

USS Arizona Memorial Ticket Operation Program Review - January, 2014

Park: World War II Valor in the Pacific National Monument (VALR)

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Scope of Review

A regional program review of USS *Arizona* Memorial ticket operations at World War II Valor in the Pacific National Monument, Pearl Harbor unit (the “Park”) was conducted January 28th – 30th, 2014. The purpose of the review was to observe the processes currently being used by the Park to reserve and distribute entrance tickets and, if deficiencies were observed, to make recommendations for improvements. The review was at a program level and focused on the mechanism of ticketing reservations and distribution. The purpose was not to investigate individual conduct. Nevertheless, any allegations of misconduct reported during the review have been noted in this report. The review team makes no assessments of the credibility of those allegations but does recommend further investigation by appropriate personnel be conducted to assess those allegations and either lay them to rest or take appropriate action.

The review team consisted of the Regional Fee Manager, Cindy David; WASO lead for the Reserve America reservations contract, Rick Delappe; and an attorney from the DOI Solicitor’s office, Carolyn Lown. The team conducted interviews with approximately 26 individuals, to include; park staff at all levels of the organization; representatives of the USS Bowfin Submarine Museum and Park, the Battleship Missouri Memorial, and the Pacific Air Museum – Pearl Harbor (Pearl Harbor Historic Attractions); staff from the Park’s cooperating association Pacific Historic Parks (PHP), and a selection of large, medium and small commercial tour operators. In addition, the team observed the ticketing operation in action and reviewed related documents and agreements that were available at the Park.

Background

The USS *Arizona* Memorial is considered the most highly visited attraction in Hawaii. In 2013 the park reported a total of 1,786,024 recreation visitors. In 2012 total visitation was 1,751,224. Located within the Pearl Harbor unit of World War II Valor in the Pacific National Monument, the USS *Arizona* Memorial is comprised of a shore-side visitor center and an on-water Memorial located over the sunken USS *Arizona*. While not all of those visitors go out to the Memorial, the majority of visits are for the sole purpose of doing so.

The park provides tours to the on-water portion of the USS *Arizona* Memorial every day of the week using ferry boats supplied and operated by the Navy. Tours are from 8:00 am until approximately 3:00 pm. Capacity for each tour is limited to 150 as a result of the size of the auditorium, boat capacity, and

capacity of the Memorial itself. There is also a minimum capacity based on the need for enough people to provide the weight for adequate ballast for the boat. Running at maximum capacity under ideal weather conditions the park can provide approximately 29 tours a day, with tours every 15 minutes from 8:00 until 3:00, for a maximum daily tour capacity of 4,350 visitors.

Tickets are issued by NPS for time-specific tours of the on-water Memorial. However, visitors may enter the park without a ticket, view the exhibits at the visitor center and museum and walk the grounds of the shore-side facilities.

The Federal Lands Recreation Enhancement Act prohibits the NPS from charging a fee to visit the Memorial:

3(d)(3) PROHIBITION ON FEES FOR CERTAIN PERSONS OR PLACES.--The Secretary shall not charge an entrance fee or standard amenity recreation fee for the following:

3(d)(3)(C) The U.S.S. Arizona Memorial, Independence National Historical Park, any unit of the National Park System within the District of Columbia, or Arlington House-Robert E. Lee National Memorial.

To address this prohibition, first-come first-served tickets for time-specific tours of the on-water Memorial are distributed for free on a daily basis. In addition, a limited number of advanced tickets (currently 43% of tickets) for these time-specific tours are available for reservations through Recreation.gov. Visitors who wish to secure a tour time in advance must pay a \$1.50 convenience fee for each ticket reserved.

Despite overwhelming popularity and the desire by so many people to visit the Memorial itself, the park reports that many tours go unfilled each day and that there were only 26 occasions over the past year where every tour was filled to capacity. The morning tours times are the most popular for a couple of reasons. Commercial tour operators plan whole day island trips based on when they can reserve tours to the Memorial. Morning tours lend themselves to preferred itineraries for the remainder of the day. Afternoon tours may often be cancelled by the Navy boat operations due to unsafe conditions caused by high winds. For commercial operators, cancelled tours can result in unhappy tour participants who booked a tour with them with high expectations of visiting the Memorial, and the potential need to refund or re-book tours. Tickets for the morning tours are generally gone shortly after the Memorial opens each day. Individuals and commercial tour operators begin lining up well before the Memorial opens to obtain tickets.

Afternoon tickets do get issued, but when visitors tire of waiting for their tour time and leave, the tickets go unused, or those visitors sometimes get into an earlier tour by waiting in a standby line at the entrance to the auditorium. When afternoon tours are cancelled the park reschedules visitors for tours the next day, if possible.

Ticket Distribution

The Park's interpretation staff currently has responsibility for ticket distribution at the Park. Reportedly all responsibility for ticketing is delegated to the Visitor Services Manager. The Visitor Service Manager reports directly to the Chief of Interpretation, **See Exhibit 1 – Park Organizational Chart**. Currently, all Park lead guides report directly to the Visitor Services Manager. Park Lead guides have some authority for immediate decisions related to ticket distribution. Park guides at all levels spend most of their work day issuing tickets and managing the flow of visitors to the auditorium and then out to the Memorial.

