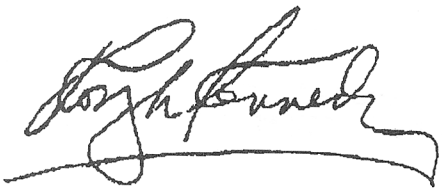
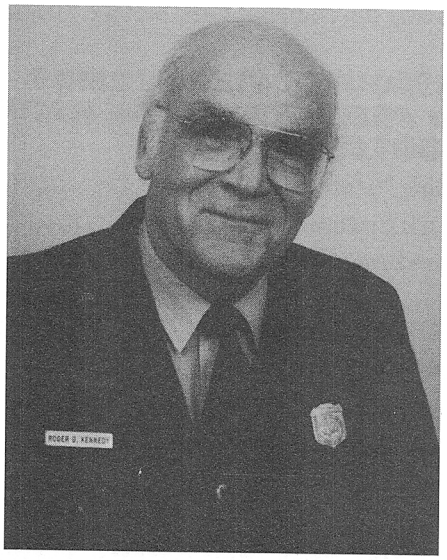
NATIONAL PARK SERVICE ANNUAL REPORT FISCAL YEAR 1996

I am pleased to present the financial report of the National Park Service for fiscal year 1996. This report includes highlights on some of our programs, partnerships, and projects.



Roger G. Kennedy
Director, National Park Service



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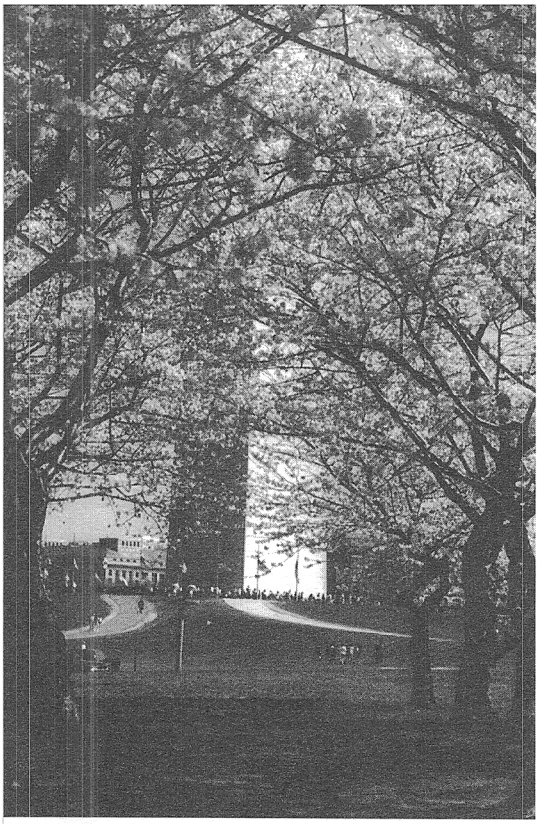
OVERVIEW

In 1996, the National Park Service (NPS) faced a challenging 80th year. Park Service employees persevered to find creative solutions to meet programmatic goals and made significant progress in conserving natural and cultural resources and in providing visitor services.

During the year extreme weather conditions wreaked havoc at national parks across the country. In the fall, Hurricane Opal in the Southeast and Hurricane Marilyn in the Caribbean caused an estimated $13 million in damages to park resources and facilities. During the winter, there was extensive flooding in the West and the Northwest. In January, heavy rains fell throughout the Mid-Atlantic region and New England which, coupled with the melting of several feet of snow, severely flooded a number of northeast parks. At Chesapeake and Ohio Canal National Historical Park, damages mounted to $25 million as flood waters covered 80 percent of the park and ravaged the canal, towpath, pedestrian bridges, stone retaining walls, lock gates, interpretive exhibits, historic structures, and operations facilities. Interior Secretary Bruce Babbitt personally stepped in to amass a cadre of 5,000 volunteers and raise $1.6 million in private sector donations and

Chesapeake and Ohio Canal National Historic Park





The Washington Monument

In Washington, D.C., the Washington Monument provided the perfect backdrop for the announcement by Target Stores that it was joining the NPS as a partner in restoring the Washington Monument and would lead a $5 million fundraising campaign.

services. This, together with emergency supplemental federal funding, enabled the C&O Canal to reopen in late spring, only to be damaged again during the fall by severe tropical storms.

When the Administration and Congress could not come to terms over budgetary issues, beginning in December and into January, Park Service employees joined fellow federal workers in a nearly three-week-long government shutdown. The closing of national parks attracted considerable media attention as it impacted local economies, concessionaires, park neighbors, and visitors. In the spring, the Park Service received a total appropriation for FY 1996 of $1.361 billion—which included a supplemental for emergency storm damage—that was nearly $7 million less than the prior year's appropriated funding. If the emergency storm damage funding is not included, the FY 1996 NPS appropriations were $56 million, or 4.1 percent, below the prior year in current dollar terms and about 6.5 percent below in real terms. Park managers, confronting the reality of trying to do more with less, were required to make difficult choices throughout the year. The result was cutbacks of park operations Systemwide, including shorter hours, less maintenance, deferred conservation projects, and fewer summer workers and interpretive programs to serve visitors.

In April, President Clinton declared the third annual National Park Week as a celebration of the thousands of partnerships where parks and programs are working successfully with national, state, and local organizations to meet common needs or advance common goals. Across the country, National Park Week was observed through hundreds of special in-park and community activities and distribution of a special "Our National Parks" supplement in ***The New York Times Magazine***. In Washington, D.C., the Washington Monument provided the perfect backdrop for the announcement by Target Stores that it was joining the NPS as a partner in restoring the Washington Monument and would lead a $5 million fundraising campaign.

A particularly significant partnership formed in 1996 as 14 Indian tribes assumed national program responsibilities for historical preservation on tribal lands. This expanded partnership responds to the 1992 Amendments to the National Historic Preservation Act that recognized the tribes' growing concerns and capabilities in historic preservation and their rightful place in the national program.

During the 1996 Summer Olympic Games, an estimated 1.5 million visitors were served by the Welcome South Visitors Center in downtown Atlanta. A key partner in creating the one-stop visitor information facility was the National Park Service's Southeast Field Area, which took the lead in design, fabrication, and operation of the public lands exhibit. Olympic visitors were able to easily get information on what to see and do at the South's many parks, forests, wildlife refuges, historic sites, lakes, and seashores. The three national park sites in metropolitan Atlanta—Martin Luther King, Jr., National Historic Site, Kennesaw Mountain National Battlefield Park, and Chattahoochee River National Recreation Area—received visits from media organizations from around the world, several heads of state, and thousands of tourists during the Atlanta games. At Martin

Luther King, Jr., National Historic Site, a new 21,000-square-foot visitor center complex was completed in time for the Olympic visitors. The Center provides tourists with information before they visit the King birth home, tomb, the King Center, Ebenezer Baptist Church, a new fire station museum, and the Sweet Auburn preservation district.

To serve the growing legion of cyberspace customers, the NPS World Wide Web magazine was officially unveiled in the spring. ParkNet (http://www.nps.gov) quickly became popular with net surfers as several national publications touted it as one of the best Web sites. ***The Washington Post*** labeled it "a hip site," ***The Wall Street Journal*** called it "a web gem," and ***Websight*** magazine put it on its list of "Hot Picks." Today, ParkNet receives more than 600,000 hits per week.

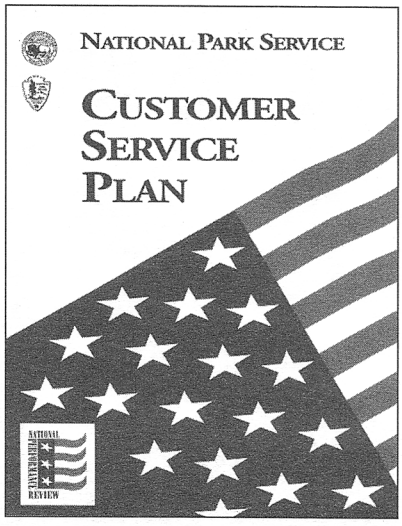
In recognition of the Park Service's innovative program of visitor surveys designed to assess customer satisfaction and improve customer service, the Park Service received Vice President Gore's National Performance Review (NPR) "Hammer Award" in June. This distinguished award is given to select federal agencies that demonstrate extraordinary efforts of implementing the goals of the NPR and that make significant contributions in support of President Clinton's NPR principles of putting customers first, cutting red tape, empowering employees and getting back to basics.

In 1996, the Park Service also looked ahead and began an effort to develop innovative management systems and a strategic plan to meet the needs of the next decade. In support of the 1994 reorganization and the Management Succession Plan, the Park Service implemented Leadership Seminar Training. This training, to be ongoing in 1997, gives present and future NPS leaders and supervisors the opportunity to examine a number of critical leadership issues and practices, evaluate personal leadership strategies, and enhance appreciation for the diversity of the strengths of employees.

As part of the agency's implementation of the Government Performance and Results Act of 1993 (GPRA), the Park Service continued ongoing efforts to develop a performance management system of goal setting and measuring results that will be used Systemwide at all levels—by parks, field offices, and the Washington staff. In the fall, a revised Strategic Plan and long-term goals were published and distributed for general review. The new Strategic Plan, to be finalized by the spring of 1997, will be used to guide the Park Service into the 21st century.

In the face of numerous challenges during the year, NPS employees remained committed to quality stewardship of America's natural and cultural heritage and to making those places and resources available to the public. In 1996, the Park Service continued to make significant accomplishments, some of which are highlighted in the section "Achieving the National Park Service Mission: Goals, Results, and Outcomes."

In 1996, the Park Service also looked ahead and began an effort to develop innovative management systems and a strategic plan to meet the needs of the next decade.



Long before Vice President Gore's National Performance Review call to "put customers first," the Park Service worked to assess and provide for the needs our primary customer, the park visitor.

THE NPS MISSION

The NPS was established by Congress in 1916 to conserve America's public lands and natural resources and to provide for their use by the public "so as to leave them unimpaired for the enjoyment of future generations." In the eight decades of its existence, however, the role and responsibilities of the Service have expanded to include serving as guardian of America's cultural heritage and historic legacy; advocate for ecological balance, biodiversity, environmental science and research; world leader in the parks and preservation community; and protector of America's open space. In 1996, the Park Service's National Leadership Council adopted the following comprehensive mission statement:

"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."

CUSTOMER SERVICE

Long before Vice President Gore's National Performance Review call to "put customers first," the Park Service worked to assess and provide for the needs our primary customer, the park visitor. Since 1982, the Visitor Services Project has pioneered a systematic means of surveying visitors to national parks. More than 80 studies have been conducted, from Death Valley National Park to Frederick Douglass National Historic Site, and they were featured in the National Performance Review reports on reinventing government.

In conjunction with Vice President Gore's National Performance Review, the Park Service conducted a customer survey workshop for federal agency personnel. The workshop, attended by over 200 people from 85 federal agencies, provided an introduction to developing customer survey programs. Ninety-five percent of the evaluation's respondents indicated that the workshop's level of usefulness was excellent or good.

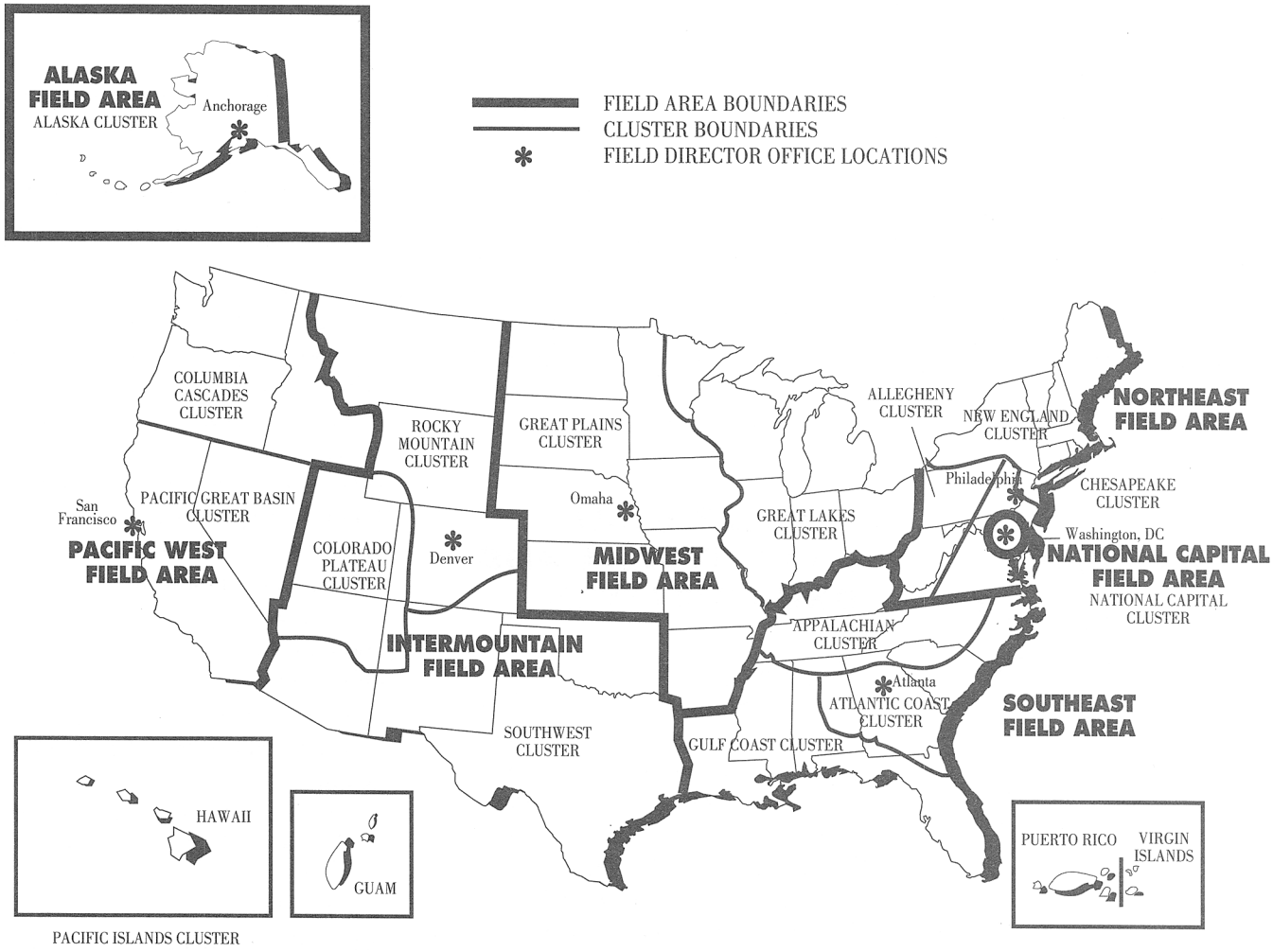
In September, the Service issued *Serving the Visitor 1996*, the third annual report card which compares the results of visitor surveys taken in more than 50 parks since 1988 to those taken in the last two years. See Chart III. Over 80 percent of visitors rated three significant areas—the quality of park personnel, the quality of visitor centers, and the quality of

Frederick Douglass National Historic Site



Chart I

The National Park Service Field Area and Cluster Boundaries



"Principles of Customer Service" state that NPS employees will: (1) be courteous, helpful and responsive; (2) make available quality NPS maps and brochures; (3) provide quality audiovisual programs and exhibits; and (4) provide quality services in NPS visitor centers.

ranger programs—as very good or good. To help meet GPRA requirements, a new question was added to the survey which asked visitors to rate the overall quality of services in the park. In response to this question, 90 percent of the visitors in the parks studied rated the overall quality of visitor services as good or very good. Also, in 1996, the Park Service continued in its second year of developing customer service standards. A set of "Principles of Customer Service" was developed aimed at ensuring the quality of visitor services. These principles state that NPS employees will: (1) be courteous, helpful and responsive; (2) make available quality NPS maps and brochures; (3) provide quality audiovisual programs and exhibits; and (4) provide quality services in NPS visitor centers. Over the next year, visitors will be evaluating the Park Service on these principles, and a report will be completed by mid-September 1997 tabulating the results.

THE NATIONAL PARK SYSTEM AND ORGANIZATION

The National Park System consists of 369 units encompassing more than 83 million acres of land in 49 states (all except Delaware), the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Northern Mariana Islands. The Service currently has under its purview about 11 percent of all public lands, with more than half located in Alaska. The diversity of the National Park System is reflected in the 22 different unit designations, which include but are not limited to national parks, national preserves, national historic sites, national monuments, national seashores, national recreation areas, national battlefields, and national trails.

