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**DEPARTMENT OF THE INTERIOR**

**National Park Service**

**36 CFR Part 13**

**RIN 1024-AC19**

**National Park System Units in Alaska**

**AGENCY:** National Park Service, Interior.

**ACTION:** Final rule.

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**SUMMARY:** These regulations will implement section 1307 of the Alaska National Interest Lands Conservation Act of 1980 (ANILCA). This action is necessary to establish procedures for administering the statutory rights and preferences established by section 1307 for certain persons to conduct revenue-producing visitor services in certain units of the National Park System located in the State of Alaska.

Particularly, this rulemaking provides guidance in the solicitation, award and renewal of Alaska visitor service authorizations in park areas.

**EFFECTIVE DATE:** This rule is effective November 18, 1996, except §§ 13.82-13.85 will become effective upon OMB approval of the Information Collection requirements. A document will be published in the Federal Register establishing an effective date for §§ 13.82-13.85.

**FOR FURTHER INFORMATION CONTACT:** Rebecca L. Rhea, Concessions Management Analyst, Alaska System Support Office, National Park Service, 2525 Gambell Street, Room 107, Anchorage, Alaska 99503-2892. Phone: 907-257-2529.

**SUPPLEMENTARY INFORMATION:**

**Background**

ANILCA (16 U.S.C. 3101 *et seq.*) was signed into law on December 2, 1980.

Section 1307 of ANILCA (16 U.S.C. 3197) contains two provisions concerning persons and entities who are to be given special rights and preferences with respect to providing "visitor services" in certain lands under the administration of the Secretary of the Interior as part of the National Park System. The term "visitor service" is defined in section 1307 as "any service made available for a fee or charge to persons who visit a conservation system unit, including such services as providing food, accommodations, transportation, tours and guides, excepting the guiding of sport hunting and fishing." Subsection (a) of section 1307 states as follows:

Notwithstanding any other provision of law, the Secretary [of the Interior], under such terms and conditions as he determines are reasonable, shall permit any persons who, on or before January 1, 1979, were engaged in adequately providing any type of visitor service [as defined in subsection (c)] within any area established as or added to a conservation system unit to continue providing such type of service and similar types of visitor services within such area if such service or services are consistent with the purposes for which such unit is established or expanded (16 U.S.C. 3197).

Subsection (b) of section 1307 states as follows:

Notwithstanding provisions of law other than those contained in subsection (a), in selecting persons to provide (and in the contracting of) any type of visitor service for any conservation system unit, except sport fishing and hunting guiding activities, the Secretary—

(1) shall give preference to the Native Corporation which the Secretary determines is most directly affected by the establishment or expansion of such unit by or under the provisions of this Act;

(2) shall give preference to persons whom he determines, by rule, are local residents \* \* \* (16 U.S.C. 3197).

Subsection (b) also provides to Cook Inlet Region, Incorporated (CIRI), in cooperation with village corporations within the Cook Inlet Region when appropriate, the right of first refusal to provide new visitor services within that portion of Lake Clark National Park and Preserve that is located within the Cook Inlet Region.

In general, in passing section 1307 of ANILCA, Congress recognized that the creation and expansion of Conservation System Units (CSUs) in Alaska would have an impact on historical operators, Native Corporations and local residents. Therefore, historical operators, Native Corporations and local residents were provided with preferences to benefit from the opportunity to provide desirable visitor services in the CSUs. It is the intent of these regulations to

clarify and implement the preferences contained in section 1307 of ANILCA.

The National Park Service (NPS) was created by Congress in 1916 to manage the growing number of park areas. The purpose of the NPS as stated in the NPS Organic Act of August 25, 1916, 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 a manner and by such means as will leave them unimpaired for the enjoyment of future generations" (16 U.S.C. 1). Additionally, Congress has declared that the National Park System should be, "preserved and managed for the benefit and inspiration of all the people of the United States" (16 U.S.C. 1a-1). The NPS seeks both to preserve and to provide for the public enjoyment of significant aspects of the Nation's natural and cultural heritage.

To provide park visitors necessary and appropriate facilities and services to enjoy park areas, Congress established a concessions program in the NPS through the Concessions Policy Act of 1965 (16 U.S.C. 20). Regulations implementing the Concessions Policy Act are found in 36 CFR Part 51.

The Concessions Policy Act authorizes the Secretary of the Interior or designee to enter into concessions contracts or issue permits to qualified concessioners. The NPS may provide "necessary and appropriate" visitor facilities and services for the public through these contracts and permits. These services include a wide variety of commercial visitor services from backcountry guiding to hotel operations. All are provided by private corporations, partnerships, individuals or other entities under contract with the NPS. Their purpose is to provide park visitors with the services and accommodations that are necessary and appropriate for the enjoyment of America's national parks. The NPS determines what is necessary and appropriate through its planning process. Visitor needs vary with the purposes of the various park areas and the circumstances at the time of contracting. As applicable, the Concessions Policy Act grants a preference in renewal of concession authorizations to those concessioners who have performed contractual obligations to the satisfaction of the Secretary. In addition, the NPS authorizes certain categories of visitor services through incidental business permits. Holders of the permits do not obtain any preference in renewal. These regulations describe the relationship between section 1307 provisions and NPS concession permits, contracts and incidental business permits.

