



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240

DIRECTOR'S ORDER NO. 139

Subject: Concession Contracts

**Sec. 1 What is the purpose of this Order?** This Order establishes the scope, policies, authorities, and responsibilities for concession contracts within the National Wildlife Refuge System.

**Sec. 2 What is the scope of this Order?** This Order applies to concession operations at national wildlife refuges and at other System administrative sites, except for those lands and waters in Alaska (see Section 17). Concession operations provide educational, interpretive, and recreational services to the visiting public. Project leaders may use concession contracts to provide wildlife-dependent and other activities detailed in the National Wildlife Refuge System Improvement Act of 1997 (16 U.S.C. 668dd).

**Sec. 3 What are the authorities for implementing this Order?** The Secretary of the Interior is authorized to ensure that we provide opportunities within the Fish and Wildlife Service for compatible wildlife-dependent recreational uses. Furthermore, the Secretary is authorized to award concession contracts under the following Acts:

a. The National Wildlife Refuge System Administration Act of 1966, as amended by the National Wildlife Refuge System Improvement Act of 1997, 16 U.S.C. 668dd-668ee, authorizes the Secretary of the Interior to negotiate and award contracts and issue regulations to carry out the Act.

b. The Refuge Revenue Sharing Act, 16 U.S.C. 715s, authorizes the Secretary to grant privileges and collect revenues from leases for public accommodations or facilities established for the System. We fully credit revenues paid to us by public recreation-related concessions and special-use permit enterprises to the National Wildlife Refuge Fund. We use these revenues to make payments to State and local governments as prescribed by the Refuge Revenue Sharing Act. Subsection (b) of 16 U.S.C. 715s authorizes the Secretary to use part of the revenues from the fund for any necessary expenses incurred in connection with revenue-producing measures.

c. 50 CFR Part 25.61 (Subpart F - Concessions) provides for the operation of public use facilities under contracts or legal agreements on national wildlife refuges.

**Sec. 4 What is Service policy on concessions?** It is our policy, as provided by law, to permit concession activities in our areas that are necessary and appropriate for public use and enjoyment. We allow persons, organizations, and corporations to provide and operate facilities and services for accommodation of visitors in our areas. We award concession contracts and permits only where public visitation is sufficient for a sustainable venture and

additional recreational opportunities are necessary for the full enjoyment of the public. The project leader must make compatibility determinations for proposed activities to be conducted under the concession contract. Activities must be compatible and appropriate with the mission of the Service and the refuge. Regional Chiefs, National Wildlife Refuge System or their designee must approve justification for these activities. Activities should serve primarily to enhance visitor's knowledge of the key natural resources and the mission of the refuge and the Service. Concession administration will be in strict compliance with the contract terms and conditions and as specified in our policy.

## **Sec. 5 What definitions are applicable to this Order?**

a. **Administrative costs.** Those expenses directly associated with our administration of the concession contract. This includes inspection of concessionaire operation, maintenance, and construction costs for facilities; costs of negotiations; and concessionaire selection. Also included are our costs to maintain or construct facilities not included in the contract but that are necessary for the concession to function. For example, the costs to maintain a road that leads across refuge land to a concession area are recoverable as administrative costs.

b. **Commercial visitor services.** Items such as lodging, meals, all forms of public transportation, and other accommodations for the recreational, educational, and interpretive enjoyment of the visiting public.

c. **Concession.** A business operated by private enterprise that provides recreational, educational, and/or interpretive enjoyment of our lands and waters for the visiting public. A concession provides a public service and generally requires some capital investment by the concessionaire for buildings, boat docks, boats, etc. More than one firm can fill concession opportunities (include this in the prospectus).

d. **Concessionaire.** Any person, corporation, or organization operating commercial visitor services for the recreational, educational, and/or interpretive enjoyment of the visiting public.