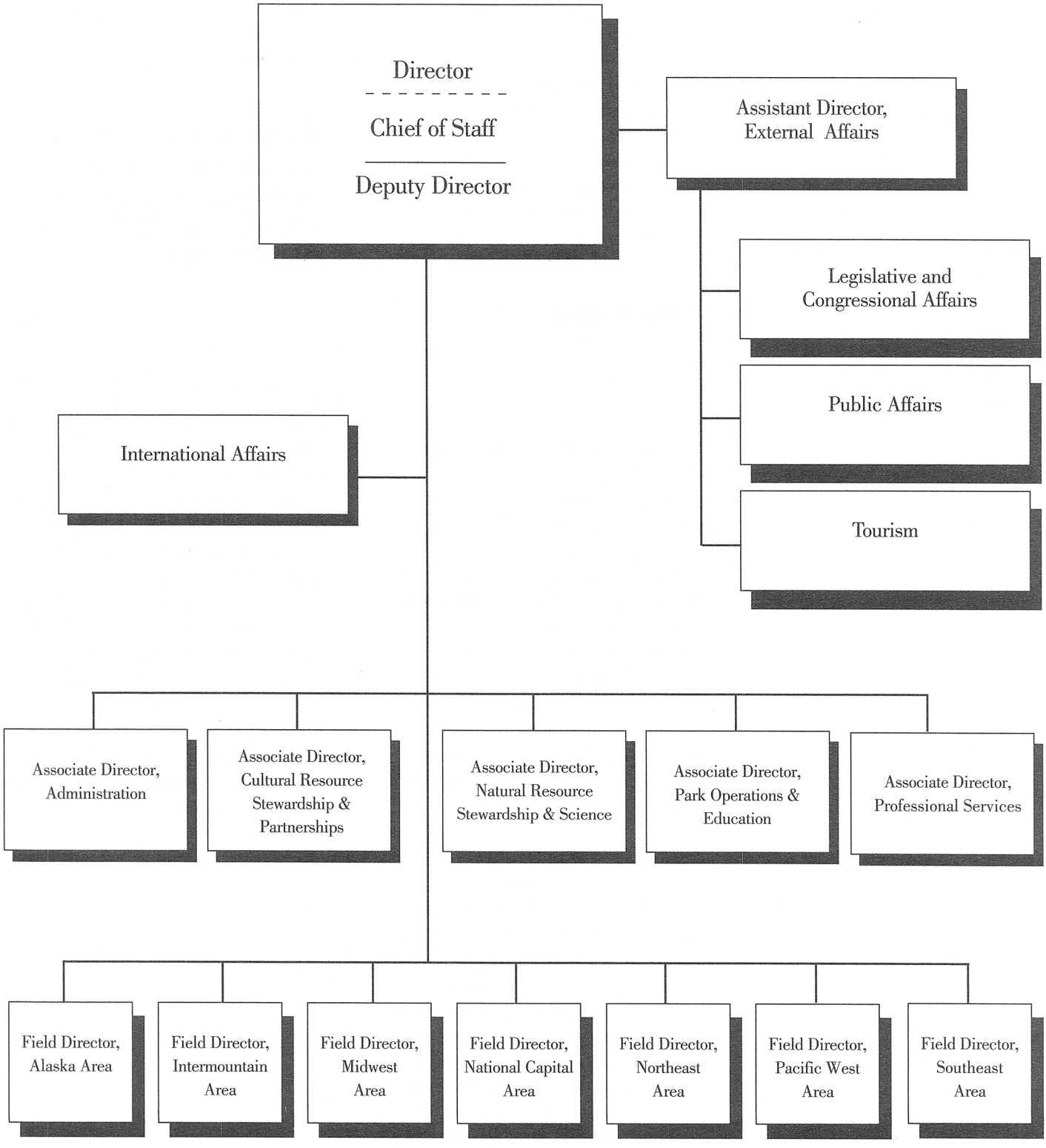
The NPS is administered by a Director who is responsible to the Secretary of the Interior. The National Park System is organized into seven geographic field areas, each headed by a Field Director. The seven field areas and their office locations are: Alaska, Anchorage, AK; Intermountain, Denver, CO; Midwest, Omaha, NE; National Capital, Washington, D.C.; Northeast, Philadelphia, PA; Pacific West, San Francisco, CA; and Southeast, Atlanta, GA.

All national park units are grouped into clusters to act collaboratively in sharing limited resources; each cluster is composed of 10 to 35 parks. Sixteen system support offices (SSO) provide technical support for parks on a clusterwide basis, mainly in areas where it is uneconomical or inefficient for the parks to provide the services for themselves. These SSOs also conduct partnership and technical assistance programs with partners such as state and local governments. Each of the seven Field Directors provides line supervision for all field unit superintendents within the directorate's geographical area. In addition, NPS has a Washington office with both policy and programmatic functions and national program centers located across the country. The program centers provide clusters, partners, and the NPS with services and support.

The Field Directors serve on the National Leadership Council with the Washington office Associate Directors, the Director, the Deputy Director, and the Chief of Staff. As such, this group sets overall policy and direction for the Service and forms the executive group for making decisions involving the NPS as a whole.

Chart II

The National Park Service Directorate



Volunteers remained an important NPS resource, as over 85,000 volunteers contributed three million hours—valued at $29 million dollars—in FY 1996.

In FY 1996, the Park Service utilized 18,563 FTE (full time equivalent)—a nearly three percent decrease from the prior year. Volunteers remained an important NPS resource, as over 85,000 volunteers contributed three million hours—valued at $29 million dollars—in FY 1996. This is a return of $17 for every dollar invested in the NPS Volunteers-in-Parks program. Park volunteers were involved in resource management, interpretation, visitor protection, maintenance, and administration. They worked in visitor centers, conducted visitor surveys, did global change research, and carried out landscaping and office duties.

FUNDING

The NPS receives funding from three sources:

Congressional Appropriations: In FY 1996, Congressional appropriations, including a $49 million supplemental for extraordinary emergency storm damage, totaled $1.361 billion. This funding was nearly $7 million below the FY 1995 level. If the supplemental funding is not included, the FY 1996 NPS appropriation is a $56 million, or 4.1 percent, decrease from the prior year. Table I provides a detailed description of the five FY 1996 NPS appropriations.

Other Revenue Sources: There are a number of permanent, indefinite appropriations and trust funds which automatically become available to the NPS without the need of action by the Congressional appropriations process. Interagency agreements also provide funds in exchange for specialized services provided by the NPS. In FY 1996, other revenue sources totaled $184.3 million. Table II provides a detailed description of this funding.

Recreation Fee Revenues: About one-half of the national park units collect entrance and/or recreational user fees. NPS fee income during FY 1996 was $48.6 million from entrance fees and $29.1 million from user fees, for a total of $77.7 million. Appendix I provides a detailed discussion of the Park Service's recreation fee revenues.

ACHIEVING THE NATIONAL PARK SERVICE MISSION: GOALS, RESULTS AND OUTCOMES

The diversity of programs and activities reflects the broad spectrum of responsibilities associated with the Park Services's primary mission goals. As articulated in the 1996 Draft 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) perpetuate heritage resources and enhance recreational opportunities managed by partners; and (4) ensure organizational effectiveness. The programmatic highlights presented here are a representation of the Park Service's efforts and achievements in FY 1996. Quantitative performance information is included when available. As the Park Service moves forward with ongoing work on the development of baseline data and performance measures, this information will be incorporated into future reports.

I.

RESOURCE STEWARDSHIP: THE PROTECTION AND PRESERVATION OF NATURAL AND CULTURAL RESOURCES

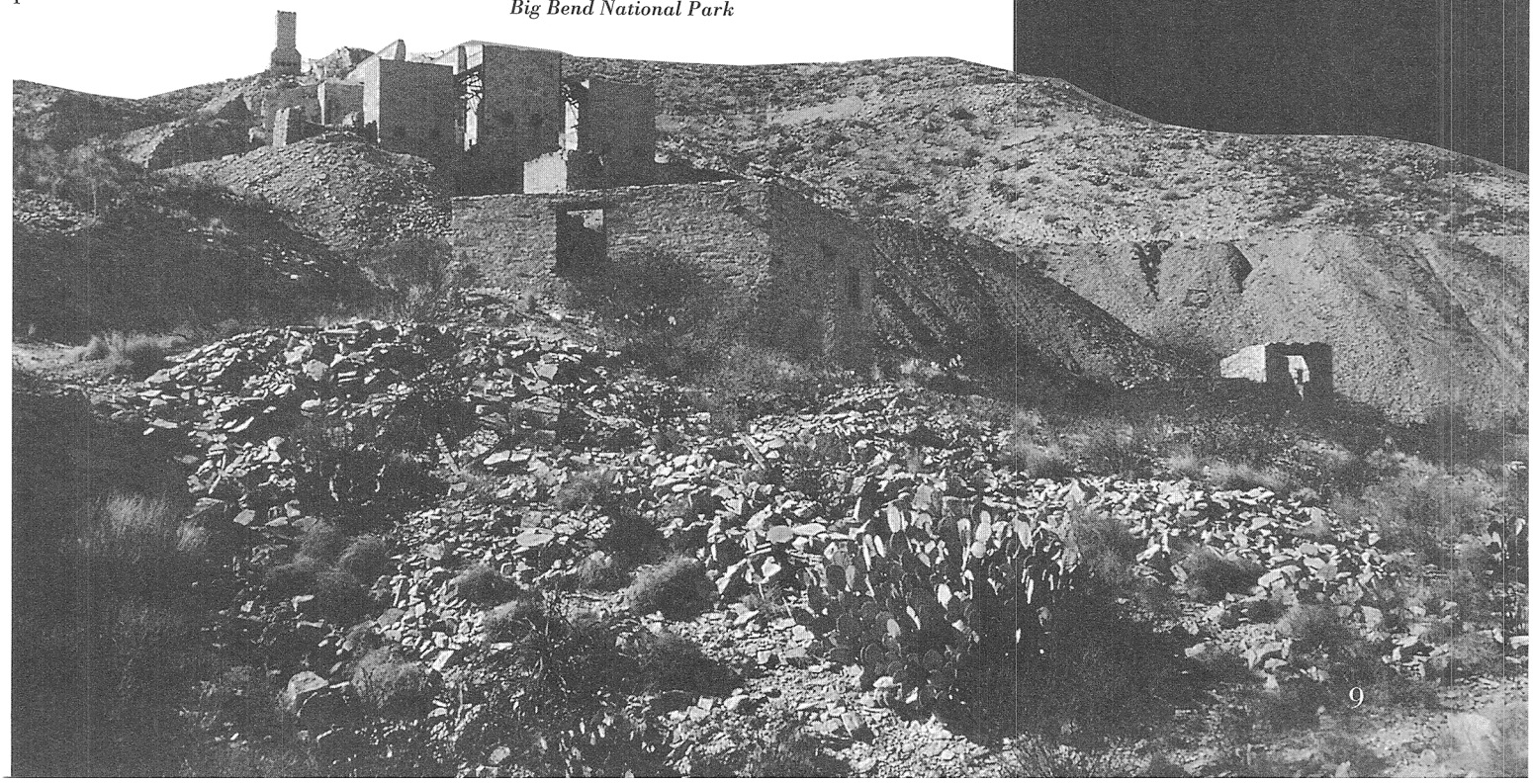
When national parks were first established, park status conferred adequate protection to their resources. However, as outside influences encroach upon parks—e.g., agricultural runoff, hazardous spills, and development—being a National Park System unit is not enough to protect habitats and historic scenes. In addition, many new park units were acquired with degraded resources, such as abandoned mines that drain polluted waters and historic resources in disrepair that needed restoration. Resources also are being damaged inside the parks because of increasing or inappropriate visitor use: poaching and collecting wildlife, plants, minerals, fossils, and archaeologic and historic artifacts; defacing cultural and historic buildings and artifacts; disturbing nesting animals; and trampling sensitive plants or unstable ruins.

To respond to the escalating need to take active protection measures, the Park Service has engaged in an array of mitigation, restoration, and preservation activities to ensure that precious and often irreplaceable resources will be passed on intact for the use and enjoyment of future generations.

A. PARK NATURAL RESOURCES

Preserving park wildlife, fisheries, vegetation, habitat, air quality, scenic vistas, and water resources requires first that we know what and where these resources are. For example, good decisions cannot be made about where to place a visitor center or road, or whether to allow intensive recreation without first knowing whether there are sensitive animal nesting areas or migratory routes that might be disturbed by such activities, or whether there are rare or sensitive plants that might be eliminated. If we do not understand geologic or flood hazards, we cannot make certain that visitors will be as safe as possible. Similarly, we must understand how the natural systems in the parks operate and how man-made changes to the landscape affect them before we can design protective measures or adequately restore degraded resources.

Big Bend National Park



To develop effective and cost-efficient ecosystem monitoring Servicewide, a network of ten prototype monitoring programs is being implemented.

Because basic knowledge about existing resources is a fundamental step in protecting them, one measure of the effectiveness of natural resource stewardship is the extent to which the Park Service has available resource inventories, baseline measures, and monitoring capability to provide resource information. Therefore, the NPS has drafted performance measures to track its progress in obtaining necessary information (inventories) and in developing adequate frameworks (ecosystem models) to systematically monitor resource conditions. However, the effectiveness of natural resource stewardship must also be measured by the condition of the resources themselves. Although few comprehensive systems exist to measure resource conditions throughout the System, the NPS has developed draft measures of key resources that provide an indication of their condition. Finally, the effectiveness of the Park Service in meeting its mission will depend to some degree on adequate professional staff to assess and respond to resource information.

In FY 1996, $73.6 million was obligated for natural resources applied research and management activities; this was a 5.5 percent decrease from the preceding year.

Knowing the Resources and Their Condition. The NPS has defined a basic set of 12 inventory data needs critical for every park; other specialized inventory needs also exist for individual parks. To acquire the common basic data sets in the most cost-effective manner, the NPS has established a Servicewide program to oversee their acquisition. To develop effective and cost-efficient ecosystem monitoring Servicewide, a network of ten prototype monitoring programs is being implemented. To date, work on seven prototypes has begun—in Denali National Parkland Preserve, 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 in the Great Plains, and a Caribbean cluster that includes three parks. Vegetation mapping and the research and design components of the monitoring element were transferred to the National Biological Service—now the Biological Resources Division of the U.S. Geological Survey (USGS). Significant work on the NPS inventories and operational aspects of the monitoring program was accomplished in FY 1996.

Evaluation of the first four prototype monitoring programs was initiated in FY 1995 and completed in FY 1996. Work is now underway to begin the process of transferring what was learned in the prototypes to other parks in the System.

A top priority of the Natural Resources program is to identify and compile all natural resource studies that have been completed to date within each park into an easily usable and updated automated

Cape Cod National Seashore



database. This effort was undertaken in 56 parks in FY 1996, bringing the total number of parks that have completed databases to 252.

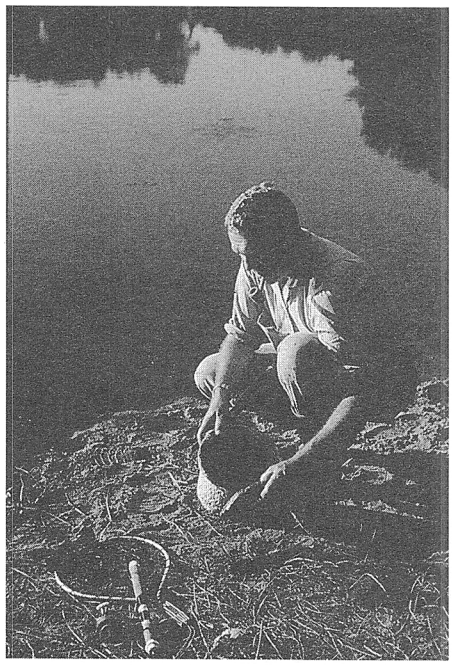
Geology databases were completed and summarized for all 250 natural resource parks. These databases capture existing geologic information from two national U.S. Geological Survey (USGS) databases which contain data from the USGS, state, and other data sources for a wide variety of geologic parameters. The databases will provide a comparison of each park's surficial and bedrock geology information in comparison to NPS Level One standards.

Baseline Water Quality Data Inventory and Analysis Reports were completed for 33 parks in 1996, bringing to a total of 60 the number of parks with completed reports. The reports include retrievals from six Environmental Protection Agency (EPA) national databases which in turn collect data from several EPA, USGS, NPS, state, and other data sources for thousands of parameters. The reports provide a complete inventory of existing water quality parameter data within and adjacent to parks. The reports also contain descriptive statistics and graphical plots and compare each park's water quality data to EPA and NPS criteria. They define the gaps between the available information and the NPS basic water quality parameters; once the gaps are identified for all parks, inventories to complete the gaps will be initiated.

Cartographic data were provided to 27 parks, bringing the total of parks provided with such data to 130. In addition, hydrography information was obtained for all Alaskan park units. These data provide the framework for most data themes in park Geographic Information Systems (GIS) and directly contribute to analyses of some issues, such as those where elevation is a factor.

As part of a Servicewide monitoring system to carry out its Clean Air Act responsibilities, in FY 1996, the NPS operated a comprehensive air monitoring network that included ozone monitoring in 24 units (down from 38 last year), wet acidic deposition sampling in 22 units, dry acidic deposition monitoring in 18 units, fine particle sampling in 33 units, and optical visibility monitoring in 15 units. Continued operation of this network provides to the Park Service, as well as to other federal and state regulatory agencies like EPA, 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. Through its research, modeling, and data analysis efforts, the NPS has identified the potential source regions and source types responsible for observed effects to the resources of our national parks. This information is used by NPS, federal and state regulatory agencies, and special commissions to formulate plans to protect and enhance the air resources of our national parks.

Results from NPS air resources monitoring efforts show that three parks (Joshua Tree, Mesa Verde, and Sequoia) measured concentrations above the National Ambient Air Quality Standards for ozone. According to a 1996 USGS report, ten parks showed statistically significant (p=0.05) decreasing trends in precipitation sulfate concentrations, while seven western parks showed increasing concentrations of nitrate in precipitation over a ten-year period (1983-1994). In collaboration with



The Baseline Water Quality Data Inventory Reports contain descriptive statistics and graphical plots and compare each park's water quality data to EPA and NPS criteria.

