



National Park Service
Accountability Report - Fiscal Year 1997



“The service thus established shall promote and regulate the use of the Federal areas known as national parks, monuments, and reservations hereinafter specified by such means and measures as conform to the fundamental purpose of the said parks, monuments and reservations, which purpose is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.”

Mission Statement establishing the National Park Service (1916)

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A Message from the Director

I am pleased to present the National Park Service's Accountability Report for fiscal year 1997. This report provides important and useful information on the National Park Service's performance in conducting programs and activities to support our mission of conserving unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations. Highlights of fiscal year 1997 include:



The Omnibus Parks Act

This Act significantly increased NPS authorities and responsibilities. It established five new park units: Tallgrass Prairie National Preserve in Kansas; Boston Harbor Islands National Recreation Area and New Bedford Whaling National Historical Park in Massachusetts; Nicodemus National Historic Site in Kansas; and Washita Battlefield National Historic Park in Oklahoma. With these additions, the National Park System included 375 park units covering more than 83 million acres in fiscal year 1997. The law also designated eight new heritage areas and provided for boundary adjustments of nine park units.

The Omnibus Parks Act authorized matching grants to specific Historically Black Colleges and Universities for preserving their cultural heritage. These grants would fund restoration and rehabilitation of selected buildings to preserve their historic character while allowing for their continued contemporary use.

The Act also authorized the Presidio Trust, a provision which clarified our responsibilities and provided the framework for management of the Presidio, transferred previously from the Department of the Defense, and located within the boundaries of the Golden Gate National Recreation Area in San Francisco.

It provided for expansion of the Volunteer-in-Parks program, a highly successful program for many years that offers a significant and valuable resource of people who provide the national parks and their visitors with expertise in cultural, historical, and natural resources, and other disciplines at a very nominal cost.

Recreation Fee Demonstration Program

During 1997 the Service implemented a fee demonstration program that was authorized for 3 years. Under this authority, we identified 97 fee demonstration projects where the “test” sites would retain 80 percent of any new revenue realized to be applied to the backlog of needed maintenance and resources projects. The remaining 20 percent of new revenue would be available for discretionary distribution to park units throughout the National Park System for similar needs.

New categories of fees and cost-effective methods for collection were implemented. The resulting program was responsible for more than \$45 million in additional funding becoming available to the parks.

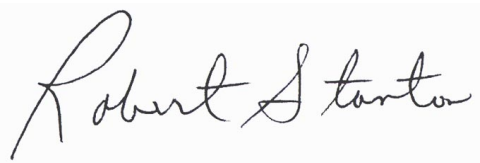
Planning

During 1997 the Service completed a 6-year strategic plan and an annual performance plan for 1998. These plans, developed in compliance with the Government Performance and Results Act, represent what we intend to accomplish in the near future to meet four primary goals: preserve park resources; provide for public enjoyment and visitor experience of parks; strengthen and preserve natural and cultural resources and enhance recreational opportunities that are managed by partners; and ensure organizational effectiveness. We will continue to evaluate our goals and measure our progress in achieving them so that we have a basis for improving our effectiveness and efficiency.

The Future

While fiscal year 1997 should be considered a successful year in the administration of the National Park System, much needs to be done. Some of the key activities that must be continued or improved include: planning and protecting park resources; obtaining and implementing new legislative authorities and partnerships to reduce deficiencies in resource preservation and maintenance; improving the effectiveness and efficiency of the Service through use of technology and strengthening of financial management; assuring the safety and health of employees and visitors to the maximum extent possible; improving diversity in staffing and delivery of programs and services; assuring that park resources and programs are accessible to disabled visitors and employees; improving the level of awareness, use and appreciation of the national parks; and improving the development and supervision of park and volunteer staff.

I encourage recipients of this report to read it in its entirety so that they may fully understand and appreciate the accomplishments of the Service during 1997, the challenges that we face, and our plans for meeting those challenges.

A handwritten signature in cursive script that reads "Robert Stanton". The signature is written in black ink on a light-colored background.

Director



Rocky Mountain National Park (photo by S. Jennings)

Overview

The National Park System

Our Collective Heritage

In its 81st year of existence, the National Park System remains the premier park system of the world. It is visited by over 276 million visitors annually, with nearly 24,000 dedicated employees of the National Park Service (NPS) having the responsibility in 1997 to preserve our Nation's shared natural, cultural, and historical heritage. Taken together, the heritage resources that comprise the System represent, shape, and celebrate our national identity.

Our preserved heritage ranges from the awe-inspiring wonder of the Yosemite Valley to the ancient forests of Redwoods National Park; from the rare opportunity to view grizzly bear at Denali, to the contemplation of stirring ideas at the Lincoln Memorial; from at-risk youth enjoying their first park experience in the marshes of Gateway Recreation Area in New York, to the silent ruins of New Mexico's Fort Union, standing guard over the trails of western expansion; from the hallowed grounds of our country's battlefields at Fredericksburg and Yorktown, to the dignity and eloquence represented at the home of Frederick Douglass. Whatever the sights and sounds available to the inquisitive visitor, the NPS takes great pride in preserving the collective heritage of our Nation.

As America's growing population and advancing technology consume more of the Nation's resources, many units of the National Park System that were once protected by virtue of their isolation are now threatened by water and air pollution, fragmentation, and the associated loss of wildlife habitat. We can no longer protect our lands and resources without becoming deeply involved in local, regional, national, and even international land

use and environmental quality issues. Many of the newest park units and heritage areas typify this new approach to management and the challenges it offers.



The Lincoln Memorial

The Mississippi National River and Recreation Area acted as a catalyst to significantly expand a partnership educational effort concerned with runoff pollution in the watersheds of the parks river corridor. WaterShed Partners is a coalition of federal, state, and local agencies, educational institutions, and watershed management organizations. In 1997 a set of interactive exhibits, brochures, and outreach materials were developed and displayed at local and regional events. Interactive displays allow people to learn what a watershed is, understand urban runoff problems and their solutions, and help inspire people to act as good stewards of watersheds in their community. The WaterShed Partners' educational efforts have assisted in strengthening the public's relationship with the park, and an understanding of our collective roll as the natural resource stewards of the Mississippi River.

Size and Composition

In FY 1997, the National Park System included 375 units, encompassing more than 83 million acres of land in 49 states (excluding Delaware), the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands. These units represent a remarkable array of the Nation's most ecologically and historically significant resources and recreational areas (places that reflect our environmental and cultural heritage). These sites are preserved for public benefit. The diversity of the National Park System is reflected in the 20 different unit designations, including but not limited to national parks, national preserves, national historic sites, national monuments, national seashores, national recreation areas, national battlefields, national trails, and national scenic riverways. Regardless of title, these heritage areas are of such national significance and value as to justify special recognition and protection in accordance with various acts of Congress.

The National Park Service

Dedicated to Mission

The NPS has successfully adapted to changes over time by expanding its role and responsibilities to include not only that as guardian of the treasures of America's natural and historic legacy, but also that as an advocate for environmental science, research, biodiversity, and preservation. Today, the NPS plays four key and complementary roles: first as a steward responsible for preserving the Nation's most significant natural and cultural resources; second as a guide and teacher, helping people experience, value, and respect the meaning of our shared national heritage; third as an advocate and partner to help society achieve a quality of life enhanced by natural and cultural resources and recreational open spaces and finally, as a leader providing the management practices, sustainable facilities, and modern-day technologies needed to

effectively carry out all aspects of the mission. These roles are derived from the agency's 1916 Organic Act and decades of subsequent legislation. The NPS has emerged as a world leader in the parks and preservation community and a pioneer in the drive to protect America's open spaces and cultural landscapes. Our commitment to preserve our Nation's heritage through the wise stewardship of our national parks and monuments and by providing partnerships and assistance programs to others remains unwavering.

The role of stewardship of our Nation's heritage resources was given to the NPS in its enabling legislation. The NPS was established by Congress in 1916 to conserve America's public lands and natural resources and to provide for their use by present and future generations, as stated in the Organic Act of 1916 *"... which purpose is to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations."*

In response to eight decades of expanding and changing responsibilities, the Service's National Leadership Council reaffirmed this commitment by adopting the following comprehensive mission statement in the NPS Strategic Plan officially unveiled in 1997:

"The National Park Service is dedicated to conserving unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations. The Service is also responsible for managing a great variety of national and international programs designed to help extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world."

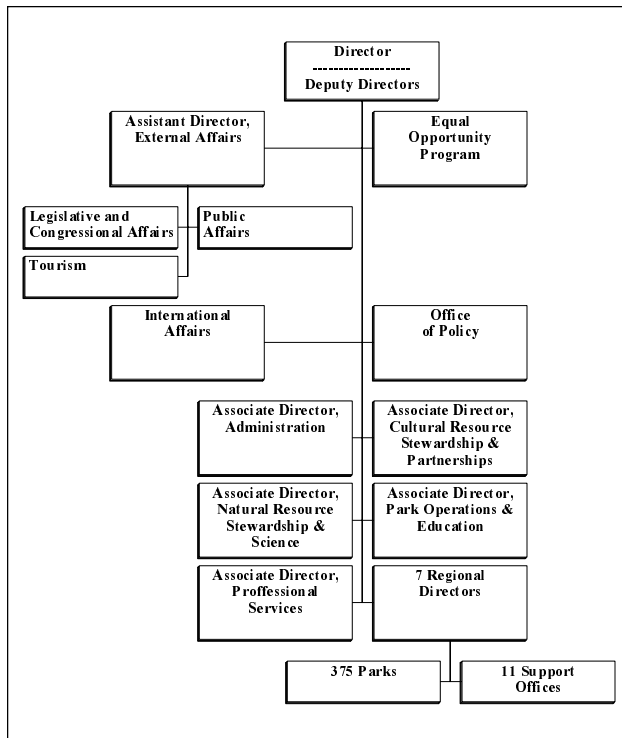
By involving all levels of Service employees, as well as its customers and stakeholders in the strategic plan process, the National Park Service has produced a vision appropriate for the next millennium.

Organization and Leadership

The National Park Service is administered by a Director who, upon Senate confirmation, is responsible to the Secretary of the Interior. The System is organized into seven regions (Alaska, Intermountain, Midwest, National Capital, Northeast, Pacific West, and Southeast) each headed by a Regional Director who provides line supervision for all park superintendents within the region. The National Leadership Council (NLC) composed of the Director, two Deputy Directors, five Associate Directors, and the seven Regional Directors, sets policy and the overall direction for the Service. The NLC forms the executive grouping for making decisions involving the National Park Service as a whole.

On July 31, 1997, Robert Stanton was confirmed by the Senate as Director of the National Park Service. Stanton is the 15th NPS Director and the first African American to lead the agency. A 31-year veteran of the NPS, Stanton began his career as a seasonal park ranger. His career, typical of an NPS employee, took him all over the country in a variety of positions and responsibilities. He most recently served as the Regional Director of the National Capital Region. To his new position Stanton brings a steadfast commitment to the role of NPS personnel as educators. This is particularly true in regard to our Nation’s youth, and the importance of their understanding of the heritage resources entrusted to the care of the NPS.

National Park Service Organization



Independence National Historical Park

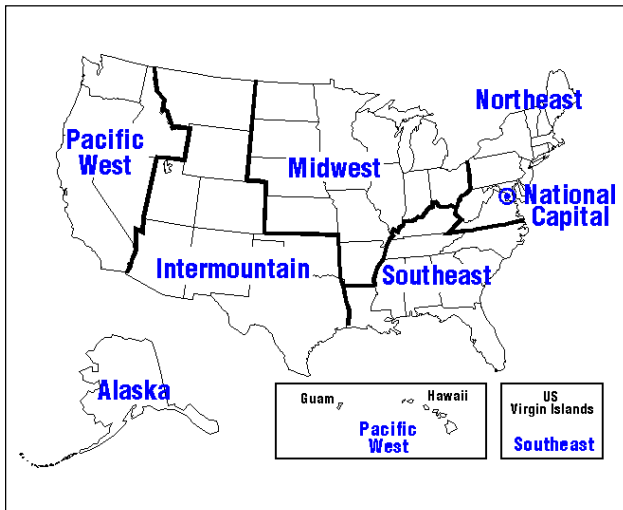
NATIONAL PARK SYSTEM UNITS





All national park units are grouped into clusters to act collaboratively in sharing resources; each cluster is composed of 10 to 35 parks. Each region contains between one and three system support offices that provide technical assistance to parks and develop partnerships with state and local governments and other entities. Key program centers, that provide specialized services to parks and regions, are located across the country.

National Park Service Regions



Achieving The NPS Mission

Goals, Results, and Outcomes and the NPS Strategic Plan

During 1997 and in compliance with the Government Performance and Results Act (GPRA), the NPS completed and published its Strategic Plan and its Annual Performance Plan for FY 1998. GPRA seeks to make Government more effective and efficient. The first step by the NPS in meeting the challenge of GPRA was the development of a 6 year strategic plan, that was officially transmitted to the Office of Management and Budget and the Congress on September 30, 1997. The Strategic Plan represents what the Service intends to accomplish for the American people in preserving our heritage resources in the forthcoming years. As an agency, we have broadened our perspective and

reexamined our various roles in light of our new understanding of environmental and social relationships, and the many new opportunities to work cooperatively with others.

The diversity of NPS programs and activities reflect the broad spectrum of responsibilities associated with the Service’s primary mission goals. As articulated in the 1997 Strategic Plan, the mission goals of the Service fall into four primary categories: (1) preserve park resources, (2) provide for the public enjoyment and visitor experience of parks, (3) strengthen and preserve natural and cultural resources and enhance recreational opportunities managed by partners and, (4) ensure organizational effectiveness. The programmatic highlights presented in the Annual Report are a representation of the Service’s efforts and achievements in FY 1997. Quantitative performance information is included when available. Baseline data and performance measures are being collected and continually refined as part of the overall GPRA implementation process.

The NPS will continue to evaluate its goals and its collective progress in achieving these goals. In doing so, the NPS will have a firm basis for improving agency effectiveness and efficiency. Nevertheless, this will be a dynamic process. The current budget structure of the NPS does not directly link with the current GPRA goals. Until the goals stabilize and the budget structure is accordingly revised, the relationship will continue to be indirect, although still useful.

1997 Highlights: The Year In Review

Submission of NPS Strategic Plan

The release of the NPS Servicewide Strategic Plan was a major high point of 1997. In addition, individual parks and programs prepared their own strategic and annual performance plans during the year using the NPS developed Eight Step process. This process bridges the mission of the National Park Service and park enabling legislation to annual work plans and evaluations. The NPS trained 2,000 people in performance management practices and published resource materials, including a *Field Guide to the Government Performance and Results Act and Performance Management*. The NPS developed software that allow parks and programs to identify their budget dollars as they relate to Servicewide GPRA goals.

The Omnibus Parks Act

On November 13, 1996, President Clinton signed the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333) into law. This Act, the most far reaching and comprehensive park bill in recent years, significantly increased National Park Service authorities and responsibilities, and established several new park areas. Foremost among its provisions was the creation of five new NPS units: Tallgrass Prairie National Preserve (KS), Boston Harbor Islands National Recreation Area (MA), Nicodemus National Historic Site (KS), New Bedford Whaling National Historical Park (MA), and Washita Battlefield National Historic Site (OK). The NPS assumed operational management responsibilities for these sites in 1997, which included establishing initial site presence, providing resource protection, and developing site brochures and interpretive programs.



Tallgrass Prairie National Preserve

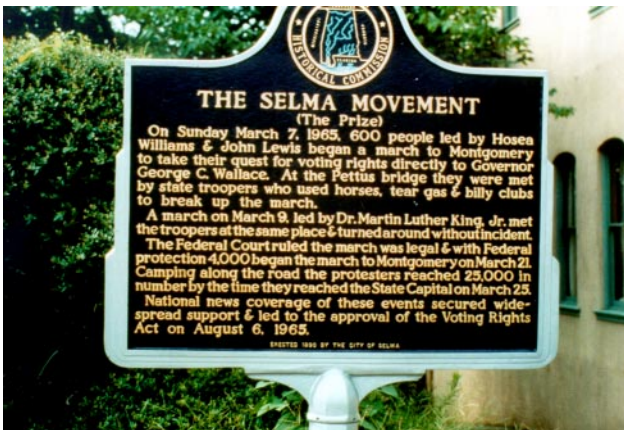
Purpose: to preserve, protect and interpret for the public an example of a Tallgrass prairie ecosystem on the Spring Hill Ranch, located in the Flint Hills of Kansas; and to preserve and interpret for the public the historic and cultural values represented on Spring Hill Ranch... Of the 400,000 square miles of Tallgrass prairie that once covered the North American Continent, less than 1 percent remains, primarily in the Flint Hills of Kansas. (From the authorizing legislation for Tallgrass Prairie National Preserve)

Also included in the Omnibus Parks Act was the authorization of the Presidio Trust which clarified NPS responsibilities and provided the framework for management of the Presidio, a unique urban park located within the boundaries of Golden Gate National Recreation Area in San Francisco. In addition, the law authorized the Secretary to make matching grants to specific Historically Black Colleges and Universities for the preservation of their cultural heritage. Preservation goals include the restoration or rehabilitation of selected buildings to preserve their historic character, while ensuring continuing contemporary uses.



The Presidio, Golden Gate National Recreation Area

Other notable provisions of the law included the expansion of the authorized level of the Volunteer-in-Parks program, boundary adjustments at nine park units, the creation of eight Heritage Areas, the designation of the Selma to Montgomery Trail as a National Historic Trail, and the Lamprey River as a National Scenic Riverway. Nine new Heritage areas were designated, including the Ohio & Erie Canal which opened for commercial navigation in 1832 and was the first inland waterway to connect the Great Lakes at Lake Erie with the Gulf of Mexico via the Ohio and Mississippi Rivers. The canal was part of a waterway network in Ohio that was one of America’s most extensive and successful systems that were essential to our Nation’s growth.



Selma to Montgomery Trail

The Heritage site designation enables the NPS to serve as a catalyst to help state and local governments and private groups to protect and conserve important resources with a minimal federal dollar investment.

Upheaval and Opportunity at Yosemite

During the first 3 days of 1997, heavy rains caused record flooding in numerous western parks. Hardest hit was Yosemite National Park, California, where flooding of major rivers and tributaries severely damaged park infrastructure. Four primary highway routes leading into the park were impassable, stranding up to 1,200 visitors and employees in Yosemite Valley for several days. Floodwaters backed up in the central valley, submerging park offices in eight feet of water. Employee housing, roads, 350 campsites, and 500 guest lodge units were flooded. Seventeen resource restoration projects, ten known archeological sites and several historic structures were damaged in the high waters. Major electrical, water, and sewer systems suffered extensive damage forcing the park to close for ten weeks. The Valley was reopened for partial visitor use on March 14; full road access was restored on May 23.



Lower River Campground, Yosemite National Park

The Emergency Supplemental Appropriations Act (Public Law 105-18) signed June 12, 1997, provided for emergency funds to cover flood recovery projects. However, many of the structures that were destroyed or severely damaged were located in a floodplain. The flood provided a unique opportunity to implement the park's General Management Plan (GMP), as approved in 1980. The GMP included guidance for the relocation of buildings and facilities from the floodplain into more protected locations. Consensus was reached between Congress and the Administration that this would be the wisest course to pursue and funds for this purpose were included in the Supplemental Appropriation. The flood, so devastating in its immediate impact, opened the doors to a future teeming with opportunity.



Highway 140 above Arch Rock Entrance, Yosemite National Park

Recovery from flood damage has been a huge undertaking, and will take years to complete. To meet this challenge, the National Park Service immediately assembled a team of skilled professionals who assessed the damage and prepared restoration projects. As a result, 200 flood recovery projects identified in 62 packages were initiated in FY 1997 and 5 packages were completed. Environmental review and compliance documentation have been completed, the park's infrastructure has been stabilized, and contracts for design services to replace damaged facilities have

been formulated. The Valley's critical utility systems are fully operational, and several front-country trail bridges have been replaced. All archeological sites that were uncovered by the receding waters have been documented. The recovery efforts first report, *A Report to Congress: Yosemite Flood Recovery Action Plan, September 30, 1997*, was published and distributed in 1997. Potential health and safety issues related to concession employees, visitors, and park staff were reviewed prior to the execution of all projects.



Yosemite Valley, Yosemite National Park

Dedication of Franklin Delano Roosevelt Memorial

On May 2, 1997, the Franklin Delano Roosevelt Memorial opened to visitors in Washington, D.C. The memorial celebrates America's longest-serving president whose optimism and spirit led this Nation through the dark years of economic collapse and wartime struggles into a period of peace, freedom, and human dignity. The FDR Memorial is an inspirational and interactive memorial not only to the 32nd president, but also to a generation of Americans who endured the Great Depression and emerged victorious from World War II. Encompassing seven acres, the granite memorial unfolds along the Tidal Basin's Cherry Tree Walk. Inscribed quotations from the speeches of Roosevelt are carved into the granite, illustrating the despair and hope of the times and offering visitors a historical narrative of America from 1933 to 1945.



Franklin Delano Roosevelt Memorial

A bronze stature of Eleanor Roosevelt standing before a symbol of the United Nations commemorates her role as First Lady, United Nations delegate, and champion for human rights.

The public reaction to the monument has been extraordinary. This celebrated monument has attracted over 1.5 million visitors in the first 5 months since its dedication. Many of the visitors linger in quiet alcoves, absorbing the sights, sounds, and moods of the memorial.

“We have faith that future generations will know that here, in the middle of the twentieth century, there came a time when men of good will found a way to unite, and produce, and fight to destroy the forces of ignorance, and intolerance, and slavery, and war.” Franklin Delano Roosevelt

Recreation Fee Demonstration Program

In 1997 the National Park Service became a major player among four federal land management agencies in implementing a pilot fee demonstration program authorized by Congress for 3 years. Under the new authority, the National Park Service identified 97 fee demonstration “projects” in 1997 to test the pilot program. Participating demonstration park sites will retain 80 percent of any new revenue generated as a result of this new program. The remaining 20 percent of the new

revenue will be available to the Director of the National Park Service for discretionary distribution to parks throughout the System.

The program is designed to increase funding available to the Service in order to address the backlog of maintenance and resource projects throughout the Park System, while testing new and innovative methods of fee collection and bold fee strategies.

During 1997 parks employed their creativity in developing collection and retention systems for recreation user fees, implementing a flexible rate schedule, identifying new categories of fees, and testing innovative and cost-effective methods for collection. A total of 34 parks initiated a fee for the first time. Many new types of fees were initiated, including fees for special interpretive programs, backcountry fees for overnight usage, boating fees, and recreational vehicle dump fees. Automated fee collection machines were installed at 31 parks; for many of these parks, the automated machines are now the primary means of collection. The machines accept both cash and credit cards.

In FY 1997, the program was responsible for over \$45 million in additional funding becoming directly available to parks without being subject to appropriation. Examples of projects undertaken in FY 1997 include the rehabilitation of Indian Cove Campground at Joshua Tree National Park, the upgrading of Ohanapecosh sewage treatment plant at Mount Rainier National Park, and the replacement of campground picnic tables and grills in Death Valley National Park. Funds made available to the parks through this program will remain available for obligation until September 30, 2002. A complete list of the demonstration fees are included in Appendix I.

Guaranteeing the Safety of NPS Employees

The Service is committed to improving its employee safety record and reducing associated compensation costs. In January of 1997, the National Leadership Council met to discuss employee safety and risk management. As a result, Servicewide training in safe work practices and safety inspections were conducted throughout the year. To improve program effectiveness and demonstrate a high level of commitment in this area, the Associate Director, Park Operations and Education, was given direct supervision over employee safety and worker's compensation case management. The National Park Service will continue to explore a variety of proven approaches to manage worksite safety and occupational health programs that will assist each park unit in developing site specific programs to provide a safe and healthy workplace for their staff.

Preservation Through Partnership

The NPS has made considerable strides in achieving its commitment to preserve America's natural and cultural heritage through partnerships with state and local agencies, community organizations, and private groups. In 1997, partnerships that were forged enabled the Service to preserve important battlefields that shaped our Nation's history, promote parks as outdoor classrooms, and to improve resource management through science and education. By integrating skills gained through partnership, we not only inspire and bring people together at the local level to conserve community resources, but we are able to do so at a considerable cost savings to the American public.

For example, our partners were directly responsible for an important preservation victory at Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park. The Willis Hill property, an 8.5 acre tract on Mary's Heights in the heart of Fredericksburg battlefield and threatened by development, was put up for sale. Faced with both the prospect of potential

incompatible use of this land within the NPS boundary, as well as a higher competing offer, the Civil War Trust, a national organization dedicated to the preservation of Civil War battlefields, and the local Central Virginia Battlefields Trust, came to the aid of the NPS. With the financial assistance offered by these groups, the NPS was able to match the competing proposal. Due in no small part to the enthusiastic fervor of the battlefield preservation community, the seller elected to accept the offer of the NPS and its partners. On June 21, 1997, amidst much fanfare, the land was officially conveyed to the NPS. The land, with its panoramic view of the battlefield, is now open to the public and the NPS is now initiating efforts to integrate the new land into the park experience.

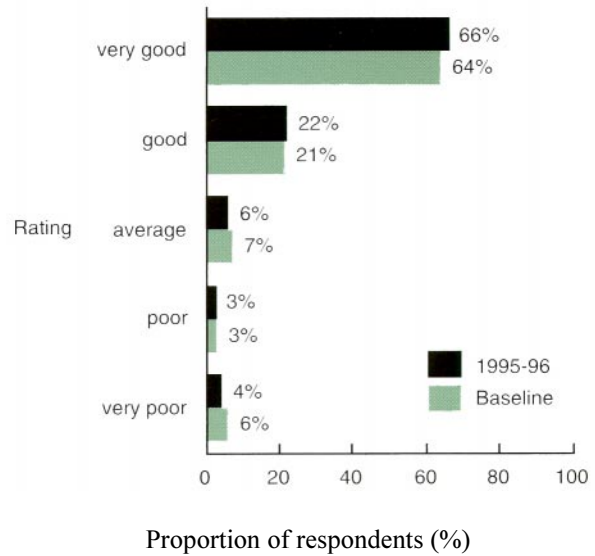
Information Technology

Programs in FY 1997 significantly expanded in the NPS to provide modern computer network capabilities throughout the Service. The Service adopted a management strategy to bring major computing capabilities to the Service at relatively low costs within three to five years. This action was taken in response to a survey of park computer equipment conducted in 1997 that showed that many parks, especially small parks, still have outdated computers (including 286, 386, and 486 processors). Many lack Local Area Networks (LAN) entirely, or at best have low capacity networks. The strategy would allow the upgrade of older computers and the installation of modern LAN technology. To begin this process in 1997, the installation of network management equipment (routers and switches) provided fast and efficient Internet connections and other network service to remote parks and field locations. Additionally, with the expansion of our electric mail services, the NPS became one of the largest users of electronic mail in the Government, encompassing over 12,000 users.

