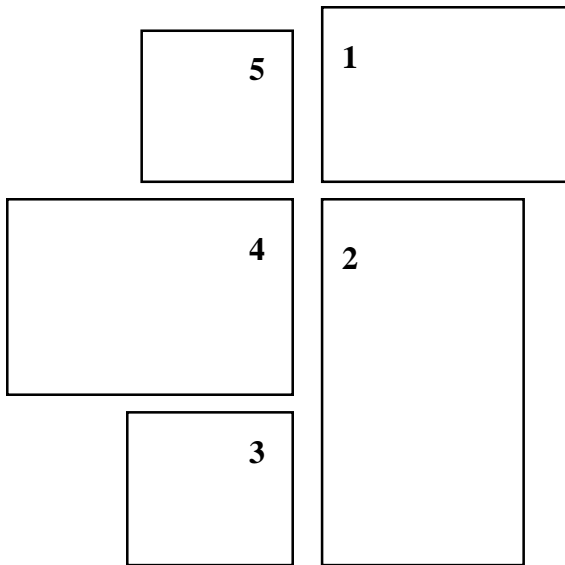


The National Park Service

**Accountability Report
Fiscal Year 1998**



Cover photos illustrate the breadth of responsibility and the many programs the National Park Service has for preserving the cultural resources of the Nation. Clockwise from upper right: 1.) Pueblo Bonito ruins at Chaco Culture National Historical Park, 2.) Large house in Pittsburgh, PA converted into multiple housing units using the Federal Preservation Tax Incentives, 3.) First Vermont Brigade Monument at Gettysburg National Military Park, 4.) Moccasin Bend, part of the Chattanooga Civil War battlefield received a grant in FY 1998 under the American Battlefield Protection Program to conduct a cultural resources survey and assessment, 5.) Teapot from the museum collections, NPS Clearinghouse.



“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, *Fifth Essence*

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A Message from the Director

I am pleased to present the National Park Service Accountability Report for fiscal year 1998. Our activities and accomplishments are described in considerable detail in this report, accompanied by information on our financial resources. Our fiscal year 1998 highlights include:

Recreation Fee Demonstration Program: Under this program, 100 “pilot” parks retain 80 percent of the fees they collect, with the remaining 20 percent going to a central fund which is available for distribution to all parks. The funds are applied to maintenance, infrastructure, resource protection and interpretive exhibit projects. During fiscal years 1997 and 1998, this program has supplemented congressional appropriations by \$182 million.



In addition to allowing us to complete more projects in parks and keep them better maintained and preserved, the fee program contributes to a sense of public ownership of the parks. When surveyed, the vast majority of park visitors are willing to pay park entrance or other fees when they know their payments are used to maintain or improve the cultural, natural and recreational resources in the parks.

Land Acquisition: Acquisition of land within the units of the National Park System is often necessary to protect park resources and provide for visitor use. During FY 1998, over \$98 million was used to purchase over 14,000 acres of park land. An additional 6,455 acres was acquired by donation and transfer. In June 1998, NPS paid \$3 million to acquire 2,825 acres of mining property and historic structures in the middle of Wrangell-St. Elias National Park. The mine area, once the largest industrial site in Alaska, is now the most-visited area of the park.

Environmental Restoration: The NPS has been a lead agency in the effort to restore damaged ecosystems and environmentally threatened areas. For instance, NPS has an important role in implementing the Everglades Restoration Plan, a combination of land purchases, improved water delivery systems and better farming and development practices -- all based on sound science -- to restore the natural species and systems of the Everglades.

Diversity: To remain relevant to all Americans, the employees of the National Park Service, as well as the programs and parks they manage, must reflect the nation’s diversity. We are promoting diversity within our workforce by recruiting a diverse pool of applicants; by holding park managers responsible for diversifying seasonal and permanent staff; and by reaching out to Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges.

The National Park Service is also determined to make the national parks engaging and meaningful for all Americans. We are dedicated to interpretation programs that tell the untold stories that were critical to America's history. We have held workshops on civil and human rights interpretive planning and a major forum on interpreting slavery. In the future, Americans who visit Civil War battlefields will learn not only how the war was fought -- but why it was fought.

The Future: In addition to building on the successes described above, the National Park Service is determined to protect park resources through the use of sound science in our decision making; to assuring the safety and health of visitors and employees; and to increasing our partnerships with other government agencies, conservation organizations and neighboring communities.

Based on the Servicewide evaluations of construction, maintenance, resource protection, and other needs, we believe we are in a better position than ever before to preserve the resources entrusted to our care and to provide the park visitor with the most rewarding and safe experience possible.

We are striving to make the National Park Service the most efficient, effective, and respected agency in the Federal Government. We fully realize that respect is not given -- it's earned by unflagging hard work and the consistent delivery of quality service for the American public to whom we are ultimately accountable.

I recommend that all recipients of this report read it in its entirety so that they may better understand and appreciate the mission and accomplishments of the National Park Service.

A handwritten signature in cursive script, appearing to read "Bob Hunter". The signature is written in dark ink on a white background.



The National Park Service

Accountability Report Fiscal Year 1998

Overview

The preserved heritage found in the National Park System 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



Fort Union standing guard over the trails of western expansion.

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 National Park Service (NPS) takes great pride in preserving the Nation's collective shared natural, cultural, and historical heritage. In its 82nd year of existence, the National Park System remains the premier park system of the world. Its parks are visited by over 275 million visitors a year and are served by nearly 24,000 dedicated employees of the National Park Service.

The Park Service mandate to protect the lands and resources is increasingly challenging. 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 among other threats to resources. NPS must also consider local, regional, national, and even international land use and environmental quality issues when developing policy and program plans.

Connecting people to the parks

At the same time, it is imperative to recognize the role of people in the parks. The second part of the dual NPS mandate is to make the parks available for public enjoyment. Today the parks are enjoyed by more people and a more diverse visitor base than ever before. As indicated by numerous polls and surveys, Americans have always felt proud of a Park System that is uniquely American. Moreover, a maturing fee program gives visitors even more of a sense of ownership. But the very real pressure of a growing populace may itself threaten the concept of the Park

System and a Park Service whose purpose is “to conserve the scenery and natural and historic objects and the wildlife therein.”



Children participate in a Hopi dance demonstration at Grand Canyon National Park.

As a result, the Service has renewed its efforts to educate visitors about the natural and cultural resources they are witnessing and to help them most fully enjoy their park experiences while assisting the preservation process. Furthermore, to ensure that future generations care about and understand the importance of their parks, a renewed emphasis has been placed on educating our school children. The national parks of today are filled with young people who go to the parks to learn and think, to experience the wonders of nature, and to feel the pride of their heritage and history.

In addition, the number of people who volunteer their time and energy to the National Park idea is increasing. To continue this momentum, an effort is being made to attract a more diverse base of volunteers. From the urban centers to the heartland, from young children to senior citizens, all are now a vital lifeline connecting people to the parks.

The National Park System

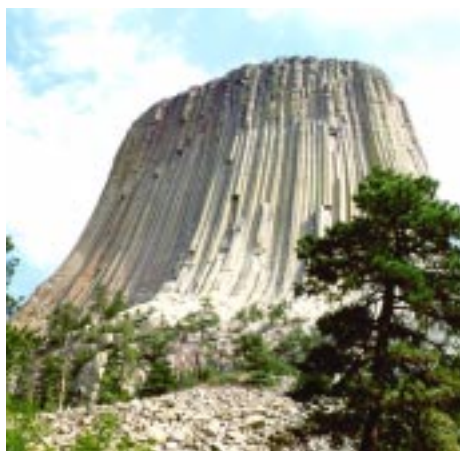
National park units represent a remarkable array of the Nation’s most ecologically and historically significant resources and recreational areas. These heritage areas are of such national significance and value as to justify special recognition and protection in accordance with various acts of Congress.

Size and Composition

In FY 1998, the President designated the newest unit of the National Park System, the Oklahoma City National Memorial, to recognize the profound changes brought to so many lives on the morning of April 19, 1995, when the tragic bombing of the Alfred P. Murrah Federal Building in Oklahoma City took place.

With this newest addition the National Park System now consists of 376 units encompassing more than 83 million acres of land in every state except Delaware, as well as in the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands.

The diversity of the National Park System is reflected in the 20 plus different unit designations which reflect the orientation of the park. Parks are designated reflecting whether they are acres dedicated to enjoying the beauty of natural resources, monuments of natural or cultural significance, historic places of interest, battlefields, recreational water areas, scenic trails, nature preserves or parkways.



Devil's Tower National Monument was the first park with that designation.

Visitation

Visitors are an integral part of the National Park System. Parks are established to encourage and service visitation and, conversely, visitation drives the services that are made available in the different parks. The level and type of visitation has implications for resource management programs.

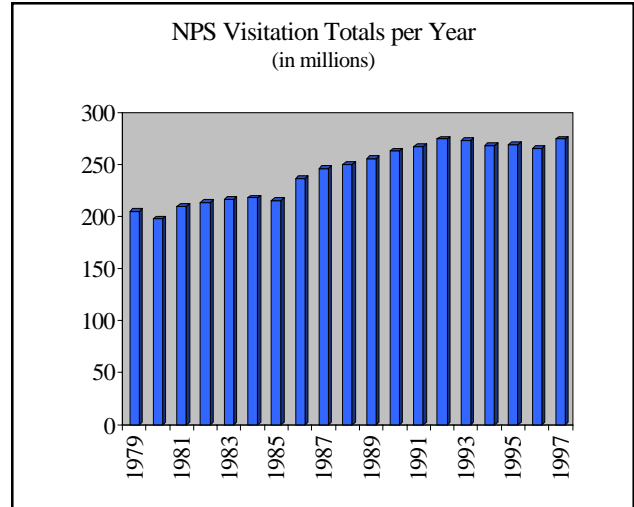
In calendar year 1997, the latest year for which data is available, visitation reached a new peak with nearly 275 million people enjoying the parks. The National Park System has witnessed a steady and significant growth in visitation since 1985; over 250 million visitors each year since 1987. Visitation grew unabated from 1985 to 1992, then declined slightly until 1997 when it turned upward and reached its highest total ever.

Visitation is spread throughout the system although some regions have higher visitation than others. With several notable exceptions, the highest visitation totals are for recreational areas near major centers of population. According to visitation breakdowns for 1996, the latest year for which this type of information is available, the high rates of visitation on the Blue Ridge Parkway and Great Smoky Mountains National Park allowed the Southeast region to lead in visitation. The Pacific West region is second in visitation due to high levels of visitation at Golden Gate and Lake Mead National Recreation Areas.

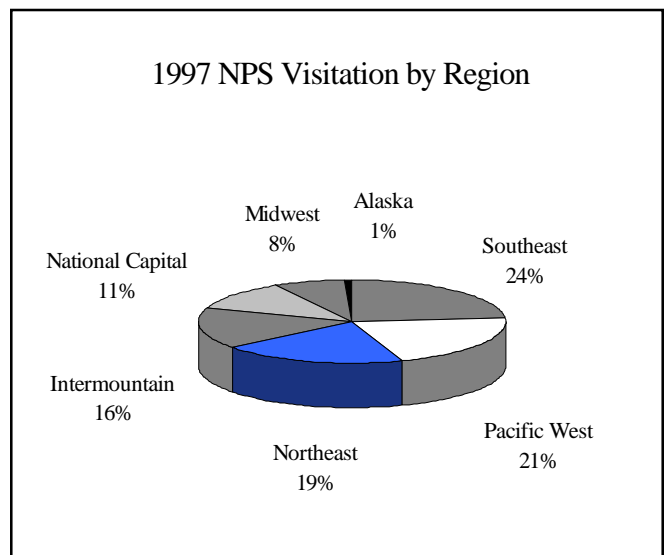
The next most frequently visited region is the Northeast Region because of strong visitation to several New York and Boston area park units, the Delaware Water Gap National Recreation Area, Cape Cod National Seashore, and Acadia National Park.

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 is 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 decision making group involving the NPS as a whole.



NPS Staffing

In FY 1998, the Park Service used 19,421 full-time equivalent (FTE), a 3.2 percent increase over the previous fiscal year. The growth in personnel, which was entirely at the park level, was a result of increased park funding provided in FY 1998 coupled with the increase in funding available through the Recreation Fee Demonstration Program. The FTE count equates to an on-board strength of nearly 25,000 employees during the summer months when visitation is at its peak.

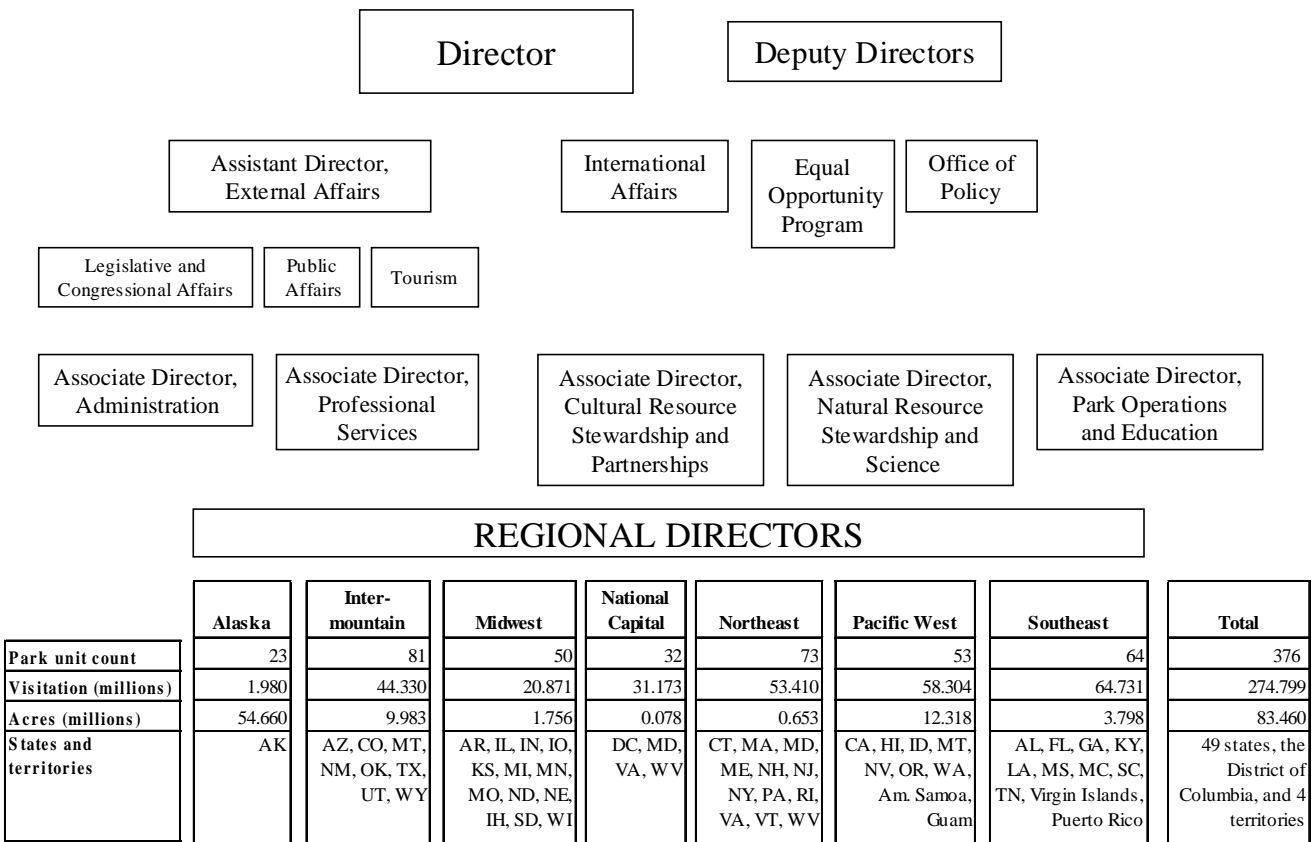


Bass Harbor Head Light at Acadia National Park marks the entrance to Blue Hill Bay.

The NPS is continuing to implement a variety of approaches to managing worksite safety

and occupational health programs, focusing on improving the employee safety record, reducing

Organization of the National Park Service



Visitation is calendar year 1997. Acreage figures as of 9/30/98. Acreage total includes 213,538 acres on Appalachian Trail not included in regions.

workers' compensation costs, and achieving park Government Performance and Results Act (GPRA) goals. A precedent-setting agreement was signed by the occupational Safety and Health Administration (OSHA) and the NPS, designating 10 parks that will receive special assistance from OSHA to help improve employee safety and health programs in those parks. The National Leadership Council recommitted themselves to their original Risk Management priorities, with a special focus on developing programs to implement the Director's Order #50A, *Workers' Compensation Case Management*, in all parks and offices. Investigative services are being utilized to provide assistance in case management and fraud



Weir Farm National Historic Site orchard restoration.

investigation. Continued training for supervisors and employees in safe work practices and on-site safety inspections was conducted through the year, with a special satellite broadcast focused on the behavioral approach to safety management. The Risk Management Office is also in the planning stages of developing a Servicewide Public Safety initiative.

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 1998, Congressional appropriations totaled \$1.67 billion, an increase of nearly \$44 million, or nearly 3 percent, over the FY 1997 appropriation total. The comparison to FY 1997 is skewed by the fact that \$176.6 million of the prior year total represented emergency supplemental appropriations for extraordinary flood damage at Yosemite National Park and for requisite counter-terrorism activities at several national monuments and memorials. Comparable supplemental appropriations and rescissions in FY 1998 totaled only \$7.9 million. When those amounts are eliminated from the comparison, the increase over FY 1997 in "regular" appropriations was \$212.7 million, or in excess of 14 percent. The NPS received five distinct appropriations in FY 1998 for Operation of the National Park System, Construction, NPS Land Acquisition and State Assistance, National Recreation and Preservation, and the Historic Preservation Fund.

Additional Revenue Sources Several permanent, indefinite appropriations and trust funds and other sources of revenue are automatically available to the NPS without the need for action by the Congressional appropriations process. Interagency agreements also provide funds in exchange for specialized services provided by NPS staff. In FY 1998, revenue sources separate from appropriations totaled \$331 million. Amounts and descriptions of all funding sources are provided in the following table.

National Park Service FY 1998 Funding

Funding Source	Funding (\$000)
<u>Appropriations</u>	
1) Operation of the National Park System	\$ 1,246,004
2) Construction	222,769
3) NPS Land Acquisition and State Assistance	143,290
4) National Recreation and Preservation	44,259
5) Historic Preservation Fund	40,812
SUBTOTAL, Appropriations	1,697,134
<u>Permanents and Trusts</u>	
6) Recreational Fee Demonstration Program	136,842
7) Fee Collection Support	1,100
8) Operation and Maintenance of Quarters	14,791
9) Concessions Improvement Accounts	26,288
10) Miscellaneous Permanent Appropriations	1,341
11) Miscellaneous Trust Funds	13,950
SUBTOTAL, Permanents and Trusts	194,312
<u>Permanent Contract Authority for Land Acquisition</u>	
12) Land and Water Conservation Fund	30,000
Rescission	(30,000)
SUBTOTAL, Permanent Contract Authority	0
<u>Other Revenue</u>	
13) Transfers from Other Accounts	340
14) Allocations from Departmental Funds	
Wildland Fire Management	40,666
Central Hazardous Materials Fund	1,912
15) Reimbursables	94,200
SUBTOTAL, Other Revenue	137,118
SUBTOTAL, Funding Other than Appropriation	331,430
TOTAL, NPS FUNDING SOURCES	\$ 2,028,564
<u>Non-NPS Funds Used for NPS Purposes</u>	
16) Federal Lands Highways Program	(102,647)

Descriptions and Notes on NPS Funding Sources

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 Lands Highways Program (in the Department of Transportation Appropriation).

3) Land Acquisition and State Assistance 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, local and international 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.

6) Recreational Fee Demonstration Program By law 80% of recreation fee collections are retained by the collecting site, with the remaining 20% to be distributed Servicewide for certain park purposes. The authorization pertaining to this funding source was changed in 1998 to extend fee collection authority through FY 2001.

7) Fee Collection Support By law, up to 15% of recreation fees collected at non-fee demonstration parks throughout the National Park System are retained to pay for the costs of fee collection at those parks.

8) 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.

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

10) Miscellaneous Permanent Appropriations In FY 1998 four accounts received funding under permanent authorizations: Educational Expenses, Children of Employees, Yellowstone National Park; Delaware Water Gap Route 209 Operations; Payment for Tax Losses on Land Acquired for Grand Teton National Park; and Glacier Bay National Park Resource Protection.

11) Miscellaneous Trust Funds Donations are authorized to be accepted and used for purposes of the National Park System. Donations are made by individuals, groups, corporations, and associations, either by direct contribution or by bequest.

12) 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.

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

14) 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.

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

16) Federal Lands Highways Program Under authorization currently effective through FY 2003, 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.

The National Park Service

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."

The NPS has successfully adapted to changes over time by expanding its role and responsibilities to include not only that of guardian of the treasures of America's natural and historic legacy, but also that of an advocate for environmental science, research, biodiversity and preservation. Today, the NPS plays four key and complementary roles:

- ***Steward*** - responsible for preserving the Nation's most significant natural and cultural resources;
- ***Guide and teacher*** - helping people experience, value, and respect the meaning of our shared national heritage;
- ***Advocate and partner*** - helping society achieve a quality of life enhanced by natural and cultural resources and recreational open spaces; and
- ***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. Its commitment to preserve the Nation’s heritage through the wise stewardship of our national parks and monuments and by providing partnerships and assistance programs to others remains unwavering.

Dedicated to Mission

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.

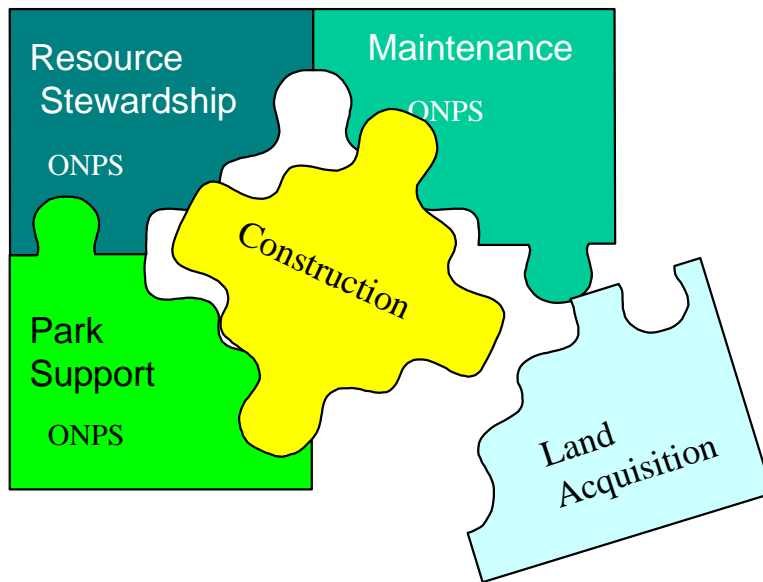
Goals, Results, and Outcomes

The Government Performance and Results Act (GPRA) of 1993 required NPS to develop a strategic plan that includes a comprehensive statement of mission, and outcome related goals and objectives to fulfill that

mission. NPS completed and published a six year Strategic plan which was officially transmitted to the Office of Management and Budget and the Congress last fiscal year.

The Strategic Plan represents what the Service intends to accomplish for the American people in preserving its heritage resources in the forthcoming years. As an agency, NPS has broadened its perspective and re-examined its various roles in light of a 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 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



A GPRA program activity structure is developed by consolidating, aggregating, or disaggregating the program activities included in the NPS budget structure.

**Excerpt from the NPS FY 1999
Annual Performance Plan**

Goal Category II: Provide for the Public Enjoyment and Visitor Experience of Parks

The mission goals and long-term goals in Goal Category II are inclusive of the mandate in the NPS Organic Act "...to provide for the enjoyment of the (resources) in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." Subsequent legislation reinforced and expanded this authority. All NPS goals that pertain to visitor satisfaction, enjoyment, safety, appreciation, and understanding to meet this mandate are appropriate to this category.

Mission Goal IIa: Visitors safely enjoy and are satisfied with the availability, accessibility, diversity, and quality of park facilities, services, and appropriate recreational opportunities.

IIa1. Visitor Satisfaction - 80% of park visitors are satisfied with appropriate park facilities, services, and recreational opportunities.

This goal improves visitor satisfaction. While many factors affect visitor use and enjoyment, this goal focuses on the facilities, services, and recreational opportunities that parks provide for the visitor use, comfort, and enjoyment. Servicewide baseline and performance information will be derived from the Visitor Services Project annual surveys. Facilities, services, and recreational opportunities identified by visitors as "good" and "very good," will be defined as "satisfied."

organizational effectiveness. The programmatic highlights presented in the Accountability Report are presented according to Park Service's efforts and achievements along GPRA goals in FY 1998.

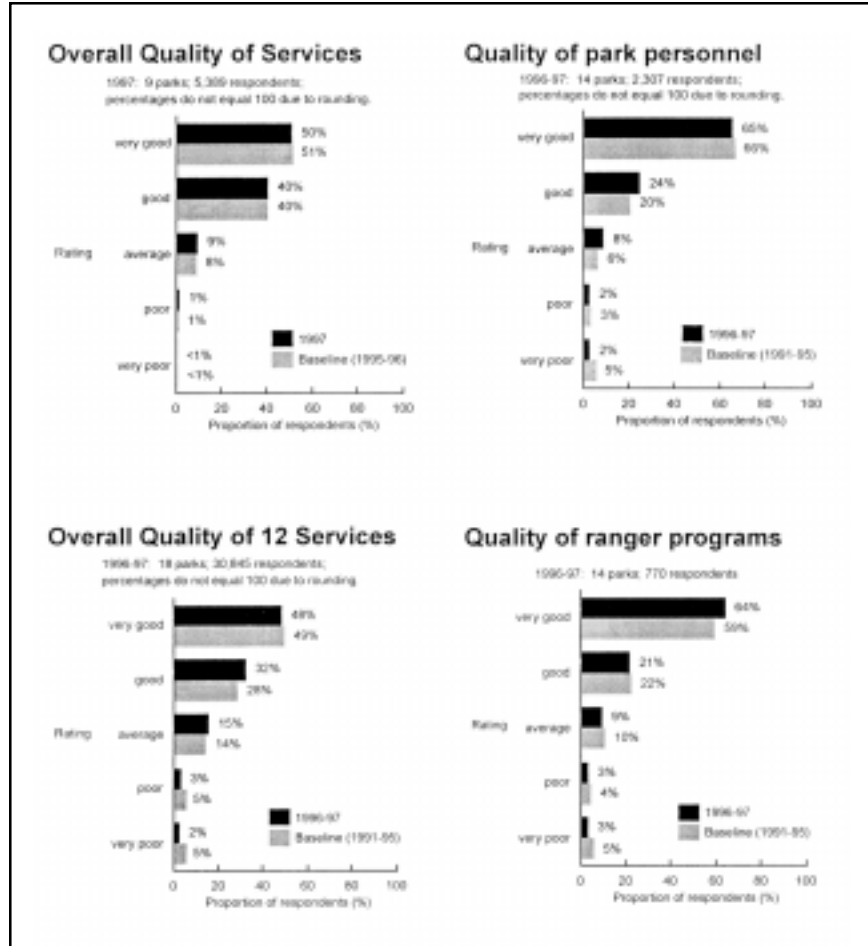
In 1998, GPRA was implemented throughout the NPS. All operations in the NPS are now covered by the strategic plan and an annual performance plan. In 1998, initial reporting of accomplishments towards meeting Servicewide goals was implemented. In accordance with GPRA, the NPS also provided an Annual Performance Plan in conjunction with its FY 1999 budget request to Congress. The NPS is working towards meeting the requirements for GPRA as outlined in P.L. 105-391, the National Parks Omnibus and Management Act of 1998.

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. It will be a dynamic process. The current budget structure of the NPS is not aligned with the GPRA goals of the organization. Until the budget structure is revised, the relationship will continue to be indirect, although still useful.

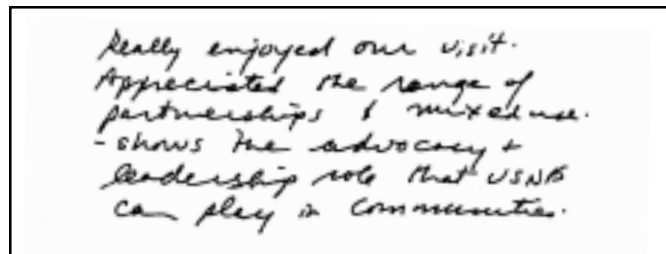
Customer Service

The American people are strong supporters of the National Park System. The National Park Service has a dual mandate of preserving the nation’s natural resources and cultural heritage and providing for its enjoyment by the visiting public. This requires balancing visitor needs and satisfaction with park resource protection.

In an effort to meet half this mandate - to listen to the voices of NPS customers - the Visitor Services Project (VSP) gathers visitors’ opinions about their park visits and the quality of services in the parks. Collected through systematic surveys in a sample of park units, VSP data show that visitors continue to be very satisfied with the overall quality of services in the National Park System.



A visitor’s comment:



Overall Quality of Services In 1995, the VSP began to measure visitor satisfaction with the overall quality of services during their park visit. Visitor satisfaction is measured by the combined proportion of visitors that report overall quality as “very good” or “good.” In 1997, 90% of respondents were “satisfied” with the overall quality of services. This is similar to the 1995-96 baseline (91%).

Overall Quality of 12 Typical Visitor Services Another method of measuring the quality of NPS services is to combine the ratings of 12 typical visitor services into an index, and compare that index over time. This index includes services such as park brochures, ranger programs, campgrounds and lodging. In 1996-97, 80% of the respondents

were “satisfied” with the 12 services, compared to 77% for the five-year baseline (1991-95).

Park Personnel One of the 12 services evaluated by visitors is park personnel. Park personnel includes the broad range of employees that visitors may encounter, such as rangers, maintenance workers, emergency response teams and law enforcement officers. In 1996-97, 89% of the

respondents were “satisfied” with the quality of park personnel compared to 86% for the five-year baseline (1991-95). In 1996-97, the proportion of visitors rating park personnel as “poor” or “very poor” decreased from the baseline of 8% to 4%.

A visitor’s comment:

*All the Rangers we came in contact with were extremely courteous and helpful. A superb job done by all!!
Thank You*

A visitor’s comment:

Thank you for the opportunity of the questionnaire it shows that you have a commitment to keeping the Park at its best!

Ranger Programs Ranger programs include guided walks and tours, campfire programs and living history demonstrations. In 1996-97, 85% of the respondents were “satisfied” with the quality of ranger programs, compared to the baseline (1991-95) measure of 81%. In 1996-97, the proportion of visitors evaluating ranger programs as “poor” or “very poor” decreased from the baseline of 9% to 6%.

Future Evaluations The Visitor Services Project will continue to conduct in-depth surveys in a number of parks each year. In addition, the NPS is making a strong commitment to serving visitors on a broader scale through its new Visitor Survey Card (VSC) Project. In the summer of 1998, visitors at over 300 national park sites had an opportunity to rate facilities, services, and recreational opportunities. Survey results will be used by park units to measure performance related to Government Performance Results Act (GPRA) goals. The Visitor Survey Card is similar to customer satisfaction surveys successfully used by major U.S. corporations. Park staff can apply VSC survey results to management needs, such as improving the design of park facilities, identifying strengths and weaknesses in visitor services, developing strategies to better protect park resources, and improving employee training.



Interpretive ranger at Fredrick Douglass National Historic Site engages children in the story of the park.

Survey results are reported at the individual park, regional, and national levels. Each NPS unit participating in the FY 1998 VSC Project will receive survey results by the end of the first quarter of FY 1999. Regional and national results will be available by the end of the second quarter of FY 1999.

1998 Highlights

NPS furthered its commitment to its visitors and the parks throughout its organizational structure in FY 1998. Revenue from the Recreation Fee Demonstration Program continued to provide additional money to the parks for backlogged health and safety projects and other critical resource requirements. Additional funds were made available to many parks to address critical operational needs. Exciting partnerships with corporate America, philanthropists, and state and local governments provided additional revenues for park improvements. The NPS also held celebrations in many parks to acknowledge the anniversaries of events and the commitment to protecting our Nation’s resources. Technological improvements were used to increase accountability, while an initiative addressing vanishing archeological and historical treasures in southwestern parks was launched. Funding for abandoned mines on NPS lands was increased. The NPS also emphasized programs that provided grants to preserve historic buildings on the campuses of Historically Black Colleges and Universities.