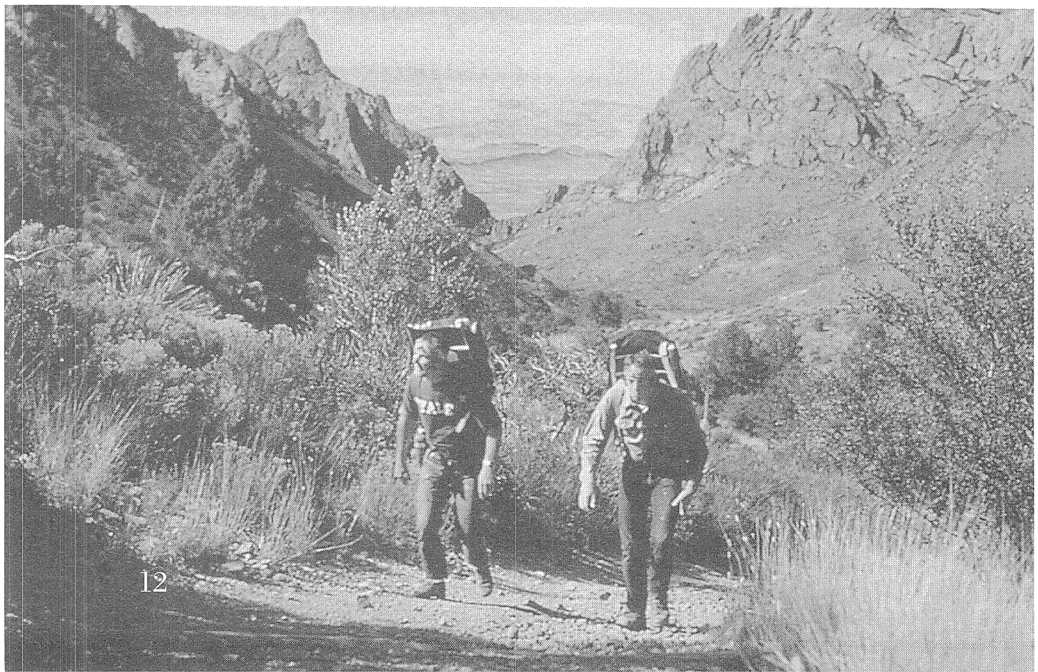
A partnership with the State of Texas resulted in completion of a $250,000 reclamation at an abandoned mercury mine in Big Bend National Park at no cost to the NPS.

Big Bend National Park

the USGS, NPS-funded snowpack monitoring identified Class I areas of the Rocky Mountains that are receiving high levels of nitrogen deposition in snowpacks—Rocky Mountain and Yellowstone national parks. This monitoring has led to NPS-sponsored watershed process research and surface water monitoring in parks.

As part of the National Water Quality Assessment (NAWQA) program in national parks, in FY 1996, the NPS and USGS established and/or maintained collaborative water quality monitoring projects in nine NAWQA study basins, benefiting 11 parks. This jointly-funded monitoring, together with the additional NAWQA work ongoing in 13 other parks, is providing critical data on water quality, aquatic contaminants and aquatic biota. Over 200 parks lie within existing NAWQA study basins and the potential to cooperate is great.

Another partnership effort that is contributing to meeting information needs in the NPS is a program begun in 1996 with Canon U.S.A. and the National Park Foundation. It is the first and largest program of its kind.



In 1996, 20 parks received equipment and a total of over $1 million to develop information on biological resources for restoration activities.

Although existing and planned monitoring programs provide needed quantitative information about the condition of park resources, this information cannot directly measure the performance of the Park Services's resource stewardship activities. Park natural resources are influenced profoundly by activities outside park boundaries. The Service can influence, but not control, these activities through cooperative planning, permit reviews, and other means.

Outcomes and Impacts: Restoring, Maintaining and Protecting Resources. Inventory and monitoring efforts are only the first step. The NPS must effectively use this information to protect park resources as well as human health. Effective stewardship requires adapting and applying strategies to maintain, restore, and protect park natural resources.

As part of the NPS restructuring, the Geologic Resources Division was established in 1996 to provide improved geologic resource management assistance to parks, including mineral management and disturbed land restoration. As part of this effort, the new division developed a partnership effort with USGS that has resulted in identifying over 150 USGS geologists to assist parks with geologic concerns.
A partnership with the State of Texas resulted in completion of a $250,000 reclamation at an abandoned mercury mine in Big Bend National Park at no cost to the NPS.
A partnership with Bat Conservation International to identify and preserve

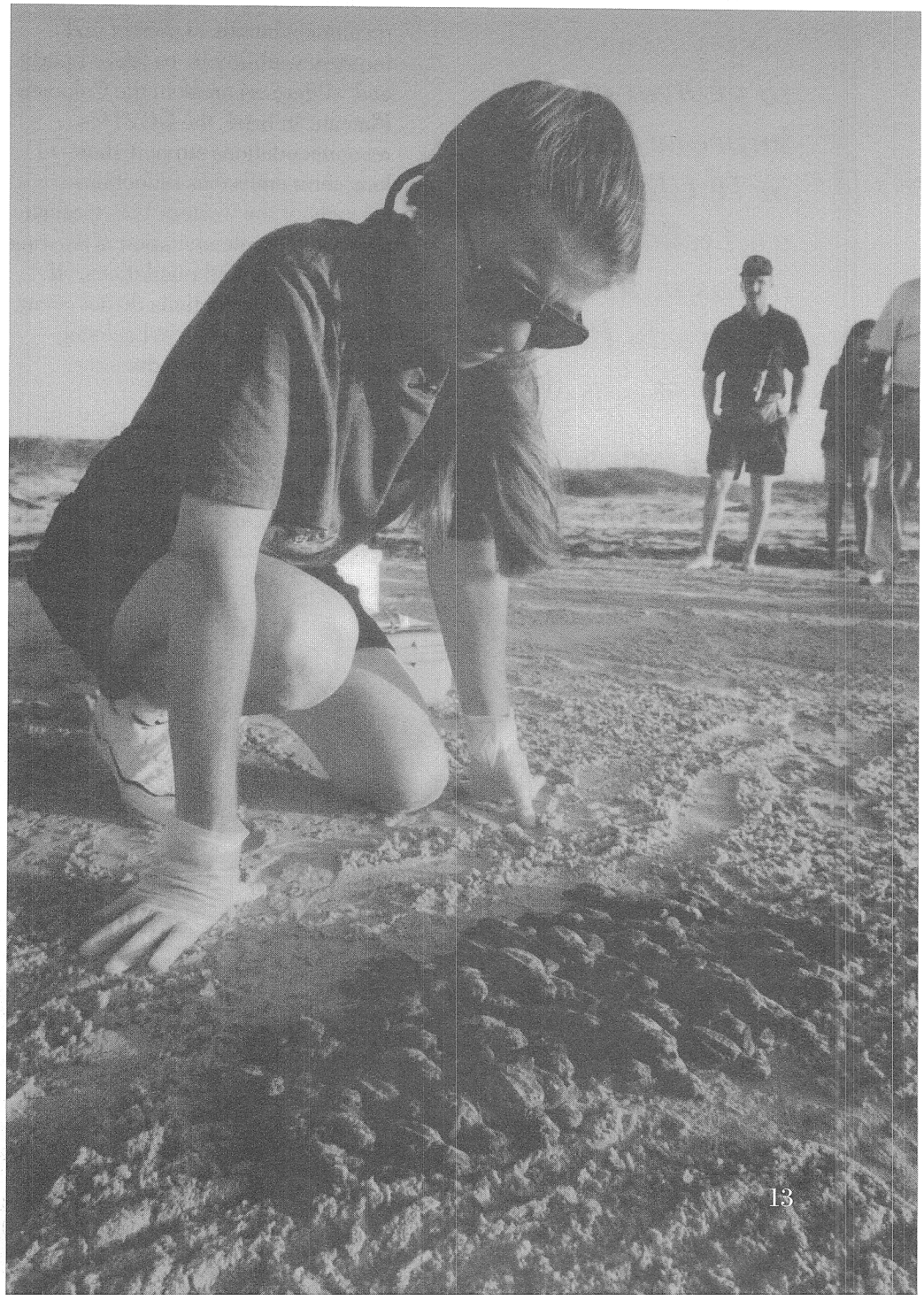
abandoned mines as suitable habitat for threatened and endangered species of bats assisted in the installation of 67 bat gates at abandoned mines in 14 NPS units.

Over the past few years, the NPS has activated a program to better respond to oil spills and hazardous substance releases which either threaten or impact park resources. In FY 1996, an emergency Incident Reporting System was initiated which tracked over 695 environmental incidents involving oil and/or hazardous substances that either threatened or affected 97 separate units of the National Park System between January 1, 1996, and October 1, 1996. Three of these incidents resulted in major spills which caused injuries to park resources and/or the public services provided by the park. The NPS worked cooperatively with the parties responsible for the spills and with responding federal and state agencies to protect park resources and remove the contaminants from the environment.

There are at least 125 federally listed endangered species which occur within 180 units of National Park System, and 84 of these species are the subject of recovery plans for which NPS has some responsibility, according to preliminary analysis. Species for which the Park Service has made particularly significant recovery efforts include the Kemp's ridley turtle, black footed ferret, and piping plover. Padre Island is home to the Kemp's ridley turtle, the most endangered sea turtle. In 1995, four active Kemp's ridley turtle nests were found in the seashore—the only nests found in the United States in 1995 and the most nests found on the Texas coast since record keeping began in 1979. This activity received considerable media attention as some of the nesting turtles were the first "return" of transplanted hatchlings "imprinted" on Padre Island and released there, beginning in 1978. Over 173 individual black-footed ferrets have been reintroduced into Badlands National Park since 1994. In another first, the wild-born offspring of those introduced ferrets produced their first litters in 1996; this is a strong indication that the black-footed ferret reintroduction efforts will be successful in the future. The piping

Padre Island is home to the Kemp's ridley turtle, the most endangered sea turtle.

Padre Island National Seashore



NPS provided significant technical and policy assistance to protect and improve visibility in 16 Class I parks and wilderness areas in the Colorado Plateau.

Rocky Mountain National Park

plover appears in six national seashores from Massachusetts to North Carolina; these six seashores support about 20 percent of the U.S. Atlantic Coast population and have made significant contributions to the growth of the population in recent years.

NPS provided significant technical and policy assistance to the Grand Canyon Visibility Transport Commission (GCVTC), enhancing the scientific basis for the commission's FY 1996 recommendations to protect and improve visibility in 16 Class I parks and wilderness areas in the Colorado Plateau. In brief, the GCVTC's recommendations support short- to long-term emissions reductions throughout the western U.S. through aggressive implementation of existing laws, policies, and regulations. If the assumed reductions do not occur, EPA should implement backstop programs to achieve reductions. For example, under the recommendations, pollutant emissions from stationary and mobile sources are expected to be 30 percent less by the year 2010 than the 1990 levels —i.e., sulfur dioxide (SO_2) from stationary sources and volatile organic compounds and nitrogen oxides from mobile sources. This corresponds to tens of thousands of tons per year of SO_2 less than 1990 levels. In addition, federal land managers were charged by the commission to limit and reduce visibility impairing-emissions within Class I areas and to participate in external planning arenas on issues such as integrating visibility concerns into prescribed fire management and utilizing non-fire alternatives whenever feasible.

The NPS was also instrumental in establishing a Collaborative Decision Making (CDM) process addressing the impacts of the Centralia Power Plant's emissions on visibility at Mount Rainier National Park and other Class I areas located in Washington state. By bringing all stakeholders together, the Centralia CDM group was able to reach a tentative agreement to control nitrogen oxide emissions and to reduce the allowable SO_2 emissions from the power plant by 90 percent. This will result in up to a 60,000 ton per year reduction in the plant's SO_2 emissions, thereby improving visibility and reducing acid deposition at Mount Rainier National



Park and nearby wilderness areas. The President and Vice President visited Centralia, and the Vice President mentioned the CDM process in his public remarks as an example of government and industry working together in collaboration rather than confrontation.

The NPS has an active program to protect water-related values in parks, including water resources necessary to support park biota. Through state protest and hearing procedures, the NPS protested 13 applications for water rights near NPS units. In addition, preparations were conducted to support negotiation, or where necessary litigation, concerning water rights claims in 40 adjudications in seven states involving 49 NPS units. These preparations include historical research and physical and biological resources studies. The NPS reached an agreement-in-principle with the State of Utah and Washington County Water Conservancy District for the settlement of water rights for Zion National Park. The agreement recognizes the reserved water rights claimed for the park and allows for limited future development of water above the park. Final approval of the agreement was reached in December, 1996.

The Park Service played a key role in the March 1996 controlled flood release from Glen Canyon Dam aimed at redistributing sediments stored on the bed of the Colorado River in Grand Canyon and rebuilding beaches and associated habitats which have been lost to progressive erosion since the closure of the dam in 1965. The flood was initiated by the Bureau of Reclamation in close cooperation with the NPS, USGS, the Fish and Wildlife Service, other federal and state agencies, Native American Tribes, and universities. An accompanying scientific monitoring and research program is documenting the flood's effects. Initial observations suggest that the flood resulted in considerable restoration of downstream aquatic and riparian habitats.

On August 12, 1996, President Clinton announced government plans to acquire private mining claims adjacent to Yellowstone National Park to prevent damage to park resources due to a proposed mine. This was the culmination of over five years of scientific analysis and technical negotiations by NPS resource specialists. The large New World Mine, proposed in 1990, would have been less than three miles northeast of Yellowstone and would have included underground mining in the park's watershed and a toxic tailings impoundment in the headwaters upstream of the park. NPS specialists worked closely with a host of other agency and conservation groups to fully assess the risks of the proposed mine through the permits and Environmental Impact Statement (EIS) process. The President, citing the intense battle that had taken place over the proposed mine, stated that this was "for all the people of the United States, and, indeed the people of the world who love and believe in the preservation of our natural resources . . . ."

Another successful effort to protect park resources from adverse effects of nearby mining occurred at Cumberland Gap National Historical Park. On September 17, 1996, Secretary Babbitt announced the decision by the Department to protect the park and the surrounding watershed from adjacent surface coal mining in the State of Tennessee. The announcement was in response to a petition filed by the City of Middlesboro, Kentucky, and the

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The NPS is entrusted with the care of hundreds of special places that reflect its diverse cultural roots and traditions.

National Parks and Conservation Association which was strongly supported by the NPS. The NPS worked closely with the Office of Surface Mining during the deliberative process articulating the park's resource management concerns and calling for the use of provisions of the Surface Mining Control and Reclamation Act of 1977 to protect the park. The Secretary's announcement constitutes a major step toward the long-term protection of the park from adjacent coal mining.

B. PARK CULTURAL RESOURCES

The NPS is entrusted with the care of hundreds of special places that reflect its diverse cultural roots and traditions. Historic places like Manassas National Battlefield Park, the Statue of Liberty National Monument, Independence National Park, and Mesa Verde National Park tell the stories of civil rights and Civil War, of invention, and of national pride and honor.

In FY 1996, 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 Park Service continued to develop appropriate technologies and methods to inventory, document, monitor, preserve, and protect cultural resources and ensure their appropriate treatment. In FY 1996, the Park Service obligated $62.9 million for cultural resources preservation activities.

The NPS maintains two Servicewide cultural resource inventories: the Cultural Landscapes Inventory (CLI) and the List of Classified Structures (LCS). Both are computerized, evaluated inventories; the CLI provides information on the location, historical development, condition, and current management of cultural landscapes and the LCS provides this information for historic structures. In FY 1996, a detailed functional analysis was completed for the Cultural Landscapes Automated Inventory Management Information System (CLAIMS), a new system that will automate management and other reports, ad hoc and preprogrammed queries, and data entry and editing activities associated with the CLI. Based on the study, a fully functional CLAIMS production system software has been produced.

Also in FY 1996, a five-year effort to update the LCS was continued. To date, information on over 19,000 structures has been gathered. Finally, two technical guides were completed during the year which will provide Servicewide guidance regarding the technologies and methods for treating cultural landscapes: ***A Guide to Cultural Landscape Reports: Contents, Process, and Techniques*** will guide research, documentation, evaluation, and treatment of cultural landscapes in the System; and ***Managing Significant Agricultural Landscapes within the National Park System*** will guide the management and use of historic agricultural lands in parks.

There are currently 33.6 million objects and 20,400 linear feet of manuscript and archival documents in over 300 parks and centers. These numbers are higher than reported in FY 1995, due because of reassessment of the cataloging backlog. To date, 54 percent of the objects and 34 percent of the manuscript and archival documents are cataloged and available for use;

however, only 62 percent of park museum conditions adequately preserve and protect these resources. In FY 1996, an estimated 1.1 million objects and 650 linear feet of archives were cataloged. At the present rate, the collection should be cataloged by 2014, making the objects and associated documentation fully accessible for research, exhibits, and heritage education. In addition, an estimated 423 planning, environmental, storage, security, and fire protection deficiencies were corrected in 105 parks. By 2023, the backlog of preservation and protection deficiencies should be corrected, thus maximizing the availability of collections to present and future generations. Also, in FY 1996, public visibility for NPS museum collections increased with the redesign of the World Wide Web site. The museum collections home page includes profiles of all park museum collections, images of selected objects and specimens, and samples of publications that are available to the public.

Administrative histories document the development of park units and are important guidance for park management. During FY 1996, NPS and outside historians completed eight park administrative histories and worked on more than 30 others. Other publications produced by the Park History Program during the year included ***Exploring a Common Past: Interpreting Women's History in the National Park Service; Humanities and the National Parks: Adapting to Change***; and ***Revision of the National Park Service's Thematic Framework***, a reflection of the profound changes that new scholarship has wrought in the interpretation of the full diversity of American prehistory and history.

In addition, the Park History Program co-sponsored, with the Newberry Library in Chicago, a four-week seminar on Native American history. This seminar exposed participants to lectures and research by some of the most important scholars in the field at one of the leading research institutions in the country.