Customer Service

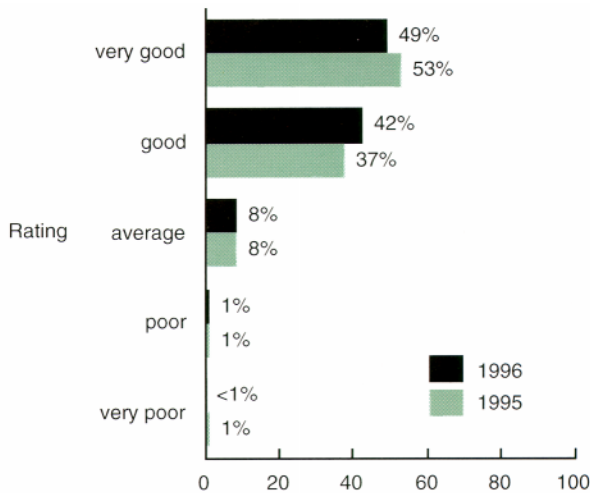
The American people are proud and supportive of their national parks. Yet the National Park Service is confronted with major challenges in assuring the protection and appropriate use of America’s natural and cultural heritage for this and future generations. Towards this end, the NPS is committed to reviewing and upgrading, when necessary, its Customer Service. In September, the Service issued *Serving the Visitor 1997*, the fourth in a series of reports published by the NPS Visitor Services Project, that addresses visitor satisfaction. Visitors are highly pleased with the visitor services they are receiving in the parks. Ninety-one percent of the respondents rated the overall quality of services as either “very good” or “good.” Significantly, the proportion of visitors rating an individual service as “poor” or “very poor” decreased, as compared to the five year average for 1990-1994. Some of the details on the results contained in *Serving the Visitor 1997* can be found in the following charts.

Quality of Park Personnel



1995-1996: 17 parks; 2,789 respondents

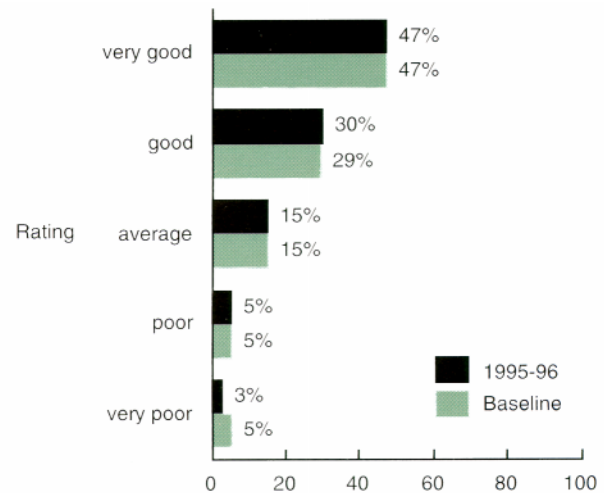
Overall Quality of Services



Proportion of respondents (%)

1996: 8 parks; 3,725 respondents
 1995: 8 parks; 2,975 respondents

Overall Quality of 12 Visitor Services



Proportion of respondents (%)

1995-1996: 18 parks; 25,418 respondents

Percentages do not equal 100 due to rounding.

NPS Funding

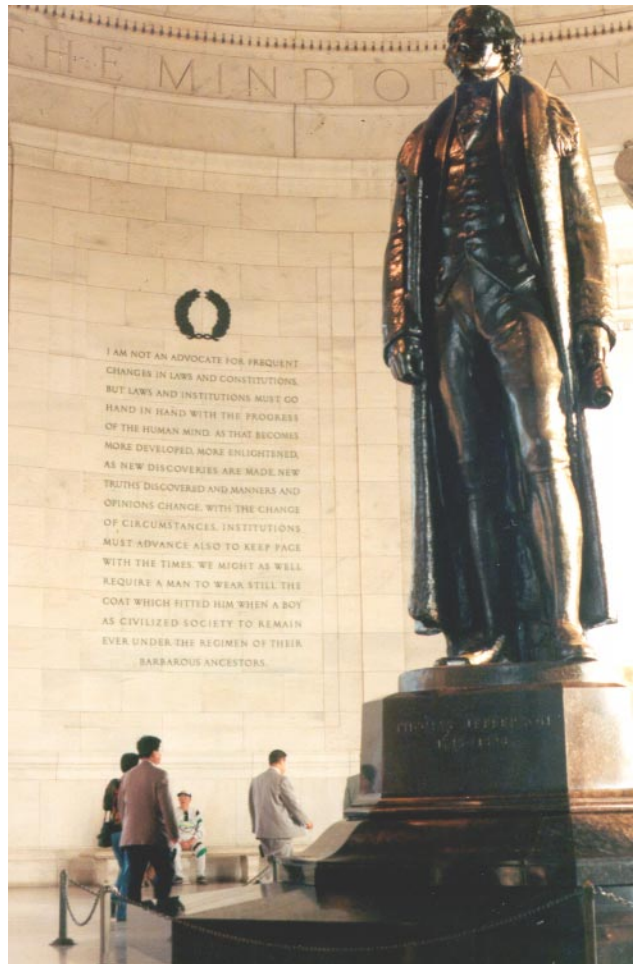
The NPS receives most of its funding from Congressional appropriations. In addition, there are a number of permanent, indefinite appropriations and trust funds which automatically become available to the NPS without the need of action by Congress through the appropriations process.

Congressional Appropriations

In FY 1997, Congressional appropriations totaled \$1.653 billion. This figure includes supplemental appropriations of \$207 million which provided for extraordinary emergency storm damage relief, primarily at Yosemite National Park, and for requisite counter-terrorism activities, including deterrence, prevention, and mitigation of terrorist acts at visible symbols of our democracy such as Independence Hall; the Jefferson National Expansion Memorial; Mount Rushmore; and the Presidential monuments in Washington, D.C. Excluding supplemental funding, the NPS received \$105 million more in FY 1997 than in the FY 1996 appropriation, an increase of more than 8 percent. If the supplemental funding is included in the comparison, the increase from FY 1996 approximately 20 percent above the prior year. The NPS received five distinct appropriations in FY 1997; the amounts and descriptions for each are detailed on the following page.



Mount Rushmore National Memorial (photo by J. & J. Mason)



The Jefferson Memorial

NATIONAL PARK SERVICE FY 1997 APPROPRIATIONS

<u>Appropriations</u>	<u>(in thousands)</u>
(1) Operation of the National Park System	\$ 1,154,611
(2) Construction	370,065
(3) NPS Land Acquisition and State Assistance	53,915
(4) National Recreation and Preservation	37,976
(5) Historic Preservation Fund	36,612
	<hr/>
Total, Appropriations	\$ 1,653,179
	<hr/> <hr/>

Note: Amounts above do not reflect any reimbursable funding or transfers of amounts in or out of the account, and does not reflect \$30 million rescission of Land and Water Conservation Fund contract authority.

(1) Operation of the National Park System: This appropriation funds all operational, maintenance, and administrative costs for parks, field areas, and the Washington D.C. headquarters office.

(2) Construction: The Construction appropriation is a “no year” appropriation with funds available until expended. These funds support line item construction projects; emergency, unscheduled, and housing projects; construction planning; equipment replacement; and general management planning. Planning provides the basic guidance for the management of each unit of the Park System, in the protection, use, development and management of each area, and evaluates the potential for adding new units to the System. Note: Most of the Service’s road and bridge rehabilitation is accomplished through the Federal Highway Administration Trust Fund (in the Department of Transportation Appropriation).

(3) Land Acquisition and State Assistance: Through the use of the Land and Water Conservation Fund, this appropriation funds the federal acquisition of land or interest in land within the national park system and matching grants to states, territories and local governments. Administrative expenses for both programs are also provided. All funds provided from this account are available until expended.

(4) National Recreation and Preservation: These annual funds provide for a broad range of activities outside the National Park System, including outdoor recreation planning, national and historic resource preservation, and technical assistance to state and local governments for recreation and preservation projects.

(5) Historic Preservation Fund: This two-year appropriation provides matching grants to and in partnership with state and local governments, Indian tribes, Historically Black Colleges and Universities, and the National Trust for Historic Preservation, to help support the identification, evaluation, registration, and preservation of the nation’s historic, archeological, and cultural heritage.

Other Revenue Sources

As noted above, a number of permanent, indefinite appropriations and trust funds are automatically available to the NPS without the need of action by the Congressional appropriations process. Interagency agreements also provide funds in exchange for specialized services provided by NPS staff.

One of the primary sources of other revenue is the NPS fee program. In FY 1997, the NPS, at the direction of Congress, implemented a Fee Demonstration Program which resulted in changes as to how fee revenues were deposited, made available, and used. A total of 201 units of the National Park System charged an entrance and/or some form of user fee (campground fees, backcountry permits, special use fees, etc.) in 1997. Of this amount, 118 were under the umbrella of the NPS Recreation Fee Demonstration Program. NPS income during the year was \$122 million; \$85 million resulted from entrance fees and \$37 million from user fees. The implementation of the Fee Demonstration Program resulted in fee revenue being distributed differently than in past years. Some of the recreation fee revenue is made available to the NPS for park operations through appropriation by Congress in the year following collection of the revenue; some is available to the NPS for project oriented activity in the year of collection without being subject to appropriation; and some is immediately available without appropriation to cover the costs of fee collection. Appendix I provides a detailed discussion of the Service's fee revenues and program.

In FY 1997, other revenue sources totaled \$361 million, including the recreation fee revenue discussed above. Amounts and descriptions of these accounts are provided on the following pages.



Grant Grove, Sequoia and Kings Canyon National Parks



Jefferson National Expansion Memorial

NATIONAL PARK SERVICE FY 1997 OTHER REVENUE SOURCES

<u>Other Revenue Sources</u>	<u>(in thousands)</u>
(1) National Park Renewal Fund	\$ 45,079
(2) Fee Collection Support	17,735
(3) Operation and Maintenance of Quarters	15,491
(4) Concessions Improvement Accounts	21,898
(5) Miscellaneous Permanent Appropriations	169
(6) Miscellaneous Trust Funds	14,790
	115,162
(7) Permanent Contract Authority for Land Acquisition:	
Land and Water Conservation Fund	30,000
Rescission	(30,000)
	0
(8) Transfers from Other Accounts	158
(9) Allocations from Departmental Funds:	
Wildland Fire Management	36,256
Central Hazardous Materials Fund	1,415
(10) Reimbursables	86,187
	\$ 239,178
	\$ 239,178
Non-NPS Funds Used for NPS Purposes:	
(11) Federal Lands Highways Program	(84,000)

(1) National Park Renewal Fund: By law, for FY 1997, the amount of recreation fee collections by each demonstration fee site above the amount collected by each respective site in FY 1994 are split 80 percent to be retained by the collecting site and 20 percent to be distributed Servicewide, to be used for certain park purposes.

(2) Fee Collection Support: By law, for FY 1997, up to 15 percent of recreation fees collected throughout the National Park System are retained to pay for the costs of fee collection.

(3) Operation and Maintenance of Quarters: By law, this account is derived from rent paid by NPS employees and others for Government-owned quarters, and is used to operate and maintain these quarters.

(4) Concessions Improvement Accounts: By agreements with NPS, some concessioners deposit funds into special accounts to be used for improvements to concession service facilities without accruing possessory interests therefrom.

(5) Miscellaneous Permanent Appropriations: In FY 1997 two accounts received funding under permanent authorizations: Educational Expenses, Children of Employees, Yellowstone National Park; and Delaware Water Gap National Recreation Area, Route 209 Operations. Other accounts are also expected to receive funding in FY 1998.

(6) Miscellaneous Trust Funds: Donations are authorized to be accepted and used for purposes of the National Park System. Donors include individuals, groups, corporations, and associations, by direct contribution or by bequest.

(7) Permanent Contract Authority: The Land and Water Conservation Fund Act authorizes the obligation of up to \$30 million by contract each fiscal year for authorized federal land acquisition in advance of an appropriation to liquidate the contract authority. This contract authority has been rescinded each fiscal year in recent years.

(8) Transfers from Other Accounts: Funds are shifted between accounts for specific purposes as authorized by law.

(9) Allocations from Departmental Funds: Funds are originally appropriated to accounts for the entire Department for certain purposes and then are allocated during the fiscal year to NPS and other bureaus on the basis of need.

(10) Reimbursables: The National Park Service is reimbursed for work done for other agencies, federal and non-federal.

(11) Federal Lands Highways Program: Under authorization currently effective through FY 1997, a certain portion of Federal Lands Highways Program funds provided each fiscal year to the Federal Highway Administration are earmarked to be used for construction projects in the National Park System.



Arches National Park

NPS Staffing

Full Time Equivalent

In FY 1997, the Park Service utilized 18,812 full-time equivalent (FTE), a small increase over the previous year. The growth in personnel occurred entirely at the park level, where significant increases in funding were provided above the FY 1996 level. At our peak in 1997, during the summer months, nearly 24,000 employees were on the NPS rolls. At the end of the fiscal year, this number had shrunk to just above 21,000. During the less visitor-intensive winter months, about 19,000 employees were on the rolls.

Volunteers

Volunteers remained an important NPS resource, as over 95,000 volunteers contributed 3.8 million hours, valued at \$48 million dollars in FY 1997. This is a return of \$32 for every dollar invested in the NPS Volunteers-In-Parks (VIP) program. Park volunteers were involved in resource management, interpretation, visitor protection, maintenance, and administration. They worked in visitor centers, conducted visitor surveys, eradicated non-native species, collected baseline field information, and carried out landscaping and office duties.



Volunteer, Saguaro National Park

Examples of the outstanding services provided by our VIP's in 1997 are numerous. In FY 1997 three Mexican interns participated in Big Bend National Park's VIP program. Oswaldo Contreras and Rafael Jimenez, students from the University of Guadalajara, volunteered in the Spring of 1997. Eduardo Carrillo-Rubio from the University of Chihuahua volunteered in the Summer of 1997. Oswaldo and Eduardo contributed a combined total of over 750 hours to the park in the field of interpretation and education. They utilized their Spanish language skills to develop educational materials and programs for the Mexican schools that border the park. Oswaldo presented educational programs in Spanish for students on both sides of the border. Rafael contributed nearly 500 hours to resource management projects in the park. One of his primary duties was monitoring endangered peregrine falcons in canyons along the international border. Through the VIP program each intern was able to contribute to, and learn from, Big Bend National Park.

Hot Springs National Park is in the third year of its Adopt-A-Trail program. All of the trails have been adopted by local volunteers who pick up trash and report on the condition of their trail at least 4 times a year. This year the program expanded to include roadsides. A local hiking club adopted Gulpha Gorge Road, the entrance to the park campground.

The 3rd annual "Nightwalk into the Past," a living history program held August 1-3, 1997, at Ulysses S. Grant National Historic Site, utilized the talents of 20 volunteers. Seven of these individuals performed living history roles, doing research and memorizing scripts to bring their historical characters to life. They did six performances in front of crowds of up to 75 people. Wooden lanterns were used to light a pathway through the park; one VIP cut and prepared all the necessary lantern pieces, and five members of a local scout troop spent 2 days volunteering at the park to assemble 45 of the lanterns.

At each Nightwalk performance, several other VIP's served in various capacities such as registration, distribution of programs, traffic control, and visitor center operations. Another volunteer, the park's photographer, captured the event on film. This was truly a team effort on the part of so many volunteers, without whom this popular special program would not have been possible.

At Acadia National Park in 1997, volunteers at the Acadia hawkwatch site on Cadillac Mountain spent over 250 hours helping visitors find, identify, and understand the ecology of migrating birds of prey. Staffing the site from 9:00 a.m. to 2:00 p.m. daily, the volunteers recorded the passage of over 2,000 hawks and falcons and interpreted the phenomenon for over 3,000 people.

Eisenhower NHS has established a close relationship with the crew of the *USS Eisenhower*. Several times throughout the year, approximately 20 crew members volunteered to do 2 full days of work at the site. They painted the show barn, equipment shed, skeet range buildings, loafing shed, gutters and downspouts, cattle feeders, and board fences, totaling 1,248 volunteer hours. The local community has been very supportive of the crew visits, and have donated an estimated \$7,000 worth of accommodations, transportation, and meals.

The volunteer program at Cabrillo National Monument greatly increased its size in 1997 with the recruiting of 25 new volunteers for tidepool monitoring. These volunteers were needed to protect the fragile resources of the tidepools which receive approximately 80,000 to 100,000 visitors a year. The volunteers informed the public of regulations and provided education on the sensitive nature of the plants and animals that live there.

This was the 10th year of the Buck Island Reef Sea Turtle Research Program which conducts monitoring and research on the endangered hawksbill, sea turtle nesting, and foraging in the park. The volunteers in the program range from local high school students and newly graduated biology students, to teachers and many members from the local community. This summer, a vast range of research was conducted, including a nesting beach temperature/shading experiment, blood collection for nesting female genetic analysis and blood glucose levels, and a nest relocation/hurricane damage assessment on hatch success. In addition, satellite transmitters were attached to hawksbill females to track their post nesting migrations.



Eisenhower National Historic Site

Resource Stewardship: The Protection and Preservation of Natural and Cultural Resources

Traditionally, preservation of resources was adequately accorded to parks when they were first established. However, as outside influences continue their ever increasing march towards park boundaries, the protection offered by being a unit of the National Park System is not enough to safeguard habitats and historic landscapes. Threats to resources in national parks are as varied as the parks themselves.

Agricultural runoff containing toxic pollutants drain into delicate wetlands; air pollution from near and far wafts across park boundaries, diminishing visibility and harming sensitive streams, soils, and vegetation; urban encroachment into historic scenes imperils the integrity of cultural landscapes and impairs scenic views. Compounding the problem is the existence of degraded resources in new units at the time of their acquisition, such as historic buildings in need of repair, or land with abandoned mines that drain pollutants into park waters.

Inside the parks, increasing or inappropriate visitor use is also damaging resources. The NPS must contend with activities such as poaching or collecting plants, animals, fossils, and historic and archaeological artifacts; defacing cultural and historic buildings; disturbing wildlife during sensitive breeding or nesting seasons; and trampling of fragile plant communities. The increasing distribution and abundance of non-native invasive plant and animal species are disrupting native communities and historical landscapes in many park areas. The list of threats goes on and on.

As the American and the world populace grows more enthralled by national parks, resource management must keep pace with our success in accommodating visitors. Left unchecked, these factors of change could threaten the very existence of our natural and cultural heritage.

To understand and counter the effects of an increasingly human dominated landscape and the high level of visitor use, the Service undertakes an array of preservation, mitigation, and restoration activities. These actions safeguard our irreplaceable resources so that they will be passed on intact for the ecological, historical, scientific, educational, and aesthetic benefit of future generations.

Park Natural Resources

“For if one link in nature’s chain might be lost, another might be lost, until the whole of things will vanish piecemeal.” Thomas Jefferson

From the spectacular mountain ranges and glacier fields of Alaska to the Sonoran deserts of the American southwest, from the volcanic landscapes of Hawaii to the magnificent barrier islands of the north and southeastern United States, the National Park Service acts as steward for the natural resources that have inspired, awed, and brought enjoyment throughout this century. The collection of new information and its application must be of sufficient sophistication, scope, and professionalism to meet our stewardship responsibility: preserving over 83 million acres of America’s richest natural systems. FY 1997 funding obligations for natural resources applied research and management activities totaled \$79.7 million.

The stewardship of natural resources including wildlife, fisheries, vegetation, air, water, scenic vistas, and geologic resources, requires that we know what and where our resources are, the condition of those resources, how to maintain them, and if necessary, how to restore them. This knowledge is fundamental to the management of national parks.

Wise decisions about the placement of a visitor center or campground, or whether to permit intensive recreational activities cannot be made without first knowing whether there are sensitive breeding or nesting areas, or whether there are endangered plants that may be eliminated by such activities. If we do not understand geologic or flood hazards, we cannot make certain that visitors and employees will be as safe as possible. Similarly, we must understand how the natural systems in the parks function and how human changes to the landscape affect them before we can design protective measures or plan restorations of impacted resources.

The effectiveness of natural resource stewardship can be measured by the extent to which the Park Service has available detailed inventories, baseline measures, monitoring stations, and the capability to assess and respond to this information. Having reliable scientific information allows us to detect changes that may signal problems, and to take corrective actions before those impacts severely degrade ecosystem integrity or become irreversible. As such, the NPS has developed performance measures to track its progress in obtaining this necessary scientific information. These measures will assist the NPS in developing frameworks to systematically monitor resource conditions and evaluate trends.

Knowing the Resources and Their Conditions

The NPS has defined a basic set of 12 inventory data needs critical for every park, in addition to the other specialized inventory needs that also exist for individual parks.

Inventory Data Needs Critical for Every Park

1. Historical Data (Bibliography)
2. Species Occurrence Information
3. Species Status and Distribution Information
4. Digital Vegetation Mapping
5. Digital Cartographic Data
6. Digital Soils Maps
7. Digital Geology Maps
8. Water Resources Inventory
9. Water Chemistry for Key Bodies of Water
10. Location of Nearby Ambient Air Quality Monitoring Stations
11. List of Air Quality-Related Values
12. Precipitation and Meteorological Data

A Servicewide network of prototype ecosystem monitoring programs is being implemented to help acquire the common basic data sets in an effective and cost-efficient manner. To date, work on seven of the 12 prototypes has begun. Projects are ongoing at Denali National Park, Channel Islands National Park, Shenandoah National Park, Great Smoky Mountains National Park, Cape Cod National Seashore, a grasslands prairie cluster consisting of six small park units including Pipestone and Homestead National Monuments, and a Caribbean cluster that includes three parks. Vegetation mapping and the research and design components of the monitoring element were transferred to the National Biological Service, now the Biological Resources Division of the U.S. Geological Survey (USGS).

The NPS is working with the Natural Resource Conservation Service to complete Order 3 soil surveys for all parks, except where more detailed surveys are necessary. In addition, the soil mapping program will provide a digital layer in order to provide flexibility in map design and production. Soil surveys were initiated in 12 parks during FY 1997, bringing to 30 the total number of park units that are either completed or in progress.



Grand Canyon National Park

An active program to protect water related values in parks, including water resource conditions necessary to support park biota has been established by the Service. Baseline Water Quality Data Inventory and Analysis Reports were completed for 44 parks in 1997, bringing the total of parks with completed reports to 104. The reports provide a complete inventory of water quality parameter data within and adjacent to parks, including monitoring stations and agencies responsible for collecting the data. Additionally, water resource management plans and scoping reports were completed for 14 NPS units. These plans identify both park specific and watershed wide water issues likely to affect park resource protection and management needs. Management alternatives were developed to provide parks with the information necessary to understand and effectively address water resource issues in a cooperative manner.

As part of the National Water Quality Assessment (NAWQA) program in National Parks, the NPS and USGS established and/or maintained collaborative water quality monitoring projects in nine NAWQA study basins, benefiting 11 parks. This jointly funded monitoring is providing critical data on water quantity, water quality, aquatic contaminants, and aquatic biota. Over 200 parks lie within existing NAWQA study basins and the potential for future cooperation is great.

Geology databases were completed and summarized for natural resource parks through a contract with the American Association of State Geologists (AASG). These databases capture existing geologic information contained in AASG databases for a wide variety of park geologic parameters. The databases will facilitate a comparison of each park's current surficial and bedrock geology information to the NPS Level 1 Standard. Nearly 5,000 references to parks in 46 states have been completed.

A comprehensive inventory of over 1,000 native plant species, representing five different biomes has been completed for Glacier National Park. The data will be combined with an illustrated flora guide that will serve as an important resource tool for managers, scientists, and naturalists. A publication date in the year 2000 is expected.

National parks with coastal resources increasingly have become the critical representative of unimpacted marine coastal ecosystems. These environs provide an important baseline to compare areas where human caused impacts, such as oil spills, have occurred. In FY 1997, in an effort to assist parks with establishing baseline resource conditions, Glacier Bay National Park and Preserve developed a comprehensive protocol for integrating detailed coastal resource information into a coastal Geographic Information System that is accurate, information-rich, and accessible.

The protocol has been successfully applied to a variety of Glacier Bay shoreline types in the pilot program and will now be used at other Alaskan coastal parks. This protocol is intended to serve as a model for coastal resource inventory by parks nationwide.

An ongoing top priority of the NPS Natural Resource program is to identify and compile all natural resource studies that have been completed to date within each park into an easily usable database. To date, 250 natural resource bibliographies have been completed.

In FY 1997, as part of a Servicewide monitoring system to carry out its Clean Air Act responsibilities, the NPS continued operation of a comprehensive air monitoring network that included ozone monitoring in 25 units, wet acidic deposition sampling in 22 units, dry acid deposition monitoring in 12 units, fine particle sampling in 36 units, and optical visibility monitoring in 18 units. The Service also funded four snowpack monitoring units in the Rocky Mountains. This network provides the Service and other federal and state regulatory agencies with information on the status and trends of air pollution levels in our national parks, and on the long-range transport of air pollutants nationwide and across our borders with Canada and Mexico.

As a result, the NPS has identified the potential source regions and source types responsible for observed effects to the resources of our national parks. Information derived is used by the Service, federal and state regulatory agencies, and special commissions to formulate plans to protect and enhance the air resources of our national parks. Based on the analysis collected, several NPS units have average ozone concentrations that exceeded the level of EPA standards, including Cape Cod National Seashore, Joshua Tree National Park, Sequoia and Kings Canyon National Parks, and Great Smoky Mountains National Park.

Outcomes and Impacts: Restoring, Maintaining and Protecting Resources

In addition to needing good information on its resources, effective stewardship requires adapting and applying strategies to maintain, restore, and protect park natural resources. Inventory and monitoring efforts in FY 1997 resulted in outcomes that significantly contributed to the protection of park resources as well as the protection of human health.

At Voyageurs National Park, a scientific argument in support of snowmobile trail closures to protect wolves was upheld in federal court, underscoring the importance of science for the management of natural resources and the role the NPS has in protecting resources, regardless of their status.

Monitoring efforts at Saint Croix National Scenic Riverway detected for the first time in several years the successful reproduction of the only known population in the world of the Federally-endangered winged mapleleaf mussel. This information will be useful in implementing recovery plan action items for this species.



