and to serve the rapidly changing population of our nation. Unfortunately, America's "ethnic minorities" still remain largely absent from our parks as visitors, employees, contractors, subjects of interpretation and political champions. In 2003, the year that confirmed Hispanics as the largest growing minority in the country, not one of the 388 units that currently make up the national park system honors the legacy of an individual contemporary Latino. The same can be said for Asian Americans and American Indians. For its failure to embrace diversity, this great American idea is at risk of becoming largely irrelevant to half the population at a time when our national parks need the broadest possible constituency to ensure their preservation unimpaired for future generations.

This worst-case scenario, however, need not come to pass. Surveys demonstrate that Asian, Latino, African American and American Indian people have a great regard for the natural wonders celebrated and preserved in large national parks such as Yosemite and Yellowstone. The Park Service, for its part, is one of the largest curators of Asian, Latino, Indian and African American history and culture. These existing links need to be reinforced and better publicized in order that these natural allies fully support and appreciate one another.

Thoughtful and judicious expansion of the park system to include new units commemorating our diverse history and culture would provide an even greater opportunity to overcome the relevancy gap that exists between the Park Service and many people of color. The addition of sites commemorating the groundbreaking work of African American scholar Carter G. Woodson and labor rights activist Cesar E. Chavez would be an excellent first step toward better engaging people of color as national park advocates. It's also the right thing to do if we are truly interested in

having a national park system that accurately and adequately reflects the many faces of America.

Some argue that no new national parks should be added until the backlog maintenance concerns currently plaguing the system have been addressed. Furthermore, some have stated the cost of these outstanding concerns is so great that resolving them will prevent us from funding any new units for the national system. The truth is that, over time, adequate funding would enable the Park Service to handle its backlog maintenance and operational needs, serve park visitors, and make prudent additions to the system that celebrate the cultural diversity and honor our common heritage as Americans. In a time where everyone, from NASCAR to Major League Baseball to the Elk's Club, is embracing diversity as way to remain socially relevant, political effective, and economically viable, we cannot afford to tell 47 percent of the population there's no more room in the national park system for your heroes and leaders. Diversity is the strength of our nation and should also be a strength of our national park system.

#### CONCLUSION

Thank you for focusing attention on this important issue today. When national parks are created, most Americans would like to assume they are protected. As you know, the park system faces constant pressure and a significant struggle for resources. NPCA is pleased to be of assistance to the subcommittee as you examine how best to address these challenges and protect our beloved national parks for future generations.

Senator THOMAS. Thank you, and thanks to all of you for being here.

Mr. Dillinger, you work in other areas other than parks. How does the maintenance backlog in parks compare to other State or Federal agencies or similar kinds of activities?

Mr. DILLINGER. I have yet to encounter a public agency that didn't have a backlog. What I think you will find is that the right comparative metric measurement, if you will, that Mr. Murphy offered, is that facility condition index. And what you find in testimony from our National Wildlife Refuge, is that tends to run between .1 and .3 in many of our public agencies, and it's left relatively consistent, but it exists out there across those. The Park Service itself has some unique challenges in both remoteness and the age of their assets and their infrastructure, and that caused some complications for them whereas some of the other public agencies that might have assets that were in the 30-year range instead of the 80-year range.

Senator THOMAS. So you're suggesting that a percentage of the operating budget, whatever is available, be set aside for the maintenance of facilities?

Mr. DILLINGER. I think the key is, and Mr. Kiernan said as well, if we don't adequately fund the annual maintenance, that rolls over into maintenance backlog. And so if we focus our attention just on maintenance backlog, we're focusing on an event that will continue to pile up due to inadequate annual funding, and those agencies that have public sector agencies, private sector as well, have started to focus on spending the right money up front tends to naturally draw down their backlog. But you will find that there is always some maintenance backlog and it is perhaps never appropriate to believe that you can entirely eliminate it. There is a new piece always occurring tomorrow, and the idea is to keep it below that range that Mr. Murphy mentioned, of 10 percent of the total value.

Senator THOMAS. I'm sure that more money is always, of course, the solution to everything, and you can come with us as we go about our business, and you will find that everyone we talk to has



a need for more money, and I don't disagree with that. However, there also has to be some attention given to how you better spend the money you have, and of course that's probably what we're doing here.

Mr. Cornelssen, concessions are a little different, aren't they? The maintenance of a concession has to do, I suppose, with the arrangement made on the concessioners.