Commercial tour operators bring the majority of visitors to the Memorial. Commercial tour operators typically provide packaged tours that include transportation from Waikiki, USS *Arizona* Memorial tickets, and possibly other attractions. The Park's Business Services staff has responsibility for administration of commercial use authorizations (CUAs), which are used to authorize commercial services within the National Park System. The park currently administers approximately 110 CUAs for companies providing transportation to the park. The CUAs currently issued do not authorize any other commercial services such as ticketing or interpretive services within the park. It is unlawful to engage in or to solicit any business within National Park System except in accordance with the provisions of a valid permit, contract or other written agreement with the United States unless specifically authorized under special regulations applicable to a park area, 36 C.F.R. §5.3.

Within the shore-side visitor center, there are three ticketing and information desks: one operated by NPS at which Memorial tickets are distributed; one operated by PHP at which the narrated audio tour may be purchased; and one operated by the Pearl Harbor Historic Attractions at which tickets to the USS Bowfin Submarine Museum and Park, the Battleship Missouri Memorial, and the Pacific Air Museum – Pearl Harbor may be purchased.

The park has stated that it distributes tickets in the following manner:

Table 1-Ticket Distribution

	Daily	Percentage	Actual
Maximum Tickets Available	4350	100%	Varies, often weather related cancellations. Afternoon tour times changed when slow.
Recreation.gov	1900	43%	1900
Educational Groups	450 (M,W, F) 0 (S, T, TH, Sa)	10% 0%	Demand appears to be less than supply.
First-come, First Served*	1475-1925	35%-44%	Inaccurate, many are reserved. Unable to determine actual numbers due to number of ways tickets are distributed/redistributed.

**Note: The number of actual tickets available for visitors who arrive at the park for first-come, first-served tickets is much less than is reflected in this chart and varies widely on a daily basis. A portion of first-come, first-served tickets are set aside each day for a VIP list for important visitors, commercial operators, educational visitors, the park's association (PHP), etc., and are therefore not available for visitors who walk up to the Park ticket desk.*

Recreation.Gov Online Tickets

The Park began offering timed tour ticket reservations online on March 7, 2012. A percentage of time-specific tour tickets to the on-water Memorial are available for advanced reservation on www.recreation.gov to six months in advance. (Prior to the implementation of recreation.gov, the park kept a manual reservation system for group visitors and all others had to stand in line at the Park ticket desk for first-come, first-served tickets.) The park has stated that 43%, approximately 1900, of the total 4350 available tickets, can be reserved for any one day online at www.recreation.gov or by calling the toll free customer service center. A convenience fee of \$1.50 is collected per ticket and retained to pay for contractor services. Timed tour tickets that have been reserved in advance can be picked up from the NPS ticket desk up to 1 day prior to the visit and at least 1 hour in advance of the scheduled tour time. If reserved tickets are not picked up, the park has stated that current park policy is to distribute those tickets as first-come, first-served ticket inventory.

The Recreation.gov ticket inventory is split into two categories: group ticket sales that allow the operator to purchase up to 60 tickets in a single transaction, and non-group reservations that allow an individual to purchase up to 10 tickets at a time. The reservation ticket inventory sells out quickly, with large commercial operators reserving most of the tickets from both categories. There are no controls in place related to identifying who is or is not a commercial operator or as to how many or which type of tickets commercial operators may reserve.

Educational Group Reservations

Educational groups may reserve tickets by calling or emailing the park's interpretative staff. There are set tour times reserved for educational groups that meet specific criteria of a bona fide¹ educational group. Three educational tours are available on Monday, Wednesday and Friday for up to a total of 150 tickets each. A total of 450 educational tickets are available per day, for a total of 1350 tickets per week. Capacity for educational tours is rarely exceeded. When educational groups do not reserve all of those tickets, the park has stated that current park policy is to distribute those tickets as first-come, first-served ticket inventory.

¹A bona fide educational institution is ordinarily an accredited institution. The following criteria are typically used to make the determination: A statement confirming educational or scientific tax exemption from the Internal Revenue Service (IRS) or the applicant's national, state, or local tax authority; or a statement, from a bona fide academic institution meeting one of these eligibility standards, confirming that the group is visiting for the purpose of providing transferable academic credit based on a curriculum; or a statement of accreditation or recognition as an educational institution from a legitimate international, national, regional, state, or local authority for the applicant's location.

Distribution of First-Come, First-Served Tickets

The park has stated that between 35% and 44%, or 1475 to 1925, of total available tickets are available for first-come, first-served visitors. Tickets are available to both the general public and commercial operators from the NPS ticket desk, the day of the tour. Up to 65 tickets may be obtained by commercial operators at one time for a day-of tour with the following restrictions: all tour participants must be physically present in the park as confirmed by a park guide.

Currently the Park does not track how many of the first-come, first-served tickets are actually distributed to individuals and how many go to commercial operators. Neither does it track the breakdown between various commercial operators.

The program review has determined that the actual percentage of tickets available for visitors who arrive at the park ticket desk in person to obtain a first-come, first-served ticket is far less than stated above in **Table 1 – Ticket Distribution** and fluctuates widely on any given day because many tickets are reserved through a VIP list, or exchanged and pulled from the first-come, first-served ticket inventory before visitors arrive at the Park ticket desk. See **Exhibit 2 – VIP List**.