e. **Concession contract or contract.** The legal instrument that binds the concessionaire and the Government to agreed upon terms and conditions. We base contracts on the minimum requirements for quantity and quality of services to fulfill the public need and form a sound business arrangement. We will incorporate the prospective concessionaire's proposal as a part of the contract. Concession contracts are not Federal procurement contracts in that we are not directly receiving goods or services. We are authorizing a privilege; therefore, the statutory and/or regulatory requirements governing procurement contracts are not applicable.

f. **Concession Manager.** The individual or team that the Director or Regional Chief, National Wildlife Refuge System designates as having authority to administer concession contracts on Service lands and waters. This could be a team consisting of

Regional Office members from Contracting and General Services and the National Wildlife Refuge System, refuge supervisors, project leaders, and refuge staff members. We anticipate that this will be the authorized field representative and primary contact for the concessionaire.

g. **Concession permit.** A legal instrument that allows a limited concession based on a fixed franchise fee or a percentage of the gross profit. Typical operations may require a small capital investment for operations. A project leader may award concession permits based on established permit criteria. Concession permits are not subject to public notice and competition requirements unless general interest is expressed. The normal gross receipts for a concession permit do not exceed \$100,000 annually. A concession permit's term will not exceed 1 year.

h. **Follow-on contracts.** Contracts that are similar to the original contract. Examples of this are an option year for a contract or an original contract for design of a project with a follow-on contract for implementation of the project.

i. **Franchise fee.** The concessionaire's payment to us for the privilege of conducting business on our lands and waters. The franchise fee represents a reasonable return to us. The franchise fee will be a fixed rate payable on an annual basis at the beginning of the contract year.

j. **Gross receipts.** The total dollars collected by the concessionaire from business operations conducted on the premises, including receipts of subconcessions and licensees. Concessionaires will only deduct the costs of hunting and fishing licenses and other license fees, taxes, and pass-through costs such as managing metered utilities. Concessionaires must pay utility companies the exact amount collected from customers for metered utility service.

k. **Major concession .** An operation of a permanent nature, as it relates to both privileges and facilities. This type of operation requires a comprehensive form of a contract and we authorize it for a minimum of 5 years to a maximum of 20 years. Major concession contracts always are subject to public notice requirements. The concession contract will include a provision for the concessionaire to pay us a fixed franchise fee and/or percentage payment of the concessionaire's gross receipts. We estimate that major concession operations have annual gross receipts exceeding \$500,000 annually.

l. **Minor concession.** An operation of a limited privilege (1 to 5 years) for which we award contracts with fixed franchise fees or a percentage payment of the gross revenue. Minor concession contracts are subject to public notice requirements. A minor concession contract limits facility construction to those of a temporary nature, which the concessionaire will remove or demolish at the end of the contract term. Minor concession operations have gross receipts up to \$500,000 annually.

m. **Percentage payment.** The concessionaire's payment to us for the privilege of conducting business on our lands and waters. We base these fees on the gross receipts collected by the concessionaire for goods and services rendered. The concessionaire offers a proposed percentage payment of his/her gross receipts in his/her proposal. The minimum acceptable percentage of gross receipts in a proposal is 5 percent. For long-term agreements, we will review these percentages every 5 years to determine if there are adjustments that must be made to provide the greatest benefit to the Service.

n. **Prospectus.** The document that concession managers use as the primary method for soliciting and selecting a concessionaire for commercial visitor services. (See Exhibit 1 for a sample prospectus.) A prospectus describes the commercial visitor services required on a refuge. For example:

- (1) Requirements for campsite rentals; interpretive guided tours; canoe, boat, and bike rentals, etc.
- (2) An estimate for annual gross receipts for a concession.
- (3) The evaluation criteria for contract selection.
- (4) Applicable terms and conditions.

o. **Subconcession.** A second-tier operation to augment the primary concessionaire's facilities or services. We allow subconcession contracts under the following conditions:

- (1) The proposed subconcession operation is essential to provide better service to the public.
- (2) The primary concessionaire furnishes the basic facilities needed to provide the service.
- (3) The primary concessionaire must pay the franchise fee(s) to us at the same percentage that includes the subconcessionaire's gross receipts.
- (4) The Regional Chiefs, National Wildlife Refuge System or their designee must approve any proposed subconcession contract or agreement before it is effective.

p. **Routine maintenance.** Those activities normally associated with keeping an operation running and maintained to our specifications. Examples include landscaping, replacement of broken lighting and plumbing fixtures, lawn care, service of equipment, and large-scale maintenance items that recur on an infrequent basis (such as roof replacement). Coordinate facility improvements and cyclical maintenance work that involves life safety issues and building code compliance issues with the Regional Engineering office as well as the concession manager.

**Sec. 6 Who is responsible for implementing this Order?**

a. The Director is responsible for ensuring that our staff implement these policies and procedures and the overall administrative overview of our concession programs under the authorities listed in Section 3. The Director will:

(1) Ensure that any necessary expenses incurred by us in connection with the administrative costs of a concession operation will first be recovered from those revenues generated by the concession as stipulated in subsection (b) of 16 U.S.C. 715.

(2) Maintain staff to oversee concession management at the national level whose responsibilities are to:

(a) Maintain national consistency in the concession program.

(b) Develop strategies for requesting legislation.

(c) Serve as our experts on concession operations.

(d) Assist in interpretation of law, directives, and policy for Regional and field staff.

(e) Establish general standards for calculation of financial returns to the United States that affirm revenue production is subordinate to resource protection and visitor services.

b. Regional Directors will:

(1) Approve concession contract awards.

(2) Maintain a Regional consistency in the concession program.

(3) Ensure that all Regional concession policies, directives, etc., comply with the national policy.

c. The Regional Chiefs, National Wildlife Refuge System will:

(1) Award concession contracts and permits pursuant to the authority of the National Wildlife Refuge System Administration Act of 1966, as amended, and the other authorities listed in Section 3.

(2) Approve all concession operations through the preparation of a prospectus (solicitation of offers), review of proposals, selection of the best offer based on an established criteria, and negotiation of a concession contract award.

(3) Assign land and Government improvements (facilities) to the concessionaire, as appropriate, for concession operations (the concession contract will define specific obligations we expect the concessionaire to fulfill) and approving new facility construction.

(4) Implement and provide procedural oversight of concession contracts within the Region.

(5) Delegate any of these responsibilities.

(6) Sign and execute all concession contracts and modifications and substantive administrative documents.

d. Project leaders will ensure:

(1) Compatibility and appropriateness determination.

(2) Environmental Assessments and NEPA reviews.

(3) Oversight of the concession manager.

e. The concession manager is the authorized field representative and primary contact for the concessionaire. The concession manager will administer and supervise the routine day-to-day concession operation as specified in the concession contract, conduct safety inspections, and review the quality of goods and services. Any changes or modifications to the contract terms and conditions will require the prior written approval of the Regional Chief, National Wildlife Refuge System unless he/she has delegated that authority to specific field representatives. The concession manager will:

(1) Prepare and issue public notices.

(2) Develop and distribute the prospectus based on the established activities for the refuge.

(3) Prepare concession contract(s).

(4) Conduct all negotiations including negotiating the franchise fee(s) and percentage payment of gross receipts using the fair prevailing rates for local, comparable enterprises.

(5) Make final recommendations to the Regional Chief, National Wildlife Refuge System on the award of concession contracts.

**Sec. 7 What are the exclusions to concession contracts and permits?** The definitions of concession contracts and permits in general excludes procurement contracts and financial assistance agreements as specified in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-6308), revenue-generating cooperative agreements (which

allow for the operation of bookstores or other sales outlets), contracts or grants awarded to governmental or local community organizations, refuge support groups, or volunteer services. Special Use Permits for farming operations, mineral operations, and other non-recreational, educational, and interpretive services are not concession contracts or permits. Any individual, organization, or corporation can compete for a concessions contract. However, a project leader must decide how we will manage these services for the good of the Government. If concessionaires traditionally have provided these services, we will continue to use a concession contract. Also, if concessionaires provide similar services regionally (i.e. there are potential vendors), we should use a concession contract to ensure the greatest return and consistency throughout the Region.