Recreation Fee Demonstration Program

The collection of admission and recreational use fees in the National Park System has a long history. In 1908, Mount Rainier National Park was the first park to admit automobiles and collect an auto permit fee at an annual cost of \$5.00. By 1915, Crater Lake, Glacier, Yosemite, Sequoia, Mesa Verde, and Yellowstone National Parks had initiated fees. In 1916, the year the National Park Service was established, per visit fees ranged from \$2.00 at Glacier to \$10.00 at Yellowstone. This long tradition of entrance and use fees has been accepted by the park visitor. NPS utilizes “point-of-contact” fee

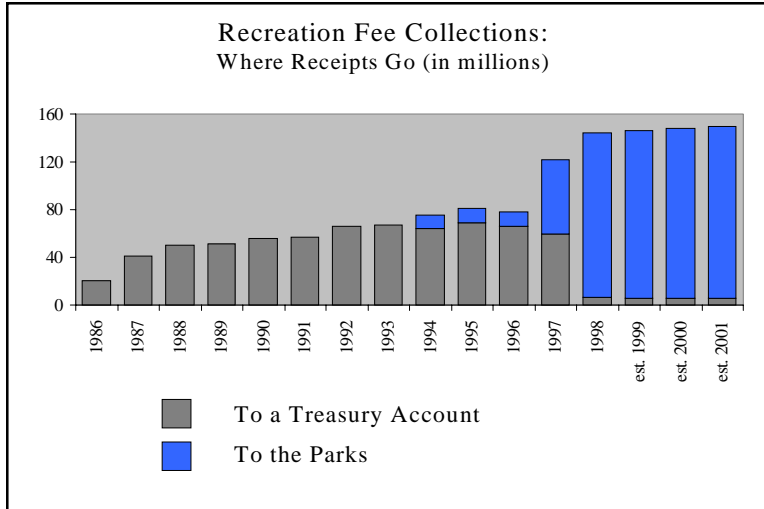
collection, usually at the park entrance, to provide crucial park information and orientation. At present 204 of the 376 park units, over half, collect entrance fees and/or use fees.

What the Fee Program Provides Beginning in FY 1997, the NPS expanded fee collection under the authority of the Recreational Fee Demonstration Program. A pilot program first established in the Omnibus Consolidated Rescissions and Appropriations Act of 1996 and subsequently amended three times, the Demonstration Program is now authorized through FY 2001. The law allows Federal land management agencies to test new fees across the geographic and program spectrum of sites managed by the respective agencies. More significantly, the new law allows the NPS to retain 100% of the revenue collected for park use without the revenue being subject to appropriation (as was the case under the previous fee collection legislative authority).

Participating demonstration park sites (there are 100 fee demonstration “pilot parks”) retain 80% of all fee revenue collected at the park for immediate use. The remaining 20% goes directly to a central fund which is immediately available



Mount Rainier National Park was the first park to admit automobiles and collect an auto permit fee at an annual cost of \$5.00.



Special interpretive program fees are being tested for such activities as ranger-led bicycle tours and ranger-provided programs on concession-operated hayrides at units such as White Sands National Monument and Great Smoky Mountains National Park. Charges for backcountry or river use have been initiated at parks such as Point Reyes National Seashore and Grand Canyon National Park. Innovative partnership arrangements have also been established. For example, Allegheny Portage Railroad National Historical Site and Johnstown Flood National

Monument have entered into a partnership fee with local and regional museums and historical sites where a \$2.00 per person fee will provide admission to all of the attractions.

to the Director of the National Park Service for discretionary distribution to parks across the National Park System. Funds collected during the five-year test program are available for expenditure through September 30, 2004. The availability of additional monies to the NPS over the five-year period is estimated at slightly more than \$500 million.

Monument have entered into a partnership fee with local and regional museums and historical sites where a \$2.00 per person fee will provide admission to all of the attractions.

Types of Fees NPS has welcomed the Demonstration Program as an opportunity to test a variety of new fee prices, new types of fees, new collection strategies, and to institute fees in areas that were previously prohibited from charging fees. In its most basic implementation, parks such as Yellowstone, Grand Canyon, and Yosemite National Parks have raised their entrance fee to \$20 per vehicle or \$10 per person, good for seven days. Under the program entrance fees have been established at units such as Canaveral National Seashore, Muir Woods National Monument, and Kenai Fjords National Park. In total, 34 parks initiated a fee for the first time under the Recreational Fee Demonstration Program. In addition, automated fee collection machines, including many that accept credit cards, were installed at 31 park units.



A new paleontology exhibit at Theodore Roosevelt National Park was funded from revenues generated by the Recreation Fee Demonstration Program.

Visitor Response Overall, the public response to the fee program has been extremely positive. Surveys have consistently shown that visitors do not generally mind paying a fee if the money is allowed to remain at the park where it is collected. One of the main tenets of NPS fee policy is to

ensure that the public can see the results of their “contribution” to the park. NPS continues to monitor reaction to the new fees.

Fee Revenue Applications The NPS has determined that the majority of the fee revenue will be dedicated to addressing backlogged maintenance, infrastructure, and interpretive exhibit projects, as well as critical resource management actions throughout the System. Beginning in 1998, Congress also authorized the use of these funds to cover the cost of collecting fees.

Since its beginning in FY 1997, the program has been responsible for nearly \$182 million in additional funding becoming directly available to the parks: \$45.1 in FY 1997 and \$136.8 in FY 1998. Projects undertaken in FY 1998 from fee revenue include:

- Historic preservation and structural restoration work on the Pate House in Yorktown, part of Colonial National Historical Park.
- Rehabilitation of heavily used trails at Rocky Mountain National Park.
- Repair of the North Unit boundary fence and installation of a new exhibit at Theodore Roosevelt National Park.
- Refurbishment of worn and outdated exhibits at the Jagger Museum, Hawaii Volcanoes National Park.

Ongoing work at the Pate House, an original 18th century structure at Yorktown, includes stabilization of the second floor of the house, utility rehabilitation, and related carpentry and painting. Prior to this effort, the house did not meet any public health or safety standards. In the case of the boundary fence at Theodore Roosevelt, repairs focused on the particularly sensitive Squaw Creek area designed to decrease bison escapes and

increase the herd size for better public viewing.

The revenue being generated over the course of the Recreation Fee Demonstration Program is critical to the financial health of the National Park System. It provides the NPS an opportunity to undertake and complete a wide variety of project work that would otherwise not be possible within the constraints of the appropriations process. By showcasing visible results of the fee program effort to the paying visitors, the NPS hopes to convey to the public a long-term sense of “ownership” of their parks through better protection of the irreplaceable park resources, as well as a more satisfying and complete visitor experience.

Park Specific Increases

Many parks received permanent budget increases to meet the higher demands of servicing increased visitation and protection of resources. NPS received \$25.97 million in specific increases for operations of the parks in FY 1998. Overall, the appropriation for Operations of the National Park System increased 8%. There were 112 separate increases affecting 96 park units. The average value of increase was \$232,000 although many were much smaller and some were over a million dollars. Highlights of the budget increase at some of the parks follows:

FY 1998 Enacted Park Operational Increases

Region	Increases	Parks	Amount (\$000)
Alaska	6	6	\$ 1,172
Intermountain	26	17	5,460
Midwest	16	16	4,472
National Capital	8	8	2,324
Northeast	22	19	5,996
Operations 1/	1	1	140
Pacific West	15	13	2,821
Southeast	18	16	3,585
TOTAL	112	96	\$25,970

1/ Increase for the Appalachian Trail.

Bering Land Bridge National Preserve

Bering Land Bridge National Preserve is located on the Seward Peninsula in northwest Alaska. The preserve is a remnant of the land bridge that once connected Asia with North America more than 13,000 years ago. The preserve abounds with paleontological and archeological resources, provides nesting grounds for large populations of migratory birds, and features rare arctic ash explosion craters and lava flows. In FY 1998, the preserve opened natural and cultural displays in the new visitor center including an interactive CD-ROM featuring arctic plants, animals and geology. Its interpretive program developed a curriculum-based environmental educational program for children in grades 1-9 in local village schools. Accomplishments in the park's natural resource management program included an improved methodology for taking census of musk oxen on the Seward Peninsula: a more accurate count led to an increased harvest and the first ever cooperative State/Federal subsistence hunt. An aerial census of caribou documented the expanding range of the Western Arctic caribou herd and its effect on reindeer herding. A moose mortality and predation study is underway which, when completed, will help determine the cause of the declining moose population and provide data necessary to manage sport and subsistence hunting.

Boston Harbor Islands National Recreation Area

Consisting of thirty islands in Boston Harbor and covering 50 square miles, this treasure of natural and cultural resources and recreational amenities at the doorstep of a major Northeast urban area was established as a unit of the NPS in November 1996. Managed by a complex and new model partnership between NPS and prior managers and owners, FY 1998 saw the recreation area's first authorized NPS operations budget. Accomplishments in FY 1998, included creating the Partnership and Advisory

Council. Creating an information and orientation program for the public, and cosponsoring a variety of public programs. This was accomplished with the Island Alliance and with managers of the Boston Harbor Islands State Park, including the Massachusetts Department of Environmental Management and the Metropolitan District Commission, as well as the City of Boston and others. Having proposed a visitor program for the Federal Courthouse at Fan Pier with the Island Alliance, federal judges, and GSA, the recreation area is developing a visitor discovery center with a restaurant, water taxi dock, and other public amenities. Boston Harbor Islands National Recreation Area is also developing relationships with the eight Federally recognized American Indian Tribes for formal consultations on planning initiatives.

Cape Hatteras National Seashore

Beaches, migratory waterfowl, fishing, points of historical interest including a lighthouse, and the Pea Island National Wildlife Refuge administered by the U.S. Fish and Wildlife Service are the features of Cape Hatteras National Seashore. The FY 1998 increase in operational funds allowed a new Resource Management Specialist to provide professional guidance and support for field staff working on threatened and endangered species projects. The park instituted an annual preventive maintenance program for the district's historic structures. It made improvements to the visitor center and lighthouse, including the addition of access ramps and rails for disabled visitors. It implemented an active volunteer schedule, allowing more than 201,000 visitors to climb the Cape Hatteras Lighthouse. An increase in seasonal employees contributed to safer conditions for park visitors and allowed a lengthened season on the adjacent beach. Park lifeguards responded to numerous incidents during the season including water-related "saves" and other life-threatening incidents such as heart attacks and exhaustion experienced by visitors to the historic district and the lighthouse.

Channel Islands National Park

Part of an island chain lying off the coast of southern California near Los Angeles, the park consists of five islands and their surrounding one nautical mile of ocean. Park marine land includes kelp forests and is habitat for species ranging from microscopic plankton to the earth's largest creature, the blue whale. The operational budget increase in FY 1998 supported restoration and protection of East Santa Cruz Island and native ecosystems and for interpretation programs. As the park initiated operations on East Santa Cruz Island it stepped up ranger presence to ensure visitor and resource protection and overall island management. It began restoration of the island's depleted natural ecosystem, started basic preservation of historic structures, and worked to coordinate the preservation and management of the islands' cultural resources. It established and maintained campground and waste water systems and provided basic maintenance services for the visiting public.

Congaree Swamp National Monument

Congaree swamp contains the last significant tract of southern bottomland hardwood forest in the U.S. It is home to a rich diversity of plant and animal species associated with an alluvial floodplain. In FY 1998, with the aid of a budget increase, Congaree Swamp completed 50 percent of its baseline inventory of threatened and endangered plants, initiated its first comprehensive baseline insect inventory, and monitored air quality, including ambient mercury, to establish baseline data within the park. The park generated an agreement with the South Carolina Department of Health and Environmental Control to relocate the existing air quality monitoring station outside the wilderness called for in the General Management Plan. The park also removed a 1,500 sq. ft. building from

the proposed wilderness and began efforts to remove a rubble dam. Other natural resource management efforts included a migratory bird census and an initial modeling of Congaree River water transport rates in partnership with Clemson University. The park also evaluated the red-cockaded woodpecker habitat and investigated possible reintroduction of the bird. In an anticipatory move, the park enhanced the birds' habitat by clearing underbrush in its historic colony in longleaf pine.

Gettysburg National Military Park

The small town of Gettysburg, Pennsylvania was the site of the largest and bloodiest battle of the Civil War. The Battle of Gettysburg began on July 1, 1863 and ended two days later. The Union victory turned back the second and last invasion of the North by the Confederate army led by General Robert E. Lee. Over 51,000 soldiers were killed, wounded or captured. The Soldiers' National Cemetery at Gettysburg contains more than 7,000 interments including over 3,500 from the Civil War. It is also the site of President Abraham Lincoln's immortal Gettysburg Address delivered during the dedication ceremonies on November 19, 1863.



Restored cannon and carriage at Gettysburg National Military Park.

The park incorporates nearly 6,000 acres, with 26 miles of park roads and over 1,400 monuments, markers, and memorials, making it one of the world's largest collections of outdoor sculpture. In FY 1998, Gettysburg National Military Park received a base increase in operational funding to preserve natural and cultural resources including Civil War structures, collections and monuments. Park efforts included structural repair, archiving, fire and protection system installation and maintenance, historic landscape preservation, and road and trail maintenance. The park provided long-term stabilization to five key historic Civil War structures which were in imminent danger of catastrophic failure and recurring historic preservation maintenance to 92 other historic Civil War era buildings. The park continued conservation treatment and cataloging to its inventory of Civil War artifacts and archival items, one of the largest collections of its type in existence. The increase also allowed the park to provide preservation maintenance to several of the park's monuments, markers, and memorials in serious need of conservation.

Grand Canyon National Park

This world famous national park encompasses 277 miles of the Colorado River with adjacent uplands. Like many of the national parks, it has worked in recent years to meet the mutually inclusive but often conflicting demands of ever increasing visitation levels and the need to preserve park resources. The park received an operational increase in FY 1998 to implement the new aircraft noise management program and Federal Aviation Administration regulations, including a move to more "quiet" helicopter technology, and to intensify resource protection activities.

The aircraft noise management program and airspace management regulations, which NPS worked with the Federal Aviation Administration to develop, are part of a comprehensive Aircraft Noise Management Plan in development for the

park to be in compliance with the National Environmental Policy Act. The program also includes public involvement and educational requirements, computer modeling of noise reduction alternatives, and field noise monitoring.

The park also converted to a "quiet technology" helicopter. The new contract helicopter is a Boeing MD-900 Explorer which uses a NOTAR (No Tail Rotor) system as its primary means of noise reduction. The aircraft complies with the FAA's proposed noise limitations regulations. Its twin engines also significantly increase safety during short-haul rescues or nighttime medical evacuations. Operational budget increases were used to offset increased costs for routine flights, a new hangar required for the larger helicopter, and year-round, daily coverage at the primary heliport, and operational expenses including surcharges and excise taxes. The park supported several "out-of-park" assignments, such as rescues at Zion National Park and Glen Canyon National Recreation Area.

Increased resource protection focused on deferred maintenance projects on trails and buildings. The park improved historic trails on both the North and South Rim, increased custodial and customer service work on the North Rim, assisted in meeting an increase in trouble calls at the South Rim, and addressed roofing and other general building maintenance needs.

Haleakala National Park

The Park preserves the outstanding volcanic landscape of the upper slopes of Haleakala on the island of Maui and protects the unique and fragile ecosystems of Kipahulu Valley, the scenic pools along Oheo Gulch, and many rare and endangered species. Two-thirds of this acreage is designated wilderness. Programmatic increases in FY 1998 were used for park ecosystem protection. The park's resource management team maintained fences, removed alien plants around an archeological site, and upgraded a fence along the Kipahulu boundary

line. The park began compiling and organizing existing Global Positioning System field data into Geographical Information System format to facilitate natural resources management.



The Haleakala Silversword, an endangered plant species, is endemic to the Hawaiian islands of Maui and Hawaii.

Kenai Fjords National Park

This park is comprised of a rich, varied rainforest that is home to breeding birds, adjoining marine waters which supports a multitude of sea life, and one of the four major U.S. ice caps. In summer, Exit Glacier is reached by car on a gravel road (approximately 9 miles) and a short trail. The Harding Icefield can be reached by air or trail. Air and boat charters provide access to the fjords. A programmatic budget increase in FY 1998 allowed more appropriate levels of routine road grading, supported automobile and boat maintenance, and increased aerial coastal patrols. The park established base-funded research projects and in FY 1998 evaluated visitor impact on vegetation in the Exit Glacier area. Administratively, the park expanded computer support to more efficiently track budget and payroll, prepare site bulletins and report law enforcement incidents.

Gulf Island National Seashore

Mainland features include salt marshes and bayous in Mississippi and a Naval Live Oak Reservation and military forts in Florida. Offshore islands in both locations have sparkling white sand beaches, historic forts and related historic structures, nature trails and adjacent open waters. In FY 1998, Gulf Islands National Seashore improved resource management, visitor protection, and maintenance. Increased road and boat patrols resulted in a reduction of crime against persons and property. Expanded lifeguard services reduced fatalities to zero, while newly installed security systems more fully protected visitor and administrative facilities. Additional maintenance focused on visitor facilities, campgrounds, picnic areas and comfort stations in both the Florida and Mississippi districts.

Manzanar National Historic Site

Manzanar War Relocation Center was one of ten camps at which Japanese-American citizens and Japanese aliens were interned during World War II. Of an original 6,000 acres, Manzanar National Historic Site preserves approximately 550 acres which originally contained the living area for the internees. Manzanar is located in eastern California's Owens Valley, used by Native Americans for centuries, and was a thriving pear and apple growing center during the early part of this century. FY 1998 increased operational funding for this relatively new NPS unit enabled the park to conduct and coordinate volunteer-led tours from June through September. It reviewed oral history transcripts contracted in 1995 and developed contacts for further oral history projects. The park designed and fabricated carpentry for in-house exhibits and began a Historic Structures Report and Historic Furnishings Plan for the historic auditorium, one of the few buildings which remains standing. Two separate archeological digs

investigated prehistoric and historic sites within the park for National Register eligibility. The park sampled artifacts and covered historic landfills to prevent further pothunting. Maintenance in the developing area included surveys and construction of boundary and historic fences, clearing boulders and flood debris from the fence line, and filling in open sewer access holes and an erosion ravine for visitor safety.

Marsh-Billings-Rockefeller National Historical Park

Encompassing the historic Marsh-Billings-Rockefeller Farm and estate in Woodstock, Vermont, this is the first unit of the National Park System to focus on the theme of conservation history and the changing nature of land stewardship in America. The park, a gift to the people of the United States from Laurance S. and Mary F. Rockefeller, was dedicated in 1998.

The park represents several generations of conservationist thought and practice. It was the grandfather of Mary French Rockefeller, Frederick Billings, who created the estate in the late nineteenth century. He established a progressive dairy farm and a professionally managed forest both significant improvements in a region severely depleted by deforestation and overgrazing. In these efforts, Billings had been influenced by writer, statesman, and conservationist George Perkins Marsh, who had grown up on the property. In his landmark book *Man and Nature*, first published in 1864, then reprinted and revised several times thereafter, Marsh described the spreading of ecological destruction of America's countryside and argued for a new ethic of responsible stewardship.

Today, the park is a cultural landscape of great

historic significance and integrity. It reflects the continuity of more than a century of careful management by Billings, his wife, Julia and daughters, and Mary F. and Laurance S. Rockefeller.

Mississippi National River and Recreation Area

Encompassing 72 miles of the Mississippi River corridor through the Minneapolis/St. Paul metropolitan region, the area features diverse



Exterior view of the residential mansion at Marsh-Billings-Rockefeller National Historic Park.

recreational opportunities and is highlighted by a wealth of nationally significant natural, cultural, historic, scenic, economic and scientific resources. With the FY 1998 operational budget increase Mississippi National River and Recreation Area was able, in this partnership area, to provide technical and/or financial assistance to:

- Renovate and enhance educational exhibits at the Coon Rapids Dam Regional Park. This partnership project with Anoka County received an award from the National Recreation and Park Association.
- Incorporate comprehensive management plan

goals into the local river corridor land use plans and ordinances of 23 cities, townships, and counties in the area.

- Restore prairie and rehabilitate trails in the Mississippi River, in cooperation with the Minneapolis Parks and Recreation Board and Longfellow Community Council.
- Develop educational materials for use at an overnight camp in Dakota County.
- Develop exhibits at St. Anthony Falls, in cooperation with the U.S. Army Corps of Engineers.
- Develop and enhance an interactive computer program at various sites along the river and assist partners with the development of their own integrated modules.

The park also developed a prospectus for the Mississippi River National Center and detailed plans for the Mississippi River Exhibition Gallery, key components of a partnership between the NPS and the Science Museum of Minnesota. Staff developed a comprehensive trails map that is being used by 35 cooperating agencies and organizations to plan and raise funds for a continuous network of trails and open space along the Mississippi. The park also inventoried the 72-mile long corridor to identify opportunities to link existing trails, issues related to trail development and opportunities for restoration and interpretation of natural resources.

Mojave National Preserve

Mojave National Preserve was created in 1994 as part of the California Desert Protection Act. The park area lies at the confluence of three of America's great desert regions: the Mojave, Sonoran and Great Basin Deserts. Elevation ranges from below 1,000 feet to almost 8,000 feet which creates conditions for an explosion of ecosystems, each with their own plant communities. The FY 1998 base increase was

earmarked for the establishment of mining and grazing programs. The mining operations monitoring program included a review of all mining operations within the preserve and associated environmental compliance requirements. The park developed a database to record and enter data for existing claims (approximately 3,000) as well as abandoned mines. The park established a separate database to monitor patented mining claims. As a result of the program implementation, direct site visits, and monitoring, the park currently estimates the number of existing valid claims at 1,000. Another part of the mining program handles hazardous mine generated waste at nine sites and provides direct contract oversight for mine site evaluation and hazardous material removal at five sites. The mining program also developed protocols for abandoned mine lands for mine treatment. The grazing program included historical research on past range management practices which led to a more effective billing process. The park initiated a feral burro removal program using "water trapping," a humane method of burro capture. The park removed over 500 feral burros from the range affording opportunities for range recovery and restoration.

Mount Rushmore National Memorial

Located in the Black Hills of South Dakota, this national memorial to four presidents in commemoration of the foundation, preservation, and continental expansion of the United States has become an American icon. The base funding increase in FY 1998 was used to operate new visitor service facilities, provide interpretive and educational programs, and conduct resource and visitor protection activities. Facilities recently brought into operation to handle increasing visitation include the Interpretive Center/Museum, Presidential Trail, amphitheater, Avenue of Flags, Orientation Center, concession sales area, and parking facility. New funds covered the additional costs incurred for staffing, utilities, and maintenance of all facilities and the pedestrian walks connecting



Avenue of the Flags at Mount Rushmore National Monument displays flags of all States.

service areas for 1.7 million visitors. The park offered interpretive opportunities to an additional 400,000 visitors during May through September as well as other programs during the summer, including full operation of the Historic Sculptor's Studio and walking tours of the Memorial's Historic District.

New Bedford Whaling National Historical Park

This recent addition to the National Park System commemorates whaling and its contribution to American history. The park includes a twenty acre National Historic Landmark District, the schooner *Ernestina*, and a number of cultural institutions, including the New Bedford Whaling Museum. The park is significant in many respects. One topic currently under research at the park is the Underground Railroad in New Bedford and its connections to the whaling industry. Established in 1996, FY 1998 saw the initiation of NPS operations at the park. During the year, NPS put in place a superintendent and a small support staff, assumed responsibility for operating a visitor

center, and recruited over 70 volunteers in the park to assist in providing information and interpretive services. NPS also erected highway and directional signs, developed a park brochure and introductory video, installed a cooperating association bookstore, and established a park website. As part of the NPS goal to foster community participation and public stewardship, NPS instituted programs with park partners which included a teacher institute, youth programs, community outreach projects, and other events. In addition, the NPS initiated outreach to the park's affiliated site in Barrow, Alaska by developing an exhibit and brochure for the Inupiat Heritage Center.

Puukohola Heiau National Historic Site

This park contains the ruins of Puukohola Heiau (Temple on the Hill of the Whale). Built during 1790-91, the temple is one of the last major sacred structures built in Hawaii before outside influences



Modern ship crosses Apponaganset Bay outside New Bedford, MA.

altered life permanently. The FY 1998 base increase provided services for increasing visitation levels. The park increased roads and trails maintenance for visitor safety and provided assistance for the waterline relocation project. The funding also provided for the implementation of an aggressive alien plant control program to better preserve the temples and other archeological features. In FY 1998, the park cleared of 1.5 acres of invasive alien plants.

Wright Brothers National Memorial

The first sustained flight in a heavier than air machine was made at Kill Devil Hill in 1903. The park is currently planning to celebrate 100 years of flight in 2003. As a result of an operational increase in FY 1998 Wright Brothers National Memorial established a Superintendent and support position, intensified interpretive program development, maintained park resources, and added amenities to improve the visitor experience. The park added a protective closure system at the airstrip, purchased and maintained picnic tables and new portable toilet facilities, and cleared vistas to give visitors a more historic perspective of the grounds. The establishment of numerous partnerships also enhanced visitor services. The park signed an agreement with the First Flight Centennial Foundation to raise donations for a new visitor center in anticipation of the Centennial of Flight in 2003. The park also received a matching grant to complete 11 new wayside exhibits, and received other grants to restore the Wright Brothers Monument, resurface the trails leading to the Monument, and resurface the First Flight Airstrip.

Project Management Information System - New Accountability

FY 1998 saw the National Park Service initiate a major effort to improve both accountability in project management, maintenance, and

information management. The NPS began development of a web-based executive information system, the Project Management Information System (PMIS), which will be used in budget formulation and reporting.



PMIS will aid management decision-making and improve accountability.

The system contains an inventory of the unfunded “project” needs of the Service. At the direction of the Department of the Interior, the system was first used to develop a Five-Year Maintenance and Capital Improvement Plan to identify needed capital improvements, infrastructure repairs and deferred maintenance. The plan provides an inventory of projects that could be accomplished over a five-year period and is used to guide the Service and the Department in directing budgetary resources towards addressing what, in the past, has been termed the “backlog.” It also provides a means to measure both progress in addressing the infrastructure requirements and the work yet to be done. Since the development of the plan, the PMIS system has also been used to capture project needs of all kinds, including natural and cultural resource projects and interpretive projects.

PMIS is a fully transactional database driven World Wide Web application that relies on a cluster of web servers which conduct transactions with database servers that hold the project information for nearly 40,000 projects. By using the Web browser as the client, and by clustering several application servers, the National Park Service was able to plan, design and deploy this enterprise-wide application in record time and with considerable cost savings over traditional client server strategies. Under severe time constraints,

data entry for this large data repository was successfully accomplished at the park level and verified at Regional and Headquarters levels through the tireless efforts of hundreds of NPS employees.

Because of its modular design, PMIS is able to accommodate many of the reporting needs of the agency, and as new needs arise, new web-based modules will be planned and developed and posted on the web site. The web-based design also enables the agency to handle the many anticipated life cycles of PMIS without having to re-deploy clients to the 20,000+ desktops in the agency. And because PMIS uses open system standards, the system will easily interface with other systems within the agency. Early in FY 1999, PMIS will be integrated with the NPS Performance Management Data System (PMDS) and the NPS budget formulation system for operating (non-project) programs. Ultimately, this system will link to other systems such as the existing PMDS and a budget formulation system for unmet operating needs, currently under development.

Preservation through Partnerships

On July 14, 1998, General Electric (GE) announced a \$5 million donation to the Edison National Historic Site in West Orange, New Jersey on the "Today Show" which was broadcast from the Park. GE Chairman Jack Welch spoke of the debt GE and other corporations owe to the great inventor. The partnership with GE will allow the NPS to fully restore Building No. 5 at the site, enabling visitors to reach the second and third floors of that building for the first time.

Previously closed to the public, those floors contain the spaces in which early motion pictures and sound recordings

were made. First Lady Hillary Rodham Clinton visited the site that day as part of the first tour in her Millennium Project. The Millennium Project is Mrs. Clinton's effort to preserve America's historic treasures before the turn of the century.

Anniversaries

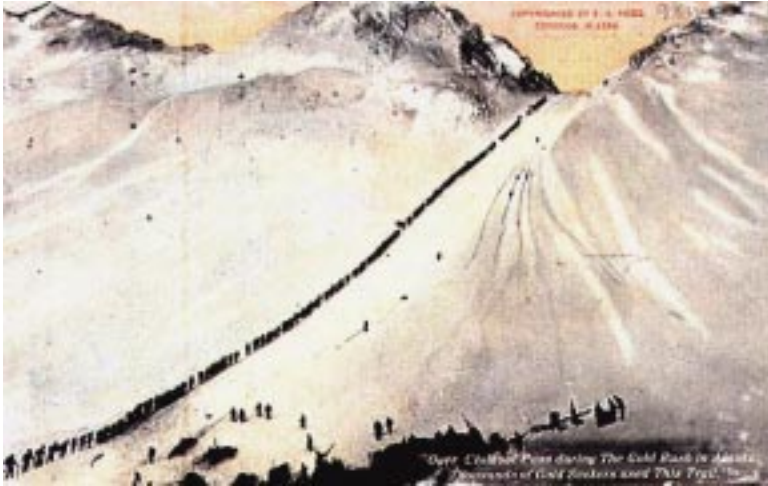
Several parks celebrated anniversaries in FY 1998 either of their entrance into the Park System, or of a date that is important to the significance of the park. A few examples follow.

Klondike Gold Rush National Historical Park 100th Anniversary of Gold Rush

This year marked the centennial of the Klondike Gold Rush, the event which brought tens of thousands of adventurers north and had lasting effects on Seattle, Alaska, and northwest Canada. The 33-mile Chilkoot Trail runs from Dyea, Alaska, to Lake Bennett, British Columbia, and was one of two main routes for gold seekers in 1897 and 1898. Klondike Gold Rush National Historic Park is on the American side; Chilkoot Trail National Historic Site is on the Canadian side. On August 15, 1998, American and Canadian officials recognized 30



First Lady Hilary Rodham Clinton, GE Chariman Jack Welch, and NPS Director Bob Stanton with Superintendent of Edison National Historic Site Maryanne Gerbaukas on the third floor of Mr. Edison's Main Lab Building.



This and other historic photos of gold seekers transvering the Chilkoot Trail during the Klondike Gold Rush were featured in an exhibit at the National Archives in Washington, D.C..

years of international cooperation in managing and preserving the Chilkoot Trail by exchanging proclamations designating the park and its Canadian counterpart as a single international historical park. The international designation is the first for an NPS unit in Alaska. The NPS has restored more than a dozen turn-of-the-century buildings in downtown Skagway. Scores of cruise ships dock at the town each summer, making the park the most visited of the 15 NPS units in Alaska.

Women’s Rights 150th Year

A yearlong celebration of the 150th anniversary of the first women’s rights convention culminated with a series of events at Women’s Rights National Historical Park in July 1998. The celebration was coordinated by the park and Celebrate ’98, an umbrella organization consisting of numerous community groups. First Lady Hillary Rodham Clinton visited the NPS-owned M’Clintock house on the evening of July 15, then attended a reception at the park’s visitor center which honored the descendants of the 1848 Declaration of Sentiments. On July 16, Mrs. Clinton joined New York Governor George Pataki, Congresswoman Louise Slaughter, Director Robert Stanton, Northeast Regional Director Marie Rust, Park

Superintendent Josie Fernandez and Celebrate Chair Mary Anne Krupsak at the inaugural event of the three-day period, which was attended by a crowd of 14,000 people. About 7,600 people passed through the Park’s visitor center that day—a one-day total that topped the visitation for the entire month of July the previous year.

Pipe Spring National Monument 75th Year

Pipe Spring celebrated its 75th anniversary as a part of the National Park System on May 31, 1998. The monument is a memorial to early cattle ranches and cowboys who settled the American West. It also commemorates a historic place where Native Americans used water from the springs, living on and cultivating adjacent lands for thousands of years.

On the day of the anniversary, visitors were treated to fiddle and banjo playing of old favorites as well as to performances of American Indian drum playing and dancing. A local professional blacksmith used a forge, table, anvil, and other equipment to make hoof picks, Dutch oven handles, etc. There were also demonstrations of bobbin lace making, tatting, and spinning wool and flax, making moccasins, cooking on wood stoves, and Dutch oven cooking. Interpretive walks included talks on topics such as monument history, plants of Pipe Spring, geology, and current preservation projects. Other talks included such topics as archeology, John Wesley Powell, and deserts.

