NATIONAL PARKS CENTENNIAL ISSUE

Vol. 34, Issue 1 Summer 2015

PERCREPORTS

FOR FREE MARKET ENVIRONMENTALISM



8

Stephen Mather's Ghost Page 8
Franchising Parks Page 16
The Bear, The Bison, and the Business of Yellowstone Page 22
Isle Royale's Wolf Dilemma Page 28

Gustav Krollmann

FROM THE EDITOR





The Property and Environment Research Center is a nonprofit institute dedicated to improving environmental quality through property rights and markets.

n August 25, 2016, the National Park Service will celebrate its 100-year anniversary. The agency is responsible for managing some of the most spectacular

landscapes in the world, from the crown jewels of Yellowstone and Yosemite to lesser-known treasures such as Capitol Reef and Congaree.

To me, national parks have special meaning. For several years, I worked as a backcountry ranger in Olympic National Park in Washington State, helping to conserve one of the most beautiful places on earth. My experience gave me a deeper appreciation for national parks and for the rangers who manage them.

But as the National Park Service prepares for its second century, the agency faces considerable challenges. National parks have a massive \$11.5 billion maintenance backlog, causing leaky wastewater systems and deteriorating roads, trails, and bridges. Congress is unlikely to solve the problem. And with more than 400 park units—including several new monuments and historic parks—the agency is spread thin.

The basic problem is one of incentives. Parks rely on Congress for most of their funding, but Congress would rather create new parks than deal with routine maintenance. "It's not very sexy to fix a sewer system or maintain a trail," said one former congressman. "You don't get headlines for that."

To address these issues, PERC held a three-day workshop to explore the past, present, and future of national parks. The message was clear: We should do more than celebrate the centennial. We should find ways to improve park management. That includes harnessing the forces of private enterprise to sustain and fund our national parks.

In fact, we already are. As environmental journalist Rocky Barker explains in this issue, free market principles are already making "America's best idea" even better. National parks can now retain the user fees collected instead of sending them back to the U.S. Treasury. This means that local managers, not distant bureaucrats, can decide how fee revenues are best spent.

As the National Park Service turns 100, more creative solutions and responsible policies are needed. This issue of *PERC Reports* is devoted to advancing some of those ideas. Together, these proposals seek to reduce the agency's reliance on Congress, improve park maintenance and operations, and prepare our parks for the challenges of the twenty-first century.

—Shawn Regan

TELL ME WHAT YOU THINK shawn@perc.org or @Shawn_Regan on Twitter

On the cover: In a poster commissioned by the Northern Pacific Railway, the southbound *Yellowstone Comet* is shown passing Emigrant Peak. Now deep into Montana's Paradise Valley, the train is 25 miles from the entrance to Yellowstone at Gardiner Gateway. Original painting by Gustav Krollmann, circa 1930. *Poster in Runte Collection.*

PERC REPORTS

For Free Market Environmentalism Vol. 34, Issue 1 Summer 2015

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www.percreports.org

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Vol. 34, Issue 1 Summer 2015



O Neal Herbert / NPS

STEPHEN MATHER'S GHOST

Revisiting the consensus for national parks. by Alfred Runte

FRANCHISING PARKS 16

Is outsourcing parks a key to solving the National Park Service's financial problems? by Kurt Repanshek

THE BEAR, THE BISON, AND THE 22 **BUSINESS OF YELLOWSTONE**

Can commercialization work for wildlife? by Brian Yablonski

ISLE ROYALE'S WOLF DILEMMA 28

The park's wolf woes spur bigger questions of managing wilderness. by Kurt Repanshek

34 BREAKING THE BACKLOG

Can public-private partnerships tackle the park maintenance backlog? by Leonard Gilroy

FRONTIERS

If you find yourself in a hole... by Reed Watson

ON TARGET

Back to the future of America's national parks by Terry L. Anderson

IMPRESSIONS

How free market environmentalism is transforming parks by Rocky Barker

FME IN ACTION

American Prairie Reserve Paso Pacífico's thin green line by Wendy Purnell

ON THE LOOKOUT

Hitting a brick wall by Warren Meyer



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If you find yourself in a hole...

...the first thing to do is stop digging.



Mariposa Grove in Yosemite National Park. Photo @ faungg's photos

f your father was a Will Rogers fan like mine, you might be familiar with this one-liner wisdom. It's a simple truth: Rarely do we improve a bad situation by repeating past mistakes.

Consider the Land and Water Conservation Fund (LWCF), the federal government's primary source of funding for land acquisitions, which is set to expire later this year.

Enacted in 1964, the LWCF is authorized at \$900 million per year, with the vast majority of revenues coming from oil and gas leasing on the Outer Continental Shelf. Through the appropriations process, these funds are used to acquire federal lands and to make grants to states for recreational planning, facilities, and state land acquisitions. In total, since enacting the LWCF, Congress has allocated more than \$10 billion to expand the federal estate.

As you might imagine, the LWCF is popular among outdoor recreationists, particularly those who frequent public lands. Calls for reauthorization echo from major conservation organizations to the state and federal agencies that use LWCF funds to expand their jurisdiction.

You might be wondering who would oppose such a law and on what basis. Answer: PERC, and with clear evidence that the federal government is not adequately maintaining the land it already owns.

In recent hearings on LWCF reauthorization, PERC scholars advised Congress to stop acquiring land that the federal government cannot effectively manage. First up was Shawn Regan who provided the House Subcommittee on Federal Lands with example after example of the National Park Service's enormous deferred maintenance backlog. The most egregious was Shawn's description of Yosemite's deteriorating water distribution system leaking thousands of gallons of chlorinated water each day in the Mariposa Grove, threatening the park's ancient stands of giant sequoias. True story.

Are National Parks More Popular Than Ever?

Unfortunately, the failing infrastructure in Yosemite is not unique. Across the 635 million acres of land owned by the federal government, the U.S. Forest Service, Bureau of Land Management, National Park Service, and U.S. Fish and Wildlife Service have accumulated a deferred maintenance backlog of more than \$20 billion.

Next up, I testified before the Senate Committee on Energy and Natural Resources and likened the federal estate to a dilapidated house with a crumbling driveway, leaking roof, and burst pipes—the owner of which is seeking financing for a new addition. Rather than using the LWCF to acquire more lands and stretch the already-too-thin maintenance budgets over additional acres, both Shawn and I urged Congress to get its house in order.

Cold water, anyone?

PERC's perspective gained more attention last month when Scott Wilson and I described the federal lands maintenance issue in an op-ed for the *New York Times*. We also offered a market-based solution: user fees. Expanding the authority of federal land managers to set, charge, and retain user fees would provide those managers with a funding source for maintenance—one that depends on visitation rates, not congressional appropriations.

PERC scholars have never been afraid to take a contrarian position. Indeed, we relish the role. But we recognize that the line between persuasive contrarianism and perceived lunacy is a fine one, the primary difference being evidence.

It is for this reason that we prioritize research over all else at PERC. Our publications, outreach materials, educational and applied programs are all very important. But what distinguishes PERC from the crowd is our research and our commitment to let the data speak.

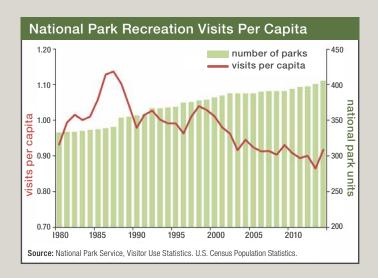
In the case of federal lands, particularly our national parks, the evidence is clear: We can do better. This particular issue of *PERC Reports* showcases ideas for how we can do better, how we can enhance the environmental and economic performance of our national parks by harnessing the power of private enterprise and economic incentives. That way, our federal land agencies can finally stop digging and trade the shovel for the ladder.



Reed Watson is the executive director of PERC. In "Frontiers," he describes how PERC is improving environmental quality through property rights and markets.

Last year, America's national parks received more visits than ever before. A record-setting 292.8 million people visited national parks in 2014, breaking the earlier park attendance record set back in 1987.

But a lot has changed since 1987. Population has increased considerably, and so have the number of parks. How do the new visitation numbers compare once we consider these other factors?



The chart above shows national park visitation as a share of the overall U.S. population. Since 1987, U.S. population has increased by approximately 75 million people. Measured on a per capita basis, national park visitation is about 20 percent less than it was in 1987. As a share of the population, park visitation has gradually declined almost ever since.

This decline is even more pronounced once we consider the growth of the National Park System. Since 1980, more than 70 national park units have been added to the National Park System. Yet these additional parks do not seem to be attracting more overall visits per capita.

As the National Park Service prepares to celebrate its centennial in 2016, there is much emphasis being placed on its ability to attract people to parks—especially millennials. Park visitors can play an important role in funding parks in their next century and helping to address the agency's \$11.5 billion maintenance backlog. But these data suggest that the National Park Service still has much work to do.

Back to the Future of America's National Parks



South Rim of Grand Canyon National Park. Photo @ M. Quinn / NPS

n 2016, the National Park Service will celebrate its 100th anniversary. With "crown jewels" such as Yellowstone, Yosemite, and the Grand Canyon in its asset portfolio, it's no wonder this bureaucracy is a favorite of the American people. A recent survey of visitors to Yosemite National Park showed a 98 percent satisfaction rate with the park's services and recreational opportunities, despite the fact that many of Yosemite's roads and trails are clogged with traffic.

What the satisfied park visitor doesn't see is that the long-term outlook for our national parks is not so rosy. In particular, the Park Service's \$11.5 billion maintenance backlog is a glaring blemish on an agency known for its crown jewels. Even with the ability to keep some of the gate receipts from low fees—\$30 per vehicle for a weeklong pass to Yellowstone, to say nothing of the \$10 lifetime senior pass—the agency must grovel at the feet of Congress for annual appropriations.

To reflect on the past 100 years and look to the future of parks, PERC held a three-day workshop with papers ranging from the role of private enterprise in establishing national parks to the importance of dynamic ecology in managing grizzly bears in Yellowstone and wolves in Isle Royale. The upshot from this workshop is that we should do more than celebrate the 100th anniversary. We should ask serious questions about how to improve the ecological and fiscal management of national parks.

The great economist Milton Friedman provides a starting for point. In his best-selling book *Capitalism and Freedom*, Friedman argues that there may be an economic rationale for public provision of neighborhood parks, but there is no such rationale for national parks. In his words, "The entrances to a national park like Yellowstone... are few; most of the people who come stay for a considerable period of time and it is perfectly feasible to set up toll gates and collect admission charges. This is indeed now done, though the charges do not cover the whole costs. If the public wants this kind of an activity enough to pay for it, private enterprises will have every incentive to provide such parks." As usual, Friedman's logic is impeccable, but privatizing national parks, especially the crown jewels, is a political non-starter.