Saint Croix National Scenic Riverway

Snowpack monitoring funding by the National Park Service helped identify two Class I areas, Rocky Mountain and Yellowstone National Parks, that are receiving high levels of nitrogen deposition. This monitoring has led to increased efforts in identifying the causes of the high nitrogen deposition.



Rocky Mountain National Park

Biscayne National Park has collected data showing that recreational boating is a hazard to submerged aquatic vegetation, primarily seagrasses in certain areas of the park. Research has shown that seagrasses are among the most productive ecosystems in the world and perform a number of irreplaceable functions. As a result, in 1997 the park instituted a number of management strategies including educational outreach, marking shoals so boaters can avoid sensitive areas, and collecting restitution monies, in order to reduce the damage inflicted by boat propellers.

Over the past few years, the NPS has activated a program to improve response to oil spills and hazardous substance release which either threaten or impact park resources. In FY 1997, over 250 incidents were tracked that involved oil or hazardous substances that affected nearly 60 parks. The NPS worked cooperatively with the parties responsible for the spills and responding federal and state agencies to protect park resources while removing the contaminants from the environment.

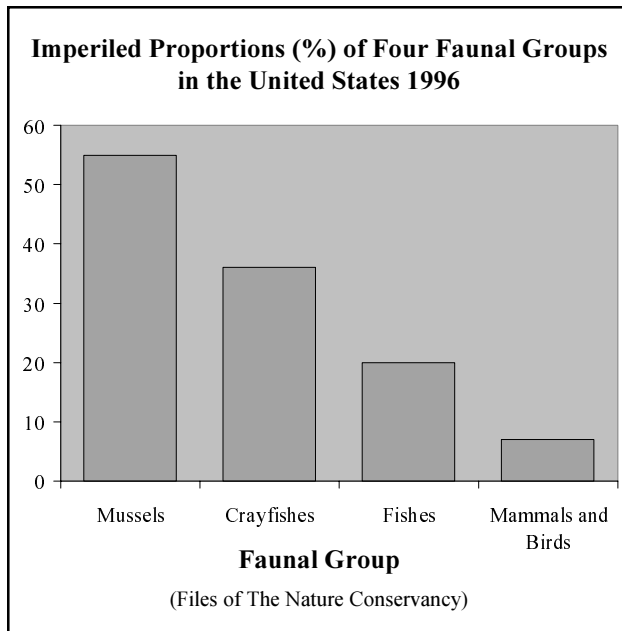
Species at Risk

There are at least 140 federally listed species which inhabit 180 units of the National Park System, and there are over 2,000 recovery plan task directives for which the NPS has principle responsibility. In a partnership effort that is contributing to our information needs, the Service is collaborating with The Nature Conservancy to develop a national database of threatened and endangered species that are known to occur or potentially occur on NPS lands. This database will assist the NPS in tracking the recovery plan task directives to their completion. Likewise, during the last year, eight projects were funded through the *Species At Risk* initiative of the USGS Biological Resources Division, including an assessment of mines for important bat species of concern in Montana, and seasonal habitat use and movements of Lake Sturgeon in the Upper Mississippi. The purpose of the initiative is to generate information that allows development of conservation agreements, action plans, and management alternatives that may reduce the need for future listings of species under the Endangered Species Act.

A popular destination hike at Great Smoky Mountains National Park was found to support populations of three federally endangered plants, including the Spreading Avens, a plant which is found in only 11 known locations world wide. To protect this fragile habitat from continued trampling, park staff, the U.S. Fish & Wildlife Service, and local cooperators restored one hundred and fifty seedlings to the site during the spring of 1997. The seedlings were reared from the source population and planted at the site to preserve the genetic integrity of the species. Public educational efforts combined with closing social trails to the area contributed to the success of this effort. Monitoring of the plants will continue in the forthcoming years.

In only two short years the wolf recovery program at Yellowstone National Park shows promise. From the 31 gray wolves brought into the park in 1995 and 1996, 92 grey wolves freely roamed Yellowstone in nine packs in 1997. Preserving ecosystem integrity and understanding the role of predation are two additional benefits of the continuing wolf recovery effort at Yellowstone National Park.

Recent reports indicate that freshwater mussels are the most rapidly declining faunal group in the United States. Over 70 percent of the fauna is federally or state listed as endangered, threatened or of special concern. In response, the NPS joined together with other land management agencies to formalize a national strategy for the conservation of freshwater mussels. Several NPS areas have implemented inventory and monitoring programs aimed at protecting this group of animals.



Resource Partnerships

The NPS seeks to engage public and private partnerships in resource protection, research, education, and visitor enjoyment consistent with the objectives of protecting park values and conveying their meaning to the public. In 1997, the National Park Service established and refined many partnerships that helped advance the state of natural resource management in parks. Some involved finding organizations interested in funding natural resource activities, while others concentrated on sharing resources to meet common goals. Without partners, we would not have access to some of the technical specialties needed in our work. Still others involved working with government agencies, states, tribes, and nongovernmental stakeholders to minimize environmental impacts to parks. Partnerships have provided more than funds and expertise, working together has fostered interagency understanding, promoted support from local communities, and provided a conduit for scientific information to reach public schools.

Excellent progress has been made in restoring nearly 50 acres of Scotts Bluff native Mixed-Grass Prairie, thanks to the partnership activities of the Nebraska Environmental Trust, the University of Nebraska-Lincoln, the Oregon Trail Community Foundation, and the NPS. Scotts Bluff National Monument was designated to preserve a prominent pioneer landmark and its environs along the Oregon Trail. Past land uses have degraded nearly one-third of the park. Restorative planting of 30 acres with native grasses was completed in FY 1997, thereby restoring the historical scene, enhancing critical wildlife habitat, reducing erosion to the Platte River, and preserving the native biodiversity of the Mixed-Grass prairie. Educational materials were also developed to generate public interest in prairie ecosystems.



Scotts Bluff National Monument

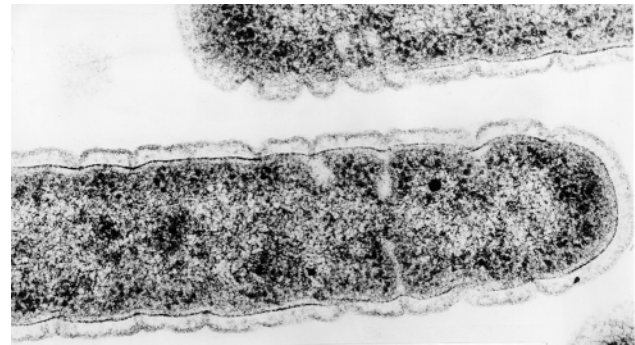
“Expedition into the Parks,” funded by a grant from Canon U.S.A. Inc., through the National Park Foundation, supports park-based natural resource preservation, restoration, and research projects that include volunteers and have strong public education components. Now in its third year, Expedition has provided over \$2,000,000 to 31 parks. In 1997, 13 parks received grants for projects ranging from a survey of mosses and lichens in Gates of the Arctic National Park and Preserve to monitoring endangered sea turtles at Padre Island National Seashore.

Yellowstone National Park with its long winters, rocky infertile soil, and youthful geologic history may seem like an unlikely place to find a cornucopia of biological diversity. In reality, Yellowstone’s 10,000 thermal features support the world’s largest known concentration of rare, heat-loving microbes. Known as thermophiles, these organisms are able to thrive at and near boiling temperatures under extreme acidic and alkaline conditions that generally prohibit life, and have generated huge interests from scientists and biotechnology companies all over the world.

Cloned versions of an enzyme produced by *Thermus Aquaticus*, discovered in a Yellowstone geothermal pool in 1967, revolutionized genetics technology and enabled development of DNA fingerprinting technology. Having earned its inventor a Nobel Prize, this technology provides

for the only reliable test for early detection of the AIDS virus, has become the cornerstone of medical diagnosis of genetic diseases and birth defects, and can convict criminals on the basis of a single hair. Such enzymes also have the potential to replace current chemical processes that damage the environment and use natural resources with safer, renewable organic processes.

These successes underscore the importance of preserving our Nation’s natural resources. While celebrating the 125th anniversary of “the best idea America ever had,” Yellowstone entered into an historic agreement that will allow a private corporation to conduct research on microorganisms: the company has pledged a portion of the company’s future profits from such research to the park for conservation and the park’s related scientific and educational activities.



Electron Micrograph of Thermus Aquaticus (taken by R. Turner)

The NPS served on a Collaborative Decision Making team which resulted in a plan for a 90 percent reduction of sulfur dioxide emissions from a major power plant, which were impacting visibility and causing acidic deposition at Mount Rainier National Park. Along with the NPS, the team consisted of representatives of local, state, and federal regulatory agencies; the U.S. Forest Service; and the plant owner. The team reached its final agreement in December 1996, and the emission controls are to be installed by the end of the year 2002.

As part of a Clusterwide initiative to address the problems posed by invasive exotic plant species, Great Smoky Mountains National Park personnel surveyed 12 parks within the Appalachian Cluster, collecting baseline data for the development of specific management recommendations. The primary intent of the project was to provide those parks which lack the funding or personnel a means to adequately assess the extent of exotic plants in their park. Participating parks were surveyed, mapped, and prioritized for each exotic species. Additionally, park staff received training in the identification and control of plant pests, and the necessary supplies and equipment to implement future control activities. In 1997, over nine different invasive plant species were managed at 12 parks in this cooperative venture.



Great Smoky Mountains National Park

Environmental Achievement Awards

This year, a new award, issued in conjunction with the Student Conservation Association (SCA) to honor former NPS employee Trish Patterson, was established. This award seeks to recognize achievements in natural resource management in small parks, where fiscal resources and outside assistance is limited. Trish Patterson was an NPS Southeast Regional Office employee who made special efforts to assist the numerous small parks in her region. In conjunction with the award, the SCA will cover the expenses of a seasonal Resource Assistant in the award recipient's park.

This partnership with SCA will provide extra assistance to the park to complete critical resource management projects and will give the SCA volunteer valuable experience. This year's recipient was Zandy-Marie Hillis-Star, Biological Technician at Buck Island Reef National Monument for her contributions towards the establishment of a sea turtle monitoring program that has received national and international recognition. Additional NPS resource stewardship awards were also awarded in 1997. The 1996 Director's Award for Natural Resource Management was awarded to Kenneth Czarnowski, hydrologist at Rocky Mountain National Park. Ken was extremely effective in his negotiations with the Bureau of Reclamation and other parties to redirect water into its natural drainage and the restoration of a natural high elevation wetland in the park. The Director's Award for Superintendent of the Year for Natural Resource Stewardship went to Alan O'Neill, Superintendent, Lake Mead National Recreation Area who provided leadership during the initial phases of the California Desert Ecosystem Management Initiative, a complex interagency framework for over 25 million acres. The Director's Award for Natural Resource Research was presented to Gare Davis, research marine biologist at the USGS Biological Resources Division, California Science Center.

Dave Brouillette and Aimee Vincente of Golden Gate National Recreation Area/Presidio Unit received the Department of Interior Environmental Achievement Award for 1997 for their efforts to incorporate the principles of sustainability and recycling into their maintenance operations by reclaiming high quality lumber for use in a building reconstruction project. At the George Washington Memorial Parkway, the Maintenance Division was selected for the DOI award because of their implementation of an in-vessel composting system to dispose of organic material in the park.

We congratulate all of these employees for their contributions to natural resource protection.

Park Cultural Resources

***“The preservation of historic sites for the public benefit, together with their proper interpretation, tends to enhance the respect and love of the citizen for the institutions of his country, as well as strengthen his resolution to defend unselfishly the hallowed traditions and high ideals of America.”
Franklin Delano Roosevelt***

“They [national parks] constitute a signature of time and eternity...” Carl Sandburg

Since its establishment in 1916, the National Park Service has been entrusted with the care of hundreds of special places that reflect the rich and complex human story of our Nation. Historic and prehistoric places like the Lincoln Memorial, Navajo National Monument, Brown v. Board of Education National Historic Site, Johnstown Flood National Memorial, Women’s Rights National Historical Park, Chaco Culture National Historical Park, Edison National Historic Site, Golden Spike National Historic Site, Stones River National Battlefield, Eleanor Roosevelt National Historic Site, Wright Brothers National Memorial, and Carl Sandburg National Historic Site tell the stories of our national heritage. From the Civil War to the struggle for civil rights, from invention to transportation, our Nation’s history, our triumphs and tragedies alike, are preserved in the National Park System.

In FY 1997, progress continued to be made in identifying, evaluating, and determining the significance of cultural resources in all units of the National Park System. The information base for planning and resource management has increased, and the Service continued to develop appropriate technologies and methods to inventory, document, monitor, preserve, and protect cultural resources.

Over 25 draft park planning documents were prepared, eight park administrative histories were completed, and work on over 30 administrative histories continued towards completion. Projects

either undertaken in FY 1997 include Historic Resource Studies at a number of parks, including Pecos National Park (Glorieta Pass Battlefield unit), Big South Fork National River and Recreation Area, and Saint Croix National Scenic Riverway; ethnographic studies of park-related communities in the Northeast Field Area; Historic Structure Reports at several parks; and the cataloging and processing of over 31,000 archival items at Weir Farm National Historic Site. These efforts served to educate park managers, staff, and the general public on the history of our various parks and programs. In FY 1997, the Service obligated \$69.5 million for cultural resources preservation activities.

Museum Collections

Collections from over 300 units of the National Park System are maintained in parks, at six NPS cultural resource centers, and 140 non-Federal repositories. These collections are comprised of nearly 35 million archeological, ethnological, historical, biological, paleontological and/or geological objects, and 22,400 linear feet of manuscript and archival documents. The number of collections maintained by the NPS has grown in the past year, up over one million from the 33.6 million objects identified in 1996. To date, 53 percent of the objects and 33 percent of the manuscript and archival documents are catalogued and available for use. Only 60 percent of park museum conditions adequately preserve and protect these resources. In FY 1997, an estimated 657,000 objects and 650 linear feet of archives were catalogued. The collection is expected to be catalogued by 2021, making the objects and associated documentation fully accessible for research, exhibits, and heritage education. In addition, an estimated 367 planning, environmental, storage, security, and fire protection deficiencies were corrected in 125 parks. By 2046, the backlog of preservation and protection deficiencies should be corrected, thus maximizing the availability of collections to present and future generations.

The collections of the National Park Service reflect our heritage. One of the most impressive and important collections is maintained at Longfellow National Historic Site. An estimated 650,000 museum items and objects are included: historic furnishings; fine and decorative arts representing a broad range of American and European painters and sculptors; Henry Wadsworth Longfellow's personal library of 10,000 books; a unique collection of Asian decorative and fine arts; and thousands of letters, journals, and photographs including documents from George Washington, Thomas Jefferson, and Abraham Lincoln. These collections possess exceptional research and aesthetic value and serve as an exquisite index to the birth and flowering of the Nation.

In 1997, Longfellow National Historic Site continued an active program of collections management and long-term preservation aimed at maximizing public education and access. A total of 46,000 archives and manuscript materials in the Dana family collections were processed and made available for reference and research as part of a multiyear cataloging and processing initiative. In addition, the park is working closely with the newly-organized Friends of Longfellow House to identify collection needs and conserve items requiring special attention. In 1997, the Friends raised \$10,000 towards conservation as part of their "Adopt an Object" program.

Another important collection is located at Olmsted National Historic Site. This park unit serves as a center for the study and preservation of landscapes nationwide. The Olmsted archives contain nearly 1,000,000 original records documenting work on thousands of design projects created by Frederick Law Olmsted and his successors over the course of a century. In 1997, Olmsted NHS continued a multiyear project aimed at conserving and enhancing public access to the archives with emphasis on the 150,000 plans and drawings of great interest to researchers.

Park and city planners from across the United States utilize these records as critical tools in the rehabilitation and rebuilding of public landscapes which have most recently included the U.S. Capitol Grounds and Lafayette Park (DC); Prospect Park (NY); Wright Brothers Memorial, Wright-Patterson Air Force Base (OH); and urban park systems in Chicago, Louisville, Baltimore, and Boston.

The List of Classified Structures (LCS) is an automated inventory of the historic and prehistoric structures in which the National Park Service has, or plans to acquire legal interest in, continued to be updated. To date information on 19,898 structures in a total of 307 parks in the National Park System has been gathered. The overall magnitude of historic structure preservation needs are becoming more apparent and increasingly pressing. At the request of President Clinton, the Service prepared a report in FY 1997 which identified the possibilities for private sector partnerships that could assist the Service in obtaining historic structure preservation requirements. LCS data was used in FY 1997 by the National Trust for Historic Preservation and the National Park Foundation in their respective efforts to develop partnership programs for the NPS.



The Meriam House, Minute Man National Historical Park

Cultural Landscapes

Cultural landscapes provide the physical environment associated with historical events and reveal important aspects of our country's origins and development through their form, features, and use. They also illustrate the relationships between park cultural and natural resources. To date, over 875 cultural landscapes have been inventoried at some level. In FY 1997, a new system of software that automates the data collected from the Cultural Landscapes Inventory (CLI) was finalized and system training was provided to CLI coordinators in the field. To ensure consistency in the inventory work conducted throughout the National Park System, the *Cultural Landscape Inventory Professional Procedures Guide* was prepared and a 5-year plan was developed by each National Park Service region to implement the CLI. Also in FY 1997, *A Guide to Cultural Landscape Reports: Contents, Process, and Techniques* was prepared. The guide includes technical information to assist in the research, documentation, analysis and evaluation, and treatment of cultural landscapes in the System.

As the only technical center in the National Park Service devoted to the preservation and care of historic landscapes, the park based Olmsted Center for Landscape Preservation strives to improve the condition of landscape resources and expand the preservation skills and knowledge of landscape managers. Olmsted Center staff work in partnership with other national parks, government agencies, and institutions with specialized skills to provide sustainable landscape preservation assistance through research, planning, stewardship, and education. Projects accomplished in 1997 included Cultural Landscape Reports for the National Soldiers Cemetery, Gettysburg National Military Park; the Historic Hiking Trails, Acadia National Park; Preservation Maintenance Plan for Dumbarton Oaks Park, Rock Creek Park; and Treatment of Hazardous Trees at Ellis Island, Statue of Liberty National Monument.

Additional projects included more than a dozen national and regional landscape preservation training programs and workshops including "Developing a Process for Long-term Preservation and Managing Historic Designed Landscapes" at Mount Rainier National Park in collaboration with the headquarters based Park Historic Architecture and Landscapes Program.

Archeological Resources

The Systemwide Archeological Inventory Program initiative has improved the availability of basic information concerning Archeological Resources. The Archeological Sites Management Information System database was formally launched in FY 1997 to help collect management data for inventoried sites in the parks. Approximately 25,000 electronic records were consolidated into a national level database from electronic records entered and used at the park and regional support offices. The Service continued to make progress on inventorying archeological resources on park lands. Forty-six inventory projects were initiated to systematically locate and evaluate archeological sites during FY 1997. Eight of the 16 national park clusters now have long-range plans that report on the inventory status and set targets for future inventories. At the national level, the database is being used for GPRA compliance to track the number of archeological sites managed by the Service and their condition.



*The Hensley Settlement, Cumberland Gap National Historical Park
(photo by J. Durham)*

Park History

Park history staff continued to serve as the lead office for the coordination in providing technical information and training in the implementation of the Servicewide 1995 programmatic agreement with the Advisory Council on Historic Preservation and the State Historic Preservation Officers. In 1997, the office worked with the Park Planning and Special Studies Division on policy consultation on more than 25 draft park planning documents. It prepared for the updating of National Park Service Cultural Resource Management Guidelines in response to the initiative to the Reduction and Delegation Project.

These efforts served to increase the quality of our cultural resources preservation programs while reducing the cost and time spent on managing these programs and resources. The Park History Program includes the National Maritime Initiative (NMI) which, in cooperation with the maritime preservation community, surveys and evaluates maritime resources, develops standards and priorities for the preservation of those resources, and addresses appropriate roles for the private sector in resource preservation. The NMI has also just been assigned responsibility for the Grants Program authorized through the National Maritime Heritage Act which will fund maritime heritage education and preservation projects.

Restoration Activity

Restoration of the Charles Arnold House at Lincoln Home National Historic Site was completed by park staff. Based upon its early use as a church and school, it will be used as a gathering place and center of education. Exhibits scheduled to open in 1999 will provide information on historic preservation of this house and other houses in the Lincoln Home area.



*Pre-restoration,
Charles Arnold House, Lincoln Home National Historic Site*



*Post-restoration,
Charles Arnold House, Lincoln Home National Historic Site*

The project itself was complicated in that the 1860's cottage was relocated to the back of the property around 1900 and extensively modified with the addition of dormers, a single story wraparound addition around 3 sides, and brick veneer. At the start of the project these modifications had to be reversed, the house lifted, turned 90 degrees, and moved forward approximately 80 feet to its historic location at the front of the property before the actual restoration work could be initiated.

Land Acquisition

The acquisition of non-Federal lands within the National Park System is necessary to protect park resources and provide for visitor use. Many of the parks are encumbered by non-Federal interests that constitute legally recognized and protected property rights.

Of the 83 million acres of the National Park System, 4.75 million are privately owned. All privately held interests are potentially subject to use and development. In some cases, proposed developments of these private interests are compatible with the park's purpose and objectives. However, many adversely affect the preservation of cultural, historic or natural resources, and conflict with park purposes.

Examples of potentially incompatible uses of private interests include commercial or subdivision development, large-scale agricultural development, and mineral exploration or production. Where regulatory authority exists, the NPS may control or condition the use of private interests, however, the NPS cannot deny their use without due process of law and just compensation to the holder of the right. Not all privately held lands within the System have been identified for purchase. Land protection plans developed for all units containing private land have identified the minimum land acquisition needs.

In FY 1997, \$47.9 million was obligated for land acquisitions. The Service purchased interests in 621 tracts containing 8,580 acres of privately owned land. An additional 2,068 acres were acquired by methods other than purchase. FY 1997 acquisitions assured protection of a variety of significant natural and cultural resources and provided for visitor use.

In support of the Department's South Florida Restoration Initiative, the Service acquired 296 tracts containing 1,858 acres at Big Cypress National Preserve and 247 tracts containing 2,935 acres at Everglades National Park. The purpose of the initiative is to restore and protect the water flow into the Everglades and Florida Bay ecosystems.

The protection of an additional 3.86 miles of Appalachian National Scenic Trail was accomplished with the acquisition of 2,934 acres in FY 1997.

In partnership with The Nature Conservancy (TNC), the phased acquisition of the largest private ownership at Cumberland Island National Seashore, the 1,170-acre Greyfield property, was initiated. The owners entered into an option agreement with TNC for a phased purchase requiring timely annual payments through April, 2000. Phase I (148.80 acres) was acquired in the spring of 1997.

At Stones River National Battlefield the purchase of the 22.44-acre King Tract was made possible through the combined efforts of the NPS and the Civil War Trust. The purchase preserves a historic portion of land where Union artillery devastated a Confederate attack and forced their retreat. Without the active and substantial support from this non-profit group, the property would otherwise have been sold for development. By preserving the historic integrity of the battlefields, an important investment into our Nation's history was made.

“With this acquisition (at Stones River) visitors will be able to understand the role the landscape played on the ground where 1,800 Confederates fell in an hour.” Mary Ann Peckham, Superintendent, Stones River National Battlefield

Significant acquisitions by exchange were completed at Acadia National Park, City of Rocks National Reserve, and Petroglyph National Monument. Notable land donations were accepted at Appalachian National Scenic Trail, Biscayne National Park, and Shenandoah National Park.

As of September 30, 1997, there were approximately 340,000 acres remaining to be acquired, excluding the Alaska areas. It is estimated that the total land acquisition backlog for National Park System units is over \$1.4 billion.

Visitor Services: Providing for Public Enjoyment

“There is nothing so American as our national parks. The scenery and wildlife are native. The fundamental idea behind the parks is native. It is, in brief, that the country belongs to the people, that it is in process of making for the enrichment of the lives of all of us. The parks stand as the outward symbol of this great human principle.”
Franklin Delano Roosevelt

Indeed our national parks commemorate those historical and cultural events, social movements, and people from which we derive our collective national heritage. Individual experiences can help people gain a sense of place and a stronger sense of history and national identity. Equally as important is the sanctuary that the parks provide for the mind and spirit.



Minerva Terrace, Yellowstone National Park (photo by L. Dale)

The most advanced science and research, the most efficient park management, and the best resource conservation will not guarantee the preservation of the parks. Rather, it is only by making available to the public the stories and scenic wonders of the parks and by creating bonds (emotional, intellectual, spiritual, and recreational) that people will assume

greater responsibility for the protection of their natural and cultural heritage and ensure their preservation for generations to come. To this end, the Service strives to provide high quality visitor experiences.

National park areas have long been a favorite and inexpensive destination for millions of Americans, as well as, people from around the world. To ensure that adequate opportunities are available for public enjoyment and that a park experience be a safe one, the NPS provides a variety of visitor services, interpretation and education programs, information and orientation services, as well as commercial concession operations. Park rangers and the U.S. Park Police work to ensure the health, safety, and security of the visiting public and NPS staff.



Point Reyes National Seashore (photo by C. McBryant)

Interpretation and Education Programs

“One of the motives for preserving places of historic interest and natural beauty is to cultivate in our people the historic sense, the vivid realization of the life of our ancestors and all the former inhabitants...as a reality lovingly pictured in the mind, not merely an abstract read of in history books.” *Freeman Tilden*

Interpretation provides to visitors the information necessary for the fullest understanding, enjoyment, and appreciation of park units and their story, as

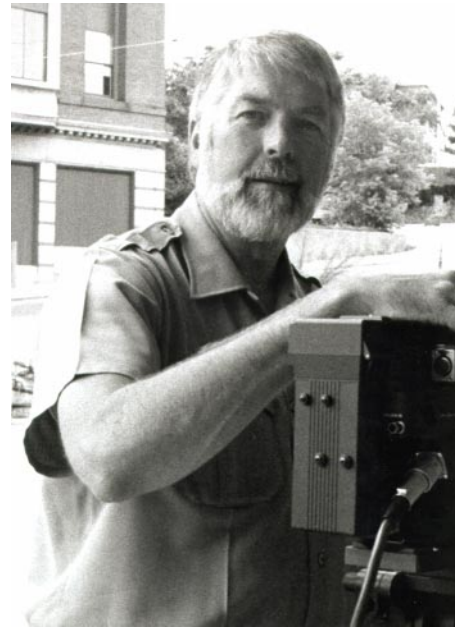
well as information that ensures the protection of the visitor and preservation of park resources. The job of interpretation is to facilitate a connection between the meanings found in parks and the interests of visitors.