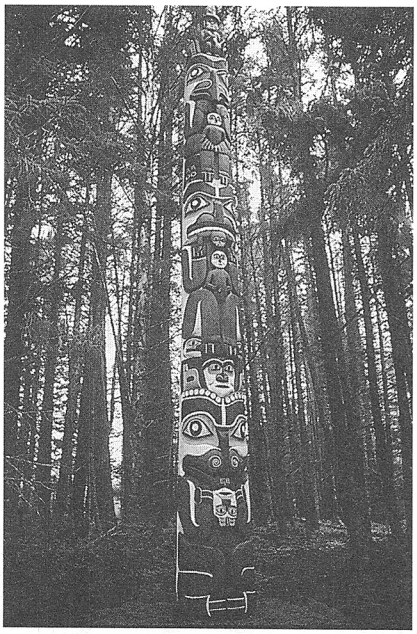
Less than four percent of the 1.5 million archeological sites thought to exist in the National Park System have been inventoried. In FY 1996, five of the 16 national park clusters completed inventory plans that report on the status of archeological inventories and set targets for conducting inventories in the future. Electronic records were aggregated for approximately 25,000 sites with a software inventory system to be released in FY 1997.

In the first conviction for trafficking in Native American human remains, the Park Service teamed up with the Bureau of Land Management, the FBI, the Crow Nation, and the U.S. Attorney offices in Alexandria, VA, and Covington, KY, to indict and convict two men who looted from Little Bighorn Battlefield National Monument. The remains were repatriated in a formal ceremony during National Park Week.

As required by the Native American Graves Protection and Repatriation Act (NAGPRA), in FY 1996 the Park Service distributed its inventory of Native American human remains and associated funerary objects to 149 culturally affiliated Indian tribes or native Hawaiian organizations. Approximately 77 percent of the human remains were identified as culturally affiliated with present-day tribes and Native Hawaiian organizations.

In FY 1996, an estimated 1.1 million objects and 650 linear feet of archives were cataloged.

Sitka National Historical Park



C. LAND ACQUISITION

Many developments adversely affect the preservation of cultural, historic, or natural resources and conflict with park purposes.

Of the 83 million acres of the National Park System, 4.75 million are privately owned. All privately held interests are potentially subject to use and development. In some cases, proposed developments of these private interests are compatible with the park's purpose and objectives. However, many adversely affect the preservation of cultural, historic, or natural resources and conflict with park purposes. Examples of potentially incompatible uses of private interests include commercial or subdivision development, large-scale agricultural development, and mineral exploration or production. Where regulatory authority exists, the NPS may control or condition the use of private interests, but the NPS cannot deny their use without due process of law and just compensation to the holder of the right. Not all privately held tracts within the Park System have been identified for purchase. Land protection plans developed for all areas containing private land have identified the minimum acquisition needs.

In FY 1996, $31.8 million was obligated for land acquisitions. The Service purchased interests in 230 tracts containing 9,137 acres of privately owned land. An additional 2,671 acres were acquired by methods other than purchase. FY 1996 acquisitions assured protection of a variety of significant natural and cultural resources and provided for visitor use.

In support of the Department's South Florida Restoration Initiative, the Service acquired 102 tracts containing 1,136 acres at Big

Development Site, © Photodisc



Cypress National Preserve and six tracts containing 105 acres at Everglades National Park. The purpose of the Initiative is to restore and protect the water flow into the Everglades and Florida Bay ecosystems. The Army Corps of Engineers plans to have the construction portion of the restoration program completed in the year 2000, and it is essential that all private land be acquired before the plan can be implemented.

The protection of an additional 3.9 miles of Appalachian National Scenic Trail was accomplished with the acquisition of 2,037 acres in FY 1996.

The Act of June 23, 1992, revised the boundary of Palo Alto Battlefield National Historic Site in Texas to include an additional 3,357 acres of privately owned land containing significant historic resources. In April 1996, with funds appropriated in fiscal years 1994 and 1995, the Service purchased a 391-acre tract that comprised over 10 percent of the 1992 addition. Acquisition prevented imminent development of the property.

At Martin Luther King, Jr., National Historic Site in Georgia, the Service obligated $1.5 million to purchase a 5.17-acre tract needed to provide parking for visitors. Prior to acquisition of the tract, the site of the former Scripto plant, significant time was expended to investigate and remediate hazardous material contamination.

The Service obligated $3.7 million to purchase the 34-acre Crescent Dune tract at Indiana Dunes National Lakeshore. The tract, acquired from the Northern Indiana Public Services Company, is the last undeveloped portion of Lake Michigan shoreline in Indiana.

Significant acquisitions by exchange were completed at John Day Fossil Beds National Monument in Oregon, Rocky Mountain National Park in Colorado, Chattahoochee River National Recreation Area in Georgia, and Wrangell-St. Elias National Park and Preserve in Alaska.

Notable land donations were accepted at Timucuan Ecological and Historic Preserve in Florida, Great Smoky Mountains National Park in Tennessee, and Redwood National Park in California.

As of September 30, 1996, there were approximately 350,000 acres remaining to be acquired excluding the Alaskan areas. It is estimated this total land acquisition backlog for National Park System units is over $1.4 billion.

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Indiana Dunes National Lakeshore



II.

VISITOR SERVICES: PROVIDING FOR PUBLIC ENJOYMENT

"National Parks are established not solely to preserve scenic landscapes and historic places, but also to provide a greater dividend because of their unique value in administering to the human mind and spirit."

— Former NPS Director Newton B. Drury

"Everyone needs to play and to play out of doors. Without parks and without outdoor life all that is best in civilization will be smothered. To save ourselves, to prevent our perishing, to enable us to live at our best and happiest, parks are necessary. Within National Parks is room—glorious room—room in which to find ourselves, in which to think and hope, to dream and plan, to rest and resolve."

— Enos Mills

Our national parks record the stories of our Nation and the struggles and triumphs of the American people. Embodied in the National Park System is America's collective national identity and natural and cultural heritage. Equally as important is the sanctuary that the parks provide for the mind and regeneration of the 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, it is only by making available to the public the stories and the scenic wonders of the parks and by creating bonds—emotional, intellectual and recreational—that people will assume greater responsibility for the protection of their natural and cultural heritage and ensure their preservation for generations to come.

North Cascades National Park



National park areas have long been a favorite and inexpensive destination for millions of Americans as well as people from around the world. In 1996, it is estimated that there were 264 million recreational visits to America's national parks. 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 staff.

A. INTERPRETATION AND EDUCATION PROGRAMS

Interpretation must provide visitors with the information necessary for their fullest understanding, enjoyment, and appreciation of park units and their stories as well as information that ensures the protection and preservation of park resources. In 1996, considerable emphasis was put on raising the professional standards of interpreters. New interpretive training materials were developed that focus not only on delivering information in a skillful way but on linking specific tangible artifacts, buildings, and places with intangible ideas, events, and concepts. The job of interpretation, in all its forms, is to help people discover their own relationship to and understanding of parks.

In FY 1996, the Park Service obligated $107.7 million for park interpretation and education programs. Systemwide, 136 million hours of interpretation and education programs were provided. The array of different services provided include: 624 staffed information and orientation stations; 1,700 talks and campfires; 1,900 guided tours through parks, caves, archeological ruins and historic buildings; 900 historical demonstrations; and 4,000 off-site school and community programs. Over 130 million visitors benefited directly from these programs. Some noteworthy examples of FY 1996 interpretive and education programs follow:

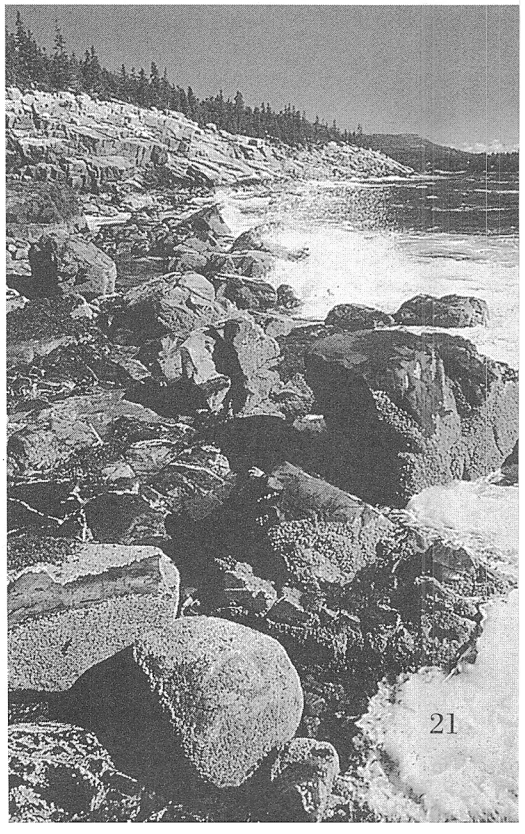
Resource Acadia is an outreach effort targeted at adults within a two-hour drive of Acadia National Park. In a series of six hour seminars, with each seminar focused on a specific resource topic—e.g., non-native plant invasion, air and water quality, or visitor impacts—researchers and natural and cultural resource managers present current research results and discuss park management issues. Lectures are combined with hands-on field trips. ***Resource Acadia*** has been enthusiastically received by Acadia's neighbors and has given them a forum for learning and discussion and an opportunity to see the "stewardship behind the scenery."

For the past four years, the Park Service has been in partnership with Philadelphia's National Constitution Center to develop and present special interpretive and educational programs in observance of Constitution Day, September 17. In 1996, 89 NPS units used materials provided free-of-charge by the Center to fashion a wide variety of innovative and unusual programs which were particularly effective at reaching out to new audiences and promoting strong park and community goodwill.

Citizen, Soldier, and Conflict—A Path to History is a Gettysburg National Military Park program that uses the experiences of a Gettysburg farm family and a unit of soldiers to

Resource Acadia has been enthusiastically received by Acadia's neighbors and has given them a forum for learning and discussion and an opportunity to see the "stewardship behind the scenery."

Acadia National Park



Over the FY 1995-96 period, the Harpers Ferry Center produced 460 new wayside exhibits and replaced an additional 217.

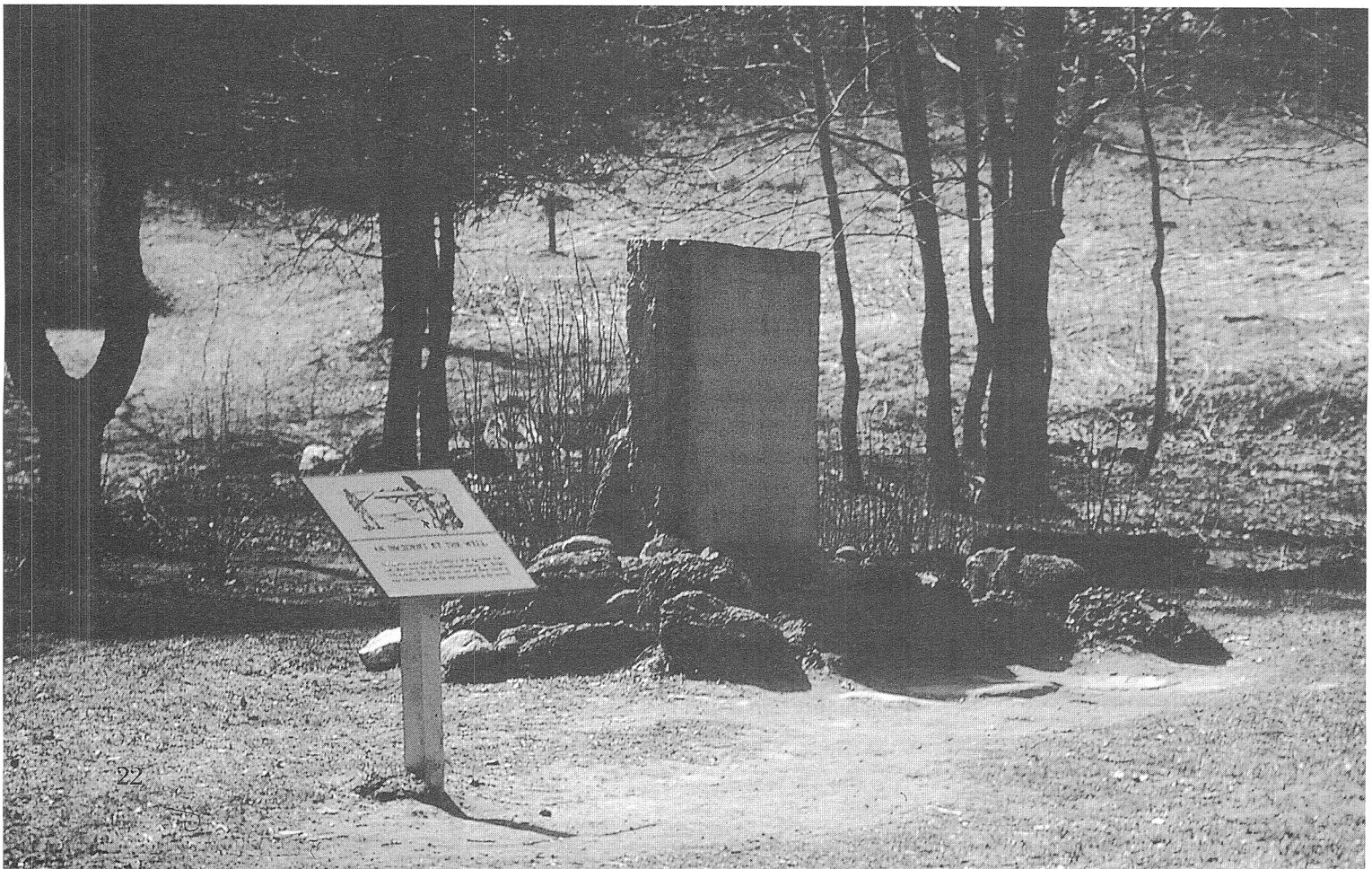
explore the consequences and resolution of conflict on personal, global, and historical levels. Park Ranger Joseph Onofrey received the National Freeman Tilden Award, the highest award in interpretation, for the development of this program.

Tales of the Rails: The Building of the Transcontinental Railway is a video presentation developed by Golden Spike National Historic Site to present the transcontinental railroad story in a personal way through the life and tales of one man, Sam Bradford. The video focuses upon the dangers and tragedies encountered in early railroading, an often neglected aspect of railroad history.

Today, in classrooms throughout Florida a quarter of a million students are learning about ecosystems and the critical resource issues of the Everglades and Florida Bay as a result of ***Children are the Future of the Everglades***, an interactive curriculum package that has been distributed to Florida's 7,000 fourth grade teachers. This project was made possible by funding provided by the National Park Foundation supported by a grant from the Pew Charitable Trusts and state and local partners. This program aims to develop future commitment to resource preservation and restoration of one of America's most threatened national parks.

The Park Service also provides a variety of non-personal interpretation and education services. Systemwide, the Service maintains over 11,000 wayside exhibits, 800 exhibits in visitor contact facilities, and 1,200 audiovisual programs. Over the FY 1995-96 period, the Harpers Ferry Center produced 460 new wayside exhibits and replaced an additional 217. Sixteen new exhibits and 16 new audiovisual programs were also completed and installed, and more than 29 million copies of information brochures were distributed.

Minute Man National Historic Site



B. PROVIDING PARK PROTECTION

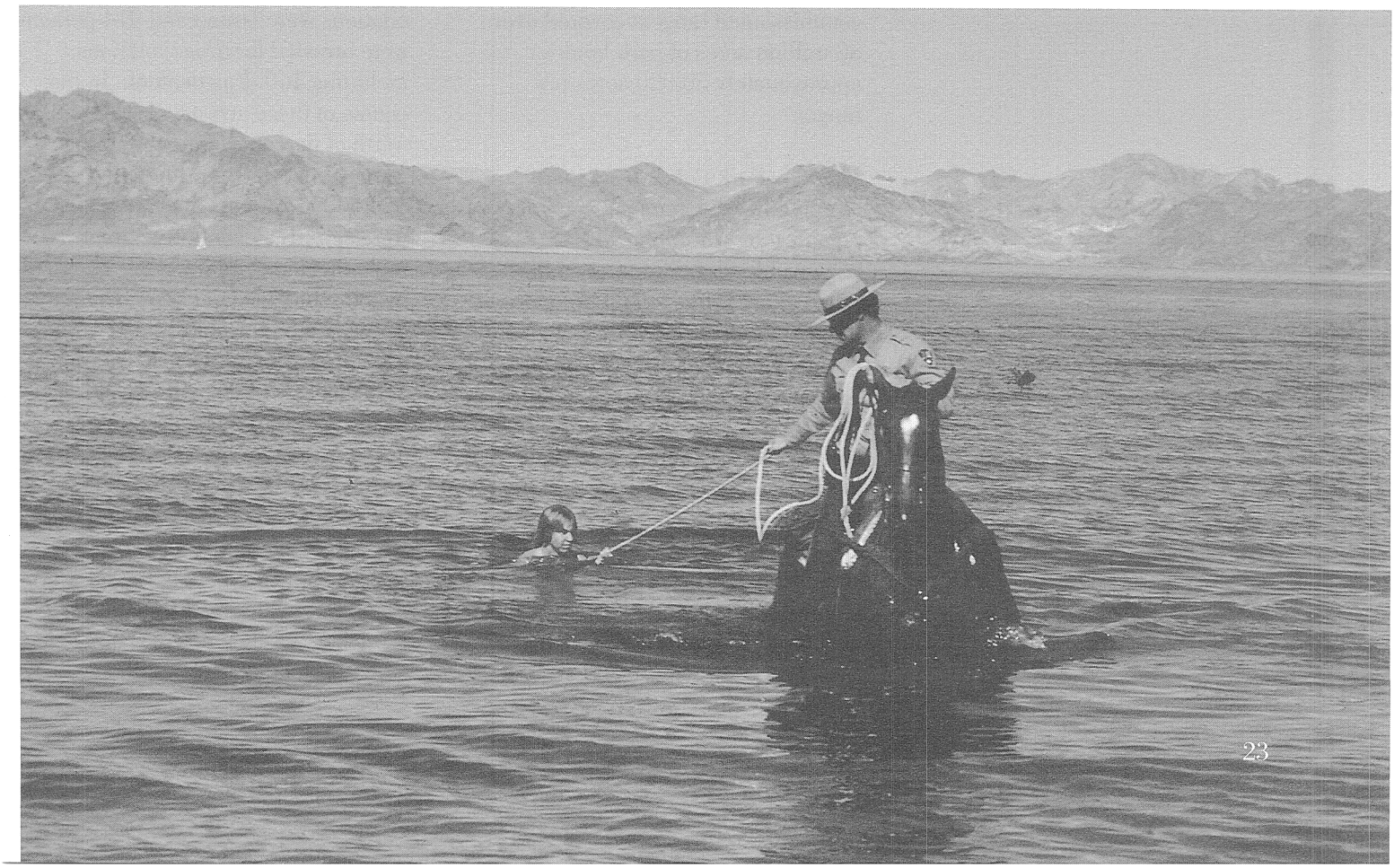
The NPS views visitor and employee safety as a primary function within parks and addresses this through a proactive program of law enforcement conducted primarily by park rangers and in a few parks by the U.S. Park Police. Although national parks remain safe places for the majority of visitors, crimes against persons and property within the parks have been on the rise. As part of its authority and jurisdiction, the NPS is required to enforce federal laws and regulations within park units.