In order to accommodate the fluctuating needs for tickets by commercial tour operators, the park, in conjunction with their partner PHP, has implemented a local secondary market for advanced and same day ticketing. (Note – commercial tour operators generally purchase bulk tickets from Recreation.gov up to 6 months in advance of the arrival date. However, they never know exactly how many tickets they will need until the day before the tour). The Park's Visitor Services Manager and the Marketing Manager for PHP have developed a system where tour operators can call or email the Marketing Manager for PHP at least 24 hours prior to the tour to reserve additional tickets to fulfill their anticipated needs for the following day. The number of tickets available for PHP distribution appears to vary widely.

Note, for the reader's convenience the review team attempted to organize into logical categories the secondary distribution of first-come, first-served ticket inventory, based on information from interviews and reviewed park documents. However, it is important to note that the actual distribution of tickets seems to be more fluid and done in an "ad hoc" manner. What was clear from the interviews conducted is that the understanding of how the distribution process works differs – sometimes widely – among the individuals involved. Consequently, the following organization may not be how others might categorize the various ways in which secondary ticket distribution occurs.

Following are the additional ways tickets are distributed. The review indicated that time was not a constraint and tickets can be reserved well in advance, the day prior, and also pulled from the inventory the day of a tour. **All of these tickets come from the first-serve, first-come ticket inventory:**

1. Reservations for VIPs

The Superintendent may, at his discretion, set aside tickets for special visitors, commonly referred to as "VIPs" (visiting dignitaries, uniformed military, Pearl Harbor attack survivors and their families,

etc.). The park currently does not have an established percentage or number of tickets designated for VIPs. Tickets can be reserved for VIPs by calling the Park directly and those timed tours are reserved and pulled from the first-come, first-served inventory and made available at the Park ticketing desk the day of the tour. VIP reservations can be made by various Park staff.

2. Educational Groups

The Park uses the VIP list to reserve additional tickets for education groups, as needed. The numbers vary and tour times are not restricted to the tour blocks the park has established for educational tours. The tickets are pulled from the first-come, first-served inventory and made available at the Park ticketing desk the day of the tour.

3. Rebooking of Park cancelled tours

If a tour is cancelled due to weather or another reason, the park will work with commercial operators and other visitors to rebook those tours using the first-come, first-served ticket inventory for the following day, if possible. Rebooked tickets are reserved on the Park's VIP list, or tickets can be pulled at the last-minute from the first-come, first-served ticket inventory without putting on the VIP reservation list.

4. Re-bookings of Government-shut down cancelled recreation.gov reservations

Reserved on the Park's VIP list. The park has authorized commercial companies to have a one-time rebooking of tickets that were cancelled on Recreation.gov due to the October 2013 partial government shutdown. Commercial operators are still rebooking tickets in this manner. Tickets are pulled from the first-come, first-served inventory and made available at the Park ticketing desk the day of the tour.

5. Commercial Tour Operator Reserved Ticket Exchange

Commercial tour operators exchange tickets reserved on Recreation.gov at the park ticket desk for first-come, first-served tickets. Park staff stated commercial operators may only exchange tickets on the same day as the ticketed tour and are only supposed to be allowed to exchange tickets for times after a cut-off time (9:00 am for example); in practice, however, it appears this cut-off time is misunderstood and in application varies widely. Tickets for afternoon times are typically exchanged for the morning times, further reducing the number of tickets available for visitors who arrived early to obtain morning tour times.

6. Discretion of NPS Visitor Service Manager

NPS Visitor Services Manager reserves tickets for groups (predominately for commercial operators) and individuals at his discretion. The tickets are reserved on the Park's VIP list, or the tickets can be pulled at the last-minute from first-come, first-served inventory the day of the tour, without putting on the VIP reservation list.

7. PHP Promotions

The park's association acts as a ticket broker for the park, both by distributing tickets directly from the narrated audio tour desk, and promoting and reserving tickets (predominately for commercial tour operators). Tickets can be obtained on the day of the tour from PHP and commercial operators can reserve tickets through PHP up to 24 hours in advance of a tour. See ***Exhibit 3 - PHP Draft Agreements with Commercial Operators***.

a. Narrated Audio Tour Desk

Pre-determined quantities of tickets are pulled when they are printed, for direct distribution by PHP. Park documents state this number is capped at approximately 12%, or 525, but it appears to fluctuate. The tickets can be picked up by the Marketing Manager for PHP or his representative the evening prior to or morning of the tour. PHP requires visitors or commercial operators to pay for the narrated audio tour to obtain a timed tour ticket to tour the USS *Arizona* Memorial. These tour times are spread throughout the day.

b. Small, Medium and Large Group Reservations

PHP promotes the narrated audio tour and USS *Arizona* Memorial tours to commercial operators. Commercial tour operators may reserve blocks of tickets by calling or emailing PHP. Copies of PHP agreements show PHP stating it can reserve an entire auditorium for a commercial group (150 tickets). The VIP list shows large blocks of tickets have been reserved in the past by PHP for commercial operators.