## Summary of Public Comments

The proposed rule, which was published in the Federal Register on April 25, 1995 (60 FR 20374), afforded the public an initial comment period of 60 days from April 25 to June 26, 1995. In response to numerous requests, the comment period was reopened an additional 60 days from July 13 to September 11, 1995. The U.S. Fish and Wildlife Service (FWS) simultaneously published similar proposed rules implementing section 1307. Joint public meetings were held in Anchorage and Fairbanks by the NPS and the FWS. The NPS also held meetings in Gustavus, Juneau and Yakutat. All written and all oral comments received were shared between the NPS and the FWS. The NPS received 46 written comments. The FWS received 28 comments, 20 which duplicated comments sent to the NPS. Of the 46 written comments received by the NPS, 4 were from individuals, 14 were from Native corporations or Native villages, 19 were from concessioners or permittees, 4 were from special interest groups, 1 was from State Government, 2 were from the Federal Government and 2 were from other businesses. After considering all public comments, the NPS has decided to revise the proposed rule and to proceed with the final rule. The following analysis applies only to those comments that related to the NPS proposed rule and are discussed on a section-by-section basis.

## Analysis of Public Comments

### General Comments

There were a number of general comments. Some comments questioned the relationship between Native corporations and the Indian Self-Determination Act. The Indian Self-Determination Act does not apply to the provision of visitor services on Federal lands. One commenter suggested that Glacier Bay vessels should be excluded from section 1307. However, the law only excludes sport fishing and hunting. There were comments about the relationship between section 1307 and the Concessions Policy Act and the impact of section 1307 on existing satisfactory concessioners. These relationships are described in the final regulations. A number of commenters objected to the rule being applied retroactively to January 1, 1979, with criteria that were previously unknown to operators. However, the NPS cannot alter the effective date of section 1307 and believes that the provisions of these regulations, to the extent they may be considered retroactive, are required by ANILCA and, in any event, otherwise are fair in light of NPS administration of

section 1307 since its enactment. This issue is discussed further below in connection with transfers in controlling interests of historical operators.

The NPS considers that the preferences established in section 1307 take precedence over the preferential right of renewal granted NPS concessioners by 16 U.S.C. 20 *et seq.* With respect to revenue producing visitor services, section 1307 takes precedence over all other laws, including those for awarding or renewing concessions contracts or annual funding agreements under the Tribal Self-Governance Act. Several commenters expressed concerns that giving preferences does not always allow the selection of the best qualified provider and that entities without a preference may be discouraged from submitting proposals to provide visitor services. The NPS, in drafting these regulations, has taken into account the objectives of quality service and competition, as well as the legal rights provided by section 1307.

In addition to the specific changes discussed section-by-section, the NPS has made a number of editorial changes to the text of the proposed regulations for the purposes of clarity and consistency.

#### *Section 13.80 Applicability and Scope*

A new sentence has been added to § 13.80(b) to clarify that, although section 1307 gives preferences in the issuance of visitor services authorizations, it does not require that such authorizations be issued except as otherwise mandated by statute. For example, even after the selection of a visitor service authorization has been made, the NPS may determine that the authorization is inappropriate for resource protection or other reasons, in which case it may choose not to execute the authorization. Likewise, the NPS retains the authority to terminate executed authorizations under their terms. In this same connection, a sentence has been added that clarifies that nothing in this subpart requires the NPS to issue a visitor services authorization to a person who is not capable of carrying out the terms and conditions of the authorization in a satisfactory manner. Finally, a new paragraph (c) has been added to state that, as set forth in section 1307, these regulations do not apply to the guiding of sport hunting or fishing.

#### *Section 13.81 Definitions*

Section 13.81 provides a number of definitions for terms used in the regulations. A definition of "best offer" has been included for clarity. The

definition of "similar visitor services" has been deleted since the term is explained in the body of the regulations. The term "persons", as used in these regulations, is defined in 36 CFR 1.4.

Some comments were objections that it would be unfair to apply several of the definitions without basis in law. In response to the comments, some definitions were changed. One commenter stated that the definition of controlling interest should be "actual exercise" of management authority. The definition was not changed as the NPS believes it properly implements the intentions of section 1307 with respect to the complex issue of degrees of involvement in a business sufficient to warrant recognition of the rights provided by section 1307.

In response to comments, the continuity of service criteria was dropped in the definition of historical operator. Continuity of service requirements are discussed in the main body of the regulations. In addition, a phrase has been added to the definition of historical operator to explain that a statute besides ANILCA may declare a person to be a historical operator (as is the case with respect to one Glacier Bay National Park cruise ship concessioner). Finally, the definition has been modified to explain that historical operators are to conduct their activities pursuant to a valid visitor services authorization.

