

National Park Service



Buy American Issue Update

October, 2008



Issue

Visitors concerned over prevalence of imported articles and the lack of American Made products in park concession retail stores



Background

- March 13, 2008: Concessions Management Advisory Board forms special work group
 - Under the leadership of Board Members Jim Eyster and Ramona Sakiestewa, the Buy American work group is made up of concessioners, concession retail managers, NPHA, and NPS
- May 22, 2008: CMAB work group meets via teleconference to discuss issue, approach and research required
- June 10, 2008: meeting with House and Senate National Park subcommittee staff members



Congressional Subcommittee Meeting Actions

- Draft legislation to require concessions to purchase American Made products for retail sale in the parks was dropped
- Congress is interested in Buy American issue
- Congress is continuing to receive correspondence and concerned calls on the issue
- Committee staff were interested in the Buy American CMAB work group findings and recommendations



Buy American Work Group Participants

- **Concession Management Advisory Board**
 - Jim Eyster, Ramona Sakiestewa, Clay James

- **Concessioners**
 - Acadia – David Woodside; Delaware North – Kevin Kelly; Forever Resorts – Bill Butts; Guest Services – Ron Halligan; Xanterra Parks & Resorts – Steve Tedder

- **NPHA**
 - Derrick Crandall, Caroline Mica

- **NPS Concession Program**
 - Jo Pendry, Wendy Berhman, Judy Bassett



Research Approach

- Identify market basket of retail products sales
 1. Gifts –
 - Non-logoed, pottery, glass
 - Indian Art & Crafts
 - Handicrafts & Art Craft
 2. Media
 - Books, publications, DVDs, calendars, photographs
 3. Souvenirs
 - Logoed retail gift items, minus apparel items
 4. Apparel
 - Logoed apparel
 - Non-logoed apparel
 5. Gourmet, regional food and wine
- ‘Green’ items within the categories

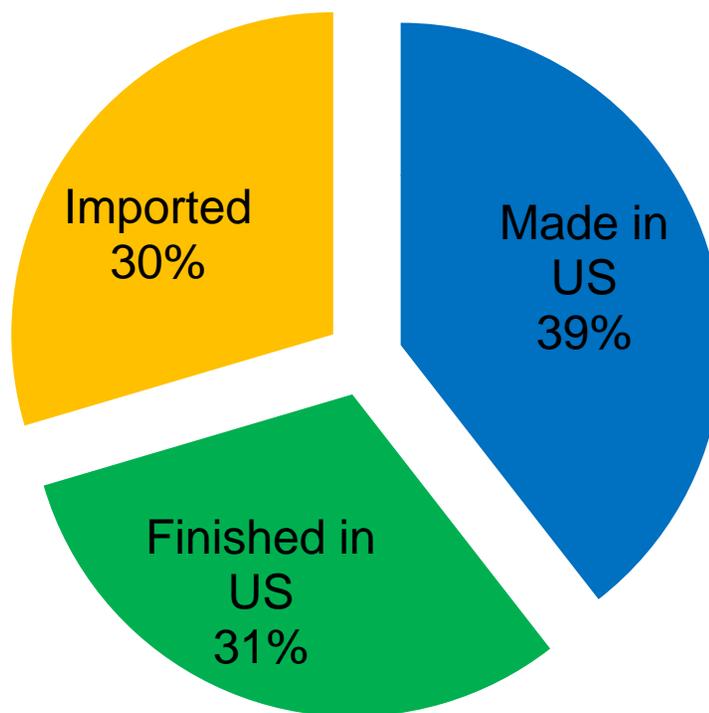


NPS Concession Retail Sales (2006)

Gifts	\$ 87.4 million
Handicrafts	12.5 million
Photo	.8 million
Other	<u>\$ 36.2 million</u>
Total	\$ 136.9 million