Tickets (also referred to as "One-Shot blocks" by PHP) are handed over to PHP the day before the tours for distribution the following day to those on the VIP list. Park documents state that the reserved tickets can also be picked up in advance by PHP for distribution. Commercial tour operators stated that when they reserve these tickets, they are also required to purchase the narrated audio tour (b) (4) PHP has entered into agreements with each of the tour operators to send them vouchers for payment reflecting the actual number of tickets received.

c. "Breakfast Briefing" tickets are set aside for hotels and tour companies that sell last minute tour packages to visitors who have already arrived in Hawaii and are presented with the various tour promotions, typically while enjoying a free breakfast at the hotel.

d. "Hale Kalani"— A personally escorted tour offered by PHP for \$500 for two people. The tour is escorted by PHP's director of education and includes a meeting with a Pearl Harbor survivor or

witness, tour of the Memorial, and lunch. According to the PHP Marketing Manager, these tours are marketed through the concierge desks at several “top end” hotels. The revenue is slated to go towards the Memorial Restoration Fund. PHP offers approximately 10 of these per month.

Other Ticket Distribution Channels

Tickets are also re-distributed by commercial operators who have obtained tickets the day prior to the tour date. Upon arrival, tour operators have been seen exchanging tickets among themselves. There are no park guidelines or management controls in place to prevent commercial operators from repackaging and distributing tickets.

Other USS *Arizona* Memorial Tours

A Historic Pearl Harbor Tour is offered on Recreation.gov. The tour is described on Recreation.gov as being offered by the National Park Service; see ***Exhibit 4 - Historic Pearl Harbor Tour***. The tour is narrated by an NPS interpreter and includes a cruise on the Navy ferry boat that takes passengers around Ford Island to view various sites and includes a stop at the USS *Arizona* Memorial. According to the posting on Recreation.gov, this is an “official fund raiser” for the USS *Arizona* Memorial with proceeds to be donated to the restoration fund for the Memorial. A specific “price” of \$50 (including a \$3 per ticket reservation fee) is set for this tour.

The tours are only offered on a handful of peak visitation dates/times, such as the dates surrounding the anniversary of the December 7th attack on Pearl Harbor and are open to the general public. In addition to online ticketing through recreation.gov, the Historic Pearl Harbor Tour also may be booked through concierge desks at high-end hotels in Waikiki, and directly through PHP (Marketing Manager). Funds are deposited into a PHP account. The park has cancelled regular tours to allow time for these special fundraising tours.

Park Legislation and Agreements Related to Ticketing

The following legislative documents and agreements are summarized in the attached ***Exhibit 5 – Summary of Legislation and Agreements Related to Ticketing Operations***.

The legislative documents and agreements can be referenced in the *attached Exhibit 6 – Legislation and Agreements Related to Ticketing Operations*.

- Joint Ticketing Legislation and Agreement with Pearl Harbor Historic Attractions (apparently expired)
- Operational Agreement between NPS and the Navy
- Agreements with association PHP

Findings

A. The review team had the following positive comments related to the ticketing operation:

1. Implementation of online ticket reservations thru Recreation.gov has improved the visitor experience to the USS Arizona Memorial.

The ability to reserve tickets online has greatly reduced the amount of time visitors must wait to visit the Memorial. Visitors who do not chose to use commercial tours or who do not or cannot book online (due to lack of ticket availability) still wait in line for tickets, but the line is significantly shorter with less overall wait time than previously. Commercial tour operators can plan their tours months ahead and are able to bring their visitors based on their tour ticket time.

2. There is a high degree of professionalism amongst park staff.

The park staff are passionate about providing an exceptional level of service to visitors. Almost every NPS employee the team spoke with had a positive attitude and eagerness to improve the current operation for the benefit of the park and to improve the visitor experience.

B. The following areas were identified as being of concern and meriting attention. The comments below are intended to be used as indicators pointing to areas where the operation can be improved:

3. Poor communication

Internal communication

- Communication difficulties amongst the park management team and staff have hampered the park's ability to collaborate and work together as a cohesive team. These difficulties with communication have impacted the ticketing operation, as well as staff morale at all levels of the organization.
- Staff concerns related to the ticketing operation reportedly are not acknowledged and addressed appropriately. A number of staff at various grade levels and divisions stated that when they raised concerns about the operation those concerns were not addressed appropriately. Multiple interviewees stated being told to "mind their own business". Some employees, both within the NPS and PHP, expressed fear of retribution for speaking out.
- There is a lack of Park internal communication related to the ticketing operation.
- The park has no written policies, standard operating procedures, or operational plans in effect for ticketing operations. When asked for documentation of its ticketing procedures, the Park produced a series of e-mails and minutes from staff meetings that did not provide staff, commercial users or the general public with a clear policy or procedure for how tickets are distributed.

- A briefing provided to senior staff and visiting Regional personnel shortly before the program review was the first time most of the management team heard how tickets were distributed. Interviews with multiple park employees indicated that the briefing did not accurately reflect how tickets are distributed.

External communication

There is a lack of Park external communication related to obtaining USS *Arizona* Memorial Tickets.

- Interviews with commercial operators indicated that not all commercial operators had access to the same information related to ticket distribution.
- At least some portions of the visiting public appear not to understand that there is no charge for entrance to the Park and that timed-tickets for tours to the Memorial also are free if obtained from the Park or through Recreation.gov (in which case there is a \$1.50 convenience fee.) Reportedly, there have been instances where visitors thought the only way they could visit the Memorial was through a commercial tour company. While observing on-site early morning ticket distribution, the review team heard several visitors express surprise there was no monetary charge. The information currently posted on the Park's website under "Plan Your Visit" and "Fees & Reservations" provides information on ticketing options and fees but based on the reported visitor confusion, this information could be clearer.
- Currently there is very limited information on the Park's website about how "walk in" visitors may obtain tickets. The message posted is simply that "for walk-in visitors, a select number of tickets for timed visits to the USS *Arizona* Memorial will continue to be distributed on a first-come, first-served basis." There is no discussion of the time of day at which those tickets first will become available or of how limited the number may be.