Temporary displays developed for the anniversary included samples of Joseph Hopkins blacksmithing and carpentry tools. Two archeological displays emphasized prehistoric and more recent material uncovered during data recovery projects. Another more “touchable”

display was a telegraph display - Pipe Spring was the first telegraph station in the Arizona Territory. Two photographic displays featured the history of the monument and eminent figures. In addition, a local quilt guild made two quilt tops based on research on historic quilts, patterns, quilting techniques, and fabrics. One of the tops, together with the backing and batting, was placed on a quilt frame in the Visitor Center at the monument. Guild members worked on the quilt at the monument and visitors enjoyed taking a few stitches as well.

Everglades National Park 50th Anniversary

On December 6, 1947, President Harry S. Truman formally dedicated Everglades National Park, concluding more than two decades of effort by conservationists committed to making a national park in the Florida Everglades a reality. Events commemorating the park's 50 years of existence looked both into the past and the future. The park remembered and honored those who worked to establish the park, past superintendents, and the long line of dedicated employees. In a year of inclusion and reunion, the park celebrated with its local neighbors, who organized community

celebrations in which the park was a proud participant. The park also reached out to its national and local constituencies, on whose continued concern and support the park's future will ultimately rest. Led by Vice President Al Gore, Secretary of the Interior Bruce Babbitt, Florida Governor Lawton Chiles, numerous Congressional, Federal, state and local leaders, and concerned citizens, the park collectively renewed its commitment and resolve to address new challenges and new opportunities as the park moves into a new century and its next 50 years.

Yellowstone - 10 Years After the Fires

During the summer of 1988, a series of wildfires engulfed Yellowstone National Park and captured the world's attention. Fueled by record-setting drought and unusually high winds, the fires were the largest and most extensive in Yellowstone's storied history. Over 900,000 of the park's 2.2 million acres burned and irreplaceable historic structures, such as Old Faithful Lodge, were threatened with destruction. The common perception was one of devastation and ruin, as park visitors got to see first hand the power of nature as seldom seen before.



Vice President Gore being presented with the Ernest F. Coe Award by Superintendent Ring at the Everglades National Park's rededication ceremony.

The tenth anniversary of the summer of fires was marked in 1998. Today's visitor to the park would have a different perception than ten years ago. It is now understood more clearly that fire is essential to the existence of the ecosystem. The fires created and maintained a diversity of plant and wildlife habitats, renewed and invigorated the aging forest, and released nutrients into soils, thus accelerating the succession of vegetation types on the land. Millions of trees - the fabled Yellowstone lodge pole pine - grew from seeds opened by the terrific searing heat. A changed Yellowstone now exists, no better or



Ten years after wildfires charred thousands of acres in Yellowstone National Park, elk graze among new lodgepole pines in the naturally reborn forest.

worse than before. Many changes are beginning to be seen throughout the park. Wildlife is abundant; practically all the large mammals in Yellowstone National Park survived the 1988 fires and are thriving. The charred trees attracted feeding and nesting insects that in turn attracted a variety of birds. The newly opened lodgepole pine seedlings provided an incentive for birds and small mammals to move back into a burned area. Minerals in the fire ash were released gently into streams enriching the aquatic systems to the advantage of fishes. Except in a few areas where the soil was heated enough to bake it, the roots, seeds, bulbs, and rhizomes of existing plants sprouted again as soon as possible in the freshly fertilized soil. While plantlife perished in great numbers, its adaptations to fire are aimed at the survival of their descendants.

Yellowstone itself was a fire-created environment prior to the fires of 1988; the fires only brought this fact home dramatically to a fascinated, watching world. Today’s visitor to Yellowstone has the opportunity to witness the rebirth rather than the destruction of America’s first national park.

Abandoned Mine Lands

In 1998, the NPS received funding to address degraded lands and waters and mitigate safety problems related to abandoned mineral lands (AML). The NPS AML Program provided funding to parks for mine site reclamation, habitat conservation, and AML site characterization and planning for future work. This involved 21 separate projects at 17 parks throughout five Regions. Such projects included: 1) the restoration to naturally functioning conditions of the stream channel and floodplain along Slate Creek in Denali National Park, which had been severely disrupted by placer mining; 2) installation of steel gates at underground mine openings at the Rush mining district in Buffalo National River, thereby conserving critical bat habitat and eliminating unsafe conditions for 30,000 visitors annually; and 3) final surface reclamation of a quarry at El Malpais National Monument, mitigating unsafe highwalls while simultaneously providing a visitor overlook of park features.



Installation of steel gates at underground mine openings in the Rush mining district of Buffalo National River conserve critical bat habitat and eliminate unsafe visitor conditions.

Vanishing Treasures

The Vanishing Treasures Initiative is designed to address the severe deterioration of ancient and historic ruins in the Southwest and replace an expert, but aging, workforce. With one million dollars provided in FY 1998, six emergency projects were funded, along with eleven permanent positions at eight parks. Projects were undertaken at Aztec Ruins National Monument, Chaco Culture National Monument, parks in the Flagstaff unit (Wupatki, Walnut Canyon, and Sunset Crater), Tonto National Monument, Tumacacori National Monument, and Salinas Pueblo Missions National Monument.



NPS stabilization workers repaired an interior room of Arizona's Wupatki National Monument as part of the NPS Vanishing Treasures Initiative.

Historically Black Colleges and Universities

The National Park Service appropriated \$5.4 million for Historically Black Colleges and Universities (HBCU) grants. Of this amount, \$1.4 million was granted to the United Negro College Fund and five colleges were granted \$800,000 each. During FY 1998, an in-depth onsite Condition Assessments was completed for 12 HBCU buildings through a cooperative agreement with Georgia Technological University. An additional \$200,000 was appropriated by Congress to conduct these Condition Assessments which will be used to allocate and prioritize grants to be awarded from the Historic Preservation Fund Appropriation in FY 1999.

Awards

Yount Award

Mike Anderson, district ranger on Bodie Island at Cape Hatteras National Seashore, received the FY 1998 Harry Yount National Park Ranger Award for excellence in rangering. The national award was presented by President Clinton during National Park Week at a special White House ceremony.

Named after Harry Yount, who is generally given credit for being the first park ranger, the Harry Yount National Park Ranger Award is the hallmark of recognition for a NPS ranger. Selected from rangers nominated by their peers in each region, the award not only seeks to recognize and honor outstanding rangers, but to encourage high standards of performance, foster an especially responsive attitude toward public service, enhance the public's appreciation of the park ranger profession, and further the spirit of the art and science of rangering.

Anderson, who holds a B.S. in marine biology from the University of North Carolina, was hired by the NPS in 1979 at Virgin Islands National Park; his first law enforcement position was in the remote Lameshur Bay district of the Virgin Islands. Since 1987, he has been the Cape Hatteras National Seashore Bodie Island district ranger responsible for a myriad of programs including resource and visitor protection for Cape Hatteras, Wright Brothers National Memorial, Fort Raleigh National Historic Site and the North District of Cape Hatteras National Seashore. In March 1990, Anderson received the Department of the Interior Valor Award for the rescue of five swimmers who were caught in a rip current.



Mike Anderson, flanked by wife Gail and NPS Director Robert Stanton, receives the 1998 Harry Yount National Park Ranger award from President Bill Clinton at a special White House Ceremony.

“It is my pleasure to honor someone as deserving as Park Ranger Anderson with this outstanding recognition,” Director Stanton said. “Being a recipient of the Harry Yount Award is a true testament to an employee’s commitment, dedication, and devotion to the career of rangers in national parks.”

“There is no greater accolade than to be honored by my fellow rangers as being worthy of the Harry Yount Award,” Anderson said. “If I have been able to accomplish anything it has been in a large part due to the rangers who have served as my role models in the art of rangers. I owe them a lot!”

Environmental Awards

For the second year, a “Small Park” award was issued in conjunction with the Student Conservation Association (SCA). Named in honor of former NPS employee and small park champion, Trish Patterson, the award recognizes achievements in natural resource management in small parks, where fiscal resources and outside assistance are limited. In conjunction with the award, the SCA will cover the expenses of a seasonal Resource Assistant in the award recipient’s park, providing extra assistance to the park and giving the SCA volunteer valuable experience.

This year’s recipient was Robert P. Cook, who, as the first resource manager at National Park at American Samoa, laid a firm science basis for managing a fine “natural” national park.

The Director’s Award for Natural Resource Management was awarded to F. Kent Turner, Chief of Resource Management at Lake Mead National Recreation Area, in recognition of outstanding contributions in natural resource management. Kent has developed a resource management program which has strengthened partnerships with other park neighbors, making strides in the protection of the desert tortoise, removal of exotic species, and restoration of damaged habitat.

The Director's Award for Superintendent of the Year for Natural Resource Stewardship went to Mark Woods, Superintendent, Cumberland Gap National Historical Park, whose role in protecting the park's historic viewshed sets an example for stewardship in the National Park Service. The Director's Award for Natural Resource Research was presented to Dr. Katherine Kendall, research ecologist biologist at the USGS Biological Resources Division, Glacier National Park for her work in developing new techniques for studying the bears of the park. Finally, the first Excellence in Natural Resource Stewardship through Maintenance, was presented to Gregory D. McGuire, Facility Manager and Chief of Area Services at Ft. McHenry National Monument, who is recognized for partnering with a variety of neighbor groups to clean up and restore a wetland near Fort McHenry.

programs which develop a strong connection with individuals and the local communities continue to be a hallmark of the NPS Interpretation and Education Program.

Interpretation Award

Sally E. Griffin, Supervisory Park Ranger from Catoctin Mountain Park received the 1998 Freeman Tilden Award, the highest competitive award in interpretation, for developing "National Park Links to the Chesapeake Bay." This interactive computer program and educator guide evolves around water quality issues affecting national parks and the Chesapeake Bay. The program introduces 7th grade students to the bay's watershed. Students select national parks in the Bay's watershed and follow an imaginary journey to the Chesapeake Bay with Koala-T (pronounced "quality"), a water drop character who checks their progress. As in the past, the individual park



*1998 Tilden Award Recipient
Sally Griffin.*

Resource Stewardship: Protection and Preservation of Natural and Cultural Resources

Traditionally, preservation of resources was adequately accorded to parks when they were established. However, as outside influences continue encroaching towards and over park boundaries, the protection offered by being a unit of the National Park System is not enough to safeguard habitats and historic landscapes.



At Crater Lake National Park log and rock immigration barriers were constructed to prevent upstream re-invasion of non-native fish.

Threats to resources in national parks are as varied as the parks themselves. Agricultural runoff containing excess nutrients and pollutants drains into delicate wetlands; air pollution enters the parks from near and far, diminishing visibility and harming sensitive streams, soils, and vegetation; urban encroachment into historic scenes imperils the integrity of cultural landscapes and impairs scenic views; and increasing infestations of non-native invasive plant and animal species disrupt native plant communities and historical landscapes. In addition, some park resources were

degraded before parks were established, including historic buildings in need of repair or land with abandoned mines that drain pollutants into park waters.

Increasing or inappropriate visitor use is also a source of increasing damage to resources. For example, an uninformed visitor can render a archeological site scientifically useless in a short period of time. In some new park units, sites face a danger of being destroyed before ever being identified or documented. The NPS must contend with activities such as poaching or collecting plants, animals, fossils, and historic and archaeological artifacts and defacing cultural and historic buildings. Unrestricted visitation also increases the possibility of disturbing wildlife during sensitive breeding or nesting seasons and trampling fragile plant communities.

As the American and world populace grows more enthralled by national parks, the National Park Service is developing resource management programs to keep pace with its success in accommodating visitors. To understand and counter the effects of an increasingly human dominated landscape and the high level of visitor use, the Park Service undertakes an array of preservation, mitigation, and restoration activities. These actions safeguard irreplaceable resources so that they will remain intact for the ecological, historical, scientific, educational, and aesthetic benefit of future generations.

Natural Resources

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.

The stewardship of natural resources addresses wildlife, fisheries, vegetation, air, water, scenic vistas, natural sounds, and geologic resources. This stewardship requires that we know what and where our resources are, the condition of those resources, how to maintain them, and 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 depend on first knowing, for example, where there are sensitive breeding or nesting areas and endangered species habitats. If we do not understand geologic or flood hazards, we cannot make certain that visitors and employees will be 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.

**Basic Inventory Data Needs
Critical for Every Park**

- Historical Data (Bibliography)
- Species Occurrence Information
- Species Status and Distribution Information
- Digital Vegetation Maps
- Digital Cartographic Data
- Digital Soils Maps
- Digital Geology Maps
- Water Resources Inventory
- Water Chemistry for Key Bodies of Water
- Location of Nearby Ambient Air Quality Monitoring Stations
- List of Air Quality-Related Values
- Precipitation and Meteorological Data

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 necessary 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 (see box this page) while recognizing that each park will also have its own additional, specialized inventory needs. To ensure that 11 of the basic 12 data sets are acquired as efficiently



Measuring hawksbill sea turtles at Buck Island Reef National Monument.

as possible, a national program with several Federal and other partners, has been established. The Biological Resources Division of the U.S. Geological Survey has responsibility for the 12th data set. The National Park Service Strategic Plan targets completing 19% of the outstanding needs within five years. This modest target is based on the availability of funding. At the end of FY 1998, the NPS was on track to meet this target. The collection of inventory data needs is run under a Servicewide Inventorying and Monitoring (I&M) program.

Inventories

The first inventory set completed was automated bibliographies of the natural resource studies completed to date within each park.



Sampling of vegetation at Scotts Bluff National Monument where restoration is underway.

As a first step in addressing species occurrence data, the NPS assessed the status of species occurrence data beginning in 1990. The initial survey found that 80% of the parks have species lists that are less than 80% complete. Currently, only about 90 parks have adequate species lists.

To address both species location data and distribution data for key species, the NPS initiated biotic inventories in FY 1998, allocating \$1.3 million to begin biotic inventories in 33 parks. These inventories are focused on birds and reptiles and amphibians. Completion of these inventories will depend heavily on local partnerships with universities and others, whereas previous inventories have been largely centrally acquired from other Federal agencies.

A final type of biotic inventories, vegetation mapping, is the responsibility of the Biological Resources Division (BRD) of the U.S. Geological Survey. In FY 1998, the NPS evaluated the results of the pilot vegetation mapping projects and concluded that the products provide valuable information at appropriate scales and accuracy levels. The principal concern that the NPS/BRD vegetation mapping program expressed is the pace of mapping at the current BRD funding level.

Significant progress has been made in acquiring base cartographic information for parks. Digital cartographic data for 102 parks has been acquired from the U.S. Geological Survey; through cost-sharing, \$7 million of such data has been acquired for \$3.5 million, through FY 1998.

Digital soils maps are also acquired through a Federal partnership, this one with the Natural Resources Conservation Service (NRCS). NPS is working with NRCS to complete Order 3 soils 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 two parks during FY 1998, bringing to 37 the total number of park units that are either completed or in progress. An additional 121 parks have soils

maps acquired outside the I&M program, but many of them need to be digitized. Because of staffing constraints in NRCS, individual maps can take up to 5 years to produce. NPS is considering alternative means of acquiring soils data, while still working with the NRCS to verify the map products.

As a first step in developing geologic inventories, databases of existing geologic information were completed and summarized for natural resource parks through a contract with the American Association of State Geologists (AASG). The databases will facilitate a comparison of each park's current surface and bedrock geology information to the NPS Level 1 Standard. Nearly 5,000 references to parks in 46 states have been completed. In FY 1998, a workshop involving the U.S. Geological Survey, state geologists, and geologic and natural resource personnel from throughout the NPS was held to further define geologic data needs. As a result of the workshop NPS staff, working with USGS and the Colorado State Geologist staff, initiated the Geological Resource Inventory Pilot Project. All national park units in Colorado were visited, and products include a compilation of digital geologic maps and other data, an evaluation of geologic resources concerns, an assessment of geologic map



Glaciologists survey the East Toklat Glacier in Denali National Park and Preserve to monitor changes in its ice flow and mass.

coverage, and a compiled report with basic geologic information, hazards, concerns and needs.

Baseline Water Quality Data Inventory and Analysis Reports have been completed for a total of 120 parks as of the end of FY 1998. 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. Additional inventories related to air quality and meteorological data have not been initiated, except that some such data are collected as part of the NPS air quality monitoring network, particularly for Class I parks.

Monitoring

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 7 of the 11 prototypes has begun, including ongoing projects 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. Research and design components of the monitoring element are conducted by the Biological Resources Division of the U.S. Geological Survey.

In FY 1998, 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 33 units, wet acidic deposition sampling in 33 units, dry acid deposition monitoring in 26 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 NPS and other Federal and state regulatory agencies 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 air 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 data collected, several NPS units have experienced ozone concentrations that exceeded the level of EPA standards, including Joshua Tree National Park, Sequoia and Kings Canyon National Parks, Shenandoah National Park, Yosemite National Park, and Great Smoky Mountains National Park.

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 15 NAWQA study basins, benefiting 22 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.

Outcomes and Impacts: Restoring, Maintaining and Protecting Resources

In addition to good information on its resources, effective stewardship requires adapting and applying strategies to maintain, restore, and protect park natural resources. Activities that are a focus of NPS’s strategic plan and GPRA goals include management and prevention of exotic species

infestations and recovery of threatened and endangered species. FY 1998 accomplishments in the areas of fire management, native species restoration, exotic species control, and critical ecosystem studies are discussed below.



A prescribed burn plan was completed for forested sections of Saguaro National Monument, home to the federally-listed Mexican spotted owl.

Prescribed Burns

One of the natural resource management tools receiving increased use is prescribed burns in fire-dependent ecosystems. Historically the NPS treated an average of 50,000 acres annually. At the end of FY 1998 102,000 acres had been treated. Requests for fuels reduction projects for FY 1999 total 220,000 acres, this number is expected to increase in FY 2000.

An example is the prescribed burn plan completed in 1998 for Saguaro National Monument and implemented during the 1998 burn season. In a forested section of the park, home to a federally listed endangered species, the Mexican spotted owl, fire suppression and grazing since the turn of the century have contributed to an alteration of

the pre-settlement vegetation structure. Before 1900 the mean fire return interval average of seven years perpetuated low intensity ground fires. Because of these frequent fires, these forests were resistant to catastrophic fire. Presently, dense pine reproduction as well as encroachment of woody shrubs such as manzanita and a variety of oak species leave park resources vulnerable to large-scale, high-intensity fire that would destroy the owl habitat. A prescribed burn plan has been developed to mimic an ecologically significant natural fire regime. The specific objectives of the prescribed burn are to achieve a 40% reduction of dead and down woody fuels two years post fire and to create a mosaic of burned and unburned vegetation. The burn mosaic will increase the park's ability to pursue a more active Fire Use for Resource Benefits Program which will enhance the fire dependent ecosystem.

In a restoration aimed at restoring the natural components of its historic Revolutionary War landscape, Moores Creek National Battlefield is turning a drained, weed-infested meadow back to historic "savannah" wetland conditions. Savannahs and related wetlands include insectivorous plants such as the Venus's flytrap, state endangered plants such as the Carolina Grass-of-Parnassus, and other rare plants. Water level wells, a topographic map, and vegetation studies have provided the data needed to develop the restoration plan that is now underway with NPS's Water Resources Division and others. The project includes 1) plugging the ditch that drains the site; 2) instituting a prescribed burn regime to promote recovery of savannah plant species; and 3) continuing hydrology and vegetation monitoring to evaluate restoration success and to prescribe additional treatments, if necessary.

Native Species Restoration

In another type of restoration project, a bull trout restoration program was initiated at Crater Lake National Park. Its goal was to restore the remnant population of bull trout to historic numbers and distribution in Sun Creek, remove all brook trout, and prevent re-invasion of non-native fish. The native bull trout, a federally listed threatened species, were threatened with extinction from hybridization and competition with introduced brook trout. As part of the project, brook trout were removed from Sun Creek with electrofishing and the chemical fish toxicant, Antimycin. Two log and rock immigration barriers were constructed near the park boundary to prevent upstream re-



1998 saw the completion of the first phase of the black-footed ferret restoration program at Badlands National Park.

invasion of non-native fish. Since beginning this work, bull trout population estimates have increased from approximately 200 individuals to over 500 bull trout. The project is being funded through the Natural Resources Preservation Program (NRPP), which funds approximately a dozen new projects per year. The projects typically last three years and average about \$200,000. The NRPP is the major source of funding for such large scale, multi-year natural resource projects.

In another NRPP funded restoration project, 1998 saw the completion of the first phase of the endangered black-footed ferret restoration program at Badlands National Park. A cornerstone of the recovery plan for the species as a whole, the Badlands project tested restoration methods to find the most cost-effective and successful means to precondition and introduce captive-reared animals to a natural environment. This testing has resulted in a program generating approximately 80% short-term survivorship (30-60 days post release) and 60% survivorship at initiation of breeding season (150-180 days post release). During the April 1998 breeding season, spotlighting and snow-tracking surveys detected 56 ferrets, the largest free-ranging breeding season black-footed ferret population known since the last known wild population at Meeteetse, Wyoming.

By October 1998, addition to the population by introduction and wild reproduction resulted in approximately 175 free-ranging ferrets inhabiting the Conata Basin/Badlands Area of southwestern South Dakota. The park has developed an effective program that is ready to go into longer-term operation and the techniques developed by NPS, in partnership with South Dakota, Wyoming, and the USGS Biological Resources Division, have been adapted by new black-footed ferret restoration programs in Montana, Arizona and Colorado.

Exotic Species Control

Endangered species and native plants and habitats are severely effected by exotic species. Approximately 60 percent of threatened and endangered species are threatened to some degree as a result of exotic species. Therefore, exotic (non-native) species control efforts are important. The NPS is working with other Federal partners in the Federal Interagency Committee for Management of Noxious and Exotic Weeds, which developed a factbook in 1998. The factbook on exotic plants has been widely distributed including all units of the National Park System.

One of the exotic species that has been a problem over the years is tamarisk. Also known as salt cedar, tamarisk occupies approximately one million acres of public and private lands in the Southwest. It threatens many park riparian ecosystems that provide rare and important habitats in the arid West. Native plants have difficulty germinating in dense tamarisk stands due



One of many exotic species chosen for targeted elimination, tamarisk occupies approximately one million acres of public and private lands in the Southwest.

to a lack of light and high soil salinity caused by the tamarisk. Dense tamarisk stands preclude wildlife access to water, and tamarisk, which uses large amounts of water, can even dry up critical water sources. Removal efforts are labor intensive and involve the use of chain saws, herbicides, and occasionally prescribed fire. Parks have had

difficulty in gathering enough skilled and equipped crews to attack the plant.

Lake Mead National Recreation Area has a newly established tamarisk control team, funded through NRPP, that is eliminating tamarisk from parks throughout the NPS Pacific West and Intermountain Regions. The team is testing a “SWAT” team approach to controlling exotic species. For each project in a park, the team involves local park staff, teaching them established control methods. Each park also receives a tamarisk control manual developed for the crew. The crew then removes exotic plants from the park’s highest priority area. In its second season in 1998, it has successfully destroyed tamarisk on over 400 acres, with control costs of \$125/acre. Costs are expected to decline with more experience and as control succeeds and follow-up treatments require less and less effort.

Critical Ecosystem Studies Program

In scientific research, funding under the Critical Ecosystem Studies Program for Everglades restoration continued high priority projects. These included the Across Trophic Level Systems Simulation computer modeling, work on linking high density field topographic data to water flow models, and new and continuing research on Florida Bay and key indicator species, both plant and animal. New work is underway or planned on wetlands, contaminants, and linking landscape scale environmental information to management practices and distributing scientific information more effectively. Together, these studies support determinations about water distribution system reconfigurations, habitat restoration, and adaptive management of the natural resources.

Cultural Resources

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 1998, 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. Cultural resources topics are covered in the popular periodic publication, *CRM* (Cultural Resources Management), which is distributed to units of the National Park System, federal agencies, American Indian tribes, state governments, local governments, private organizations, and individuals.

“Links to the Past,” the area of the NPS “ParkNet” Web site focusing on cultural resources, provided well over 8,000 Web pages, several important databases, five educational features, and over 100 technical publications during FY 1998. The site now reaches an average of 9,000 users per day.

Museum Collections

Museum collections from over 300 units of the National Park System are maintained in parks, six NPS cultural resource centers, and 136 non-federal repositories. The collections of the National Park Service reflect our heritage. These collections are

comprised of over 35 million archeological, ethnological, historical, biological, paleontological, and geological objects and nearly 38 million manuscript and archival documents. The number of items maintained by the NPS has grown since the last report by over two million. To date, 54% of the objects and 32% of the manuscript and archival documents are cataloged and available for use.

In FY 1998, all parks with museum collections migrated from an eleven-year-old automated cataloging system to a state-of-the-art automated collections management system that will facilitate park management and public access. During the

adapt the structure for a modern museum storage facility. Inside the reconstructed barn, the architects created a climate controlled super-insulated structure for the collections. The new facility includes limited and secure access to the storage area; a dry-pipe fire suppression system; a complete security system with video monitoring; and a heating, ventilating and air-conditioning system that is operated by direct digital control and continuously monitored by computer. These collections associated with President Abraham Lincoln are now secure, protected, clean and readily accessible, and the historic district has a more accurate appearance as well.



Cataloguing museum collections, NPS Clearinghouse.

year an estimated 1.7 million items were cataloged and parks answered nearly 25,000 public research requests for use of the collections. Parks also made many improvements to the documentation, preservation, protection and accessibility of this heritage. Only 61% of park museum conditions adequately preserve and protect these resources. An estimated 1,848 planning, environmental, storage, security, and fire protection deficiencies were corrected in 225 parks during FY 1998.

At Lincoln Home National Historic Site, the construction of a barn as part of the historic district restoration program provided an opportunity to

In FY 1998, Hot Springs National Park used the museum collections to develop an interactive exhibit on African-American bathhouses and bathhouse employees. Staff researched park archival collections, including administrative documents, postcards, photographs and blueprints, to prepare the narration and visual images. Items from the collections, such as bath tickets, bath attendant tags and clothing, postcards, and an employee handbook are exhibited with the interactive program.

A former resident of Melrose Mansion, which is now in Natchez National Historical Park, donated the only surviving remnant of circa 1850s wallpaper that had been removed from the drawing room walls in 1900. A NPS paper conservator stabilized the item and it is now being reproduced for installation in the house.

Theodore Roosevelt National Park completed a paleontology exhibit of the fossilized remains of a Champosaurus, a crocodile-like reptile, and other fossils recently discovered in the park. The exhibit includes drawers to store specimens that can be readily accessed for hands-on educational programs with area schools. Similar efforts to preserve and

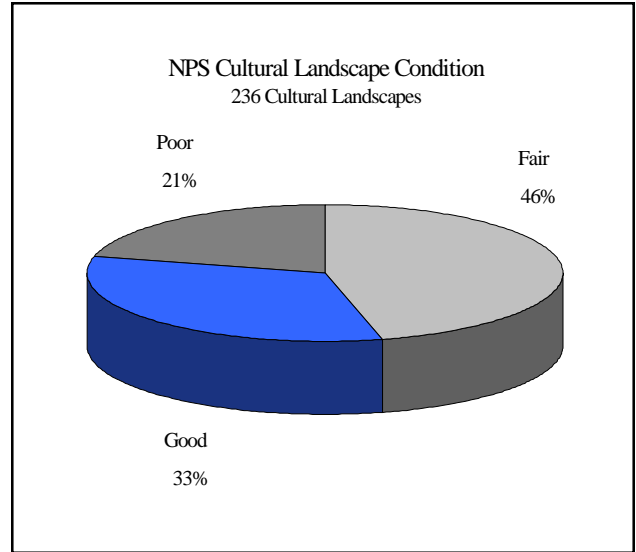
interpret the vast array of NPS collections occurred in parks throughout the system during the year.

Cultural Landscapes

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 types of cultural landscapes: historic designed landscapes, historic vernacular landscapes, historic sites, and ethnographic landscapes.

Cultural landscapes are inventoried and basic management information summarizing significance, impacts, condition, and approved treatments is collected and maintained in the Cultural Landscapes Inventory (CLI). Information associated with the CLI is entered into the Cultural Landscapes Automated Inventory Management System to provide a computerized, analytical tool for assessing information associated with the CLI.

Research concerning the history, existing conditions, historical integrity, and treatment alternatives for cultural landscapes continues to be conducted and documented in Cultural Landscape Reports. The Cultural Landscape Report serves as the primary guide for park management decisions regarding treatment and use of cultural landscapes. In FY 1998, approximately 50 reports were prepared based on park management objectives, and *A Guide to Cultural Landscape Reports* was published. The guide includes the introduction of a new series of technical information titled *Landscape Lines* containing detailed and up-to-date information on topics and techniques that apply directly to the development of a Cultural Landscape Report.



As the National Park Service’s only technical center for landscape preservation, training, and technology development, the Olmsted Center for Landscape Preservation strives to strengthen the capacity of parks to preserve and manage their cultural landscapes. Olmsted Center staff works in partnership with parks, other government agencies, and institutions with specialized skills



At Eisenhower National Historic Site, the significant characteristics and features of the cultural landscape have been inventoried and included in the NPS Cultural Landscapes Inventory.

to provide sustainable landscape preservation assistance. Specific project work includes cultural landscape inventories, Cultural Landscape Reports, Preservation Maintenance Plans, and a variety of technical assistance. In FY 1998, training activities included implementation of the Arborist Training Program, providing specialized training in the principles and practices of tree care, and organizing a national workshop titled “Historic Landscape Preservation: Making Maintenance a Priority.” Additionally, two publications were prepared to guide landscape inventory and maintenance: *A Guide to Preparing a Plant Inventory for a Historic Property* and *Guide to Developing a Preservation Maintenance Plan for a Historic Landscape* (revised).

Historic and Prehistoric Structures

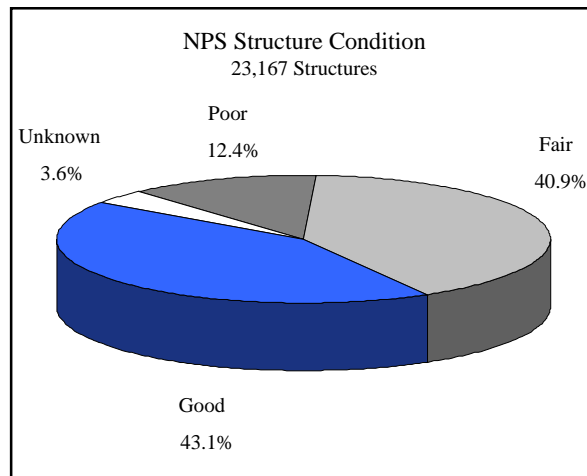
The National Park Service defines a historic or prehistoric structure as “a constructed work...consciously created to serve some human activity.” Structures are usually immovable, although some have been relocated and others are mobile by design. They include buildings and monuments, dams, millraces and canals, nautical vessels, bridges, tunnels and roads, railroad locomotives, rolling stock and track, stockades and fences, defensive works, temple mounds and kivas, ruins of all structural types that still have integrity as structures, and outdoor sculpture.

The preservation of historic and prehistoric structures involves two basic concerns: slowing the rate at which historic material is lost, and maintaining historic character. Research on, planning for, and stewardship of structures focus on these concerns. Research defines historical associations, integrity, character, and the causes of material deterioration; planning develops and evaluates proposals for use and treatment in terms of their likely effects; and stewardship entails activities ranging from craft training to the identification and mitigation of threats.

Research about historic and prehistoric structures is a prerequisite for treatment and provides a basis for decision-making by managers. Situations benefiting from research-generated information range from review of weekly maintenance projects to long-term planning projects. Research also contributes to interpretation, compliance, and facility design.

Planning for historic and prehistoric structures encompasses such diverse activities as involvement in park planning, facility design, preparation of maintenance work procedures, and compliance. The central purpose of all such activities is to identify ways of protecting structures while achieving other management objectives. This is usually best done by thoughtful evaluation of a diverse range of alternatives.

For historic and prehistoric structures, stewardship focuses on five major activities: 1) control of treatment and use, 2) monitoring conditions of deterioration and structural failure, 3) protecting structures from human and environmental threats, 4) retaining or delegating responsibility for structures, and 5) developing the skills, knowledge, and attitudes needed to support the program.