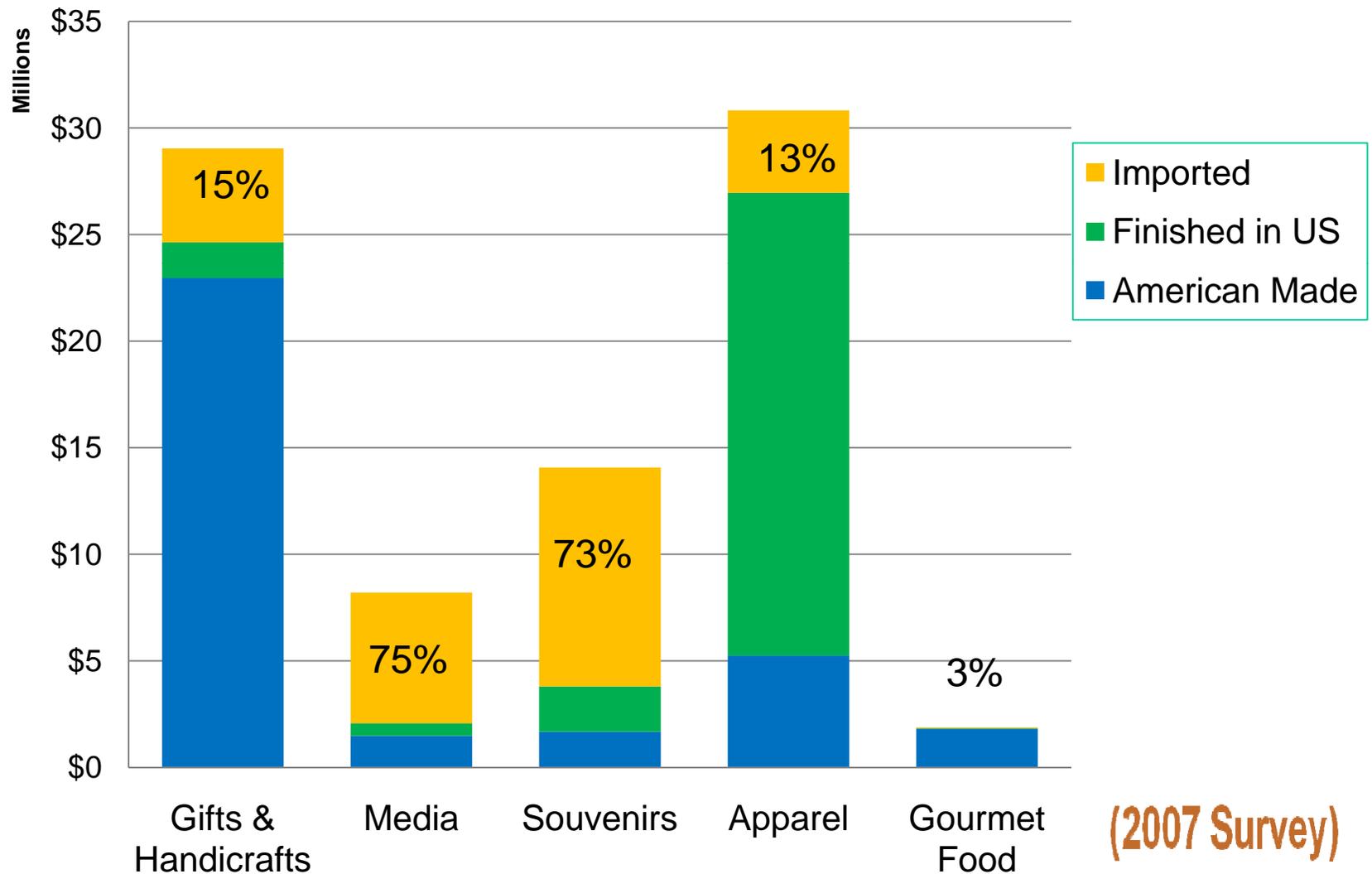
Preliminary Findings: Concession Gift Sales and Product Origin



2007 survey of concession combined gift sales of over \$84 million from five concessioners by source of product.



Preliminary Findings: Source of Items by Category



(2007 Survey)



Economic Benefits

1. Concessioner buys products from American distributors
2. Concessioners, suppliers and vendors use personalization services from US companies
3. Concessioners support American artisans, craftspeople and local business communities by purchasing handicrafts and local and regional products
4. Concessioners support local and regional food and beverage, community and heritage products



Key Points to Consider in Report on Buy American

- Buy American includes:
 - Products manufactured in U.S.
 - Products purchased from American companies
 - Products finished in the U.S.
- Most of the supply chain for concession retail gift products are small American businesses whose park business is a major percentage of their business
- Concessioners support a network of American service vendors, artists, craftsmen and Native American and environmentally sustainable businesses
- Competition is important for improved quality, product variety and price



Challenge Areas Identified

- Need to continue to locate more quality domestic sources
 - Decline in American manufacturing sources – work with vendors and suppliers
 - Gift products need to be available to the general public at price points affordable to visitors
- More research is needed to be able to identify more local and regional sources of goods
- Use methods to highlight American Made merchandise in current inventory