If not privatization, is there an alternative that harnesses the incentives of free enterprise to improve park management? PERC research fellow Holly Fretwell says yes. As Fretwell demonstrates in her book *Who's Minding the Federal Estate?*, local managers often do a better fiscal and ecological job of managing their forests and parks than the federal government. Decentralization, especially if agencies face a meaningful bottom line, makes the difference.

Based on her research, Fretwell recommends an experiment for managing our national parks—franchising (page 16). Just as businesses sell franchises for restaurants to individual owners, suppose the NPS sold franchises for some of its parks to management companies. A franchise sets product and service standards, and the franchisee reaps a profit from the brand as well as from good management. In the same way, the NPS could set ecological, recreational, and educational standards, and the franchisees would have to meet those standards and could capture a profit from good management.

If national parks are "America's best idea," then we should celebrate the idea by making them better. At a

minimum, we should charge higher entrance fees to be invested in the parks where they are collected. But we can do even better if we follow the basic tenet of free market environmentalism—incentives matter. PERC is always on the cutting edge of new environmental ideas, and Holly Fretwell's idea of franchising is an idea whose time has come. Just as railroads played a role in establishing national parks, as Alfred Runte eloquently explains (page 8), enterprise offers a path back to the future of our national parks.



Terry L. Anderson is the William A. Dunn Distinguished Senior Fellow at PERC. In "On Target," he confronts issues surrounding free market environmentalism.

Can Private Management Fix Our National Parks?

In a new video, PERC's Holly Fretwell explains how private entrepreneurs can operate national parks under clear environmental and recreational standards—all while earning a profit and generating revenue for the government. This approach would preserve the integrity of the National Park System and ensure our parks remain open and maintained.



To watch the video, visit www.perc.org/SaveOurParks.

STEPHEN MATHER'S GHOST

Revisiting the consensus for national parks.

BY ALFRED RUNTE

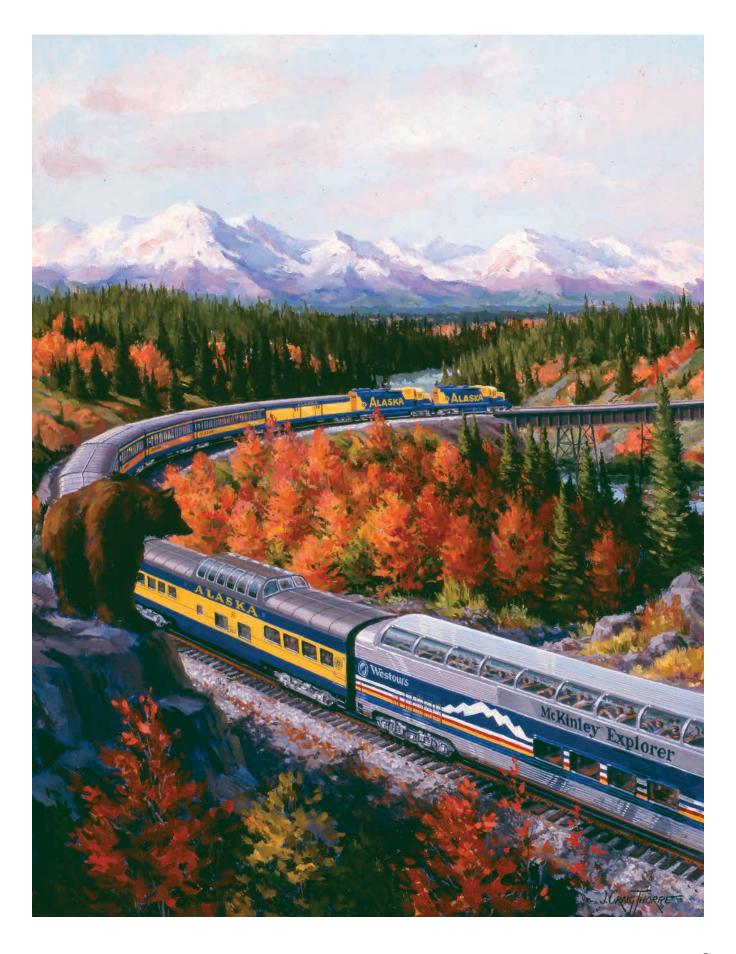
or nearly a century, a popular story has linked the origins of the National Park Service to the genius of one man. In 1914, Stephen T. Mather, a self-made millionaire in the borax industry, visited Yosemite and Sequoia national parks. Finding both of them poorly managed he wrote Secretary of the Interior Franklin K. Lane and complained. "Dear Steve," Lane allegedly replied, "If you don't like the way the national parks are being run, come on down to Washington and run them yourself." Mather's accepted and within two years, as the story goes, he convinced Congress to pass the bill creating the National Park Service. He was then appointed as the agency's first director and promised to manage the parks "on a business basis." If making a fortune had taught Mather anything, it was that every park should be run like a business, given that the government always seemed strapped for funds.

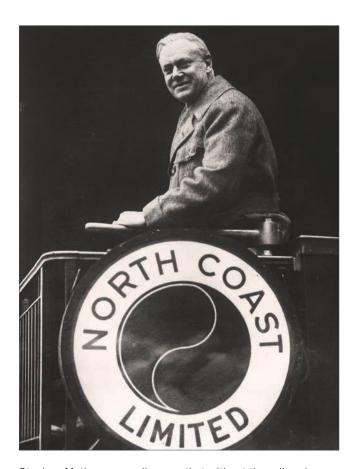
The durability of the story may be credited to Horace M. Albright, the Park Service's second director and lifetime publicist. On becoming Mather's assistant in 1915, he was already a shrewd judge of the press. A story well told—and repeatedly told—grew ever harder to refute. Until his death in 1987, Albright was never at a loss to

explain how the Park Service came to be. The reason was Stephen Mather. Certainly, whenever Albright was invited to explain his own role, he instantly demurred. No legend should have two heroes. Thus Albright, in the words of his biographer Robert Cahn, refused "to take anything away from the place Mather holds in history as the 'founder' of the National Park Service."

However laudable, Albright's limited history comes with pitfalls, even to slight how the national parks in fact evolved. Before Mather had reached the age of five, the Philadelphia financier Jay Cooke had prevailed on Congress to establish Yellowstone as a "public park." Chartered in 1864, his proposed Northern Pacific Railroad was to cross Montana some sixty miles to the north. Like the nation's first park, the Yosemite Grant of June 30, 1864,

Alaska Range, by Seattle artist J. Craig Thorpe, depicts the Alaska Railroad, circa 1995. In summer, four trains representing three distinct services share the route, noted for its popular service between Anchorage and Denali National Park and Preserve. *Courtesy of J. Craig Thorpe.*





Stephen Mather was well aware that without the railroads there would be fewer parks. Especially if the national park system were to expand, as Park Service director he needed their unswerving support. Circa 1925, he is shown here on the observation car of the North Coast Limited, then offering service to Yellowstone National Park via the Northern Pacific Railway. *Photo courtesy of the National Archives*.

Yellowstone obviously presented a business opportunity. As the Yosemite Grant already specified, "leases not exceeding ten years may be granted for portions of said premises." If Yellowstone became a government park, Congress would likely repeat that language, allowing Cooke's railroad—as Yellowstone's only railroad—to win such leases for itself.

The point is that the "business basis" for establishing parks well predates Mather—and its chief practitioner was the railroads. In the fall of 1871, Cooke further pursued the Yellowstone matter with Ferdinand V. Hayden, director of the U.S. Geological and Geographical Survey of the Territories. Hayden had just returned from Yellowstone and would be preparing his report to Congress. Might the report include the following recommendation, Cooke

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asked? "Let Congress pass a bill reserving the Great Geyser Basin forever, just as it has reserved that far inferior wonder the Yosemite valley and big trees." Of course, there was nothing inferior about Yosemite. It was just that Cooke's railroad would not be going there.

Naturally, Cooke wanted a park of his own, as would every railroad in the West. Preservationists then saw their opportunity. "Even the soulless Southern Pacific Railroad," John Muir informed the Sierra Club in 1895, "never counted on for anything good," had helped "nobly" to expand Yosemite in 1890. Muir might have also mentioned Sequoia and General Grant national parks, which had actually passed Congress the week before. There again, the railroad's chief lobbyist in Washington, D.C., had been instrumental in making the case for protecting all three California parks.

Between 1890 and 1915, there followed a wave of railroad support leading to the expansion of the national park system, including its most enduring parks. In 1901, the Atchison, Topeka and Santa Fe Railway arrived at the South Rim of Grand Canyon. Although park status for the canyon was years away, the railroad was confident it would happen. Following the establishment of Glacier National Park in 1910, its development proceeded grandly under the auspices of the Great Northern Railway. By then, Crater Lake, Mount Rainier, and Mesa Verde national parks were also important railroad destinations. Rocky Mountain National Park, established in 1915, similarly won support from the Union Pacific, Rock Island, and Chicago, Burlington and Quincy railroads.

The truth is that Mather had "discovered" nothing. On his arrival in Washington, D.C., he already had the railroads at his back. What he called putting the parks "on a business basis" had been their mantra all along.

It was under the railroads that Americans had formed a clear understanding of what the parks should be. Most important, the railroads were the ones supporting better management, as well as the establishment of additional parks. As for protecting the parks in perpetuity, the rail-roads had always agreed. Mather was just the latest visionary in a long evolution of visionaries dating back to 1864.

In fact, ever since their founding the railroads had discovered the business advantages of respecting landscape. Mines, mills, and factories were necessary evils; otherwise, unspoiled scenery attracted travelers. Where respect was absent—most notably at Niagara Falls—the scenery was a mess. Piling in, private entrepreneurs had destroyed the cataract's environs without any thought to the future. The railroads realized they could sell the American landscape if profit and restraint went hand in hand.

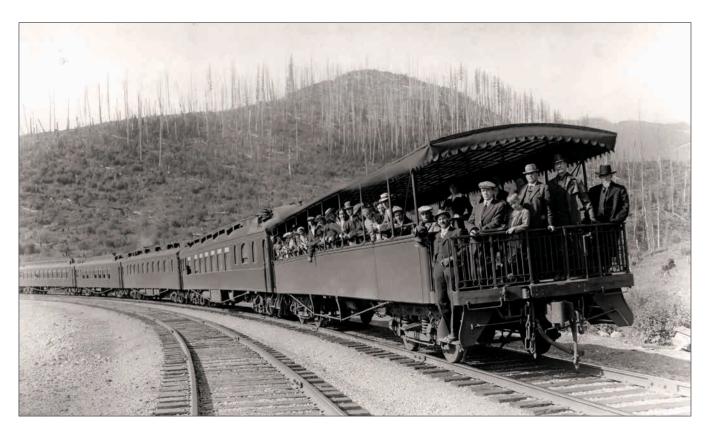
Embracing the general landscape and the national parks, the railroads perfected a disciplined engineering style. Especially on approaching the parks, tourists would expectantly scan the countryside for signs of the grandeur yet to come. Even at great distances from the parks, it was important that natural formations not be defaced. In the East, railroads had already taken the lead in objecting to billboards, and finally just ordered their track gangs to tear them down. In the business of selling tickets, the railroads needed to respect what a majority of their passen-

gers wished to buy. A railroad lined with billboards would likely be bypassed for another, more scenic route.