Mr. CORNELSSEN. Yes, sir. The challenge here is we're not doing it ourself, we have to get the private sector to do it on our behalf, that is, on the Park Service's behalf, so we have to specify some fairly clear standards and operating guidelines.

Senator THOMAS. But that kind of goes into the leasing arrangement, doesn't it?

Mr. CORNELSSEN. Yes, sir.

Senator THOMAS. And there ought to be an opportunity to make enough money to maintain the facilities and then to ensure that they are maintained, which, do you think that's done generally in the parks?

Mr. CORNELSSEN. We are certainly doing it now. The approach that we're taking on the large contracts, what we call the big 50, is we make sure there is adequate funding going back first and foremost to the assets, but that there is also a fair return to the concessioners.

Senator THOMAS. You mentioned that all of the facilities actually belong to the park. That's sort of a little hard to—now Yellowstone, for example, the assets do belong to the park, they don't belong to the hospitality group, but the others, although they're under lease and control, they actually are paid for the facilities if they don't continue the concession. Is that true?

Mr. CORNELSSEN. Yes, sir. The reason I made that distinction is that the Government does and needs to recognize that these are government, these are assets that are titled to the U.S. Government, so whether there is possessory interest or not, the Government has a responsibility for these assets.

Senator THOMAS. Mr. Kiernan, there are other—you know, in part of your last statement, where of course the parks need to continue to grow, there are also other ways of maintaining facilities, are there not, such as State parks and other kinds of things?

Mr. KIERNAN. Absolutely. There is, to use the administration's coined phrase, a network of park systems throughout this country, and obviously it is the local, State and national park systems that in aggregate provide some of the recreation, but also resource protection needs of this country. That being said, the National Park System represents the superlative examples of the treasures of this country. The Flight 93 Memorial, obviously from September 11, is one example of a number that we feel should be recognized.

Senator THOMAS. No question. We do need to think a little bit sometimes about the standards that decide which of these categories they fall into, because there are some pretty nice things that are in State parks and so on.

Somebody mentioned earlier that during this last several years there has been a \$2.9 billion reduction in backlog. You don't seem to agree with that.

Mr. KIERNAN. We agree with the administration's calculation that they have supplied, with Congress, \$2.9 billion, but at the beginning of this administration, they were funding those accounts at roughly what would have been \$2.5 billion, so the administration has proposed an additional, we calculate, \$371 million. That's good and we support that, but clearly, that additional incremental funding of \$371 million only makes a very small dent in reducing the \$4.9 billion log. That's why, as we understand it from the Department's numbers, the backlog as they calculated this past January, is between \$4.1 and \$6.8 billion, the backlog is still up in that range, it is not being reduced because there has not been significant additional funding the backlog or significant increase in the operating budget for the parks.

Senator THOMAS. I don't quite understand. I think you said reduced it by 3. something, the backlog?

Mr. KIERNAN. They have only reduced it \$371 million.

Senator THOMAS. I'm sorry, I misunderstood you. I thought you were talking \$3.7 billion, which I thought was pretty significant.

Mr. KIERNAN. Right, \$371 million.

Senator THOMAS. All right, thank you.

Senator.

Senator AKAKA. Mr. Cornelssen, you stated in your testimony, developing new concession contracts, that you are able to structure plans to address any maintenance backlog with respect to the concession facilities involved, as well as ensure proper ongoing maintenance. While this is encouraging, doesn't it mean a trade-off with other funding needs? The funds spent by concessioners to address backlog maintenance means either a lower franchise fee or other foregone use of the revenue that we're contemplating in the concessions we farm out.

Mr. CORNELSSEN. That's a good question, sir. I mean, I guess the way we do it is I guess, don't kill the goose that laid the golden egg concept. In other words, first and foremost, we have to make sure the money goes back into the assets to ensure that those assets are in good condition, the visitors have a good experience, they are willing to continue to pay for that experience. So that's a high priority for the investment. I do believe when the Concessions Reform Act was passed in '98, a lot of people viewed it as potentially a windfall of all kinds of extra money, but what we're seeing as we view these contract by contract, there is additional returns coming back, but a lot of the money does need to go back into the assets at the park level.

Senator AKAKA. Mr. Kiernan, you stated that NPCA believes only, and let me make sure of the figure, \$371 million in new money has been available in recent years. Given the current fiscal climate and the intense competition for discretionary funds in the appropriations process, my question to you is where do you propose that we find the additional money that would be needed to reduce the backlog?