Transparency

Park staff and commercial operators who were interviewed had different understandings of how first-come, first-served ticket distribution was occurring in practice, what are the criteria and what is the process for reserving tickets through the VIP list, and what charges may apply to these tickets. Many expressed the view that how and when tickets were distributed and to whom, was determined by only a few individuals and these practices appeared to change frequently and without notice to all involved in implementing or using the process. Interviewees further were of the view that the system was administered in a highly discretionary and possibly discriminatory way.

4. Perception of unethical business practices

A number of interviewees believe that park staff and the park association (PHP) are involved in actions related to ticketing that may be unethical.

- The review indicated that the current ticket operation has few internal controls in place and as a result provides ample opportunity for abuse. The park has very little or no written operating procedures outlining how ticket operations shall be conducted. Emails and meeting notes by park staff appear to be an effort to explain the how and why but lack sufficient detail to be used by staff as standard operating procedures and are not readily accessible to use as reference.
- The review team noted that tickets are distributed in a manner that does not ensure fair and equitable distribution. It was also noted by several people that PHP was able to offer earlier timed tickets in exchange for later times as long as the visitor also purchases the narrated audio tour (discussed in more detail, below).
- The park allows PHP to require payment for the narrated audio tour to gain access to tickets for earlier morning tours. Documents indicate that PHP may also be able to sell some of their first-come, first-served tickets through their secondary market for \$1.50. Both of these scenarios call into question whether the park is violating its “no fee” mandate from FLREA.

Multiple Park staff stated (b) (6) has been given gifts from commercial operators. Staff also stated that on multiple instances, gifts of food were left in the staff break room at the visitor center by commercial operators.

5. Loss of management control of USS Arizona Memorial tickets

The park has created a secondary market for the ticket inventory. This secondary market is created primarily by pulling tickets out of the inventory set aside for first-come, first-served visitors and unused educational ticket inventory and then distributing this group of tickets to those added to the VIP list. In the documents reviewed by the team, the number of tickets pulled daily from the first-come first-served ticket inventory varied dramatically with highs above 700 tickets per day. According to the VIP list provided by the park, there were dates where very few first-come, first-served tickets were available to visitors, for example the internal VIP list showed 1150 first-come, first-served tickets reserved on November 11th, 2013 with 1001 of those tickets reserved for commercial operators, 31 for VIPs, and 118 tickets for educational visitors. On November 27th, 2013 the internal VIP list showed 1878 tickets reserved, with 573 of those tickets reserved for commercial operators, 9 for VIPs and 405 for educational visitors; see *Exhibit 2 - VIP List*.

The volume of tour tickets reserved in this manner appears to be determined predominately by demand from commercial tour operators. According to commercial tour operators interviewed, many tourists wait to book tours until they arrive in Hawaii and so the industry needs a system with flexibility to allow for late bookings. On days when large cruise ships are in port the tour operators often have a high demand for commercial tours that include the USS *Arizona* Memorial. The review team was able to determine that tickets are being distributed in the following manner, though tickets may be being distributed by other means as well:

- In effect, PHP has become a ticket broker, promoting and reserving large numbers of USS *Arizona* Memorial tickets for commercial tour operators. PHP receives requests from tour companies for blocks of tickets and then coordinates the exact times and quantities with the park at least 24 hours in advance. According to a PHP representative, the Park makes the final decision as to whether or not to accept the commercial tour company request presented by PHP. According to the Park's Visitor Services Manager (who is the mid-level supervisor of ticketing) the Park does not determine the composition of PHP's list (such as the allocation between various tour companies) but instead the tour companies work directly with PHP who then provides the list to the Park. After receiving PHP's list, the park reserves that ticket quantity by name on the VIP list and pulls those tickets from the first-come, first-served inventory for the commercial operator to pick up.
- There are no written agreements in place that authorize PHP to act as a ticket broker for the NPS, or other documents stating operational procedures or acceptable business practices for promoting and reserving USS *Arizona* Memorial tickets. Multiple interviewees and documents clearly show PHP reserving large blocks of tickets for commercial operators, often during peak morning visitation times. PHP enters into contractual agreements with commercial operators to solidify the terms of the agreement. The commercial operators are then able to secure the tickets they need for the Memorial tour when they agree to make payment for the narrated audio tour. PHP has set up an email address specifically for commercial operators to send in requests for tickets.
- In letters used to solicit its agreements with commercial operators, PHP described its role as that of "assist[ing] the National Park Service with their contracting of their official Pearl Harbor Visitor Center Tours" and that by signing the agreement with PHP the company would be "recognized as an 'Official Tour Operator' at the Visitor Center" and be able to sell PHP's "new Pearl Harbor Visitor Center Half Day Tour, which features the USS *Arizona* Memorial Narrated Tour and admission to the USS Bowfin Museum." See **Exhibit 3 – PHP Agreements with Commercial Operators**. This language could be misunderstood as authorizing commercial uses within the Park, which is something only NPS has the authority to authorize. It further could be misunderstood as being an endorsement, which is prohibited by 5 C.F.F. §2635.703(c). The Park has not provided the review team with any

record the Park has reviewed and approved the representations made in these letters regarding the role of NPS or the endorsement implied.