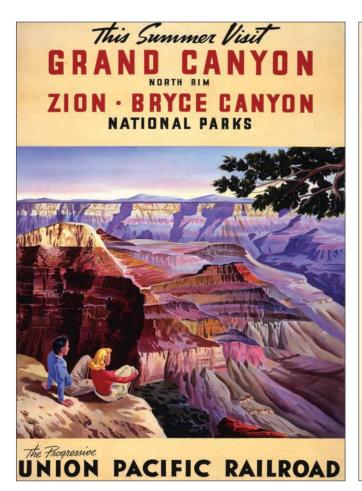
Although bankruptcy eventually cost Jay Cooke his opportunity, he left no greater mark on the Northern Pacific. With Yellowstone as the prize, his successors continued to plan the railroad with special care to the natural scenery. Frederick Billings, perhaps the railroad's most famous president, instructed his track crews to read the landscape, with a special emphasis on the Yellowstone River Valley as Yellowstone Park's grand approach.

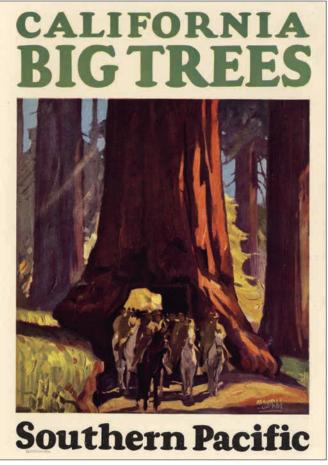
AS FOR THE NATIONAL PARK SERVICE, it properly traces its origins to the U.S. Army as the first protector of the parks. Cavalry troops began patrolling Yellowstone as early as 1886. There followed a call to make protection uniform. In 1900, Representative John F. Lacey of Iowa asked Congress to pass his bill for the management of national parks. J. Horace McFarland then revived the proposal in 1910 as president of the American Civic Association.

McFarland's role proved to be critical. A successful printer and publisher from Harrisburg, Pennsylvania, he



Beginning seasonally in the summer of 1913, the Great Northern Railway added open observation cars to its trains passing through Glacier National Park. *Photo courtesy of the Runte Collection.*





osters courtesy of Alfred Runte

envisioned a "bureau of national parks" and over the next six years threw the weight of the American Civic Association behind the idea. The initial government endorsement came from Richard A. Ballinger as secretary of the interior. By 1911, President William Howard Taft was also on board.

Five years before Mather was saying it, McFarland hoped to put the parks "on a business basis." Congress especially, McFarland realized, would look to the railroads for their opinion. Succeeding Richard A. Ballinger as interior secretary, Walter L. Fisher also agreed, and immediately called for a two-day conference in Yellowstone to meet with railroad executives. Conferees gathered after the height of the 1911 tourist season in the rustic Old Faithful Inn. "We thoroughly appreciate the expenditures which the railroads have made in many instances for the development of the parks," Fisher began. "I mean expenditures made in the furnishing of increased facilities in getting to the parks, and particularly the work of publicity which they are carrying on. We know that costs them money, and although the inducement is a financial return

to the railroads, it is an enlightened selfishness which is entitled to our grateful recognition."

Louis W. Hill, as president of the Great Northern Railway, agreed. "Our relations with the national parks are naturally very close, and I believe they should be closer," he said. Hill's personal interest was in Glacier National Park, approved by Congress the year before. However, he further intended to defeat Canada and Europe in the "war" for American tourists. "See America First" was his war cry. "The railroads are greatly interested in the passenger traffic to the parks," Hill repeated. "Every passenger that goes to the national parks, wherever he may be, represents practically a net earning. We already have the facilities for taking care of the regular traffic and the tourist earnings are practically net, as long as they do not require extra train service."

Including Hill, seven railroad executives led off the Yellowstone conference, each offering a variation on his speech. On cue, J. Horace McFarland then introduced the proposal for a bureau of national parks. "The parks are successful when they are the primary object of attention

12

on the part of some one person or some definite body," he said. "The parks, broadly considered, properly supported, adequately laid out, and suitably maintained, will be more advantageous, even as a solid business proposition, than anything we can do today."

In 1912, and again in 1915, two additional parks conferences confirmed the popularity of the "See America First" campaign. There followed another booming endorsement on the fairgrounds of the Panama-Pacific International Exposition in San Francisco in 1915. Designated by Congress as the official celebration for the completion of the Panama Canal, the world's fair electrified nearly 19 million visitors and attracted the railroads as major exhibitors. Over four acres known as "The Zone," the Union Pacific Railroad created a model of Yellowstone, including a full-size replica of Old Faithful Inn. The Santa Fe Railway contributed a six-acre model of Grand Canyon, offering visitors "parlor car" rides along the rim.

Here especially, Stephen Mather was a latecomer to the party. The railroads had been planning their exhibits for at least three years. Once the National Park Service became part of their planning, there was no holding the railroads back. They wanted the agency and said so openly—joining the ranks of preservationists on Capitol Hill. By that time, Congress had all the proof it would ever need. Americans loved their national parks—and wanted them properly managed. As of August 25, 1916, the National Park Service was approved.

FAST FORWARD, THEN, TO THE PRESENT.

As the National Park Service prepares to celebrate its centennial in 2016, can the agency afford to ignore this larger history? The railroads, rather than Stephen Mather, truly founded the national parks and put them on the path to be managed on a business basis. With the challenges the Park Service faces as it enters its second century, why does the agency fail to recognize this storyline today?

Instead of celebrating its past, the agency seems inclined to stir up doubt. Certainly, the new word at Park Service headquarters is relevance. Are the parks doing enough to attract minorities? Will the millennial generation ever support conservation? It is as if the agency never stopped to think what it is really saying: Somehow, the national parks are flawed.

In the treatment of business, too, we see the phenomenon that loving the parks while hoping to profit from them is increasingly suspect. Every motive to profit must be explained. The attempt at explanation can prove insufferable, such as concessionaires describing themselves as "green." In the past, the railroads did not have to constantly

prove themselves, and so could engage in real protection. A commitment to preservation certainly demanded greater proof than substituting paper for plastic.

Railroad history is to remind us why the parks are not flawed, whether in terms of business opportunities or social relevance. In 1915, swelled by travel to the Panama-Pacific International Exposition, Yellowstone's visitation still barely exceeded 50,000. The vast majority of the population could not afford the trip. Why did the railroads—shortly to be five companies serving Yellowstone—persist in making the effort? Because the railroads also understood the profit in being patient. If anything is missing today, it is that earlier willingness to secure the parks, and then worry about attracting visitors, a patience for which the railroads were justly renowned.

If indeed we want the national parks to succeed, we should rethink that term from their railroad past: "enlightened selfishness." Why are there no light-rail systems in the national parks, for example? Twenty years ago, one proposed for the South Rim at Grand Canyon was rejected. Several proposed for Yosemite Valley have never gotten to the planning stage. The automobile is solidly within the parks. Why not "patient" transport—why not the railroads—that secured them in the first place?

If "enlightened selfishness" taught us anything, it was to be honest in planning the parks. No longer do they lack for visitors; they rather lack for an enlightened approach to access. Consider the real problem railroads might address—how to accommodate 275 million visitors each and every year.

New generations of Americans will find the parks. New generations always have. Meanwhile, this is no time to forget how preservation actually works. In the century ahead, whatever consensus looks like, it should still represent "enlightened selfishness." No term more eloquently reaffirms why business is as vital as ever to the future of the national parks, starting again with transportation options that make sense.



Alfred Runte is a public historian specializing in the national parks. He holds a Ph.D. in American Environmental History from the University of California, Santa Barbara. His books include *Trains of Discovery: Railroads and the Legacy of Our National Parks* and *National Parks: The American Experience*. He lives in Seattle, Washington.

How Free Market Environmentalism is Transforming Parks



aptain Moses Harris led his band of troopers into Yellowstone National Park in 1886 when the park—and the national park idea itself—faced its greatest threat yet.

In response to allegations of corruption, Congress had recently cut the meager funding it provided to the park. Poaching was rampant. Tourists carved off huge sections of the fragile travertine thermal features that were the heart of the attraction. Wildfires, often started by the Shoshone hunters that lived in the park, raged along the Gardiner River.

Harris ordered his men to fight the fires, capture the poachers, and stop the vandalism. He and the officers who followed him developed the skills and expertise necessary to manage a national park, including firefighting, road building, campground development, and concessions management. The Army laid the foundation for the federal government to retain large tracts of public land, not just in parks but eventually in national forests, wildlife refuges, and rangelands.

The federal government's success managing these lands has a mixed record, but the preservation of national parks is considered by many to be "America's best idea." Harris and the U.S. Army saved the national park idea, and the Army managed Yellowstone and other national parks until the National Park Service was established in 1916, nearly one hundred years ago today.

LAST SUMMER, I WALKED UP THE HILL

behind Mammoth Hot Springs Hotel to the old road where Captain Harris entered the park. Much was the same as what he likely saw. The smell of sagebrush mixed with sulfur and the giant white-rocked hot springs steamed and bubbled.

But the valley was filled with people, cars, buses, a hotel, houses, stores, a gas station, and the stone park headquarters. Elk grazed on Kentucky bluegrass, a non-native grass, as rangers kept visitors at a safe distance. It looked remarkably similar to how I first saw it in 1985, and for my grandson Alex, it presented the same mix of wonderment, entertainment, and education.

The national park experience can be a personal one. For those of us who live near Yellowstone and other western parks, it's an annual or even monthly event that carries with it all of our own attitudes and interests. As America's best idea, parks are closely tied to our own patriotic pride, our civic ties to our history and our national identity. So, for me, the chance to pass on the experience to my

grandchildren means that the National Park Service has done a pretty good job.

The fact is that Yellowstone today is as great an experience for me or better as it was in 1985, in part because the National Park Service and Congress have listened to free market environmentalists.

More than 30 years ago, a group of free market economists began examining alternative ideas for addressing public land management and other environmental issues. These economists studied the ways in which property rights and markets could improve the environment, but they recognized that many public lands were likely to remain in public ownership, partly because of their unique history.

Instead, these free market environmentalists, as they became known, provided a path to improve national park management by harnessing the forces of private enterprise within the public land system. That includes using fees, incentives, and other market tools.

The most important idea was for individual parks to retain most of the fees they collected. This helps parks become more self-sufficient, less reliant on Congress and politics, and more nimble to steward and care for park resources. Fortunately, Congress listened, and today national parks keep at least 80 percent of the fees they collect. This gives each park the incentive to develop a fee program that meets its needs.