Mr. KIERNAN. A wonderful question, Senator, and a difficult one. I would respond in the following way: The National Park System tells truly the American story and the values that we stand for need to be protected, need to be communicated, need to be reinforced through our National Park Service. Now is the time when

we are making investments, whether it's in Homeland Security, foreign affairs, the investment in our National Park Service is absolutely part of that strategy. We need to be investing in our parks because they are, they represent the best and finest of this country, and also they represent the times and places where this country has made mistakes. We need to take care of these places and learn from them. These need to be the highest, or some of the highest funding priorities of this country at this time. So, that's not a specific answer to your question, but we are calling for a \$600 million funding increase in the operating budget of the parks and that is a number that seems in the realm of the doable in the Federal budget, sir.

Senator AKAKA. Thank you. In my opening statement, I mentioned my concern that as important as this issue is, it's not only the concern for the Park Service or even the highest priority, there are many other parts there. Given the scarce resources available, what areas does NPCA think are the most important, and what should receive priority in funding?

Mr. KIERNAN. I believe it's easy for Congress and the administration to focus on those aspects of the park that are the superficial, I don't mean that as a criticism, but the visible, and so the maintenance backlog, the condition of roads and the buildings is something that's quite visible and is receiving attention. I think it is a lot of the invisible behind the scenes, the lack of scientific understanding of the natural resource management challenges in the parks, as I mentioned in my testimony, needs significant increases in funding. So I would answer it by saying natural resource protection, cultural resource protection, protecting those fourth elements of the parks for which they were founded should be the highest priority.

I would also mention, if I may, that in the last 3 years the total Park Service budget, backlog funding, operating funding, has only increased on average 1 percent over the last 3 years. In the end of the 1990's, it was increasing an average rate of 9 percent, so the rate of increase of our total National Park Service funding has dramatically dropped and I think this will lead to additional future problems both on the operating budget and in the backlog.

Senator AKAKA. Thank you for your response. I just want to say that there is an additional concern too, in terms of availability of personnel and resources for these public assets. So, I thank you all very much for your comments.

Senator THOMAS. Thank you. We're about to wind up here, guys. I would like to have you say in about this length of time, these are the three things I think are most important that we do right now to deal with parks and this backlog.

In the meantime, Tom, I have to say that you're publishing here as saying the administration has a D minus for its operations in the parks, and I was a little surprised at that. It's a tough issue, but I think there are some pretty good activities that have carried on.

Mr. KIERNAN. Thank you, sir. We did try in that assessment to highlight those park policies and efforts of the administration that we do think are positive, we are trying to point out the good things, some of which were mentioned this morning.

Senator THOMAS. Mr. Dillinger, what are the three things you think we ought to do?

Mr. DILLINGER. Number one would be to, understanding the financial constraints, but nonetheless understand the appropriate level of maintenance dollars that could be spent. Number two, complete the effort that Park Service currently has underway to develop their facilities management system but expand it to include the maintenance requirements. The third issue is to get well trained people in the field, continue to do that, not that people there are bad, just that there is a continued departure of quality folks as the work force ages, and we need to train new folks, new stewards to be in the field.

Senator THOMAS. Thank you, sir.

Mr. CORNELSEN. I would echo some of what Eric said. First, investing in people, both internally through training programs as well as using external resources as necessary. Secondly, putting together a good plan; I know that's tossed around a lot, but we believe in it, we believe you have to have a plan. Third, I guess I would call it financial discipline, which I think gets to your point, Mr. Chairman, which is understanding the resources that you have, and how you work with those resources to leverage them and maintain a tight financial discipline.

Senator THOMAS. Thank you.

Mr. Kiernan.

Mr. KIERNAN. We would recommend continuing to increase the natural resources challenge program and the funding for that. That has seen significant improvement of science and management in the national parks. Secondly would be to continue the administration's work to roll out business plans to all the parks as a means of understanding the operating challenges and coming forward with recommendations to fulfill the operating challenges. And thirdly, and somewhat as a result of those two things, significantly increasing the operating budget of the Park Service, because we think that will both better protect the resources and deal with backlog.

Senator THOMAS. Thank you, gentlemen. We appreciate your input and appreciate your support for the parks. The committee is adjourned.

[Whereupon, at 11:31 a.m., the hearing was adjourned.]