**Sec. 8 What does soliciting and awarding concession contracts involve?**

Concessions will offer attractive and healthful accommodations to the public at reasonable rates. With the assistance of concession managers, Regional Chiefs, National Wildlife Refuge System will award contracts for concession permits and minor and major concession operations by competitive solicitations that include circulating the public notice, issuing the prospectus, evaluating the proposals, awarding the concession contract/permit, and administering the concession until completion.

a. The concession manager will establish a list of interested parties from unsolicited proposals. This list consists of the name of a responsible person in the organization, the telephone number and address of this person, the type of opportunity proposed, and the date of the proposal. The names on this list expire 5-years from the date of the proposal unless we are contacted by the responsible person. We will mail public notices to each name on this list to further ensure fair competition for the proposed opportunity.

b. We solicit and request proposals from interested parties when the Regional Chief, National Wildlife Refuge System determines one of the following conditions apply:

(1) A new concession opportunity exists on a refuge.

(2) We have determined an existing concessionaire is unable to satisfactorily provide the requirements of the current contract.

(3) An existing concessionaire's contract is due to expire.

(4) An existing concessionaire no longer wishes to operate the business.

**Sec. 9 What are the guidelines for issuing a public notice?**

When the concession manager plans to establish a concession operation (or continue an existing operation), the manager will prepare the prospectus and notify the public of available opportunities to operate a commercial concession on Federal land. Existing and previous concessionaires and any other interested parties will receive a copy of the public notice (Exhibit 2). The program office may vary this format to fit individual circumstances.

a. The public notice states:

- (1) The refuge name.
- (2) The concession opportunity that exists.
- (3) Who to contact to receive a copy of the prospectus.
- (4) Time and date proposals are due.
- (5) Date of scheduled facility tour.
- (6) If it is essential or desirable for the concessionaire to reside in the local vicinity.

b. Publish public notices in the following:

- (1) At least one newspaper of general circulation in the State.
- (2) At least one local newspaper, if available.
- (3) In the Commerce Business Daily publication and/or Federal Register. (The notice will be published; the permit is not required to be published for concession permits.)

c. Other methods of advertising the public notices include, but are not limited to, posting in local post offices, advertising in trade journals, and sending notices to Chambers of Commerce and other local organizations.

d. Responses to the public notices are not binding. All offers are subject to revisions and modification in the negotiating process until the parties sign the concession contract.

**Sec. 10 What are the guidelines for preparing a prospectus?** In coordination with the Regional Chief, the concession manager will develop a prospectus that ensures quantity and quality of the required accommodations and/or services, fulfills the public need, and represents a sound business arrangement.

a. The concession manager will send a prospectus to all potential concessionaires who requested a copy in response to a public notice of potential concession contract opportunities.

b. A clearly defined prospectus enables the concession manager to evaluate proposals and recommend an award without discussions. However, we may conduct discussions and negotiations to amend schedules, technical requirements, or other terms of the proposed contract.



c. A prospectus for a concession contract requires concessionaires to provide for operation and maintenance of our land and property provided under the contract. The concessionaire's compliance with all rules, regulations, and approved management plan is a mandatory condition of the contract.

d. As a minimum, concession managers will specify the scope of the operations definitively and accurately, and include provisions for the following in any prospectus for concession operations:

(1) Full recovery of all administrative costs related to concession administration, operations, construction, and maintenance from those revenues generated by public recreation-related concessions, as stipulated in subsection (b) of 16 U.S.C. 715s.