The other ongoing problem national parks face is the \$11.5 billion maintenance backlog. Congress does not appear eager to make that up soon. But Yellowstone has found a market approach to addressing some of its backlog by writing into its contracts with concessionaires to pay for capital maintenance over the course of the contract.

The National Park Service is

also increasingly tapping into publicprivate partnerships, which cause many to worry that corporate interests will take precedence over the public interest. But it's clear the National Park Service has been able to better serve its visiting public by allowing concessionaires to mimic certain private destinations and tap into the private sector's entrepreneurial spirit.

FREE MARKET IDEAS CAN CONTINUE TO MAKE "AMERICA'S BEST IDEA" EVEN BETTER.

Such efforts are underway in parks such as Yellowstone. Superintendent Dan Wenk has welcomed corporation donations and growth in the park's charitable foundation to offset cuts by Congress. He is also pushing for higher, more effective entrance fees. His renegotiated contract with the park's concessionaire aims to direct funds to capital investment, long underfunded by Congress.

AS THE NATIONAL PARK SERVICE PREPARES for its centennial celebration in 2016, the agency is looking to address the challenges of the next 100 years—and there are many. Climate change is transforming the ecosystems and indeed the very scenery the parks were established to protect, such as Glacier National Park's disappearing glaciers. Invasive species force changes in the food chain, and their effects cascade through the landscape.

Younger people spend less time outside, let alone hiking, horseback riding, wildlife watching, or camping. These are the next generation of national park visitors, and if they are indifferent then the parks become

irrelevant. Yet the sheer growth in the world's population is bringing increasing numbers of visitors to the parks, requiring more services, more maintenance, and more funding.

Despite the infusion of free market ideas to park management, the United States drew the line between the public and private interest back in the 1880s when Congress kept the Northern Pacific railroad from taking control of Yellowstone's most prized features. The railroad played a critical role in the legislation that established Yellowstone and saw the parks as both destinations to promote travel and also key to their brand.

The Canadian Pacific railroad played a similar role in the creation of the national parks in the Canadian Rockies, only it retained far more control than American railroads because it owned its hotels and much of the land in communities inside the parks like Banff. Hotels like the Chateau, Banff Springs in Banff National Park, or the Jasper Park Lodge are as much a tourist attraction as the parks themselves. When the Canadian Pacific sold off the lodges, another corporation got control of portions of these national treasures in a way that so far cannot be done in America's national parks.

Inherently, our national park tradition provides a political barrier to sweeping corporate influence over our crown jewels. But as the free market environmentalists at PERC demonstrate, that doesn't mean free market ideas can't continue to make "America's best idea" even better.



Rocky Barker is an environmental journalist for the Idaho Statesman and author of Scorched Earth: How the Fires of Yellowstone Changed America (Island Press).

FRANCHISING PARKS

Is outsourcing parks a key to solving the National Park Service's financial problems?

BY KURT REPANSHEK

ith a park system that is being strangled by its maintenance backlog and operating costs, would the National Park Service, and the system, be better off if the agency outsourced entire parks?

That isn't necessarily a ridiculous idea on its face. Already the Park Service contracts with others to manage its lodgings, restaurants, and many campgrounds, and it relies heavily on volunteers to cope with visitors. So why not go all in? Would it make a stronger, more efficient, and better managed park system if individual units were treated, say, as franchises that were independently managed?

The idea was raised last fall in Bozeman, Montana, during a three-day workshop the Property and Environment Research Center held on the next century of the National Park Service. The topic certainly is timely, as the Park Service's centennial arrives on August 25, 2016, and, at least outwardly, more emphasis so far has been placed on how to celebrate the agency rather than what can make the agency better going forward.

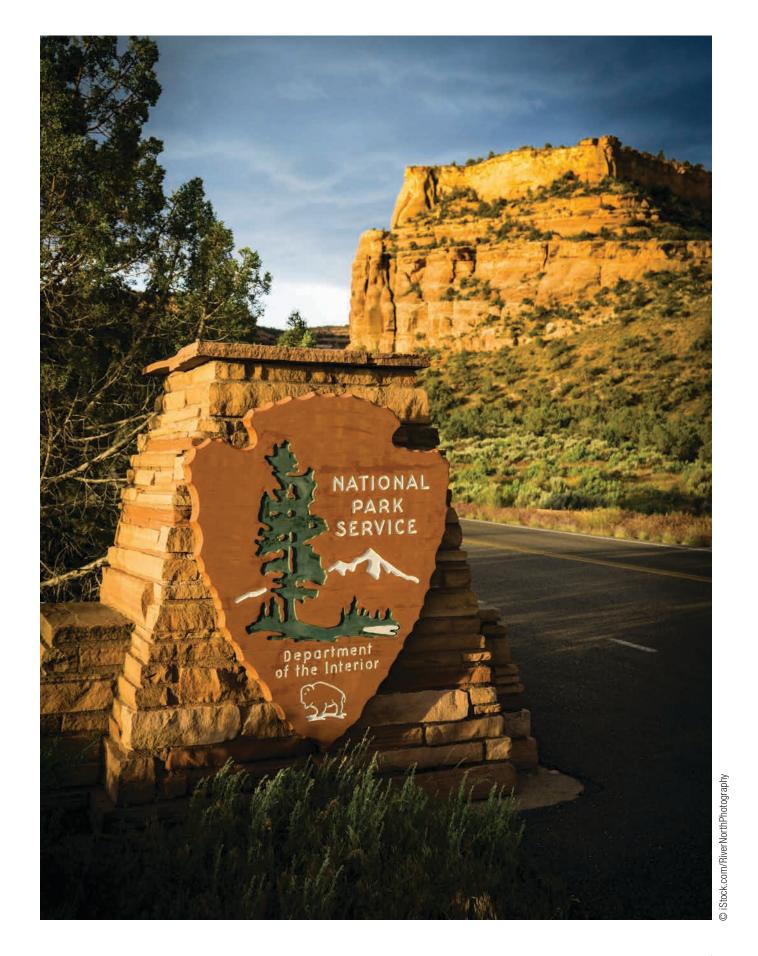
Understandably, with a maintenance backlog estimated at nearly \$11.5 billion, congressional appropriations relatively flat, and unwieldy concession operations, fiscal fitness should be a key aspect of any long-range planning by the agency.

From the perspective of one of the workshop's presenters, Holly Fretwell, the Park Service appears to be an inefficient agency that likely could benefit by placing the day-to-day operation of some, if not many, of its units into the hands of the business community.

"To me, if we thought about this from some sort of economic perspective, the point of the National Park Service, the reason that you would want sort of that umbrella entity, is to lower the transaction cost of having these parks function," Fretwell, a research fellow at PERC and an adjunct economics instructor at Montana State University, said in a follow-up interview. "If it's not doing that, if it's actually increasing the transaction costs, then it's not serving its purpose. And I think at this point it might be increasing those transaction costs."

Whether the Park Service's staggering fiscal morass is due to managerial pitfalls or congressional underfunding has been, and will continue to be, debated. By placing some units under outside managers—franchisees could be one descriptor—not only could lead the units to become

Under a franchise model, groups could develop business plans to independently operate parks within the National Park System.



17



The Nature Conservancy owns the majority of the Tallgrass Prairie National Preserve and co-manages it with the Park Service.

economically viable, but also help control Congress's appetite for creating park system units that might not quite fit the mold.

Would a First State National Monument be any less if a non-profit organization ran it, much like the Mount Vernon Ladies Association runs George Washington's home? Should \$8 million to \$26 million in tax dollars be spent in the coming years to fund the proposed Blackstone River Valley National Historical Park in Massachusetts and Rhode Island, or should an outside group step forward with a plan to raise those funds on its own and operate such a park under the NPS umbrella?

"Why do we have a National Park Service anyway? What is the NPS, and what is it doing for us?" questioned Fretwell. "Is it providing a great service and helping us lower the transaction costs for us to have these wonderful parks, or is it not?"

There still would be a need for a Park Service, she went on, to manage park units that don't quite fit a busi-

ness model but which we as a society still want preserved, either for their historical significance or natural resources. Units that might fit that description could include Buck Island Reef National Monument in the U.S. Virgin Islands, Mojave National Preserve in California, or St. Croix Island National Historic Site in Maine.

"I have a concern for these areas that are worthy of protection, but they can't pay for themselves. I don't want to cut those out and say everybody should be able to run as a franchise and everybody should be self-sufficient and everything's fine and dandy," Fretwell explained. "I do think that there are places worth protecting that will not be financially self-sufficient. I do think there are places for protecting that we do want people to recreate in that, sort of as a general populace, if they were privately run and managed the fees to go in there would be so high that most of us wouldn't be able to go."

"I guess my big goal is to try to say how can we manage for those that can be better managed as a private sector or



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as public entity with sort of this franchise idea, because I don't think it's politically feasible or even politically appropriate at this time to say privatize them. I think that just turns too many people off. We're not going to get anywhere that way." While she sees possibilities for creating "franchises," if you will, Fretwell also believes prospective units of the park system could be better evaluated than they currently are if they had a groundswell of support and also met a currently undefined set of standards or parameters for being a "national park."

"If there's a big enough group that says we really should be protecting this because it's a wonderful recreation area and we don't want it to be developed, in that sense then we should be able to make it reasonably self-sufficient and then by golly let's create a business plan," she said. "The way that you get into the National Park System now is you create a business plan and you figure out how you're going to manage this, and you apply for a franchise."

That approach already can be seen, to a certain extent,

WOULD THE NATIONAL PARK SYSTEM BE BETTER OFF IF INDIVIDUAL UNITS WERE TREATED AS INDEPENDENTLY MANAGED FRANCHISES?

across the country. The Nature Conservancy manages many of its own properties, and even owns the majority (nearly 11,000 acres) of the Tallgrass Prairie National Preserve in Kansas and co-manages it with the Park Service. The Audubon Society owns and runs the Wellfleet Bay Wildlife Sanctuary on Cape Cod. These non-profits have developed successful business plans to operate lands that would seem natural additions to the National Park System.

"If it really is worthy to be there, then people need to see its worthiness and its value for the long-term period, and you need to be able to generate revenues for it to cover the costs for the long term," said Fretwell.

While the "national park" cachet is potent and has led to efforts to rebrand units of the park system as "national parks," Fretwell doesn't fear that a unit operated by a business rather than the National Park Service would lose its drawing appeal.

"In my mind, it's still going to be a national park. It's under the National Park Service, and if you've gotten that franchise then you've said, 'I am worthy and this area is worthy of National Park System status," she said.

"Is it (the NPS) helping us, helping the parks be more functional today, or is it making them more costly? I don't have an answer to that, it's sort of a rhetorical question. But I think it needs to be addressed."

READ MORE by visiting nationalparkstraveler.com

Holly Fretwell's paper on franchising parks will appear in the forthcoming issue of the *George Wright Forum*.