The Use and Importance of Historic Structure Reports

The use of an historic structure report and an historic furnishings report is illustrated by our experience at Edison National Historic Site. In 1998, a comprehensive Historic Structure Report (HSR) prepared by Barbara Yocum, Architectural Conservator at the NPS Northeast Cultural Resources Center, was completed on the historic buildings and structures of the Edison Laboratory. A Historic Furnishings Report (HFR), previously published in 1995 by the Harpers Ferry Center, was also key to the restoration efforts at Edison. The purpose of the HSR was to provide information on the significance and integrity of the existing architectural materials of these buildings and structures and to serve as the primary guide for park management decisions concerning structure use and treatment. The HFR is used to implement the furnishings restorations of various interior rooms. Especially important in the HSR was the report for the Main Laboratory at West Orange, New Jersey. Documentation was prepared through research in the Edison National Historic Site Archives and through on-site recording that entailed writing descriptions of the existing architectural elements. Materials examined in the Edison Archives included historic photographs dating from 1887-88 to 1986; the records of the "Historical Research Department of Thomas A. Edison, Inc."; the General Files of the West Orange Lab for the years 1916-19; general site maps and atlases; and contemporary published writings on the Laboratory, such as *The Life And Inventions of Thomas A. Edison* (1894), *The Life Story of Thomas A. Edison* (1907), and *Edison: His Life And Inventions* (1910 & 1929). With the report in hand detailing the largely intact nature of the structure as it existed during this historic period, the NPS can confidently proceed with restoration of Building 5, financed through a partnership with General Electric. The second and third stories of the building will be opened to the public for the first time as a result of the restoration.

***Excerpts from the Historic Structure Report:
Executive Summary: Main Laboratory (Building 5)
Edison National Historic Site, West Orange, New Jersey***

The Main Laboratory (Building 5) was the first, and largest, of the brick buildings constructed in 1887 for Thomas A. Edison's new Laboratory complex in Orange, New Jersey. Physically attached to it at the east end is Building 6, the one-story Power House and Boiler Room. While designed and constructed at the same time as the Main Laboratory, the Power House has historically been considered a separate structure, and is so treated here. The architect of both buildings was Henry Hudson Holly of New York City, who had previously designed Edison's house at Glenmont for original owner Henry C. Pedder in 1880-81. The Main Laboratory



Music Room on the third floor of Building 5, Edison National Historic Site, 1917.

was significant for being the nerve center of the Laboratory complex, for it was here that Thomas Edison had his office (located in the first-story library), conducted documentary research, and entertained clients. Also located in the first story were a stock room and a heavy machine shop; in the second story, experimental offices and a precision machine shop; and in the third story, a music room and a number of other spaces used for various functions over the years, including phonographic, storage battery, and photographic experiments.

Although many changes were made to the building during the period of significance (1887-1931), few alterations have been made since that time. Under serious consideration in 1938-39 was the installation of a museum exhibition hall, which would have involved a major remodeling and removal of historic building materials to make the building fireproof. Fortunately, the project was never carried out, thanks in part to the efforts of Theodore Edison, and the decision to build a new fireproof vault (Building 12) in 1941. Preservation-maintenance work undertaken by NPS beginning in the 1960s has included trimming the ivy that engulfed the building by 1931, renewing most of the brick mortar joints, repairing the steel window sashes and doors, replacing the metal gutter equipment and cornice, and protecting the roof with a modern membrane roofing material.

The only interior changes have involved the renovation of the drafting room in the second story (circa 1940s); the installation of modern, hot-water heating equipment (1963), ceiling smoke detectors and halon-gas tanks (1970s); and the painting of selected rooms now used as NPS offices. The building has three major uses today: as a building museum shown to the public (in the first story), NPS staff offices (first and second stories), and artifact storage (basement, second and third stories).

The Archeology and Ethnography Program

The Archeology and Ethnography Program provides national leadership and coordination in preserving the heritage of America’s places and peoples—inside and outside the National Park System. The program’s mission is to preserve archeological and ethnographic resources, foster relationships between NPS units and traditional communities or groups related to those units, enhance the care of collections and archives, improve management and research, and broaden access to information.

Archeological Identification, Evaluation, and Documentation

The NPS continues to collect information to enhance site protection, preservation, and interpretation. NPS funded 74 projects (costing \$2.924 million) to locate, evaluate, and document sites. Thirteen of 16 national park clusters now have long-range plans to report on the inventory status and set targets for future inventories (cost estimated at \$88 million). The Archeological Sites Management Information System database—launched to help collect management data for the inventoried sites in the parks and for GPRA compliance—increased from 25,000 to 40,000 electronic records.

Applied Ethnography

The Applied Ethnography program works with American Indians and other Native Americans, African Americans, occupational groups, and the full array of communities and groups associated with park cultural and natural resources to better understand local interests and use. In FY 1998, park ethnographers conducted or contracted for projects supported by a special ethnography fund. The program also highlighted relationships between parks and African Americans by designing, funding, and implementing training—

at Jean Lafitte National Historic Park and Harpers Ferry Center—on African Americans from slavery to contemporary times.

Public Interpretation Initiative

A pilot project is underway with the NPS Mather Training Center to identify shared competencies among archeologists, interpreters, and museum educators. A draft curriculum has been developed for a training course for NPS employees in these career fields. The aim is to make archeologists more sensitive to public education and interpreters more aware of how to use archeological information.

Ethnographic Resource Inventory

A conceptual model of the inventory database, including data fields and an interface, was designed and reviewed. This culminated in a prototype being tested during FY 1998.

Native American Graves Protection and Repatriation Act (NAGPRA)

Under the Native American Graves Protection and Repatriation Act, NPS continued its work with Indian tribes and other interested organizations. Thirty-three notices have been published to date, with approximately 37 additional notices awaiting publication. An instructional video and workbook were produced and distributed to NPS staff and tribal representatives. Specific guidance on compliance with NAGPRA was included in the recently revised Cultural Resource Management Guideline.

Park History

Over 25 draft park planning documents were prepared, nine park administrative histories were completed, and work on over 30 administrative histories continued towards completion. Projects undertaken in FY 1998 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.

The Park History office continued to work with its partners, including the Newberry Library in Chicago, Illinois, National History Day, Colonial Williamsburg Foundation, the Organization of American Historians, and the Gilder Lehrman Institute of American History to increase the involvement between NPS historians, the profession of academic historians and the general public. Several park history publications including *Researching and Interpreting the Underground Railroad* were made available to the public through the park history website.

The Park History office continued to serve as the Servicewide point of coordination in providing technical information and training in Park Section 106 compliance as well as the implementation of the 1995 programmatic agreement with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers. In 1998, the office continued to work with the Park Planning and Special Studies Division on policy consultation on draft park planning documents. It provided all the parks and other NPS offices the updated 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 Programs include 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 private sector preservation

activities. In FY 1998, a cooperative project with the Naval Historical Center continued to inventory historic naval ship wrecks and aircraft wrecks and help develop policies for their protection. A cooperative project with the US Coast Guard is assessing lighthouses for eligibility to the National Register of Historic Places. The NMI administered the first round of grants in the National Maritime Heritage Grants Program. Grants are funding 39 maritime heritage education and preservation projects in 20 states. Inventories and technical assistance publications for historic ships, lighthouses and lifesaving stations are available through the Maritime Heritage website.

National Trails System

The National Trails System Act of 1968 established a system that now includes twelve national scenic trails, eight national historic trails, and over 800 national recreation trails. The 20 national scenic and historic trails established by Act together measure almost 37,000 miles and cross 51 national park areas and 90 national forests.

The Service administers 15 of the 20 scenic and historic trails in the System. In FY 1998, funding for trail operations totaled \$2.4 million. This funded all the trail field offices with some reserved for national program activities. An additional \$614,000 was available through the NPS Challenge Cost-Share Program for partnership projects. In FY 1998, almost 100 National Trails System cost-share projects were matched 3-to-1 by partners. Volunteers serving these trails provided close to 440,000 hours of labor, valued at \$5.6 million, and additional cash contributions of \$4.2 million.

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 interest that constitute legally recognized and protected property rights. Of the 83 million acres of the National Park System, 4.6 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.

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 Park 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 1998, \$98.7 million was obligated for land acquisitions, of which \$46 million was granted to the state of Florida for acquisition related to restoration of the Everglades. The Service purchased interests in 987 tracts containing 14,081 acres of land. An additional 6,455 acres were acquired by methods other than purchase. In support of the Department's South Florida Restoration Initiative, the Service acquired 224 tracts containing 2,114 acres at Big Cypress National Preserve and 673 tracts containing 4,944 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.

Among several significant properties acquired with the assistance of nonprofit conservation groups were the historic 3,000-acre Kennecott mine site at Wrangell-St. Elias National Preserve in Alaska, and the 50-acre Rockefeller property at Haleakala National Park in Hawaii.

The protection of Civil War battlefield sites was enhanced with the acquisition in FY 1998 of 18 tracts totaling 306 acres at six different battlefield sites, most notably a 166-acre tract that figured significantly in the Battle of Antietam. The protection of another 7.25 miles of Appalachian National Scenic Trail was accomplished with the acquisition of 1,883 acres in FY 1998.

Significant acquisitions by exchange were completed at Acadia National Park, Appalachian National Scenic Trail, and Indiana Dunes National Lakeshore. Notable land donations were accepted at Gettysburg National Military Park, Little River Canyon National Preserve, and Joshua Tree National Park.

After FY 1998, there are approximately 899,000 acres remaining to be acquired in the National Park System, of which 606,000 acres are located in the Alaska areas. It is estimated that the total land acquisition backlog for the System is over \$1.6 billion.



The historic 3,000-acre Kennecott mine site at Wrangell-St. Elias National Preserve in Alaska was among several significant properties acquired with the assistance of nonprofit conservation groups.

Visitor Services: Providing For Public Enjoyment

The national parks commemorate those historical and cultural events, social movements, and people from which the American people derive their collective national heritage, and by which visitors to this country gain understanding of this nation. Individual experiences 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.

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, by making the stories and scenic wonders of the parks available to the public and by creating emotional, intellectual, spiritual, and recreational bonds 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, and 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.

Interpretation and Education

The protection and preservation of national parks is dependent upon an informed and engaged public. In 1998, a “Connecting People to Parks in the 21st Century” workshop was held for the purpose of discussing how interpretation and education programs should evolve to meet the challenges of resource preservation and visitor enjoyment. The purpose of making connections with people is to create memorable experiences. It is most important that park visitors, potential visitors, and the general public understand the purpose and significance of parks. This understanding is intended to encourage everyone to become involved with the preservation of parks and the heritage which they represent.

Each national park represents a window to meanings. They symbolize multiple ideas and feelings, and represent different things to different people. Visitors come to parks on their own time, some on pilgrimages, others for education, and many just for fun. The interpretation and education program is meant to provide visitors with something of personal value. The vast majority of visitors are not after information, they are after something for themselves.

Successful interpretation and education programs achieve meaning by linking specific tangible artifacts, buildings, and places with intangible ideas and events. The job is to help individuals discover their own relationship to and understanding of parks. When we succeed, we facilitate a connection between the interests of the visitor and the meanings of the parks. The result is the audience’s raised sensitivity, a greater degree of care, and an often gentle but valuable movement along the continuum toward stewardship. Our chief goal is not to fill visitors with information but to enable visitors to care.

In FY 1998, the Park Service was appropriated \$117,825,000 for park interpretation and education

programs. Systemwide, 91.6 million hours of interpretation and education programs were provided. Over 141 million visitors participated in some way in these programs. This means that of the almost 275 million visitors to the parks, 51% received some form of direct personal services. In particular, almost 70 million visitors were served in visitor centers and 6.9 million participated in guided tours.

Interpretation and Education Highlights

Visitor services and interpretive programs vary with the nature of the parks. The following descriptions of programs offered in FY 1998 are just a sampling of the professionalism, creativity, and enthusiasm that are a standard part of NPS interpretive and educational programs.

Agate Fossil Beds National Monument: Lakota Artists in Residence Five Lakota “Artist in Residence” related their creative skills to monument visitors during five summer weekends. Marten Red Bear demonstrated his skills with acrylic paint on hide and canvas. Dawn Little Sky related Lakota experiences in her striking winter hide coat. Bernadine and Walter Ten Fingers demonstrated traditional quilling techniques, as did Christine Red Cloud. Visitors were fascinated with these residents of the Pine Ridge Indian Reservation.

Big Bend National Park: Bilingual Program The Big Bend National Park Environmental Outreach Program went on the road and was a big success. Environmental education staff traveled to schools within a 100-mile radius of the park to present programs in English and Spanish. Many of the children in the U.S. schools had never been to the



As part of the Lakota Artists in Residence program at Agate Fossil Beds National Monument, Dawn Little Sky related Lakota experiences in her striking winter hides.



Big Bend National Park Ranger Rhonda Terry conducts environmental education activities with students from the Sam Vicente Independent School District.

park, and most of the adults and children in the Mexican schools had never left their village. These interpretive programs were links to the outside world and are important in sharing the values of Big Bend NP with our neighbors on both sides of the border.

Everglades National Park: Waterways Cable Program This 30-minute environmental education broadcast on local cable television stations reached maturity this year as it is now broadcast in central and south Florida on National Public Television. Initiated in 1995, the show is produced as a result of an interagency partnership between Everglades National Park, the Florida Keys National Marine Sanctuary, and the U.S. Environmental Protection Agency. Each broadcast features interviews with knowledgeable guests concerning the use, study, protection, management and restoration of the waters around the Florida Keys, Florida Bay and the south Florida ecosystem. Waterways uses a news magazine format, features a variety of agency staff as hosts, and is filmed entirely on location. The current broadcast schedule (3 times per week) reaches



Fur trade re-enactors participate in Rendezvous Days at Grand Portage National Monument.

600,000 potential viewers during each broadcast, or 93.6 million potential viewers per year.

Golden Gate National Recreation Area: Ocean Beach Safety The Interpretation and Education Program at Golden Gate is an indispensable part of park management. As a result of El Nino, turbulent seas present a serious risk to users of the most popular ocean beach. Seven drownings

occurred in the winter and early spring. Swift action by the park was needed to prevent additional tragedies. As the park's voice in reaching the public the staff of the Division of Interpretation and Education developed several multilingual signs and brochures to educate ocean beach users about the risks involved in even wading in the surf. These signs and brochures were produced in a matter of days, and have proven very effective in changing the behavior of ocean beach users.

Grand Portage National Monument: Rendezvous and Pow Wow Grand Portage's summer season highlight was the great Rendezvous. A recreation of the summer fur trade rendezvous was held at Grand Portage by the British North West Company each summer from 1784 to 1802, the event is offered in conjunction with the Grand Portage Band of Minnesota Chippewa's annual Pow Wow. Faithful to its historical origins, visitors enjoy three days of music, dancing, food, and games representing a variety of cultures, from Highland bagpiping to Ojibway drumming and dancing. Over 140 re-enactors volunteer to assist NPS staff in establishing a historically accurate voyageur encampment on the Monument grounds, sponsoring voyageur games such as tomahawk throwing and blindfolded canoe racing, and conducting workshops and demonstrations in historical cooking, baking, wood carving, birchbark basketry, and black powder musketry. The 1998 event was one of Grand Portage's most successful events

to date, with approximately 4,000 visitors over three days.

Olympic National Park: Wilderness Education Olympic National Park used fee monies to coordinate and produce a wilderness trip planner, exhibit and film for the park's new Wilderness Information Center. These materials will help visitors better understand and protect Olympic's

backcountry resources, and will improve visitor safety.

Santa Monica Mountains National Recreation Area: New Exhibits Santa Monica Mountains National Recreation Area saw the installation of new exhibits in the visitor center. These are the first permanent exhibits for the center and the finished product of three years of planning. There are four freestanding, T-shaped exhibits and a push-button map. Each freestanding exhibit has an interactive component and a spectacular picture greeting visitors as they enter the center. The subjects for the exhibits are the rancho era, Native Americans, fire ecology, and elements of the mountains, canyons and ocean. The exhibits have become a favorite activity for both adults and children and are an exciting and beautiful addition to the interpretive program.

Shenandoah National Park: Science and Shenandoah A partnership has been created with McGaheysville Elementary School. The park and school received a National Park Foundation/Exxon Education Foundation grant to incorporate National Science Education Standards into the park's education programs. The teaching staff developed pre- and post-assessments to measure the effectiveness of each park education program. All school groups participating in the *Parks as Classrooms* program are using these assessments. Every student in the school, grades K-5, will visit the park during this school year. A "park portfolio" will be created for each student that will track his or her knowledge and experiences. These portfolios will be maintained as the student advances from grade to grade. This is the first time the NPS is trying to measure the impact of educational programs in the parks on children over the entire grade school years.

The National Park Service Place on the Web - ParkNet: www.nps.gov

The National Park Service's website is the single busiest visitor contact center in the entire National Park System. With over 700,000 hits each day, the NPS website now provides accurate, timely information to millions of electronic visitors. During FY 1998, more than eighty percent of the parks and offices throughout the National Park System began actively maintaining their own part of the ParkNet. ParkNet was recognized by USA Today, the New York Times and the Wall Street Journal as a leader in providing excellent information via the Web.



The NPS ParkNet logo welcomes Internet users to learn about the ever expanding work of the National Park Service.

During FY 1998, NPS also unveiled a new service on the Internet called Recreation Opportunities on Federal Lands (www.recreation.gov) which provides one stop service for people interested in recreational opportunities on Federal lands. Through this ongoing partnership with six other federal resource management agencies, the Service continues to lead the way in providing excellent customer service through the Web.

Museum Exhibits

Interpretive exhibits, along with personal service presentations, audiovisual programs, wayside panels, and publications help a park tell its stories. The most effective exhibits are those that deal with the particular component of a park's stories that lend themselves to the use of objects that are contextual to the park. These objects, whether they are natural history specimens, historical artifacts, or models, should connect with the visitor personally and intellectually and cause a greater

understanding of the park's significance and value. This understanding is further increased through the appropriate use of graphics and text.

Every one of the National Park Service's park units has at least one exhibit, and many have several. The range of variation among these hundreds of exhibits is boundless, and include hundreds of weapons at Springfield Armory to Jurassic dinosaur fossils *in situ* at Dinosaur National Monument to the Liberty Bell at Independence National Historical Park to a scale model of the wreckage of the USS *Arizona* at the USS *Arizona* Memorial. All of these examples share one commonality in that an object is used to effectively tell a story. The Liberty Bell is an example of using the real thing. This is the

bell that actually rang out in 1776 and for that reason has a quality of authenticity that invokes very strong reactions from visitors that approaches the spiritual. The model of the USS *Arizona* is an example of using a three-dimensional object to allow visitors to fully understand a story. Prior to the construction of the scale model, visitors could view only those portions of the battleship's wreckage visible in shallow water and guess at what they were seeing. The model allowed a full understanding of the enormity of the explosion that caused the vessel to sink so quickly and with such a great loss of life.

The explosive growth of electronic and digital systems has attracted a great deal of interest among museum professionals. Among many there exists a sense that unless museums and presumably, parks

are able to provide visitors with high-speed, computer driven, hands on exhibits, the public will pass them by. There is, however, a growing body of survey data that shows visitors increasingly want objectivity and authenticity. In other words, they want the real thing presented in a manner that adds to their level of knowledge. Digital technology is a tool that when used selectively can add greatly to the value and impact of interpretive exhibits. It can, for example, transport the visitor from his room to

view and even interact with a park exhibit thousands of miles away via the Internet. An effective digital exhibit, like traditional exhibits, illuminates and expands knowledge of the real thing.



Hologram of Albert Gallatin is a featured part of the exhibit at Friendship Hill National Historic Site.

During the last few years, interpretive

exhibits, along with other interpretive media have become more important than ever. The combined limitations of park operational budgets and subsequent decline among interpretive staffs has led to a greater reliance on unmanned exhibits and other media to convey the parks' stories to an ever increasing visiting public.

In 1998, it had become apparent that many park interpretive exhibits were in a deteriorated state. Some were suffering from fatigue and overuse. The highly effective bison exhibit at the Canyon Visitor Center in Yellowstone is a recent example. Less than two years old, it has been literally "loved to death" through handling by thousands of visitors and is in need of rehabilitation. Other park exhibits became candidates for overhaul or removal when

advances in scientific or historical research rendered their contents obsolete. Still others may contain language or references considered offensive by today’s visiting public. Late in the year, the National Park Service took the first steps toward a systemwide survey of all interpretive media, including exhibits in order to gain an accurate assessment of their numbers and condition. This decision speaks to a recognition that interpretive exhibits will continue to be important tools for park managers to communicate the importance and value of their parks to the American people in the next century.

Parks as Classrooms

The National Park Service is dedicated to providing high quality educational experiences to diverse audiences. The NPS’s Parks as Classrooms program strives to provide curriculum-based activities that meet the needs of local schools while providing educational opportunities for a national constituency. This was the eighth year for the NPS’s Parks as Classrooms program. Since its beginning in 1991, the program has served more than 4 million students and 70,000 teachers.



Seasonal Park Ranger Amanda Austin demonstrates environmental principles during an international field day at Big Bend National Park for students from the United States and Mexico.

In FY 1998, the NPS distributed \$758,000 to fund 66 projects that included electronic field trips, curriculum guides, teacher workshops, traveling trunks, student materials, classroom visits, field trips, video tapes, and interactive CD-ROMs. Over one-half million students and more than 4,000 teachers participated in 1998 programs that included studying cultural and natural resources, archeology, science, math, reading, art, and social studies.

Examples of Parks as Classrooms programs include:

- Bering Land Bridge National Preserve in Alaska produced an “Electronic Field Trip to the Bering Land Bridge” which included a live satellite broadcast of two one-hour visits to the preserve; educational kits to support the trip; and an interactive website where students could research related topics and interact with experts at the site.
- Badlands National Park in South Dakota “adopted” a remote school that serves a small community and the Pine Ridge Reservation. The park was able to provide them with science equipment and helped them build a classroom based science program, (including lesson plans) using the park as a field study area.
- William Howard Taft National Historic Site’s program *Traveling the Underground Railroad* includes a traveling trunk containing lesson plans, maps, artifacts relating to slavery, photographs and an underground railroad board game.

Growing a Budget: Development of Base Operations at a New Park Unit

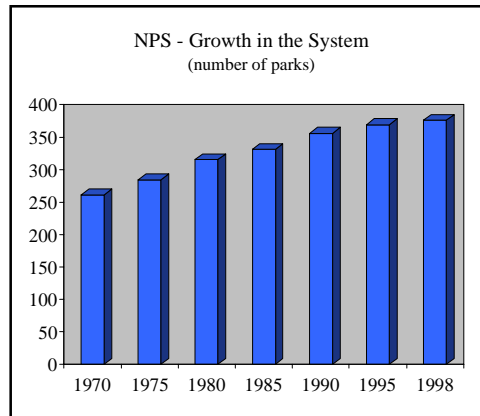
From the beginning of FY 1989 to the end of FY 1998, 25 new park units have been added to the National Park System. This represents a 7% increase of the number of units over these ten years. The process of authorizing a new park unit can take several years and involves comprehensive and detailed studies of significance and feasibility. Should a candidate site meet the established criteria for a unit of the National Park System, enabling legislation must be passed by Congress and signed by the President.

Building a Park Budget The park planning process continues after authorization in the form of a General Management Plan, historic resource studies for structures, and an annual park performance plan. As various studies and analyses are undertaken, a course of action for the funding of a park unit begins to take shape. Most frequently, park base budgets are built gradually. Often this is due to practical reasons such as the requirement to ensure the understanding and long-term protection of valuable park resources, the time needed to develop visitor use facilities, and initial low visitation. Other times, the incremental nature of budget-building is caused by constraints in the overall budgetary allowance for the Service, as the 376 park units (as of September 30, 1998) compete for funding.

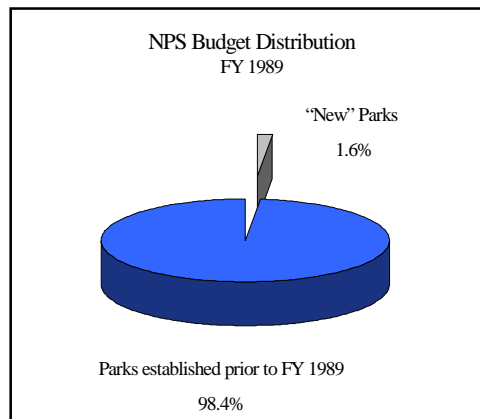
Conversely, although less frequently, some park units are better able to “ramp up” more rapidly to operational status. In those cases, facilities may have already been present and in good condition, or

sufficient knowledge may have already existed on the park resources and the best means to interpret them to a visiting public. In addition, local or national interest could accelerate the operational plans or immediate threats to resources may be present requiring intensive resource protection efforts without delay.

“New” Park Budget Share Providing adequate funding for new units continues to be a high priority of the



Service. However, funding for “new” units has remained a small portion of the overall NPS operational program. In FY 1998, the sum of the park base budgets programmed for the 25 “new”



units totaled \$13.5 million, just 1.6% of the base funding programmed for operations at all parks. New parks have

received 3.5% of the increased operational funding directed to park bases since 1989, including several significant increases in 1998. Clearly, the building of park operational bases is a gradual or incremental process.

Two Examples The process for building a budget at new parks can best be understood by examining two examples from the Service’s list of recently authorized park units: Weir Farm National Historic Site, in Wilton, Connecticut, and Cane River Creole National Historical Park near Natchitoches, Louisiana. Both of these parks have seen a gradual building of their budgets as they prepare for increasing visitation and work toward full operational status.

Still considered a recent addition to the National Park System, Weir Farm National Historic Site was authorized in October 1990 as the 354th unit of the National Park System. The site contains the home and studio of American impressionist painter Julian Alden Weir, as well as the studio of his son-in-law, noted sculptor Mahonri Young. The home and studios remain intact together with the landscape that inspired his paintings and those of the group of artists with whom he associated. Weir and his artist friends painted the farm’s stone fences, woodlands, meadows and pond in pictures which accentuated the rural character and beauty of the site. The legislation which established the park charged NPS with preserving and interpreting the buildings, the landscape, and objects that together form a place of central importance to Weir’s work and the American impressionist movement. Weir Farm is one of only two sites in the National Park System associated with American art (the other is Saint-Gaudens National Historic Site).

Weir Farm was provided “base funding” in 1992 and was given a further boost to its budget in 1993 to facilitate the planning of the park. For its first several years of existence limited hours of operation were in effect, as the focus continued on resource preservation and planning. Management and maintenance staff made up the bulk of the park work force. Guided tours of the studio were provided only intermittently.

As a result of a budget increase enacted in FY 1998, the park finished restoration of the Burlingham House, which serves as a temporary visitor center. The popular visitor programs were expanded to five days per week to meet increased demand as the park became more well known. The site enjoyed a 22 percent increase in tours of the historic art studios and landscape with overall visitation increasing by 14%. Weir Farm’s Art Explorer Program, designed for young artists ages 3 to 12, greatly expanded its offering of workshops. In addition, the park used the increased base funding to establish maintenance and natural resource management programs for 12 historic buildings and the 60-acre landscape. Accomplishments included restoration of the historic corn crib, the Weir apple orchard, the Burlingham sunken garden, the Burlingham green



Rehabilitated Burlingham Sunken Garden, Weir Farm National Historic Site.

house, construction of a boardwalk on the Weir Pond trail, and preservation maintenance work on field perimeters and stone walls. Park staff also processed and properly housed three substantial accessions of original art, furnishings and photographic materials of great importance for future site interpretation.

Cane River Creole National Historical Park was established as the 368th unit of the National Park System in

November 1994. The park is a treasure chest of resources and information essential to the interpretation of everyday Creole planter life in Northwest Louisiana. Two plantations – Oakland and Magnolia – are important components of the park. When the park is opened to the public in 1999, five years after its establishment, visitors will have the chance to witness first-hand the creation of a National Park unit. Extensive restoration of the Oakland Plantation and the outbuildings of Magnolia will be ongoing. As the restoration process is completed, additional interpretive programs and services will be added to enhance the visitor’s experience.



Corn crib restoration at Weir Farm National Historic Site.

The park first received “base funding” in 1996 to allow the installation of a unit manager to work with the heritage area commission and to initiate planning documents. A further budget increase was provided in 1997 to provide administrative support, preventive maintenance, and resource protection. Base funding is only one source of monies; funding provided through the NPS construction appropriation in FY 1996 and FY 1997

has expedited the restoration of the plantation structures. Work on the General Management Plan is ongoing and is expected to be completed in 1999. The plan will provide a framework to guide the management and preservation of the park unit. Depending on funding availability, it could take from 10 to 15 years to completely implement any alternative approved as part of the plan.

Work has been ongoing for the past year to stabilize the buildings and make the site safe for public visitation. The park staff has spent 1998 preparing to open the sites to the public and is planning to offer limited tours of the grounds, on a reservation basis, beginning in 1999. Daily decisions made on-site in 1998 helped to shape the park of the future, such as maintenance suggestion about the layout of a trail that completely altered the visitors' approach and perspective to one area of the park. The maintenance crew, which is entirely local, felt that the new path complemented the natural landscape of the plantation more fully.

When open, Oakland Plantation will serve as the first point of visitor contact in Cane River Creole National Historical Park. The plantation boasts an extraordinary number of surviving outbuildings, including a mule barn, two pigeoniers, and a Civil War-era plantation store. Indeed, this 22-building agricultural complex is bursting with interpretive opportunity. The plantation house itself dates from 1817-1818 and displays several architectural features unique to Louisiana Creole building, such as *bousillage* construction. Oakland also boasts two intact slave quarters and a partially intact overseer's house, providing the gateway for interpretation of the other side of plantation life. The clues gleaned from the remains of these buildings will help visitors to understand the relationship between master and slave that fueled the plantation economy and will allow



Slave home on Oakland Plantation at Cane River Creole National Historic Site stabilized until restoration is funded.

interpreters to present a view of plantation life through the eyes of all of its different players.

NPS acquired many heirlooms and associated items of the Prud'homme family along with the property. These treasures include family portraits and paintings, plantation daybooks, a copy of Diderot's "L'Encyclopedie", a wooden John Deere freight wagon, and poll tax receipts from the 1930s. Hundreds of similar items are literally waiting in the attic and plantation store of Oakland Plantation, ready to be utilized in the unique task of telling the story of everyday plantation life. Cane

River Creole is an exciting new NPS unit with an ambitious mission and an impressive arsenal of tools with which to accomplish it.

All of these plans are in the future however. While the building blocks for a significant and unique park experience are in place at both Weir Farm National Historic Site and Cane River Creole National Historic Park and Heritage Area, the parks' operating budgets must grow gradually to bring the plans to life for the park visitor. This is a challenge faced by the NPS at each of its new units; Weir Farm and Cane River are but two examples.



A wooden John Deere freight wagon is one of many heirlooms and associated items of the Prud'homme family on the Oakland Plantations property of the Cane River Creole National Historic Site.

Volunteers in Parks Program

The National Park Service Volunteers In Parks (VIP) program reached its performance goals for 2002 three years ahead of schedule. FY 1998 saw a significant growth in the number of volunteers and the hours that volunteers contributed to the agency. Last year over 100,000 volunteers from this country and abroad participated in volunteer programs throughout the service.

In Atlanta, the Urban League Youth group planted a garden at the Martin Luther King Jr. National Historic Site and helped re-landscape the visitor center. Volunteers from Nez Perce National Historical Park’s “Salmon Corps” contributed over 2,000 hours in resource management projects, and the Trails and Rails volunteers from Jean Lafitte National Park and Preserve brought the National Park Service to over 100,000 passengers on Amtrak this year.

Cooperating Associations

In FY 1998, the 64 cooperating associations working with NPS continue to provide literature sales which in turn provide support for research, interpretation and education program assistance. All indications are that the 1998 sales of educational materials and the resulting donations to the Service will exceed the 1997 gross sales figure of \$89,357, 339 and donations to the NPS valued at \$19,003,347. Examples of the service and support provided by the cooperating associations which supplement the Service’s ability to serve the public include such things as the Alcatraz Island tour in San Francisco Bay that is staffed and managed by the Golden Gate National Parks Association. Another is the extensive offerings in educational seminars provided by the Yellowstone Association, or the more modest program at the small but effective Great Basin Natural History Association. Partnerships with cooperating associations are essential to enable the NPS to meet the needs of

the public in understanding the complex and fascinating stories of the National Park System.

