



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.

Washington, D.C. 20240

Memorandum

To: Director

Through: Chief, Office of Policy *Al Ryn 12/24/14*

From: (Acting) Assistant Director, Partnerships and Civic Engagement *[Signature]*

Subject: Waiver of Certain Provisions of Director's Order #21 in support of the National Park Foundation's Centennial Campaign for America's National Parks

The Office of Partnerships and Philanthropic Stewardship (PPS) requests a waiver of the provisions of Director's Order #21: Donations and Fundraising that have precluded authorization of corporate campaigns which would associate the National Park Service (NPS) with alcoholic beverages.

The waiver would enable the National Park Foundation (NPS) to sign on Anheuser-Busch InBev (AB) as a Premier Partner¹ in the Centennial Campaign for America's National Parks. As part of that partnership, AB will provide support for the *Find Your Park* public awareness campaign. This public awareness campaign is a critical tool for reaching the Centennial goal: to connect with and create the next generation of park visitors, supporters, and advocates. The relationship—to last for a period of two years—will be structured and managed in such a way as to focus on the alignments of corporate values shared by AB, NPF, and the NPS.

The requested waiver would:

- be for the proposed campaign only;
- allow the NPS to evaluate how this type of program is received by the public, our partners, and employees;
- provide invaluable first-hand knowledge that could be translated into new policies as we contemplate potential updates to Director's Order #21; and
- demonstrate our willingness to reconsider policy when evidence indicates the success of partnerships with wine, beer, and spirits companies for organizations such as the National Parks Conservation Association, Arbor Day Foundation, etc.

¹ Pursuant to section 6.1.1 of Director's Order #21, this potential donation has been vetted by the Department of the Interior, and been found free of any conflicts or potential conflicts of interest.

Current NPS Policy

Present NPS policy does not allow for *corporate marketing campaigns* that would associate the NPS with alcohol products. Current policy does, however, allow the acceptance of donations from producers of alcohol products, and the NPF has on its board the president and chief executive officer of Silver Eagle Distributors, L.P., the Nation's largest distributor of AB products.

Director's Order #21: Donations and Fundraising, approved July 11, 2008, provides in pertinent part:

6.1 Considering Donations. A donation may be offered either directly to a park, unit, or program or indirectly to the partner for the benefit of a park, unit or program.

* * *

NPS retains the discretion to decline any particular donation. Furthermore, it is NPS policy to decline direct donations from a company . . . which would identify the NPS with alcohol or tobacco products.

* * *

7.0 Corporate Campaigns

Corporations and businesses generally offer two primary forms of donations: philanthropic donations or donations tied to advertising—the latter are referred to in this Director's Order as corporate campaigns. The primary difference between the two forms of support is the use of advertising and marketing in corporate campaigns to promote a donation and a relationship between the business and the NPS or an NPS partner.

* * *

Corporate campaigns must be conducted with high standards that maintain the integrity of the NPS and its partners. Corporate campaigns which identify the NPS with alcohol or tobacco products will not be authorized.

Background

2012 Alcohol Waiver

In December, 2012, the Director waived the above-referenced sections of Director's Order #21 to authorize the Wines with a Cause Campaign between the Adler Fels Winery and NPF. That effort demonstrated that a corporate marketing campaign identifying the NPS with an alcohol product did not dilute or cause the public to negatively interact with the NPS or NPF brands. The campaign ends in December 2014.

Campaign Impact to Date:

- 3,251 cases sold (over 39,000 bottles).
- NPF received \$58,140 in 2013 and \$19,906 as of October 2014, for a total of \$78,046.
- Little negative press or comment.

National Park System Advisory Board's Committee on Partnerships and Philanthropy

This committee was established at the request of the Director to, in part, make recommendations on policies that would bring NPS practices in alignment with the best practices in philanthropy and partnerships. The committee has advised that in order to reflect best practices, the NPS needs to be open to accepting alternative donations, including those of alcohol and tobacco companies, stating:

The Committee recommends that NPS policy refrain from categorically excluding certain industries (e.g. alcohol, tobacco or concessioners) from its potential supporters. Rather, the NPS and nonprofit partner should evaluate all donors or gifts in light of the integrity, impartiality and public confidence standards outlined above. A park and its nonprofit partner may elect to refuse donations from certain industries; however, in the absence of direction from Congress or the Department of the Interior, pre-determined national exclusions are unnecessary and counterproductive. *Committee Report* (December 2014).

Anheuser-Busch InBev

AB is the world's leading brewer with 47.6% of the market share in the U.S. and 25% of the global market. Its Budweiser product brand is worth \$21.4 billion (the world's 23rd most valuable brand) according to *Forbes Magazine*.² The company employs more than 150,000 people in 24 countries, and builds on a legacy of corporate social responsibility by focusing on three key areas: promoting alcohol responsibility, preserving and protecting the environment, and supporting local communities.

AB has had a strong presence in the philanthropic community, partnering with large American non-profits such as the American Red Cross, United Way, Habitat for Humanity, Teach For America, and Living Lands & Waters.

A. Opportunities

The following are potential alignments to be realized by a partnership between NPF and AB:

- Integration with AB's Responsible Drinking Campaign.
- Aligning the economic and historical legacies of two iconic brands.
- Aligning the NPS brand with a corporate entity that has the same goals surrounding relevancy, diversity, and inclusion.
- Co-branding with a goal of attracting a younger population to the NPS and the corporate brand.
- Significant in-kind marketing support from a company known for innovation and ingenuity in advertising and marketing.
- Co-branding on AB's packaging to distribute our brand across the country.
- Co-branding with the "Budweiser Made In America" musical events and "America Made Better" volunteer efforts.