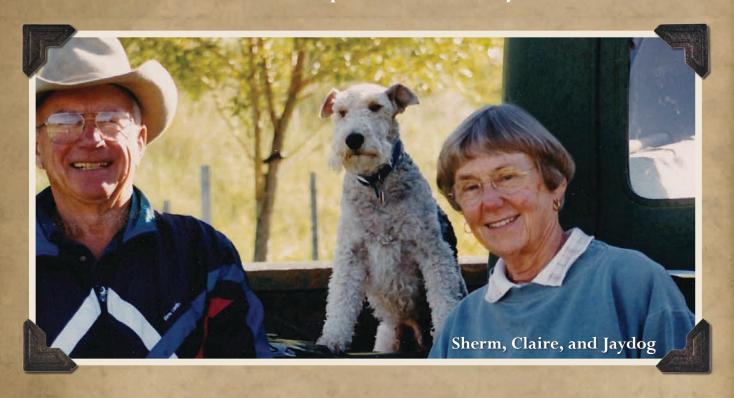


Kurt Repanshek is the founder and editor-inchief of NationalParksTraveler.com, a website dedicated to providing an independent voice for covering the daily happenings in the parks. He is also the author of the books National Parks of the West for Dummies, Hidden Utah, and Hidden Salt Lake City.

Honoring

Sherman "Sherm" Ewing Jr. 1926-2014

Sherm Ewing Jr. enjoyed a life of remarkable accomplishment. Sherm believed in hard work and unwavering commitment. It served him well as the inspiration for his many achievements.



Sherm was born in Minneapolis, MN, and spent his childhood there as well as in Pleasantville, NY. His love of the West developed during his high school years near Ojai, CA. After serving his country during World War II, he studied economics and agriculture at Yale and Cornell Universities. In 1950, he married Clarissa "Claire" Clement and then moved west for a ranch job in Montana. In 1955, Claire and Sherm loaded up the kids, dogs, saddle horses, and "settlers' effects" and moved to the SN Ranch in Alberta, Canada. There, they raised three kids, became stewards of the land, and spent the best years of their lives. In 1982, Ewing and his wife left the ranch in the capable hands of their son, Charlie, and retired to Great Falls, MT.

Over the years the Ewing's became acquainted with a world-class assortment of ranchers, scientists, teachers, and veterinarians, many with fascinating stories to tell. In the 1980s, the Ewing's traveled extensively, visiting 150 rangeland friends and taping stories, then editing the collection into a three-volume oral history of the times: "The Range," "The Ranch," and "The Roast" (unpublished).

After many more happy and productive years in the Great Falls community, Sherm and Claire returned to Alberta in 2009 to be closer to family. Preceded in death by his loving wife, Claire, in 2013, Sherm passed away at age 88 in Claresholm, AB, near the ranch that gave him such inspiration.

Leave a Legacy

Sherm was a friend of PERC's for many years. We were extremely honored and grateful when he and Claire planned a generous bequest to PERC, which Sherm called "one of the greatest treasures in Montana."

At PERC, the Ewings' gift will be invested in research and fellowships dedicated to improving environmental quality through property rights and markets.











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THE BEAR, THE BISON, AND THE BUSINESS OF YELLOWSTONE

Can commercialization work for wildlife?

BY BRIAN YABLONSKI

e's coming!" a fellow backpacker yelled. And with that, six hundred pounds of grizzly bear charged us, heading up the tanned grassy slope where we were positioned along a stand of lodgepole pines. As the scene unfurled and the grizzly heaved towards us, it was hard not to notice his large, ivory-colored claws leading the way.

Pelican Valley in Yellowstone National Park might just be the closest thing to America's Serengeti. Situated on the north end of Yellowstone Lake, the valley is a broad sweep of grasslands full of bison, bears, elk, and wolves.

It's no roadside attraction. You have to hike a decent distance to get into the valley. There are strict rules, unique to hiking trails in Yellowstone. Because of grizzly bear activity, the trail does not open until July 4 each year, and hiking is only allowed between 9 a.m. and 7 p.m. Camping is prohibited.

Our group was part of a Yellowstone Association Institute backpacking course to study grizzlies in the valley. Led by Yellowstone bear management chief Kerry Gunther, we had come across a bison carcass along Pelican Creek. Initially brought down by wolves, the bears now claimed the prize.

Five other grizzlies tried to make a meal of the bison, but a big boar grizzly was its current owner—sitting at the top of the food chain among others who are at the top of

the food chain. We tried to maintain a safe distance from the action, positioning ourselves on the grassy slope above. But when the grizzly had his fill, he moved up the creek right in front of our position. Now about one hundred yards away, he decided to take a nap, trapping us between the creek and the trees.

We were stuck. It was late afternoon, and we still had six miles of hard hiking ahead of us over Mist Creek Pass. Crouched low to the ground, Gunther whispered that we should gather our gear quietly. As we did, the grizzly awoke with a jolt and charged right at us. We stood up, readying our canisters of bear spray. At forty yards, the bear veered off its path, diving into the lodgepole forest. Full of adrenaline and still breathing heavily, I thought to myself, I just paid \$400 for this up close and personal experience. A bargain.

BEAR NECESSITIES

Our national parks are home to some of the most popular wildlife in the world. Yellowstone, in particular, is a land of charismatic megafauna, the closest most visitors will get to a real-life Jurassic Park. And it's the reason they come.

What began as a destination to see thermal features, geysers, and massive waterfalls, Yellowstone has become the place to view wildlife. Asked in a survey what they wanted

to see in Yellowstone, visitors said they wanted to see bears as much as they wanted to see Old Faithful, with general "wildlife" coming in third. Impressive for the bears, since the people questioned were sitting right in front of Old Faithful waiting for it to erupt.

Across America, wildlife-based recreation generates big money. According to a survey by the U.S. Fish and Wildlife Service, 90 million people participate in wildlife viewing, fishing, and hunting each year, resulting in more than \$144 billion in expenditures. At a time when the National Park Service struggles with nearly \$11.5 billion in unfunded maintenance projects such as hiking trails, water systems, and buildings in disrepair, wildlife in the national parks has tremendous value. And yet the National Park Service captures very little of it.

The idea that wildlife is an under-valued asset was recently road-tested in Yellowstone—literally. In a recent study, Yellowstone bear manager Kerry Gunther and other researchers found that visitors would pay more than double the \$25 entry fee if it would increase their chances of seeing a bear. Rather than hazing roadside bears back into the interior of the park, bear managers today have a policy of "letting bears be bears." Instead, they manage the visitors viewing bears along the 300 miles of paved roads in Yellowstone. In a given year, there can be more than 1,000 of these "bear jams," putting significant stress on ranger resources.

According to the study, visitors would pay an average of \$41 on top of the park entry fee to continue Yellowstone's policy of roadside bear management. Gunther and his team estimate that if Yellowstone no longer allowed bears on roadside habitats, local economies might lose up to \$10 million annually.

"We always knew how much visitors valued viewing bears, but we hadn't really considered the bears' economic value and what that means to the Park and gateway communities," said Gunther.

SAVING THE LORDLY BUFFALO

Capturing the value of wildlife in national parks is a thorny subject that brings up accusations of commercialization and breach of the public trust doctrine, even if the benefits to the public and wildlife are clear. Just ask Ted Turner.

Another one of Yellowstone's popular wildlife species is the iconic American bison. A triumph of conservation, the bison are thriving in the park. In 1902, after decades of poaching and market hunting, only about two dozen bison remained in Yellowstone. A century of public and private conservation efforts have brought the bison back

CAPTURING THE VALUE OF
WILDLIFE IN NATIONAL PARKS
IS A THORNY SUBJECT, EVEN IF
THE BENEFITS TO THE PUBLIC
AND WILDLIFE ARE CLEAR.

from the precipice of extinction. Today, Yellowstone is home to nearly 5,000 of what Theodore Roosevelt called "the lordly buffalo."

Yet Yellowstone's bison abundance has not come without drawbacks. Bison are migratory, preferring to move across vast landscapes. In the park, some carry brucellosis, a disease that can be passed on to domestic cattle, threatening the beef industry of neighboring states. In winter, when forage in Yellowstone's high elevation is limited, bison migrate out of the park and into Montana. That's when the trouble begins.

The park deals with this problem by limiting the size of the bison population through culling and hunting. All of this costs the National Park Service about \$1.2 million per year. The culled bison, nearly 1,000 this past season, are sent to slaughter.

This scene is repeated in other national parks in the West. Wind Cave, Badlands, and Theodore Roosevelt national parks each have bison culling operations in which another 1,000 bison are donated each year to American Indian tribes.

But the Yellowstone bison are unique. They are truly wild. They are the descendants of the last free-roaming herds—high country holdouts that were exposed over time to predators, harsh climate, and, unlike other bison herds, show no genetic interbreeding with cattle. For this reason, they too have value to the national park—and to others.

Enter Ted Turner, who has a passion for bison restoration and manages more than 50,000 bison across his various ranches. In the mid-2000s, federal and state agencies initiated a quarantine program to certify some of the captured bison roaming out of Yellowstone as brucellosis free. With the brucellosis-free designation, the bison could be transferred to other bison herds in the West. It was one way to avert slaughter. But after five years of intensive testing, the state of Montana was in need of a new facility to house and continue testing the herd for another five years.

With few options available, the agencies turned

to Turner who agreed to take 87 of the quarantined Yellowstone bison and care for them on his Green Ranch, part of the 113,000-acre Flying D Ranch near Bozeman, Montana. Turner agreed to do this free of charge, at no cost to taxpayers, in exchange for 75 percent of the offspring born while in his care. At the end of five years, in order to help establish new herds across the West, the state would get all the original bison back, brucellosis free, along with 25 percent of the offspring. Turner would get the opportunity to keep and raise a genetically unique bison herd.

This was a big breakthrough for the National Park Service and Montana. They were slaughtering a lot of bison, and this plan had the potential to bring Yellowstone genetics out of the park and disperse them.

Some environmental organizations vigorously opposed the deal. "Allowing public wildlife—wildlife from America's first national park—to be privatized and commercialized sets a dangerous precedent," the Natural Resources Defense Council wrote at the time. "Yellowstone's public wildlife is not a form of currency."

That said, the alternative was a death sentence for the Yellowstone bison. The bison calves that were part of the deal would not even exist were it not for Turner's offer. And the commercialization argument ignores the fact that today bison from other national parks, such as Badlands and Theodore Roosevelt, are sent alive and kicking—and free of charge—to American Indian tribes, who can sell the bison and keep the cash.

Despite opposition, the deal with Turner moved forward. In November 2014, after a lawsuit and five years of husbanding the small herd, the state of Montana approved the transfer of 139 wild, brucellosis-free Yellowstone bison from Turner's ranch to the Fort Peck Indian Reservation in northern Montana for conservation. Turner kept 152 of the valuable, genetically unique Yellowstone bison, with a range of alternatives for their future, including commercial uses.