In FY 1997 considerable emphasis was placed on developing a performance based interpretation and education program. The new competency based standards for interpreters focuses the work we do, not only on delivering information in a skillful way, but linking specific tangible artifacts, buildings, and places with tangible ideas, events and concepts. The job of interpretation, in all its forms, is to help people discover their own relationship to and understanding of parks. The goal is to ensure that park visitors and the general public understand and appreciate the significance of the park they are visiting.

In FY 1997 the Park Service obligated \$116.6 million for park interpretation and education programs. Systemwide, 67 million hours of interpretation and education programs were provided. The array of different services provided include 571 staffed information centers, 1,974 talks and campfires, 2,390 guided tours through parks, caves, archeological ruins and historic buildings, and 903 historical demonstrations. Four million visitors benefited directly from these programs. Some noteworthy examples of FY 1997 interpretive and education programs follow.

Chuck Arning, Audio-visual Specialist from Blackstone River Valley National Heritage Corridor, received the Freeman Tilden Award, the highest award in interpretation, for his monthly cable television series *Along the Blackstone*. Monthly topics included “The Blackstone Canal,” “Diners in the Valley,” and experiences of particular ethnic populations which included the Irish, French Canadians, and Cape Verdeans. In receiving the award Arning reflected, “Winning the Freeman Tilden Award is a profound honor. Considering the many fine interpreters that there

are in the National Park Service it is also quite humbling. I really believe that our cable television series has been so successful because it is a collaborative process that represents the very best of people, the communities that make up the Blackstone River Valley Corridor, and the Park Service staff.”



Freeman Tilden Award Recipient
 Chuck Arning, Blackstone River Valley National Heritage Corridor

In FY 1997 the Park Service initiated an innovative partnership between the Jean Lafitte National Historical Park and Preserve, the National Park Foundation, and the National Railroad Passenger Corporation (Amtrak). The partnership, called Trails and Rails, provides interpretive programs on board Amtrak’s coast-to-coast *Sunset Limited* during its transit of Louisiana between Lafayette and New Orleans and on the north/south *City of New Orleans* between New Orleans and Jackson, Mississippi. A passenger on the *City of New Orleans* was quoted as saying, “It’s a great way to educate a captive and interested audience. While passing the time, the information provided gave a nice background and understanding of an otherwise unknown (to us) area. A very constructive use of time and talent!”

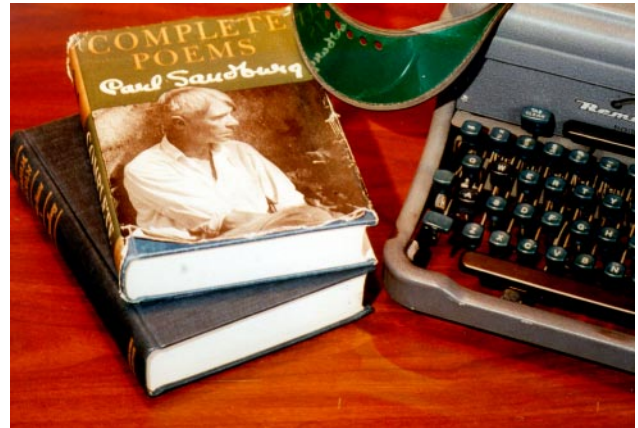
The Parks as Classrooms program this year funded 77 educational projects. Since 1991 nearly 500 educational projects have been funded reaching an estimated 3.5 million students. This year 761,000 students attended programs in the parks and 583,000 were provided Ranger programs in their schools. This year's program included such innovative projects as an educational program which focused on a newly discovered pygmy mammoth remains on Channel Island and a homework help Internet Website in both Spanish and English at San Juan NHP in Puerto Rico.

At Carl Sandburg Home National Historic Site, teachers from North and South Carolina gathered to help plan, design, and write a curriculum that will be used to teach middle school students nationwide about Sandburg's legacy as poet, historian, and social activist. The completed curriculum will be distributed nationwide for field testing. Designed to be used in the classroom and/or in conjunction with a site visit to the Home, the program is interdisciplinary in approach, weaving history, literature, historic preservation and other studies, while conveying to students Sandburg's vision of America. This project, which was made possible through a Parks-as-Classrooms grant, will also provide students with a rare look into the fields of museum management and historic preservation.



Carl Sandburg Home National Historic Site

“I’ve taught literature and I know Sandburg, but I really found out in this week that I didn’t know the man. We’re so lucky to have the Carl Sandburg Home. Our culture is so rich from the highly educated writers to the simple philosopher.”-- Program participant



Sandburg Typewriter, Carl Sandburg Home National Historic Site

The Geologist-in-the-Parks program, established to meet the geologic resource, interpretation and operational needs of parks has been a growing success, doubling in size from when it was first created in 1996. In FY 1997, 26 program geologists created geology trails, teacher guides, and traveling trunks at recipient parks. The geologists also helped revise geology displays, science summaries, and interpretive demonstrations at park Visitor Centers. Monitoring protocols for failing cliffs, sand dune movement, and slope stability were developed to protect these resources at several park sites. The U.S. Geologic Survey will feature the program in their earth sciences brochure that is distributed to secondary schools nationwide.

The National Park Service provides a variety of interpretive and educational media. Systemwide, the Service maintains more than 10,800 wayside exhibits, 600 exhibits in museums and contact facilities, and 1,200 audiovisual programs. In FY 1997 the Harpers Ferry Center installed: 336 new wayside exhibits, replaced an additional 605 wayside exhibits, produced and installed 14 new museum exhibits, produced and installed historic furnishings in 7 park sites, provided 800 treated objects to 65 parks, produced and installed 72 new and/or revised audiovisual programs, and more than 28.5 million copies of park brochures were distributed.

Providing Park Protection

With millions of park visitors seeking to enjoy the national parks each year, the responsibilities of the NPS in providing a safe and secure park experience necessitates a proactive program of law enforcement. Although national parks remain safe places for the majority of visitors, crimes against persons and property within the parks have been on the rise. As part of its authority and jurisdiction, the NPS is required to enforce federal laws and regulations within park units.

NPS park rangers perform demanding law enforcement and resource protection activities, including drug enforcement, traffic control, watercraft and aircraft supported enforcement activities, criminal investigations, and wildlife enforcement activities. NPS park rangers are also involved with drug enforcement activities such as eliminating marijuana fields on park property and apprehending violators. Rangers also participated in drug prevention programs involving elementary and junior high students, including the Drug Abuse Resistance Education (DARE) program in schools across the country in 1997.

In 1996, the most recent year for which data is available Systemwide, park rangers investigated 87,000 law enforcement offenses and made nearly 27,000 arrests. There were over 5,000 felony crimes, including 14 murders and 200 aggravated assaults. Theft, particularly from parked cars constitute the bulk of felony crimes within park areas. Crimes within parks resulted in a loss of over \$5.0 million to the government and visitors. Resource crimes, such as, poaching of plants and animals, timber cutting and theft, and mineral extraction, constitute the largest number of crimes.

Conducting search and rescue duties and responding to medical emergencies are also critical activities performed by park rangers in coordination with emergency rescue personnel (park and area communities). In 1996, 4,800 search and rescue missions were conducted in national parks that included locating and assisting individuals lost or trapped in remote or confined spaces. Search and rescue operations alone cost the Service \$2.5 million in 1997 which are not reimbursed. Additionally, rangers and emergency medical personnel responded to 25,000 incidents.

An Act of Heroism

James Dettlerline, Longs Peak Area Ranger at Rocky Mountain National Park, was presented the U.S. Department of Interior's Valor Award by Secretary of the Interior Bruce Babbitt on December 9, 1996 for his heroic rescue of two park visitors from Roaring River. The visitors had fallen into the snow-fed river and were found clinging to a rock above the 75-foot Horseshoe Falls when rangers arrived on the scene. As his award relates, Dettlerline, while on belay, entered the swift waters to attempt to stabilize the victims and fell twice. As he continued in his attempts, the victims suddenly lunged at him. Demonstrating great courage and taking a high degree of personal risk, he was able to grab onto both individuals and pull them to safety, saving the lives of the two people.

The U.S. Park Police

The U.S. Park Police is an urban oriented law enforcement organization within the NPS responsible for performing a full range of law enforcement functions at System sites including the Washington, D.C. metropolitan area; Gateway National Recreation Area, New York/New Jersey; and Golden Gate National Recreation Area, San Francisco. Annual visitation in areas patrolled by the Park Police is nearly 90 million. Park Police jurisdiction includes approximately 81,000 acres of park land comprising 783 reservations, over 234 miles of roadways, and several hundred miles of shoreline.



U.S. Park Police

Law enforcement functions performed include visitor and facility protection, emergency services, criminal investigations, special security and protection duties, enforcement of drug and vice laws, and traffic and crowd control. Services are provided on foot, in cruisers, boats, helicopters, motorcycles, and on horseback.

Preliminary data indicate that during FY 1997, the U.S. Park Police investigated over 10,000 criminal acts and arrested over 2,600 persons for crimes committed on park lands and adjacent areas in addition to the capture of 448 fugitives and wanted persons.

The U.S. Park Police also investigated over 3,300 motor vehicle accidents including 16 fatal motor vehicle accidents resulting in a total of 20 deaths. The U.S. Park Police also contribute to the nationwide drug enforcement effort, engaging in surveillance activities, undercover operations, as well as drug awareness and education efforts. There were 2,367 reported drug incidents. Over 570 citations were issued for drug violations. A total of 1,383 persons were arrested for drug violations: 520 drug dealers (20 armed) and 863 for possession. The U.S. Park Police seized over \$800,000 worth of illegal narcotics, \$127,921 in cash, and 97 vehicles valued at \$1,000,435. The U.S. Park Police served 32 narcotics search warrants and recovered 56 firearms.

The U.S. Park Police also participated in the DARE program. This commitment consisted of 16 officer/instructors teaching in 15 schools which serve nearly 6,700 students in 3 states and the District of Columbia.



U.S. Park Police

For park ranger activities associated with law enforcement, health and safety, and resource protection, the Service obligated \$125.6 million in FY 1997. Obligations for U.S. Park Police operations totaled \$65.9 million.

Park Concessions

Concessions, as mandated by Public Law 89-249, provide a variety of necessary and appropriate visitor services including accommodations, restaurants, transportation, and shopping facilities. Currently there are 651 concessionaires operating in 132 parks in the National Park System. Concession operations are monitored by a NPS team, to ensure that concession operations do not conflict with the protection of natural and cultural resources, that quality visitor services are available at comparable rates, and that concessionaires have a reasonable opportunity for a profit.

Concessionaires in FY 1997 deposited \$15.1 million in franchise fees to the General Fund of the U.S. Treasury and \$21.9 million to special accounts for improvements to concession service facilities without accruing possessory interest. In calendar year 1996, concessionaires provided nearly \$12 million in possessory interest extinguishment and other benefits. The net average return to the government as a percent of gross concession revenue has been increasing in recent years, and was 7.9 percent in 1996, bringing the NPS close to achieving the GPRA goal of having our contracts return at least 8 percent of gross concessioner revenue by September 30, 2002.

Each year over 4,500 individual inspections are conducted to evaluate operations to ensure that park visitors are provided safe, sanitary, attractive, and high quality services. In 1996, approximately 99 percent of the concessionaires received a satisfactory operational rating, and steps were taken to correct reported deficiencies.

The National Park Service has reduced the backlog of expired concession contracts from 525 to approximately 200 as of December 1997. As a result of concession reforms in 1992 and 1993, competition for concession contracts has significantly increased. Additionally, regulations promulgated in 1992 permitted the NPS to adjust the terms and conditions of concession contracts as a condition to the approval of a proposed sale. This has resulted in a substantial increase in return to the government. A Concession Career Report was developed that outlines a series of human resource management processes and associated recommendations for the Service. This report will allow management to develop and maintain a cadre of professionals capable of effectively managing the Service's Concession Management Program into the next century. Finally, in FY 1997, the Concessions program adopted the use of visitor surveys and comments as a part of the formal evaluations conducted on concessioner services and facilities. By obtaining and responding to consumer feedback, the Service continues to meet the goals outlined in the Vice President's effort to reinvent government.



Old Faithful Snow Lodge, Yellowstone National Park

Partnerships and External Programs

People in communities nationwide are looking for ways to reclaim a sense of connectivity with the natural world and with each other. Today, the NPS is reaching beyond the boundaries of the parks to work with states and local governments who request assistance. Goals such as cleaning rivers, protecting historic places, telling the story of a community's unique heritage, and providing greater access to trails and the outdoors, can be achieved at the state or local level. The Service stands ready to help meet these goals through partnership programs. Partnership activities strengthen our work as a Service and our work, in turn, strengthens our partners. Together we become far more effective than either of us can be separately.

Cultural Partnership Programs

These programs help the National Park Service fulfill its mission to extend the benefits of cultural resource conservation throughout the country. The Park Service administers dozens of incentives, grant programs, technical assistance, training, and special initiatives that provide valuable assistance to thousands of communities nationwide in conserving their unique character and heritage.

Many of these programs grew out of the National Historic Preservation Act of 1966, and related legislation, such as the Historic Sites Act of 1935 and the Archaeological Resources Protection Act of 1974. They are administered in partnership with State Historic Preservation Offices, local governments, federal agencies, and Indian tribes. Programs like the National Register of Historic Places, the Federal Historic Preservation Tax Incentives, and the Certified Local Government Program provide services to customers from the private sector who bear much of the responsibility for historic preservation activities in communities

throughout the Nation. Partnership programs help leverage additional public and private investment and help communities conserve their unique character and heritage. This partnership demonstrates how a major federal agency helps numerous communities use preservation tools in a manner that best suits their unique circumstances.

Historic Preservation Fund Grants

The FY 1997 appropriation for Historic Preservation Fund (HPF) provided \$29,394,000 in grants to states (the same level as FY 1996). States used these matching grant funds to survey almost 15 million acres and added over 130,000 historic and archeological properties to their inventory of identified sites. States also submitted over 1,600 nominations of properties to the National Register of Historic Places. State Historic Preservation Offices also used HPF grant funds to review over 85,000 proposed federal projects and assess their impact on properties listed in or eligible for listing in the National Register of Historic Places. Ten percent of the HPF grants were sub-granted to Certified Local Governments (CLGs). The 60 new CLGs approved by NPS during FY 1997 resulted in a grand total of over 1,100 CLGs nationwide. In FY 1997, HPF grants were also provided to Indian Tribes (\$1,896,000); Historically Black Colleges and Universities (\$1,422,000); and the National Trust for Historic Preservation (\$3,900,000).

National Center for Preservation Technology and Training

The work of the center is accomplished through partnerships with organizations and institutions throughout the United States. The largest means of stimulating innovative work in preservation and conservation is the grants program provided through this office. Twenty-five projects for research, training, information management, work in historic architecture, historic landscapes, conservation of objects and materials, and archeology were supported in FY 1997.

The Archeology and Ethnography Program

This program provides national leadership and coordination in preserving the heritage of America's places and people, inside and outside the National Park System. The program's mission is to broaden access to information, protect and preserve archeological and ethnographic resources, foster positive relationships between National Park Service units and traditional communities or groups related to those units, enhance the care of collections and archives, and improve management and research.

The National Park Service continues to seek improved relationships with people today and the park resources they value. Through research and consultation with local people, ethnographers gather and provide information to park service staff and community members. In FY 1997, ethnographers in Alaska, the Columbia Cascades area, the Southwest and Colorado Plateau, Southeast, Northeast, Midwest, and in Washington D.C. conducted or contracted for studies, consulted with community cultural experts, and provided training. Approximately 12 projects were conducted Servicewide. Research varied from the uses of urban parks in Washington D.C., to Alaska Native fishing patterns, African-American communities in Louisiana, treaty rights of Midwestern tribes, and Hispanic and American Indian communities in the Southwest. Working with the local communities is an inherent part of every project, and these cooperative efforts have led to more culturally informed park planning, interpretation, and management, which have benefited the parks, as well as the communities themselves.

Sitka National Historical Park is part of the community of Sitka, Alaska. The community has an extensive Russian heritage and is a major cultural center for the Tlingit Indian people. As part of the National Park Service's Gateway Community Planning Initiative, Sitka National Historic Park, in concert with over 100 Sitkans developed planning alternatives to preserve the historic and environmental qualities of the community, to convey the Alaska Native cultural connections to the area and to coordinate the locations of visitor facilities and transportation. The document is derived from a series of public workshops whose purpose was to define the attributes and values that the community wanted to preserve. The planning alternatives and design recommendations were formally presented to the Sitka Assembly in April 1997.

Native American Graves Protection and Repatriation

Under the Native American Graves Protection and Repatriation Act, the National Park Service published eight Notices of Inventory Completion in the Federal Register, affecting 79 human remains and 2,313 associated funerary objects. These notices included human remains of Indian individuals living at Fort Union Trading Post in the late 19th century, as well as human remains from Little Bighorn Battlefield National Monument, from Big Cypress National Preserve, and from park units in Alaska, the Southwest, and the Pacific West.

The total number of published Notices of Inventory Completion for National Park Service collections is 25 and approximately 36 additional notices await publication. In addition, two Notices of Intent to Repatriate were published in FY 1997; the repatriated items were originally associated with medicine men and were returned to the lineal

descendants. Consultation with Indian tribes is continuing in all regions where cultural affiliation to human remains, funerary objects, sacred objects, and objects of cultural patrimony has to be determined.

Connections: Preserving America's Landscape Legacy, a documentary film, marked a high point in the NPS cultural partnership programs. The film was a production of the National Park Service's Historic Landscape Initiative. *Connections* raised awareness about preserving landscapes by exploring unique human connections with the land. Location photography and interviews were undertaken in a range of diverse locations, including Boston, Georgia, Hawaii, and California. The film was selected for the Environmental Film Festival, opened the first New York City Sierra Club Film & Video Festival, and was featured on CNN's "Earth Matters." The New York Times evaluated *Connections* as a film that "should be in every public library and school in the country, because it captures, through images and stories, the importance of the land and why we need to preserve it."

The National Register of Historic Places

The National Register is the official list of the Nation's cultural resources worthy of preservation, including all historic areas of the NPS, National Historic Landmarks, and other places significant to the Nation, states, and communities. Nearly 68,000 properties are listed in the National Register, which incorporates nearly one million historic and archeological resources. National Register information is used for planning, preservation, research, public education, and tourism efforts. The National Register Program is committed to making the National Register of Historic Places more accessible to the public. Its primary goals are to

foster a national preservation ethic, to promote a greater appreciation of America's heritage, and to increase and broaden the public's understanding and appreciation of heritage resources. In FY 1997, a World Wide Web site of the National Register of Historic Places was established. The site contains information about the National Register, Teaching with Historic Places Program, and a number of *National Register Bulletins*. Information on all properties listed in the National Register is available online. In FY 1997, 1,665 new listings were included in the National Register (encompassing over 34,000 significant buildings, sites, structures, and objects), bringing the total listings to 67,948.

Two publications were expanded in 1997, *National Register Bulletin: Defining Boundaries for National Register Properties* and *National Register Bulletin: How to Improve the Quality of National Register Photographs*. Each of these is a revised version of an earlier publication. The National Register Nomination form has been transferred into an electronic "smart" template and soon will be accessible on the Internet to the public.

National Historic Landmarks

Designated by the Secretary of the Interior for their exceptional significance in illustrating our history. National Historic Landmarks (NHL) are those places where significant events occurred, where prominent Americans worked or lived, that represent those ideas that shaped the Nation, that provide important information about our past, or that are outstanding examples of design or construction. Theme Studies on Labor History, Park Historic Landscapes, Geology, Architecture, and the Underground Railroad have resulted in the nomination of some of the 36 new landmarks which were designated by the Secretary of the Interior in FY 1997. Nineteen additional NHL nominations were prepared and will be considered by the National Park System Advisory Board in November 1997. The total number of NHL listings through FY 1997 is 2,232.

The American Battlefield Protection Program (ABPP)

This program provides expert technical assistance and grants to organizations so that they may identify, assess, and protect battlefields that are located on American soil. In FY 1997, the ABPP funded projects in planning, interpretation/education, GIS mapping, community outreach, National Register nominations, and archeological surveys. Funding recipients include local and state governments, local battlefield friends groups, historical societies, state and local battlefield commissions, universities, Indian tribes, and national and regional nonprofit organizations.

Since the beginning of FY 1997, the ABPP, working in partnership with The Civil War Trust, has played a crucial role in the approval for distribution of funds raised by the Trust through the sale of Civil War commemorative coins. Monies went towards the acquisition of a total of 591.14 acres at Mill Springs, Kentucky; Marye's Heights, Virginia; Gettysburg, Pennsylvania; Stones River, Tennessee; and Corinth, Mississippi. Together with the public and private sector, the ABPP works toward the goal of preserving battlefield lands so that future generations have a tangible way to understand the history of the United States and its people.

New Technologies

Digital convergent photogrammetry and computer aided drafting technologies allowed the production of precise, existing condition drawings of such diverse NPS historic structures as the hull of the steam tug *Hercules* at San Francisco Maritime Heritage National Historical Park, the Mariscal Quicksilver Mine in Big Bend National Park, the flood-damaged Conococheague Creek Aqueduct along the Chesapeake and Ohio Canal National Historical Park, as well as, structures in Mt. Rainier National Park, Mojave National Preserve, and Glen Echo Park.

Providing a limited need for scaffolding and time spent onsite, this technology allowed for minimal visitor impact and little impact to the resources themselves. A combination of technologies were used to record structures at Martin Van Buren National Historic Site, the water supply system for Kalaupapa National Historical Park, and the Sewell-Belmont House.

After five years of conducting Global Positioning Systems surveys of Civil War battlefields, the NPS has developed the largest digital database of earthwork fortifications in the United States. This database is now being used in combination with satellite data on land cover, elevation, soils, and scanned historic military maps to conduct GIS analyses to help answer such questions as "What factors are important for ensuring the survival of earthworks?" "Where should tour routes be established to interpret the battlefield?" and "What management practices are most appropriate for earthworks?"

Providing Community Services Through Partnerships

Citizens in thousands of grassroot groups are protecting places that are important to them; nearby rivers, open space for communities, and trails linking town and country. The National Park Service is increasingly called on to support the conservation efforts of state and local governments. The NPS shares its experience gained in protecting the national parks with interested communities nationwide. NPS technical assistance programs are helping conserve and enhance close to home rivers, trails, and open spaces in communities. Several programs work together to carry out the authorities contained in the Wild and Scenic Rivers Act, the National Trails System Act, the Land and Water Conservation Fund, and the Outdoor Recreation Act. The National Center for Conservation and Recreation provides coordinated technical and financial assistance to communities seeking to conserve local resources without federal ownership

or control. Ultimately, the outcome of these technical assistance, management, and grant programs is the conservation of thousands of acres of land, miles of trails, and numerous rivers and lakes, plus the provision of outdoor recreation for millions of people. Overall, they improve the quality of life and the environment.

The Rivers, Trails, and Conservation Assistance (RTCA) Program

As the Service's principal technical assistance program, the RTCA program has helped hundreds of communities plan greenways, conserve rivers, protect trail corridors and develop new trails, and accomplish a range of other locally developed objectives.

In FY 1997, the RTCA program worked alongside local residents and public officials in 49 states. The program's 75 staff members provided individual technical assistance on over 180 projects identified by local communities, sponsored by local governments or nonprofit organizations, and competitively selected by NPS. Cooperating organizations are expected to commit to funding the implementation of their projects and to finding public and private partners to share the cost. Among projects undertaken in FY 1997 within the program's \$7.1 million budget were the following:

Trails and Greenways

A significant part of RTCA's work involves helping citizen groups and local governments establish partnerships for trail and greenway development. These efforts may bring together landowners, business leaders, real estate developers, health and wellness providers, and representatives of national organizations, federal agencies, conservation groups, and historic preservation organizations. Budgets are pieced together: some partners contribute money, others donate materials or services, and still others work with their own shovels.

RTCA has been a partner on many outstanding projects. One example is Cody Pathways, a network of onstreet bicycle facilities and offstreet trails in Cody, Wyoming. RTCA staff built partnerships, identified and secured funding sources, helped develop a master plan and marketing plan, facilitated public involvement, helped design brochures and a logo, and strategized on river resource cleanup. On the east coast, RTCA is helping proponents of the East Coast Greenway establish a 2,500-mile, traffic-free hiking and biking trail linking cities from Maine to Florida.

Rails-to-Trails

RTCA staff help communities learn how to keep abandoned railway corridors from being lost by converting them into very popular "rail-trails." During FY 1997, RTCA worked on 17 full-scale projects that included a rail-trail component. On Hattiesburg, Mississippi's Pearl-to-Leave Trail, RTCA helped the local Recreation District Board develop management and safety guidelines for what will become a 41-mile rail-trail connecting several neighboring towns.

Statewide Rivers Assessments

Statewide rivers assessments are cooperative efforts between federal, state, and local governments and nongovernmental organizations. The assessments consolidate known river information and make it accessible, thereby helping to prioritize efforts and develop needed policies and programs. The process, developed by the NPS, has been used in 20 states to date. In FY 1997, the Park Service continued assistance on a river assessment in North Carolina. Assessments now use state-of-the-art technology such as Geographic Information System databases and access via the Internet.

River Corridors and Multi-Objective Management

In some areas of the country, flood related disasters are being countered by proactive approaches to flood control planning. In FY 1997, RTCA helped 17 communities improve the way they manage their river corridors. In western Maryland, RTCA planners helped local, state, and federal agencies organize a Floodplain Management Summit. Topics discussed included minimizing future flood losses, enhancing natural floodplain functions, and coordination among federal and state programs related to flooding and flood hazard mitigation.

Watersheds

Many communities are forming partnerships to address watershed management. RTCA assisted with 26 watershed projects in 1997. For example, a project spearheaded by the Navajo Nation in northeast Arizona convened Navajo tribal officials, RTCA, state, and other federal agencies from throughout the 27,000 square mile watershed. The watershed includes two states, six counties, and three sovereign Indian reservations. As a result of the preliminary meetings, a group was formed to further explore a community based planning effort for the watershed which will gather information on issues of common concern.

National Trails System

Created by law in 1968, the System includes 12 national scenic trails, 8 national historic trails, over 800 national recreation trails, and 2 side/connecting trails. Of the 20 scenic and historic trails, NPS provides trailwide coordination for 15. Together these 20 trail corridors measure almost 37,000 miles in combined lengths, cross 51 national park areas and 90 national forests. In addition, hundreds of miles cross lands under the care of the Bureau of Land Management.