- According to a PHP representative, all tickets requested by PHP for further distribution to tour operators are coupled with the sale of narrated audio tours. Tour companies that have an agreement in place with PHP are given a (b) (4) discount for the audio tour with the result that PHP charges the tour company (b) (4) an audio tour and the tour company, in turn charges their customer \$7.50. (Note – it is common practice for merchants to offer a commission rate to tour operators) In comparison, PHP charges visitors who individually purchase the narrated audio tour at the Visitor Center \$7.50 per audio tour. Although the Manager of Marketing for PHP stated he could not issue a ticket to the Memorial without an audio tour sale, interviewees stated they had observed tour companies that had received tickets from the VIP list (e.g., because of a PHP request for block tickets) not pick up headsets for the narrated audio tour. Comments made by tour companies indicated that many pre-packaged tours do not allow sufficient time to make use of the narrated audio tour, so even when they purchase the audio tour, they do not pick up the audio tour headsets. However, other information suggests there is at least the appearance that other financial arrangements may have been made to obtain tickets from the VIP list. Copies were provided to the interview team of an invoice from a commercial tour operator to PHP for (b) (4) per ticket for tickets to the Memorial. According to PHP, these payments were intended as donations to PHP of the ticket fee that otherwise would have been incurred for reservations made through Recreation.gov. The interviewees who had found the invoice and provided copies to the interview team, however, felt the payment could be interpreted as being a payment for entrance to the Memorial.
- Many members of the park staff also have access to the VIP list and can add people to it at will. Tickets being reserved by park staff were typically in much smaller numbers, and likely going to actual VIPs. The park has no written policy or approval process for adding visitors or groups to the VIP list, or definitions of what qualifies as a VIP. Tickets are pulled from first-come, first-serve ticket inventory.
- It also is not clear whether all commercial tour operators visiting the Park are aware of these practices. The Park administers approximately 110 CUAs for transportation. The Park neither publicly posts information nor provides written notice to its CUA holders regarding ticket distribution practices.
- Reportedly there is a high occurrence of no-shows from those with reservations on the VIP list. It is not clear why this is occurring. According to a PHP representative, all of such VIP list tickets include a narrated audio tour fee of at least (b) (4) per person and PHP will assess that fee if the tour is a no-show. This should act as an incentive for all VIP list tickets being used by commercial tour operators to be used. That it apparently does not suggests a no-

show fee may not in practice be assessed in all instances.

- Tickets held either by tour companies or by PHP for distribution at the narrated audio tour desk are supposed to be turned back to the NPS ticket desk for redistribution. The Park asks for tickets to be returned at least 45 minutes before the start of a tour. However, turn backs do not always occur timely or even if at all. Reportedly tickets have been held at the PHP desk to accommodate last minute narrated audio tour sales. When tickets are not distributed, the auditorium (and boat ride) are left unfilled. The park tries to accommodate additional visitors through a 'stand by' line which works, but could be avoided if valid tickets were distributed instead of held in a drawer until it is too late. It also leads to individual visitors having to stand in a second standby line to get on a tour after they already have stood in line at the Visitor Center to get their original ticket for a later tour.
- Interviews conducted with commercial operators indicated that not all of them have the profit margin to obtain tickets for the additional \$6 fee, nor were all aware of the opportunity to do so, giving an unfair advantage to some tour companies.

6. Inadequate management of commercial operators

- Discussions with commercial tour operators and a review of commercial use authorizations indicate that there are no management controls in place for operations inside the park gates. The review team noted a "Bazaar like" atmosphere as commercial tour operators worked within the site to pick-up, exchange, barter, and purchase (with narrated audio tour) USS *Arizona* tickets when the ticket counter opened each morning. Commercial operators were also observed providing interpretive tour services within the site.

NPS staff that were interviewed confirmed this was typical for the operation and many expressed concerns related to degradation of the visitor experience due to over commercialization and lack of control of the interpretive messages being shared with visitors.

- Commercial tour operators are required to have a commercial use authorization when providing transportation to the site, but the authorization is specific to transportation services only. The review team was not able to locate any formal guidelines or written conditions related to commercial operations within the site, or that related to commercial operators obtaining, advertising, selling, or exchanging, USS *Arizona* Memorial tickets.
- Unfair advantage in obtaining first-come, first-served tickets.
Commercial operators are allowed to stand in line with individual visitors to obtain day-of-tour tickets from the first-come, first-served allocation. Commercial operators may obtain up to 65 tickets at a time provided that all tour participants are physically present in the

Park. NPS park guides confirm whether or not tour participants are at the Park and then give the commercial tour operator a post-it note with that number of people for the tour operator to present to the NPS ticket desk to obtain the requested tickets. There are no controls in place that prevent those post-it notes from being altered. In addition, the review team received reports that some commercial tour operators will not accurately report the number of people they have on-site. Currently the Park does not track how many of the first-come, first-served tickets are actually distributed to individuals and how many go to commercial operators. Neither does it track the breakdown between various commercial operators.

- The option to exchange tickets provides commercial operators with unfair advantage for first-come, first-served tickets. The park allows commercial operators to trade reserved tickets for first-come, first-served tickets the day of the visit. To exchange the tickets, commercial tour operators are allowed to send someone to the park early in the morning to swap less desirable later-in-the-day tickets for tickets with (typically) the more desirable morning tour times. The commercial tour operator does not need to have visitors present to exchange tickets. This practice reduces the number of morning tickets available for visitors who arrive early to get the first-come, first-served tickets.