The whole project is proof of a market for the surplus bison leaving Yellowstone and a higher and better use than slaughter. Ted Turner's individual self-interest aligns, as it often does, with wildlife conservation. The benefits go to Turner, the park, the public, and most importantly, the bison, which thanks to Ted Turner will be around long after he's gone.

THE TALE OF TWO BISON

As the National Park Service navigates the minefields of wildlife policy, there are other federal and state conservation units across the country finding innovative ways to use their wildlife assets for the benefit of habitat and wildlife management.

While Wind Cave and Badlands national parks in South Dakota are essentially gifting their bison, their next door neighbor, Custer State Park, auctions its surplus bison to help pay for park operations. Custer's herd of 1,300 bison are descendants of some of the last free-ranging bison left in the early 1900s, protected by entrepreneurial



Jim Peaco / YNP

cattle rancher Frederick Dupree, who recognized the value of saving the iconic species.

Each year, the state park hosts a roundup, drawing 14,000 people from around the world to this remote slice of America. Like a scene out of *Dances with Wolves*, cowboys and cowgirls on horseback stampede the shaggy beasts out of the park's backcountry, past cheering crowds and into corrals. The bison auction is needed to keep the population in check with available rangeland forage. In 2014, the auction resulted in nearly \$380,000 from the sale of 223 bison. Combined with bison hunting revenue, the bison sales brought in half a million dollars for the state park system.

As the *Rapid City Journal* noted this year, "The bison at national parks roam land owned by the American people. So why are national parks giving away bison for far less, and only to certain groups?" Local bison rancher Dan O'Brien, a conservationist, echoed similar sentiments. "I'm not opposed to those buffalo going to the tribes, but I can certainly understand why it would upset some people," he said. "The parks have a really hard time and are just starved for money, and here's an opportunity to soak up a few hundred thousand dollars."

SHED WARS

Sixty miles south of Yellowstone sits the National Elk Refuge in Wyoming, also managed by the federal government. In the winter, the refuge hosts 6,000 to 8,000 elk seeking lower elevations and forage.

As the snows begin to melt, the elk lose their antlers. These "sheds," as they are called, find their way into Western art, furniture, and chandeliers that sell for thousands of dollars. The refuge even sells individual elk tines for \$20 as an all-natural dog chew. Shed collecting has become such big business that there is now a reality show called "Shed Wars" on the Sportsman Channel.

In Yellowstone, it is illegal to harvest the elk sheds. In the National Elk Refuge, it's a source of conservation funding to help manage the elk herd.

Each year, Boy Scouts collect thousands of pounds of naturally shed elk antlers from the refuge—more than 10,000 pounds this year alone—and sell those antlers at auction. Seventy-five percent of the proceeds go back to the National Elk Refuge, while 25 percent goes to the Boy Scouts. The funds to the refuge are then used for habitat enhancement work on 25,000 acres of winter range for the elk.

Bidders paid a record-setting average of \$17 per pound this year, resulting in nearly \$200,000 in sales—the second highest total in the auction's 48-year history. That's

the equivalent of park entry fees for 8,000 carloads of visitors to Yellowstone.

TROUT SLAYERS

Another potentially under-utilized wildlife resource for Yellowstone National Park is its trout—not the Yellowstone cutthroat trout that many love to fish, but the invasive lake trout that are threatening the existence of the native "cutties." Illegally introduced to Yellowstone Lake, the lake trout compete with the Yellowstone cutthroat trout for food. More often than not, they simply eat the cutthroats.

As a result, the native cutthroat population has been decimated, making the war on lake trout one of the park's greatest conservation priorities. The park has deployed gillnetters on Yellowstone Lake, along with 30 miles of net, in an effort to crash the lake trout population—a project costing \$2 million a year. The good news is that the gillnetters are making some progress, taking 200,000 lake trout a year, and the cutthroats are rebounding. But what happens to all that lake trout?

If you think they are sold and end up as a locally sourced delicacy at the historic Lake Yellowstone Hotel, you would be wrong. After the lake trout are hauled on to the boat, they are measured and weighed and then disposed of with a slice to the belly. The dead trout are tossed back into the waters of Yellowstone Lake.

According to the park, this is the easiest way to deal with them. Park personnel say processing the fish would be a challenge. There are costly rules and regulations that apply to food, and nets would have to be hauled in more frequently. The economics just might not work. But they are also concerned that if commercial fishing were allowed, they would create incentives and demand for more of something they are trying to eradicate.

Putting aside the possibility of generating revenue to offset the costs of the lake trout program, the National Park Service's money-making concerns run counter to the approach of other agencies that are trying to take down invasive fish species.

In Florida, for example, the colorful, non-native lion-fish has been decimating native reef fish species for years in both the Atlantic Ocean and the Gulf of Mexico. The state is working with a broad coalition, including renowned wildlife artist Guy Harvey and celebrity chefs, to create private incentives for harvesting lionfish. This includes developing a market for the meat, organizing lionfish derbies, and recently approving a "lobsters for lionfish" program that would enable divers to harvest additional Florida lobsters in exchange for capturing and killing a certain number of lionfish.



Since 2009, Yellowstone has contracted with a commercial fishing company to catch invasive lake trout. Photo courtesy of NPS.

Even the National Park Service's sister agency, the National Oceanic and Atmospheric Administration has launched an "Eat Lionfish" campaign to bring together fish wholesalers and chefs in an effort "to broaden U.S. consumers' awareness of this delicious invader." Indeed, incentives can cut both ways.

THE COMMERCIALIZATION CONUNDRUM

America's national parks are much-needed refuges for some of our most critical wildlife species. Yellowstone is right to take a careful approach in capturing the economic value of its number one attraction. The park holds a special place in the annals of wildlife conservation. The animals Yellowstone protects are the best of "America's best idea." "Here," said Teddy Roosevelt in 1903, "all the wild creatures of the old days are being preserved."

But commercialization is, to some degree, always present and always in the eye of the beholder. As former PERC research associate J. Bishop Grewell notes, "Realistically, any Yellowstone visitor who has bought a moosehead hat, paid a lobster-dinner price for a scoop of ice cream at Old Faithful, or simply paid the park's entry fee has commercialized Yellowstone." In fact, Yellowstone owes its very founding in part to the private commercial

interests of the Northern Pacific Railroad. The park has even been a leader in advancing benefits-sharing agreements with companies seeking to profit from research in the park. In Yellowstone, microbe research in thermal areas made DNA fingerprinting and analysis possible. With benefits-sharing agreements, royalties from similar research could yield millions in revenue for the park.

In the end, what really counts is not whether a dollar has exchanged hands, but whether the activity stays true to the National Park Service's mission and provides a benefit to the wildlife and habitat it is trying to preserve. In the case of genetically unique bison destined for the slaughterhouse, massive roadside "bear jams," or native trout in need of restoration, there is ample room to capture the value of Yellowstone's wildlife to better protect the park's resources for future generations. Call it whatever you want—what matters is that it works for the wildlife.



Brian Yablonski is an adjunct fellow and board member at PERC, as well as chairman of the Florida Fish and Wildlife Conservation Commission.

ISLE ROYALE'S WOLF DILEMMA

The park's wolf woes spur bigger questions of managing wilderness.

BY KURT REPANSHEK

hen winter's snow and cold begin to weigh heavily on northern Michigan's Isle Royale National Park, the island's wolf population doesn't lack for food, thanks to the burgeoning moose population. But that bounty might not be enough to protect the island's few remaining wolves from being the last of their kind in the national park, as a shallow genetic pool threatens to doom them to extinction.

A dearth of new genes has left the wolves with severe inbreeding problems, and reproduction in recent years has fallen off. At the same time, the park's moose population has more than doubled, to more than 1,000, over the past three years. If current trends continue, the remaining wolves could die off, and the growing moose population could remake the island's forests by preventing regrowth of balsam fir, a signature tree of the boreal forest.

Park managers are embarking on an environmental assessment to examine options ranging from doing nothing to bringing in wolves that might infuse those on the island with a healthy dose of new genes. But that study, expected to get under way this year, could take three years or more, leading to calls that the National Park Service move forward with a genetic rescue.

"Does maintaining wolves on Isle Royale mean intervening more than once, to keep it on track? Yes, if the frequency of ice bridges continues on its historical trajectory, managed immigration might be required every few decades," wrote Dr. Rolf Peterson, a biologist who long has studied the wolf-moose dynamics on Isle Royale, in an article for *Yellowstone Science*.





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Photo courtesy of Dr. Rolf Peterson

THE ISLE ROYALE WOLF DILEMMA
IS A DRAMATIC DEMONSTRATION
OF THE QUESTIONS THAT THE
NATIONAL PARK SYSTEM FACES:
WHAT SHOULD BE THE FUTURE
OF AMERICA'S NATIONAL PARKS?

At Isle Royale, the Park Service seemingly faces a managerial conundrum: On one hand, the National Park Service Organic Act directs the agency to "conserve the scenery and the natural and historic objects and the wild life therein" for the enjoyment of future generations. At the same time, the agency also has taken the position that it should "not intervene in natural biological or physical processes."

For Isle Royale's waning wolves, those two conflicting directives are meeting head-on. If they blink out, not only would it bring to an end "the longest continuous study of any predator-prey system in the world," one that has spanned more than 50 years, but it also would lead to an out-of-control moose population.

THERE WERE NO WOLVES ON ISLE ROYALE

when the park was established in 1940. The first wolves likely arrived 65 years ago by walking over 18 miles of Lake Superior ice that connected the island to an area near the Minnesota-Ontario border. From 1959 to 2011 the wolf population averaged 25 individuals, according to Dr. Peterson, but of late inbreeding has sent the wolves into a veritable death spiral. Contributing prominently to the problem has been the lack of "ice bridges" that tie the island to the Canadian mainland when winter weather turns bitterly cold and freezes the lake surface.

There has not been an invigorating infusion of offisland wolf genes since a Canadian male made that 15-mile ice bridge crossing in 1997. His arrival did provide a welcome burst of genes. He sired 34 offspring, which in turn produced at least 22 of their own.

"It was a total transformation of the population, and of wolf predation as well," Dr. Peterson said during a phone interview. "In the next ten, 15 years, wolf predation went to the highest rate ever seen, and that had some remarkable effects on moose density. It pushed it down lower than we've ever seen, and (for) longer than we've ever seen. As a result, the trees responded incredibly. And it's that response that will be truncated if predation continues to be largely absent."

In short, if the moose population growth continues unabated, the animals will prevent a new generation of balsam fir from being established, he said.

By 2014, there were nine wolves remaining in the national park. Today, there are thought to be only three. There was hope that an ice bridge that formed in 2014 would enable wolves to arrive from Canada, but instead one female left and was killed by a gunshot wound near Grand Portage National Monument in Minnesota.

For the past two years, park managers have discussed island and wolf management with wildlife managers and geneticists from across the United States and Canada and have received input during public meetings and from Native American tribes of the area.