FY 1997 was a busy year for national trails. In January, NPS signed an interagency agreement to cooperate with the Federal Highway Administration to jointly plan and operate the newly-established Selma to Montgomery National Historic Trail in Alabama. Ongoing national initiatives involved redesigning the trail marker logos of each existing trail, offering guidelines on good wayside exhibit development, developing a method to measure the economic impacts of these trails, offering training in organizational development for partners, and continuing to underwrite the quarterly *Pathways Across America* to foster better communications among trails partners. Major successes during FY 1997 include the following:

- Along the Appalachian Trail, Sterling Forest was protected through a joint federal-state \$55 million land purchase agreement.
- A 150th anniversary commemorative wagon train retraced the route of the Mormon Pioneers from Council Bluffs, IA, to Salt Lake City, UT.
- The Continental Divide Trail Alliance organized 31 one hundred-mile hikes (“Uniting Along the Divide”) over the length of the Continental Divide Trail to simultaneously assess trail conditions, hazards, and opportunities.
- Land trusts to protect trail lands have recently been set up to help the North Country, Ice Age, and Florida National Scenic Trails.

The Federal Lands-To-Parks Program

This program helps transfer “surplus” federal lands, at no cost, to state or local ownership for use as parks. Properties can be available if deemed surplus by the General Services Administration or by the Department of Defense (as in the case of post-1988 military base closures and realignments). After four rounds of military base decommissioning, NPS has identified 65 bases with lands and facilities (approximately 13,044 acres) which could be

transferred, and has transferred portions of six bases. In FY 1997, NPS assisted a number of local and state agencies with proposed transfers. An example of assistance provided was the transfer of a portion of a former Naval Reserve Center to the City of Staunton, Virginia for a new community recreation center. NPS alerted City officials about the opportunity to acquire the property at no cost when the Reserve Center was included on the list of military base closings authorized by Congress. The new recreation center will be within walking distance of most of the nearby residential area. Since 1949, the program has conveyed nearly 1,300 properties to state and local governments for parks and recreation use, protecting more than 144,000 acres of land.

Grants to state and local governments for outdoor recreation projects were available through the Land and Water Conservation Fund (L&WCF) State Grants program and the Urban Park and Recreation Recovery (UPARR) program, although Congress did not appropriate funding for these programs in FY 1997. The Park Service continued to monitor active grants from previous years and obligated \$6.3 million in carryover and recovered funds to 41 states and localities. In the 30 years of the program, the L&WCF has helped state and local governments acquire 2.3 million acres of parkland and develop over 29,000 recreation facilities for public use and enjoyment. Since 1965, total federal investment of \$3.24 billion has been matched dollar for dollar, for a total of \$6.5 billion invested in lasting parks and open space. From 1978 to 1995, the UPARR program awarded over \$228 million in matching funds for 1,300 grants to 400 local jurisdictions in 42 states, the District of Columbia, and Puerto Rico. During the life of the program, urban parks, recreation centers, swimming pools, ball courts, and ball fields have been rehabilitated through the program. Recreation programs for latchkey children, at risk youth, senior citizens, and disabled persons have been created through the UPARR program.

Studies by two program reengineering task forces charged with reviewing overall grant operations and stewardship of all grant-assisted sites were finalized. Two elements of the task force's recommendations were implemented. These included the closure of the L&WCF obligation process effective August 1997, and termination of apportioning funds from the special reapportionment account effective June 1997. Although closure of the L&WCF and UPARR programs have been initiated, the Secretary's fiduciary responsibility as stated in sections 6(f)(3) and section 1010 of the L&WCF and the UPARR Acts, as amended, respectively, remains in effect. This stewardship responsibility ensures that areas funded with federal assistance remain for public recreation use in perpetuity and accessible to all. In keeping with that responsibility, during FY 1997 over 2,600 sites funded from the L&WCF and UPARR programs were inspected, and 357 active projects were completed and closed out.



Lassen Volcanic National Park

Appendix I.

NPS Recreation Fee Program

Over one half of all park units collect either entrance fees and/or recreational use fees. Entrance fees consist of revenue collected for daily admissions, Golden Eagle and Golden Age passports, and annual park specific permits. Based on limits established by the Land and Water Conservation Fund Act of 1965, as amended, entrance fees are collected for either vehicles or individuals entering parks, and range from four to ten dollars per vehicle and two to five dollars per individual. User fees are collected for activities such as parking, campgrounds, commercial tours, and boat launches. Recreation user fees are evaluated annually through a local comparability survey and adjusted where warranted. In 1997, up to 15 percent of the current fiscal year revenue was available to the Service to cover the cost of fee collection in that year. By law, revenue not used for the cost of collection is deposited into a Special Treasury account and is available for Congressional appropriation to the NPS for operational expenses in the fiscal year following collection.

NPS recreation fee income during FY 1997 was \$85.1 million from entrance fees and \$37.1 million from user fees, for a total of \$122.2 million. Overall, FY 1997 fee revenues were up \$44.5 million (36.4 percent) from FY 1996.

The fee program for the NPS and other land managing agencies changed dramatically in FY 1997. The NPS has actively pursued recreational fee collection reform during the past several years with the primary objectives of raising the admission fee caps for all parks; collecting at numerous sites where the collection of recreation fees is currently prohibited; and allowing for a major portion of the recreation fees collected to remain at the site that

collected the fees. The Omnibus Consolidated Rescissions and Appropriations Act of 1996, passed midway through the year in 1996, contained language establishing a Recreation Fee Demonstration Program that allows the Service to collect a demonstration fee at up to 50 sites. The 1997 Interior Appropriation Bill extended the fee demonstration program up to 100 park sites. The additional revenue collected at those sites above an annually adjusted target (based on FY 1994 fee receipts) was made available to the NPS without being subject to appropriation. Eighty percent of this new revenue above the target was retained at the area where it is collected; the remaining twenty percent was distributed nationally.

The NPS solicited demonstration proposals from all park areas in preparing for 1997 implementation. After Bureau and Departmental approval, the first demonstration fees were implemented in January of 1997. In 1997, the NPS announced 97 demonstration projects, with all but two of these projects actually initiated in 1997. The majority of these demonstration project sites began charging the new fees by May 24, 1997. The demonstration projects underway include a variety of new types of fees, new fee collecting sites, and new and more efficient collection technologies such as automatic fee collection machines and the acceptance of credit cards. In some cases, the NPS contracted for fee collection activities.

The national and local press has been almost unanimous in support of the new fees. A recreational fee monitoring study was conducted at nine fee demonstration projects in the summer of 1997. This study indicated that 80 percent of park visitors think the new fees are set at the right level or are still too low. Almost every respondent said they supported the fee rates only if the money collected stayed in the park, and the park budget was not offset by the new fee revenue. A preliminary analysis of visitation at fee demonstration parks from January 1996 through

July 1997 indicates that overall visitation has not declined despite increased admission fees and new or increased recreation user fees.

The NPS has determined that the majority of new fee revenue will be dedicated to addressing backlogged maintenance projects, infrastructure rehabilitation, or identified resource management actions. In some cases, such as backcountry permit issuance and interpretive fees, the revenue will be spent on providing for those services. Some of the demonstration fee revenue will also be invested in infrastructure to enable areas to collect fees or collect fees more efficiently.



Sleeping Bear Dunes National Lakeshore

In FY 1997, the NPS fee demonstration parks received \$45.078 million for use according to the fee policy. Most of this funding was utilized to complete repair and rehabilitation or cyclical maintenance projects on the NPS backlog. The FY 1998 Interior Appropriation Bill again changed the authority under which the NPS collects and utilizes fee revenue. The result will be an even greater amount of funding available for use by parks to complete needed projects.

At the conclusion of the recreational fee demonstration program, the program will be fully evaluated. Annual reports will also be prepared and provided to Congress. The fee demonstration authority expires at the end of FY 1999.

Appendix II.

Other NPS Activities

It is not possible to include in this report every programmatic activity in which the National Park Service was engaged during FY 1997. This appendix briefly discusses five program activities that were not separately discussed but contributed significantly to achieving the mission of the Service in FY 1997. Additionally, the limitations of the financial statements appearing in the next section are presented.

Park Facility Management Activities (Maintenance)

The National Park System contains over 16,000 permanent structures, 8,000 miles of roadways, 1,500 bridges and tunnels, 1,600 water and sewer systems, and nearly 13,000 miles of trails. NPS facilities, which include numerous historic buildings, are of all ages and vary in complexity from simple one room cabins to intricate high tech utility systems. It is the mission of the National Park Service to preserve and protect these resources by conducting a professional program of preventive and rehabilitative maintenance of park resources, facilities, infrastructure, and lands, and ensuring that they are safe and accessible for public use. Desired outcomes are: (1) cultural and natural resources are maintained (stabilized, preserved, or restored) at the appropriate level; (2) park facilities and infrastructure are maintained at the required level of performance to provide for the health, safety, and accessibility of park visitors and employees and to meet federal, state, and local standards and codes as designed for use; (3) the size and scope of the park infrastructure is maintained to meet the essential requirements of the park purpose and significance; and (4) environmental leadership and sustainable practices are incorporated into every facet of facility management activities.

The inventory and condition assessment process is the key program element in facility management and is fundamental in planning, budget formulation, and program accounting. The goal of the National Park Service is to conduct a comprehensive professional facility management approach to planning, organizing, directing, and controlling scheduled maintenance activities. This strategy will move the majority of all facility management activities into planned and scheduled work, thus reducing the amount of unplanned reactive work.

During 1997, in compliance with the Government Performance and Results Act, the Service focused on an improved national inventory of park assets and condition assessments. The objective being to reestablish aggregated baseline data to best determine the expenditure and outcome of our limited resources. The information produced provided performance measures and indicators for future management and planning. The NPS has begun to collect detailed information on the most critical assets identified in poor condition which will produce performance information for future management and planning.

A review of the Servicewide computerized maintenance management program was completed this year, which identified specific problems with the current process and produced a set of recommendations that, once implemented, will allow the Service to be more accountable in managing its assets.

Operational Maintenance

In FY 1997, operational maintenance activities Servicewide totaled \$249.5 million. Despite increased funding for overall maintenance in recent years, parks remain under tight fiscal constraint as workloads and costs have continued to increase. Parks have also experienced increased visitation, longer seasonal use, more vandalism, as well as higher costs for utility, supplies, and materials. The practice of deferring preventive maintenance to the point where deficiencies occur contributes significantly to the growth of maintenance backlogs.

Typical operational maintenance work includes: grounds and building maintenance; sanitation; operating and maintaining large water and wastewater systems; maintaining and repairing park buildings; grading, patching, and clearing roads; removing snow; maintaining and repairing park operated utility systems, heavy equipment, and vehicles; maintaining trees, trails, grounds, pathways, walkways, and roadways; providing janitorial and custodial services; and purchasing and overseeing commercially provided utility services.

Cyclic and Repair/Rehabilitation Programs

NPS responsibilities for certain nonroutine but recurring maintenance needs can be met most efficiently through centralized coordination and consolidation. This approach represents the most practical method to evaluating facilities, infrastructure, equipment, and resource needs from a collection of diverse parks. Coordination of these functions from a Regional level is cost effective, and allows a measure of oversight and balance in identification, prioritization, and selection of projects that most need attention and adequate levels of funding available each fiscal year. A key component to these programs is a comprehensive inventory and condition assessment, which will provide the necessary

information for determining what resources and activities are necessary to keep the facilities and infrastructure in good operating condition. Annual followup assessments will be necessary to monitor the effectiveness in reducing the backlog, and provide early detection of potential problems to prevent further deterioration and possible failure of components.

The Cyclic Maintenance Program incorporates a number of regularly scheduled preventive maintenance procedures and preservation techniques into a comprehensive program that prolongs the life of a particular resource, utility, or facility. When scheduled maintenance is deferred beyond the normal cycle, it is more likely that the required work will change from being routine maintenance to a more costly repair and rehabilitation, reconstruction, or replacement project. Deferring scheduled maintenance projects also results in a growth of the overall work backlog. Projects selected for funding under the Cyclic Maintenance Program are currently selected from accumulated listings developed on a park by park basis. Typical projects include road resealing, repainting and re-roofing of buildings, trail brushing, sign repair and replacement, re-landscaping, repair of dock and marina facilities, and electrical and security upgrades. Projects undertaken in this program are performed as often as once every two years or as infrequently as once every ten years.

An important element of the Cyclic Maintenance Program is the provision for cyclic repair of cultural resources. The Cultural Cyclic Maintenance Program involves the renovation, restoration, preservation, and stabilization of prehistoric and historic sites, structures, and objects. The type of work performed may include ruins stabilization, installation and replacement of climate/environmental systems, maintenance and replacement of historic landscape plantings, fences, earthworks, walks, steps, irrigation systems, and drives.

In addition to projects that restore or repair facilities and infrastructure on a scheduled and cyclic basis, there are also a number of large scale repair needs that occur in parks on an infrequent, nonrecurring basis. These projects make up the Regional Repair and Rehabilitation Program. Typical projects may include campground and trail rehabilitation, roadway overlay and/or reconditioning, bridge repair, wastewater and water line replacement, and the rewiring of buildings. These projects are usually the result of having deferred regularly scheduled maintenance to the point where routine maintenance is no longer sufficient to raise the condition of the facility or infrastructure to “good”.

Dam Safety

The protection of the National Park System includes the inventory, inspection and maintenance, corrective action (repair or deactivation), and emergency operation plans of dams. Currently, there are 695 operational dams which affect the System. Of these structures, 436 are NPS and 259 are non-NPS. The number of dams affecting the NPS and related areas increased by 259 within the past eight years because of land acquisition and periodic surveys. In FY 1997, formal safety inspections by engineers were conducted on 42 dams. The Service performs corrective action as recommended from these inspections as well as from additional engineering studies. Design services and corrective action were completed on eleven dams. Approximately 11 percent of needed corrections were completed in FY 1997. About 130 NPS dams have deferred maintenance or repairs that are necessary. To date, for the National Park System, corrective action has been completed on 160 dams and 143 dams have been deactivated.

Hazardous Waste and Pollution Prevention

Routine park operations, as well as foreseeable and unforeseeable incidents, involve the generation and management of solid and hazardous products and wastes subject to a host of environmental protection standards promulgated under federal and state law. Desired outcomes of the Servicewide management program include: a) ensuring compliance with fuel storage tank and hazardous waste management requirements; b) identifying and addressing the backlog of sites with evidence of environmental contamination or other deficiencies; and c) identifying and promoting opportunities to prevent pollution and the threat of pollution associated with NPS operations.

The Park Facility Management Division provides park units and other NPS offices with the necessary tools to achieve environmental compliance. The Division’s efforts to develop and distribute guidance, policy, and information, complement its primary responsibility of allocating appropriated funds to serve the NPS in achieving ever increasing levels of environmental leadership. In FY 1997 the NPS focused considerable effort on two critical program areas, environmental auditing and underground storage tank upgrade and replacement.

In order to ensure compliance with applicable environmental requirements and standards, the NPS initiated a Compliance Assistance Project (CAP) program to evaluate facility operations, document present practices, and provide recommendations and resources for improvement. More than 10 facilities were audited in FY 1997. Also in FY 1997, the NPS moved to ensure an effective CAP program through the development of requisite guidance and standard protocols, training programs for environmental auditors, information management systems, reporting, and disclosure mechanisms.

In addition to these matters, the NPS continued emphasis on the following management goals: a) proper “cradle-to-grave” management of hazardous wastes; b) cleanup of contaminated sites and recovery of expended funds from responsible parties; c) assessment of lands proposed for acquisition; and d) effective methods for achieving pollution prevention.

In FY 1997, the NPS obligated approximately \$11.2 million for hazardous and solid waste management programs. An additional \$1,415,000 was provided to the NPS from the Department of the Interior Central Hazardous Materials Fund to defray costs associated with larger remedial projects.

Employee Housing

The Service places a high priority on providing decent, safe, and sanitary housing to employees who are required to live in government provided housing or where suitable privately owned housing is not available. The Service began an accelerated trailer replacement program in FY 1994 and continued those efforts into FY 1997 with an appropriation of \$12 million for housing improvements. Approximately \$10.5 million was used in FY 1997 to prepare the site and construct housing to replace approximately 54 trailers at 14 park areas. Approximately \$1.5 million was provided for the planning and design phase for future construction, and on-going repair and rehabilitation of existing units.

The National Park Service awarded a contract in March 1997 to accomplish the study of housing allowances and employee cooperatives as directed in the Omnibus Parks Bill. The Omnibus Parks Bill called for a review of the NPS employee housing policy which was completed by the NPS in May 1997 and reported to Congress and OMB in August 1997.

Construction Activities

Construction projects are undertaken by the NPS to protect the existing physical facilities and road infrastructure in units of the National Park System and to meet health, safety, resource preservation, and visitor services requirements. Without construction activities, access to park areas, the preservation of historic and archeological features, the construction of park recreational and operational facilities and interpretive structures, and the provision of safe sanitary water and sewer systems would be impossible. Projects are taken from the Servicewide Priority List for Construction and include the rehabilitation of historic structures and archeological sites, recreational and operational support facilities, water and sewage treatment systems, visitor access systems, museums, directional and interpretive signage, as well as other items.

The following pages provide a list of the NPS construction line item projects that were appropriated in FY 1997.

Limitations of the Financial Statements

The financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of the entity in accordance with the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

FY 1997 NPS CONSTRUCTION PROJECTS
(in thousands)

Line Item Projects:	Appropriated Amount
* Acadia NP: Restore Historic Carriage Roads	\$ 600
* Amistad NRA: Construct Sewage Treatment Facilities	650
Blackstone River Valley Heritage Corridor	460
Blue Ridge Parkway: Hemphill Knob	4,400
Cane River Creole NHP & Preserve: Preservation and stabilization	3,320
Carlsbad Caverns NP: Replace Elevators	1,400
Chamizal NM: Rehabilitation	200
Chickasaw NRA: Campground rehabilitation	1,300
Cuyahoga Valley NRA: Site and Structure Rehabilitation	2,900
Delaware Water Gap NRA: Dingman's Trails	1,200
Denali NP & Preserve: Electrical switch gear and rehabilitate powerhouse	2,000
Edison NHS: Concrete and masonry repairs	375
* Everglades NP: Modify Water Delivery System	2,800
Florissant Fossil Beds NM: Shelters	37
Fort Jefferson NM: Rehabilitation	250
* Fort McHenry NM & Historic Shrine: Rehabilitate Fort Walls	800
Fort Necessity NHS: Design	400
Fort Raleigh NHS: Rehabilitation	1,000
Fort Scott NHS: Water delivery system and access	1,115
Fort Smith NHS: Rehabilitation	2,000
Fort Sumter NM: Site Development	3,600
* General Grant NM: Rehabilitate Facilities and Grounds	975
* George Washington Memorial Parkway: Replace Glen Echo Utilities	2,100
* Grand Canyon NP: Alternative Fuel Visitor Transportation Vehicles	2,000
Great Basin NP: Lehman Caves NM trail rehabilitation	350
Gulf Islands NS: Erosion control	1,000
Home of Franklin D. Roosevelt NHS: Rehabilitation	1,700
Hot Springs NP: Lead Paint Removal	500
* Independence NHP: Utilities Replacement and Resource Restoration	13,300
Indiana Dunes NL: Demolition	500
* Kings Canyon NP: Construct Cedar Grove Wastewater Plants	2,900
Lackawanna Valley: Technical Assistance	600
Lake Chelan NRA: Repair of Company Creek Road	308
* Lake Mead NRA: Rehabilitate Water and Sewer Systems	5,000
Little River Canyon NP: Health and Safety	500
Mount Rainier NP: Repair Roof	1,286
* President's Park: Replace White House Electrical System	5,300
* President's Park: Replace White House Heating, Ventilation & Air Conditioning	5,000
* National Capital Parks-Central: Restore and Rehabilitate Washington Monument	1,900
* National Capital Parks-Central: Restore Lincoln and Jefferson Memorials	1,300
Natchez Trace Parkway: Construct Parkway	4,600
New Orleans Jazz NHP: Development	3,000
New River Gorge NR: Access, trails, and stabilization	1,725
Olympic NP: Elwha fish restoration	270
Oregon Caves NM: Trail construction and rewiring	750
Rock Creek Park: Rehabilitate Meridian Hill Park	100

* Saint Gaudens NHS: Construct Maintenance Facility	900
Saratoga NHP: Complete Rehabilitation	1,000
Saugus Iron Works NHS: Rehabilitation	200
* Sequoia NP: Install Generals Highway Underground Utilities	3,000
* Sequoia NP: Remove Facilities and Restore Giant Forest	3,000
Southwestern Pennsylvania Heritage Preservation Commission: Various Projects	2,000
Stones River NB: Brannon Redoubt	190
Stones River NB: Trail Construction	300
Thomas Stone NHS: Rehabilitation	250
Ulysses S. Grant NHS: Rehabilitation	670
Vicksburg NMP: Rehabilitation	2,000
William Howard Taft NHS: Construct Administrative/Education Facility	2,300
* Zion NP: Implement Visitor Transportation System	5,100
	<hr/>
Total, Line Item Construction Projects:	\$108,681
	<hr/> <hr/>

* In original NPS request.

Financial Performance Measures

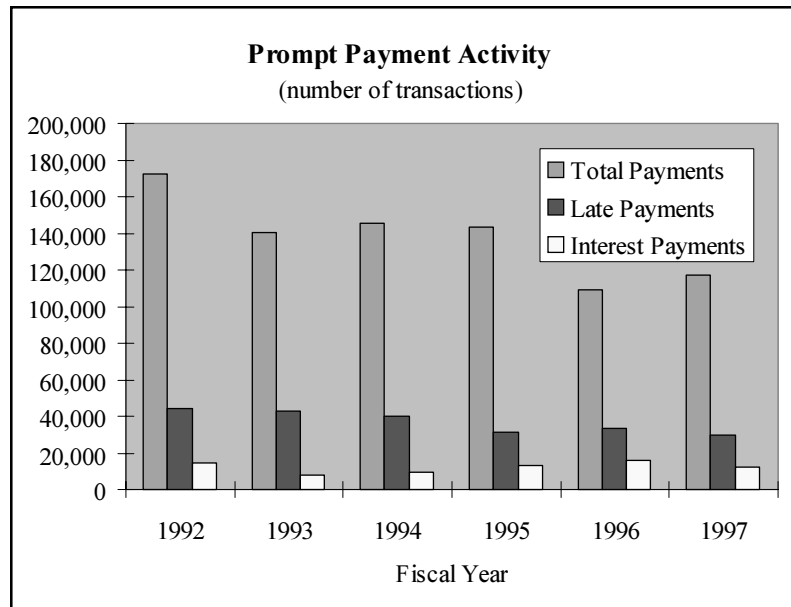
This section provides details on the Service’s financial management performance for FY 1997.

Prompt Payment Activities

During FY 1997 the National Park Service continued to make a determined effort aimed at significantly reducing interest penalties. Compared to the same period last year, late payment interest decreased by approximately 27 percent and invoices paid late decreased by approximately 11 percent.

While many factors needed to be considered, such as the absence of government shutdowns or severe weather closures, these decreases can be specifically attributed to the following identified and implemented efficiencies:

- A NPS quality control program identified opportunities to more effectively input payment information into the disbursing system. Since its implementation, interest penalty frequency has been substantially reduced. It is anticipated that these new procedures will continue to reduce the penalty interest frequency in the foreseeable future.
- During FY 1997, a penalty and interest report was developed that has assisted management in isolating park specific problem areas. The end result has been a reduction in the typical lag time experienced receiving pertinent payment information from the parks, resulting in more timely disbursements processing.
- Beginning with the second half of FY 1997, park/office procurement offices implemented procedures to request and encourage commercial vendors to use the Automated Clearing House for payments under \$100,000 and FED Wire for payments of \$100,000 or more. Use of the VISA/IMPAC credit card has also contributed in reducing the number of invoices and penalty interest paid. After January 1, 1999, the Debt Collection Improvement Act (DCIA) of 1996 will require most federal payments to be made electronically.

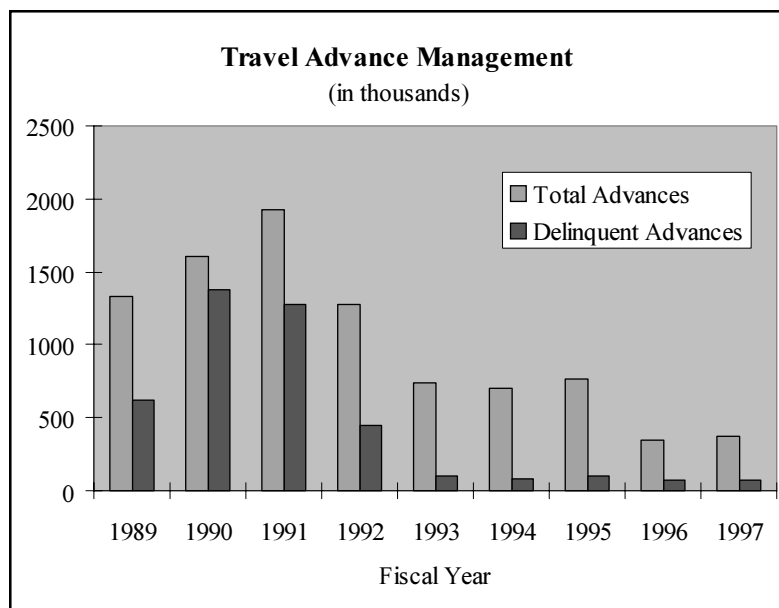


During FY 1998 NPS hopes to decrease the amount of interest penalties paid by 16 percent and the number of late payments by 15 percent.

Travel Advance Management

At the end of FY 1997, the Service had a total of \$376,321 in outstanding travel advances, an increase of \$31,591 compared to the FY 1996 ending balance. Thus, the Service did not meet the performance goal of reducing advances for FY 1997.

Employee turnover, which leads to a lack of continuity in collection efforts, as well as some procedural deficiencies, hindered the achievement of the goal. The Service continues to make improvements in the procedures for collecting advances, as well as mandating the use of the American Express Automatic Teller Machine (ATM) Card for travel advances. For FY 1998 the Service will make every effort to reduce outstanding advances by 15-20 percent.