Park Protection

The National Park Service views visitor and employee safety as a primary function within parks. Protection of park resources is also of the essence. NPS park rangers and, in a few parks in major metropolitan areas, the United States Park Police, play a major role in the promotion of visitor safety and resource protection. Duties include law enforcement, rescues and emergency response actions, advice to the public on environmental risks, natural disaster assistance, and other visitor use management activities.

Law Enforcement

With millions of park visitors seeking to enjoy the national parks each year, the responsibilities of NPS in providing a safe and secure park experience necessitates a proactive program of law enforcement. As part of its authority and jurisdiction, the NPS is required to enforce federal laws and regulations within its park units.

NPS park rangers perform demanding law enforcement and resource protection activities, including drug enforcement, traffic control, watercraft and aircraft supported enforcement activities, search and rescue operations, criminal investigations, and wildlife protection 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) programs in schools across the country.

Although national parks remain safe places for the majority of visitors, crimes against persons and

property within the parks have been on the rise. In 1997, the most recent year for which data is available Systemwide, park rangers investigated 98,610 law enforcement incidents and 52,639 traffic offenses. There were 5,496 felony crimes, including 14 murders and 170 aggravated assaults. Misdemeanor incidents included 248 simple assaults, 1,386 weapons, and 3,661 drug cases.

In 1997, U.S. Park police investigated a total of 10,666 criminal incidents within park units in Washington, D.C., New York and San Francisco. Felonies accounted for 860 incidents, misdemeanor offenses totalled 9,806, and there were 5,711 traffic offenses. Felony investigations included three murder/manslaughter and 26 auto thefts. Misdemeanor cases included 1,551 drug related incidents, 95 aggravated assaults, and 170 weapons cases.

Crimes within parks resulted in a loss to the government and visitors of an estimated \$4.5 million in cash and property. Resource crimes, such as poaching of plants and animals, timber cutting and theft, and mineral extraction, constitute the largest number of crimes with 13,475.

Search and rescue duties and responses to medical emergencies are also critical activities performed by park rangers in coordination with emergency rescue personnel in park and area communities. In 1997, 4,264 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 cost the Service over \$2.0 million in personnel costs in calendar year 1997 and \$1.3 million in aircraft costs. Additionally, rangers and emergency medical personnel responded to 28,467 incidents.

Danger in the Line of Duty

In 1997, the most recent year for which data is available Systemwide, 40 rangers and 28 park policeman were assaulted in the line of duty, a

hazard of duty which continued into FY 1998. In June, National Park Service ranger Joseph David Kolodski, 36, a Great Smoky Mountains National Park law enforcement ranger, was shot and killed by a man who had earlier been reported threatening visitors along the Blue Ridge Parkway. National Park Service Director Robert Stanton called the death “a devastating tragedy,” noting that the loss is a tremendous one to the family and friends of Ranger Kolodski, and the National Park Service family as well.

Natural Disaster Assistance

Devastating hurricanes hit several of the park units as well as other federal lands this year. In one case, the NPS was asked to lend support to hurricane recovery efforts in Puerto Rico. Four Park Rangers, Lulis (Lourdes) Cuevas of Sequoia and Kings Canyon National Parks, Ed Dunlavey of Grand Teton National Park, Chris Jefferson of Mojave National Preserve and Gus Martinez of Big Bend National Park, went to Puerto Rico at the request of the incident management team at the Caribbean National Forest.

The mission for the rangers was to provide critical incident stress peer counseling and assist the employees of the National Forest. The rangers remained for 10 days. During that time, they contacted as many employees as possible and provided a range of services: stress management techniques, peer counseling, and referral to professional counselors for long term treatment in dealing with critical incident stress. They also assisted the management team in developing ways to help their employees, made contacts with the Eastern National Association to provide assistance, and set up phone access and numbers for FEMA and Red Cross assistance.

Park Concessions

Concessionaires provide a variety of necessary and appropriate visitor services including accommodations, restaurants, transportation, and merchandise facilities. Currently, there are 629 concessionaires operating in 128 parks in the National Park System. Concession operations are monitored by NPS concession management specialists to ensure that they do not conflict with the protection of natural and cultural resources, that quality visitor services are available at reasonable rates, and that concessionaires have a reasonable opportunity for a profit.

On November 13, 1998, P.L. 105-391 The National Parks Omnibus Management Act of 1998 went into effect. It reduces the number of concessionaires which will receive a preferential right of contract renewal, replaces sound value possessory interest with a leasehold surrender interest, provides for franchise fees to be returned to the NPS, establishes a NPS Concessions Management Advisory Board, encourages the promotion of Native American handcrafts, and establishes commercial use authorizations, among other provisions.

Concessionaires in FY 1998 deposited \$14,160,797 in franchise fees to the General Fund of the U.S. Treasury and \$26,287,831 to special accounts for improvements to concession service facilities without their accruing possessory interest. In calendar year 1997, concessionaires provided \$9,787,000 in possessory interest extinguishment and other benefits. In addition many contracts also require concessionaires to provide maintenance and repair for government-owned buildings.

The National Park Service has reduced the backlog of expired concession contracts (which resulted from an earlier moratorium on concession contracting) from 525 in 1995 to approximately 180 as of December, 1998. As a result of concession reforms in 1992 and 1993, competition for concession contracts increased, and is expected to further increase as a result of provisions in the new concessions act.



The historic Hamilton Stores at Yellowstone National Park.

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. Over 20 sets of standards have been developed for specific types of concession operations. These standards are in the process of being updated, including the addition of new and revised environmental standards as part of the Service's environmental leadership initiative. Public health and sanitation standards have been revised to meet the new Public Health Service food code requirements, and a new risk management program has been developed.

Partnership Programs

Many people are looking for ways to reclaim a sense of community through connections with the cultural and natural worlds. The National Park Service lends a helping hand to communities by reaching beyond the boundaries of the parks to work with other federal agencies, tribal governments, states, local governments, and the private sector, which request assistance. Through partnership programs, the Service assists with goals like cleaning rivers, protecting historic places, telling the story of a community's unique heritage, and providing greater access to trails and the outdoors. 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.

Much has been done to identify and preserve our nation's cultural and natural heritage and to build a network in which preservation and conservation is part of planning for the economic and social health of our communities. At the same time, substantial aspects of our history and heritage are not adequately recognized and appreciated. Every day, parts of that heritage are lost or degraded because of neglect, inadequate planning for growth and development, lack of technical skills or knowledge, and challenges to the organizational infrastructure that supports preservation and conservation activities.

Helping Communities Preserve Their Cultural Heritage

Partnership programs help NPS 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. Administered within the National Center for Cultural Resource Stewardship and Partnerships, 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. These partnerships demonstrate how a major federal agency helps numerous communities use preservation tools in a manner that best suits their unique circumstances.

Historic Preservation Fund State Grants

In FY 1998, a total of 59 Historic Preservation Fund (HPF) matching grants totaling \$29,394,000 were awarded to States to support the identification, evaluation, and protection of irreplaceable historic and archaeological resources. With these HPF monies and funds carried over from FY 1997, States completed the survey of approximately 14 million acres resulting in the addition of 160,000 properties—districts, buildings, structures, sites, and objects—to state inventories after being evaluated for National Register eligibility. State Historic Preservation Officers nominated over 1,600 properties to the National Register of Historic Places. This knowledge of the location and significance of historic resources enables public and private projects to proceed in a timely fashion and with sensitivity to our nation's heritage. States also assisted federal agencies in protecting historic

resources by reviewing over 89,000 federal projects to consider their impacts on historic properties.

Tribal Preservation

The Tribal Preservation Program is designed to assist Indian tribes, Alaska natives, and native Hawaiians in their efforts to preserve their unique cultures by providing financial and technical assistance and training opportunities in historic preservation and cultural conservation. In FY 1998, 152 applications for tribal grants were received from federally recognized Indian tribes and Alaska native corporations. Forty-two proposals totaling \$2.3 million were awarded representing a full range of cultural preservation needs including tribal assumption of Historic Preservation Office responsibilities (\$1.2 million) as well as cultural needs assessments, inventory and planning projects, and cultural documentation projects (\$1.1 million).

Fifteen Indian tribes have entered into written agreements with NPS to assume national program responsibilities on tribal lands, pursuant to the 1992 amendments to the National Historic Preservation Act. These tribes have assumed a role on their reservations parallel to that of the 59 State Historic Preservation Officers. Among the responsibilities assumed by these tribes are conducting historic property surveys, maintaining permanent inventories of historic properties, nominating properties to the National Register, and reviewing federal agency undertakings.

The tribes with recognized Tribal Preservation Offices are the Confederated Tribes of the Colville Reservation, the Hualapai Tribe, the Lac du Flambeau Band of Lake Superior Chippewa Indians, the Leech Lake Band of Chippewa Indians, the Mille Lacs Band of Ojibwe Indians, the Narragansett Indian Tribe, the Navajo Nation, the Confederated Salish and Kootenai Tribes of the Flathead Nation, the Spokane Tribe of Indians,

the Standing Rock Sioux Tribe, the Tunica-Biloxi Indians of Louisiana, the Confederated Tribes of the Umatilla Reservation, the Confederated Tribes of the Warm Springs Reservation in Oregon, the White Mountain Apache Tribe, and the Yurok Tribe.

The Tribal Preservation Program also conducted a training course entitled "Documenting Your Communities' Traditions" on the Mescalero Apache Reservation in New Mexico for all of the Apache tribes.

Archeology and Ethnography

The Secretary's Report to Congress on the Federal Archeology Program

Information about federal archeology is easier to find and interpret than ever. In the newest NPS report on this topic, over 40 federal agencies reported that about \$75 million was spent on 64,500 archeological projects. Although 35,000 new sites were discovered, less than 9% of the sites on federal and tribal lands (an estimated 7 million) have been found. Only 3% of the known sites have been listed in the National Register of Historic Places. The number of acres inventoried totaled 5 million and about 9% of the total federal and tribal land have been inspected.

Archaeological Resources Protection Act

Federal agencies reported 1,372 incidents of looting resulting in 121 arrests and citations and 98 convictions for violating archeological resources protection laws and regulations. The first bilateral conference for protection operations between the United States and Mexico was held. The first regional protection protocol workshop was held, which involved Vermont, northern New York, and Canada. The first comprehensive law school text on historic preservation will be published in 1998. The first course on civil enforcement of historic preservation law was

added to the Department of Justice's attorneys' training curriculum.

The Archeological National Historic Landmark (NHL) Initiative

Two theme studies, "The Earliest Americans" and "The Underground Railroad Archeological Initiative," are underway. More than 70 sites have been identified as potentially meeting NHL criteria for the "Earliest Americans," with three multiple property documentation studies underway for the "Underground Railroad" in central New York, southern New England, and the Potomac River and Chesapeake Bay region.

Native American Graves Protection and Repatriation Act

The Secretary of the Interior has delegated responsibility to the NPS for national implementation of the collections and discovery/excavation provisions of the Native American Graves Protection and Repatriation Act. Related to the collections provisions of the Act, NPS has received summaries from 1,032 federal agencies and museums and inventories from 733 federal agencies and museums. To date, NPS has published 325 notices in the *Federal Register* on behalf of federal agencies and museums related to the potential repatriation of 11,037 human remains, 323,503 funerary objects, 737 sacred objects, 349 objects of cultural patrimony, and 265 items that fit the sacred and patrimony definitions.

The Native American Graves Protection and Repatriation Review Committee, for which NPS provides staff support, held two public meetings in FY 1998. NPS awarded 45 grants, totaling \$2.3 million, to help museums, Indian tribes, and native Hawaiian organizations implement the statute. Related to the discovery and excavation provisions of the Act, in April 1998 NPS accepted a delegation of authority from the U.S. Army Corps of Engineers to make decisions regarding the

identity and disposition of human remains involved in ongoing litigation with the Kennewick discovery in Washington state.

National Register of Historic Places

The National Register of Historic Places 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. Over 69,000 properties are listed in the National Register, which incorporates more than 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, promote a greater appreciation of America's heritage, and increase and broaden the public's understanding and appreciation of heritage resources. In FY 1998, 1,602 new listings were included in the National Register (encompassing over 34,000 significant buildings, sites, structures and objects), bringing the total listings to 69,553. In addition, 741 requests for determinations of eligibility, nomination appeals, amendments, removals, and related actions were processed in FY 1998. The National Register website, reached 90,000 visitors a week, and continued to provide information on the program. National Register staff answered over 600 e-mail inquiries that were sent via the website in FY 1998.

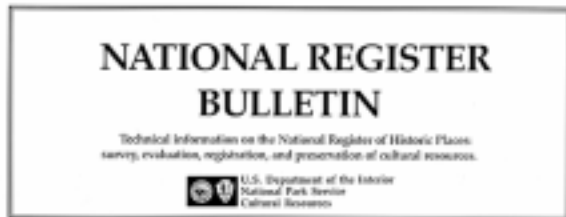
National Register Publications

The National Register has developed a broad range of published and audiovisual materials to meet the needs of states, federal agencies, national parks, local governments, Indian tribes, and private citizens seeking to nominate properties and use the National Register. In FY 1998, 72,585 paper copies of National Register publications were distributed

to the public and over 176,000 pages of National Register documentation were copied for the public on request. A new National Register publication was produced, *National Register Bulletin: Guidelines for Evaluating and Documenting Historic Aviation Properties*. A draft National Register Bulletin, *A Context and Guidelines for Evaluating America's Historic Suburbs* was completed and distributed for comment in FY 1998. The final bulletin will be published in FY 1999. A new video, *American Legacy: The Work of the National Register of Historic Places* was produced in FY 1998. The National Register nomination form and instructions have been transferred into an electronic "smart" template and was made accessible to the public via the National Register website.

Heritage Education

Heritage education is an important use of the National Register. Working with public and private partners, the National Register has developed a variety of educational publications and other media for park interpreters, teachers, students, and the public. These materials demonstrate the wealth of information on historic properties included in the National Register and National Historic Landmark records and help improve the quality of education. They also increase awareness of the role historic places play in preserving America's heritage, enhancing the quality of life, and encouraging economic development and tourism. In FY 1998, National Register staff served as speakers and/or organizers of 60 workshops and training sessions.



GUIDELINES FOR EVALUATING AND DOCUMENTING HISTORIC AVIATION PROPERTIES



The National Register of Historic Places produced National Bulletin: Guidelines for Evaluating and Documenting Historic Aviation Properties, which provides information on the history of aviation and gives guidance on the registration requirements for historic aviation properties such as aircraft, air terminals, and missile launch sites.

The National Register promoted heritage education and tourism by expanding its website with the addition of new *Discover Our Shared Heritage* National Register on-line travel itineraries. Three new travel itineraries were completed in FY 1998: one itinerary on the city of Detroit; and two thematic itineraries on the Underground Railroad and Women's History.

The Teaching with Historic Places (TwHP) program is a major vehicle for the National Register's promotion of heritage education. The program produced three new lesson plans in FY 1998, bringing the total of published lesson plans to 58. TwHP developed a curriculum kit, *Explore Your National Parks*, in conjunction with the National Park Foundation, Target Stores, the Eureka Company, and the Discovery Channel. Target designed and produced approximately 40,000 copies of the kit, which includes a teacher's guide, TwHP lesson plans on six national parks, color posters, photo cards, and a video. Target gave away more than 34,000 kits during its Teacher Appreciation Day.



*The National Register of Historic Places' Teaching with Historic Places Program produced *The M'Clintock House: A Home to the Women's Rights Movement*, which featured written and visual materials on this site of the Declaration of Sentiments.*

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.

National Historic Landmarks Survey Program

Theme Studies on Labor History, Geology, Architecture, Maritime History and the Underground Railroad have resulted in the nomination of some of the 35 new landmarks

which were designated by the Secretary of the Interior in FY 1998. Eighteen additional NHL nominations were prepared of which fifteen are being recommended for consideration by the National Park System Advisory Board. The total number of NHL listings through FY 1998 is 2,266. The NHL program completed and distributed a draft version of a new National Register Bulletin on preparing National Historic Landmark nominations for comment. The bulletin will be published and distributed in FY 1999. The NHL program increased the accessibility of the designation process by designing a new, informative website that provides information such as NHL criteria and a list, by state, of all NHLs.

National Historic Landmarks Assistance Initiative

This year, the National Park Service initiated a newsletter for stewards of National Historic Landmarks. The *National Historic Landmarks Network*, the biannual newsletter is intended to share news of NHL activities among stewards, NPS regions, and partner organizations. The NHL website was expanded to link to approximately 150 independent non-profit NHL websites, which will assist them with drawing visitors to support the properties and raise awareness of the rich variety of resources included in the NHL program.



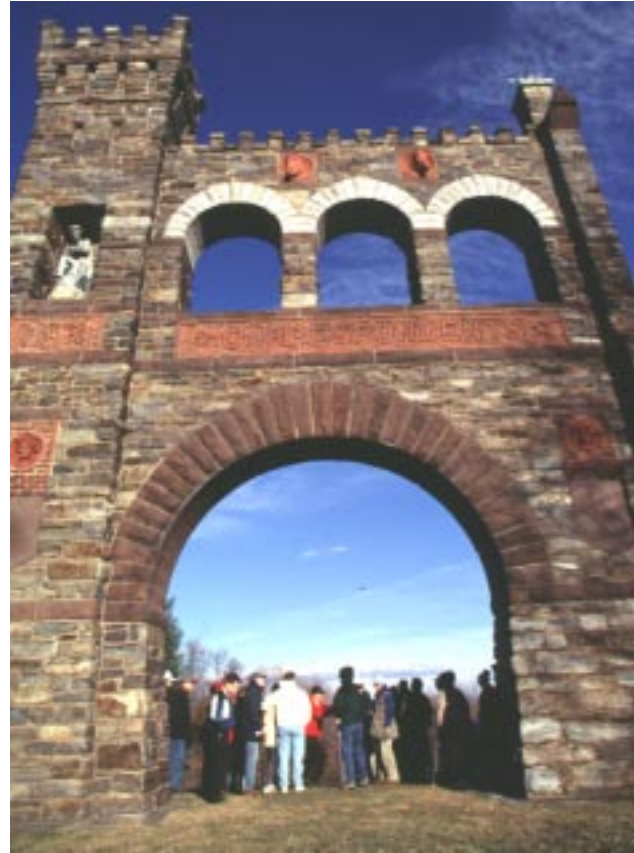
In FY 1998, the Secretary of the Interior designated the Robert Russa Moton High school in Farmville, Virginia, as a National Historic Landmark, in recognition of its association with the battle for desegregation of the Nation's public schools.

American Battlefield Protection

The American Battlefield Protection Program (ABPP) provides expert technical assistance and small, but critical, infusions of money to local, state, federal, and private organizations, so that they may identify, assess, and protect significant battlefields from all wars fought on American soil. The ABPP promotes preservation alternatives that avoid costly federal acquisition of additional land for management by the National Park Service. In FY 1998, the ABPP awarded funds to 28 new projects that included such diverse activities as computer mapping of Civil War sites in North Georgia, planning for the protection and interpretation of the Vicksburg Trail in Mississippi, local government land-use planning for Civil War sites in Virginia, archeological investigation of Indian War sites in New Mexico, Colorado, and Texas, and strategic planning to protect a Revolutionary War site in Rhode Island. Total funding awarded was \$735,925. The ABPP also convened its biennial Battlefield Preservation Conference in Charleston, South Carolina, which brought together over 200 battlefield preservation professionals and advocates from all across the country.

New Technologies

The Cultural Resources Geographic Information System (GIS)/Global Positioning System (GPS) Facility designed and is now implementing the Mapping and Preservation Inventory Tool (MAPIT). MAPIT is a tool that brings GIS to the desk of decision-makers in historic preservation in a user-friendly point and click environment. MAPIT represents “one-stop shopping” for historic resource inventories, delivering to the user maps, digital photographs, computer aided architectural drawings, and text information at the click of a mouse button. It is the NPS strategic tool for getting GIS established in State Historic Preservation Offices, Tribal Historic Preservation Offices, and cultural resource programs within parks, system support offices, and field offices.



The American Battlefield Protection Program worked with the Central Maryland Heritage League on an interpretive brochure of the South Mountain battlefield that includes Correspondents' Arch.

After seven years of conducting GPS 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?” Earthworks are often the only tangible and visible feature of a battlefield, and as such are critical for interpretation, the focus of preservation, and a poignant reminder that men fought and died for their country.

On April 16, 1998, a tornado passed through the city of Nashville, Tennessee, touching down near Hermitage, the home of Andrew Jackson. Although the structures were essentially unharmed, the storm caused severe damage to the grounds of this National Historic Landmark. The Ladies Hermitage Association, owners of the property, contacted the facility for assistance in mapping the surviving resources. National Park Service staff used GPS technology to document storm damage to historic resources and create a base map of surviving resources. The data collected will be put in to a GIS to help assess the extent of the damage and to aid in development of a replanting and rehabilitation plan.

Preservation Tax Incentives

The Federal Historic Preservation Tax Incentives Program has been described as the most effective federal government program to promote both urban and rural revitalization and encourage private investment in rehabilitating historic buildings. The Preservation Tax Incentives program rewards private investment in rehabilitating historic properties such as offices, rental housing, and retail stores. In FY 1998, the National Park Service reviewed and approved over 900 projects, creating 42,000 jobs and leveraging nearly \$1.8 billion in private investments. For the second year in a row, over 6,000 low and moderate income housing units were created.

The technical services publications associated with the Preservation Tax Incentives Program and other treatment projects continues to meet the request of national users groups for additional or updated guidance on issues relating to preserving historic buildings. New publications include a *Preservation Brief* on repairing historic masonry buildings and a partnership publication for

homeowners and small museums entitled *Caring for Your Historic House*.

Historic American Buildings Survey/ Historic American Engineering Record

The Historic American Buildings Survey/Historic American Engineering Record programs (HABS/HAER) were created to preserve and protect the nation's architectural and engineering heritage through documentation. The HABS/HAER collection is primarily known for its measured drawings, large format black-and-white photographs and written histories which are transmitted to the Library of Congress where they are made available to the public.



With Federal Preservation Tax Incentives, several buildings in the Martin Luther King Historic District, Atlanta, Georgia, were rehabilitated into affordable housing.

In FY 1998, the HABS/HAER Collection exceeded 35,200 documented historic sites and structures. The collection included 53,300 sheets of measured drawings, 193,000 large format black-and-white photographs, 1,500 large format color transparencies, and 123,700 pages of written history. The Library of Congress, recognizing the importance and popularity of the HABS/HAER Collection, has begun to digitize the entire collection as part of its American Memory project.

When the project is completed, researchers will be able to search, display, and copy all of the HABS/HAER documentation over the Internet, making the collection universally accessible to the public. The HABS/HAER Collection at the Library of Congress can be reached on the internet at: <http://memory.loc.gov/ammem/hhhtml/hhhome.html>.

A continuing major initiative is the recording of the unique infrastructure of the NPS roads and bridges that are indicative of how careful design can integrate highways and the landscape. In 1998, National Military Park tour roads were studied in Gettysburg National Military Park, Chickamauga and Chattanooga National Military Park, and Shiloh National Military Park, as well as the Natchez Trace Parkway.

Digital convergent photogrammetry and computer-aided-drafting (CAD) technologies allowed the production of precise, existing condition drawings of such diverse NPS historic structures as the hull of the vessel *Balclutha* at San Francisco Maritime Heritage NHP, the Potomac Hydroelectric Power Plant in Harpers Ferry NHP, Fort Washington, and the Kennecott Copper Mill Complex.

Because of the limited need for scaffolding and time spent on-site, this technology allowed for minimal visitor impact and little impact to the resources themselves. A combination of technologies were used to record the water supply system for Kalaupapa NHS in Hawaii and the Sewell-Belmont House in Washington, D.C.

The Charles E. Peterson Prize competition for architecture students completed its sixteenth year and has involved over 1,500 students from 56

universities in the study of historic structures by producing measured drawings. The students have produced 3,619 measured drawings of 332 historic structures that would have otherwise been undocumented. In 1998, students from 16 universities produced 242 drawings of 21 structures, including three National Historic Landmarks and twelve National Register properties.



The National Historic Landmark, John Nance Garner House, located in the vicinity of Campwood, Texas, was recorded to HABS standards for its association with Garner, the thirty-second Vice President of the United States. The set of drawings was submitted by students of the School of Architecture, University of Texas at Austin, and received Third Place in the 1998 Charles E. Peterson Prize Student Competition of Measured Drawings.

An initiative to identify unrecorded or under-recorded National Historic Landmarks has been undertaken for the purpose of targeting resources to support the documentation of the most endangered or threatened sites. A similar initiative to identify unrecorded or under-recorded primary historic structures of the National Park System has also been started. Both initiatives have established baselines on which to measure progress in increasing the percentage of NHLs and park historic structures that are adequately documented.



The Historic American Buildings Survey recorded the Eastern State Penitentiary, Philadelphia, Pennsylvania, which is an endangered National Historic Landmark. Designed by John Haviland and constructed between 1822 and 1836, it was a model prison to promote reform rather than punishment.

Advancing Preservation Technology and Training

Located in Natchitoches, Louisiana, the National Center for Preservation Technology and Training (NCPTT) seeks to promote the practice of preservation through the development of advanced preservation technologies, training in advanced preservation skills, and information distribution. The NCPTT works in the disciplines of historic architecture, historic landscapes, archeology, objects and materials conservation, and history. NCPTT's work is accomplished through partnerships with preservation and conservation organizations and institutions throughout the United States. In moving towards implementing a long-range plan for developing the NCPTT and its activities, funded projects are generated in-house in collaboration with partners and grants

are awarded annually and competitively. In FY 1998, the value of projects, including staff support, was approximately \$900,000; the value of grants, including staff support, was approximately \$715,000.

Community Services

Community Conservation Assistance

The NPS shares the experience gained in protecting and managing the national parks with interested communities nationwide. 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 Recreation and Conservation (NCRC) provides coordinated technical and financial assistance to communities seeking to conserve local resource 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, numerous rivers and lakes, the provision of outdoor recreation for millions of people and overall, an improvement in the quality of life and the environment.

Rivers, Trails, and Conservation Assistance (RTCA)

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

The RTCA program worked alongside local residents and public officials in 46 states. The program's 80 staff members provided one-to-one technical assistance on 209 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 1998 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 provide the manpower. RTCA's role is always one of staff assistance (it is not a grant source).

One example is the Springdale Recreational Trailway in Utah, where RTCA has been providing assistance for several years to help develop a mixed-use transportation and recreation trail linking Zion National Park and its gateway community of Springdale. This partnership includes the U.S. Army Corps of Engineers, Utah Department of Transportation, Zion National Park, the City of Springdale, and the Utah Department of Natural Resources. 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. And through RTCA, the Service has helped Florida partners begin developing the Sarasota Bay Heritage Trails System, a recreational and educational system of water-based, trail-based and road-based routes which one day will connect cultural, historical and ecological sites throughout the Sarasota Bay area and support ecotourism in the region.

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 1998, RTCA worked on ten full-scale projects that included a rail-trail component. For example, on Maine's Mountain Division Line, RTCA is helping a local nonprofit group develop a 50-mile rail-with-trail linking Maine's population and travel hub, Portland, with the Maine border in Fryeberg. The trail will create a gateway to the recreation opportunities of the White Mountains and showcase the quiet rural beauty of the surrounding area. In addition to its full-scale project activities, the Service also performs an important function in alerting communities whenever an abandonment of nearby rail rights-of-way are imminent. Eighty such notices were provided in 1998, giving communities timely opportunities to initiate rail-trail planning for some 720 miles of potential trails.

Statewide Rivers Assessments

Statewide rivers assessments are cooperative efforts between federal, state and local government and non-governmental 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. 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 1998, RTCA helped 21 communities improve the way they manage their river corridors.

For example, following two devastating floods in 1996, the town of Westernport, Maryland decided to act. Rather than re-build in the floodplain and repeat the cycle again, 27 property owners in the Georges Creek floodplain moved to higher ground. With the help of RTCA planners the town is now planning to create floodplain open space that will aid in reducing future flood losses, improve recreational and environmental education opportunities, and complement existing community parks and open space.

Many American cities and towns are built along rivers. What was once a resource for powering mills and conveying waste is now regarded as a valuable natural asset. As communities begin this return to their rivers, RTCA can assist them with planning and design. RTCA is currently helping more than 25 communities plan river greenways.

Watersheds

Many communities are forming partnerships to address watershed management. RTCA assisted with 24 watershed projects in 1998. A typical project is the Sammamish Watershed Forum, in King County, Washington. The project combines a public outreach campaign to develop a “blue-belt” map of the watershed, a regional assessment of hydrologic and biologic implications of local open space initiatives, and funding strategies to support watershed efforts. This project strives to empower citizens to make a difference in the quality of their neighborhoods and understand how they can plan a part in prioritizing local watershed projects.

National Heritage Areas Assistance

NPS offers technical assistance and disburses appropriations to Congressionally designated National Heritage Areas, fosters partnerships, and provides coordination, liaison, information, policy, and legislative services to conserve, protect, promote, and celebrate the heritage, cultural,

social, landscape, natural, and recreational resources they contain.

FY 1998 marked the first year of funding at the national level for National Heritage Area coordination, assistance, and services. Nine National Heritage Areas were created by the Omnibus Parks and Public Lands Management Act of 1996. In FY 1998, the National Park Service distributed \$4,500,000 in appropriations as grants to these nine National Heritage Areas. An additional appropriation of \$850,000 for technical assistance to these heritage areas was disbursed for strategic training initiatives, technical assistance to specific heritage areas, and activation and funding of national office services in coordination, liaison, information, policy, and legislation. The strategic training initiatives provided training and assistance in interpretation, economic impacts, and organizational development. Representatives from six National Heritage Areas created by Congress prior to 1996 also attended the training sessions.

Technical assistance, support services, and funding were provided for three strategic training initiatives held in National Heritage Areas in South Carolina, Pennsylvania, and New York. Training was provided in interpretation, economic impacts, and organizational development. The sessions were attended by National Heritage Area directors and National Park Service personnel.

Partnership relationships were initiated and cultivated by the national office with and between the Alliance of National Heritage Areas (an alliance of the National Heritage Area directors), individual National Heritage Area directors and staff, and NPS staff from a wide range of disciplines and locations. Also in 1998, NPS began developing various communications media including printed materials, maps, a Web page, and an electronic newsletter.



The Land and Water Conservation fund provided \$1.7 million in 1997 to assist in the acquisition of 113 acres at Caspersen Beach in Florida.

Grants to State and Local Governments

No new grants to state and local governments for outdoor recreation projects were available through the Land and Water Conservation Fund (L&WCF) state grants program or the Urban Park and Recreation Recovery (UPARR) program in FY 1998.

Although new grants under either program have ceased, the Secretary’s fiduciary responsibilities remain in effect, ensuring that over 30,000 areas funded with federal assistance remain available for public use in perpetuity and accessible to all.

Stewardship responsibilities include reviewing proposals to convert grant-assisted areas to non-recreation use and ensuring that such requests satisfy both statutory and regulatory standards as part of the decision-making process. In keeping with that responsibility, during FY 1998, 2,013 sites funded from the L&WCF and UPARR programs were inspected.

A number of recommendations from the program’s reengineering task force were implemented in FY 1998, including several administrative changes and the development of

proposed changes to existing regulations found in the Code of Federal Regulations, both of which are intended to facilitate the conversion review and approval process while preserving the legacies of the recreation grant programs.

Federal Lands-To-Parks

The Federal Lands-to-Parks 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 in the case of post-1988 military base closures and realignments.

In 1998, the program deeded fourteen properties (approximately 745 acres), valued at nearly \$20 million, to states, cities, and local communities for public park and recreation purposes. After four rounds of military base decommissioning, NPS is continuing to assist communities in planning the reuse and potential acquisition of 81 properties (23,404 acres) on 73 military bases. NPS has continuing responsibility to ensure public access and resource protection on 980 previously transferred properties (105,447 acres).

Typical examples of land transfers in 1998 include the following: 1) Mesa County, Colorado received 109 acres to improve public access to the Gunnison River and the network of hiking and bicycling trails nearby. Mesa County proposes to co-manage the property with the Bureau of Land Management, which manages much of the surrounding area and other river access points. 2) the town of Middleport, Ohio gained 17 acres at the R.C. Byrd Locks and Dam site. The property will provide access to the Ohio River, a picnic area, and open space, and will become the town’s largest park. 3) Miami-Dade County, Florida

received a 213-acre portion of Homestead Air Force Base for a new regional park. At a ceremony transferring the property, local business people described the proposed park as “exactly the kind of quality-of-life factor that is essential to stimulating economic recovery and growth.”