NPS Park Rangers perform demanding law enforcement and resource protection activities, including drug enforcement, traffic control, watercraft and aircraft supported enforcement activities, criminal investigations and wildlife enforcement activities. Seventy-two rangers also participated in Drug Abuse Resistance Education (DARE) programs in schools across the country in 1996.

In 1995, the most recent year for which data is available Systemwide, park rangers investigated 87,000 law enforcement offenses and made nearly 27,000 arrests. There were over 5,000 felony crimes, including 15 murders and 318 aggravated assaults. Theft, especially car clouting, continues to constitute the bulk of felony crimes within park areas. Crimes within parks resulted in a loss of over $4 million to the government and visitors. Resource

The NPS views visitor and employee safety as a primary function within parks and addresses this through a proactive program of law enforcement.

Lake Mead National Recreation Area



Park Police jurisdiction includes approximately 80,000 acres of park land comprising 781 reservations, over 224 miles of roadways, and several hundred miles of shoreline.

crimes—such as poaching of plants and animals, timber cutting and theft, driving off-road—constitute the largest number of crimes.

Conducting search and rescue missions and responding to medical emergencies are also critical activities performed by park rangers in coordination with emergency rescue personnel. In 1996, 4,800 search and rescue missions were conducted in national parks that included locating and assisting individuals lost and trapped in confined spaces. Rangers and emergency medical personnel also responded to nearly 25,000 incidents. Search and rescue missions alone cost the Service $3.1 million in 1996 and are not reimbursed to the Service.

The number of park rangers patrolling park areas has decreased 17 percent over the last 15 years, during which time there was a nearly seven million acre increase in park lands. In 1995, 1,542 permanent commissioned rangers covered over 80 million acres of park land—approximately 50,000 acres per ranger.

The U.S. Park Police is an urban-oriented law enforcement organization within the NPS responsible for performing a full range of law enforcement functions at three System sites: the Washington, D.C., metropolitan area; Gateway National Recreation Area, New York/New Jersey; and Golden Gate National Recreation Area, San Francisco. Park Police jurisdiction includes approximately 80,000 acres of park land comprising 781 reservations, over 224 miles of roadways, and several hundred miles of shoreline. Law enforcement functions performed include visitor and facility protection, emergency services, criminal investigations, special security and protection duties, enforcement of drug and vice laws, and traffic and crowd control. Visitation in areas patrolled by the Park Police is routinely in excess of 8 million annually.

Preliminary data indicate that during FY 1996, Park Police investigated over 11,000 criminal acts and arrested 3,500 persons for crimes committed on park lands and adjacent areas in addition to the capture of 281 fugitives and wanted persons. Park Police also investigated 3,400 motor vehicle accidents that included 11 fatalities. The Park Police also contribute to the nationwide drug enforcement effort, engaging in surveillance activities, undercover operations, as well as drug awareness and education efforts. Patrol levels in areas with a high incidence of drug related illegal activity were stepped up in FY 1996; there were 2,700 reported drug incidents in Park Police jurisdictions. Thirty-one search warrants were executed, and approximately 700 citations were issued and 914 persons were arrested for drug violations, including 160 drug dealers. In the course of these arrests, over $600,000 worth of narcotics and other drugs were confiscated. Additionally, nearly $200,000 worth of cash and assets were seized. Seventy-five firearms, including submachine guns, automatic pistols, shotguns and rifles, were confiscated. Park Police also participated in the DARE program; at present 24 officers are active instructors in 29 schools, serving nearly 7,000 students in 212 classes.

For ranger activities associated with law enforcement, health and safety, and resource protection, the Park Service obligated $129.5 million in FY 1996. Obligations for Park Police activities totaled $62.2 million in FY 1996.

C. PARK CONCESSIONS

Currently there are 665 concessionaires operating in 133 parks in the National Park System. They provide a variety of services for park visitors, including accommodations and facilities. Concession operations are monitored by a NPS management team to ensure that they do not conflict with the protection of natural and cultural resources, that quality visitor services are available at comparable rates, and that concessionaires have a reasonable opportunity for a profit.

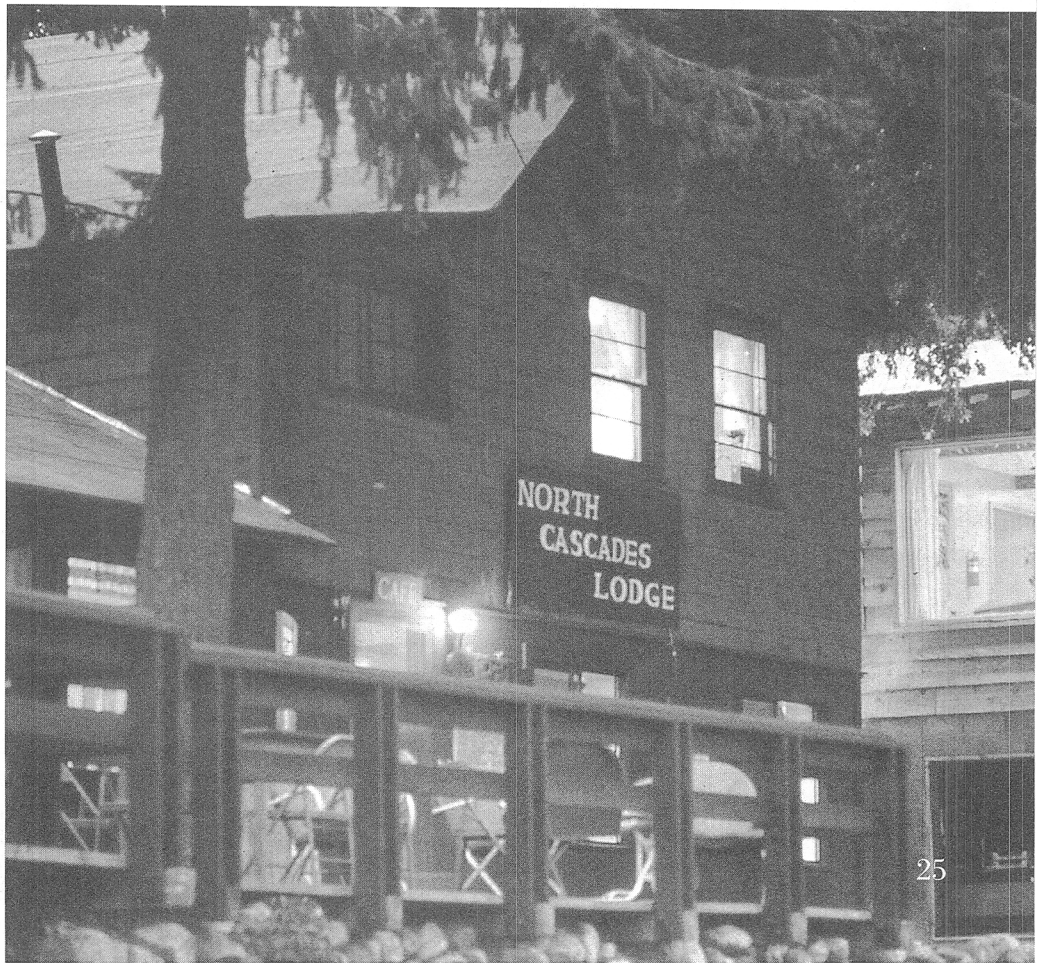
Concessionaires contributed $16 million in franchise fees to the general fund of the U.S. Treasury in calendar year 1995 (the most recent year for which data is available), and deposited over $24 million in special improvement accounts for new and rehabilitated visitor and support facilities in which they receive no possessory interest, and nearly $5 million to extinguish concessioner possessory interest. The net average return to the government as a percent of gross concession revenue has been increasing in recent years, and is currently about six percent. During this same period, concessionaires also made improvements in concession depreciable fixed assets in excess of $25 million.

Each year over 4,500 individual inspections are conducted to evaluate operations to ensure that park visitors are provided safe, sanitary, attractive, and high quality services. In 1995, approximately 99 percent of the concessioners received a satisfactory operational rating, and steps were taken to correct reported deficiencies.

In response to the National Performance Review recommendation to improve performance and efficiency, the Service conducted several studies and initiated program reviews in the areas of contracting, minority business opportunities, fee determinations, evaluation procedures, rate approval procedures, risk management, public health, environmental programs and interpretation. Among the recommendations generated from this review were: more efficient operational review procedures and increased opportunities for customer comments (implemented in 1996); revised food code procedures; a revised, simplified contracting application form; a simplified fee determination process; and draft revised concession policies. These recommendations will result in proposed policy and program changes in 1997.

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North Cascades National Park



III.

PARTNERSHIPS AND EXTERNAL PROGRAMS: LEADING NATIONAL CONSERVATION INTIATIVES

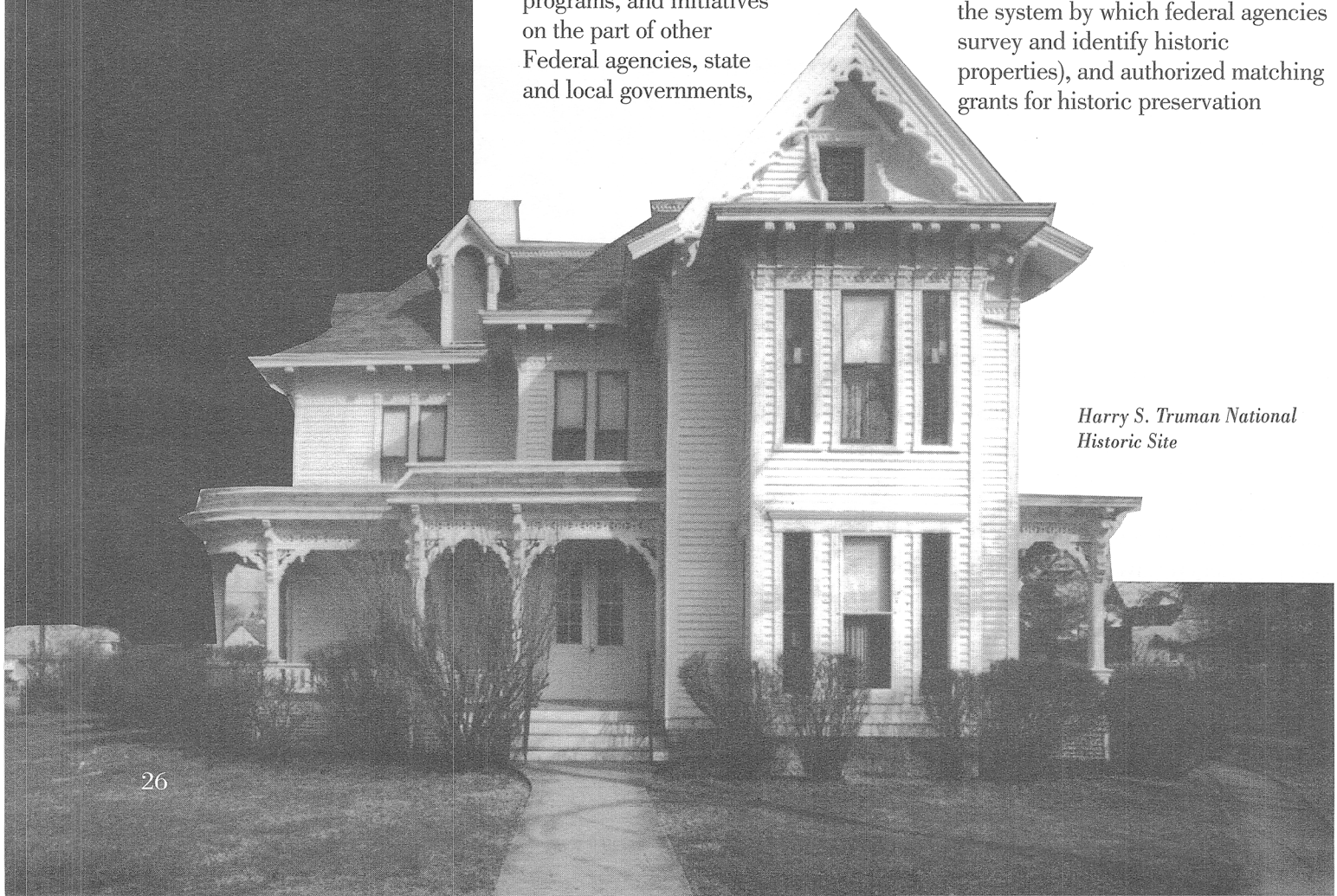
Partnership activities help the Park Service fulfill its mission to extend the benefits of cultural and natural conservation throughout the country. These partnerships strengthen our work as a Service, and our work strengthens our partners. Together we become far more effective than either of us can be separately.

A. CULTURAL PARTNERSHIP PROGRAMS

Start-up money available through the Historic Preservation Fund (HPF), tax incentives, technical assistance, and official recognition programs administered in partnership with the states stabilizes neighborhoods and bolsters community preservation efforts across the Nation. These tools, in turn, inspire additional incentives, grants, protection programs, and initiatives on the part of other Federal agencies, state and local governments, American Indian tribes, and private foundations.

Together these programs help leverage additional public and private investment in conservation projects and help communities conserve their unique character and heritage.

In 1996, the Nation celebrated the 30th anniversary of the National Historic Preservation Act. Together with its amendments and related legislation, the 1966 Act established the basic organizational structure and tools essential for a national historic preservation program. The Act conceived of the national historic preservation partnership, which today embraces states, certified local governments, American Indian tribes, federal agencies, the private sector, and individuals. The Act established the National Register of Historic Places, created the Advisory Council on Historic Preservation (and the system by which federal agencies survey and identify historic properties), and authorized matching grants for historic preservation



Harry S. Truman National Historic Site

surveys, plans, and projects. The legislation enacted federal historic preservation tax incentives to foster private sector rehabilitation of historic buildings and promote economic revitalization. As evidenced in thousands of success stories across the Nation, the act provides the framework and incentives that numerous communities use to protect their unique identities.

The NPS administers core elements of the program with its partners. These programs continue to expand and evolve to meet the needs of the communities and individuals. The national historic preservation program is a model partnership for the world. Individuals from other countries travel to the United States to learn about our system for encouraging private investment in historic preservation activities. This partnership demonstrates how a major federal agency helps numerous communities use preservation tools in a manner that best suits their unique circumstances.

In FY 1996, the National Register of Historic Places listed nearly 1,500 new properties, bringing the total number of listings to over 66,000 which incorporate nearly one million historic and archeological resources. As it marked its 30th anniversary, the National Register increased its educational outreach through the production of new National Register technical bulletins, a new videotape on traditional cultural places, new travel itineraries, a site on the World Wide Web, new lesson plans for the Teaching with Historic Places program, and information on the public benefits of archeology.

The Technical Preservation Services program reviewed and certified 545 historic rehabilitation projects that applied for the federal historic preservation tax incentives, which represented $665 million in private investment. To meet the requests of national users groups for additional or updated guidance on issues relating to preserving historic buildings and landscapes, additional technical preservation briefs were published on topics of reducing moisture problems in historic buildings and on the maintenance and repair of historic flooring. In addition, the ***Secretary of the Interior's Guidelines for the Treatment of Cultural Landscapes*** was published.

In FY 1996, the national historic preservation program entered a new era as 14 Native American tribes were approved by NPS to assume national program responsibilities on tribal lands, pursuant to the 1992 amendments to the National Historic Preservation Act. They are 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, and the Yurok Tribe. These tribes will assume a role parallel to that of the 59 State Historic Preservation Officers. The Tribal Preservation Program awarded 33 proposals totaling nearly $1.9 million for cultural needs assessments, inventory and planning projects, cultural documentation projects, and tribal

Individuals from other countries travel to the United States to learn about our system for encouraging private investment in historic preservation activities.