Overtime Management

The National Park Service monitors overtime costs to determine whether administratively controllable costs are reasonable. The total cost of administrative overtime totaled \$32,530,163 in FY 1997. Of this cost, administrative overtime for uncontrollable and controllable overtime totaled \$4,426,439 and \$28,103,724 respectively. Uncontrollable overtime (e.g., fire suppression) accounted for 13.6 percent of total overtime hours in FY 1997.

Debt Collection Activities

During FY 1997 NPS continued implementation of the DCIA and its FY 1995 Corrective Action Plan (CAP). Debt collection strategies and processes have been subject to continuous review and revision in an effort to increase the overall efficiency of the accounts receivable process and reduce the delinquency rate. Since the CAP was implemented in FY 1995, public delinquencies have been reduced by 36 percent and repayment plans have been negotiated with vendors on 25 percent of the current dollar total of delinquent debt.

The Service worked closely with the Departments of Interior, Justice, and Treasury in order to streamline processes, obtain write-off authority and implement new regulations. During FY 1997, this effort resulted in a 25 percent decrease in the overall delinquency rate, exceeding the FY 1996 goal of a 15 to 20 percent reduction.

The primary FY 1997 debt collection initiative was implementation of the DCIA. Directives to the field were revised and a policy letter was issued informing NPS administrative sites of the DCIA requirement to obtain the Social Security Number (SSN) or Tax Identification Number (TIN) from individuals or companies doing business with the Federal Government. Public non-employee debt was identified, categorized, and processed separately from NPS current employee debt. Dunning notices were revised to include notification to debtors of the Treasury Offset Program (TOP) as a federal collection option. Public non-employee delinquencies, with bills predating the enactment of the DCIA, were issued revised dunning notices informing the responsible debtors of this new collection mechanism. An initial transfer of approximately 750 debts, approximately 33 percent of NPS delinquencies, have been transmitted to Treasury for inclusion in TOP.

Subsequent transfers of the remaining delinquent debt will be forwarded throughout December 1997, in an effort to place all delinquent public debt in the TOP prior to Treasury initiating its own offset process. Collections are currently scheduled to begin in January 1998. As the Internal Revenue Service (IRS) Offset Program and TOP have not been combined, Treasury has assumed the responsibility for placing debts owed to the Service in both the TOP and IRS collection programs.

Employee debt continues to represent the largest contributing factor in the NPS delinquency rate and remains a focal point in the debt management process. An initiative was undertaken to ensure that all current employee debt is collected in accordance with Departmental guidelines. A comprehensive review of all delinquent debt was conducted which yielded a 33 percent increase in the number of employees placed on salary offset. During FY 1997, salary offset collections increased by 50 percent and this trend is expected to continue as the impact of more stringent collection procedures materialize.

Programmatic improvements led to a 36 percent decrease in estimated uncollectible public receivables. Analysis of federal debt has shown that all debt is collectible over time; therefore, no allowance was established for federal delinquent debt.

During FY 1998 NPS expects procedural enhancements to continue a positive trend in improvement of our debt management process. In addition to our internal initiatives, legislative changes in debt collection are expected to increase collections. The FY 1998 goal is to reduce delinquent accounts by 10 to 15 percent.

Imprest Funds

The Debt Collection Improvement Act of 1996, in part, mandates Electronic Funds Transfer for all payments made after January 1, 1999, including payments made from imprest funds. Imprest fund closure is a government-wide cash management goal which will create substantial benefits including savings from having to maintain the funds and the float lost on funds held outside the Treasury. In anticipation of the Treasury requirement, NPS began reduction of imprest funds during FY 1997. At the end of FY 1997 imprest funds totaled \$696,530, a decrease of approximately 15 percent. The goal for FY 1998 is to continue to reduce the funds by another 20 percent.

Plastic Card Collection Network

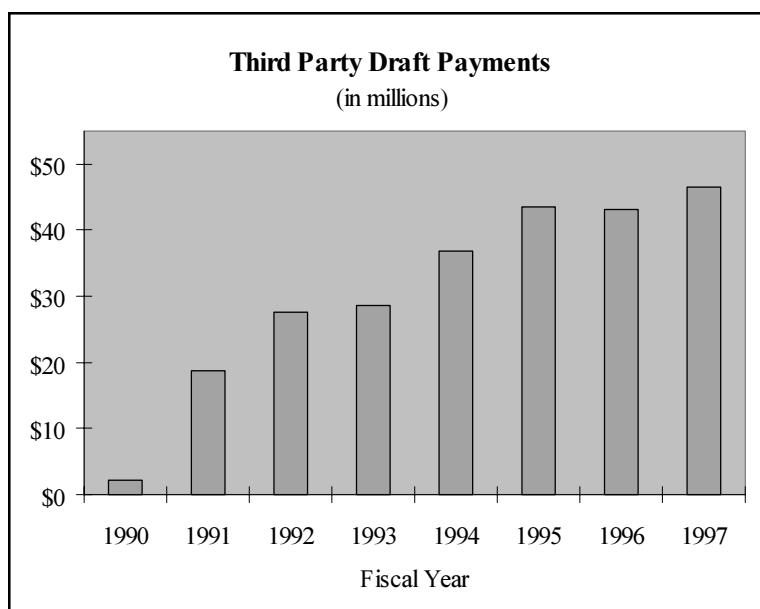
The PCCN Program has experienced significant annual increases in activity level since its implementation in 1993. The most dramatic increase in revenues collected and site locations to date, occurred during FY 1997. Receipts totaling \$3.7 million were collected, which represents a 220 percent increase over the prior year. The number of sites excepting collections via this mechanism increased from 31 to 130 representing a 76 percent increase in locations equipped to accept credit card payments. The NPS FY 1997 goal to increase the number of sites by 20 percent was exceeded by 56 percent.

Expansion of the PCCN program is primarily attributable to implementation of the Fee Demonstration Program. Revenue increases associated with the Fee Demonstration Program are characteristically collected in small dollar increments with a high volume of transactions, as a result, enhancing the programs efficiency was a priority. PCCN streamlines the fee collection process and provides added value in the area of effective cash management, as well as, increased customer satisfaction. Park visitors now have the option of using their credit cards and NPS is in the process of further expanding this collection mechanism to include accepting debit cards.

The Fee Demonstration Program will continue through FY 1998 and it is expected that the 100 parks participating in this program will continue the upward trend in credit card usage by utilizing PCCN in the collection and deposit of receipts. We are also projecting increased PCCN usage in other NPS program areas. A 50 percent increase in the PCCN program is projected for FY 1998.

Third Party Draft

The Third Party Draft program was implemented by the Service in FY 1990 and usage has seen a steady growth through FY 1997. During FY 1996, the program experienced a decline which was predicted in the NPS FY 1995 annual report, attributed to increased participation in the VISA/IMPAC program. As predicted in the NPS FY 1996 annual report, third party draft usage increased during FY 1997. This increase of \$3,379,958 was attributable to the increase in the allowable amount for travel reimbursements to \$2,500. Third party draft usage could see another increase in FY 1998 due to either reductions or eliminations of imprest funds by the end of FY 1999.



Department of the Interior
National Park Service
CONSOLIDATED BALANCE SHEET
As of September 30, 1997 and 1996
(in thousands)

ASSETS	1997	1996
Entity Assets		
Intragovernmental		
Fund Balance with Treasury (Note 2.)	\$ 1,017,065	\$ 877,432
Investments (Note 3.)	65	65
Accounts Receivable, Net (Note 4.)	16,376	18,145
Governmental		
Accounts Receivable, Net (Note 4.)	8,203	6,895
Loans Receivable (Note 5.)	6,476	6,836
Advances to Others (Note 6.)	951	754
Cash (Note 7.)	697	821
General Property, Plant, and Equipment, Net (Note 8.)	1,276,727	1,241,436
Land (Note 9.)	0	0
Total Entity Assets	<u>2,326,560</u>	<u>2,152,384</u>
Non-Entity Assets		
Receipts Transferred to Treasury (Note 10.)	76,812	87,487
Accounts Receivable, Net	2,068	2,080
Total Non-Entity Assets	<u>78,880</u>	<u>89,567</u>
TOTAL ASSETS	<u><u>\$ 2,405,440</u></u>	<u><u>\$ 2,241,951</u></u>

The accompanying notes are an integral part of these financial statements.

Department of the Interior
National Park Service
CONSOLIDATED BALANCE SHEET
As of September 30, 1997 and 1996
(in thousands)

LIABILITIES AND NET POSITION	1997	1996
Entity Liabilities		
Liabilities Covered by Budgetary Resources		
Intragovernmental Liabilities		
Accounts Payable (Note 11.)	\$ 472	\$ 589
Advances Due to Others (Note 12.)	12,988	12,872
Other Intragovernmental Liabilities (Note 13.)	4,112	3,082
Governmental Liabilities		
Accounts Payable (Note 11.)	33,457	24,933
Advances Due to Others (Note 12.)	3,614	3,641
Accrued Payroll and Benefits	47,966	39,027
	<hr/>	<hr/>
Total Entity Liabilities Covered by Budgetary Resources	102,609	84,144
	<hr/>	<hr/>
Liabilities Not Covered by Budgetary Resources		
Unfunded Accrued Annual Leave	63,003	58,062
Contingent Liabilities (Note 14.)	5,630	0
	<hr/>	<hr/>
Total Entity Liabilities Not Covered by Budgetary Resources	68,633	58,062
	<hr/>	<hr/>
Non-Entity Liabilities		
Receipts Transferred to Treasury (Note 10.)	76,812	87,487
Accounts Payable	2,068	2,080
	<hr/>	<hr/>
Total Non-Entity Liabilities	78,880	89,567
	<hr/>	<hr/>
Total Liabilities	250,122	231,773
	<hr/>	<hr/>
Net Position		
Unexpended Appropriations (Note 15.)	864,961	788,610
Cumulative Results of Operations	1,290,357	1,221,568
	<hr/>	<hr/>
Total Net Position	2,155,318	2,010,178
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET POSITION	\$ 2,405,440	\$ 2,241,951
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

Department of the Interior
National Park Service
CONSOLIDATING STATEMENT OF NET COST
For the Years Ended September 30, 1997 and 1996
(in thousands)

COSTS	1997	1996
Operation of the National Park Service	\$ 1,217,202	\$ 1,096,813
Less: Earned Revenues	(12,543)	(4,357)
Net Program Costs	1,204,659	1,092,456
Construction	198,144	182,589
Less: Earned Revenues	(75,053)	(79,032)
Net Program Costs	123,091	103,557
Trust Funds	34,160	29,310
Less: Earned Revenues	(14,792)	(15,807)
Net Program Costs	19,368	13,503
Fee Collection and Demonstration Activity	20,525	11,646
Less: Earned Revenues	(62,808)	(11,354)
Net Program Costs	(42,283)	292
Operations and Maintenance of Quarters	14,309	12,714
Less: Earned Revenues	(14,369)	(12,536)
Net Program Costs	(60)	178
Other	7,368	3,952
Less: Earned Revenues	(169)	(1,435)
Net Program Costs	7,199	2,517

The accompanying notes are an integral part of these financial statements.

Department of the Interior
National Park Service
CONSOLIDATING STATEMENT OF NET COST
For the Years Ended September 30, 1997 and 1996
(in thousands)

COSTS (continued)	1997	1996
Other Program Costs		
Land Acquisition	60,105	63,112
Historic Preservation	35,273	35,109
National Recreation and Preservation	40,709	37,770
Fire and Emergency Operations	33,509	36,706
Disaster and Flood Relief	4,397	5,517
Urban Park and Recreation	2,372	3,837
Job Corps	16,491	0
	<hr/>	<hr/>
Total Other Program Costs	192,856	182,051
Costs not Allocated to Programs		
Depreciation Expense	48,536	45,485
Interest Expense	265	363
Bad Debt Expense	(136)	37
	<hr/>	<hr/>
Total Unallocated Costs	48,665	45,885
NET COST OF OPERATIONS	\$ 1,553,495	\$ 1,440,439
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

Department of the Interior
National Park Service
CONSOLIDATING STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 1997 and 1996
(in thousands)

	1997	1996
Net Cost of Operations	\$ 1,553,495	\$ 1,440,439
Financing Sources:		
Appropriations Used	1,529,910	1,448,063
Imputed Financing	67,834	0
	<hr/>	<hr/>
Net Results of Operations	44,249	7,624
Prior Period Adjustments (Note 16.)	(82,488)	(9,037)
Invested Capital Adjustment and Other Changes	107,028	168,184
	<hr/>	<hr/>
Net Change in Cumulative Results of Operations	68,789	166,771
Increase (Decrease) in Unexpended Appropriations	76,351	(90,096)
	<hr/>	<hr/>
Change in Net Position	145,140	76,675
Net Position - Beginning of Period	2,010,178	1,933,503
	<hr/>	<hr/>
Net Position - End of Period	<u>\$ 2,155,318</u>	<u>\$ 2,010,178</u>

The accompanying notes are an integral part of these financial statements.

Department of the Interior
National Park Service
STATEMENT OF BUDGETARY RESOURCES
For the Year ended September 30, 1997
(in thousands)

	1997
BUDGETARY RESOURCES	
Appropriations (Note 17.)	\$ 1,805,011
Unobligated Balances - beginning of period	278,398
Spending Authority from offsetting collections	86,110
Adjustments	54,027
	<hr/>
TOTAL BUDGETARY RESOURCES	\$ 2,223,546
	<hr/> <hr/>
STATUS OF BUDGETARY RESOURCES	
Obligations incurred	\$ 1,805,108
Unobligated balances - available	408,182
Unobligated balances - not available	10,256
	<hr/>
TOTAL STATUS OF BUDGETARY RESOURCES	\$ 2,223,546
	<hr/> <hr/>
OUTLAYS	
Obligations incurred	\$ 1,805,108
Less: spending authority from offsetting collections and adjustments	(148,359)
	<hr/>
	1,656,749
Obligated balance, net - beginning of period	647,994
Obligated balance transferred, net	
Less: obligated balance, net - end of period (Note 18.)	(631,974)
	<hr/>
TOTAL OUTLAYS	\$ 1,672,769
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The National Park Service is responsible for promoting and regulating designated areas within the National Park System. The NPS is also responsible for conserving the scenery, historical objects, and wildlife so that they may be enjoyed by future generations.

The Director of the NPS is responsible for administrative oversight and policy of the NPS, including authority over money or other budget authority made available to the NPS.

In fulfilling its mission, the NPS administers a variety of funds:

- General Funds - These funds include: (1) receipt accounts used to account for collections not dedicated to specific purposes and (2) expenditure accounts used to record financial transactions arising under Congressional appropriations or other authorizations to spend general revenues. NPS's principal general funds are:

Operation of the National Park Service
National Recreation and Preservation
Construction

- Trust Funds - These funds are established to account for receipts held in trust for use in carrying out specific purposes and programs in accordance with an agreement or statute. The principal trust funds are:

Donations
Birthplace of Abraham Lincoln
Construction

- Deposit Funds - These funds are established to account for receipts awaiting proper classification or receipts held in escrow until ownership is established, when proper distribution can be made.

- Special Funds - These funds consist of separate receipt and expenditure accounts established to account for receipts of the government that are earmarked by law for a specific purpose but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts. The principal special funds are:

Land Acquisition and State Assistance
Quarters, Operation and Maintenance
Fee Collection and Demonstration Activity Support

Historic Preservation
Grant Administration

The accompanying financial statements have been prepared from NPS's consolidated standard general ledger. Included are all funds and accounts under the control of the NPS and allocations from other federal agency appropriations transferred to the NPS under specific legislative authority.

B. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the National Park Service as required by the Chief Financial Officers Act of 1990. They have been prepared from NPS books and records using the accrual basis of accounting, which recognizes the financial effects of transactions as they occur. In addition, these statements were prepared in accordance with the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Bulletin 97-01, dated October 16, 1996, and based on the accounting policies summarized in the next note.

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the actual receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds.

The principal financial statements, including the Consolidated Balance Sheet, Consolidating Statement of Net Cost, Consolidating Statement of Changes in Net Position and the Statement of Budgetary Resources are prepared in accordance with the following hierarchy of accounting principles and standards:

- Statements of Federal Financial Accounting Standards (SFFAS). These statements reflect the accounting principles, standards, and requirements recommended by the Federal Accounting Standards Advisory Board (FASAB) and adopted by the Comptroller General of the United States, the Director of OMB, and the Secretary of Treasury. Standards not required for implementation until fiscal year 1998 and not presented in these statements are the disclosures of deferred maintenance costs and the acquisition cost of stewardship land.
- Form and content requirements for financial statements included in OMB Bulletin No. 97-01 (Form and Content of Agency Financial Statements).
- The accounting principles and standards contained in Departmental and Bureau accounting policy and procedures manuals.
- Other authoritative guidance which may include other federal sources and non-federal sources relating to transactions not covered elsewhere (e.g., Joint Financial Management Improvement Program Publications, etc.).

D. Revenues and Other Financing Sources

NPS receives the majority of its required funding to support its programs through appropriations authorized by Congress. The NPS receives annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. The NPS receives transfers of appropriated and trust funds from other agencies to support various ongoing program requirements.

Donated funds, consistent with legislative authority and grantors' requests, are available to the NPS when received. Revenues from the rental of government-owned quarters to NPS employees are used to operate and maintain these quarters. Through special legislation, the NPS is authorized to use a portion of fees collected for the following:

- Defraying the costs associated with the collection of those fees (e.g., to pay fee collectors, maintain collection stations, etc.) for a total of \$17.7 million
- Funding the recreation fee demonstration program (e.g., for the operation and maintenance of recreation areas or sites) for a total \$45.1 million.

E. Funds with the U.S. Treasury and Cash

NPS maintains all cash accounts with the U.S. Treasury, except for its Imprest Fund accounts. Cash receipts and disbursements are processed by the U.S. Treasury. The balance in Treasury represents the unexpended balances of appropriation accounts, transfer accounts, deposit funds, and trust funds in NPS accounts which are available to pay current liabilities and to pay outstanding obligations. Note 2 provides additional details about the NPS Fund Balance with Treasury.

NPS obtains additional fund balances through reimbursements for services performed for other federal agencies and non-federal users. NPS recovers amounts for services provided to non-federal users on a full cost basis. NPS reconciles fund balances with Treasury on a monthly basis.

On a monthly basis, NPS reconciles all cash differences at the appropriation level and at the Agency Location Code (ALC) level. All differences are researched and adjustments to correct these differences are reported each month on the Statement of Transactions (SF-224). Treasury moves any outstanding differences that are older than six months into Budget Clearing Accounts. NPS has been steadily improving the reconciliation processes. These improvements are reflected in the fiscal year end balances in the budget clearing accounts of zero for disbursements and \$41,887 for deposits. These figures at one time were in the millions. Note 13 provides additional information on budget clearing accounts.

F. Accounts Receivable

Accounts receivable consist of amounts owed to the NPS by other federal agencies and amounts owed by the public. NPS establishes an allowance amount for reporting purposes based on an analysis of outstanding receivable balances. Note 4 provides additional details about accounts receivable.

G. Property, Plant, and Equipment

NPS is authorized to purchase structures and equipment under a number of appropriations to facilitate the administration of the NPS and to preserve natural and cultural resources. Policy and procedures for depreciation and capitalization of property, plant, and equipment are discussed in further detail in Note 8.

H. Land

NPS determined that all land purchased and administered meets the criteria for stewardship land as defined in SFFAS Number 6, *Accounting for Property, Plant and Equipment*, and therefore has assigned no value to land. A stewardship summary is included in the supplemental section of this report.

I. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the NPS as the result of a transaction or event that has already occurred. However, no liability can be paid by the NPS unless Congress and the President authorize payment via an appropriation. These statements include liabilities for which an appropriation has not been enacted, or those not covered by budgetary resources, as unfunded liabilities, for there is no certainty that an appropriation will be enacted.

J. Contingencies

Contingent liabilities are recorded in the accounting records when the event potentially leading to the recognition of a liability is probable, and a reliable estimate of the scope of the potential liability is available. See Note 14. for additional information regarding contingent liabilities.

NPS employees hired since July 1994 who are responsible for law enforcement and/or firefighting duties are automatically covered by a retirement plan that provides for higher retirement benefits than regular retirement plans provided for federal employees. Other employees with prior federal law enforcement and/or firefighting service have the option of being included retroactively in the higher benefits plan, and nearly 1,300 employees had submitted claims by the end of FY 1997.

These applications are then evaluated by the Department to determine the applicants' eligibility. Since the benefits are higher than regular retirement plans, the government's and employees' costs are higher than the amounts originally paid into the retirement funds. After an applicant has been determined eligible, the government's and the employee's share of the retirement fund contribution is calculated. At that time, the NPS and the employee are required to pay their respective shares of the costs for retroactive coverage. At the end of FY 1997, more than 500 of these claims had been processed. Anticipating this shortfall the NPS requested \$5.7 million as part of its FY 1997 Budget Justification and \$4.3 million as part of its FY 1998 Budget Justification to cover these costs. These requests were enacted as part of each year's Appropriations Act.

K. Personnel Compensation and Benefits

Earned annual leave is included in personnel compensation and benefits. Annual leave is funded from current appropriations when used. NPS recognizes an unfunded liability for earned but unused annual leave. As unused leave is used in the future, financing will be obtained from the then-current appropriations. NPS expenses sick and other types of leave when used but does not accrue the costs of this leave as it is earned.

L. Retirement Plans

NPS employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). The NPS makes matching contributions to CSRS, but does not report CSRS assets, accumulated plan benefits, or unfunded liabilities applicable to its employees. This information is reported by the Office of Personnel Management (OPM).

FERS became effective on January 1, 1984, pursuant to Public Law 99-335. Most NPS employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS.

M. Imputed Pension and Other Retirement Costs

SFFAS No. 5, Accounting for Liabilities of the Federal Government requires that the financial report recognize a pension expense that equals the service cost for its employees, less the amount contributed by the employees for the accounting period. The NPS's total service cost for the accounting period are estimated to be \$87,477,832, of which an estimated \$19,652,209 is included as part of the payroll expenses reported on the Statement of Net Cost. The remaining imputed pension expenses of \$67,835,623 were paid by the administrative entity, which is the OPM. This figure was computed using the following three tables:

	1997 Basic Pay	Net Rate	Employer's Pension Expense
CSRS	\$ 235,518,541	0.1020	\$ 24,022,891
CSRS (LAW ENF)	19,182,542	0.2500	4,795,636
CSRS + FICA	22,348,729	0.0700	1,564,411
CSRS + FICA (LAW ENF)	2,037,455	0.2180	444,165
FERS + FICA	289,759,382	0.0000	0
FERS + FICA (LAW ENF)	47,045,816	0.0000	0
FICA	132,688,101	0.0000	0
NONE	446,281	0.0000	0
Total	\$ 749,026,847		\$ 30,827,103

	Average Number of Employees	Rate per Employee	Estimated Imputed Retirement Health Cost
Health Benefit Cost	14,800.50	\$ 2,493	\$ 36,897,647
	Amount	Rate	Estimated Imputed Retirement Life Insurance Cost
Life Insurance Cost / 14,481 Employees	\$ 548,136,728	0.0002	\$ 109,627
Total Imputed Cost			\$ 67,834,377

N. Income Taxes

As an entity of the U.S. Government, NPS is exempt from all income taxes imposed by any governing body, whether it be federal, state, local, foreign government, or a Commonwealth of the United States.

O. Special Concession Accounts

As of September 30, 1997, the National Park Service had approximately 85 concession agreements which, besides the fee revenue provided for by these contracts, the contractual agreements contain provisions which provide for the establishment of escrow-type accounts to be used to develop, improve, and maintain visitor facilities. These "Special Account" funds are maintained in separate interest-bearing bank accounts of the concessionaires. The concessionaire periodically deposits a percentage of gross revenue in the account as provided in the concessionaire agreement. While the funds may be disbursed only by approval of the concessionaire and the park superintendent, they are normally intended, according to the contractual arrangements, to be used to improve or maintain the facilities used by the concessionaire to provide services to visitors.

At this time, there are differing interpretations as to the extent of the Service's jurisdiction over these funds, and the related receipts and expenditures. Specifically, the Office of Management and Budget and the Department of the Treasury have required that these accounts be included in Federal Government budgetary reporting. However, it is the opinion of the Solicitor of the Department of the Interior that

"The funds contained in Concession Improvement Accounts...are owned by the concessioner and are not receipts of the United States. Expenditure of such funds by the concessioner are private expenditures, not governmental expenditures."

Therefore, the balances, inflows, and outflows of these Special Accounts are not reflected in the financial statements of the National Park Service. As of September 30, 1997, the concessionaires reported that the Special Accounts totaled approximately \$39.1 million.

P. Comparative Data

Comparative data for the prior fiscal year has been presented in order to provide an understanding of changes in the financial position and operations of the National Park Service. The FY 1996 data for the Consolidated Balance Sheet, Consolidating Statement of Net Cost, and the Consolidating Statement of Changes in Net Position has been audited. These statements, although in a different format during FY 1996 received an unqualified audit opinion. The Statement of Budgetary Resources is being prepared for the first time in FY 1997 therefore, comparative data is unavailable. The FY 1997 statements contain balances for the NPS administered portion of the Department of Labor’s Job Corp program. This was done at the request of the Department of the Interior for Departmentwide consolidated financial statement preparation. These balances were not included in the FY 1996 financial statements, but the Service feels that the materiality of these balances does not distort any analysis of the comparative statements.

Note 2. Fund Balance with Treasury

Cash receipts and disbursements are processed by the Treasury. The fund balance with Treasury represents all unexpended balances in the NPS accounts at Treasury, the amount for which NPS retains the right to draw on the Treasury for allowable expenditures. Note 1. E. provides additional information on Funds with the U.S. Treasury and Cash, while Note 13 provides further information on budget clearing accounts. This balance on the financial statement is comprised of the following amounts at September 30, 1997 and 1996, respectively (in thousands):

	1997	1996
General and Other Funds	\$ 969,217	\$ 830,336
Trust Funds	47,848	47,096
Total Fund Balance	\$ 1,017,065	\$ 877,432

Note 3. Investments

The Lincoln Farm Association established an endowment for the maintenance of Abraham Lincoln Birthplace in accordance with 16 U.S.C. 211. The amount of the fund is currently \$65,000, which is invested in a 30-year U.S. Treasury Bond. The NPS receives earned interest semi-annually which is used for the maintenance and upkeep of the historical site.