A number of commenters objected to the definition of local area and thought that the size of a community should have no bearing on the definition of local. Some comments opposed the 35-mile straight-line boundary since it would exclude some communities that have historic ties to certain park areas. Due to the size of the park areas, the NPS also recognized that under the proposed definition, a local resident could be far removed from the geographic area of the area of a park where a service is to be provided.

Consequently, the definition of local area has been changed to an area within 100 miles of the location within the park area where the service is authorized to be provided, and the community population limit was dropped. Depending upon the service, the local area may include the entire park area or a portion of the park area. The 100-mile radius is consistent with Tier 2 of the recommendations of the Alaska Land Use Council for defining local resident.

The definitions under local resident were rewritten for clarity. In response to a comment asking for time restrictions to qualify an individual as a local resident, a criterion was added that an

individual must have lived within the local area a minimum of 12 consecutive months. This prohibits an individual from moving into a local area and immediately qualifying as a local resident.

Some commenters objected to the definition of local corporation that required both the corporate headquarters to be located in the local area and a majority of shareholders to qualify individually as local residents. The definition of local corporation was changed to a corporation in which the controlling interest is owned by individual local residents. In addition, the definition has been clarified to state, with respect to non-profit corporations, that in order to be considered local, a majority of its board members and officers must qualify as local residents. This definition maintains the statutory intent of providing a preference to persons who have a strong presence in the local community.

The definition of preferred operator was reworded to more closely track statutory language. For clarification, the definition of responsive offer was added using the definition at 36 CFR 51.5(c). The definition of similar services was deleted as being unnecessary, as the term is defined in the body of the regulations. A new definition, visitor services authorization, has been added for clarity to encompass in one term all types of instruments the NPS may use to authorize visitor services.

#### *Section 13.82 Historical Operators*

These provisions implement subsection (a) of section 1307 and permit persons who were adequately providing visitor services in applicable areas in Alaska prior to January 1, 1979, to continue to do so under reasonable terms and conditions. Such persons are referred to as "historical operators." The paragraphs in this section were rearranged for clarity.

Section 13.82 explains that the existence of a right to continue to provide visitor services under subsection 1307(a) is not an unlimited right. The right is subordinate to the management of the park area and does not grant a monopoly to provide all visitor services in a given area to the exclusion of other individuals or entities. A historical operator, however, may be authorized to provide services similar to those provided before January 1, 1979, if acceptable to the NPS as consistent with the purposes of the park and provided that the similar services are not in excess of those provided by the concessioner as of January 1, 1979. In addition, the rights of a historical operator are considered terminated

upon a change in the controlling interest in the historical operator. This provision is intended to implement the "grandfather clause" purposes of section 1307(a) while not permitting the sale or transfer of these "grandfather rights" to third parties consistent with the intentions of section 1307.

Persons who, on or before January 1, 1979, were engaged in adequately providing any type of visitor service within a park area in Alaska, who have continued to provide that visitor service and who have retained controlling interest in the business are considered historical operators under these regulations.

Some commenters objected to the requirement that the rights of historical operators would terminate if there was a break in service of more than 11 consecutive months since there could be a number of legitimate reasons why the business could not operate for one season. This requirement was changed to a break in service of no more than 24 consecutive months. This will allow an operator to miss one season of operation without jeopardizing the permit or contract unless the terms of the permit or contract require the service to be provided.

Several commenters expressed concerns about the loss of historic rights if there has been a change in controlling interest since January 1, 1979. There were concerns about transferring a permit to a surviving spouse, to another partner, the impact of incorporating and bringing in additional stockholders and the impact of selling a corporation to a different parent corporation removed from the daily operation of the business.

In response, with respect to individual historic operators, a new provision has been added to § 13.82(e) that if a change in a controlling interest only results in the acquisition of the controlling interest by individuals who were personally engaged in that visitor service activity before January 1, 1979, historical operator rights will continue to be recognized. For example, an individual (qualified as an historical operator) holding a visitor services authorization may transfer a controlling interest in the business to a spouse, child or informal partner, if the transferee was personally engaged in the conduct of the historical operator's business before January 1, 1979.

The rules have not been changed with respect to corporations. The intention of the regulations in this regard, consistent with NPS' understanding of the intentions of section 1307, is to treat corporations in a similar manner as individuals, with respect to the consequences of a change in ownership.

To do otherwise would result in an anomaly. That is, the historical rights of individuals would necessarily lapse as a matter of law upon the individual's death or sale of the business under the terms of section 1307, while a corporate historical operator would retain the statutory right forever, as long as the corporate entity remained in existence, even though the actual ownership of the corporation passes to persons who had no involvement in the business before January 1, 1979. These regulations, consistent with the intentions of section 1307 and in the interests of fairness, provide individuals who provided visitor services prior to January 1, 1979, the same rights to continue those services regardless of whether the form of business was a sole proprietorship, partnership or corporation. Section 1307 was intended to "grandfather" persons who were engaged in providing visitor services before January 1, 1979, so as not to arbitrarily close businesses as a result of the passage of ANILCA. However, the statute, consistent with its intentions, does not provide for the sale or transfer of the statutory rights it creates.