Photo Credits - The National Park Service would like to thank the following individuals and organizations for their photographic contributions to this report:

Jack E. Boucher

Leslie Dale

Thomas L. Davies

David Harrington

Kate Meehan

Michael Miller

National Park Service -

Abandoned Mine Lands Program

American Battlefield Protection Program

Cultural Landscapes Inventory

Edison National Historic Site

Everglades National Park

Museum Management Program

Natural Resources Program

New Bedford National Historic Park

The National Register of Historic Places

Weir Farm National Historic Site

Sharon Park

Kathy Poole

Anne Quintard

Lorethia Roberts

Monty Roessel

The National Archives

The U.S. Fish and Wildlife Service

Julie Vosmik

Barbara Yocum



Lower Falls, Grand Canyon of the Yellowstone, Yellowstone National Park

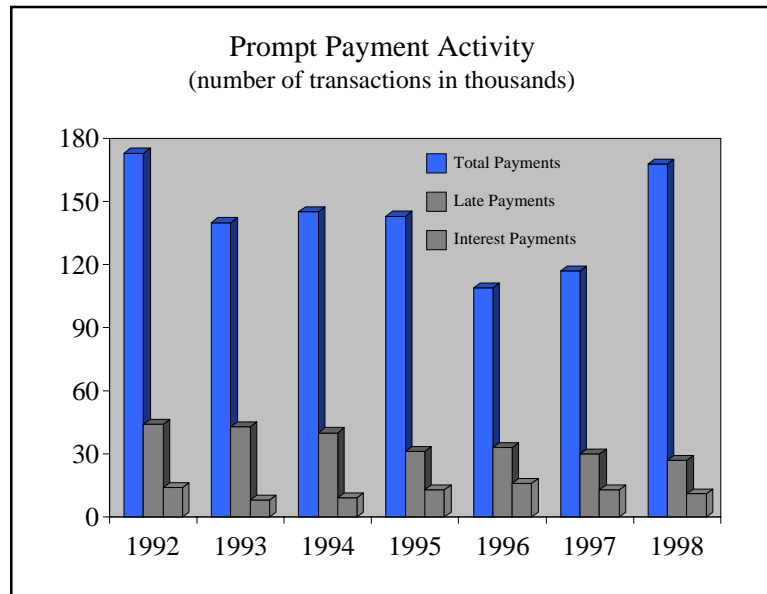
Financial Performance Measures

This section provides details on the Service’s financial management performance for FY 1998.

Prompt Payment Activities

During FY 1998, the National Park Service (NPS) continued to make significant progress towards reducing interest penalties. While the Service did not meet the performance goal of reducing interest penalties paid by 16 percent and the number of late payments made by 15 percent when compared to the same period last year, late payment interest decreased by nearly 9 percent (\$23,144) and invoices paid late fell by over \$8.7 million (9 percent). Achievement of these goals was partially impeded by the implementation of procedural changes and employee turnover at the park level.

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



- The NPS quality control program identified several new opportunities to more accurately and effectively input payment information. Since implementation, interest penalty frequency continues to be substantially reduced. It is anticipated that these new procedures will continue to reduce the penalty interest frequency into the foreseeable future.
- During FY 1998, a park specific penalty interest report was developed to assist management in identifying 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 and reduced penalty interest.
- During FY 1998, park and program procurement offices continued to employ procedures designed to encourage commercial vendors to use the Automated Clearing House for payments under \$100,000 and FED wire for payments of \$100,000 or more. Expanded use of these procedures has promoted a faster turn around time on invoice processing; thereby reducing or eliminating potential penalty interest. During FY 1998, the increased use of the VISA/IMPAC credit card and the Third Party Draft program 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 1999, the NPS goal is to decrease the amount of interest penalties paid and number of late payments by 10 percent respectively.

Travel Advance Management

At the end of FY 1998, the Service had a total of \$301,228 in outstanding travel advances, a decrease of \$75,093 compared to the FY 1997 balance. The travel advance balance represents approximately a 20 percent reduction from FY 1997 balance, and as a result, NPS met the performance measure goal stated for FY 1998. The Service continued to make improvements in the procedures for collecting advances, as well as mandating the use of Automatic Teller Machine (ATM) cards for travel advances. Permanent change of station advances represent 80% of the outstanding advances. During FY 1999, NPS will change from the American Express Card to the Nations Bank Master Card Integrated Program for obtaining travel advances. The FY 1999 goal of the Service is to reduce the balance by an additional 10 percent.

Debt Collection Activities

The National Park Service (NPS) primary FY 1998 debt collection initiative continued to be implementation of the Debt Collection Improvement Act (DCIA) of 1996. Personnel engaged in extensive communications with the Treasury Department in an effort to ensure that the NPS program was in compliance with all governing legislation and policies. Technology and software options available to support DCIA collections were also a focal point. NPS converted the data transmission and communication method from an off-line system, requiring weekly batch transmissions, to the more efficient Treasury Offset Program (TOP) Software. In addition to utilizing TOP as a collection option, we have also revised our internal operational processes and debtor notification correspondence to include the Treasury Cross-Servicing Program (CSP) as a collection option. From a quality assurance perspective, NPS developed and implemented a more comprehensive debt review and validation process.

There is currently no automated method of transferring delinquent debt to the CSP, creating an operational challenge in our efforts to fully implement this aspect of DCIA. A strategy has been developed which factors in operational issues and focuses on achieving the highest collection rate. NPS concluded that CSP would yield the greatest benefit by focusing first on our oldest debt and those having no Tax Identification Numbers. A process to issue required notifications was initiated in FY 1998 and the manual transmission of debt to the CSP is to be accomplished in the first quarter of FY 1999. This process will be ongoing until all categories of eligible debt over 180 days old is placed on CSP.

The Accounting Services Group (ASG) has the primary responsibility for processing debt. Debt collection strategies and processes are continuously reviewed and a "Value Added" approach is used to determine when revisions are to be accomplished. The ASG devoted a large percentage of its' resources to implementing DCIA and enhancing internal procedures. Because a large percentage of NPS debt is employee debt, we utilized the electronic transmission of data directly to Field Offices. Operational improvements have resulted from procedural enhancements, and we expect the process of disseminating information directly to front line employees to facilitate a more cohesive and productive working relationship between Field personnel and the Accounting Operations Center's ASG staff.

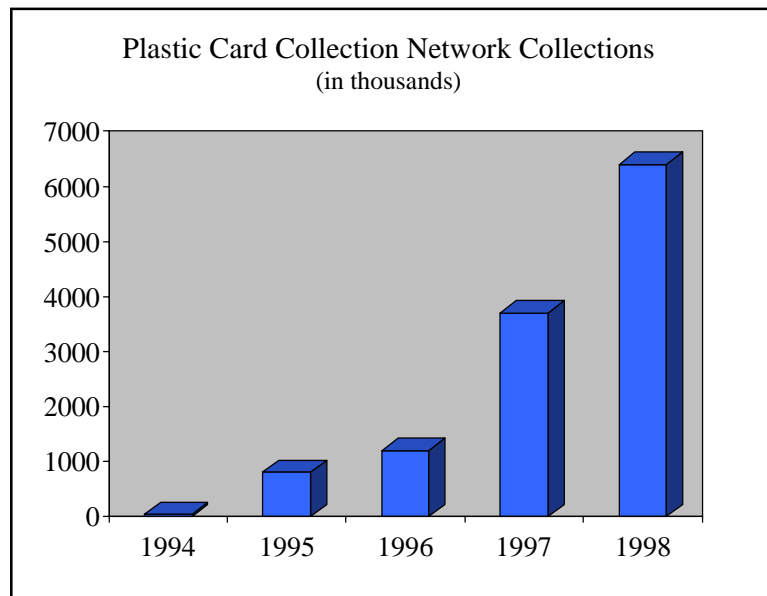
During FY 1998, ASG worked with Grand Canyon National Park to pilot the use of new collection and deposit mechanisms. A waiver was obtained from the Treasury Department allowing Grand Canyon to transfer their cash collections, approximately \$80 thousand daily in peak season, via an Electronic Transfer Option as opposed to purchasing money orders and mailing them to the Federal Reserve Bank. We are also in the process of piloting, Pre-Authorized Debit (PAD) as a collection mechanism. PAD provides a mechanism for the Park to debit a vendor's account to collect amounts due. This collection option is expected to facilitate and increase the collection efficiency on all recurring payments, however, the greatest potential is in the collection of Utility and Quarters debts.

The NPS delinquency rate has declined steadily over the past few years. The trend did not continue to the degree anticipated during FY 1998. A number of factors impacted FY 1998 outcomes. While implementing newly available collection methods, NPS took a more conservative approach to ensure the highest possible collection rate. There were no write-offs of delinquent debt during FY 1998. Although 85% of NPS eligible debts were transferred to the TOP, collections were not realized to the extent projected. The NPS experienced a 3% to 5% increase in receivable activity. Participation in the Treasury CSP, an extension of the TOP collection database, and internal procedural enhancements are expected to improve the collection rate during FY 1999.

Plastic Card Collection Network (PCCN)

The PCCN Program has experienced significant annual increases in activity level since its implementation in 1993. This trend continued through FY 1998. Receipts totaling \$6.4 million were collected, which represent nearly a 74 percent increase over the prior fiscal year. The number of sites accepting collections via this mechanism increased from 130 to 295 representing nearly a 127 percent increase in locations equipped to accept credit card payments, well exceeding the NPS FY 1998 goal to increase the number of sites by 50 percent.

Expansion of the PCCN program is primarily attributable to implementation of the Fee Demonstration Program (Fee Demo). Revenue increases associated with the Fee Demo Program are characteristically collected in small dollar increments with a high volume of transactions, therefore 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.



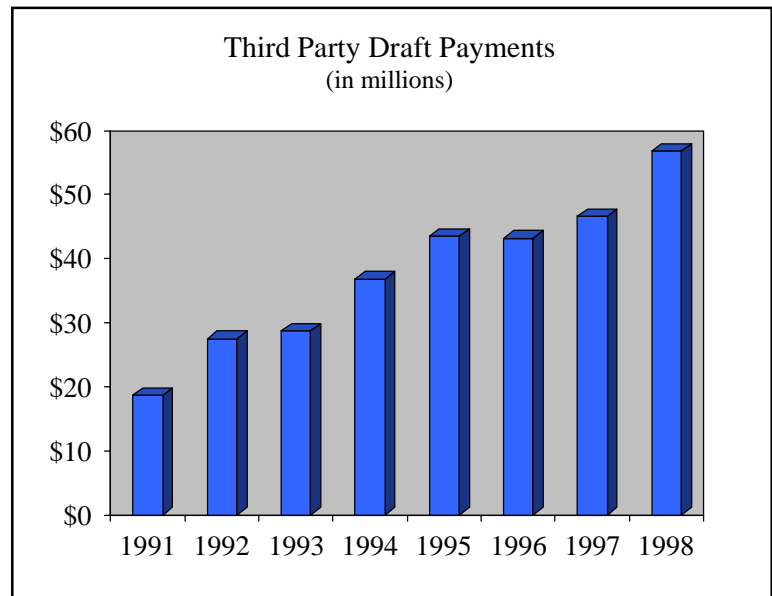
The Fee Demonstration Program will continue through FY 2001 and it is expected that the parks participating in this program will expand credit card usage by utilizing PCCN in the collection and deposit of receipts. NPS projects a 50 percent dollar increase in the PCCN program for FY 1999.

Imprest Funds

The Debt Collection Improvement Act (DCIA) of 1996, in part, mandates Electronic Funds Transfer (EFT) for all payments made after January 1, 1999, including payments previously made from imprest funds. Imprest fund closure is a Government-wide cash management goal which will create substantial benefits including savings from not having to maintain the funds through the replenishment process, ensuring proper internal controls through the voucher audit process, and the elimination of the float lost on funds held outside the Treasury. In anticipation of the Treasury requirement, the Service began reducing imprest funds in FY 1997 and continued the effort through FY 1998. As a result the fund balance for Class A and Class B funds were reduced by \$113,868 in FY 1998, approximately 27 percent. The total amount reported for imprest funds include \$193,895 in change-making funds and \$64,750 for law enforcement purposes. The NPS is working towards meeting the Treasury guidelines for the total elimination of Class A and B funds. The goal for FY 1999 is to continue to reduce the funds by 50 percent.

Third Party Draft

The Third Party Draft program was implemented in the Service in FY 1990 and usage has seen a steady growth through FY 1998 with a slight decline during FY 1996 due to the increased participation in the VISA/IMPAC program. As predicted in the NPS FY 1997 annual report, third party draft usage increased in FY 1998. This annual increase of \$10,683,767 (20 percent) was primarily attributable to the reduction/closure of many imprest funds. Third party draft usage is expected to continue to increase as remaining imprest funds are eliminated.



Overtime Management

The National Park Service monitors overtime costs to determine whether administratively controllable costs are reasonable. The total cost of administrative overtime totaled \$31,347,945 in FY 1998. Of this cost, administrative overtime for uncontrollable and controllable overtime totaled \$4,627,903 and \$26,720,042 respectively. Uncontrollable overtime (e.g. fire suppression) accounted for 14.8 percent of total overtime hours in FY 1998.

Year 2000 Program

In response to the need to ensure all computers and information systems are ready for the Year 2000 (Y2K), the Department of the Interior has implemented a Department-wide initiative to analyze and correct potential Y2K conflicts. A discussion of Interior's state of readiness, the costs of addressing Y2K issues, the risks to the Department of Y2K issues, and the Department's contingency plan is presented in management's discussion and analysis included in the Department of the Interior's Fiscal Year 1998 Accountability Report.

The most likely worst case scenario for external related Y2K impact on the NPS would be short-term utility failures (telecommunications and power). Alternative telecommunications paths are being established as part of the Y2K contingency process and the normal park level contingency plans are being relied on to cover potential power failure impacts.

The most likely internal Y2K impact would be Y2K date problems in the many thousands of locally coded small spreadsheet and office automation related database applications (The NPS has almost 20,000 PCs and a very small professional computer specialist cadre). These types of failures will be handled in the same manner as a computer virus infection. However, a larger "NPS Y2K Strike Team" will be ready to assist the small parks without local computer specialists in the repair of unexpected Y2K failures in the January 2000 timeframe.

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.

Department of the Interior
National Park Service
CONSOLIDATED BALANCE SHEET
As of September 30, 1998 and 1997 (in thousands)

ASSETS	1998	1997
Entity Assets		
Intragovernmental		
Fund Balance with Treasury (Note 2.)	\$ 1,179,611	\$ 1,017,065
Investments (Note 3.)	65	65
Accounts Receivable, Net (Note 4.)	14,325	16,376
Advances to Others (Note 6.)	35,215	0
Other Assets (Note 7.)	26,544	0
Governmental		
Accounts Receivable, Net (Note 4.)	9,612	8,203
Loans Receivable (Note 5.)	6,116	6,476
Advances to Others (Note 6.)	995	951
Cash (Note 8.)	572	697
General Property, Plant, and Equipment, Net (Note 9.)	982,690	1,200,905
Land (Note 10.)	0	0
Total Entity Assets	2,255,745	2,250,738
Non-Entity Assets		
Receipts Transferred to Treasury (Note 11.)	23,224	76,812
Accounts Receivable, Net	1,425	2,068
Total Non-Entity Assets	24,649	78,880
TOTAL ASSETS	\$ 2,280,394	\$ 2,329,618

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, 1998 and 1997 (in thousands)

LIABILITIES	1998	1997
Entity Liabilities		
Liabilities Covered by Budgetary Resources		
Intragovernmental		
Accounts Payable (Note 12.)	\$ 713	\$ 472
Advances Due to Others (Note 13.)	9,733	12,988
Other Liabilities (Note 14.)	3,555	4,112
Governmental		
Accounts Payable (Note 12.)	53,645	33,457
Advances Due to Others (Note 13.)	9,059	3,614
Accrued Payroll and Benefits	52,494	47,966
Total Entity Liabilities Covered by Budgetary Resources	129,199	102,609
Liabilities Not Covered by Budgetary Resources		
Unfunded Accrued Annual Leave	64,328	63,003
Federal Employee Benefits (Note 1.M.)	148,816	0
Contingent Liabilities (Note 15.)	33,217	5,630
Total Entity Liabilities Not Covered by Budgetary Resources	246,361	68,633
Non-Entity Liabilities		
Receipts Transferred to Treasury (Note 11.)	24,603	76,812
Accounts Payable	46	2,068
Total Non-Entity Liabilities	24,649	78,880
TOTAL LIABILITIES	400,209	250,122
NET POSITION		
Unexpended Appropriations (Note 16.)	939,681	864,961
Cumulative Results of Operations	940,504	1,214,535
Total Net Position	1,880,185	2,079,496
TOTAL LIABILITIES AND NET POSITION	\$ 2,280,394	\$ 2,329,618

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 Year Ended September 30, 1998
(in thousands)

	Preserve Park Resources	Provide for the Public Enjoyment and Visitor Experience of Parks		Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners		Combined Total	Intra-Agency Eliminations	Consolidated Total
COSTS								
Operation of the National Park Service	\$ 292,159	\$ 980,813	\$ 45,241	\$ 1,318,213	\$ 0	\$ 1,318,213	0	\$ 1,318,213
Less: Earned Revenues	(432)	(13,215)	(157)	(13,804)	0	(13,804)	0	(13,804)
Net Program Costs	291,727	967,598	45,084	1,304,409	0	1,304,409	0	1,304,409
Construction	128,791	103,646	11,244	243,681	0	243,681	0	243,681
Less: Earned Revenues	(12,491)	(66,373)	(5)	(78,869)	653	(78,216)	653	(78,216)
Net Program Costs	116,300	37,273	11,239	164,812	653	165,465	653	165,465
Trust Funds	15,417	14,701	0	30,118	0	30,118	0	30,118
Less: Earned Revenues	(7,238)	(7,238)	0	(14,476)	0	(14,476)	0	(14,476)
Net Program Costs	8,179	7,463	0	15,642	0	15,642	0	15,642
Fee Collection and Demonstration Activity	3,326	42,388	662	46,376	0	46,376	0	46,376
Less: Earned Revenues	(68,971)	(68,971)	0	(137,942)	0	(137,942)	0	(137,942)
Net Program Costs	(65,645)	(26,583)	662	(91,566)	0	(91,566)	0	(91,566)
Operations and Maintenance of Quarters	7,320	7,320	0	14,640	0	14,640	0	14,640
Less: Earned Revenues	(14,791)	0	0	(14,791)	0	(14,791)	0	(14,791)
Net Program Costs	(7,471)	7,320	0	(151)	0	(151)	0	(151)

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 Year Ended September 30, 1998
(in thousands)

	Preserve Park Resources	Provide for the Public Enjoyment and Visitor Experience of Parks	Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners	Combined Total	Intra-Agency Eliminations	Consolidated Total
COSTS (continued)						
Historic Preservation	33	0	38,633	38,666	0	38,666
Less: Earned Revenues	(1,150)	(1,150)	0	(2,300)	0	(2,300)
Net Program Costs	(1,117)	(1,150)	38,633	36,366	0	36,366
Other	3,158	354	67	3,579	0	3,579
Less: Earned Revenues	0	(22,964)	0	(22,964)	0	(22,964)
Net Program Costs	3,158	(22,610)	67	(19,385)	0	(19,385)
Other Program Costs						
National Recreation and Preservation	0	0	41,108	41,108	0	41,108
Fire and Emergency Operations	40,489	0	0	40,489	0	40,489
Disaster and Flood Relief	0	0	3,122	3,122	0	3,122
Urban Park and Recreation	0	0	1,178	1,178	0	1,178
Job Corps	0	0	12,804	12,804	(470)	12,334
Total Other Program Costs	40,489	0	58,212	98,701	(470)	98,231
Costs not Assigned to Programs						
Heritage Assets	7,763	7,949	862	16,574	0	16,574
Land Acquisition	48,412	34,303	35,318	118,033	0	118,033
Total Costs not Assigned to Programs	56,175	42,252	36,180	134,607	0	134,607
Deferred Maintenance (Note 1.P.)	0	0	0	0	0	0
NET COST OF OPERATIONS (Note 20.)	\$ 441,795	\$ 1,011,563	\$ 190,077	\$ 1,643,435	\$ 183	\$ 1,643,618

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 Year Ended September 30, 1998
(in thousands)

	Preserve Park Resources	Provide for the Public Enjoyment and Visitor Experience of Parks	Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners	Intra-Agency Eliminations	Consolidated Total
Net Cost of Operations	\$ (441,795)	\$ (1,011,563)	\$ (190,077)	\$ (183)	\$ (1,643,618)
Financing Sources					
Appropriations Used	472,064	1,066,516	209,806	0	1,748,386
Imputed Financing	16,090	44,154	3,789	0	64,033
Transfers - In	4,386	9,920	1,952	0	16,258
Transfers - Out	0	(22,043)	0	0	(22,043)
Net Results of Operations	50,745	86,984	25,470	(183)	163,016
Prior Period Adjustments (Note 17.)	(111,631)	(252,202)	(49,614)	0	(413,447)
Invested Capital Adjustment and Other Changes	(6,372)	(14,396)	(2,832)	0	(23,600)
Net Change in Cumulative Results of Operations	(67,258)	(179,614)	(26,976)	(183)	(274,031)
Increase in Unexpended Appropriations	20,174	45,580	8,966	0	74,720
Change in Net Position	(47,084)	(134,034)	(18,010)	(183)	(199,311)
Net Position - Beginning of Period					2,079,496
Net Position - End of Period					\$ 1,880,185

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

Department of the Interior
National Park Service
COMBINED STATEMENT OF BUDGETARY RESOURCES
For the Years ended September 30, 1998 and 1997
(in thousands)

	1998	1997
BUDGETARY RESOURCES		
Budget Authority (Note 18.)	\$ 1,913,803	\$ 1,805,011
Unobligated Balances - Beginning of Period	378,362	278,398
Net Transfers Prior Year Balance, Actual	53,328	0
Spending Authority from Offsetting Collections	94,207	86,110
Adjustments	63,078	54,027
	<u> </u>	<u> </u>
TOTAL BUDGETARY RESOURCES	\$ 2,502,778	\$ 2,223,546
	<u> </u>	<u> </u>
STATUS OF BUDGETARY RESOURCES		
Obligations Incurred	\$ 1,981,030	\$ 1,805,108
Unobligated Balances - Available	511,317	408,182
Unobligated Balances - Unavailable	10,431	10,256
	<u> </u>	<u> </u>
TOTAL STATUS OF BUDGETARY RESOURCES	\$ 2,502,778	\$ 2,223,546
	<u> </u>	<u> </u>
OUTLAYS		
Obligations Incurred	\$ 1,981,030	\$ 1,805,108
Less: Spending Authority from Offsetting Collections and Adjustments	(166,754)	(148,359)
	<u> </u>	<u> </u>
	1,814,276	1,656,749
Obligated Balance, Net - Beginning of Period	631,974	647,994
Less: Obligated Balance, Net - End of Period (Note 19.)	(664,446)	(631,974)
	<u> </u>	<u> </u>
TOTAL OUTLAYS	\$1,781,804	\$ 1,672,769
	<u> </u>	<u> </u>

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

Department of the Interior
National Park Service
CONSOLIDATED STATEMENT OF FINANCING
For the Year ended September 30, 1998
(in thousands)

	1998
OBLIGATIONS AND NONBUDGETARY RESOURCES	
Obligations Incurred	\$ 1,981,030
Less: Spending Authority from Offsetting Collections and Other Budgetary Adjustments	(166,754)
Financing Imputed for Cost Subsidies	212,850
Exchange Revenue Not in the Budget	(192,467)
Transfers	(16,258)
Other	1,675
	\$ 1,820,076
 RESOURCES THAT DO NOT FUND NET COST OF OPERATIONS	
Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received or Provided	(41,737)
Cost Capitalized on the Balance Sheet	218,215
Financing Sources that Fund Costs of Prior Periods	(413,447)
Other	(19,686)
	(256,655)
 COSTS THAT DO NOT REQUIRE RESOURCES	
Depreciation and Amortization	51,684
	51,684
 FINANCING SOURCES YET TO BE PROVIDED	 28,513
	\$1,643,618
	\$1,643,618

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 budgetary authority and other monies 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 and 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	Historic Preservation
Quarters, Operation and Maintenance	Grant Administration
Fee Collection and Demonstration Activity Support	

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 NPS 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 (revised November 20, 1998), and based on the accounting policies summarized in the next note. The FY 1997 financial statements have been adjusted on FY 1998's comparative statements because of changes made to FY 1997 construction-in-progress and related accounts. The preparation of these financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. The NPS has aligned its responsibility segments with its Government Performance and Results Act (GPRA) mission goals and outcomes, as expressed in its approved strategic plan: 1.) Preserve Park Resources, 2.) Provide for the Public Enjoyment and Visitor Experience of Parks, and 3.) Strengthen and Preserve Natural and Cultural Resources and Enhance Recreational Opportunities Managed by Partners. The compilation of this data was achieved through the use of budget estimates and the application of generally accepted methods of cost allocation.

C. Basis of Accounting

The Federal Government accounting structure is designed to reflect both accrual and budgetary accounting transactions. 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, Combined Statement of Budgetary Resources, and the Consolidated Statement of Financing 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.
- 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.

Consistent with legislative authority donated funds, reimbursements, and grantor's requests are available to the NPS when received. The NPS has legislative authority to collect revenues through user fees, for a variety of activities that may or may not recover the full cost of the service. 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 establish/increase recreation use fees which are not intended to recover the full cost of the service. The laws mandate the use of a portion of these fees collected from park visitors for the following:

- Public Law 103-66 gives NPS the authority to establish an available receipt account, and retain and obligate up to 15 percent of recreation fees collected in a given year. In Fiscal Year 1998 revenues totaling \$1.1 million were transferred from the recreation use fee account to the available receipt account for park use to defray the costs associated with the collection of those fees (e.g., to pay fee collectors, maintain collection stations, etc.).
- Public Law 104-134 gives NPS authority through Fiscal Year 2001 to allow 100 demonstration sites to experiment with new or increased recreation fees. Parks participating in the demonstration program have until Fiscal Year 2004 to spend at least 80 percent of the revenues collected at the site to help address needs in visitor services, repairs and maintenance, and resource management. The remaining 20 percent can be spent at the discretion of the agency. During Fiscal Year 1998 recreation fees totaling \$136.8 million were transferred to an available receipt account and allocated to the participating parks in accordance with prescribed legislation.

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 except for certain costs, such as the portion of retirement costs administered by the Office of Personnel Management. NPS reconciles fund balances with Treasury on a monthly basis. All cash differences are reconciled at the appropriation level and at the Agency Location Code (ALC) level. Differences are researched and adjustments to correct these differences are reported to Treasury each month on the Statement of Transactions (FMS-224).

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. Policies and procedures for depreciation and capitalization of property, plant, and equipment are discussed in further detail in Note 9.

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. The Stewardship and Heritage 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 for those not covered by budgetary resources such 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 15. for additional information regarding contingent liabilities.

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. Federal Employee Benefits

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 is reporting a liability of \$148,816,332 for Federal Employees' Compensation Act Actuarial for the first time for FY 1998. The unfunded imputed pension expenses of \$63,877,160 were paid by the administrative entity, which is the OPM. This figure was computed using the following three tables:

	1998 Basic Pay	Net Rate	Employer's Pension Expense
CSRS	\$ 196,063,098	10.20%	\$ 19,998,436
CSRS (Law Enforcement)	20,044,743	25.00%	5,011,186
CSRS & FICA (CSRS Offset)	19,454,932	11.50%	2,237,317
CSRS & FICA (Law Enforcement)	1,897,519	27.40%	519,920
FERS + FICA	259,636,353	0	0
FERS + FICA (Law Enforcement)	48,460,466	0	0
FICA	69,913,621	0	0
None	512,515	0	0
Other DC Park Police	11,324,248	0	0
Rehired Annuitants	68,351	0	0
Total	\$ 627,375,846		\$ 27,766,859

	Average Number of Employees	Rate per Employee	Estimated Imputed Retirement Health Cost
Health Benefit Cost	14,234.50	\$ 2,529	\$ 35,999,051
			Estimated Imputed Retirement Life Insurance Cost
	Amount	Rate	
Life Insurance Cost / 14,815 Employees	\$ 556,250,335	0.02%	\$ 111,250
Total Imputed Cost			\$ 63,877,160

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, 1998, the National Park Service had approximately 75 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, 1998, the concessionaires reported that the Special Accounts totaled approximately \$37.2 million.

P. Deferred Maintenance (Unaudited)

The National Park Service owns, purchases, and constructs assets such as roads, trails, camping and recreational structures, buildings and houses, utility systems, marine and dock structures, signs and information structures, and special features assets like monuments, statues, memorials, fortifications, and viewing structures. In every category of assets listed above, there are examples of both General and Stewardship facilities.

While the Service has acquired and maintained assets throughout its eighty-two year history, several factors have led to a backlog of maintenance tasks and a significant deterioration of facility conditions as a result of that backlog. One cause of this maintenance backlog stems from limited operational funding for facilities acquired through donation, and transfer. Aging facilities have created increased costs for day to day operation limiting the funds available for maintenance. Additionally, increasing visitation and the addition of new park sites and facilities have also added to operational costs at the expense of maintenance activities.

The National Park Service defines “deferred maintenance” as maintenance that was not performed when scheduled or planned. This definition comes from the *U.S. Department of the Interior Facilities Maintenance Assessment and Recommendations, February 1998*. Continued deferral of maintenance items will result, over time, in facility deficiencies that must be corrected, often at a higher cost than the original maintenance cost.

As of September 30, 1998, the NPS estimates that the total amount of deferred maintenance for stewardship property and general property, plant and equipment could be within the range of \$2.5 billion to \$5 billion.

Q. 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. All comparative statements for FY 1998 have been audited. The Statement of Financing is being prepared for the first time in FY 1998 therefore, comparative data is unavailable. The Consolidated Statement of Net Cost and Consolidated Statement of Changes in Net Position are presented as supplemental statements reflecting comparative data. This same data is presented in consolidating format in the principal financial statements to reflect the Services’ compliance with the Government Performance and Results Act (GPRA) and are not comparative.

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. The balance on the financial statement at September 30, 1998 is \$1,179,611 (in thousands).

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, 1998, follows (in thousands):

	Federal	Public
Accounts Receivable, Billed	\$ 4,707	\$ 8,813
Allowance for Doubtful Accounts	0	(984)
Net Accounts Receivable, Billed	4,707	7,829
Accounts Receivable, Unbilled	9,618	1,784
Total Accounts Receivable, Net	\$ 14,325	\$ 9,613

Federal receivables are primarily attributable to costs associated with reimbursable construction activity. Approximately 30% (12% billed, 18% unbilled) of the public receivable amount is attributable to reimbursable activity. The remaining 70% classified as billed receivables represent debt incurred by NPS current and former employees, concessionaires, and other public vendors.

During FY 1998, NPS's primary focus was full implementation of the Treasury Offset Program (TOP). To date, approximately \$1.3 Million in delinquencies have been transferred to TOP in accordance with the Debt Collection Improvement Act of 1996. Administrative offsets totaling \$94,800 were collected during FY 1998.

The NPS delinquency rate has declined steadily over the past few years. However, this trend was not as dramatic during FY 1998. An analysis of NPS debt revealed that the primary component making up the delinquency rate continues to be individual debt incurred by former employees. Because we have the ability to exert more influence on collections of this debt type, it was decided that there would be

value added by focusing on internal policies impacting this category. Vendor debt, consisting primarily of utility bills and concessionaire fees represent the largest category contributing to the delinquent dollar amount. During FY 1998, a large percentage of our resources were devoted to streamlining collection procedures and establishing new collection mechanisms. The collection rate is expected to improve during FY 1999 as a result of establishing preauthorized debits (PAD) as an additional collection mechanism and placing debt on the Treasury Cross Servicing Program (CSP). NPS allowance for doubtful accounts was established by analyzing the outstanding accounts receivable and projecting the impact of improved debt collection initiatives implemented during the year.