Note 4. Accounts Receivable, Net of Allowance

The reported amount for Total Accounts Receivable, Net consists of monies owed to the NPS from other federal agencies and the public. A breakdown as of September 30, 1997 is shown in the following table (in thousands):

	Federal	Public
Accounts Receivable, Billed	\$ 6,051	\$ 7,065
Allowance for Doubtful Accounts	0	(894)
Canceled Checks Pending Confirmation	0	212
	<hr/>	<hr/>
Net Accounts Receivable, Billed	6,051	6,383
Accounts Receivable, Unbilled	10,325	1,820
	<hr/>	<hr/>
Total Accounts Receivable, Net	\$ 16,376	\$ 8,203
	<hr/> <hr/>	<hr/> <hr/>

Federal receivables are primarily attributable to cost associated with reimbursable construction activity. Approximately 10 percent of the public receivable amount is attributable to reimbursable activities. The remaining 90 percent represents debt incurred by NPS current and former employees, concessionaires, and other public vendors.

During FY 1997, NPS continued the implementation of a debt collection plan designed to reduce delinquencies and improve the overall efficiency of debt management functions. In addition to the continued implementation and enforcement of its internal plan, NPS also began implementing the Debt collection Improvement Act of 1996. Policies were revised to ensure the collection of all required social security and tax identification numbers for individuals and companies doing business with NPS, and initiated the transmission of delinquent debt to Treasury for inclusion in the Treasury Offset Program (TOP). To date, approximately \$269 thousand in delinquencies has been transferred to TOP. In aggregate the delinquency rate was reduced by 25 percent. More significantly, the delinquency rate in the less than a year category decreased by 46 percent. This trend was expected due to the fact that the debt in the category of over a year old is impacted less as a result of improvements in current collection procedures. A decrease is expected in the over a year category when Treasury initiates TOP collections during calendar year 1998. The allowance for doubtful accounts decreased by approximately 35 percent between FY 1996 and FY 1997.

Unbilled accounts receivable are recognized for expenses incurred by NPS under reimbursable authority that have not been billed to reimbursable customers.

Note 5. Loans Receivable

Pursuant to Wolf Trap Farm Park Act (16 U.S.C. 284c(b)), the Wolf Trap Foundation for the Performing Arts and the NPS amended their Cooperative Agreement to set up a repayment schedule of “Loan Principle” to the Foundation totaling \$8,560,226 authorized by the Act of November 28, 1990 (P.L. 101-636: 104 Stat. 4586). The “Loan Principle” shall be repaid to the NPS within 25 years from the date of the Amendment. The “Loan Principle” will be repaid in equal annual installments, except that the first three annual payments will be \$215,000. Repayment of the “Loan Principle” may include a credit of up to \$60,000, annually, for public service tickets given to entities exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986. The monies received for repayment may be retained until expended by the Secretary in consultation with the Foundation for the maintenance of structures, facilities, and equipment of the park.

Note 6. Advances to Others, Public

The reported amount advanced by the NPS to other entities is comprised of travel advances and grant advances.

- As of September 30, 1997, there were outstanding travel advances of \$428,667.
- The remainder of NPS advances support the NPS grants program. The NPS disburses grants to states, territories, and Indian tribes to facilitate the accomplishment of its overall mission. Typically, these grant funds are advanced to these other entities, which in turn disburse funds to vendors.

Note 7. Cash

The reported amount is the NPS total for the NPS imprest funds, or “petty cash,” held by imprest fund cashiers at NPS field units throughout the country. The NPS continues to reduce the cash held in imprest funds through better cash management initiatives such as Third Party Drafts and VISA/IMPAC credit cards. Additional information on these initiatives is provided in the Financial Management Performance Section of this report.

Note 8. Property, Plant, and Equipment, Net of Depreciation

In FY 1996, the NPS developed and implemented procedures for the accountability of fixed assets that adheres to the principles outlined in the SFFAS No. 6, *Accounting for Property, Plant, and Equipment*. Included are capitalization criteria and thresholds for completed construction projects that distinguish between operational and heritage assets, and four assets classes for the depreciation of these assets. Assets in service prior to FY 1996 are depreciated with a useful life of 20 years and a straight line method of depreciation.

During FY 1997, the NPS continued to improve the procedures related to the recording and reporting of fixed assets. Working with Inspector General personnel, the NPS refined the procedures by adopting a policy of capitalizing or expensing assets when the project is substantially complete. This policy allows the NPS to capitalize or expense an asset when placed in service and all material costs have been incurred. Previously, the NPS waited until all costs related to the project were incurred. By adopting this policy, the NPS can record and report the completion of construction projects in a more timely manner.

The NPS personal property system continues to support the equipment balance which is depreciated using the straight-line method based on Federal Supply Code useful life. NPS uses the straight-line method of depreciation for real property placed in service during FY 1996 and thereafter with useful life varying within four distinct asset classes of 15, 20, 27, and 40 years. A breakdown of fixed asset categories with corresponding depreciation is shown in the table below (in dollars):

Asset Category	Cost	Accumulated Depreciation	Current Year Depreciation	Net Value
Buildings	\$ 273,944,461	\$ (88,364,262)	\$ (12,572,869)	\$ 185,580,199
Structures/Facilities	330,022,806	(113,109,498)	(15,705,264)	216,913,308
Equipment	287,553,378	(169,978,298)	(19,251,647)	117,575,080
Construction-in-Progress	756,658,136	0	0	756,658,136
Total	\$ 1,648,178,781	\$ (371,452,058)	\$ (47,529,780)	\$ 1,276,726,723

Note 9. Land

Consistent with SFFAS Number 6, *Accounting for Property, Plant and Equipment*, all Service land is “stewardship land,” or land that was acquired for public enjoyment and resource protection. This standard defines stewardship land as land that is not purchased for or in connection with general Property, Plant, and Equipment (i.e., purchased for or in connection with other assets that: a) could be used for alternative purposes, b) are primarily used in business-type activities, and c) are used in activities whose costs can be compared to other entities). In adopting this standard, the NPS removed all land balances from their respective general ledger accounts. The Land Program Office in Washington, D.C., continues to maintain the official records of NPS land purchases. A stewardship report with federal and non-federal acreage is provided in the supplemental section of this report.

Note 10. Receipts Transferred to Treasury

The reported amount of receipts transferred to Treasury consists of recreation, entrance, and user fees collected at many of the parks. These fees are returned to Treasury at the end of the fiscal year.

Note 11. Accounts Payable

The reported amount for Accounts Payable includes liabilities to other federal agencies and to the public. Amounts owed to the public, primarily payments due vendors for goods and services received by NPS, total \$33,057,094 and include contract holdbacks of \$1,836,339.

Note 12. Advances Due to Others

The reported amount includes advances to the NPS from other federal agencies and from the public. The NPS has reimbursable agreements with other federal agencies in support of the NPS mission. Advances for NPS services under these agreements total \$12,988,287. Similarly, payments received by NPS in advance of expected services under reimbursable agreements with the public (e.g., state-federal-academic partnerships in research and graduate education for the management of natural resources, etc.) totaled \$3,614,234.

Note 13. Other Liabilities

The reported amount consists of the balances in the NPS budget clearing accounts. NPS uses these temporary clearing accounts to record disbursements and collections that were recognized by Treasury but that cannot be associated with the appropriate funded account (typically because supporting documentation has not yet been received). The clearing accounts are analyzed monthly, and once the disbursement/collection has been identified the amounts in the clearing accounts are transferred to the funded accounts. Note 1. E. contains additional information on Funds with the U.S. Treasury and Cash, and Note 2 provides information on the Fund Balance with Treasury.

Note 14. Contingent Liabilities**Environmental Liabilities**

The National Park Service (NPS) is subject to loss contingencies pursuant to environmental laws and regulations that currently, and in the future, will require NPS to take action to correct or ameliorate the effects on human health and the environment from releases of contaminants by NPS or other parties. Contingencies may exist for various types of sites, including, but not limited to: (1) hazardous substance contaminated sites governed by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); (2) waste storage, treatment and disposal facilities governed by Subtitle-C of the Resource Conservation and Recovery Act (RCRA); (3) leaking underground storage tanks governed by Subtitle-I of RCRA; (4) proper closure and cleanup of solid waste landfills governed by Subtitle-D of RCRA; and (5) abandoned mining lands. The abatement of lead-based paint and asbestos is not considered as part of these contingencies.

The amount of future cleanup cost to NPS cannot accurately be determined due to such factors as: (1) the unknown nature and extent of potential contamination; (2) the unknown timing and extent of the cleanup that may be required; (3) the determination of NPS liability in proportion to other responsible parties; and (4) the extent to which such costs will be borne by or recovered from third parties. While NPS has provided for environmental obligations that are probable and reasonably estimable, the amount of future costs are dependent on the results of activities in the period in which they are recognized. NPS does not expect these costs to have a material affect on its consolidated financial position.

We have identified about 200 sites, among over 1,100 sites within 100 park units, potentially impacted by petroleum or hazardous substance releases. Many of these sites are abandoned mining sites that will not require investigation or remediation. At present, approximately 50 percent of these sites are RCRA cleanups and 50 percent of these sites are hazardous substance (CERCLA) investigations. Cleanup activities at these sites include: site characterization and sampling; risk assessment; removal of the contaminant source; treatment and/or containment of contaminated water and soil; institutional controls; and ongoing monitoring.

In FY 1997, the Service began an initiative to review its environmental contingent liability in the aforementioned regulatory areas. Based upon this work, the value for total current environmental liability is estimated at \$4.885 million. The cost of studies that will be conducted to determine future liability is estimated at \$420,000. Although, on completion of these studies the future environmental liability could be significantly higher. Combining these values, the Service has recorded a future environmental liability of \$5.305 million. These values represent a current analysis of verifiable NPS data and are subject to ongoing fluctuation (in dollars):

	RCRA-I	RCRA-D	CERCLA	TOTAL
Future Liabilities	\$ 3,010,000	\$ 1,500,000	\$ 375,000	\$ 4,885,000
Cost of Studies	345,000	25,000	50,000	420,000
Total	<u>\$ 3,355,000</u>	<u>\$ 1,525,000</u>	<u>\$ 425,000</u>	<u>\$ 5,305,000</u>

Based on FY 1996 data the NPS Abandoned Mineral Lands (AML) program developed cost estimates based on an ongoing Servicewide inventory containing 3,000 abandoned mines (of all types) and 727 abandoned oil and gas wells (of which 51 are abandoned with no identifiable owner). These estimates do not reflect the 3 million acres added to the System in the California Desert Protection Act of 1994, or other additions/expansions since 1994 that could contain AML sites. At this time the Service has no legal liability for the cleanup of these AML sites, and thus no dollar amount was recorded in the Service's financial statements for these sites.

Judgements and Claims

The NPS is a party to a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of NPS management and legal counsel, a reasonable estimate of the potential liability of these claims cannot be made. However, for three claims estimated at \$1.8 million, a probable payout of \$325 thousand for two of these cases will be made through the Department of the Treasury judgement fund.

Note 15. Unexpended Appropriations

The reported figure is comprised of the following amounts (in thousands):

Unobligated	
Available	\$ 299,454
Unavailable	19,999
Undelivered Orders	545,508
	<hr/>
Total Unexpended Appropriations	\$ 864,961
	<hr/> <hr/>

Note 16. Prior Period Adjustment

Prior period adjustment by cause are provided below (in thousands):

Non-capitalized Construction Projects	\$ 77,873
Reconciliation of Job Corp Capitalized Property	4,615
	<hr/>
Total Prior Period Adjustment	\$ 82,488
	<hr/> <hr/>

The line item for Non-capitalized Construction Projects, consists of expenses for projects completed in a prior fiscal year but not meeting the established capitalization requirements. Implementation of the new NPS procedures regarding the accountability of fixed assets will cause this line item to be an ongoing occurrence. Construction projects both over and under the NPS capitalization threshold level can span multiple fiscal years until completion and final acceptance. Additionally, it is not until completion that the final supporting documentation is prepared as to the primary purpose of the asset (e.g., operational or heritage).

The line item reclassifying Job Corp capitalized property is attributable to the inclusion of this program in the FY 1997 financial statements. As Job Corp was not included in prior year financial statements property acquired prior to FY 1997 required adjustments to meet NPS criteria for real property and equipment capitalization thresholds as discussed in Note 8.

Note 17. Appropriations

The reported figure is comprised of the following amounts (in thousands):

Appropriations	\$ 1,739,490
Contract Authority	23,694
Transfers, Net	41,827
	<hr/>
Total Appropriations	\$ 1,805,011
	<hr/> <hr/>

Note 18. Obligated Balance, Net End of Period

The reported figure is comprised of the following amounts (in thousands):

Accounts Receivable	\$ 26,415
Unfilled Customer Orders	(1,492)
Undelivered Orders	(558,575)
Accounts Payable	(98,322)
Total Obligated Balance, Net	(\$ 631,974)

Note 19. Operating Expenses

Operating expenses by object classification allocated to programs are provided below (in thousands):

Object Classification	1997	1996
Personnel Compensation and Benefits	\$ 957,592	\$ 846,678
Contractual Services	284,509	266,473
Grants, Subsidies, and Contributions	91,805	92,752
Supplies and Materials	94,889	85,575
Rent, Communications, and Utilities	78,939	80,399
Travel and Transportation	51,856	49,237
Equipment, Land, and Structures	31,178	25,639
Printing and Reproduction	5,324	5,907
Job Corp	16,491	0
Contingent Liabilities	5,630	0
Other	66,351	66,415
Total	\$ 1,684,564	\$ 1,519,075

Stewardship and Heritage Assets

The National Park Service is the steward, for the people of the United States, to the land and resources which it administers. Forests, deserts, riparian areas, seashores, wilderness areas, archeological sites, museum collections, cultural landscapes and historic buildings are among the many stewardship and heritage assets which the National Park Service has the responsibility to preserve and protect.

National Park Service Land

The National Park Service has acquired land by means such as Presidential and Congressional declaration, purchase, donation, exchange, and transfer from other federal agencies. The objective of acquiring land and interests in land, is to preserve and protect, for public use and enjoyment, the historic, scenic, natural, and recreational values of Congressionally authorized areas within the National Park System.

National Park Service land is comprised of 375 units that have 83,251,914.25 acres of land within their boundaries. Federal ownership consists of 77,242,301.33 acres in fee simple title and 228,285.50 acres under less than fee title (includes rights-of-way and scenic easements). Other land within park boundaries is owned by state and local governments (1,104,730.98 acres) or is in private ownership (4,676,596.44 acres). An acreage summary of these lands by NPS unit type appears of page 84 as Table 1.

Stewardship lands and associated heritage assets are used and managed in accordance with the statutes authorizing their acquisition or directing their use and management. The Service conducts various activities to preserve and protect land resources, and to mitigate the effects of activities

conducted previously on or near parks that adversely affect the natural state of the land. While individual units of the stewardship lands can be improved, the condition of the stewardship assets as a whole is sufficient to support the mission of the Service.

Wilderness Areas

Wilderness is an area where man is a visitor and does not remain. These areas, which are generally greater than 5,000 acres, appear to have been affected primarily by the forces of nature, with human development substantially unnoticeable. A wilderness area also has outstanding opportunities for solitude or a primitive and unconfined type of recreation (Wilderness Act, 1964).

In the United States, there are over 100 million acres of Federal land designated “wilderness” by Congressional legislation. In addition to the National Park Service, the U.S. Forest Service, the U.S. Fish and Wildlife Service and the Bureau of Land Management also manage wilderness areas. Because of the abundance of NPS wilderness acreage in Alaska, the National Park Service manages the greatest proportion of wilderness areas, at 41 percent of the entire National Wilderness Preservation System.

Table 2 on page 85, lists park units areas recognized as wilderness, although they may not be “designated wilderness” areas that have a permit system.

There are also many park units which have potential to be designated as wilderness areas. These land units are under study in order to determine eligibility as a designated wilderness area and are listed in Table 3 on page 86.

National Wild and Scenic Rivers System

In order for a river to be eligible for the National Wild and Scenic Rivers System, it must be in a free-flowing condition and possess one or more of the following values to a remarkable degree: scenic, recreation, geologic, fish and wildlife, historic, cultural or other similar values. Suitability is based upon the extent of public lands in the immediate environment of the river, funds required for acquisition, development, and management; and local or state interest in acting to protect and manage the river. Studies may be the responsibility of either the Department of the Interior, Agriculture, or the shared responsibility of both agencies. Wild and Scenic eligibility studies are presented to Congress with a Presidential recommendation. Congress then decides whether or not to add the river to the National Wild and Scenic Rivers System.

There are 154 rivers in the National Wild and Scenic Rivers System. Each mile of each river is classified as wild, scenic or recreational. There are many governing agencies of these rivers. The National Park Service administers, either solely or in conjunction with other agencies the rivers listed in Table 4, on page 87.

National Trails System

The National Trails System, created by law in 1968, includes 12 National Scenic Trails, 8 National Historic Trails, over 800 National Recreation Trails, and 2 side/connecting trails. Of the 20 National Scenic and Historic Trails, the NPS provides trail-wide coordination for 15. Together these 20 trail corridors measure almost 37,000 miles in combined lengths, cross 51 National Park Areas and 90 National Forests. In addition, hundreds of miles of trails cross lands under the care of the Bureau of Land Management.

In January, the NPS signed an interagency agreement with the Federal Highway Administration to jointly plan and operate the newly-created Selma to Montgomery National Historic Trail in Alabama. Ongoing national initiatives involve trail marker logo design, development of wayside exhibit guidelines, training in organizational development with partners, and continuation of the quarterly *Pathways Across America*.

Helped in large part by the NPS and U.S. Forest Service Challenge Cost-Share programs, a great deal was accomplished along the trails. Some of the major successes include the following.

- A joint Federal-State \$55 million land purchase agreement along the Appalachian Trail, protected Sterling Forest.
- A 150th anniversary commemorative wagon train retraced the route of the Mormon Pioneers from Council Bluffs, Iowa to Salt Lake City, Utah.
- The Continental Divide Trail Alliance organized 31 one hundred mile hikes "Uniting Along the Divide" the length of the Continental Divide Trail to simultaneously assess trail conditions, hazards and opportunities.
- A 220th anniversary commemorative horseback ride retraced the route of Juan Bautista de Anza from central Mexico to the San Francisco Presidio in November, 1996, bringing widespread attention to this Hispano-American trail.
- Several newly created land trusts will help protect the North Country, Ice Age, and Florida National Scenic Trails.

Cultural Landscape Program

A cultural landscape is a geographic area, including both natural and cultural resources, associated with a historic event, activity, or person. The National Park Service recognizes four cultural landscape categories: *historic designed landscapes*, *historic vernacular landscapes*, *historic sites*, and *ethnographic landscapes*. The purpose of the cultural landscape program is to identify these landscapes so that they may be preserved, restored, and interpreted for the public.

In FY 1992, the NPS began to design and field test an inventory methodology for cultural landscapes. This Cultural Landscapes Inventory (CLI) will be an evaluated inventory of all cultural landscapes having historical significance. Based on five years of development and testing, a four level inventory process has been defined which will identify the potential scope of cultural landscapes in the National Park Service, establish priorities for further inventory and research and respond to specific park management needs. To date, 875 cultural landscapes have been inventoried at various analysis levels as part of the five year CLI field testing process.

Heritage Areas

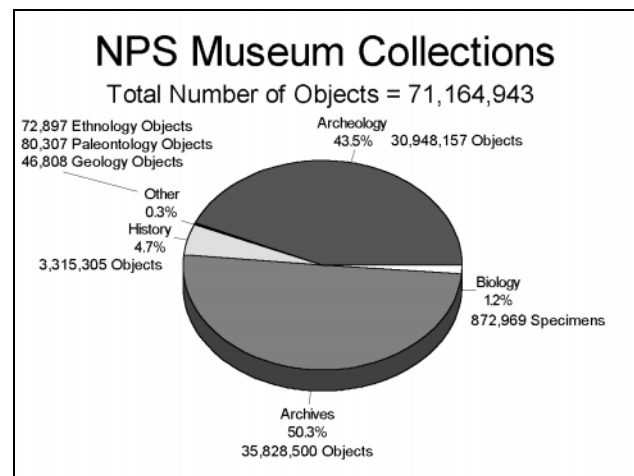
Heritage areas are cultural landscapes, but are not necessarily part of a federal land system. The Heritage Area concept offers an innovative method for citizens, in partnership with federal, state, and local government, non-profit and private sector interests, to develop a plan and an implementation strategy focused on conserving the special qualities of the local cultural landscape.

A National Heritage Area is a place designated by the Congress, where natural, cultural, historic, and recreational resources combine to form a cohesive, nationally distinctive landscape arising from patterns of human activity shaped by geography.

Through the conservation of discrete, intact cultural landscapes, the National Park Service seeks to preserve, in partnership with the local citizenry, a portion of the patchwork of American landscapes which helps to define the nationally significant American identity (Rivers, Trails and Conservation Assistance). Table 5 on page 88 provides a listing of these National Heritage Areas.

Museum Collections

At the end of FY 1996, the most current information available, NPS museum collections totaled over 71 million items, 35 million objects and specimens and 36 million archival documents. These collections support the interpretation of resources and significant events associated with NPS lands. The collections include items ranging from historic furnishings in the home of John Adams, to flags that flew over Fort Sumter, to Thomas Edison’s handwritten notes on inventions, to the tools and furnishings of a working ranch in Montana, to botanical specimens from Yosemite, and archeological items from Mesa Verde. These museum collections are important not only in their own right, but also because of their direct association with the nationally significant sites in the National Park System.



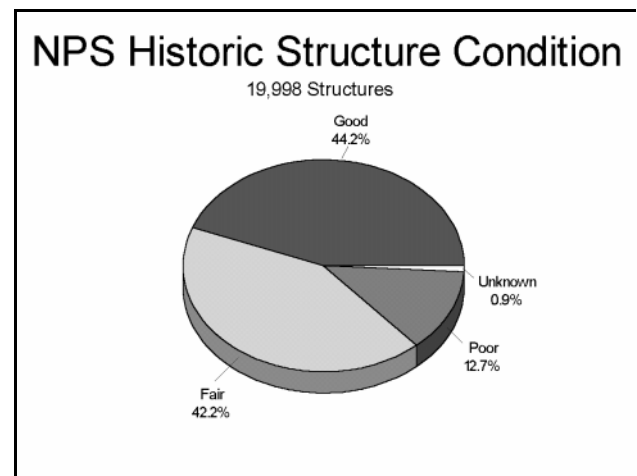
The NPS acquires and documents collections that support the mission and scope of each park and uses those collections to increase public enjoyment and understanding of our heritage, and its associated values. Parks use the documentation associated with collections to make informed decisions about interpreting and managing these and other park resources. For example, the drawings and photographs in the collection at Frederick Law Olmsted National Historic Site have enabled the park manager to make decisions about restoring the park's cultural landscape. The public has access to these collections through exhibits, interpretive programs, publications, World Wide Web sites, films, and videos. In addition, for research purposes, the public can directly access information in collections catalogs and other databases, as well as access the collections themselves. Typically, parks respond to over 26,000 public research requests and park visitors view over 300,000 objects on exhibit annually.

In addition to collections stored at park units, five NPS facilities manage NPS museum collections. These facilities are the Southeast Archeological Center in Tallahassee, Florida; the Midwest Archeological Center in Lincoln, Nebraska; the Western Archeological and Conservation Center in Tucson, Arizona; the Museum Resource Center, in Greenbelt, Maryland; and the Northeast Cultural Resources Center in Boston, Massachusetts. Additionally, some of the collections are on loan to other federal agencies and 140 non-federal institutions for management.

In FY 1996 the NPS acquired 2,117,006 items through gifts, exchanges, purchases, field collections, and transfers. Acquisitions were in the disciplines of archeology, ethnology, history, archives, biology, paleontology, and geology. NPS deaccessioned 1,179 items through repatriation under the Native American Graves Protection and Repatriation Act, exchanges, transfers, losses, thefts, and other means, such as returning to a rightful owner. Using the standardized NPS Checklist for Preservation and Protection of Museum Collections, parks assess the status of museum storage and exhibits relative to professional standards for environment, security, fire protection, housekeeping, and planning.

Historic Structures

There are approximately 20,000 historic structures on national park lands that include buildings, forts, monuments, outdoor sculptures, and ruins. The condition of the structures is continually threatened by weather, structural deterioration, erosion, and vandalism. The Service conducts programs to assess the condition of the structures, and takes actions such as maintenance, repair, rehabilitation, and/or changes the use of the structures to mitigate adverse effects so as to preserve and protect the structures for interpretation and use.



National Historic Landmarks Program

The Historic Sites Act of 1935 authorized the Secretary of the Interior to recognize historic places judged to have exceptional value to the nation. Once the Secretary designates a National Historic Landmark, its owner can apply for landmark recognition. The owner agrees to simple preservation precepts and receives technical advice and assistance from preservation experts if needed.

National Historic Landmarks are identified by theme, and special studies are prepared or overseen by NPS historians and archeologists. Landmark designation is the federal government's official recognition of the national importance of historic properties.

On September 25, 1997, Secretary of the Interior, Bruce Babbitt approved the designation of an additional 21 properties in 15 states as National Historic Landmarks shown in Table 6 on page 88.

Archeological Sites

Archeological sites are locations that contain the remains of past human activity of various sorts. Examples of sites are the prehistoric structures, middens, and roadways in and around Chaco Culture National Historic Site in New Mexico; the ancient earthen mounds and villages at Hopewell Culture National Historic Site in Ohio and Ocmulgee National Monument in Georgia; the early historic European sites in Virginia, like Jamestown National Historic Site, or in Massachusetts, like parts of Boston National Historical Park; and later historic archeological structures and sites such as those at Independence National Historical Park in Pennsylvania.

The NPS estimates that there may be as many as 1.5 million archeological sites located within units of the National Park system. Of these about 60,000 have been identified and about 25,000 are recorded in our national archeological database. NPS is making a concerted effort to collect standardized information about all known sites into the national database and eventually all known sites will be recorded there.

The NPS has a national program of archeological inventory and annually identifies and collects information on about 2,000 new sites. NPS does not normally withdraw sites from the inventory; for those that are damaged or destroyed, NPS continues to care for the data and collections of artifacts and other materials from the sites.

Of the recorded sites for which condition information is available, 45 percent are listed as in "good" condition; however, this information is incomplete and available for only about 20 percent of the nationally recorded sites. Based upon projects identified as necessary in approved park Resource Management Plans, funding of over \$100 million is needed for archeological projects. Not all of this funding relates to maintenance work, but a portion of it does.