(2) The prospectus will specifically and accurately describe the land and water areas reserved for the concession operation. The area should be no greater than necessary for the concessionaire's operation.

(3) All concessionaires must charge rental fees equal to those that the private sector would charge for the operation of comparable accommodations and services on private lands in the local area.

(4) We authorize no possessory interest in lands, waters, and/or facilities. The ownership of any facilities built on our lands or waters will become our property. The Regional Chief, National Wildlife Refuge System and the Regional Engineering office must approve buildings prior to construction.

(5) A stipulation that current concessionaires participate in a contract closeout and turnover if we award a follow-on contract for a new concession.

(6) If the concession manager assigns Government-owned property, either real or personal, to the concessionaire, the concession manager will describe it specifically and accurately. Concessionaires must pay for the necessary repairs and for operation and maintenance of facilities. Concession managers cannot offset the negotiated concessionaire's fees for operation and maintenance of our property. The concessionaires must provide an annual inventory of Government-owned personal property.

(7) The concession manager will specify the minimum requirements for buildings and facilities for each available concession opportunity. The time allowed for construction or improvements should be reasonable for the concessionaire to complete the installation promptly, but realistic for meeting the requirements. Based on the type of anticipated concessions, the prospectus should permit additional improvements or modifications to allow for appropriate expansion of accommodations/services. Additional facilities and facility improvements will become the property of the Service, and we will not compensate the concessionaire for these facilities. Facility construction and improvements that involve life safety issues and building code compliance issues must be coordinated with the Regional Engineering office and the concession manager.

(8) If arrangement for resident management of the concessionaire is essential or agreed upon during negotiations, insert an additional clause to that effect under the appropriate section of the contract.

(9) The prospectus will be available to all interested parties requesting a copy and will allow a reasonable time for receipt and evaluation of offers.

(10) Concession managers will schedule at least one on-the-ground tour for potential offerors. Conduct this tour 2 to 3 weeks prior to the proposal's due date.

(11) Clearly define the evaluation factors for the concession contract (see Exhibit 1, Sample Prospectus, Section 13).

(12) Include the following statements in each prospectus and contract.

(a) The undersigned is subject to Section 504 of the Rehabilitation Act of 1973, the Secretary of the Interior's Zero Tolerance of Discrimination policy, February 10, 1997, and Executive Orders 11478 and 13145. "The concessionaire will not discriminate against anyone on the basis of race, color, national origin, sex, religion, disability, age, sexual orientation, status as a parent or genetic information, with regard to any program activity or service, including employment."

(b) "The concessionaire will provide a high level of environmental stewardship by focusing all construction efforts on "green" construction methods and using "green" products. Where possible, the concessionaire will use materials and processes that are environmentally preferable, particularly focusing on the use of post-consumer recycled materials, materials that require less-toxic care, equipment and product life-cycle analysis, and minimization of pesticides, persistent toxic chemicals, and carcinogens. Pollution prevention, materials recycling, and hazardous waste generation elimination are goals of this concession contract use EPA's Guiding Principles for Environmentally Preferable Purchasing as a reference when purchasing equipment, construction materials, and other products."

**Sec. 11 What does the proposal evaluation entail?** Proposal evaluation is an assessment of the proposal of the offeror's ability to successfully operate the concession contract.

a. The concession manager selects an evaluation team of three to five Service staff, knowledgeable in concession management issues, to evaluate all proposals and assess their relative qualities on the previously established factors specified in the prospectus. Each evaluator will sign a conflict of interest statement. This team individually evaluates each proposal using weighted factors. Evaluators will document the relative strengths, deficiencies, significant weaknesses, and risks to support proposal evaluations for the record.

b. Evaluation factors will include the following elements:

- (1) Offeror's capabilities and financial responsibility.
- (2) Type and quantity of facilities proposed.
- (3) Offeror's operating and maintenance plans.
- (4) Fixed franchise fee and/or percentage of gross income paid to the Government.
- (5) Offeror's references.
- (6) Offeror's demonstrated experience.
- (7) Terms and conditions of the prospectus relating to quality of service to our visitors.
- (8) Environmental stewardship and greening principles.