Commenters expressed concerns about applying the controlling interest requirement retroactively to January 1, 1979. This date, however, is clearly stated in section 1307, and the NPS has advised interested persons of these requirements in the administration of visitor services authorizations since the passage of ANILCA.

Also in response to comments, a new provision has been added which says historical operators may apply for a visitor services authorization in a joint venture with other persons, but that historical operating rights will only be recognized if the historical operator has the controlling interest in the joint venture. This provision allows business flexibility without compromising the statutory intention of section 1307.

#### *Section 13.83 Preferred Operators*

This section implements subsection (b) of section 1307 (except with respect to CIRI) and grants a preference (generally defined for the purpose of these regulations as a right to meet the terms of the best offer received by the NPS in a public solicitation process for visitor services) to certain individuals and corporations to provide visitor services in Alaska park areas. The section has been modified to clarify that it takes effect only when there is a competitive award of a visitor services authorization.

Section 13.83 of the regulations applies to the two categories of persons to be given a preference pursuant to

section 1307(b) of ANILCA, collectively referred to as preferred operators. The first category of preferred operator is the Native corporation determined by the Director to be most directly affected by the establishment or expansion of a park area.

The second category of preferred operator consists of persons who are determined by the Director to be local residents of any park area, whether or not it existed before ANILCA. A local resident as defined in these regulations means a person living within 100 straight-line miles of the location within a park area where the service is to be provided.

Section 13.83 establishes a procedure for the solicitation and award of visitor service authorizations that incorporates the rights of preferred operators under section 1307(b). In order to exercise the preference, a preferred operator must submit a responsive offer under the terms of a public solicitation. Some commenters said it was unfair to allow *all* preferred operators the opportunity to match the better offer and that the rule as written would discourage everyone except preferred operators from submitting proposals. In response to those concerns, the regulation has been amended to explain that if, after all the responsive offers are reviewed, a preferred operator has submitted an offer that is substantially equal to or better than any other offer, the preferred operator will be awarded the contract or permit. In addition, redundant express requirements regarding capability have been deleted from this section.

It was apparent from the public comments that there was some confusion about the relationship between the two categories of preferred operators. Local residents and most directly affected Native corporations have equal preference in the award of a visitor service authorization. A statement to this effect was added to 13.83(c).

As with historical operators, the NPS does not believe section 1307(b) intended to provide preferred operators with an exclusive right to provide visitor services. Section 13.83 permits other persons to provide visitor services in park areas in a manner consistent with the preference of preferred operators. Accordingly, public solicitations for section 13.83 purposes will generally be the public solicitation used for general concession authorizations under 36 CFR Part 51.

Section 13.83 (b) was changed to read that an amended offer from a preferred operator must substantially equal the terms of the best offer rather than meet

the terms of the best offer. This change is consistent with 36 CFR Part 51.

Some commenters questioned why a Native corporation was required to submit additional information in Section 13.83(d) that was not required of local corporations. This was not the intention of the proposed rule. Section 13.83(d) was rewritten to require that Native corporations and local corporations both must document their controlling interest in the joint venture making the offer to provide a commercial service. This change addresses the concerns of commenters who were opposed to allowing a preferred operator to serve as a front for another business entity.

Finally, paragraph (d) has been amended, in response to comments, to allow a preferred operator to submit an offer in the form of a joint venture, as long as the preferred operator has a controlling interest in the joint venture. This provides appropriate business flexibility without compromising the intentions of section 1307.

#### *Section 13.84 Preference to Cook Inlet Region, Incorporated*

This section describes the right of first refusal granted by section 1307(b) to Cook Inlet Region, Incorporated (CIRI) to provide new visitor services within that portion of Lake Clark National Park and Preserve that is within the boundaries of the Cook Inlet Region. A number of changes were made in response to comments received from CIRI. The comma before "when appropriate" was deleted to be consistent with section 1307. The regulation was modified to state that the NPS is to solicit competitive offers as the first step in the possible exercise of CIRI's right of first refusal. The 90-day deadline for CIRI to make a responsive offer, as specified in section 1307, was added. The requirement to document total ownership in the business entity making the offer was changed to documentation of controlling interest by CIRI, in cooperation with village corporations within the Cook Inlet Region when appropriate. The requirement to document controlling interest is consistent with § 13.83(d) as rewritten. Kijik Corporation expressed concerns about this section since they have land within the same region. This section of the rule was written to match the language in section 1307 as closely as possible.