White House Ruins, Canyon de Chelly National Monument

Paleontological Sites

The history of life is well represented by fossils preserved within National Park Service areas. Over 120 NPS areas contain fossils that collectively reveal a story ranging from Precambrian algae in Glacier National Park to Ice Age mammals in the Alaskan parks. A great diversity of ancient life forms including petrified leaves, wood, pollen, shells, bone, tracks, and coprolites are known from park strata. Museum collections throughout the United States manage National Park Service paleontological specimens for research and public education. NPS is building a database of paleontological resources. Condition information is not currently available. In FY 1997 no new parks were authorized primarily for their paleontological resources and none were deauthorized.

Library Collections

The NPS libraries contain 1.2 million books and reports, 4.5 million non-book items, for a total of 5.7 million items. Materials range across many media and formats, e.g., books (including those that are rare and out-of-print); reports and conference proceedings (including unpublished materials); theses and dissertations; journals and journal article files; news clippings; maps and plans; microfilm; slides, prints, films, videos, phonograph records, audio tapes; CDs and computer files; curriculum materials; and species lists. Many of the non-book items are unique to the NPS. For the most part, the NPS libraries are not professionally managed. Average level management is custodial level care by staff on a collateral duty basis. The NPS library program has only recently been coordinated on a Servicewide basis. The Servicewide program is developing systemwide policies and procedures, training materials, a NPS union catalog, a NPS virtual library World Wide Web site, and partnerships.

The program provides library cataloging software and technical support Servicewide. Based on the proportion of collections receiving professional management and adequate funding for appropriate housing and preservation treatments, NPS estimates that 10 percent of the library collections are in good condition, 40 percent are in fair condition, and 50 percent are in poor condition.

Table 1 - National Park Service Land

NPS Unit Type	Federal Acreage	Non-Federal Acreage	Total Acreage
International Historic Site	22.19	13.20	35.39
National Battlefields	11,520.43	1,624.73	13,145.16
National Battlefield Parks	8,007.30	769.05	8,776.35
National Battlefield Site	1.0	0.0	1.0
National Historic Sites	18,415.14	5,482.32	23,897.46
National Historical Parks	113,806.93	48,580.02	162,386.95
National Lakeshores	145,313.19	83,621.79	228,934.98
National Memorials	7,955.52	109.52	8,065.04
National Military Parks	34,810.56	3,200.04	38,010.60
National Monuments	1,746,537.10	319,663.26	2,066,200.36
National Parks	49,318,942.58	2,383,243.81	51,702,186.39
National Preserves	21,523,386.74	2,110,960.14	23,634,346.88
National Recreation Areas	3,353,059.95	350,515.18	3,703,575.13
National Reserves	10,630.35	22,776.84	33,407.19
National Rivers	310,814.32	113,970.25	424,784.57
National Scenic Trails	116,843.45	65,316.24	182,159.69
National Seashores	477,518.29	115,090.30	592,608.59
National Wild & Scenic Rivers	72,155.82	147,403.50	219,559.32
Parks (other)	37,607.79	1,331.98	38,939.77
Parkways	163,238.18	7,655.25	170,893.43
TOTAL	77,470,586.83	5,781,327.42	83,251,914.25



Grand Teton National Park (photo by J. Over)

Table 2 - Wilderness Areas

Wilderness Area Name	Park Unit	Acreage
Alaska		
Denali	Denali National Park	2,124,783
Gates of the Arctic	Gates of the Arctic National Park	7,167,192
Glacier Bay	Glacier Bay National Park & Preserve	2,664,840
Katmai	Katmai National Park & Preserve	3,384,358
Kobuk Valley	Kobuk Valley National Park	178,545
Lake Clark	Lake Clark National Park	2,619,550
Noatak	Noatak National Preserve	5,765,427
Wrangell-St. Elias	Wrangell - St. Elias National Park & Preserve	9,078,675
Arkansas		
Buffalo National River	Buffalo National River	34,933
Arizona		
Chiricahua	Chiricahua National Monument	9,440
Organ Pipe Cactus	Organ Pipe Cactus National Monument	312,600
Petrified Forest	Petrified Forest National Park	50,260
Saguaro	Saguaro National Monument	71,400
California		
Death Valley	Death Valley National Park	3,158,038
Mojave	Mojave National Preserve	695,200
Joshua Tree	Joshua Tree National Park	561,390
Lassen Volcanic	Lassen Volcanic National Park	78,982
Lava Beds	Lava Beds National Monument	28,460
Philip Burton	Point Reyes National Seashore	25,370
Pinnacles	Pinnacles National Monument	12,952
Sequoia-Kings Canyon	Sequoia-Kings Canyon National Park	736,980
Yosemite	Yosemite National Park	667,600
Colorado		
Black Canyon of the Gunnison	Black Canyon of the Gunnison National Monument	11,180
Great Sand Dunes	Great Sand Dunes National Monument	33,450
Indian Peaks	Rocky Mountain National Park	2,917
Mesa Verde	Mesa Verde National Park	8,100
Florida		
Everglades	Everglades National Park	1,296,500
Georgia		
Cumberland Island	Cumberland Island National Seashore	8,840
Hawaii		
Haleakala	Haleakala National Park	19,270
Hawaii Volcanoes	Hawaii Volcanoes National Park	123,100
Idaho		
Craters of the Moon	Craters of the Moon National Monument	43,243
Michigan		
Isle Royale	Isle Royale National Park	131,880
Mississippi		
Gulf Islands	Gulf Islands National Seashore	4,637
North Dakota		
Theodore Roosevelt	Theodore Roosevelt National Park	29,920
New Mexico		
Bandelier	Bandelier National Monument	23,267
Carlsbad Caverns	Carlsbad Caverns National Park	33,125
New York		
Fire Island	Fire Island National Seashore	1,363
South Carolina		
Congaree Swamp	Congaree Swamp National Monument	15,010
South Dakota		
Badlands	Badlands National Park	64,250
Texas		
Guadalupe Mountains	Guadalupe Mountains National Park	46,850
Virginia		
Shenandoah	Shenandoah National Park	79,579
Washington		
Mount Rainier	Mount Rainier National Park	228,480
Olympic	Olympic National Park	826,669
Stephen Mather	North Cascades National Park	634,614
TOTAL		43,093,219

Table 3 - Potential Wilderness Area Acreage

Park Area	Potential Acreage
Arizona	
Glen Canyon National Recreation Area (AZ/UT)	588,855
Grand Canyon National Park	Undetermined
Lake Mead National Recreation Area (AZ/NV)	Undetermined
California	
Channel Islands National Park	Undetermined
Colorado	
Colorado National Monument	7,700
Dinosaur National Monument (CO/UT)	175,615
Rocky Mountain National Park	241,404
Florida	
Big Cypress National Preserve	Undetermined
Biscayne National Park	Undetermined
Canaveral National Seashore	Undetermined
Fort Jefferson	Undetermined
Idaho	
Yellowstone (ID\MT\WY)	2,016,181
Kentucky	
Cumberland Gap National Historical Park (KY\TN\VA)	14,091
Maryland	
Assateague National Park (MD\VA)	4,782
Michigan	
Sleeping Bear Dunes National Lakeshore	Undetermined
Minnesota	
Voyageurs National Park	Undetermined
Montana	
Glacier National Park	930,310
Bighorn Canyon National Recreation Area (MT\WY)	Undetermined
New Mexico	
El Malpais National Monument	106,736
North Carolina	
Cape Lookout National Seashore	28,400
Oregon	
Crater Lake National Park	127,058
Tennessee	
Great Smoky Mountains National Park (NC\TN)	477,670
Texas	
Big Bend National Park	583,000
Padre Island National Seashore	Undetermined
Utah	
Arches National Park	63,500
Bryce Canyon National Park	16,303
Canyonlands National Park	278,420
Capitol Reef National Park	183,865
Cedar Breaks National Monument	4,370
Zion National Park	129,660
Wyoming	
Grand Teton National Park	136,657

Table 4 - National Wild and Scenic Rivers System

Year	River	Wild	Scenic	Recreational	Total Miles
1978	Rio Grande, TX	95.2	96	-	191.2
1968	St. Croix, MN & WI	-	181	19	200
1972	St. Croix (lower), MN & WI	-	12	15	27
1968	Wolf, WI	-	24	-	24
1978	Missouri, NB & SD	-	-	59	59
1991	Missouri, NB & SD	-	-	39	39
1976	Obed, TN	44.25	-	.95	45.2
1978	Delaware (upper), NY & PA	-	25.1	50.3	75.4
1978	Delaware (middle), NJ & PA	-	35	-	35
1980	Alagnak, AK	67	-	-	67
1980	Alatna, AK	83	-	-	83
1980	Aniakchak, AK	63	-	-	63
1980	Charley, AK	208	-	-	208
1980	Chilikadotna, AK	11	-	-	11
1980	John, AK	52	-	-	52
1980	Kobuk, AK	110	-	-	110
1980	Mulchatna, AK	24	-	-	24
1980	Koyukuk (North Fork), AK	102	-	-	102
1980	Noatak, AK	330	-	-	330
1980	Salmon, AK	70	-	-	70
1980	Tinayguk, AK	44	-	-	44
1980	Tlikakila, AK	51	-	-	51
1981	Klamath, CA	-	-	1	1
1984	Tuolumne, CA	37	17	-	54
1986	Cache La Poudre, CO	12	-	-	12
1987/92	Merced, CA	53	14	14	81
1987	Kings, CA	49	-	6.5	55.5
1987	Kern, CA	27	-	-	27
1988	Bluestone, WV	-	10	-	10
1991	Niobrara, NB	-	76	28	104
1992	Great Egg Harbor River, NJ	-	30.6	98.4	129
1993	Maurice, NJ	-	28.9	6.5	35.4
1994	Farmington West Branch, CT	-	-	14	14
1996	Lamprey, NH	-	-	11.5	11.5
TOTAL		1,532.45	549.60	363.15	2,445.20

Table 5 - National Heritage Areas

Year	National Heritage Areas	State
1984	Illinois & Michigan National Heritage Corridor	IL
1986	Blackstone River Valley National Heritage Corridor	MA/RI
1988	Delaware and Lehigh Navigation Canal National Corridor	PA
1988	Southwestern Pennsylvania Heritage Preservation Commission	PA
1994	Cane River National Heritage Area	LA
1994	Quinebaug and Shetucket Rivers Valley National Heritage Corridor	CT
1996	America's Agricultural Heritage Partnership (USDA)	IA
1996	Augusta Canal National Heritage Area	GA
1996	National Coal Heritage Area	WV
1996	Essex National Heritage	MA
1996	Hudson River Valley National Heritage Area	NY
1996	Ohio & Erie Canal National Heritage Corridor	OH
1996	South Carolina National Heritage Corridor	SC
1996	Steel Industry American Heritage Area	PA
1996	Tennessee Civil War Heritage Area	TN

Table 6 - 1997 National Historic Landmarks

National Historic Landmarks	Location
Mendocino Woodlands Recreation Demonstration Area	Mendocino County, CA
Henry Whitfield House	Guilford, CT
Pine Mountain State Park	Harris County, GA
Mazon Creek Fossil Beds	Grundy County, IL
Louisville Marine Hospital	Louisville, KY
ROSEWAY (Schooner)	Camden, ME
VICTORY CHIMES (Schooner)	Rockland, ME
College of Medicine of Maryland	Baltimore, MD
Josiah Quincy House	Quincy, MA
St. Croix Recreational Demonstration Area	Pine County, MN
F. Julius Le Moyne House	Washington, PA
Block Island South East Light	Block Island, RI
Isaac Bell House	Newport, RI
Bastrop State Park	Bastrop County, TX
Palmito Ranch Battlefield	Cameron County, TX
Fort Frederik	Fredriksted, St. Croix, U.S.V.I.
St. Thomas Synagogue	Charlotte Amalie, St. Thomas, U.S.V.I.
Dr. Fisk Holbrook Day House	Wauwatosa, WI
Schoonmaker Reef	Wauwatosa, WI
Van Hise Rock	Sauk County, Wisconsin
Lake Guernsey State Park	Platte County, WY

Financial Glossary

Appropriated Capital

Capital that is available as a result of appropriation acts passed by Congress.

Advances

Cash outlays made by a federal entity to its employees, contractors, grantees or others to cover part or all of the recipients' anticipated expenses or as advance payments for the cost of goods and services the entity acquires. Examples include travel advances disbursed to employees prior to business trips, and cash or other assets disbursed under a contract, grant or cooperative agreement before services or goods are provided by the contractor or grantee.

Assets

Financial resources, both tangible and intangible owned by the Service.

Budget Authority

The authority provided by Federal law to incur financial obligations, as follows: provisions of law that make funds available for obligations and expenditure, including the authority to obligate and expend the proceeds of offsetting receipts and collections; borrowing authority; contract authority; and offsetting receipts and collections as negative budget authority, and the reduction thereof, as positive budget authority.

Budgetary Resources

Those amounts available to enter into obligations for specified purposes in a given year. They include new budget authority, offsetting collections credited to an appropriation or fund account, recoveries of unexpired budget authority

through downward adjustments of prior year obligations and unobligated balances of such resources at the beginning of the year transferred in during the year.

Chief Financial Officer's Act of 1990

A Congressionally mandated act designed to improve the financial and accounting functions of the Executive agencies with the ultimate goal of increasing accountability and fiscal responsibility for taxpayer funded projects and activities.

Cumulative Results of Operations

The net results of operations since inception plus the cumulative amount of prior period adjustments. This includes the cumulative amount of donations and transfers of assets in and out without reimbursement as well as cumulative amounts related to investments in capitalized assets and negative amounts for future funding requirements.

Entity

A unit within the federal government, such as department, agency, bureau or program, for which a set of financial statements is prepared.

Entity Assets

Entity assets include both intragovernmental and governmental assets. Supplies inventory held by an entity for consumption in its operations is an entity asset as well as a governmental asset. A receivable of a federal entity is an entity asset if the receiving entity has authority to use the amount collected.

Fund Balance with Treasury

The aggregate amount of the Service's accounts with Treasury for which the NPS is authorized to make expenditures and pay liabilities.

Governmental Assets and Liabilities

These are assets and liabilities that arise from transactions of the federal government with non-federal entities (e.g., persons and organizations outside the U.S. Government, either foreign or domestic).

Heritage Assets

Includes plant, property, and equipment that have historical or natural significance; cultural, educational, or artistic importance; or significant architectural characteristics.

Intragovernmental Assets and Liabilities

These assets and liabilities arise from intragovernmental transactions. For example, investments held by a federal entity in Treasury securities are reported by the entity as an asset. However, the Treasury securities also are liabilities of the Department of the Treasury. Thus, the securities represent intragovernmental assets and liabilities.

Liabilities

The financial obligations of the Service that arise out of the normal course of business. Liabilities can be further classified as covered by budgetary resources or not covered by budgetary resources.

Liabilities Covered by Budgetary Resources

Liabilities incurred which available budget resources cover. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year.

Liabilities Not Covered by Budgetary Resources

This category is for liabilities that are not covered by budgetary resources, provided in the previous paragraph. An example of this type of liability would be accrued unfunded annual leave balances at the end of the reporting period.

Non-entity Assets

An entity may have assets under its custody and management that the entity is not authorized to use. An example of non-entity assets are customs duty receivables that the Customs Service collects for the U.S. Government but has authority to spend. A similar example is federal income tax receivable that the Internal Revenue Service collects for the U.S. Government.

Obligations

Amounts of orders placed, contracts awarded, services received, and other transactions occurring during a given period that would require payments during the same or a future period.

Obligated Balance

The net amount of obligations in a given account for which payment has not yet been made.

Offsetting Collections

Collections from government accounts (intragovernmental transactions) or from the public that are offset against budget authority and outlays rather than reflected as receipts in computing the budget and off-budget totals. They are classified as (a) offsetting receipts (i.e., amounts deposited to receipt accounts), and (b) collections credited to appropriation or fund accounts.

Penalty Interest

An interest payment that is required under the Prompt Payment Act (Chapter 39 of Title 31, U.S.C.) when a payment is made beyond its determined due date. Appropriate interest rates are determined semi-annually by the Secretary of the Treasury.

Prompt Payment Act

Requires Executive departments and agencies to make payments on time, to pay interest penalties when payments are late, and to take discounts only when payments are made on or before the discount date (Chapter 39 of Title 31, U.S.C.).

Stewardship Land

Essentially all land in the public domain and national park or national forest system. The acquisition cost of stewardship land shall be reported as a cost (i.e., expensed) in the period incurred.

Third Party Draft

Payment system used by the National Park Service in lieu of issuing a U.S. Treasury check or imprest cash. The primary purpose is to reduce administrative workload and expedite vendor payments.

Unexpended Appropriations

This amount includes the portion of the entity's appropriations represented by undelivered orders and unobligated balances.

Unobligated Balance

Balances of budgetary resources that have not yet been obligated. Unobligated balances are generally available to a federal entity for specific purposes stipulated by law. Unobligated balances may also include balances in expired/canceled accounts that are available only for approved adjustments to prior obligations. Certain unobligated balances may be restricted to future use and are not apportioned for current use. Disclosure should be provided on such restrictions.



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

APR 16 1998

Memorandum

To: Director, National Park Service

From: Robert J. Williams *Robert J. Williams*
Acting Inspector General

Subject: Report on National Park Service Financial Statements for Fiscal Years 1996 and 1997

In accordance with the Chief Financial Officers Act of 1990, we audited the National Park Service's financial statements for the fiscal years ended September 30, 1996, and 1997, as contained in the Park Service's accompanying "Accountability Report - Fiscal Year 1997." The Park Service is responsible for these financial statements, and we are responsible for expressing an opinion, based on our audit, on these financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and with Office of Management and Budget Bulletin 93-06, "Audit Requirements for Federal Financial Statements," as amended, and was completed on April 1, 1998. These audit standards require that we plan and perform the audit to obtain reasonable assurance that the accompanying financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and accompanying notes. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We found that the financial statements and accompanying notes present fairly the Park Service's assets, liabilities, and net position; revenues; expenses; changes in net position; and budgetary resources and outlays. We also found that these financial statements are presented in conformity with the accounting standards and policies described in the notes to the financial statements.

Management of the National Park Service is responsible for establishing and maintaining an internal control structure, which we evaluated as part of our audit. In performing the evaluation, we obtained an understanding of the relevant control policies and procedures, assessed the importance of their proper functioning, and tested whether they have been operating as designed. We also reviewed the Park Service's most recent report required by the Federal Managers' Financial Integrity Act of 1982 and compared it with the results of our evaluation of the Park Service's internal control structure.

Except as discussed in the Summary of Prior Reports With Significant Unresolved or Unimplemented Recommendations section of this report, we found that the Park Service's internal control structure in effect at September 30, 1997, was sufficient to safeguard assets against loss from unauthorized use or disposition; ensure that transactions were executed in accordance with laws and regulations; ensure that transactions were properly recorded, processed, and summarized; and provide reasonable assurance that any losses, noncompliance, or misstatements that are material to the financial statements would be detected. However, losses, noncompliance, or misstatements may occur and not be detected because of inherent limitations in any system of internal controls. We also caution that projecting our evaluations of internal controls to future periods is subject to the risk that controls or the degree of compliance with the controls may diminish.

We performed tests of the National Park Service's compliance with certain provisions of laws and regulations specified in Bulletin 93-06, noncompliance with which could have a direct and material effect on the determination of amounts in the financial statements. In planning and performing our tests of compliance, we considered the implementation guidance issued by the Office of Management and Budget on September 9, 1997, relating to the Federal Financial Management Improvement Act of 1996. Under the Act, we are required to report whether the Park Service's financial management systems are in substantial compliance with the Federal financial management system requirements, applicable accounting standards, and the U.S. Government Standard General Ledger at the transaction level. However, providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance with the laws and regulations described above disclosed no instances of noncompliance that are required to be reported under the "Government Auditing Standards."

We reviewed the financial information presented in the National Park Service's overview in order to determine whether the information was consistent with the financial statements. Based on our review, we determined that the information in the overview and the financial statements was consistent. The stewardship and heritage assets that follow the notes to the financial statements were not subjected to the auditing procedures applied to the audit of the consolidated financial statements, and accordingly, we express no opinion on this information.

Our review of prior reports that had significant unresolved or unimplemented recommendations which affected the Park Service's financial statements and its internal controls are summarized on pages 3-5 of this report. The conditions identified in the Summary of Prior Reports With Significant Unresolved or Unimplemented Recommendations section of this report are considered to be reportable weaknesses in the Park Service's internal control structure that need to be corrected.

SUMMARY OF PRIOR REPORTS WITH SIGNIFICANT UNRESOLVED OR UNIMPLEMENTED RECOMMENDATIONS

We reviewed prior Office of Inspector General and General Accounting Office reports related to the National Park Service's financial statements to determine whether these reports contained any unresolved or unimplemented recommendations that were significant to the financial statements at September 30, 1997. Our review disclosed that there were no General Accounting Office reports related to the financial statements that contained significant unimplemented recommendations. However, we identified two Office of Inspector General reports that contained significant unimplemented recommendations as follows:

- The report "National Park Service Financial Statements for Fiscal Years 1995 and 1996" (No. 97-I-936), issued in June 1997, stated that the Park Service's internal controls were not sufficient to provide reasonable assurance that (1) the equipment subsidiary ledger will be regularly maintained in agreement with the related general ledger control account; (2) delinquent accounts receivable will be collected in a timely manner; (3) completed projects in the construction-in-progress account will be timely and appropriately transferred to the buildings and the other structures and facilities accounts; (4) effective and periodic financial information integrity reviews will be made of the financial information contained in the general ledger control accounts and in their related subsidiary ledgers, listings, and reconciliations; and (5) an adequate process had been established to allow the Park Service to obtain, in a timely manner, reliable information on the number of "special concession accounts" and their balances or on the financial activities in these accounts. To correct these deficiencies, we made five recommendations. Specifically, we recommended that the Park Service (1) conduct complete periodic reconciliations of and adjust any discrepancies found between cost data included in its general ledger control account for equipment and the property recorded in the Department of Agriculture's Property Records Management System; (2) enter timely and accurately all property acquisitions and adjustments for surveyed property items into the Department of Agriculture's System; (3) establish and implement the policies and procedures for management oversight which ensure that costs of completed construction projects are periodically transferred to the buildings and/or to the other structures and facilities accounts; (4) identify and correct the errors that were not retroactively adjusted by the software modifications to the Federal Financial System; and (5) develop and implement a process by which the Park Service obtains, in a timely manner, reliable information on the number of "special concession accounts," their balances, and the financial activities in these accounts to support the information that the Park Service reports. In addition, based on the Park Service's planned actions, we made no recommendation on the collection of accounts receivable. However, we will follow up on this issue during subsequent financial statement audits to ensure that the planned actions were taken. In its response to our report, the Park Service concurred with the second and third recommendations, stating, for the third recommendation, that the procedures for management oversight related to the transfer of completed construction projects would be implemented by March 31, 1998. However, the Park Service did not concur with the three remaining recommendations, which related

to performing periodic reconciliations of the equipment account, correcting errors in the Financial System, and reporting reliable information on special concession accounts. The Park Service agreed to perform only monthly comparisons of equipment acquisitions, stating that its existing procedures for monitoring Financial System transactions were adequate. It also stated that it was requesting approval to report special concession account information only in the overview section of its annual financial statements. Based on the response, we considered the second recommendation resolved and implemented and referred the one unimplemented and three unresolved recommendations to the Assistant Secretary for Policy, Management and Budget for tracking of implementation and resolution, respectively.

Concerning the unresolved recommendations, during our fiscal year 1997 audit, we noted that the Park Service identified funding for converting the data in the equipment subsidiary ledger to the Federal Financial System Fixed Asset Subsystem and, in the interim, was performing monthly comparisons of acquisitions recorded in the general ledger control account with the subsidiary ledger. In addition, the Park Service stated that it did not have incorrect balances (for example, debit balances in credit accounts) in the September 30, 1997, subsidiary accounts, and it continued to report special concession account information in the notes to the financial statement.

- The report "Concessioner Improvement Accounts, National Park Service" (No. 98-I-389), issued in March 1998, concluded that overall, projects funded by concessioner improvement accounts enhanced visitor facilities in the parks. However, the report stated:

The Park Service had not provided sufficient and timely guidance to ensure that concessioner improvement account funds were used appropriately and allowed concessioners to use these funds before the procedures were issued. Although the Park Service did issue procedures in August 1995 relating to the use of these funds, the procedures did not provide sufficient guidance for determining the types of projects that could be funded or for establishing cost-sharing agreements for projects that benefited both the Park Service and the concessioner. We also found that the Park Service (1) did not amend existing concession contracts so that they would be in compliance with the new procedures, (2) approved projects which were not in conformance with the procedures, and (3) did not enforce concessioner compliance with contract provisions. As a result, concessioner improvement account funds were used for (1) projects initiated before the procedures were issued, that did not directly support concession operations, or that benefited both the concessioner and the Park Service and would have been appropriate for cost sharing (\$17.5 million); (2) expenditures related to concession operations that would not be considered proper uses of the funds under the new procedures (\$1.2 million); and (3) capital improvement projects for which the concessioner was improperly granted a possessory interest (\$823,000). Furthermore, in the absence of sufficient guidance on the use of improvement account funds, there is no assurance that funds will be used properly or consistently throughout the Park Service.

Further, the report stated that two concessioners “made improper deductions from recorded gross receipts in determining the amounts required to be deposited into concessioner improvement accounts,” which resulted in the accounts being understated by almost \$125,000. The audit reviewed transactions that occurred during fiscal years 1994 and 1995 for eight accounts. To correct these deficiencies, we made three recommendations. Specifically, we recommended that the Park Service (1) revise the concessioner improvement account procedures to include clear and sufficient guidance on the use of funds in these accounts, including definitions for “directly support[ed] concession operations” and for “cost-sharing arrangements”; (2) review existing concession contracts to identify and amend any provisions which are inconsistent with concession improvement account procedures and, in the interim, disapprove requests to use funds for purposes prohibited by Park Service procedures; and (3) ensure that all exclusions from gross receipts are analyzed and that deposits to the improvement accounts are made in accordance with contract provisions. In its response to the draft report for the first recommendation, the Park Service agreed to revise its procedures to clarify the term “directly support concession operations” but not for cost-sharing arrangements. For the second recommendation, the Park Service agreed to attempt to amend contracts when the opportunity occurs but did not address that part of the recommendation that related to disapproving concessioners’ requests to use account funds for purposes prohibited by Park Service procedures. The Park Service concurred with the third recommendation and issued implementing instructions during February 1998. Based on the response, we requested that the Park Service reconsider its response to the first two recommendations, and we considered the third recommendation resolved and implemented. A response to the final report is due by May 22, 1998.



United States Department of the Interior
National Park Service

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