Unbilled accounts receivable are recognized expenses incurred by NPS under reimbursable authority that will be billed as prescribed in the reimbursable agreement with the 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 establish 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

A. Federal

- As of September 30, 1998, there was an outstanding advance balance of \$35,214,971.
- The reported amount advanced by the NPS to other Federal entities is for an advance to the U.S. Department of Transportation, Federal Highway Administration under an Interagency Agreement for work to be performed at Yosemite National Park.

B. Public

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

- As of September 30, 1998, there were outstanding travel advances totalling \$301,228.
- 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. Other Assets

This amount represents Contract Authority from the Department of Transportation, Federal Highway Administration to cover NPS contractual obligations in advance of appropriations for road construction in the parks. Funds will be transferred from the Federal Highway Administration to NPS upon request to cover pending expenditures.

Note 8. Cash

The reported amount is the total for 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 Performance section of this report.

Note 9. 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 SFFAS No. 6, Accounting for Property, Plant, and Equipment. In FY 1998 the NPS fully implemented and complied with SFFAS No. 6 and SFFAS No. 8, Supplementary Stewardship Reporting. 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. In addition, NPS established a \$500,000 capitalization threshold.

Since FY 1996, the Accounting Operations Center (AOC) has issued supplemental procedures and periodic reports to the parks/offices to assist the field in preparing and forwarding to AOC the supporting documentation required to accurately account for these assets. Because construction funding and costs are tracked by the Installation Wide Project Number (IWP), NPS uses the IWP as a unit of decision for capitalization and may not capitalize or expense an asset until the entire IWP is complete. At the end of FY 1998, NPS analyzed the Construction - in - Progress (CIP) account and determined that the account was overstated for financial reporting purposes. A change in accounting policy to expense heritage costs as incurred and the failure to submit completion reports in a timely manner were the main causes of the overstatement. With additional analysis, the NPS identified potential IWP's that may have been completed but; lacked the supporting documentation, that are most likely heritage in nature and should be expensed, and non-federal physical property that should be expensed in the year completed.

Based on the analysis and the best information available, NPS has adjusted its FY 1997 financial statements to reflect changes to the CIP account and any offsetting accounts. During FY 1999 and FY 2000, NPS will establish a project team to verify these adjustments and ensure all costs for completed IWP's are posted to the appropriate asset or expense account, along with all depreciation expenses. FY 1997 and FY 1998 CIP was reduced by \$125,223,491 and \$355,534,828 respectively and distributed to expenses or fixed assets accordingly. Included in the adjustment for FY 1997 were expenses for heritage assets totaling \$24,551,009, for environmental stabilization totaling \$2,212,008 and non-federal

physical property expenses totaling \$18,110,662. For FY 1998 the adjustment for heritage expenses was \$16,573,892 with a prior period adjustment of \$173,209,523; the adjustment for environmental stabilization was \$436,571 with a prior period adjustment of \$11,942,280; the adjustment for non-federal physical property expenses was \$11,892,244 with a prior period adjustment of \$41,636,939.

In FY 1998 the NPS converted to the Fixed Asset Subsystem. In preparation for the conversion at year end, the NPS put special emphasis on reconciling the inventory of equipment at all park locations. As a result, there was \$19.6 million of disposed equipment and accumulated depreciation of \$14.8 million removed from the former property system. There was a \$51.8 million increase comprised of new purchases, found, or unbooked items along with depreciation of \$21.2 million, for a net increase in accumulated depreciation of \$5.5 million. Equipment 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 thousands):

Asset Category	Cost	Accumulated Depreciation	Current Year Depreciation	Net Value
Buildings	\$ 377,938	\$ (103,458)	\$ (13,307)	\$ 274,480
Structures/Facilities	394,219	(132,316)	(16,867)	261,903
Equipment	320,120	(175,525)	(21,236)	144,595
Construction-in-Progress	301,654	0	0	301,654
Data Processing Software	332	(274)	(274)	58
Total	\$ 1,394,263	\$ (411,573)	\$ (51,684)	\$ 982,690

Note 10. Land

Consistent with SFFAS Number 6, *Accounting for Property, Plant and Equipment*, all Service land is classified as “stewardship land”; 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 11. 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. With the continued expansion of the Fee Demonstration Program, in which receipts are retained by NPS, there was a significant reduction in fees returned to Treasury during FY 1998.

Note 12. 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 \$53,645,189 and include contract holdbacks of \$1,579,696.

Note 13. 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 \$9,732,623. 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 \$9,059,108.

Note 14. Other Liabilities

The reported amount consists of the balances in the NPS suspense account. NPS uses this account to temporarily hold non-NPS cash, funds pertaining to performance bonds, and unidentified collections. This account is analyzed monthly and as transactions are identified, the cash is either transferred to the appropriate NPS account or refunds/payments are made to the appropriate parties.

Note 15. Contingent Liabilities**Environmental Liabilities**

The 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 contaminants; (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 for which they are recognized. NPS does not expect these costs to have a material affect on its consolidated financial position.

We have identified 152 sites within 76 park units potentially impacted by petroleum or hazardous substance releases. At present, approximately 50 percent of these sites are RCRA cleanups and 50 percent of these sites are hazardous substance (CERCLA) investigations. Response 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; and ongoing monitoring.

In FY 1998, NPS implemented a more systematic process in which the parks were able to collect and review more comprehensive data for the analysis of its site environmental contingent liability in the aforementioned regulatory areas. Based upon this work, the value for total future environmental liability is estimated at \$20,740,700. The cost that will be conducted to determine future liability is estimated at \$7,176,500. Upon completion of these studies, the future environmental liability could be significantly higher. Combining these values, the NPS has recorded a future environmental liability of \$27,917,200 (\$7,336,200 is attributable to NPS sole or shared liability). These values represent a current analysis of verifiable NPS data and are subject to ongoing fluctuation (in dollars):

	RCRA-I	RCRA-D	RCRA-C	CERCLA	UNKNOWN	TOTAL
Future Liabilities	\$ 5,238,700	\$ 1,715,000	\$ 10,275,000	\$ 3,462,000	\$ 50,000	\$ 20,740,700
Cost of Studies	630,000	136,500	25,000	6,385,000	0	7,176,500
Total	\$ 5,868,700	\$ 1,851,500	\$ 10,300,000	\$ 9,847,000	\$ 50,000	\$ 27,917,200

In 1998, the NPS Abandoned Mineral Lands (AML) program initiated steps to complete the Servicewide inventory of AML sites and update existing AML data. The AML data shows 3,500 abandoned mines (of all types) and 727 abandoned oil and gas wells (of which 51 are abandoned with no identifiable owner). These estimates partly reflect the 3 million acres added to the System in the California Desert Protection Act of 1994; inventories are ongoing as of 1998, but may take several years to complete due to funding shortfalls. Other additions/expansions, since 1994, that could contain AML sites have not been inventoried. At this time, the Service has no legal liability for the cleanup of these AML sites. However, the Service allocated \$250,000 to parks for AML reclamation projects in FY98.

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 five claims estimated at \$26.5 million, a probable payout of \$5.3 million for four of these cases will be made through the Department of the Treasury judgement fund.

Note 16. Unexpended Appropriations

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

Unobligated	
Available	\$ 346,830
Unavailable	10,366
Undelivered Orders	582,485
	<hr/>
Total Unexpended Appropriations	\$ 939,681
	<hr/> <hr/>

Note 17. Prior Period Adjustment

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

Depreciation and Expensing Construction Projects	\$ 264,631
Federal Employment Compensation Act	148,816
	<hr/>
Total Prior Period Adjustment	\$ 413,447
	<hr/> <hr/>

Depreciation and expensing construction projects consists of projects completed but not meeting the capitalization requirements, and capitalized projects completed in prior fiscal years with the associated accumulated depreciation being recorded as a prior period expense. NPS procedures regarding the accountability of fixed assets will cause this 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 .

The line item for Federal Employment Compensation Act is an actuarial liability that includes the future liability for death, disability, medical, and other approved costs relating to current compensation act claims. During FY 1997, the actuarial liability was recognized at the department level only. In FY 1998, a decrease occurred between the FY 1997 and FY 1998 actuarial liabilities which resulted in a negative expense. Consequently, the initial entry to recognize this information at the bureau level was recorded as a liability and a prior period adjustment.

Note 18. Budget Authority

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

Appropriations	\$ 1,867,651
Contract Authority	26,544
Transfers, Net	19,608
	<hr/>
Total Appropriations	\$ 1,913,803
	<hr/> <hr/>

Note 19. Obligated Balance, Net End of Period

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

Accounts Receivable	\$ 61,478
Undelivered Orders	(600,339)
Accounts Payable	(125,585)
	<hr/>
Total Obligated Balance, Net	(\$ 664,446)
	<hr/> <hr/>

Note 20. Net Cost of Operations (by Budget Functional Classification)

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

Functional Classification	Gross Cost	Earned Revenue	Net Cost
Natural Resources and Environment	\$ 1,899,265	\$ 285,146	\$ 1,614,119
Transportation	17,103	0	17,103
Education, Training, Employment, and Social Services	12,334	0	12,334
Community and Regional Development	62	0	62
	<hr/>	<hr/>	<hr/>
Total	\$ 1,928,764	\$ 285,146	\$ 1,643,618
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 21. Operating Expenses

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

Object Classification	1998	1997
Personnel Compensation and Benefits	\$ 963,244	\$ 957,592
Contractual Services	325,578	284,509
Grants, Subsidies, and Contributions	113,559	91,805
Supplies and Materials	103,244	94,889
Rent, Communications, and Utilities	58,924	78,939
Travel and Transportation	57,980	51,856
Equipment, Land, and Structures	146,822	86,507
Printing and Reproduction	6,416	5,324
Job Corp	12,127	16,491
Contingent Liabilities	27,587	5,630
Other	61,417	66,351
	<hr/>	<hr/>
Total	\$ 1,876,898	\$ 1,739,893
	<hr/> <hr/>	<hr/> <hr/>

Stewardship and Heritage Assets

The National Park Service (NPS) is steward, for the people of the United States, to the land and resources that 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 NPS has the responsibility to preserve and protect. Information regarding the deferred maintenance on stewardship and heritage assets is contained in Note 1.P.

During FY 1998, NPS identified over \$71 million in non-federal physical asset expenditures, of which \$59.1 million were incurred during fiscal years prior to 1998. Of the \$71 million, approximately \$32.2 million was used for major renovations at Independence Hall, which is owned by the City of Philadelphia, Pennsylvania. Subsets of NPS lands have additional stewardship asset designations such as Wilderness Areas, Wild and Scenic Rivers, and Trails. These delineations are in addition to, and not in place of their inclusion in NPS land acreage totals. Stewardship areas such as Wilderness in their entirety may encompass lands owned by entities other than the NPS which would not be reported as NPS acreage. Changes in NPS land acreage totals occur by means such as Presidential and Congressional declaration, purchase, donation, exchange, and transfer from other federal agencies, States, local governments, and private land owners. During FY 1998, the net change in NPS land was an increase of 207,718.95 acres. While individual units of stewardship land can be improved, the condition of NPS stewardship lands as a whole are sufficient to support the mission of the Service.

National Park Service Land

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. Acquisition of land helps to meet the increasingly heavy visitor demand for Federal recreation areas, conserves outstanding resources for public recreational use before they are converted to incompatible uses, and preserves the Nation's natural and historic heritage.



Approach to Mammoth Hot Springs, Yellowstone National Park

NPS land is comprised of 376 units that have 83,459,633.20 acres of land within their boundaries. Federal ownership consists of 77,167,364.01 acres in fee simple title and 248,110.40 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 (1,405,866.30 acres) or is in private ownership (4,638,292.49 acres). Subject to the availability of funds, private land will be acquired when opportunities to purchase are available or if an owner is in the process of converting the land to a use that is incompatible with the purpose of the park. The following table summarizes ownership of acreage within park boundaries by type of park unit.

Table 1 - National Park Service Land

NPS Unit Type	Federal Acreage	Non-Federal Acreage	Total Acreage
International Historic Site	22.19	22.71	44.90
National Battlefields	11,802.52	1,254.47	13,056.79
National Battlefield Parks	8,033.07	980.80	9,013.87
National Battlefield Site	1.00	0.00	1.00
National Historic Sites	19,409.58	4,634.95	24,044.53
National Historical Parks	114,452.60	48,261.78	162,714.38
National Lakeshores	145,420.62	83,519.51	228,940.13
National Memorials	7,979.11	194.04	8,173.15
National Military Parks	35,058.14	3,182.70	38,240.84
National Monuments	1,898,103.42	166,955.41	2,065,058.83
National Parks	49,179,434.60	2,520,515.01	51,699,949.61
National Preserves	21,405,495.17	2,374,201.23	23,779,696.40
National Recreation Areas	3,360,941.57	362,955.40	3,723,896.97
National Reserves	10,630.35	22,476.84	33,107.19
National Rivers	311,929.67	112,864.96	424,794.63
National Scenic Trails	155,634.37	68,899.02	224,533.39
National Seashores	477,558.79	116,979.94	594,538.73
National Wild & Scenic Rivers	72,354.88	147,337.23	219,692.11
Parks (other)	37,607.79	1,277.41	38,885.20
Parkways	163,604.97	7,645.58	171,250.55
TOTAL	77,415,474.41	6,044,158.79	83,459,633.20

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.

Wilderness Areas

A Wilderness is an area where humans are visitors and do 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 provides outstanding opportunities for solitude or a primitive and unconfined type of recreation.

In the United States, there are over 100 million acres of Federal land designated “Wilderness,” by Congressional legislation under the Wilderness Act of 1964. 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, NPS manages the greatest proportion of wilderness areas, at 41 percent of the entire National Wilderness Preservation System. This includes over 43 million acres within 44 different wilderness areas. The following park units have areas recognized as wilderness, although they may not be designated “Wilderness” areas that have a permit system.

Table 2 - Wilderness Areas

Wilderness Area Name	Park Unit	Acreage
Alaska		
Denali	Denali National Park	2,146,580
Gates of the Arctic	Gates of the Arctic National Park	7,245,600
Glacier Bay	Glacier Bay National Park & Preserve	2,659,876
Katmai	Katmai National Park & Preserve	3,425,811
Kobuk Valley	Kobuk Valley National Park	164,112
Lake Clark	Lake Clark National Park	2,618,455
Noatak	Noatak National Preserve	5,815,655
Wrangell-St. Elias	Wrangell - St. Elias National Park & Preserve	9,676,994
Arkansas		
Buffalo National River	Buffalo National River	34,933
Arizona		
Chiricahua	Chiricahua National Monument	10,290
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	3,128,038
Joshua Tree	Joshua Tree National Park	557,802
Lassen Volcanic	Lassen Volcanic National Park	78,982
Lava Beds	Lava Beds National Monument	27,970
Mojave	Mojave National Preserve	695,200
Philip Burton	Point Reyes National Seashore	25,370
Pinnacles	Pinnacles National Monument	13,270
Sequoia-Kings Canyon	Sequoia-Kings Canyon National Park	736,980
Yosemite	Yosemite National Park	704,624
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		
Marjory Stoneman Douglas	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	132,018
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

<i>South Carolina</i>		
Congaree Swamp	Congaree Swamp National Monument	15,010
<i>South Dakota</i>		
Badlands	Badlands National Park	64,144
<i>Texas</i>		
Guadalupe Mountains	Guadalupe Mountains National Park	46,850
<i>Virginia</i>		
Shenandoah	Shenandoah National Park	79,579
<i>Washington</i>		
Mount Rainier	Mount Rainier National Park	228,480
Olympic	Olympic National Park	876,669
Stephen Mather	North Cascades National Park	634,614
TOTAL ACREAGE		43,917,068

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, 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.

A second path to designation, under Section 2(a)(ii) of the Wilderness Act, is for a Governor to request Federal designation of a state designated river, and for the Secretary, after study, to designate that river. Sixteen rivers have entered the system in this way.

There are 155 rivers in the National Wild and Scenic Rivers System totalling approximately 10,900 miles. A number of Federal and state agencies are responsible for governing these rivers such as the Bureau of Land Management, U.S. Fish and Wildlife Service, U.S. Forest Service, as well as the Park Service. Of these rivers, the Service has sole administrative responsibility for 24 rivers encompassing approximately 2,400 miles.

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, and 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 FY 1998, trail operations totaled \$2.4 million. This funded all the trail field offices with some reserved for national program activities. An additional \$614,000 was available through the NPS Challenge Cost-Share program for partnership projects. In FY 1998, almost 100 National Trails System cost-share projects were matched 3-to-1 by partners. Volunteers serving these trails provided close to 440,000 hours of labor, valued at \$5.6 million, and additional cash contribution of \$4.2 million.

Notable successes in FY 1998 included the following:

- A Geographic Information System is now being used as a significant trail planning and management tool for the California National Historic Trail in several western states and the Ice Age Scenic Trail in Wisconsin.
- Construction and maintenance guideline manuals were developed for the Natchez Trace and North Country National Scenic Trails.
- Ten Federal agencies are formally collaborating to commemorate the coming bicentennial (2003-6) of the Lewis and Clark expedition, in cooperation with the National Lewis and Clark Bicentennial Council and involving sites all along the Lewis and Clark National Historic Trail.
- Negotiations have been held with the Federal Communications Commission and industry representatives to minimize the visual intrusion of telecommunications towers along national scenic trails.

Cultural Landscapes

A cultural landscape is a geographic area, including both natural and cultural resources, associated with a historic event, activity, or person. NPS recognizes four types of cultural landscapes: historic designed landscapes, historic vernacular landscapes, historic sites, and ethnographic landscapes.

Cultural landscapes are inventoried and basic management information summarizing significance, impacts, condition, and approved treatments is collected and maintained in the Cultural Landscapes Inventory (CLI). Information associated with the CLI is entered into the Cultural Landscapes Automated Inventory Management System (CLAIMS) to provide a computerized, analytical tool for assessing the information.

The inventory process includes four levels: Level O: Park Reconnaissance Survey, Level I: Landscape Reconnaissance Survey, Level II: Landscape Analysis and Evaluation, and Level III: Feature Inventory and Assessment. This four level process facilitates identifying the potential scope of cultural landscapes in a systematic manner, establishing priorities for further inventory and research, and responding to specific park management needs. The four levels correspond to a varying degree of effort and detail contained in the inventory.

In FY 1998, each NPS region prepared a six-year prioritized list of inventory projects as an addendum to their CLI Strategic Plan. Additionally, CLAIMS was finalized and distributed to the field and enabled the establishment of a national baseline of cultural landscapes in the system. As of the end of FY 1998,

1,590 cultural landscapes had been entered into CLAIMS as follows: Level O - 1218, Level I - 238, Level II - 134, Level III - 0. Condition has been assessed and assigned to 236 of these landscapes. Based on this assessment, 33% are in good condition, 46% are in fair condition, and 21% are in poor condition.

Museum Collections

At the end of FY 1998, NPS museum collections totaled approximately 78.2 million items, 38.4 million objects and specimens and 39.8 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 collection catalogs and other databases, as well as access the collections themselves. In FY 1998, parks responded to over 50,000 public research requests and park visitors viewed over 348,000 objects on exhibit.

In addition to collections stored at park units, six 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; the Alaska Regional Curatorial Center, in Anchorage; and the Northeast Cultural Resources Center in Boston, Massachusetts. Additionally, some of the collections are on loan to other federal agencies and 136 non-federal institutions for management.

In FY 1998, the NPS acquired 1,968,608 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 4,498 items through exchanges, transfers, losses, thefts, repatriation under the Native American Graves Protection and Repatriation Act, conveyance, involuntary and voluntary destruction, and return to rightful owner. As of FY 1998, 56% of the objects and 34% of the archives are cataloged.

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. Parks take corrective actions as needed. Only 61.7% of the conditions in park museum collections meet these professional standards. An estimated 1,975 deficiencies were corrected in FY 1998.

NPS policy requires that parks complete collection condition surveys for all collections; however, this information is not quantified or aggregated at a Servicewide level. In FY 1998, NPS designed a strategy to quantify condition information for collections and give priority to treatment of the most fragile, important, and heavily used items. Based on extrapolated data from 118 park resource management plans and the 1997 survey of cellulose nitrate film in NPS collections, conservation survey and treatment needs are estimated at \$47.5 million.

Historic and Prehistoric Structures

The NPS defines a historic or prehistoric structure as “a constructed work ... consciously created to serve some human activity.” Structures are usually immovable, although some have been relocated and others are mobile by design. They include buildings and monuments, dams, millraces and canals, nautical vessels, bridges, tunnels and roads, railroad locomotives, rolling stock and track, stockades and fences, defensive works, temple mounds and kivas, ruins of all structural types that still have integrity as structures, and outdoor sculpture.

Beginning in FY 1992, the NPS commenced a multi-year project to update the List of Classified Structures (LCS) for the estimated 25,000 park historic and prehistoric structures. The LCS is the primary computerized database containing information about structures, in which the Service has or plans to acquire any enforceable legal interest. Structures included in the LCS are either listed in or eligible for the National Register or are to be treated as cultural resources by law, policy, or decision reached through the planning process even though they do not meet the National Register requirements.

As of the end of FY 1998, data on 23,167 historic and prehistoric structures in 340 parks have been updated. During FY 1998, 3,169 structures were added to the inventory. Structures are deleted from the inventory as a result of physical destruction based upon a planned management action or natural occurrence.

Weather, structural deterioration, erosion, and vandalism continually threaten the condition of the historic and prehistoric structures. While 43.1% of the inventoried structures are in good condition; 56.9% are in poor, fair, or, unknown condition. The percentage of structures in good condition has varied from 43.8% at the end of FY 1995, to 45.4% at the end of FY 1996, to 44.2% at the end of FY 1997, to 43.1% at the end of FY 1998.

The NPS takes actions such as maintenance, repair, rehabilitation, and/or changes the use of the structure to mitigate adverse effects so as to preserve and protect the structures for interpretation and continued use. Unfunded costs associated with treatments that have been approved by park planning documents for inventoried structures total \$1,105.3 million. Of this total, \$804.5 million (72.8%) is for rehabilitation and preservation, and \$178.1 million (16.1%) is for stabilization.

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.

Theme and special studies prepared or overseen by NPS historians and archeologists identify National Historic Landmarks. Landmark designation is the federal government's official recognition of the national importance of historic properties. At the end of FY 1998, there were 2,279 designated Historic Landmarks, of which NPS administers approximately 150.

On December 9, 1997, Secretary of the Interior, Bruce Babbitt approved the designation of 16 properties in 12 states as National Historic Landmarks. On April 1, 1998, the Secretary approved the designation of 1 property as a National Historic Landmark. On August 5, 1998, the Secretary approved the designation of 18 properties in 12 states as National Historic Landmarks.

Table 5 - 1998 National Historic Landmarks

National Historic Landmarks	Location
Brown Chapel African Methodist Episcopal Church	Selma, AL
Kake Cannery	Kake, AK
Old State House	Little Rock, AK
U.S. Immigration Station, Angel Island	Tiburon, CA
Austin F. Williams Carriagehouse and House	Farmington, CT
Ponce de Leon Inlet Light Station	Ponce Inlet, FL
James Charnley House	Chicago, IL
Farm Creek Section	East Peoria, IL
Riversdale	Riverdale, MD
Castle Hill	Ipswich, MA
Fenway Studios	Boston, MA
North Manitou Island Life Saving Station *	Leelanau County, MI
Georgia O'Keeffe Home and Studio	Abiquiu, NM
John Brown Farm and Gravesite	Lake Placid, NY
Kate Mullany House	Troy, NY
New York State Inebriate Asylum	Binghamton, NY
Radeau LAND TORTOISE	Lake George, NY
Top Cottage *	Hyde Park, NY
Union Square	New York, NY
Cape Hatteras Light Station *	Buxton, NC
Cincinnati Observatory	Cincinnati, OH
Wilson Bruce Evans House	Oberlin, OH
Johnson House	Philadelphia, PA
Laurel Hill Cemetery	Philadelphia, PA
Merion Friends Meeting House	Merion Station, PA
Woodmont	Gladwyne, PA
N.C. Wyeth House and Studio	Chadds Ford, PA
S.S. ANTONIO LOPEZ	Dorado (vicinity), PR

Trevino-Uribe Rancho
 Rokeby (Rowland Robinson House)
 Monument Avenue Historic District
 Robert Russa Moton High School
 Natural Bridge
 Woodlawn
 Milton House

San Ygnacio, TX
 Ferrisburgh, VT
 Richmond, VA
 Farmville, VA
 Rockbridge County, VA
 Fairfax County, VA
 Milton, WI

* Administered by the NPS

Archeological Sites

Archeological sites are locations that contain the remains of past human activity of various sorts. Examples of these 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 for entry into the national database.

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% are listed as in “good” condition; however, this information is very incomplete and available for only about 20% 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.

Library Collections

The NPS libraries contain approximately 1.2 million books and reports, and approximately 4.5 million non-book items, for a total of approximately 5.7 million items. Materials range across many media and formats; i.e., 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 and other ephemera; maps and plans; microfilm; slides, prints, films, videos, phonograph records, audio tapes; compact discs 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. The norm 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% of the library collections are in good condition, 40% are in fair condition, and 50% are in poor condition.

Materials are acquired through creation by NPS (e.g., NPS publications); purchase of new and used materials; donation of used materials by individuals; complimentary copies of new materials, (e.g., from park cooperating associations); gifts by friends groups; and transfer from other units in NPS and from state library gifts and exchange programs. Materials are withdrawn through transfer within the NPS system through a NPS clearinghouse; donation to and exchange with state library gifts and exchange programs; and discard. Data are not available on the number of acquisitions and withdrawals for FY 1998.

During 1998, initiatives were begun that will provide improved management of NPS library holdings:

- NPS acquired on-line public access catalog (OPAC) software and hardware to place hundreds of thousands of library records on the Intranet/Internet, starting in 1999. The same software was recently also selected by the Library of Congress for the same use.
- NPS is relocating two library technician positions from the Denver Service Center to the Servicewide library program. One of their assignments in 1999 will be to build a more comprehensive inventory of NPS library holdings for next year's Accountability Report.

Department of the Interior
National Park Service
CONSOLIDATED STATEMENT OF NET COST
For the Years Ended September 30, 1998 and 1997
(in thousands)

COSTS	1998	1997
Operation of the National Park Service	\$ 1,212,739	\$ 1,217,202
Less: Earned Revenues	(13,805)	(12,543)
Net Program Costs	1,198,934	1,204,659
Construction	239,516	228,922
Less: Earned Revenues	(78,216)	(75,053)
Net Program Costs	161,300	153,869
Trust Funds	29,627	34,160
Less: Earned Revenues	(14,476)	(14,792)
Net Program Costs	15,151	19,368
Fee Collection and Demonstration Activity	44,769	20,525
Less: Earned Revenues	(137,942)	(62,808)
Net Program Costs	(93,173)	(42,283)
Operations and Maintenance of Quarters	14,188	14,309
Less: Earned Revenues	(14,791)	(14,369)
Net Program Costs	(603)	(60)
Historic Preservation	38,664	35,273
Less: Earned Revenues	(2,300)	0
Net Program Costs	36,364	35,273
Other	3,005	7,368
Less: Earned Revenues	(22,964)	(169)
Net Program Costs	(19,959)	7,199

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

Department of the Interior
National Park Service
CONSOLIDATED STATEMENT OF NET COST
For the Years Ended September 30, 1998 and 1997
(in thousands)

COSTS (continued)	1998	1997
Other Program Costs		
Heritage Assets	16,574	24,551
Land Acquisition	118,033	60,105
National Recreation and Preservation	39,961	40,709
Fire and Emergency Operations	39,052	33,509
Disaster and Flood Relief	3,122	4,397
Urban Park and Recreation	1,173	2,372
Job Corps	11,657	16,491
	<hr/>	<hr/>
Total Other Program Costs	229,572	182,134
Costs not Allocated to Programs		
Depreciation Expense	51,684	48,536
Interest Expense	242	265
Financing Imputed for Cost Subsidies	64,033	0
Bad Debt Expense	73	(136)
	<hr/>	<hr/>
Total Unallocated Costs	116,032	48,665
NET COST OF OPERATIONS (Note 20.)	\$ 1,643,618	\$ 1,608,824
	<hr/> <hr/>	<hr/> <hr/>

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

Department of the Interior
National Park Service
CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 1998 and 1997
(in thousands)

	1998	1997
Net Cost of Operations	\$ (1,643,618)	\$ (1,608,824)
Financing Sources:		
Appropriations Used	1,748,386	1,529,910
Imputed Financing	64,033	67,834
Transfers - In	16,258	0
Transfers - Out	(22,043)	0
Net Results of Operations	163,016	(11,080)
Prior Period Adjustments (Note 17.)	(413,447)	(102,981)
Invested Capital Adjustment and Other Changes	(23,600)	107,028
Net Change in Cumulative Results of Operations	(274,031)	(7,033)
Increase in Unexpended Appropriations	74,720	76,351
Change in Net Position	(199,311)	69,318
Net Position - Beginning of Period	2,079,496	2,010,178
Net Position - End of Period	\$ 1,880,185	\$ 2,079,496

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

Department of the Interior
National Park Service
COMBINING STATEMENT OF BUDGETARY RESOURCES
For the Year Ended September 30, 1998 (in thousands)

	Operation of the National Park Service	Construction	Trust	Other	Total
BUDGETARY RESOURCES					
Budgetary Authority (Note 18.)	\$ 1,246,344	\$ 222,769	\$ 43,320	\$ 401,370	\$ 1,913,803
Unobligated Balances - Beginning of Period	25,603	217,538	33,504	101,717	378,362
Net Transfers Prior-Year Balance, Actual	0	0	0	53,328	53,328
Spending Authority from Offsetting Collections Adjustments	13,825	80,375	0	7	94,207
	33,466	11,029	(4,631)	23,214	63,078
TOTAL BUDGETARY RESOURCES	\$ 1,319,238	\$ 531,711	\$ 72,193	\$ 579,636	\$ 2,502,778
STATUS OF BUDGETARY RESOURCES					
Obligations Incurred	\$ 1,292,043	\$ 314,230	\$ 38,645	\$ 336,112	\$ 1,981,030
Unobligated Balances - Available	19,595	217,481	33,483	240,758	511,317
Unobligated Balances - Unavailable	7,600	0	65	2,766	10,431
TOTAL STATUS OF BUDGETARY RESOURCES	\$ 1,319,238	\$ 531,711	\$ 72,193	\$ 579,636	\$ 2,502,778
OUTLAYS					
Obligations Incurred	\$ 1,292,043	\$ 314,230	\$ 38,645	\$ 336,112	\$ 1,981,030
Less: Spending Authority from Offsetting Collections and Adjustments	(51,452)	(91,404)	(202)	(23,696)	(166,754)
	1,240,591	222,826	38,443	312,416	1,814,276
Obligated Balance, Net - Beginning of Period	233,331	205,247	18,043	175,353	631,974
Less: Obligated Balance, Net - End of Period (Note 19.)	(276,448)	(189,481)	(21,778)	(176,739)	(664,446)
TOTAL OUTLAYS	\$ 1,197,474	\$ 238,592	\$ 34,708	\$ 311,030	\$ 1,781,804

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

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

Tangible financial resources 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 (e.g., Abraham Lincoln Birthplace, Note 3.) 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 miscellaneous receipts (e.g., fines, penalties, etc.) collected by NPS for the U.S. Government. 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

SEP 17 1999

AUDITORS REPORT

Memorandum

To: Director, National Park Service

Subject: Auditors Report on National Park Service Financial Statements for Fiscal Years 1998 and 1997 (No. 99-I-916)

SUMMARY

In our audit of the National Park Service's financial statements for fiscal year 1998, we found the following:

- The financial statements were fairly presented in all material respects. The National Park Service's principal financial statements consist of the Consolidated Balance Sheet as of September 30, 1998, and 1997; the Consolidating Statement of Net Cost and Consolidating Statement of Changes in Net Position for the fiscal year ended September 30, 1998; the Combined Statement of Budgetary Resources for the fiscal years ended September 30, 1998, and 1997; and the Consolidated Statement of Financing for the fiscal year ended September 30, 1998.

- Our tests identified two internal control weaknesses that we consider to be reportable conditions related to the construction-in-progress account and deferred maintenance. We consider the reportable condition related to the construction-in-progress account to be a material weakness.

- Our tests of compliance with laws and regulations identified one instance of noncompliance with the Federal Managers' Financial Integrity Act of 1982 related to the Park Service not reporting the lack of a standardized maintenance management system as a material management control weakness.