c. After individually evaluating the proposals, the team convenes to make the final rankings. The collective scores of the team serve as the final ranking. In the event of a tie score, the team will reevaluate the tied proposals and undergo negotiations with the prospective concessionaires.

d. The concession manager maintains essential control of the concession through the approval of operation, management, construction, and/or improvement plans. Each prospectus requires that offerors submit a detailed plan for each major aspect of the concession operation. Operational approach, management details, and specifications may vary, depending upon the scope of the enterprise proposed.

e. The concession manager will begin solicitation for a new contract at least 1 year before the expiration of the existing contract.

f. The concession manager will specify a time and date for receipt for proposals and will accept no new proposals after that time and date.

g. After the receipt of proposals and team evaluation, the concession manager has the option to negotiate with the offerors that propose the most realistic and advantageous offer. In the initial negotiations, we allow offerors to ask and answer questions and amend aspects of their proposals to resolve minor or clerical errors. However, we will not allow an offeror to substantively amend or supplement a responsive proposal without allowing all responsive offerors to amend or supplement their proposals.

h. Negotiations are by personal interview, but we may conduct negotiations in writing or by telephone when a personal interview is not possible.

i. Subsequent discussions and negotiations should ensure that all parties are familiar with the operating requirements and the terms and conditions of the proposed contract. We require sufficient data to confirm suitability of the offeror's proposal for a concession contract or permit.

j. After we complete negotiations with all responsive parties, we award the contract. The offer selected for the concession opportunity must embody the services, terms, and conditions that yield the greatest benefit to the general public and us.

k. After we make a selection, we will notify all interested parties in writing within 5 business days of the selection. If unsuccessful offerors wish to meet with our representatives, we will schedule and conduct debriefings within 15 working days.

l. Concession managers, evaluation team members, and staff will treat all discussions and correspondence as confidential and will not disclose any information to others who do not have a need to know. After the award, the selected proposal becomes part of the concession contract. Terms of the concession contract are public information, and we may disclose them to anyone requesting them.

**Sec. 12 What comprises a concession contract?** We will use standard language in all concession contracts. The Regional Chief, National Wildlife Refuge System must approve in writing any deviation determined to be essential before or during the development of the prospectus or during contract negotiations.

a. Amendments or other agreements developed after the issuance of a contract must be consistent with our current policies, directives, and guidelines unless approved by the Director. If an amendment gives the concessionaire anything of value, we must receive at least its equivalent value in goods, services, or fees.

b. Standard clauses will ensure uniformity of our concession contracting and administration. At a minimum, each concession contract will incorporate clauses that address the following:

- (1) Applicable laws and regulations.
- (2) Health and safety.
- (3) Prohibited uses.
- (4) Preservation of natural resources.
- (5) Fee collection.
- (6) Protection of property.
- (7) Our right to audit financial and other records.

- (8) Indemnification.
- (9) Our right to enter premises and conduct inspections on facilities.
- (10) Restoration of vacated premises.
- (11) Payment of utilities.
- (12) Disputes.
- (13) Cancellation for default.
- (14) Cancellation for convenience of the Government.
- (15) Cooperation with authorities in emergencies.
- (16) Minimum requirements for close-outs and turnover.
- (17) Nondiscrimination clauses as provided in Exhibit 1.

(18) We are not responsible for losses and expenses incurred by facility closures due to conditions beyond our control.

c. The concession manager incorporates special provisions to protect our interests in a concession operation. Specifically we require:

(1) A performance bond for construction of new facilities valued in excess of \$100,000.

(2) A performance bond for operation of the concession for the duration of the contract period. The amount of the performance bond is set by the concession manager.