## APPENDIXES

---

### APPENDIX I

#### Responses to Additional Questions

---

##### RESPONSES TO QUESTIONS FROM THE COMMITTEE

*Question 1.* What issues did GAO identify that contribute to the maintenance backlog?

Answer. The body of work that we have done throughout the national park system suggests that it is a combination of things. These include aging facilities and infrastructure, budgets not keeping pace with the growth of the system, and the lack of sustained attention and commitment by Park Service management to properly address the issue.

*Question 2.* Did GAO identify any administrative or management practices within the National Park Service that impede or prolong action toward correcting the maintenance backlog?

Answer. Yes, the lack of a sustained commitment to properly address its need to better manage its maintenance backlog, including getting a better understanding of the condition of its facilities and how much it will cost to maintain them. GAO, Interior's Office of Inspector General, and others have pointed this out for decades. While the current facility management initiatives within the agency appear promising, it will take time to fully implement them. Agency management will have to keep focused on seeing the initiatives through—it will require the kind of sustained commitment that the agency has not demonstrated in the past.

*Question 3.* How much do you think the maintenance backlog might ultimately cost and how long might it take to correct?

Answer. Right now, the Park Service has no reliable, system-wide data on the condition of its facilities or the size of the backlog to properly maintain them. Until this is known, we would only be guessing about the size of the problem and how long it might take to correct it.

*Question 4.* What advice can you offer the Park Service regarding the maintenance backlog?

Answer. After decades of discussion and attempts to better manage the maintenance backlog, the Park Service is now in the process of implementing a new facility management process that appears very promising. However, it is going to take years to fully and properly implement this process so that all of its benefits can be realized—including getting more accurate and reliable data on the condition of its assets and the size of the maintenance backlog. Our advice to agency managers would be to stay focused on the effective implementation of its current facility management initiative and give it the sustained effort and commitment to see it through.



## APPENDIX II

### Additional Material Submitted for the Record

---

#### STATEMENT OF THE ASSOCIATION OF NATIONAL PARK RANGERS

Chairman Thomas and Members of the National Parks Subcommittee: We are honored and pleased to have the opportunity to provide this statement for the record.

The Association of National Park Rangers (ANPR) is an organization created to communicate for, about, and with park rangers; to promote and enhance the park ranger profession and its spirit; and to support the management and perpetuation of the National Park Service and System. In meeting these purposes, ANPR provides education and other training to develop and improve the knowledge and skills of park rangers and those interested in the profession; provides a forum for discussion of common concerns of park rangers; and provides information to the public. Our membership—approximately 1,000 National Park Service employees—is comprised of individuals who are entrusted with and committed to the care, study, explanation, and protection of those natural, cultural, and recreational resources included in the National Park System, as well as of individuals who support these efforts.

We would like to begin by thanking the Subcommittee for holding this hearing and examining issues which we believe should be of significant concern to policy makers and to the American public.

The American National Park System is a worldwide model. Much emulated, and still unrivaled, it is at once a diverse and amazing collection of beautiful natural resources and monuments, an enriching source of learning about American history and culture, as well as a source of recreation and enjoyment for more than 400 million visitors each year. Yet, this amazing system will not endure without proper care. And that is the role of the National Park Service. Drawn from its enabling statute, the Organic Act of 1916, the mission of the Service is—

. . . to promote and regulate the use of the . . . national parks . . . which purpose is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.

Thus, the vitality and perpetuation of the System is very dependent upon a properly staffed and skilled Service.

#### PERSONNEL DEFICITS

The National Park Service is experiencing shortages in virtually all personnel position types—i.e., law enforcement commissioned rangers, interpretive rangers, administrative support, resource management, and maintenance workers. For example, according to the Federal Law Enforcement Training Center, between 1980 and 2001, the number of permanent law enforcement commissioned rangers dropped from 1,841 to 1,539 (a reduction of 302 or 16.4%) and the number of seasonal law enforcement commissioned rangers fell from 616 to 469 (a reduction of 147 or 23.9%). Yet, during this same period, the number of park units increased by more than 62, park acreage increased from 77 million to 84.5 million, and park visitation increased from approximately 300 million to more than 400 million persons.