Our conclusions are detailed in the sections that follow.

OPINION ON FINANCIAL STATEMENTS

In accordance with the Chief Financial Officers Act of 1990, we audited the National Park Service's principal financial statements for the fiscal years ended September 30, 1998, and 1997, as contained in the Park Service's accompanying "1998 Accountability Report." The Park Service is responsible for these principal financial statements, and we are responsible for expressing an opinion, based on our audit, on these principal 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 98-08, "Audit Requirements for Federal Financial Statements," and was completed on April 13, 1999. These audit standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accompanying principal financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the principal financial statements and the accompanying notes. An audit also includes assessing the accounting principles used and the significant estimates made by management. We believe that our audit work provides a reasonable basis for our opinion.

In our opinion, the principal financial statements, including the accompanying notes, present fairly, in all material respects, the consolidated financial position of the Park Service as of September 30, 1998, and 1997, and its combined budgetary resources and outlays for the years then ended and its consolidated net cost, changes in net position, and financing for the year ended September 30, 1998, on the basis of accounting described in Note 1 of the principal financial statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated, consolidating, and combined principal financial statements taken as a whole. The accompanying consolidated and combining information is presented for purposes of additional analyses of the consolidated, consolidating, and combined principal financial statements. The consolidated financial statements for fiscal years 1998 and 1997 and the combining financial statements for fiscal year 1998 (pages 109-112) were subjected to the auditing procedures applied in the audit of the consolidated, consolidating, and combined principal financial statements and, in our opinion, are fairly stated in all material respects in relation to the consolidated, consolidating, and combined principal financial statements taken as a whole.

The required supplementary stewardship information (pages 99-108) is not a required part of the principal financial statements but is supplementary information required by the Federal Accounting Standards Advisory Board. We have applied certain limited procedures, including discussions with management, on the methods of measurement and presentation of the supplementary information. However, we did not audit the information and therefore express no opinion on it.

REPORT ON INTERNAL CONTROLS

Management of the Park Service is responsible for establishing and maintaining an internal control structure which provides reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of the principal financial statements and required supplementary stewardship information in accordance with Federal accounting standards.

- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition.

- Transactions are executed in accordance with (1) laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the principal financial statements or required supplementary stewardship information and (2) any other laws, regulations, and Governmentwide policies identified by the Office of Management and Budget.

Because of inherent limitations in any internal control structure, errors or fraud may occur and not be detected. Also, projections of the internal controls over financial reporting to future periods are subject to the risk that the internal controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

In planning and performing our audit, we obtained an understanding of the relevant internal control policies and procedures, determined whether these internal controls had been placed into operation, assessed control risks, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing an opinion on the principal financial statements and not to express assurance on the internal controls over financial reporting. Consequently, we do not express an opinion on internal controls. 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.

Our consideration of the internal controls over financial reporting and compliance would not necessarily disclose all matters in the internal control structure over financial reporting that might be reportable conditions. Under standards established by the American Institute of Certified Public Accountants and by Office of Management and Budget Bulletin 98-08, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls that, in our judgment, could adversely affect the Park Service's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. The reportable conditions we noted were the following:

- The Park Service needs improved controls over the construction-in-progress account.

- The Park Service needs improved controls over deferred maintenance management and reporting.

A material weakness as defined by the American Institute of Certified Public Accountants and by Bulletin 98-08 is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We consider the reportable condition related to the construction-in-progress account to be a material weakness that was not reported in the Park Service's most recent report required by the Federal Managers' Financial Integrity Act of 1982.

Overview of Internal Control Findings

In performing our tests of internal controls as part of our audit of the fiscal year 1998 financial statements, we identified weaknesses in the Park Service's internal control structure over the construction-in-progress account and deferred maintenance management and reporting. We consider these weaknesses to be reportable conditions because they adversely affect the Park Service's ability to record, summarize, and prepare accurate and reliable principal financial statements in accordance with Federal accounting standards. We consider the weakness over the construction-in-progress account to be a material weakness because we determined that there was a high level of risk that material misstatements may occur in the construction-in-progress general ledger account and the General Property, Plant, and Equipment financial statement line item and not be detected within a timely period by Park Service employees in the normal course of performing their assigned functions.

A. Park Service Needs Improved Controls Over Construction-in-Progress

The Park Service did not have sufficient internal control procedures to ensure that the subsidiary account for construction-in-progress, which had a reported balance of \$782.4 million at September 30, 1998, was stated in accordance with Federal accounting standards. The deficiency related to the construction-in-progress account occurred because (1) the Park Service did not amend its fixed assets manual, "Procedures for the Accountability of Fixed Assets," issued in September 1996, to require the costs of projects which are not general property, plant, and equipment¹ to be recorded as an expense in the period incurred in accordance with Federal accounting standards; (2) field personnel did not follow procedures

¹Property, plant, and equipment are defined by Statement of Federal Financial Accounting Standards No. 6, "Accounting for Property, Plant, and Equipment," as tangible assets that have estimated useful lives of 2 or more years, are not intended for sale in the ordinary course of operations, and have been acquired or constructed with the intention of being used or being available for use by the entity. Standard No. 6 differentiates heritage assets, which are property, plant, and equipment that are unique for historical, natural, cultural, educational, artistic, or architectural significance, from general property, plant, and equipment, which are used to produce goods and services to support the mission of the entity.

established in the fixed assets manual for designating whether approved construction projects were intended to be recorded as assets for general property, plant, and equipment that cost \$500,000 or more or recorded as expenses for heritage assets, intangible items, or projects that cost less than \$500,000; and (3) field personnel did not submit completion reports to the Accounting Operations Center in a timely manner, which resulted in the Accounting Operations Center not transferring the costs of completed projects from the construction-in-progress subsidiary account to the buildings, other structures and facilities, expenses, and prior period adjustment accounts in a timely manner.² Because of the conditions cited, the subsidiary account balance as of September 30, 1998, for the construction-in-progress account was overstated by \$480.75 million, and the buildings, other structures and facilities, expenses, and prior period adjustments were understated.

The Park Service acquires property, plant, and equipment through various means (for example, through purchase, construction, donation, transfer, or exchange). The most common method of acquiring fixed assets such as buildings and facilities is through construction using appropriated funds. For each construction project request, the Park Service's fixed assets manual requires the determination of the final product or asset to be produced and the objective of the project. This information is needed to prepare the Development/Study Package Proposal, which initiates the program and budget formulation process. An estimated total project cost is required before a construction project is included in the budget request submitted to the Department and the Congress.

The costs of approved construction projects, including project planning and management, new construction, renovation, rehabilitation, and environmental cleanup, are recorded in the construction-in-progress subsidiary account. According to the Park Service's fixed assets manual, the costs of projects in the construction-in-progress account generally will be capitalized except for heritage assets, for projects that do not result in a tangible asset (for example, environmental cleanup, structural removal, or landscaping), and for projects that do not exceed the Park Service's capitalization threshold of \$500,000. Costs that are not capitalized are charged to expenses when the projects are completed. In addition to using this account for management purposes, the Park Service uses this account for financial reporting purposes by including the balance of the construction-in-progress account in the General Property, Plant, and Equipment line item on the balance sheet. The construction projects can take several years to complete, and a completion report is required to be prepared within 30 days of completion of the work.

In November 1995, the Office of Management and Budget and the General Accounting Office issued Statement of Federal Financial Accounting Standards No. 6, "Accounting for

²We reported the lack of internal controls in transferring completed projects from the construction-in-progress account to the buildings and the other structures and facilities accounts in our audit report (No. 97-I-936) on the Park Service's principal financial statements for fiscal years 1995 and 1996. We recommended that the Park Service establish and implement the policies and procedures for management oversight which ensure that field offices comply with procedural requirements to periodically transfer costs of completed construction projects to the buildings and/or the other structures and facilities accounts. In its response to our recommendation, the Park Service stated that management oversight related to this deficiency would be implemented by March 31, 1998; however, we found that this weakness existed at the end of our current audit.

Property, Plant, and Equipment." Standard No. 6, which was effective beginning in fiscal year 1998, required the acquisition cost of general property, plant, and equipment to be recorded as an asset and charged to expenses through depreciation over its estimated useful life. Constructed general property, plant, and equipment is to be recorded as construction work in process until it is placed in service, at which time the cost of the project is transferred to a general property, plant, and equipment account. Standard No. 6 allows Federal entities to establish their own capitalization threshold, which is the cost at which an item is to be recorded as an asset.

Standard No. 6 also requires the acquisition or construction costs of items that do not meet the definition of general property, plant, and equipment (for example, heritage and non-Federal items) and items that are below the capitalization threshold to be charged to expenses in the period in which they are incurred. In addition to construction of Park Service-owned assets, the Park Service also performs construction under partnership programs³ on non-Federal assets such as Independence Hall, which is owned by the City of Philadelphia, and Historically Black Colleges and Universities, such as Fisk University in Tennessee. Since these assets are not owned by the Park Service, they do not meet the definition of general property, plant, and equipment. Instead, these costs are considered to be stewardship investments in non-Federal physical property, which are required to be charged to expenses in the period in which they are incurred.

During our testing of the subsidiary account for construction-in-progress, we determined that the account was overstated because it included construction costs for projects which will not be capitalized such as heritage assets, non-Federal assets, environmental cleanup projects, and completed projects that cost less than \$500,000 and for general property, plant, and equipment which had been placed into service from 1 to 4 years ago.

We found that the Park Service did not amend its fixed assets manual to record noncapitalized construction costs as expenses in the period incurred in compliance with the requirements of Standard No. 6. According to the fixed assets manual, the costs of noncapitalized projects are recorded as expenses based on the completion report. The completion report provides the Accounting Operations Center with the information needed to either capitalize general property, plant, and equipment that cost \$500,000 or more or to charge costs directly to expenses for projects that do not meet the definition of general property, plant, and equipment or cost less than \$500,000.

We also noted that the Park Service's fixed assets manual contains project category codes, which are required to be determined for tracking purposes on each approved project in order to designate whether projects are going to be capitalized for general property, plant, and equipment that cost \$500,000 or more or charged to expenses for heritage assets, intangible items, or projects that cost less than \$500,000. However, Park Service officials told us that this information was unreliable because field personnel were not sure how the codes were supposed to be used; therefore, the codes either were not used or were not consistent on the projects in the construction-in-progress subsidiary account at September 30, 1998. Consistent

³Under partnership programs, the Park Service works with states, local governments, and the private sector to assist them in protecting and preserving natural and historic resources.

identification of the project category and use of the codes would enable the Park Service to easily determine which construction projects should be reported as construction in progress for general property, plant, and equipment and which projects should be recorded as expenses as the costs are incurred.

In addition to the issue of not recording noncapitalized construction costs as an expense in the period in which they were incurred, we found that the delay by the parks and the program offices in providing completion reports to the Accounting Operations Center contributed to the overstatement of the construction-in-progress account. For example, in fiscal year 1998, the Park Service recorded eight buildings and seven other structures, with a total value of \$34.6 million, to the buildings and other structures and facilities subsidiary accounts. However, only three of the facilities, with a total value of \$5.2 million, were placed into service in fiscal year 1998. The remaining 12 facilities, with a total value of \$29.4 million, were placed into service from 1 to 6 years prior to fiscal year 1998. The net effect of this delay in capitalizing and depreciating these assets is that depreciation expenses in prior years were understated by \$3.6 million, which requires a prior period adjustment to correct this error in fiscal year 1998.

When we told Park Service management of these deficiencies, they made adjustments totaling \$480.75 million to the September 30, 1998, construction-in-progress general ledger control account balance, with related adjustments to the control accounts for buildings, other structures and facilities, expenses, and prior period adjustments for fiscal year 1998. The adjustment of \$480.75 million consisted of \$133.98 million capitalized to buildings (\$83.60 million), other structures and facilities (\$49.98 million), and equipment (\$.40 million) that were placed into service prior to fiscal year 1998 but that were not transferred from the construction-in-progress account and \$346.77 million charged to expenses for projects either placed into service or still under construction that should have been charged to expenses in the period in which the costs were incurred for heritage assets (\$214.33 million), non-Federal assets (\$71.64 million), environmental cleanup (\$14.59 million), and completed projects which cost less than the \$500,000 capitalization threshold (\$46.21 million). The adjusted balance for the construction-in-progress control account at September 30, 1998, was \$301.65 million; however, the construction-in-progress subsidiary account needs to be updated to remove specific projects from the account. Park Service officials said that a project team will be established in fiscal year 1999 to verify the adjustments made to the general ledger control account in order to update the construction-in-progress subsidiary account and to ensure that all costs for completed projects are posted to the appropriate accounts.

Recommendations

We recommend that the Director, National Park Service, direct the Chief Financial Officer to:

1. Amend the Park Service's fixed assets manual to require that the costs of projects which are not general property, plant, and equipment be recorded as an expense in the period incurred in order to comply with Statement of Federal Financial Accounting Standards No. 6.
2. Establish and implement policies and procedures for management oversight which

ensure that field offices comply with procedural requirements to identify the project category once a project is approved to be able to make the capitalization determination based on the final product or asset to be produced, the objective of the construction project, and the estimated total project amount.

3. Account for construction projects based on the project category to ensure that the construction-in-progress subsidiary account includes only those construction projects which will be capitalized when completed and that the costs of projects which are not general property, plant, and equipment are recorded as expenses in the period incurred.

4. Validate the adjustments made to the construction-in-progress general ledger control account for fiscal year 1998 and update the construction-in-progress subsidiary account to ensure that the two accounts are reconciled and include only those construction projects which will be capitalized when completed.

National Park Service Response and Office of Inspector General Reply

In the August 30, 1999, response (Appendix 1) to the draft report from the Director, National Park Service, the Park Service concurred with the four recommendations. Based on the response, we consider the recommendations resolved but not implemented. Accordingly, the recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation (see Appendix 2).

Additional Comments on Audit Finding

The Park Service also provided additional comments on the finding. These comments and our replies to these comments are in the paragraphs that follow.

National Park Service Comment. The Park Service stated that during the audit period covered, it "continued to follow the practices stated in the Procedures for the Accountability of Fixed Assets issued to the Field Directorate during October of 1996. Before implementation by NPS [National Park Service], this guidance was provided to the OIG [Office of Inspector General] for comment, and reviewed and approved by the Department's Office of Financial Management."

The Park Service further stated:

At issue with all of the above recommendations is not the presence of a control system, but the timeframe in which construction projects have been reviewed for final accounting treatment. NPS [National Park Service] has traditionally managed construction projects under a "package" concept in which all individual components of work contributing to the completion of a site are tracked together over the life of the project. NPS policies outline that the final accounting treatment for each component of work will be applied at the end of the project (i.e., package). This approach is consistent with the Service's budget justification for construction funding, and was acceptable to the OIG [Office of Inspector General] during prior audit coverage.

Office of Inspector General Reply. Although the Park Service said that it followed the practices contained in the fixed assets manual, we found, as stated in our report (page 7), that Park Service field personnel were not complying with procedures required in the manual to identify the project category for the construction packages. As such, the Park Service could not easily determine which construction projects should have been reported as construction in progress for general property, plant, and equipment and which projects should have been recorded as expenses when the costs were incurred.

The Park Service indicated that our office had agreed with or accepted its policy related to the construction-in-progress account during previous financial audits. We did not previously take issue with the Park Service's treatment of construction-in-progress costs other than to report the lack of internal controls in transferring completed projects out of the construction-in-progress account because the Park Service's approach in the absence of specific guidelines may have been acceptable prior to the full implementation of Standard No. 6. Standard No. 6, which was effective for the fiscal year 1998 financial statements, requires the acquisition or construction costs of items that do not meet the definition of general property, plant, and equipment (for example, heritage and non-Federal items) and items that are below the capitalization threshold (\$500,000) to be charged as expenses in the period in which they are incurred. Consequently, our review was based on full compliance with those requirements. In addition, our audit procedures, working papers, and conclusions regarding the construction-in-progress account were reviewed by the General Accounting Office during the Governmentwide audit of the Park Service's financial statements. The Office agreed with and supported our position on this issue.

B. Park Service Needs Improved Controls Over Deferred Maintenance Management and Reporting

In accordance with Office of Management and Budget Bulletin 98-08, we reviewed the internal controls related to the transactions and other data that support the reported information on deferred maintenance to determine whether the estimates were properly supported, processed, and summarized. We found that formal policies and procedures for conducting periodic condition assessment surveys and computing deferred maintenance funding estimates need to be established to promote consistency and improve the reliability of the data. In addition, the supervisory and monitoring controls over deferred maintenance require strengthening to ensure that deferred maintenance estimates are accurate and complete and are supported by adequate documentation.

Recommendation

We recommend that the Director, National Park Service, establish policies and procedures for conducting periodic condition assessment surveys and for estimating the deferred maintenance needs of the Park Service, including the requirement that the data and methodologies used to compute the estimates should be documented and reviewed and approved by supervisors. (More detailed recommendations on deferred maintenance management and reporting will be included in a separate advisory report to the Park Service on this subject.)

National Park Service Response and Office of Inspector General Reply

In the August 30, 1999, response (Appendix 1) to our draft report from the Director, National Park Service, the Park Service said that it "concur[red] with the recommendation in principle" and that it had requested additional funding in its budget for fiscal year 2000 "to undertake a Servicewide facilities assessment." The Park Service further stated, "However, even if the additional resources are received, an assessment of this type is time consuming and will require several years to complete."

Additionally, the Park Service said that "[i]n absence of this comprehensive facilities review, authoritative Governmentwide guidance for the reporting of deferred maintenance continues to evolve." The Park Service said that "[m]ost recently," Standard Nos. 6 and 8 ". . . prepares an opportunity to experiment in developing the estimates with the goal of providing a basis for consistent measurement criteria . . ." The Park Service said that "under these broad and evolving guidelines," it has "attempted to provide meaningful information to the readers of financial reports."

We agree that conducting a Servicewide facilities assessment will be a major undertaking that will require a considerable amount of time and resources, which emphasizes the need for developing policies and procedures that standardize the assessment process so that this task can be accomplished in a consistent, effective, and efficient manner. In addition, although we acknowledge that authoritative Governmentwide guidance for the reporting of deferred maintenance is evolving, we also found that the Park Service needs to improve its internal controls over identifying, estimating, and reporting deferred maintenance to make the reported information more accurate and reliable.

Based on the response, we consider the recommendation resolved but not implemented. Accordingly, the recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation (see Appendix 2).

Stewardship and Performance Measures

We considered the Park Service's internal controls over the required supplementary stewardship information by obtaining an understanding of the Park Service's internal controls relating to the preparation of the required supplementary stewardship information to determine whether these internal controls had been placed into operation, assessed the control risk, and performed tests of these controls as required by Bulletin 98-08. However, providing assurance on these internal controls was not an objective of our audit, and accordingly, we do not provide assurance on such controls.

With respect to the internal controls related to the reported performance measures, we did not obtain an understanding of the design of significant internal controls related to the existence and completeness assertions. Accordingly, we do not provide assurance on such controls.

We also identified other internal control conditions that, in our judgment, were not required to be included in this audit report but that should be communicated to management. We have included these issues in a management letter that will be issued separately.

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

Management of the Park Service is responsible for complying with laws and regulations applicable to the Park Service. As part of obtaining reasonable assurance as to whether the Park Service's principal financial statements are free of material misstatement, we performed tests of the Park Service's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on amounts contained in the principal financial statements and certain other laws and regulations specified in Bulletin 98-08, including the requirements referred to in the Federal Financial Management Improvement Act of 1996. 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 laws and regulations discussed in the preceding paragraph, exclusive of the Federal Financial Management Improvement Act, disclosed one instance of noncompliance that is required to be reported under the "Government Auditing Standards" or Bulletin 98-08. As discussed in the Prior Audit Coverage section of this report, the Office of Inspector General report "Followup of Maintenance Activities, National Park Service" (No. 98-I-344), issued in March 1998, stated that the Park Service had not successfully implemented and maintained a Servicewide maintenance management system which provides complete data and/or information for prioritizing maintenance projects, monitoring and measuring maintenance activities, or fully supporting budgetary requests for maintenance backlog funding.

Public Law 98-540 required the Park Service to develop and implement a comprehensive, standardized maintenance management system in 1985. Through 1992, the Secretary of the Interior's Annual Statement and Report to the President and the Congress identified the lack of a formal systematic methodology for managing maintenance operations as a material weakness. In 1993, the Park Service informed the Department that implementation of its standardized maintenance management system had eliminated this weakness. However, we found that the system was no longer used on a Servicewide basis. We recommended that the Park Service report the lack of a standardized maintenance management system as a material management control weakness in accordance with the requirements of the Federal Managers' Financial Integrity Act. During our audit of the principal financial statements for fiscal years 1998 and 1997, we noted that the Park Service did not report the lack of a standardized maintenance management system as a material management control weakness in accordance with the requirements of the Federal Managers' Financial Integrity Act and the recommendation in our March 1998 report.

Under the Federal Financial Management Improvement Act, we are required to report whether the Park Service's financial management system is in substantial compliance with requirements for Federal financial management systems, Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. To meet these requirements, we performed tests of compliance using the implementation guidance for the Federal Financial Management Improvement Act included in Appendix D of Bulletin 98-08. The results of our tests disclosed no instances in which the Park Service's financial management system was not in substantial compliance with these three requirements.

CONSISTENCY OF OTHER INFORMATION

We reviewed the financial information presented in the Park Service's overview and in the required supplementary information to determine whether the information was consistent with the principal financial statements. Based on our review, we determined that the information in the overview and in the required supplementary information was consistent with the principal financial statements.

PRIOR AUDIT COVERAGE

We reviewed prior Office of Inspector General and General Accounting Office audit 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 Park Service's financial statements or internal controls. We found that there were no General Accounting Office reports which contained significant unresolved or unimplemented recommendations related to the Park Service's financial statements or internal controls. However, the Office of Inspector General had issued three audit reports that had significant unresolved or unimplemented recommendations which we considered to be reportable weaknesses 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 the equipment subsidiary ledger was maintained in agreement with the general ledger account on a regular basis; completed projects in the construction-in-progress account were transferred when completed to the related general ledger accounts; effective and periodic financial information integrity reviews were made of the financial information contained in the general ledger accounts and in their related subsidiary accounts, listings, and reconciliations; and an adequate process had been established to allow the Park Service to obtain timely and reliable financial information on the "special concession accounts." The report contained five recommendations relating to reconciling the equipment subsidiary listing to the general ledger control account on a periodic basis, recording the equipment acquisitions and adjustments in a timely manner, implementing procedures for the timely transfer of completed construction projects from the construction-in-progress account, identifying and correcting errors in the subsidiary ledgers that were not retroactively adjusted by the software modifications to the Federal Financial System, and developing and implementing a process which would allow the Park Service to obtain timely and reliable financial information on the financial activity and balances of the special concession accounts. As of September 30, 1998, the Park Service had implemented procedures to record equipment acquisitions and adjustments in a timely manner, corrected the errors in the subsidiary ledgers, implemented a process for obtaining timely information on the financial activity and balances of the special concession accounts, and resolved the recommendation to conduct periodic reconciliations between the equipment subsidiary ledger and the general ledger control account by converting to the fixed asset subsystem of the Federal Financial System in October 1998. The Park Service concurred with but had not implemented the recommendation relating to transferring completed projects from the construction-in-progress account timely.

- The report "Followup of Maintenance Activities, National Park Service" (No. 98-I-344), issued in March 1998, stated that the Park Service had not taken sufficient actions to implement two prior audit report recommendations relating to successfully operating a viable Servicewide maintenance management system which provided complete data and information for prioritizing, monitoring, and measuring maintenance projects and activities or for fully supporting budget requests for funding a maintenance backlog. In addition, the report stated that the Park Service had not actively pursued opportunities to modify concession maintenance agreements, which defined each party's maintenance responsibility, to have concessioners perform or pay for all maintenance related to the facilities they used; allowed Lake Mead National Recreation Area management to perform maintenance work on leased cabins without reimbursement of costs from the lessees; had not maintained a standardized maintenance management system which contained all seven elements legislatively mandated by Public Law 98-540; and had not reported the lack of a standardized maintenance management system as a material management control weakness to the Congress. The March 1998 report contained four recommendations relating to modifying concessioner agreements to reflect maintenance responsibilities, maintaining a maintenance tracking system in accordance with Public Law 98-540, discontinuing maintenance on leased cabins unless costs are reimbursed, and reporting the lack of an adequate maintenance tracking system to the Congress. Although the Park Service was requested to provide written comments to the draft report, no response was provided. As of September 30, 1998, the Park Service reported that it had discontinued performing unreimbursed maintenance on leased cabins, but the remaining three recommendations were unresolved.

- The report "Concessioner Improvement Accounts, National Park Service" (No. 98-I-389), issued in March 1998, stated that overall, projects funded by concessioner improvement accounts had enhanced visitor facilities in the parks. However, the Park Service had not provided sufficient timely guidance on the appropriate use of concessioner improvement account funds and allowed concessioners to use these funds before procedures were issued. The report also stated that the procedures issued in August 1995 on use of the funds 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 parties. The report further stated that the Park Service did not amend existing concession contracts so that they would be in compliance with the new procedures, did approve projects which were not in conformance with the procedures, and did not enforce concessioner compliance with contract provisions. As a result, concessioner improvement account funds were used for projects that did not directly support concession operations or that benefited both parties and would have been appropriate for cost sharing (\$17.5 million), expenditures were made that would not be proper uses of the funds under the new procedures (\$1.2 million), possessory interest in capital improvement projects (\$823,000) was improperly granted to a concessioner, and two concessioners made improper deductions from recorded receipts (\$125,000). The report contained three recommendations relating to revising concessioner improvement account procedures, identifying inconsistent provisions in existing contracts, and analyzing deductions made by concessioners from gross receipts. The Park Service concurred with the recommendation to analyze deductions made by concessioners from receipts and initiated action on this recommendation, but it did not concur with the remaining two recommendations, which, as of September 30, 1998, were unresolved.

OBJECTIVE, SCOPE, AND METHODOLOGY

Management of the Park Service is responsible for the following:

- Preparing the principal financial statements and the required supplementary information referred to in the Consistency of Other Information section of this report in conformity with the basis of accounting described in Note 1 to the principal financial statements and for preparing the other information contained in the "Accountability Report."

- Establishing and maintaining an internal control structure over financial reporting. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of internal control structure policies and procedures.

- Complying with applicable laws and regulations.

We are responsible for the following:

- Expressing an opinion on the Park Service's principal financial statements.

- Obtaining an understanding of the internal controls over financial reporting and compliance and reporting the results of this review based on the internal control objectives in Bulletin 98-08, which requires that transactions be properly recorded, processed, and summarized to permit the preparation of the principal financial statements and the required supplementary information in accordance with Federal accounting standards and that assets be safeguarded against loss from unauthorized acquisition, use, or disposal.

- Testing the Park Service's compliance with selected provisions of laws and regulations that could materially affect the principal financial statements or the required supplementary information.

To fulfill these responsibilities, we took the following actions:

- Examined, on a test basis, evidence supporting the amounts disclosed in the principal financial statements.

- Assessed the accounting principles used and the significant estimates made by management.

- Evaluated the overall presentation of the principal financial statements.

- Obtained an understanding of the internal control structure related to safeguarding assets; compliance with laws and regulations, including the execution of transactions in accordance with budget authority; and financial reporting.

- Tested relevant internal controls over the safeguarding of assets, compliance with laws and regulations, and financial reporting and evaluated management's assertion about the effectiveness of internal controls.

- Tested compliance with selected provisions of laws and regulations.

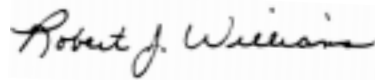
We did not evaluate all of the internal controls related to the operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls related to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to those controls needed to achieve the objectives outlined in our report on internal controls.

Since the report's recommendations are considered resolved, no further response to the Office of Inspector General is required (see Appendix 2).

Section 5(a) of the Inspector General Act (Public Law 95-452, as amended) requires the Office of Inspector General to list this report in its semiannual report to the Congress.

This report is intended for the information of management of the Park Service and the Office of Management and Budget and for the Congress. However, this report is a matter of public record, and its distribution is not limited.

We appreciate the assistance of Park Service personnel in the conduct of our audit.



Robert J. Williams
Assistant Inspector General
for Audits



United States Department of the Interior

NATIONAL PARK SERVICE
P.O. Box 37127
Washington, DC. 20013-7127

AUG 30 1999

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Memorandum

To: Assistant Inspector General for Audits
Office of the Inspector General

From: Director *Bob Stanton*

Subject: Auditors Preliminary Draft Report on National Park Service
Financial Statements for Fiscal Years 1998 and 1997 (Assignment No. E-
IN-NPS-003-98-M)

This is the Service's final response to the recommendations contained in the subject report and supercedes the comments provided in our memorandum dated August 11, 1999.

Construction-in-Progress: We recommend that the Director, National Park Service, direct the Chief Financial Officer to:

1. Amend the Park Service's fixed assets manual to require that the cost of projects which are not general property, plant, and equipment be recorded as an expense in the period incurred in order to comply with Statement of Federal Financial Accounting Standard No. 6.

The Service concurs with the recommendation and will make the necessary clarification to its policies and procedures.

2. Establish and implement policies and procedures for management oversight which ensure that field offices comply with procedural requirements to identify the project category once a project is approved to be able to make the capitalization determination based on the final product or asset to be produced, the objective of the construction project, and the estimated total project amount.

The Service concurs with the recommendation and will continue to strengthen its management controls over activity in this account.

3. Account for construction projects based on the project category to ensure that the construction-in-progress subsidiary account includes only those construction projects which will be capitalized when completed and that the costs of projects which are not general property, plant, and equipment are recorded as expenses in the period incurred.

The Service concurs with the recommendation and will review project accounts as they are established to ensure that costs for non-general PP&E are expensed in the period incurred.

4. Validate the adjustments made to the construction-in-progress general ledger control account for fiscal year 1998, and update the construction-in-progress subsidiary account to ensure that the two accounts reconcile and include only those construction projects which will be capitalized when completed.

The Service concurs with the recommendation and will complete our internal review of all open project accounts to ensure the integrity of year-end adjustments made to the construction-in-progress account.

During the period of audit coverage, NPS continued to follow the practices stated in the Procedures for the Accountability of Fixed Assets issued to the Field Directorate during October of 1996. Before implementation by NPS, this guidance was provided to the OIG for comment, and reviewed and approved by the Department's Office of Financial Management.

At issue with all of the above recommendations is not the presence of a control system, but the timeframe in which construction projects have been reviewed for final accounting treatment. NPS has traditionally managed construction projects under a package concept in which all individual components of work contributing to the completion of a site are tracked together over the life of the project. NPS policies outline that the final accounting treatment for each component of work will be applied at the end of the project (i.e., package). This approach is consistent with the Service's budget justification for construction funding, and was acceptable to the OIG during prior audit coverage.

The responsible official for implementing all of the above recommendations is the Accounting Operations Center, Accounting Team Leader.

Deferred Maintenance Management and Reporting: We recommend that the Director, National Park Service, establish policies and procedures for conducting periodic condition assessment surveys and for estimating the deferred maintenance needs of the Park Service, including the requirement that the data and methodologies used to compute the estimates should be documented and reviewed and approved by supervisors.

The Service concurs with the recommendation in principle and has already requested additional funding in its FY 2000 budget to undertake a Servicewide facilities assessment. However, even if the additional resources are received, an assessment of this type is time consuming and will require several years to complete.

In absence of this comprehensive facilities review, we would also note that authoritative Governmentwide guidance for the reporting of deferred maintenance continues to evolve. Most recently, the Federal Accounting Standards Advisory Board in its Exposure Draft dated December 1998 amending SFFAS No. 6 (Accounting for Property, Plant, and Equipment) and SFFAS No. 8 (Supplementary Stewardship Reporting) provided "...preparers an opportunity to experiment in developing the estimates with the goal of providing a basis for consistent measurement criteria...." It is under these broad and evolving guidelines that the Service has attempted to provide meaningful information to the readers of financial reports.

STATUS OF AUDIT REPORT RECOMMENDATIONS

Recommendation Reference	Status	Action Required
A.1, A.2, A.3, and A.4	Resolved; not implemented.	No response to the Office of Inspector General is required. The recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.
B.1	Resolved; not implemented.	No response to the Office of Inspector General is required. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.



United States Department of the Interior
National Park Service

<http://www.nps.gov>