#### *Section 13.85 Most Directly Affected Native Corporation Determination*

This section establishes procedures and criteria for determining which Native corporation was most directly

affected by the establishment or expansion of a park area and accordingly is a preferred operator with respect to that park area. Each Native corporation has the opportunity to be considered for a determination of "most directly affected." The Director's "most directly affected" Native corporation decision or appeal decision is applicable for all future visitor services for that park or preserve. However, a new sentence has been added to § 13.85 to permit Native corporations that did not apply for "most affected" status at earlier opportunities to apply for "equally affected" Native corporation status in connection with subsequent visitor services authorizations.

The word "new" in 13.85(a) was deleted. This rule applies to all visitor services in park areas, not just to new services. Several comments received from Native corporations objected to some of the criteria used to determine most directly affected. This section lists criteria considered, but is not all-inclusive. Nor are the criteria listed in priority order. The NPS wants to afford the opportunity for Native corporations and Native villages to provide information pertinent to making this determination. Under the application section, a provision was added to allow a Native corporation the opportunity to submit any information it considers relevant in making the "most directly affected" determination. Under the socioeconomic impacts criteria, consideration for historic and traditional uses of park areas and land-use patterns by Native corporations was added.

Some commenters objected to the criteria concerning ownership of land. It is not necessary for a Native corporation to own surface acres within and adjoining a Conservation System Unit in order to qualify as "most directly affected." Land ownership is one of several criteria used in making the determination. The regulation has been modified in this regard, and, has been modified to explain that in making such determinations, the NPS may take into account other information considered relevant and require an applicant to submit additional information when appropriate. It is the intention of the NPS to use a public process to make these determinations.

#### *Section 13.86 Appeal Procedures*

This section establishes procedures and criteria under which people who believe they have not been provided section 1307 rights under this subpart may appeal to the Director for a final administrative determination in this regard. In response to comments, and in

accordance with policy, this section was changed to allow an appeal to be made to the next higher level of authority in the NPS which is the Director.

#### *Paperwork Reduction Act*

The collections of information contained in §§ 13.82–13.85 of this rule are for the purposes of preparing offers in response to contract solicitations pursuant to 36 CFR Part 51, and have previously been approved by the Office of Management and Budget under 44 U.S.C. 3501 *et seq.* and assigned clearance number 1024–0125. This approval expired in January 1996. However, OMB has given emergency approval to the NPS for the collection of information under the same authorization number for the basic contracting program for a limited period of time. The NPS has submitted the necessary documentation to OMB requesting 3 year approval for the collection of information for all areas covered by this rule. A document will be published in the Federal Register establishing an effective date for §§ 13.82–13.85 when that approval is received from OMB.

The NPS is advertising the availability of concession opportunities within park areas, requiring that parties interested in being awarded a concession contract submit offers to provide the necessary facilities and services. The public reporting burden for the collection of information in this instance is estimated to be 480 hours for large operations and 240 hours for small operations, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information. The request for the collection of information contained in these sections has been submitted to the Office of Management and Budget (OMB) under 44 U.S.C. 3501 *et seq.* for approval. The collection of this information will not be required until it has been approved by OMB.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden of these information collection requests, to Information Collection Officer, National Park Service, 800 North Capitol Street, Washington, D.C. 20013; and the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for Department of the Interior (1024–0125), Washington, D.C. 20503.

### Compliance With Other Laws

This rule was reviewed by the Office of Management and Budget under Executive Order 12866. It was determined that this document will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). The economic effects of this rulemaking are local and negligible.

The NPS has determined and certifies pursuant to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this proposed rule will not impose a cost of \$100 million or more in any given year on local, State or tribal governments, or private entities.

The Regulatory Flexibility Act further requires the preparation of flexibility analysis for rules that will significantly affect a substantial number of small entities including small businesses, organizations, or governmental jurisdictions. Local visitor service providers, exercising their right under Section 1307(b) of ANILCA, will benefit more than companies without the preference. This preference will have a positive impact on the local areas by increasing the economic base of these communities. This impact, while important in relation to the total economic level of the local area, is very small in actual dollar value. Therefore, this rule would have no "significant" economic impact on the local communities or local governmental entities. The NPS has determined that this rulemaking will not significantly affect the quality of human environmental health and safety because it is not expected to:

(a) Increase public use to the extent of compromising the nature and character of the area or causing physical damage to it;

(b) Introduce incompatible uses which might compromise the nature and characteristics of the area, or cause physical damage to it;

(c) Conflict with adjacent ownerships of land uses; or

(d) Cause a nuisance to adjacent owners or occupants.

Based upon this determination, this rulemaking is categorically excluded from the procedural requirements of the National Environmental Policy Act (NEPA) by Departmental guidelines in 516 DM 6 (49 FR 21438). As such, neither an environmental assessment (EA) nor an environmental impact statement (EIS) has been prepared.

### List of Subjects in 36 CFR Part 13

Alaska, National parks, Reporting and recordkeeping requirements.