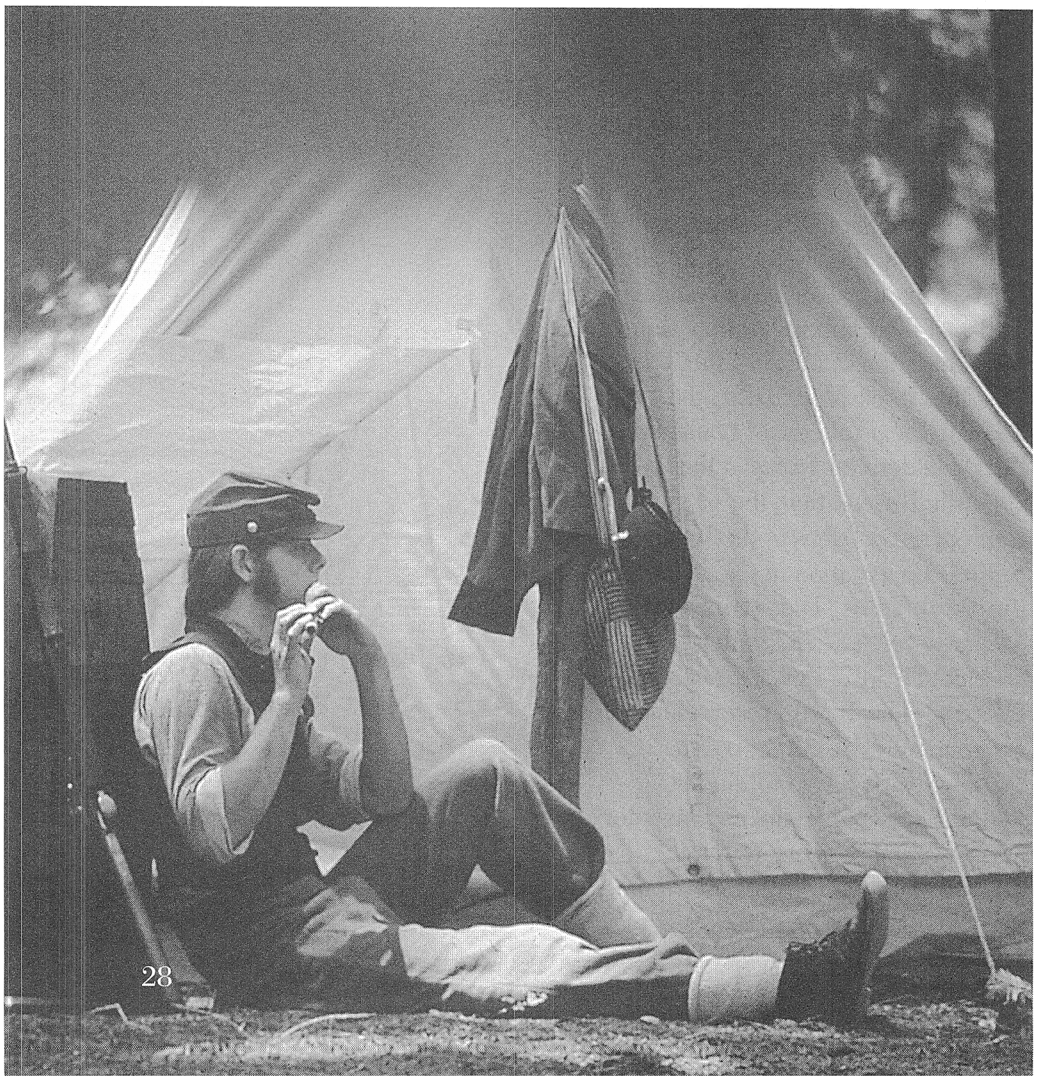
National Historic Landmarks (NHLs) reflect a wide variety of themes: women's history, maritime history, architectural history, history of geology, history of technology and civil engineering, archeology, Civil War history, and others.

assumption of Historic Preservation Office responsibilities.

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. This Collection is the second most widely used of the special collections at the Library of Congress. In FY 1996, the HABS/HAER Collection exceeded the 33,000 mark for historic sites and structures documented. For the first time, large format color transparencies have been added to the formal documentation. The collection now includes 51,831 sheets of measured drawings, 182,508 large format black-and-white photographs, 1,176 large format color transparencies, and 114,778 pages of written history. Of particular note in FY 1996, 1,023 architectural and engineering structures were recorded, including 972 measured drawings, 4,932 large format black-and-white photographs, 493 large format color transparencies, and 3,871 pages of written history. 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 highway and landscape. A major exhibit on the topic is being planned for the National Building Museum. In addition, digital convergent photogrammetry and computer-aided-drafting (CAD) technologies allowed the production of precise, existing condition drawings of such diverse structures as the Memorial Arch at Valley Forge National Historical Park and the flood-damaged Conococheague Creek Aqueduct along the Chesapeake and Ohio Canal National Historical Park. Because of the limited need for scaffolding and time spent on-site, this technology allowed for minimal visitor impact.

National Historic Landmarks (NHLs) reflect a wide variety of themes: women's history, maritime history, architectural history, history of geology, history of technology and civil engineering, archeology, Civil War history, and others. With the designation of 26 new Landmarks in FY 1996, there are currently 2,196 NHLs nationwide.

Richmond National Battlefield Park



The American Battlefield Protection Program (ABPP) provides expert technical assistance and small, but critical, infusions of money to local, state, private, and public organizations so that they may identify, assess, and protect American battlefields. The ABPP promotes preservation alternatives that avoid costly federal land acquisition and the creation of NPS units. In FY 1996, the ABPP sponsored major studies that focused on community planning issues at Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park, Chickamauga and Chattanooga National Military Park, Richmond National Battlefield Park, and Gettysburg National Military Park. The ABPP also funded the computer mapping of the earthworks between Corinth, Mississippi, and Shiloh National Military Park and the fortifications at Fort Marcy, Virginia. Although it conducts some projects in-house, ABPP distributed $797,000 in FY 1996 to its more than 60 project partners from 16 states, including local and state governments, local battlefield friends groups, historical societies, state and local battlefield commissions, universities, and national and regional nonprofit organizations.

By act of Congress the National Center for Preservation Technology and Training was established at Northwestern State University in Natchitoches, LA, in FY 1992, to become a national focal point for developing and offering technical information and leadership to the preservation community. In FY 1996, a staff of six persons administered, among other activities, a grant program (totaling $719,554 in awards) funding seven research activities that expand scientific knowledge of materials conservation, seven training programs, and seven information management projects.

The Cultural Resources GIS/GPS Laboratory Program designed and is now implementing MAPIT, the Mapping and Preservation Inventory Tool. MAPIT is an application that brings Geographic Information Systems (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, CAD architectural drawings, and text information at a click of mouse button. It is the NPS strategic tool in getting GIS established in State Historic Preservation Offices, Approved Tribal Governments, and cultural resource programs within parks, system support offices, and field areas.

After fours years of conducting Global Positioning Systems (GPS) survey of Civil War battlefields, the Cultural Resources GIS/GPS Laboratory Program 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, and soils and scanned historic military maps to conduct GIS analyses to help answer such questions as "What factors are important for insuring the survival of earthworks?," "What is the average loss of earthwork fortifications on Civil War battlefields?," "Where should tour routes be established to interpret the battlefield?," and "What management practices are most appropriate for earthworks?" The Lab now retains the best in earthworks expertise. Earthworks are often the only tangible and visible feature of a battlefield, so they are

After fours years of conducting Global Positioning Systems (GPS) survey of Civil War battlefields, the Cultural Resources GIS/GPS Laboratory Program has developed the largest digital database of earthwork fortifications in the United States.

Ultimately, the outcome of these technical assistance, management, and grant programs is the conservation of thousands of acres of land, miles of trails, and numerous rivers and lakes, plus the provision of outdoor recreation for millions of people.

Allegheny Portage Railroad National Historic Site



critical for interpretation, the focus of preservation, and a poignant reminder that men fought and died in front of and behind them.

In partnership with the National Geographic Society and the Society for American Archaeology, the Park Service developed and distributed over 50,000 copies of ***Archaeology and You.***

The National Archeological Database is a communications network comprised of three modules designed so that agencies that conduct public archeology projects can coordinate their efforts and avoid duplication. The Reports module—a bibliographic inventory of reports on archeological investigations around the country—is used by 800 to 1,000 users every month; by FY 1997, the number of reports listed is expected to reach 160,000. The Native American Graves Protection and Repatriation Actmodule, providing up-to-date information on implementation of the Native American Graves Protection and Repatriation Act, was redesigned in FY 1996 to be more user-friendly and currently logs about 800 visits a month. NADB-MAPS is a graphical application available on the World Wide Web and includes eight GIS maps that show the distribution of various sites, artifacts, and natural features across the United States. A 3,500-record inventory of permits for archeological and paleontological projects on federal and Indian lands is expected to be online in FY 1997.

B. PROVIDING COMMUNITY CONSERVATION

The NPS shares its experience gained in protecting 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 Conservation and Recreation (NCRC) provides coordinated technical and financial assistance to communities seeking to conserve local resources without federal ownership or control. Ultimately, the outcome of these technical assistance, management, and grant programs is the conservation of thousands of acres of land, miles of trails, and numerous rivers and lakes, plus the provision of outdoor recreation for millions of people. Overall, they improve the quality of life and the environment.

The Rivers, Trails, and Conservation Assistance (RTCA) program is the Service's principal technical assistance program. The RTCA program has helped hundreds of communities plan greenways, conserve rivers, protect trail corridors, develop new trails, and accomplish a range of other locally developed objectives.

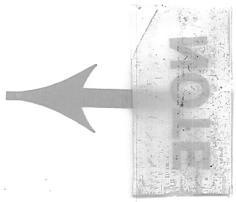
Operating with a $6.9 million budget in FY 1996, the RTCA program worked alongside local residents and public officials in 49 states. The program's approximately 75 staff members provided one-to-one technical assistance on over 180 projects identified by local communities, sponsored by local governments or nonprofit organizations, and competitively selected by NPS. (See Table III for a listing of assistance programs.) 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 1996 were the following:

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 1996, RTCA worked on 20 full-scale projects that included a rail-trail component. For example, in Hattiesburg, Mississippi, the Pearl-to-Leaf River Trail Corridor District Board sought RTCA's help in devising a development and long-term management plan for the proposed 38-mile trail. In 1996, RTCA hosted a Trail Managers Workshop and brought in trail managers from the Centennial Trail (Snohomish County, WA) and the Tammany Trace Trail (St. Tammany Parish, LA) to help the board structure a management plan. In 1997, RTCA will continue to work with the board and will co-host a series of public workshops with the Rails-to-Trails Conservancy to develop public support for the trail.

Heritage Partnerships: A new and growing emphasis of the NPS is in helping communities find appropriate ways to conserve and promote distinctive landscapes that reflect their regional heritage. Heritage areas are a new management approach that harness strong economic development forces to help conserve natural, historic, cultural, and recreational resources. Many communities are protecting these valued resources and improving the local environment and quality of life while simultaneously attracting tourism, recreation, and private investment. In FY 1996, the RTCA program worked with 20 projects in which communities are seeking ways to protect and benefit from their heritage resources. A defining aspect of the partnership approach is that new federal land ownership or management are not involved; areas are managed by local organizations, and the federal role is limited to technical assistance, promotion, and coordination.

Statewide Rivers Assessments: Statewide rivers assessments are cooperative efforts between federal, state and local government, and nongovernmental organizations (NGOs). The assessments consolidate known river information and make it accessible, thereby helping to prioritize efforts and

RTCA staff help communities learn how to keep abandoned railway corridors from being lost by converting them into very popular "rail-trails."



Big Thicket National Preserve



In FY 1996, the Park Service, in a $4.7 million cost-share effort with the Army Corps of Engineers and local governments, helped 17 communities begin to better manage their river corridors.

develop needed policies and programs. The process, developed by the NPS, has been used in 20 states to date. In FY 1996, the Park Service completed river assessments in North Carolina and California. 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: The related parts of a healthy river—the water, the riparian zone, and the floodplain—are too often managed in isolation from each other. In FY 1996, the Park Service, in a $4.7 million cost-share effort with the Army Corps of Engineers and local governments, helped 17 communities begin to better manage their river corridors. For example, on the Trinity River in Dallas-Fort Worth, NPS worked with the North Central Texas Council of Governments and numerous stakeholders to minimize future flood dangers along 18 miles of river; enhance the function of the natural floodplain; and develop a network of greenways.

Watersheds: Managing a watershed and its waterways requires coordinating many public and private partners with widely varied management objectives. In FY 1996, the Park Service assisted in 11 watershed projects. As an example, at the request of the Telluride Institute in southern Colorado, NPS convened the San Miguel Watershed Coalition (comprised of municipalities, counties, state and federal agencies, nonprofits, and local citizens) to assess the impact of rapid development on the fragile, high elevation, one million acre watershed; develop plans for watershed restoration and ways to educate landowners interested in stewardship and wildlife enhancement; and undertake a comprehensive instream flow assessment and a water quality monitoring program. Seven federal, state and local entities, a corporation, and two private nonprofit groups have already contributed over $1 million toward project implementation.

Grants to state and local governments for outdoor recreation projects are available through the Land and Water Conservation Fund (LWCF) State Grants program and the Urban Park and Recreation Recovery (UPARR) program. Congress did not appropriate funding for State Grants in FY 1996, but the Park Service continued to monitor active grants from previous years and obligated $3.9 million in carryover and recovered funds to some 35 states and localities.

In the 30-year life of the program, LWCF has helped state and local governments acquire 2.32 million acres of parkland and develop over 28,000 recreation facilities for public use and enjoyment. Since 1965, total federal investment of $3.25 billion has been matched dollar-for-dollar, for a total of $6.5 billion invested in lasting parks and open space.

The Recreation Grants Division, also provides long-term oversight of cooperating State programs, which coordinated some 7,500 on-site inspections of all properties assisted with LWCF and UPARR funds. In 1996, program reviews were conducted in 20 state capitals and two NPS field offices to ensure continuing partnerships in managing active grants and post-completion compliance responsibilities. Studies by two program reengineering task forces charged with reviewing overall grant operations and stewardship of all grant-assisted sites were completed in draft and reviewed

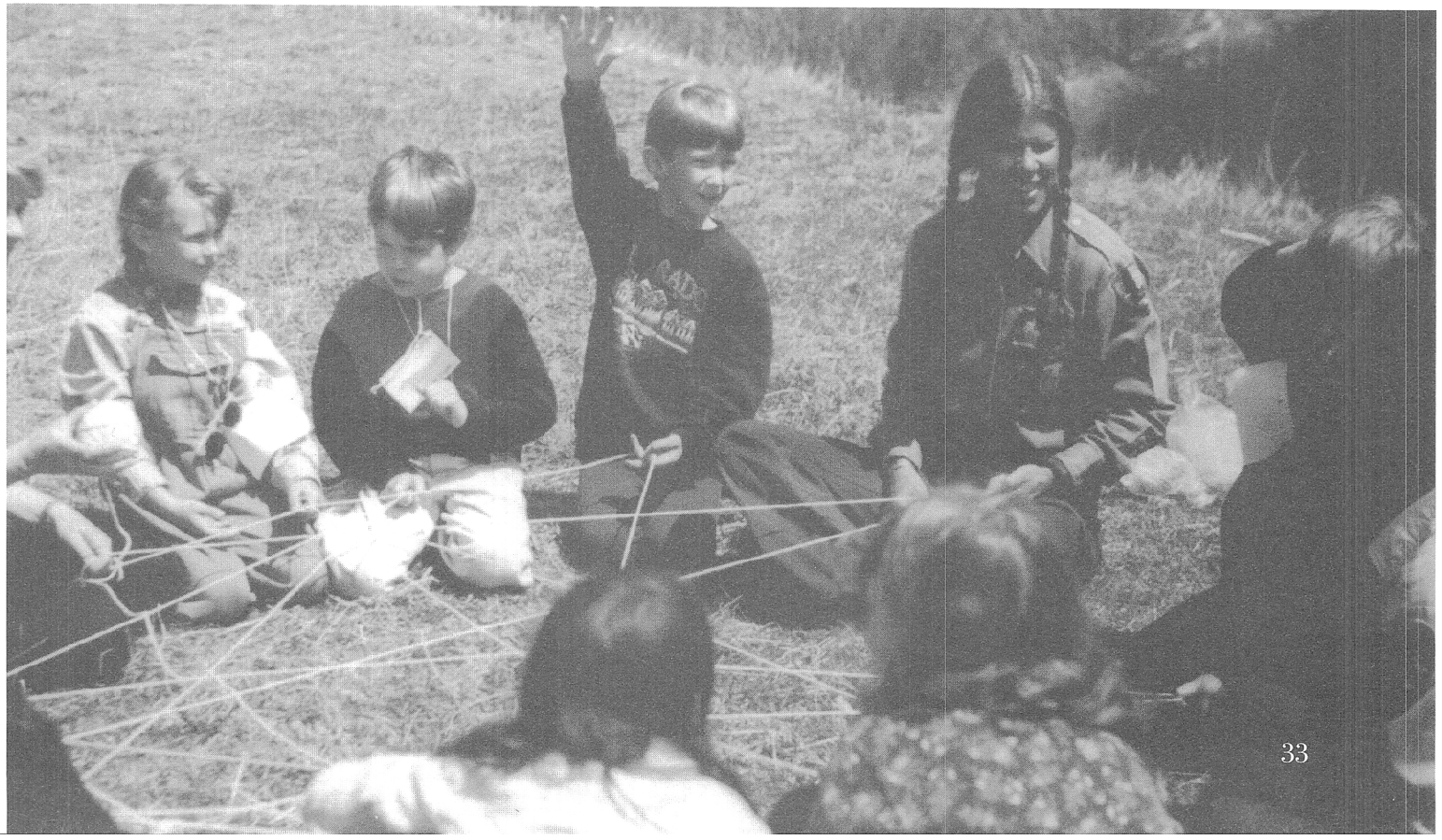
nationwide. Final versions of both reports will be distributed in early FY 1997.