Similar data for other position types are not available, but service-wide anecdotal information supports the contention that we have insufficient numbers of—

- interpreters to provide tours and programs to more than a small percentage of visitors;
- resource managers to perform inventories, and to monitor or restore ecosystems to insure their perpetuation;



- maintenance workers to keep trails, signs, historic structures, and other resource-related facilities in safe and useable condition; and
- support personnel such as information technologists, administrative clerks, and fee collectors to run the parks on a consistent, sustained and professional basis.

During the preceding 12 months, the Department of the Interior and the Service have developed a variety of law enforcement reforms. This resulted in a number of NPS directives to the field, one of which was to give the filling of law enforcement positions the highest priority.

In light of the aforementioned data, this is reasonable, appropriate and in general strongly supported by ANPR. At the same time, retirements, transfers, changing park needs, and effects of recent internal reorganizations also have left some parks with very critical shortages in other types of positions. ANPR therefore strongly supports preserving the discretion of park superintendents to establish local personnel priorities consistent with documented strategic, business, and safety needs.

A particular personnel issue that greatly concerns ANPR is the prospective retirement of several NPS regional directors. We feel that it is mission critical for their replacements to be veteran NPS employees. Their regional duties, as well as their participation on the Director's National Leadership Council, require extensive knowledge of Park Service history, culture, and operational issues. Given the many challenges presently facing the national parks and the Service, it would be most unfortunate to have any of those positions filled by individuals with little or no Park Service experience.

We offer two final, general points on NPS personnel. The first is that any discussion of personnel must be viewed from the context and effect of operational budgets. The Operation of National Park Service (ONPS) budget, adjusted for current dollars, has dropped about 20 percent in the past 25 years. Consequently, parks are operating at 98 percent and higher fixed costs (personnel, utilities, etc.) and have been for 7-10 years. In some cases fixed costs exceed 100 percent of ONPS (in FY 2003, some parks are at 120+ percent fixed costs). In some cases, permanent salaries must be covered out of "soft money." The common practice for dealing with this is what we call "managing by lapse"—or leaving positions vacant for a year or more in order to have the funds to cover other essential costs. It should be noted that this practice generally has not worked in smaller parks, those with no turnover in staff, or those that have low (or no) project funds.

The second point pertains to the unique nature of service in NPS. We frequently serve in remote locations and, while we all have job descriptions, our work is frequently as unpredictable as Mother Nature and human behavior. Thus, in emergency situations, park employees work as teams to see that whatever needs doing is done. These emergencies may involve severe weather, injured and/or lost visitors, wildfires, or simply ensuring that visitors are served as needed. The following story is told by a young employee from a Western park.

As a GS-5 visitor use assistant, I am clearly at the bottom of park staffing. Today, I treated a man for a nearly unstoppable razor cut to his face, spoke to 3 groups of 330 plus people each, dealt with 5 different school groups visiting the park, and will in one half hour, deliver a 45 minute talk and walk of the park to over 120 people. This morning we were lucky, thanks to the "donation" of two law enforcement rangers from other parks, so we had law enforcement support. The only other uniformed ranger was one really good experienced GS-9. And that's how we intend to deal with nearly 1000 visitors and their questions and even their small emergencies. Want more? How clear do we need to be that more uniformed presence is needed? Our maintenance mart ended up playing interpreter to two school groups out of lack of staff. We had no volunteers, interns or other help for the first 3 hours of the day and this is typical.

#### MAINTENANCE BACKLOG

While there is little agreement on the size of the maintenance backlog, we are very concerned about the significant effect that it has on the operations of parks and, under the current level of funding, the inability of the Service to properly staff them. We see superintendents being forced to make Hobson's Choices—e.g., to keep an area or building open to the public because of its popularity, knowing that it could involve a safety risk, or closing the area or building and having to deal with irate visitors. These are difficult decisions to make. We see historic structures that are rapidly deteriorating. And we see how unfunded and pressing maintenance needs contribute to "managing by lapse."

## LAND ACQUISITION

As employees entrusted with fulfillment of the NPS mission and the care of our Nation's heritage, we support completion of the system via timely accomplishment of goals and priorities established in park Land Protection Plans. For many years, the completion of land acquisitions has not been possible and this has had a significant impact on the ability of the Service and its employees to preserve, protect and promote enjoyment of lands that Congress has deemed nationally significant. The Federal government made these determinations and should follow through to properly fund adequate protection of these nationally significant lands. An excellent way of assessing where we stand in meeting this responsibility is to review the land protection measures developed by each park. To what degree are the parks able to achieve the goals associated with these measures? To the extent that these goals are prioritized, are the parks able to adequately address even their highest priorities?