7. PHP entices visitors to purchase the narrated audio tour by offering tickets for earlier Memorial tours contingent upon the purchase of the narrated audio tour.

The park provides PHP with blocks of USS *Arizona* Memorial timed tickets that are kept at the PHP desk for narrated audio tours for distribution. Multiple interviewees indicated that PHP used the tickets to “upsell” the narrated audio tour by offering visitors better tour times than what were available from NPS staff. For example, say it was 9:30 in the morning and the earliest available first-come, first-served ticket from the NPS Ticket desk was for 2:00. After leaving the NPS ticket desk the visitor is approached by PHP staff who tell the visitor that they can provide tickets for the 10:00 tour if the visitor purchases the narrated audio tour. Because demand for tickets to the Memorial for select dates and times outstrips supply, this pressures visitors who only want to visit the Memorial to pay for the narrated audio tour and implies a fee.

8. Pearl Harbor Historic Attractions are selling tickets within the Park without signed/executed agreements.

As discussed more fully in the summary provided in *Exhibit 5 – Summary of Legislation and Agreements Related to Ticketing*, the special legislation authorizing sale within the Visitor Center of admission tickets to the Pearl Harbor Historic Attractions requires formal agreements between NPS and those attractions. Prior to commencement of ticket sales, such an agreement was executed. However, it since has expired. Two amendments extending that agreement were drafted by the Solicitor’s Office. However, the Park has no record of either of the proposed amendments ever having been signed.

In addition to providing for ticket sales, the required agreements would provide certain additional protection to the Park. According to the authorizing legislation, a ticketing agreement must require that the Pearl Harbor Historic Attractions pay NPS a reasonable fee to recover administrative costs of NPS associated with use of the Visitor Center for public access and ticket sales and ensure the limitation of liability to the United States due to admission of the public through the Visitor Center to a historic attraction and the sale of any tickets for the historic attractions.

9. A fee is collected for harbor tours that include a visit to the USS *Arizona* Memorial

The Historic Pearl Harbor Tours, although described as an “official fund raiser”, are in effect being sold for a set fee of \$50 (described on Recreation.gov as the “price” of the tickets). See **Exhibit 4 – Historic Pearl Harbor Tours**. Regular tours of the USS *Arizona* Memorial were stopped at 1:30 on the days the tours are offered to allow for the visitors who paid \$50 for tickets to watch the film and go on the historic boat tour. 2013 tour dates were: 12/5, 12/6 (two tours, 2:15 and 2:45), 12/8 (two tours, 2:15 and 2:45). These are peak Park visitation dates and times. Tours include an interpretive talk by NPS Park Guides and are open to the general public.

- The Recreation.gov posting describes the Historic Pearl Harbor Tour as being offered by NPS as an “official fund raiser”. This implies that NPS is conducting the fundraising, itself. However, it is NPS policy (as articulated in Director’s Order #21) that its employees not solicit donations. In addition, the Friends Group Agreement between NPS and PHP sets out specific requirements for site visits, tours and special events that do not appear to have been followed for the Historic Pearl Harbor Tours; See **Exhibit 7 – Fundraising Agreement with PHP**.
- Another concern is that the park bills the tour as a fundraising event, and in order to provide boat service for the event the park cancels regular tours to the USS *Arizona* Memorial, on days when visitation to the Memorial is high. Typically, NPS does not arrange for tours and interpretative events for fundraising purposes that unduly infringe upon or detract from normal visitor activities and services of a park.

10. Recreation.gov not as effective as it could be

The Recreation.gov website is not as effective as it could be to provide good representation of the park and partner sites and the variety of tour opportunities that are offered. The contractor for Recreation.gov is developing alternative approaches for displaying information about the park to online visitors.

Recommendations

The current ticketing operation does not appear to be grounded in written policy and procedures. There is a decided lack of communication between park leadership, park partners, commercial tour operators and park staff. Much control of available tickets has been ceded to PHP with insufficient oversight provided by on-site park staff. Please see below for a full set of recommendations.

The ticketing operation needs a great deal of effort to develop a program where the tickets are distributed in a manner that is transparent, fair and equitable, while at the same time meeting the needs of the various user groups. Solutions to issues stated on the previous pages are in many cases going to take a great deal of effort to research and work with staff and work with partners and user groups to find the best solutions. The recommendations that follow are only a starting point:

Communications

Communication is at the root of many of the issues with the ticketing operation.