National Trails System. The Service administers 14 of the 19 national scenic and historic trails established by the National Trails System Act. In FY 1996, trail operations totaled approximately $2 million. This funds all the trail field offices, with some reserved for national program activities. An additional $600,000 has been available each year through the NPS Challenge Cost-Share program for projects. In FY 1996, several dozen National Trails System-related projects were matched 2-to-1 by partners. For 1995 (most recent data), volunteers serving these trails provided almost 370,000 hours of labor, a value of $4.3 million. An additional $2.8 million in cash contributions was also provided.

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. After four rounds of military base decommissioning, NPS has identified 65 bases with lands and facilities (approximately 13,044 acres) which could be transferred and has transferred portions of six bases. In FY 1996, NPS assisted 72 local and state agencies with proposed transfers. For example, NPS helped transfer approximately 18 acres of the former Gaithersburg NIKE control site to the Maryland National Capital Park and Planning Commission for use as a park. Also, NPS deeded approximately 238 acres of Fort Benjamin Harrison to the State of Indiana for a golf course, the first phase of a 1,700 acre transfer to form a new state park outside of Indianapolis. Since 1949, the program has conveyed 1,285 properties to state and local governments for parks and recreation use, protecting 144,088 acres of land.

Unless we can provide the human and capital resources necessary to preserve and protect America's cultural and natural heritage, we cannot ensure that our Nation's patrimony will remain unimpaired for the education, inspiration, and enjoyment of future generations.

Mesa Verde National Park



As the National Park Service enters the 21st century, the myriad challenges that currently confront us—encroaching commercial development in Denali, trampled meadows at Mount Rainier, traffic jams at Grand Canyon, poaching at Organ Pipe Cactus, the lack of proper museum storage facilities at the Vanderbilt Mansion, the invasion of exotic species at Hawaii Volcanoes, the looting of archeological artifacts in Walnut Canyon, the increasing air pollution that is threatening to sheathe Shenandoah's vistas—are imperiling the integrity of the National Park System. Unless we can provide the human and capital resources necessary to preserve and protect America's cultural and natural heritage, we cannot ensure that our Nation's patrimony will remain unimpaired for the education, inspiration, and enjoyment of future generations.

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APPENDIX I.

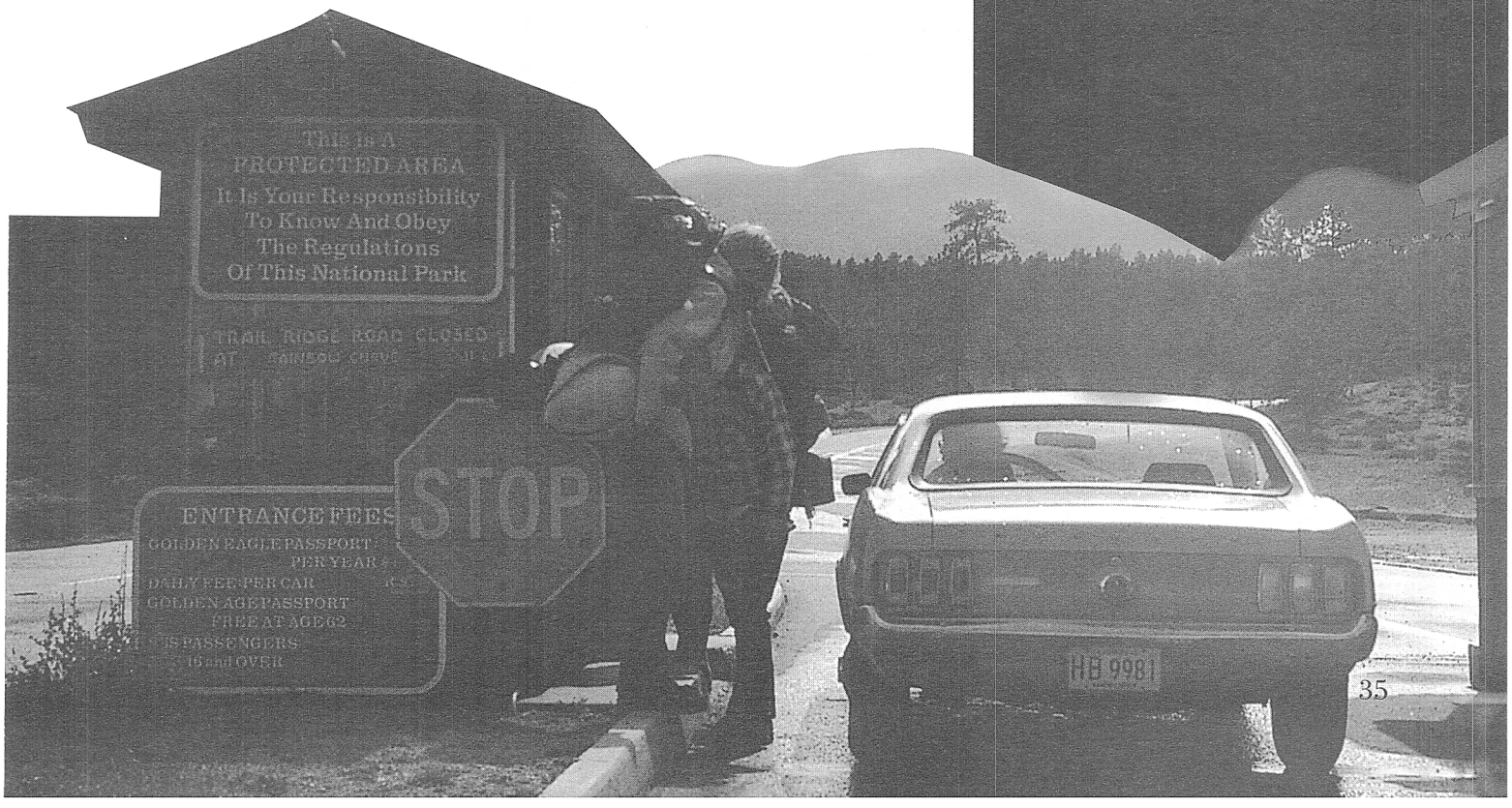
NPS RECREATION FEE REVENUES

About one-half of the national park units collect either an entrance fee and/or recreational user fees. Entrance fees consist of revenue collected for daily admissions, Golden Eagle and Golden Age passports, and annual park specific permits. Entrance fees are collected for either vehicles or individuals entering parks, and range from four-to-ten dollars per vehicle and two-to-five dollars per individual, as defined by the Land and Water Conservation Fund Act of 1965, as amended. User fees are collected for activities such as parking, campgrounds, commercial tours, and boat launches. Recreation user fees are evaluated annually through a local comparability survey and adjusted where warranted. Up to 15 percent of the current fiscal year revenue is available to the Park Service to cover the cost of fee collection in that year. The remaining revenue is deposited into a Special Treasury account and is available for Congressional appropriation to the NPS for operational expenses in the fiscal year following collection.

NPS fee income during FY 1996 was $48.6 million from entrance fees and $29.1 million from user fees, for a total of $77.7 million. Overall, FY 1996 fee revenues were down $2.8 million (3.5 percent) from FY 1995, with about one-half of the fee-collecting parks posting a decrease for the year.

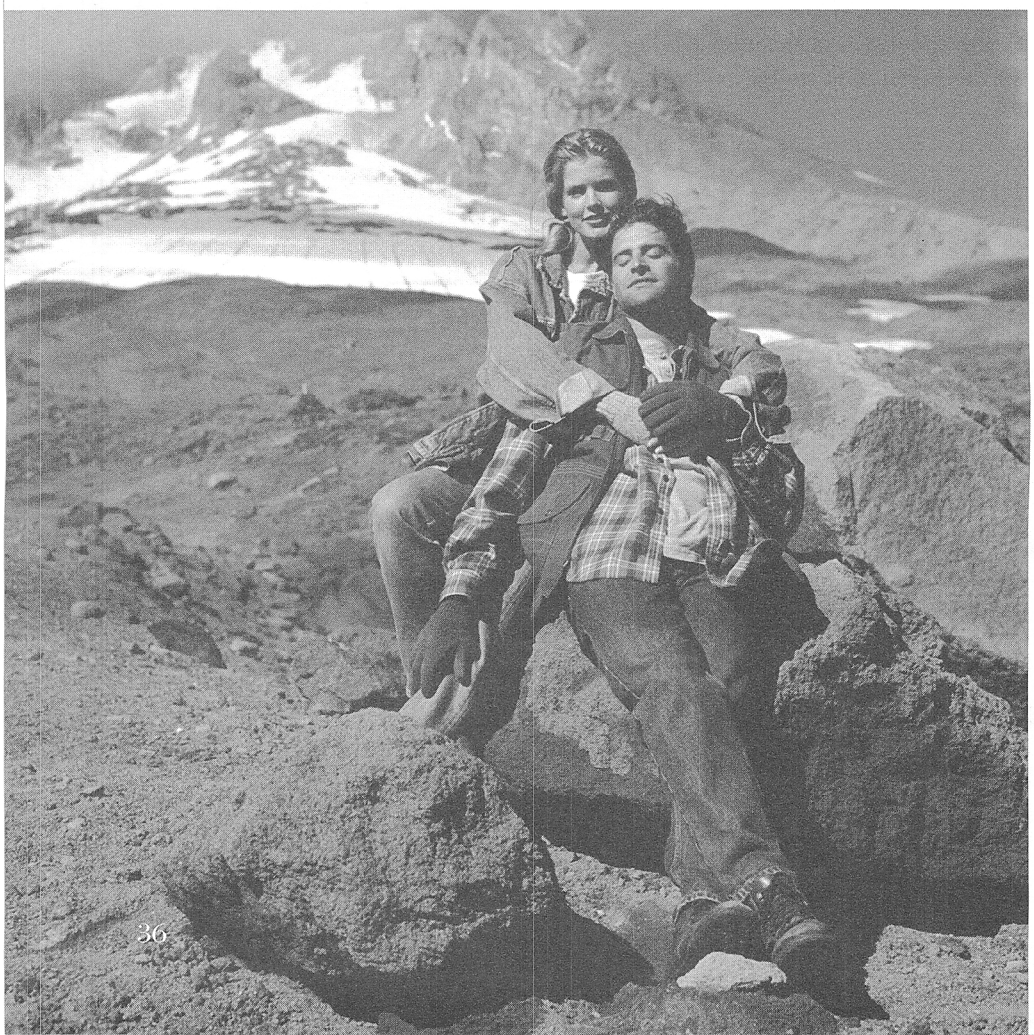
A survey of park fee managers revealed that the primary factors that caused the drop in fee revenues in FY 1996 was the government shutdown and inclement weather. Some parks, like those in Hawaii and Grand Canyon National Park, can attribute nearly all or a large portion of their loss to the December/January shutdown. Parks where revenue decreases were the result of severe weather conditions include Gulf Islands National Seashore, Shenandoah, Olympic and Mount Rainier national parks, and all the northeastern park units. Several

Rocky Mountain National Park



The recreation fee demonstration program will test a variety of new fees including increased admission fees, interpretive program fees, fees for backcountry camping that requires a permit, new recreation user fees, and charging fees in areas that previously had not collected them.

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parks also attributed the declining revenue to road construction in and around the park that discouraged visitation. Limited funding caused at least three of the larger parks to reach management decisions to close campgrounds, resulting in the loss of the associated income. A few parks reported that FY 1995 saw an unusually large increase in visitation and that FY 1996 was "back on track." Of particular note, Colonial National Historical Park had a 23 percent ($75,000) increase in FY 1995 due to the popularity of Walt Disney's ***Pocahontas***; in FY 1996, revenues decreased 10 percent but were still well over its FY 1994 level.

The NPS has actively pursued recreational fee collection reform during the past several years with the primary objectives of raising the admission fee caps for all parks; collecting at numerous sites where the collection of recreation fees is currently prohibited; and allowing for a major portion of the recreation fees collected to remain at the site that collected the fees. The Omnibus Consolidated Rescissions and Appropriations Act of 1996 contains language establishing a Recreation Fee Demonstration Program that allows the Service to collect a demonstration fee at up to 50 sites. The additional revenue collected at those sites above an annually adjusted target based on FY 1995 fee receipts would be available to the NPS without being subject to appropriation. The 1997 Interior Appropriation Bill extended the fee demonstration program up to 100 park sites. The NPS plans to begin the demonstration program in early 1997 and bring the majority of demonstration sites on line by the heavy visitation season in 1997. The recreation fee demonstration program—which will include park areas across the programmatic and geographic spectrum of NPS units—will test a variety of new fees including increased admission fees, interpretive program fees, fees for backcountry camping that requires a permit, new recreation user fees, and charging fees in areas that previously had not collected them. The program will be evaluated and a final report is to be presented to Congress to help provide guidance on the development of permanent fee legislation.

APPENDIX II.

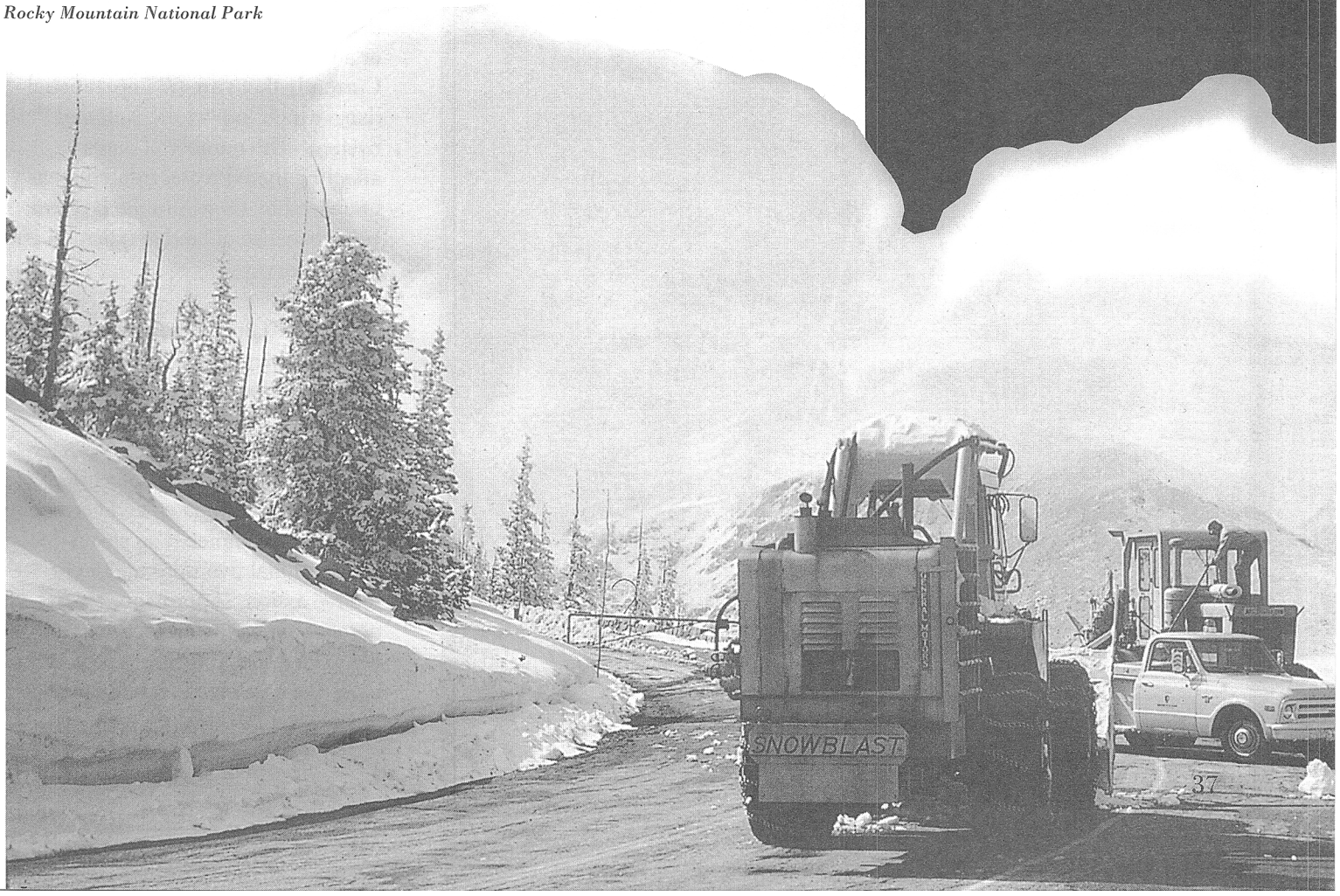
OTHER NPS ACTIVITIES

It is not possible to include in this report every programmatic activity in which the Park Service was engaged in FY 1996. This appendix briefly discusses five Servicewide program activities that were not separately discussed but contributed significantly to achieving the mission of the National Park Service in FY 1996.

Park Facility Management Activities (Maintenance). The physical plant of the National Park System contains over 16,000 permanent structures, 8,000 miles of roadways, 1,500 bridges and tunnels, 1,600 water and sewer systems, and nearly 13,000 miles of trails. NPS facilities, which include numerous historic buildings, are of all ages and vary in complexity from simple one-room cabins to intricate high-tech utility systems. Maintenance activities are performed to preserve and protect the nation's natural and cultural heritage and to ensure that these lands and facilities are accessible for public use. Park infrastructure and facilities also must be maintained at levels that meet federal, state, and local standards and codes as designed for use.

The NPS has in place a professional program of preventive and rehabilitative maintenance of park infrastructure, facilities and lands. Park units utilize computerized maintenance management programs that provide a systematic approach to maintenance operations. These programs systematically identify the method, course, and schedule required for proper upkeep of park facilities, equipment, and resources. The programs also have standard procedures for the performance of work and for reporting on the completion of projects.

Rocky Mountain National Park



In FY 1996, maintenance activities Systemwide totaled $324.0 million and cultural cyclic maintenance activities totaled $7.9 million.