² <http://www.forbes.com/companies/budweiser/>

B. Potential Negative Impacts

- Perceived mismatch on values among AB, NPF and the NPS.
- Concern that the partnership will encourage irresponsible drinking.
- Concern that AB and/or Budweiser logos will be displayed in ways that commercialize parks, or that the relationship will otherwise damage the NPS reputation and brand.
- Concern that partnership with a large multi-national corporation like AB may offend the desire of NPS patrons to support American businesses where possible.
- Possibility that NPS employees will voice concern over the high-profile co-branding with an alcohol company.

Attachments A, B and C include an overview of sales, production, branding, and cause-related marketing activities that have linked the NPS brand to alcohol products. When analyzed collectively, the lack of significant issues presented by these efforts, as well as the benign impact of the Adler Fels campaign, provides proof that co-branding with alcohol beverage companies does not necessarily cause the American public or NPS employees to lose confidence in the NPS mission or brand.³

Recommendation

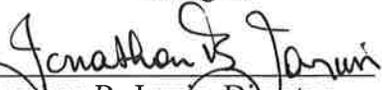
PPS recommends that the waiver be granted, conditional on:

- (1) The right of the NPS (acting through the Division Chief, PPS) to review and approve all materials associated with the campaign *prior* to any public distribution.
- (2) The development of careful planning and messaging for the co-branding of the NPS and NPF with AB and specifically its Budweiser product line, as well as its “Budweiser Made in America” musical events and “America Made Better” volunteer efforts (both of which may be held on NPS properties pending issuance of any requisite special use or other permits). AND
- (3) Preparation of a list of elements and a list of deal points of the AB-NPF agreement that require action by the NPS. These elements must be reviewed by PPS. *This waiver will only be operative if the lists meet with the approval of the Director.*

Concur

Decline

Concur with changes/comments _____


Jonathan B. Jarvis, Director

1/21/2015
Date

cc: President, National Park Foundation

Attachments

³ Director’s Order #21 requires decisions regarding donations be based on an analysis of the totality of the circumstances surrounding a particular donation. The fundamental test is whether accepting the donation causes harm to the public’s confidence in the integrity and/or impartiality of the people and/or programs of the NPS and the Department of the Interior. One aspect of this analysis in particular is whether acceptance would result in public controversy.

Attachment A

Sales of beer, wine, and spirits in National Parks: Several national parks allow sales of beer, wine, and spirits through concession operations. In 2013, Fodors.com posted an article entitled “Where to Drink Wine at National Parks.” The following venues in national parks were mentioned in that article: Cavallo Point: The Lodge at the Golden Gate (Golden Gate National Recreation Area); the Ahwahnee Dining Room at Yosemite National Park; the Cascades Restaurant & Lounge at Rocky Mountain National Park, and; Lake Quinault Lodge at Olympic National Park¹. Shenandoah National Park concessions at Skyland Resort and Big Meadows lodge host Virginia wine tastings. Alcoholic beverages are offered for purchase on the Grand Canyon Railway.

In-park production: Cuyahoga Valley National Park is home to Sara’s Vineyard. Hot Springs National Park leased the Superior Bathhouse to Vapor Valley Spirits, Inc. The lease authorizes the company to brew and distill alcoholic beverages and host tours and tastings among other activities not relevant to this memo.

Branded Wines: Ten Spoon Vineyard and Winery produces a series of national park branded wines². In 2009, The Great Northern Brewing Company brewed the Glacier Centennial All-American Ale as *the* official beer of Glacier National Park’s 100th anniversary.

Cause Marketing: Since 2012, the Nantahala Brewing Company donated funds to the Friends of the Smokies to support its Ridgerunner program and its work to preserve and improve the hiking experience along the Appalachian Trail in the park. The support comes from donations of a portion of the sales of the Trail Magic Ales to the park friends group. In 2014, the NPCA entered into a cause marketing campaign with Anchor Brewing Company with proceeds going to support NPCA and the California State Parks Foundation.

¹ Where to Drink Wine at National Parks, see <http://www.fodors.com/news/where-to-sip-wine-at-national-parks-6969.html>

² Ten Spoon National Park Wines: Yellowstone: Firehole and Roadblock; Glacier: Going to the Sun and Rock Slide; Grand Canyon: Canyon Cutter and Air Patrol. In 2012 they were only available through the Ten Spoon website and at concessions in the corresponding parks, see <http://secretsofatravelconciierge.wordpress.com/2012/04/26/national-parks-wine/>

Attachment B
Adler Fels Metrics

The National Parks Wine Collection launched February 1, 2013 under the auspices of a cause related marketing partnership between Adler Fels Winery and National Park Foundation (Foundation). Adler Fels donated \$2 per bottle sold to the Foundation; the Foundation donated a 40% these proceeds to the parks' friends group or to the park itself for support of local projects or programs. The campaign was scheduled to run through 2017; however, for a variety of reasons, the campaign will in December of 2014.

Yosemite was the first park featured. Mesa Verde and Rocky Mountain followed at the request of Colorado distributors and Big Bend ended the series.

To date approximately 3,500 cases (over 39k bottles) have been sold resulting in an overall contribution of approximately \$73,000.

Several news outlets including the Washington Post, Huffington Post, and National Parks Traveler covered the launch. No reports of public concern have been received.

Facebook analytics show that the most engaged group was those between 25 and 34 years old.

Attachment C

Pictures of Wine Sold in Park - Grand Canyon