In consideration of the foregoing, 36 CFR Chapter I is amended as follows:

### PART 13—NATIONAL PARK SYSTEM UNITS IN ALASKA

1. The authority citation for part 13 continues to read as follows:

Authority: 16 U.S.C. 1, 3, 462(k), 3101 *et seq.*; § 13.65 also issued under 16 U.S.C. 1a-2(h), 20, 1361, 1531, 3197.

2. Section 13.2 is amended by redesignating paragraph (e) as paragraph (f), and a new paragraph (e) is added to read as follows:

#### § 13.2 Applicability and scope.

\* \* \* \* \*

(e) Subpart D of this part 13 contains regulations applicable to authorized visitor service providers operating within certain park areas. The regulations in subpart D of this part amend in part the general regulations contained in this chapter.

\* \* \* \* \*

3. In part 13, a new Subpart D is added to read as follows:

#### Subpart D—Special Visitor Services Regulations

Sec.

13.80 Applicability and scope.

13.81 Definitions.

13.82 Historical operators.

13.83 Preferred operators.

13.84 Preference to Cook Inlet Region, Incorporated.

13.85 Most directly affected Native Corporation.

13.86 Appeal procedures.

13.87 Information collection.

#### Subpart D—Special Visitor Services Regulations

##### § 13.80 Applicability and scope.

(a) Except as otherwise provided for in this section, the regulations contained in this part apply to visitor services provided within all national park areas in Alaska.

(b) The rights granted by this subpart to historical operators, preferred operators, and Cook Inlet Region, Incorporated are not exclusive. The Director may authorize other persons to provide visitor services on park lands. Nothing in this subpart shall require the Director to issue a visitor services authorization if not otherwise mandated by statute to do so. Nothing in this subpart shall authorize the Director to issue a visitor services authorization to a person who is not capable of carrying out its terms and conditions in a satisfactory manner.

(c) This subpart does not apply to the guiding of sport hunting or sport fishing.

### § 13.81 Definitions.

The following definitions apply to this subpart:

(a) *Best offer* means a responsive offer that best meets, as determined by the Director, the selection criteria contained in a competitive solicitation for a visitor services authorization.

(b) *Controlling interest* means, in the case of a corporation, an interest, beneficial or otherwise, of sufficient outstanding voting securities or capital of the business so as to permit the exercise of managerial authority over the actions and operations of the corporation or election of a majority of the board of directors of the corporation. *Controlling interest* in the case of a partnership, limited partnership, joint venture, or individual entrepreneurship, means a beneficial ownership of or interest in the entity or its capital so as to permit the exercise of managerial authority over the actions and operations of the entity. In other circumstances, *controlling interest* means any arrangement under which a third party has the ability to exercise management authority over the actions or operations of the business.

(c) *Director* means the Director of the National Park Service or an authorized representative.

(d) *Historical operator*, except as otherwise may be specified by a statute other than ANILCA, means the holder of a valid written authorization from the Director to provide visitor services within a park area that:

(1) On or before January 1, 1979, was lawfully engaged in adequately providing such visitor services in the applicable park area;

(2) Has continued, as further defined in § 13.82, to lawfully provide that visitor service since January 1, 1979, without a change in controlling interest; and

(3) Is otherwise determined by the Director to have a right to continue to provide such services or similar services pursuant to § 13.82.

(e) *Local area* means an area in Alaska within 100 miles of the location within the park area where any of the applicable visitor services is authorized to be provided.

(f) *Local resident* means:

(1) *For individuals*. Those individuals who have lived within the local area for 12 consecutive months before issuance of a solicitation of offers for a visitor services authorization for a park area and who maintain their primary, permanent residence and business within the local area and whenever absent from this primary, permanent residence, have the intention of returning to it. Factors demonstrating

the location of an individual's primary, permanent residence and business may include, but are not limited to, the permanent address indicated on licenses issued by the State of Alaska, tax returns and voter registration.

(2) *For corporations.* A corporation in which the controlling interest is held by an individual or individuals who qualify as *local resident(s)* within the meaning of this subpart. For non-profit corporations a majority of the board members and a majority of the officers must qualify individually as local residents.

(g) *Native Corporation* means the same as defined in section 102(6) of ANILCA.

(h) *Preferred operator* means a Native Corporation that is determined under § 13.85 to be "most directly affected" by the establishment or expansion of a park area by ANILCA, or a local resident as defined in this subpart.

(i) *Responsive offer* is one that is timely received and meets the terms and conditions of a solicitation for a visitor services authorization.

(j) *Visitor services authorization* is a written authorization from the Director to provide visitor services in a park area. Such authorization may be in the form of a concession permit, concession contract, or other document issued by the Director under National Park Service policies and procedures.

#### § 13.82 Historical operators.

(a) A historical operator will have a right to continue to provide visitor services in a park area under appropriate terms and conditions contained in a visitor services authorization issued by the Director as long as such services are determined by the Director to be consistent with the purposes for which the park area was established. A historical operator may not operate without such an authorization. The authorization will be for a fixed term. Failure to comply with the terms and conditions of the authorization will result in cancellation of the authorization and consequent loss of historical operator rights under this subpart.