(3) Public liability insurance to protect both the concessionaire and the Government according to good business practices. It must not be less than that required by State or local law or the amount customarily carried by the business community in the area. Unless approved by the Director, the minimum public liability coverage must not be less than \$100,000,000. The concessionaire must co-name the Government as coinsured in each insurance policy for a concession operation on our lands and waters.

(4) Property damage insurance for the replacement value of facilities.

d. Concession contracts require the cooperative support of the concessionaire. We may require attendance at meetings and workshops to be identified by the concession manager in the concession contract. We do not pay the cost for attendance by the concessionaire or his/her employees at such meetings.

**Sec. 13 What does concession administration consist of?** Concession managers will administer concession operations using the terms and conditions specified in the concession contract, the offeror's proposal, and any approved plans.

a. Concession managers will confirm all meetings, inspections, audits, etc., affecting a concession contract or a concessionaire in writing, except in the few instances where this degree of formality is unnecessary.

b. The concessionaire, at a minimum, will provide annual financial statements with gross receipts broken by categories as stipulated in the concession agreement. The Regional Director may make the information available to the public to the extent permitted by law.

c. Concession managers will provide the Regional Chief, National Wildlife Refuge System one copy of each executed concession contract, amendments, approved operational plan, rate approvals, inspection/audit reports, etc.

d. Concessionaires must maintain financial reports and accounting records that provide adequate financial information to support audits of its operations. The concession manager must approve accounting records, portray an adequate and accurate basis for audit, and meet current industry standards. The concessionaire must submit financial reports monthly to the concession manager. These reports will state gross receipts for the time period as well as year-to-date gross receipt information and be broken down by categories as stipulated in the concession agreement.

e. Concession managers will conduct quarterly inspections of concessionaire's facilities. During the inspection, the concession manager will compare the operation to the written management plan. Note any discrepancies and send an inspection report with needed improvements to the concessionaire, including any negative comments from the public for corrective action.

f. Follow up on any inspection reports that list needed corrective actions within an appropriate time frame. If the action has not been corrected, send a cure notice. This notice will notify the concessionaire that if corrective actions are not completed in 30 days, we will terminate the concession agreement.

**Sec. 14 What are grounds for cancelling concession contracts?** We may terminate concession contracts for many reasons, including:

a. The concessionaire failed to perform/provide concession operations detailed in the proposal.

b. The concessionaire failed to take corrective action as noted in the inspection reports.

c. The concessionaire failed to pay fees in a timely manner.

- d. New laws and authorities require the termination of the concession contract.
- e. The level of visitation did not provide a sustainable venture.

**Sec.15 What happens when a concessionaire sells his operation?** Concessionaires or parties holding an ownership interest in a concession may not sell, assign, or transfer their interest, or part of their interest, to another party without the prior written approval of the Regional Director. The Regional Director may approve a proposed sale or transfer or may place appropriate conditions on any approval to protect the public interest. Before transferring the rights to a concession contract, the Regional Director will assess the transferee's capability to manage the business successfully and fulfill the terms of the concession contract.

**Sec. 16 Are current special use permits, leases, Memorandums of Agreement, Memorandums of Understanding, and contracts affected?** We will convert current special use permits, leases, Memorandums of Agreement, Memorandums of Understanding, and contracts that are not the appropriate concessions instruments concerning commercial visitor services upon expiration or within 3 years of the date of this Director's Order.

**Sec. 17 How does this Order affect lands and waters in Alaska?** Alaskan lands and waters are exempt from this Order due to ANILCA provisions. We will administer permits and contracts issued on these refuges under 50 CFR 36 Subpart D and 50 CFR 36 Subpart F.

**Sec. 18 What is the effective date of this Order?** This Order is effective immediately. It will expire on December 31, 2002, unless amended, superseded, or revoked. We will include the provisions of this Order in Part 604 of the Fish and Wildlife Service Manual.

Acting  
Deputy  DIRECTOR

Date: November 7, 2001