Last year, Isle Royale Superintendent Phyllis Green acknowledged there is a desire among the public for the Park Service to "bring new wolves to Isle Royale or to announce that we're leaving their future gene pool up to wolves that may migrate from the north shore of Lake Superior when winters are cold enough for an ice bridge to the island."

But, she said at the time, "This issue is bigger than only wolf genetics."

"The plight of these nine wolves is a compelling story," she continued, "but we are charged with a larger stewardship picture that considers all factors, including prey species, habitat, and climate change, which could, in a few generations, alter the food base that supports wildlife as we know it on Isle Royale."

Such a scenario, though, has prompted a suggestion that the Park Service alter how it manages wilderness and its resources not only at Isle Royale, which is 99 percent officially designated wilderness, but across the National Park System. In a paper presented last fall during a national park workshop in Bozeman, Montana, hosted by PERC, Dr. Daniel Botkin suggested that the agency should take a proactive role in managing some wilderness areas in the park system.

"The two laws that govern the national parks—the Organic Act of 1916 and, in some places including Isle

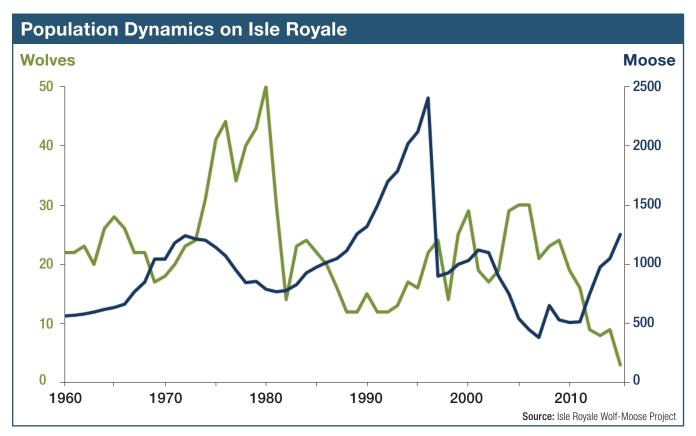
Royale, the Wilderness Act of 1964—allow a set of human activities that lead to management that will be much more satisfactory to the public and to environmentalists and require less effort and cost than the existing alternatives," wrote Dr. Botkin.

"At the heart of the matter is the prevailing view of American society about nature and people, especially about wilderness and people. The national park's decision about the wolves of Isle Royale is consistent with, and reinforces, the still dominant belief in the balance of nature, the idea that nature is at its best left alone by human beings, and that left so, it achieves a balance that is constant, beautiful, most biologically diverse, and the only kind of nature within which a human being, allowed to be a visitor only, can find that spiritual connection to nature that our society associates with John Muir and Henry David Thoreau," he added later in his paper. "If nature is only true if left alone, then we cannot interfere. But if nature is supposed to achieve a great balance, including a great chain of beinga place for every creature and every creature in its place how can Isle Royale be changing? Many will believe there must be something people have done to destroy nature's harmony.

"The Isle Royale wolf dilemma is a dramatic demonstration of the questions that National Park System faces throughout as its centennial in 2016 approaches. What should be the future of America's national parks?"

FROM DR. BOTKIN'S PERSPECTIVE, the Park Service could utilize a range of three approaches to how it manages its wild lands:

- 1. No intervention. Let the area age on its own, let it essentially be an untouched by human managers. As such, the area would exist as kind of a baseline against which other areas that are managed to various extents could be compared.
- 2. In this second scenario, areas would be managed to appear as they were at a specific point in human history. "In the 20th century, this demand for reconstructing the past reached extremes with the work of zoologist Paul S. Martin, who called for resurrecting the biological diversity of sometime before 10,000 years ago, before American Indians arrived in the New World," wrote Dr. Botkin. "He was asked in an interview published in American Scientist, 'If you were suddenly put in charge of an effort to repopulate North America with species lost during the late Quaternary, where would you begin? What animals would you most like to see roaming the continent again?' Martin replied, 'I would like to see free-ranging elephants in secondary tropical forests of the Americas. Until the end







THE NATIONAL PARK'S

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THE BALANCE OF NATURE.

of the Pleistocene, forest and savanna in the New World tropics supported three families of elephants."

3. Under the third scenario, which Dr. Botkin terms Dynamic Ecology Conservation Areas, landscapes would be "set aside to meet a variety of the reasons people value nature, and to sustain biological diversity, either for a specific species... (or) to perpetuate a specific kind of ecological community or ecosystem."

FROM DR. PETERSON'S POINT OF VIEW, at Isle Royale some form of human manipulation, as envisioned for Dynamic Ecology Conservation Areas, makes sense in terms of the park's wolf dilemma.

"I think preserving the wolf population there would preserve the ecological integrity of the park. I think it would be quite consistent with what Botkin was arguing," said Dr. Peterson.

Too, he said, it likely would be consistent with recent views regarding managing a park's natural resources in general and wilderness areas specifically.

"What the objectives of the Park Service are, in terms of natural resource management, according to the Revisiting Leopold Committee, which I think the director is pretty serious about, is maintaining ecological integrity in the face of what will be tremendous change" brought about by climate change, said Dr. Peterson.

Climate change, biodiversity, and the current state and understanding of ecosystem management all were unknown to A. Starker Leopold 50 years ago when he oversaw a report that became the National Park Service's guide to managing wildlife in the parks. That so-called Leopold Report, though valuable for its time, was so obsolete that in 2011 Director Jarvis appointed a committee to rewrite the Leopold Report to make it applicable to the 21st century and its challenges.

In its pages the Revisiting Leopold report casts the National Park Service as the agency that can best rescue, protect, and preserve America's natural resources. It envisions a National Park System that, while working with other federal, state, tribal agencies, and private groups, serves "as the core of a national conservation network of connected lands and waters."

Against this scientific and policy backdrop, Superintendent Green is collecting all the various viewpoints and suggestions.

"At this point I am collecting them, reading them and will be passing them onto our planning team for review as we move forward with our planning process," she said in an email. "It is inappropriate for me as a deciding officer to only discuss one study early vs. all relevant materials at the point of developing a preferred alternative or a final decision. I know you would prefer to discuss individual studies but I don't feel that will do justice to all the material we will evaluate. Having said that, no options are off the table. All concepts will be evaluated."

Whether the wolves will survive that analysis remains to be seen. Dr. Peterson, having watched the park mull the matter, is beginning to think park officials want the dilemma to sort itself out.

"They have been well aware of the problems since 2011. And they spent three years thinking about it, and now they're going to spend another three years thinking about it," he said. "It's obvious that that sort of approach suggests that they don't want to deal with it.

"Without new genes, (the wolves) will go extinct. I haven't run into any geneticist that would argue otherwise."

Daniel Botkin's paper "Deciding the Future of the Wolves of Isle Royale: A Case Study About Dynamic Ecology" will appear in the Fall 2015 issue of the *Natural Resources Journal*.



Kurt Repanshek is the founder and editor-inchief of NationalParksTraveler.com, a website dedicated to providing an independent voice for covering the daily happenings in the parks. He is also the author of the books National Parks of the West for Dummies, Hidden Utah, and Hidden Salt Lake City.

BREAKING THE BACKLOG

Can public-private partnerships tackle the park maintenance backlog?

BY LEONARD GILROY







Spring road maintenance is a common, and costly, expense in Glacier National Park. Photos courtesy of NPS.

t's no secret that the National Park Service is in trouble when it comes to its \$11.5 billion maintenance backlog, which spans roads, wastewater systems, and buildings within national parks, monuments, and recreation areas. With the agency's centennial fast approaching in 2016, it's time to seriously consider creative partnerships with the private sector to address the backlog and ensure parks are sustainable in their second century—not marred by chronic deterioration.

The National Park Service can look to states and local governments for inspiration on how to deal with their infrastructure challenges. Over the past several decades, cash-strapped state and local governments have turned to public-private partnerships to tap into private sector capital and expertise and to stretch limited dollars further. This means outsourcing maintenance activities to the private sector in order to lower costs.

The water and wastewater sector provides a good example. In 2014, the total size of the water and wastewater utility outsourcing market was nearly \$2.1 billion, the

vast majority of which came from contracts between the public and private sectors.

And the evidence suggests that it's working. In the last decade alone, more than 3,200 public-private contracts for water or wastewater have come up for renewal, and 91 percent have been renewed, either with the incumbent or another private competitor. Only 3.6 percent have reverted back to government operation, suggesting that most public agencies are satisfied with their public-private partnerships.

In one recent deal, officials from Nassau County in New York signed a 20-year, \$1.2 billion contract with United Water for the operation and management of the county's three wastewater treatment facilities and sewage system, which serves a population of 1.2 million on Long Island. County officials expect to save at least \$230 million over the life of the contract and improve the system's operations and performance on environmental standards. United Water will be paid a flat fee of \$57.4 million annually under the deal. The National Park Service should consider whether similar cost savings could be achieved by outsourc-

ing the operations and maintenance of water and wastewater systems in some parks.

Public-private partnerships can also be used to bundle maintenance across multiple parks. A number of states, for example, have entered into performance-based maintenance contracts for roadways, covering all maintenance activities—repairs, signage, guardrails, and more—for highways within several districts or across entire agencies. Florida, Virginia, and Texas have led the way, using this approach to maintain highways and achieve significant cost savings. A 2009 Transportation Research Board report found that this type of bundled maintenance contracting can yield cost savings ranging from 10 to 40 percent.

billions

\$12

\$10

\$6

\$2

2003

2005

Source: National Park Service, Congressional Research Service

2007

2009

There may also be ways to expand public-private partnership to attract an infusion of private capital in return for long-term asset operation and maintenance contracts. An interesting recent example of this approach comes from Pennsylvania's Rapid Bridge Replacement Project, a partnership to reconstruct 558 structurally deficient bridges statewide in one fell swoop.

A private consortium is financing the \$899 million project and will manage the design, construction, and maintenance

of the bridges under one comprehensive contract to streamline the project. The consortium will maintain each bridge for 25 years after completion and will be repaid by the state through an annual payment over that same time period to keep costs manageable.

By bundling the work, the state estimates the average per-bridge cost under this project will be \$1.6 million, 20 percent less than it would cost under a more traditional approach. The contract model incentivizes proper maintenance, transfers major financial and long-term operational risks to the private partner, and ensures that the work is done now.

Public-private partnerships are certainly not unfamiliar to the National Park Service. After all, the major commercial services in some national parks—lodging, retail, food, and major recreational activities—are already operated under concession agreements with private sector partners. What's being suggested here is simply extending and refining the concept to include non-commercial, infrastructure maintenance services as well.

These infrastructure public-private partnerships might

look different in the national park context. Most municipal water and wastewater systems charge users directly for their services, and fuel taxes and tolls provide large amounts of transportation revenues. By contrast, most road, utility, and facility maintenance in national parks today are funded out of general operating revenues.