(b) Nothing in this subpart will prohibit the Director from permitting persons in addition to historical operators to provide visitor services in park areas at the Director's discretion as long as historical operators are permitted to conduct a scope and level of visitor services equal to those provided before January 1, 1979, under terms and conditions consistent with this subpart. A historical operator may be permitted by the Director under separate authority to increase the scope

or level of visitor services provided prior to January 1, 1979, but no historical operating rights will be obtained in such increase.

(c) If a historical operator applies for a visitor services authorization in the form of a joint venture, the application will not be considered as validly made unless the historical operator demonstrates, to the satisfaction of the Director, that it has the controlling interest in the joint venture.

(d) A historical operator may apply to the Director for an authorization or amended authorization to provide visitor services similar to those it provided before January 1, 1979. The Director will grant the request if such visitor services are determined by the Director to be:

(1) Consistent with the protection of park resources and the purposes for which the park area was established;

(2) Similar in kind and scope to the visitor services provided by the historical operator before January 1, 1979; and

(3) Consistent with the legal rights of any other person.

(e) When a historical operator's visitor services authorization expires, and if the applicable visitor services continue to be consistent with the purposes for which the park area was established as determined by the Director, the Director will offer to renew the authorization for a fixed term under such new terms and conditions as the Director determines are in the public interest.

(f) If the Director determines that authorized visitor services must be curtailed or reduced in scope, level, or season to protect park resources, or for other purposes, the Director will require the historical operator to make such changes in visitor services. If more than one historical operator providing the same type of visitor services is required to have those services curtailed, the Director will establish a proportionate reduction of visitor services among all such historical operators, taking into account historical operating levels and other appropriate factors so as to achieve a fair curtailment of visitor services among the historical operators. If the level of visitor services must be so curtailed that only one historical operator feasibly may continue to provide the visitor services, the Director will select one historical operator to continue to provide the curtailed visitor services through a competitive selection process.

(g) Any of the following will result in loss of historical operator status:

(1) Revocation of an authorization for historic types and levels of visitor services for failure to comply with the

terms and conditions of the authorization.

(2) A historical operator's declination of a renewal of the authorization made pursuant to paragraph (d) of this section.

(3) A change in the controlling interest of the historical operator through sale, assignment, devise, transfer, or by any other means, direct or indirect. A change in the controlling interest of a historical operator that results only in the acquisition of the controlling interest by an individual or individuals who were personally engaged in the visitor services activities of the historical operator before January 1, 1979, will not be deemed a change in the historical operator's controlling interest for the purposes of this subpart.

(4) A historical operator's failure to provide the authorized services for more than 24 consecutive months.

(h) The Director may authorize other persons to provide visitor services in a park area in addition to historical operators.

#### § 13.83 Preferred operators.

(a) In selecting persons to provide visitor services for a park area, the Director will, if the number of visitor services authorizations is to be limited, give a preference (subject to any rights of historical operators or CIRI under this subpart) to preferred operators determined qualified to provide such visitor services.

(b) In such circumstances, the Director will publicly solicit competitive offers for persons to apply for a visitor services authorization, or the renewal of such an authorization, to provide such visitor services pursuant to 36 CFR part 51 and/or other National Park Service procedures. All offerors, including preferred operators, must submit a responsive offer to the solicitation in order to be considered for the authorization. If the best offer from a preferred operator is at least substantially equal to the best offer from a non-preferred operator, the preferred operator will receive authorization. If an offer from a person besides a preferred operator is determined to be the best offer (and no preferred operator submits a responsive offer that is substantially equal to it), the preferred operator who submitted the best offer from among the offers submitted by preferred operators will be given the opportunity, by amending its offer, to meet the terms and conditions of the best offer received. If the amended offer of such a preferred operator is considered by the Director as at least substantially equal to the best offer, the preferred operator will receive the visitor service authorization.

If a preferred operator does not amend its offer to meet the terms and conditions of the best offer, the Director will issue the authorization to the person who submitted the best offer in response to the solicitation.

(c) The Native Corporation(s) determined to be "most directly affected" under this subpart and local residents have equal preference. The rights of preferred operators under this section take precedence over the right of preference that may be granted to existing satisfactory National Park Service concessioners pursuant to the Concessions Policy Act (16 U.S.C. 20) and its implementing regulations and procedures, but do not take precedence over the rights of historical operators or CIRI as described in this subpart.

(d) An offer from a preferred operator under this subpart, if the offer is in the form of a joint venture, will not be considered valid unless it documents to the satisfaction of the Director that the preferred operator holds the controlling interest in the joint venture.

(e) Nothing in this subpart will prohibit the Director from authorizing persons besides preferred operators to provide visitor services in park areas as long as the procedures described in this section have been followed. Preferred operators are not entitled by this section to provide all visitor services in a park area.