The effect of land acquisitions on the maintenance backlog and on the personnel deficit is obviously to increase them. We would be pleased if careful assessments were routinely conducted and acted upon in a timely manner—with adequate funding—to insure that this Nation's heritage is preserved and protected. The next generation of Americans should expect no less and certainly deserves as much.

Thank you for the opportunity to submit this statement. We would be pleased to provide any other information that the Subcommittee needs.

---

STATEMENT OF ANDREW N. TODD, CHAIRMAN,  
NATIONAL PARK HOSPITALITY ASSOCIATION

Mr. Chairman, I am pleased to submit testimony for this oversight hearing on maintenance and land acquisition backlog in the national parks. As a chairman of the Board of Directors of the National Park Hospitality Association ("NPHA"), I represent an industry membership that is responsible for most of the visitor services provided by the private sector in our National Parks.

The National Park Hospitality Association members strongly support full federal funding for the National Park Service budget for Fiscal Year 2004 which includes a request of \$1 billion in deferred maintenance projects that will be funded through appropriations, recreational fees and road improvement funds contained in TEA 21. This level represents a 50 percent increase over FY 2003 levels and is a large but necessary request. The industry believes that it is important that federal funding levels are maintained and that relying on private sector sources for park operations income is insufficient for the long term well-being of the parks.

NPHA strongly supports President Bush's commitment to continue the progress in reducing the maintenance backlog within five years and to providing "good roads, safe trails, clean lakes and streams, and well-kept campgrounds."

Interior Secretary Gale Norton and NPS Director Fran Mainella have just released a special report, *National Park Service: Partnering and Managing for Excellence*, on July 2, 2003 that highlights many of the National Parks Legacy Project and NPS efforts to handle the existing maintenance backlog and plans to prevent this from recurring.

We would also like to commend the NPS accomplishments in reducing the \$4.9 billion maintenance backlog identified in the 1998 General Accounting Office report by nearly \$2.9 billion since FY 2002 through 900 separate repair and rehabilitation projects system wide. There are still over 800 maintenance backlog projects to be undertaken, as well as necessary park road projects in order to return the park roads to good condition.

NPHA favors the continuation of the fee demo program and the concession franchise fee program which allows 80 percent of the gate entrance fees and other franchise fees generated by the park to remain for use in that park unit. These programs have provided much assistance in providing needed maintenance and improved visitor services directly to the parks.

Key to this management effort is the National Park Service facility condition assessments program that allows the NPS to put into place a maintenance system to flag maintenance needs, and allows both the National Park Service and Congress to better manage these needs and prevents recurrence of deferred maintenance backlogs.

The Facility Maintenance Software System (FMSS) is scheduled to be completed and the system will be in use as a work planning, costing, tracking, budgeting and prioritizing tool in the parks by the end of calendar year 2003. Ultimately, this computerized system will be the first time that the National Park Service will have a comprehensive inventory and baseline condition assessment of all 7,500 park facili-

ties. We strongly support this initiative and believe it will be very helpful in planning, scheduling and prioritizing the maintenance of these park facilities.

NPHA is seeing some very good work coming out in the recent prospectus releases due to the NPS' business partnership with PricewaterhouseCoopers, who is bringing a private sector vision into this process. NPHA members have worked actively with the National Park Service on the comprehensive condition assessment initiative that identifies deferred maintenance on concession facilities and establishes the ongoing maintenance requirements of the concession facilities. This information used in developing the prospectus and is very useful in assisting the concessioner in planning and scheduling of necessary improvements and budget forecasting.

NPHA supports this committee's efforts to ensure that the park service has adequate, trained personnel to operate the park system and strongly supports full funding for the NPS operating account. Almost a billion dollars was requested for FY 2004 to fund the operations at 388 park units. NPS has taken on a number of additional duties in patrolling the border as many border parks have seen an increase in traffic of undocumented aliens and illegal drug smuggling as a result of heightened security at borders outside the parks. It is important to the safety and security of the park visitors that the agency receive adequate funding to meet these new duties.

NPHA supports the planned new Flight 93 National Memorial, but contends that the maintenance backlog should be retired before new lands and parks are acquired and added to the system.

We commend this committee for its leadership of the national parks and look forward to continuing to work with you and your committee, Mr. Chairman.

○