1. Seek assistance from an expert in organizational management and/or communications to improve how the Park functions and communicates as a team.
2. Develop a set of policies and procedures to serve as a ticketing manual for all park employees and fully vet these at all levels of the Park and with the Pacific West Regional Office. The Park has a very large contingency of stakeholders. Decisions about ticketing practices should be made in conjunction with a broad representation from all stakeholders. Missteps could easily cause problems for a number of user groups.
 - Engage commercial tour operators and park partners to help finalize solutions that address and meet operational needs.
 - Conduct scoping/ listening sessions with user groups, park staff and partners to ensure ideas and concerns related to ticket distribution are discussed and addressed in an open and transparent manner.
 - To foster communication and understanding, create a team of individuals from the park to develop and document ticketing related policies and procedures. Coordinate with the Regional Fee Manager (Cindy David) and NPS Acting Manager for Recreation.gov (Chris Williamson) who will be available to assist and provide consultation. The policies and procedures must include, but are not limited to, the following:
 - Ticket allocations by type
 - All methods of obtaining tickets
 - Policy for exchanging tickets that are obtained from the reservation service
 - Policy for cancellations
 - Rules related to Advertising

- Develop a method to review and adjust the ticketing operation and ticket distribution formula on a yearly basis. Include involvement of park staff, user groups and partners in the process.
 - Determine a fair and reasonable number of tickets for distribution as VIP tickets to special visitors. Establish written park policies defining who qualifies as a VIP, how VIP tickets are reserved, and a management review process for special requests that do not meet those guidelines. Limit the number of people who are authorized to approve VIP requests.
3. Provide Park, commercial operators, and visiting public with written information articulating relevant standard operating procedures for ticketing operations:
- For Park personnel, post internally at locations or electronic portals readily accessible to employees - relevant SOPs
 - For commercial operators, distribute through written notices and appropriate public postings - clear information about how and when commercial operators may obtain tickets
 - For visiting public, post on Park website - clearly articulate all ticketing options and directions for obtaining walk-up tickets.

Perceptions of Unethical Business Conduct

Perceptions of unethical business conduct, may, in some cases, be dispelled by developing and implementing sound business practices related to the ticketing operation and communicating those business practices well. In addition to those recommendations:

4. Ensure all staff are familiar with standards for ethical conduct. Provide additional training for staff to discuss potential ethical dilemmas they may face and talk about how best to handle those situations. Counsel, and if necessary, work with the human resources division to discipline staff that fail to follow the ethical guidelines. Reinforce the message that everyone has a responsibility to ensure NPS standards of ethical conduct are met.
5. Refer for investigation by appropriate personnel the allegations noted in this report of misconduct involving acceptance of gifts from commercial operators. These were reported by multiple sources and appear to be a topic of general discussion among Park employees. Whether true or not (as the review team did not make any assessment of the credibility of the allegations), the very fact the allegations have been made appears to have had a negative impact on Park operations and employees and so should be fully investigated and resolved.

Loss of Management Control of USS Arizona Memorial Tickets

In addition to developing sound business practices related to how tickets are issued and communicating those practices well, please address the following:

6. Restrict the process of pulling tickets from the first-come, first-served ticket inventory for commercial operators who do not meet the definition of first-come, first-served visitors.

7. Address the needs the commercial tour industry has to provide tickets for last-minute bookings, in a manner that is fair to all competing commercial operators and does not take away from tickets set aside for other types of visitors. Day prior reservations on recreation.gov may be one solution, but the park should not limit themselves to only this alternative without listening to the commercial tour industry and considering best practices at other timed tour ticket parks.
8. Restrict the process of allowing commercial operators to exchange tickets that they reserved on recreation.gov with first-come, first-served tickets in the morning hours.
9. Requiring purchase of the narrated audio tour to secure a ticket to the Memorial appears to be in violation of the spirit of the law (FLREA). The park should consider all options for recommending the narrated audio tour, but should not set aside any USS *Arizona* Memorial tickets that are tied to the purchase.
 - Do not issue first-come, first-served tickets from the narrated audio tour desk, or any other location other than the NPS ticketing kiosk until a method and technology exists for the park to provide same time ticket issuance that ensures tickets are issued out on a first-come, first-served basis.

Agreements

10. To continue joint ticketing operations, the Park must execute the documents necessary to implement the special legislation (Section 121 of Pub. L. No. 111-88 as amended by Section 1733 of Pub. L. No. 112-10) authorizing sale within the Visitor Center of admission tickets to the Pearl Harbor Historic Attractions.
11. If tickets are reserved or distributed by a 3rd party (partner or association) put appropriate agreements in place with operational plans that ensure tickets are managed in a fair and equitable manner, and in accordance with NPS policies and standards. Work with the regional office on any 3rd party agreement for ticket reservations and distributions.

Management of Commercial Operations

12. If commercial operations (i.e. transportation, ticketing services, and interpretation) are allowed to continue within the park, the park must use the appropriate tools to manage that commercial use. If the park management team decides commercial operations are not allowed within the park, the park must clearly communicate that decision in writing to commercial operators and the general public, and enforce it.
 - Update conditions in permits and authorizations to adequately address ticketing, interpretation and other commercial activities.
 - Manage how commercial operators obtain, use, advertise, etc. U.S.S. *Arizona* tickets. Coordinate efforts with the Regional Commercial Services Division.
13. If Historic Pearl Harbor Tours (e.g. fundraising tours of the harbor and of the Memorial) continue to be offered as a means of providing an opportunity for visitors to have an extended Pearl Harbor experience, then the park should review with the NPS Partnership office the

requirements for offering such “fundraising” tours and current practices should be revised to meet the requirements of NPS law, regulation, and policy.

Recreation.gov

The implementation of recreation.gov has been good for park staff and good for visitors, including commercial operators. Continue to offer this service and explore other opportunities for improving the service.

14. Work with the NPS Reservation Program Manager to continue to implement improvements to the recreation.gov landing page for the site.
15. Coordinate significant changes with regional office staff to ensure appropriate requirements for planning, agreements, public scoping, etc. have been met prior to implementation.