(f) The preferences described in this section may not be sold, assigned, transferred or devised, directly or indirectly.

**§ 13.84 Preference to Cook Inlet Region, Incorporated.**

(a) The Cook Inlet Region, Incorporated (CIRI), in cooperation with village corporations within the Cook Inlet region when appropriate, will have a right of first refusal to provide new visitor services within that portion of Lake Clark National Park and Preserve that is within the boundaries of the Cook Inlet region. In order to exercise this right of first refusal, the National Park Service will publicly solicit competitive offers for the visitor services authorization pursuant to 36 CFR part 51 or other applicable National Park Service procedures. CIRI must submit a responsive offer within 90 days of such solicitation. If CIRI makes such an offer and is determined by the Director to be capable of carrying out the terms and conditions of the visitor services authorization, it will receive the authorization. If it does not, the authorization may be awarded to another person pursuant to usual National Park Service policies and procedures if otherwise appropriate.

(b) The CIRI right of first refusal will have precedence over the rights of preferred operators. An offer from CIRI under this section, if the offer is in the form of a joint venture, will not be considered valid unless it demonstrates to the satisfaction of the Director that CIRI has a controlling interest in the joint venture.

(c) The CIRI right of first refusal may not be sold, transferred, devised or assigned, directly or indirectly.

**§ 13.85 Most directly affected Native Corporation.**

(a) Before the award of the first visitor service authorization in a park area to be made after the effective date of this subpart, the Director will provide an opportunity for any Native Corporation interested in providing visitor services within the applicable park area to submit an application to the superintendent to be determined the Native Corporation most directly affected by the establishment or expansion of the park area by or under the provisions of ANILCA. An application from an interested Native Corporation will include the following information:

(1) Name, address, and phone number of the Native Corporation; date of incorporation; its articles of incorporation and structure;

(2) Location of the corporation's population center or centers; and

(3) An assessment of the socioeconomic impacts, including historical and traditional use and land-ownership patterns and their effects on the Native Corporation as a result of the expansion or establishment of the applicable park area by ANILCA.

(4) Any additional information the Native Corporation considers relevant or the Director may reasonably require.

(b) Upon receipt of all applications from interested Native Corporations, the Director will determine the "most directly affected" Native Corporation considering the following factors:

(1) Distance and accessibility from the corporation's population center and/or business address to the applicable park area; and

(2) Socioeconomic impacts, including historical and traditional use and landownership patterns, on Native Corporations and their effects as a result of the expansion or establishment of the applicable park area; and

(3) Information provided by Native Corporations and other information considered relevant by the Director to the particular facts and circumstances of the effects of the establishment or expansion of the applicable park area.

(c) In the event that more than one Native Corporation is determined to be equally affected within the meaning of this section, each such Native Corporation will be considered as a preferred operator under this subpart.

(d) The Director's most directly affected Native Corporation determination applies to the award of all future visitor service authorizations for the applicable park area. However, a Native Corporation that did not apply for this determination in connection with an earlier visitor services authorization may apply for a determination that it is an equally affected Native Corporation for the applicable park area in connection with a later visitor services authorization. Such subsequent applications must contain the information required by paragraph (a) of this section, and must be made in a timely manner as described by the Director in the applicable solicitation document so as not to delay the consideration of offers for the visitor services authorization.

**§ 13.86 Appeal procedures.**

An appeal of the denial of rights with respect to providing visitor services under this subpart may be made to the next higher level of authority. Such an appeal must be submitted in writing within 30 days of receipt of the denial. Appeals must set forth the facts and circumstances that the appellant believes support the appeal. The appellant may request an informal meeting to discuss the appeal with the National Park Service. After consideration of the materials submitted by the appellant and the National Park Service record of the matter, and meeting with the appellant if so requested, the Director will affirm, reverse, or modify the denial appealed and will set forth in writing the basis of the decision. A copy of the decision will be forwarded to the appellant and will constitute the final administrative decision in the matter. No person will be considered to have exhausted administrative remedies with respect to a denial of rights to provide visitor services under this subpart until a final administrative decision has been made pursuant to this section.

**§ 13.87 Information collection.**

(a) The information collection requirements contained in this part have received emergency approval from the Office of Management and Budget under 44 U.S.C. 3507, *et seq.*, for the basic contracting program under OMB clearance number 1024-0125. The information is being collected as part of the process of reviewing the procedures



and programs of State and local governments participating in the national historic preservation program. The information will be used to evaluate those procedures and programs. The obligation to respond is required to obtain a benefit.

(b) The public reporting burden for the collection of information is estimated to be 480 hours for large operations and 240 hours for small operations, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information, including suggestions for reducing the burden, to Information Collection Officer, National Park Service, 800 North Capitol Street, Washington, D.C. 20013; and the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for the Department of the Interior (1024-0125), Washington, D.C. 20503.

Dated: July 10, 1996.

George T. Frampton, Jr.,

*Assistant Secretary for Fish and Wildlife and Parks.*

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