The National Park Service would need to think carefully about how much it could leverage existing revenue streams from entrance fees, concession revenues, and congressional appropriations to undertake projects, and whether additional sources of revenue might be possible in order to deploy more resources toward solving the maintenance problem.

No matter the total amount of maintenance dollars, publicprivate partnerships can provide a powerful means of stretching the funds further. It's simply a matter of figuring out where to start. The agency could begin trying to assess the potential for infrastructure partnerships in a low-cost, low-risk way by issuing an open-ended request for information, seeking big-picture concepts from the private sector on how to tackle the maintenance backlog. This is a common starting point for state and local

governments when they first dip their toes into the publicprivate partnerships waters. The Park Service can use the feedback from the private sector to refine their thinking and develop more concrete proposals.

2013

Public-private partnerships cannot solve every problem, but many states and local governments have found that they can play an important role in improving infrastructure and driving better value for money. Given the National Park Service's current state of disrepair—and the very real prospect that the system's second century could be one of decline if nothing changes—all solutions should be on the table.



National Park Deferred Maintenance Backlog

Leonard Gilroy is director of government reform at Reason Foundation.

by Wendy Purnell

American Prairie Reserve

Nonprofit group works to restore and conserve grasslands biodiversity.

n the plains of eastern Montana, the nonprofit American Prairie Reserve is creating the largest wildlife reserve in the lower 48 states. So far, the conservation group has assembled more than 300,000 acres of grasslands for protection. But the project, which began in 2001, is just getting started.

APR's goal is to create a 3.5 million acre reserve, all of it open to the public while providing habitat for bison, badgers, bobcats, and more than 300 other wildlife species. Once complete, APR will be bigger than Yellowstone, Yosemite, and Grand Teton national parks combined.

Rather than lobbying for federal or state protection, APR uses private funds to purchase land and public grazing leases, while also placing conservation easements on their deeded land. APR has ambitious fundraising goals, but they're developing a variety of revenue streams as well.

APR provides low-cost camping opportunities as well as high-end yurt accommodations for those who want to visit "America's Serengeti." A partnership with Utah's High West Distillery brings in revenue from the sale of the specially formulated American Prairie whiskeys, and Wild Sky Beef raises money for both APR and neighboring ranchers.

Wholly owned and operated by APR, Wild Sky Beef is a brand of grass-fed and finished beef distributed across the United States. Its premium prices help cover the costs of replacing barbed wire with wildlife-friendly fencing and implementing other biodiversity-focused ranching practices. The Wild Sky Beef business model is designed to "soften the boundaries" of the Reserve, increasing tolerance for wildlife on the agricultural lands around the core protected areas.

If all goes according to plan, visitors to the reserve in 2025 will see what Lewis and Clark observed in 1805: immense herds of bison, elk, deer, and antelope "feeding in one common and boundless pasture," providing just one example of what dedicated conservationists can do when they assume responsibility for the land and wildlife they love.

FOR MORE INFORMATION, including maps, biodiversity survey data, and species lists, visit american prairie.org

ADDITIONAL SUCCESS STORIES from the front lines of conservation are online at perc.org/FMEinAction



Dennis Lingoh

Paso Pacífico's Thin Green Line

Turtle poachers become turtle protectors.



or millennia, sea turtles have nested on the beaches of Central America, and for centuries, local people have harvested their eggs for food. Today, four of the sea turtle species—green, leatherback, olive ridley, and hawksbill—are considered threatened or endangered.

In Nicaragua, like most countries, it is illegal to harvest sea turtle eggs, and the country's ministry of the environment (MARENA) has set aside a few nesting sites as national wildlife refuges. In these protected areas, Nicaragua's park rangers are joined by armed soldiers who help patrol the beaches. Despite the military presence, poachers harvest nests under the cover of darkness and sell the eggs in the local market, where a single nest (80-120 eggs) fetches \$40, nearly a month's earnings for subsistence farmers and fishers. Given such strong financial incentives to harvest eggs, many poachers are undeterred even on the beaches with an army patrol. And neither the military nor MARENA has the capacity to protect more than a few beaches.

That's where Paso Pacífico steps in to help. Dedicated to biodiversity conservation, the non-governmental organization employs their own rangers to protect sea turtles on beaches where no government rangers are stationed. Paso Pacífico provides conflict mediation training and dispatches unarmed rangers to patrol isolated nesting beaches. Rather

than threatening would-be poachers with arrest, Paso Pacífico rangers recognize the traditional use of turtle eggs and negotiate with poachers to leave nests intact. On some beaches, peer pressure is sufficient. On other beaches, rangers make direct payments for conservation.

A steady paycheck is all it takes for some poachers to become protectors, and in fact, several of Paso Pacífico's rangers were once poachers themselves. Paso Pacífico not only trains their own rangers to monitor sea turtles for scientific research and conservation, they now contract with hotels to train new private rangers who patrol resort beaches and educate visiting tourists. As Paso Pacífico and partners extend the thin green line farther up the coast, they're helping hundreds of thousands of baby turtles reach the sea each year.

TO LEARN MORE about Paso Pacífico's ranger programs, visit pasopacifico.org



Wendy Purnell is the Director of Outreach at PERC. For seven years, she worked with Paso Pacífico, learning everything she knows about sea turtles from their dedicated rangers.

Hitting a Brick Wall

Why the federal government is reluctant to outsource park operations.

or more than a decade, I have run a company that privatizes the operation—but not the ownership—of public parks. Imagine running a business that offers a cost savings of at least 50 percent, typically with improved service, but failing to get many takers. That's the situation I often find myself in. Not surprisingly, public agencies are often reluctant to outsource some of their tasks, even when the financial savings are substantial.

The private operation of public parks can trace its roots back 30 years to a public-private partnership program started by the U.S. Forest Service. The program began more out of desperation than true belief. The timber revenue that funded recreation for years was drying up, and the agency needed a way to keep parks and campgrounds open. In the Forest Service model, the government retains ownership of

the land and control of the use and character of the park, while handing over operational tasks to a more cost-effective private company.

In these partnerships, private companies typically provide visitor services, routine maintenance and repairs such as bathroom cleaning, landscaping, trash removal, and payment of utilities and insurance. These operational tasks account for the vast majority of the money spent by parks agencies. And because completing these tasks is a matter of contractual obligation, privately operated parks don't build up the enormous deferred maintenance backlogs experienced by publicly run parks.

Private concessionaires pay all operations costs out of the entrance fees paid by the public—and without further taxpayer subsidies. In addition, the concessionaire pays the public agency a concession fee. The resulting savings to



The U.S. Forest Service kicks off the opening of the White Cloud Campground for the 2015 season. The campground, located in Tahoe National Forest near Nevada City, California, was previously operated by a private concessionaire. Half of all campgrounds in Tahoe National Forest are now directly operated and maintained by the U.S. Forest Service. *Photo courtesy of USFS*.

taxpayers can be quite compelling. In a recent PERC case study, I showed how a parks agency had to supplement every dollar in visitor fees with an equal amount of tax dollars to keep a park open. By privatizing the park's operations, the need for tax revenues could be eliminated. And in fact, the park could be turned into a money maker for the agency.

While this may resonate with the public, it's a hard sell to the agencies themselves. The National Park Service uses concessionaires to provide some visitor services, but it has not considered private operation of entire parks. Even the Forest Service—which does allow some private park management—often seems eager to go back to running the parks themselves.

Consider one example: The Tahoe National Forest in California recently took the operation of some of their parks out of private hands, ending a nearly 30-year partnership with one of our competitor companies.

Did the Forest Service do it to save money? The private concessionaire operated entirely with the user fees paid by visitors, using no taxpayer money, and even paid rent back to the government. The agency's in-house operating plan for running these campgrounds requires at least \$2 million in taxpayer money over the next five years to supplement user fees.

Did they do it to improve service? The private concessionaire employed more than 60 paid workers living on site, with managers who worked weekends and holidays. The Forest Service plan calls for half this number of paid employees, and none will live on site or work weekends—the busiest time for recreation.

NO PRIVATE COMPANY WOULD BEHAVE LIKE THIS. SO WHY DOES THE GOVERNMENT?

Did they do it to address some egregious for-profit abuse? The agency is actually planning to replace dozens of paid private workers with volunteers. At the same time that the federal government is mandating higher minimum wages for campground concessionaires, the Forest Service is replacing paid workers with unpaid labor.

Did the Forest Service do it to keep user fees low? The original stated reason for kicking out the private operator was the concessionaire's request to increase user fees in response to recent increases in California's minimum wage. In the end, however, the Forest Service raised fees even higher than those proposed by the concessionaire.

No private company would behave like this. So why does the government? Over the years, I have observed three possible explanations:

- 1. Government employees have incentives that go beyond "public service." For most agency managers, their pay and prestige and future job prospects are tied to the size of their agency's headcount and budget. Privatization savings that look like a boon to taxpayers may look like a demotion to agency managers.
- 2. People who are skeptical of private enterprise and more confident

in government-led solutions tend to self-select for government jobs. Even in the Forest Service, concessionaires frequently experience outright hostility from the agency's rank and file. "It's wrong to make a profit on public lands" is one common statement.

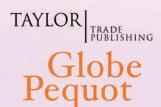
3. Government accounting is not set up to make these sorts of decisions well. Few agencies have reports that tell them whether an individual park's revenues are covering its full operational costs. Costs can be spread over multiple budgets, making it seem as though public park operation is less expensive than it really is.

To overcome these obstacles, we've learned that progress generally has to start above the agency. Some sort of legislative push is necessary. And we try to find ways to pitch our solutions as a way for agencies to free up money to address other problems, such as fixing rotting infrastructure.

Unfortunately, at the end of the day, we generally make the most progress when there is a crisis. When the country is in recession and tax dollars melt away, and agency budgets are slashed to the point that parks may be closed, then we are finally called in to try to keep parks open. Of course, we're happy to do it, but it's a shame that it takes an emergency to achieve fiscal responsibility and to take better care of our public parks.



Warren Meyer is president of Recreation Resource Management, a firm providing high-quality management of public parks and recreation for over 25 years.



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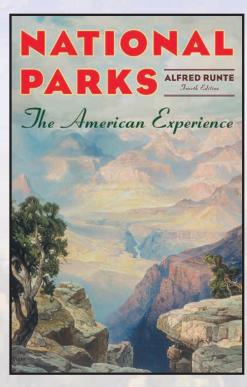


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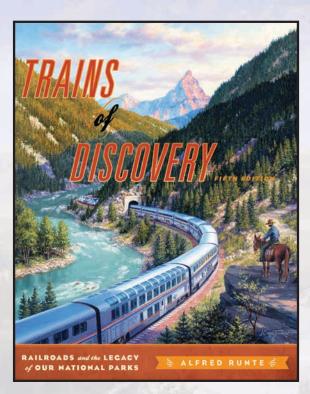
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