Typical routine operational maintenance work includes maintaining trees, trails, and grounds; providing janitorial and custodial services; operating and maintaining large water and sewer systems; and maintaining and repairing park-operated utility systems, heavy equipment, and vehicles. Regular cyclic maintenance projects are those projects not related to historic structures that are required periodically but less often than annually. Cultural cyclic maintenance on historic structures is funded separately under the Operation of the National Park System appropriation.

In FY 1996, maintenance activities Systemwide totaled $324.0 million and cultural cyclic maintenance activities totaled $7.9 million. The latter is included in the ONPS cultural resources preservation funding. Despite increased funding for overall maintenance in recent years, parks remain under tight fiscal constraint as workloads and costs have continued to increase. There has been new construction of facilities without sufficient corresponding base operating funds to properly maintain them. Parks also have experienced increased visitation, longer seasonal use, more vandalism, as well as higher costs for utility and supplies and materials. Finally, using maintenance equipment beyond its designated life expectancy contributes to increased costs in operational maintenance.

Buffalo National River



Dam Safety. The protection of the National Park System includes the inventory, inspection, maintenance, and corrective action—repair or deactivation—of dams located within or adjacent to park boundaries. Currently there are 697 operational dams which impact the National Park System. The number of dams affecting the NPS and related areas increased by 60 within the last two years because of land acquisition and annual surveys.

In FY 1996, formal safety inspections were conducted on 46 dams; the Service performs correction action as recommended from these inspections as well as from additional engineering studies. Design services were performed for 16 dams and corrective action was completed on seven dams; an additional five were under corrective action. Approximately five percent of needed corrections were completed in FY 1996. About 127 dams have deferred maintenance or

repairs that are necessary. To date, corrective action has been completed on 148 dams, and 137 dams have been deactivated. In FY 1996, the Park Service obligated nearly $400,000 for the dam safety program.

Hazardous Waste and Pollution Prevention. The Service has identified over 1,000 inactive, abandoned, and currently active sites contaminated by petroleum or hazardous waste. Many of these sites are abandoned mining areas which may or may not require restoration. Sites not yet investigated will continue to be scoped to determine future remedial activities. To measure the performance of the program, information is maintained on over 200 of these sites. At the close of FY 1996, approximately 200 of the 1,100 sites have undergone investigation or remediation. In our efforts to comply with the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Park Service has performed investigations of 70 facilities (up 40 percent from FY 1995), removed 20 facilities from the federal docket (twice as many as last year), and remedied 20 abandoned hazardous waste sites (up 30 percent from FY 1995) out of the 110 high priority sites identified through formal inspections.

Further compliance involves the removal, replacement, and upgrade of underground storage tanks containing petroleum fuels. Metal tanks installed prior to 1978 are susceptible to corrosion and leakage and must all be replaced by 1999. All other storage tanks must be modified and fitted with leak monitoring devices. The Service owns or is otherwise responsible for nearly 2,000 underground storage tanks and 1,000 above ground fuel tanks which generate hazardous waste in nearly all park units. Since 1991, the Service has tested, on average, 200 tanks per year and repaired or replaced over 600 underground storage tanks. In FY 1996, an additional 50 tanks were replaced or repaired.

Since 1991, the NPS has had responsibility as first responder for the numerous drums containing hazardous wastes or hazardous materials that wash ashore at Padre Island National Seashore. Approximately 200 to 300, 55-gallon drums wash ashore each year. Expenditures for these actions have been averaging between $250,000 and $300,000 annually.

In FY 1996, Servicewide hazardous waste cleanup and compliance totaled $11.4 million. This excludes projects funded from the Construction appropriation as well as the Department's Central Hazardous Material account. Additional funding is provided for this program from the Departmentwide Hazardous Materials Fund included in the budget request of the Bureau of Land Management. The NPS was allocated $1.6 million from this fund to accomplish high priority mitigation work, as determined by Departmental criteria.

Employee Housing. The Park Service places a high priority on providing decent, safe, and sanitary housing to employees who are required to live in government-provided housing or where suitable privately-owned housing is not available. The Service began an accelerated trailer replacement program in FY 1994 and continued those efforts into FY 1996 with an appropriation of $12 million for housing improvements. Approximately $8 million was directed in FY 1996 to prepare the

Since 1991, the NPS has had responsibility as first responder for the numerous drums containing hazardous wastes or hazardous materials that wash ashore at Padre Island National Seashore.

Projects are taken from the Servicewide Priority List for Construction and include the rehabilitation of historic structures and archeological sites, recreational and operational support facilities, water and sewage treatment system, visitor access systems, museums, directional and interpretive signage, as well as other items.

sites and construct housing to replace approximately 45 trailers at 18 park areas. Over $2 million was provided for the planning and design phase for future construction, and ongoing repair and rehabilitation of existing units. The Omnibus Parks Bill passed in the fall of 1996 called for a review of the NPS employee housing policy; this is being undertaken in FY 1997.

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

In FY 1996, the NPS construction appropriation, excluding the $49 million supplemental funding provided for storm damage, totaled $142.2 million—a $42.4 million decrease from the prior year level. Table V is a list of the NPS construction line item projects that were appropriated in FY 1996. Active construction work was underway in over 250 separate projects in FY 1996.



Table I

National Park Service FY 1996 Appropriations

Appropriation	(in thousands)
(1) Operation of the National Park System [1]	$1,081,481
(2) Construction [1]	191,225
(3) NPS Land Acquisition and State Assistance [1]	44,262
(4) National Recreation and Preservation	37,579
(5) Historic Preservation Fund [1]	36,212
	$1,390,759 [2]

Note: 1/ Does not reflect any additional reimbursable or other program amounts transferred in or out of the account.
2/ Does not reflect $30 million rescission of Land and Water Conservation Fund contract authority.

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

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

(3) Land Acquisition and State Assistance: Through the use of the Land and Water Conservation Fund, this appropriation funds the federal acquisition of land or interest in land within the National Park System and matching grants to states, territories, and local governments. Administrative expenses for both programs also are 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 related to outdoor recreation planning, technical assistance to state and local governments for recreation and preservation projects, natural and historic preservation — primarily for resources outside the National Park System.

(5) Historic Preservation Fund: This two-year appropriation provides matching grants to and in partnership with state and local governments, Indian tribes, 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.

Table II

National Park Service FY 1996 Other Revenue Sources

	(in thousands)
Permanents and Trusts:	
Miscellaneous Trust Funds	$ 15,807
Operations & Maintenance of Quarters Account	12,536
Miscellaneous Permanents	1,436
	29,779
Fee Collection Activities	11,550
Permanent Contract Authority:	
Land and Water Conservation Fund	30,000
Rescinded	(30,000)
	0
Other Sources:	
Transfers	63,818
Reimbursables	79,173
	142,991
TOTAL, OTHER REVENUE SOURCES	$184,320

The Operation and Maintenance of Quarters Account is derived from rent paid by NPS employees and others for government-owned quarters.

The Service had four Miscellaneous Permanent appropriations in FY 1996, each with its own authorization. They are: Educational Expenses, Children of Employees, Yellowstone National Park; Payment for Tax Losses or Land Acquired for Grand Teton National Park; Operation, Management, Maintenance, and Demolition of Federally Acquired Properties, Independence National Historical Park; and National Maritime Heritage.

Miscellaneous Trust Funds: The Secretary of the Interior is authorized by Congress to accept donations that are consistent with NPS goals and objectives. Individuals, groups, corporations, and associations can make a contribution for National Park Service purposes either by direct contribution or by bequest.

The Land and Water Conservation Fund is derived principally from receipts from the Outer Continental Shelf Leasing Program, motorboat fuel taxes, and sales of federal surplus properties. Additional, emergency contract authority is available annually up to $30 million. The authority was rescinded in FY 1996, as has been the case in recent years.

Transfers: These are funds that have been appropriated to another agency but transferred to the National Park Service for specific use, e.g., the Federal Highway Administration transfers to the NPS funds for the repair, reconstruction, and new construction of roads, bridges, and tunnels in park areas.

Reimbursables: The National Park Service is reimbursed for work done on behalf of another agency, e.g., the states of Iowa and Texas reimbursed the NPS for services provided by the HABS/HAER Program on a Historic Bridges project; the EPA reimburses the NPS for air quality monitoring activities in NPS units and along the Mexican border; the U.S. Coast Guard reimburses the NPS for work related to hazardous spills at NPS units; and the NPS is being reimbursed for work done to help implement the Federal Highway Administration's National Scenic Byways program.

Table III

NPS Rivers, Trails, and Conservation Assistance Programs

SOUTHEAST FIELD OFFICE

Alpharetta Greenway Plan (GA)
Atlanta Urban Resources Partnership (GA)
Ayden Greenways Project (NC)
Blountstown Rail Trail Feasibility Study (FL)
Chattanooga Area Civil War Sites Assessment (GA, TN)
Creole Nature Trail National Scenic Byway (LA)
Duck River Recreation Plan (TN)
Florida Statewide Greenways Program Assistance
Florida Greenways and Trails Conference
Georgia Statewide Rivers Assessment
Great Smoky Mountains Regional Greenways System Assistance (TN)
Gulf Shores-to-Fort Morgan Trail Project (AL)
Lower Mississippi Valley Civil War Task Force (KY, LA, MS, TN)
National Rails-to-Trails Conference (FL)
Newport/Cocke County Greenways Plan (TN)
North Carolina Statewide Rivers Assessment
North Chickamauga Creek Gorge Protection Plan (TN)
Oconaluftee/Cherokee Trail Plan (NC)
Pearl-to-Leaf River Trail Project (MS)
Ring Around the Lake Path (LA)
South Carolina Heritage Corridor
South Carolina Rail-Trail Conference
Tammany Trace Trail (LA)
Tangipahoa River/U.S. 51 Greenway (LA)
Tennessee Statewide Rivers Assessment
Tennessee Greenways and Trails Project

ALASKA FIELD OFFICE

Eagle River Instream Flow Reservation
Girdwood Iditarod Trail Route Study
National River Conservation Advisory Team
Midtown North-South Greenway
Mother's Day Stroll and Roll
National Trails Advisory Team
State Trails Initiative: Trails & Recreational Access for Alaska
Trails and Greenways Funding Handbook

INTERMOUNTAIN FIELD OFFICE

Arizona Trail
Austin Metropolitan Trails (TX)
Cody Pathways (WY)
Continental Divide Trail Summit (NM)
Denver Urban Resources Partnership (CO)
Eagle River Watershed Plan (CO)
El Paso Missions Trail (TX)
Flagstaff Open Spaces and Greenways (AZ)
Gila River Park (AZ)
Green Mountain Open Space Management Plan (CO)
Hill Country Rail-Trail (TX)
Houston East End Rail-Trails (TX)
Illinois River Management Plan (OK)
Old Frisco Rail-Trail (OK)
Rincon Valley Trails (AZ)
Rio Grande Wild and Scenic River Protection (TX)
Salt Missions Trail Scenic Byway (NM)
San Miguel Watershed Coalition (CO)
Snake River Corridor Project (WY)
Springdale Recreational Trailway (UT)
Trinity River Common Vision Implementation Project (TX)
Tulsa Greenways (OK)
Virgin River Recreation Feasibility Study (UT)
Yellowstone Heritage Partnership (MT)

MIDWEST FIELD OFFICE

America's Outdoors, Center for Conservation, Recreation, and Resources (WI)
American Rivers Management Society Conference (MI)
Audubon Flood Buyout (IA)
Automotive National Heritage Area Project (MI)
B & O Rail Trail (IN)
Back to the (Missouri) River (IA, NE)
Battle of Fallen Timbers/Fort Meigs/Fort Miami Study (OH)
Big Quinnessec Hydropower Relicensing (WI)
Boundary Water Ways Resource Protection (MN)
Cardinal Trail (IN)
Central Iowa Greenways (IA)
Chagrin River Watershed (OH)
Cherokee Green Spaces (IA)
Chicago Rivers Demonstration Project (IL)
Chicago Urban Resources Partnership (IL)
Crown Point Ecology Learning Center Trail Plan (OH)
Detroit River Greenway Partnership (MI)
East St. Louis Urban Resources Partnership (IL)
Flambeau River Hydropower Relicensing (WI)
Fort Pierre and Verendrye Monument National Historic Landmarks (SD)
Gallia County Rail-Trail (OH)
Grand Calumet River Corridor Project (IN)
Great Ohio Lake to River Greenway (OH)
Hatfield Hydropower Relicensing, Black River (WI)
Henry Aaron State Park Trail (WI)
Holcombe Hydropower Relicensing, Chippewa River (WI)
Iowa River Floodplain Restoration (IA)
Kalamazoo River Valley Trailway (MI)
Kansas Trails Conference
Kaw Valley Heritage Alliance (KS)
Keweenaw Water Trail (MI)
Kishwaukee River Protection (IL)
Lake Calumet Area Wetlands Restoration (IL)

Lake Superior Water Trail Demonstration Project (MN)
Lower Mississippi Valley Civil War Task Force (AR, MO)
Massillon-Dalton Rail-Trail (OH)
Maumee Valley Heritage Corridor (IN, OH)
Meramec River Corridor Protection (MO)
Miami and Erie Canal Corridor (OH)
Mid-Town Neighborhood Open Space Initiative (WI)
Mill Creek Restoration Project (OH)
Minnesota/Wisconsin River Cluster Project (WI)
Mississippi National River and Recreation Area (MN)
Missouri River Corridor Project (KS, SD)
Monday Creek Watershed Workshop (OH)
Multi-Objective River Corridor Management Workshop (MO, IL)
Nebraska Trails Conference
Nevada Greenbelt (IA)
Northwest Michigan Greenways (MI)
Northeast Ohio Land Trust Coalition (OH)
Northwest Ohio Greenway Coalition (OH)
Ohio and Erie Trail (OH)
Ohio River Corridor (OH)
Ohio Trails and Greenways Conference
Ohio Tourism Industry Advisory Council
Petenwell-Castle Rock Hydropower Relicensing, Wisconsin River (WI)
Pumpkinvine Trail (IN)
St. Charles County Open Space Management Project (MO)
Southeast Michigan Greenways (MI)
Southeast Ohio Heritage (OH)
Spirit Mound Development Plan (SD)
Steamboat Trace (NE)
Towpaths-to-Trails Initiative (IN, IL, OH, WI)
Upper Menominee River Hydro Relicensing Settlement Agreement (WI)
Upper Wabash River Comprehensive Watershed Plan (IN)
Vincennes Area Trails Plan (IN)
Volunteer Trail Design and Construction Video (IN, MI)
Wabash River Heritage Corridor (IN)
Western Wildlife Corridor (OH)
Yellowstone Heritage Partnership (ND)

PACIFIC WEST FIELD OFFICE

Bay Area Ridge Trail (CA)
California Floodplain Management Group
California Rivers Assessment (CA)
Canyon Creek — Hydropower Licensing (WA)
Dry Creek Parkway (CA)
East Palo Alto Open Space Project (CA)
Gateway Communities Notebook (WA)
Gaviota Coast Conservation Project (CA)
Hood River — Hydropower Relicensing (OR)
Island County Trails Assistance (WA)
Joshua Tree Regional Trails (CA)
Klamath River — Hydropower/Recreation Mitigation (OR)
Lake Mead Regional Trail Project (NV)
Lewis River — Hydropower/Recreation Mitigation (WA)
Los Angeles Greenways (CA)
Los Angeles Rivers Master Plan (CA)
Los Angeles Urban Resources Partnership (CA)
Lower Columbia River Heritage Partnership (OR, WA)
McKenzie River — Hydropower/Recreation Mitigation (OR)
Mid-Snake River Recreation/Access Study (ID)
North Umpqua — Hydropower/Recreation Mitigation (OR)
Northwest Washington Scenic Byways: Highways 2 and 20 (WA)
Powder River Greenway (OR)
San Francisco Regional Watershed Network (CA)
Santa Monica Mountains Area Recreation Trails Project (CA)
Sausal Creek Watershed Awareness Project (CA)
Seattle Greenways Connections (WA)
Seattle Urban Resources Partnership (WA)
Snake River Hydropower Relicensing (ID)
Snoqualmie River—Hydropower/Recreation Mitigation (WA)
Truckee River Strategy (NV)

NORTHEAST FIELD OFFICE

Androscoggin Greenways (ME)
Appalachian Conservancy Assistance (WV)
Appalachian Plateau Trail Coalition (PA, WV)
Baltimore Urban Earth Day (MD)
Beaver River — Hydropower/Recreation Mitigation (NY)
Berlin Heritage Trail Partnership (NH)
Black River — Hydropower/Recreation Mitigation (NY)
Bristol-Philadelphia-Trenton Trail (PA)
Bronx River Zooway (NY)
Bronx Rock Garden Park (NY)
Cape Cod Pathways (MA)
Charlotte Community Trails (VT)
Cheat River Assistance (WV)
Chesapeake Bay Partnership (DC, MD, PA)
Clyde River — Hydropower/ Recreation Mitigation (VT)
Coal Heritage Scenic Byway (WV)
Colonial Parkway Scenic Byway (VA)
Dead River — Hydropower/Recreation Mitigation (ME)
Deerfield River — Hydropower Recreation Mitigation (MA, VT)
Delaware Coastal Heritage Greenway (DE)
East Coast Greenwy Alliance (DE,DC,MD,NJ,PA,RI,VA)
Farny Highlands Trail System (NJ)
Friends of the Canalway Trail (NY)
Greenways New York (NY)
Hallowell Trails Development (ME)
Highlands Trail (NJ)
Hoosic River — Hydropower/Recreation Mitigation (NY)
Housatonic River Greenway (CT, MA)
Kennebec River — Hydropower/Recreatio Mitigation (ME)
Kingdom Trails (VT)
Lake Champlain Paddlers Trail (VT)
Lost-Cacapon River Assistance (WV)
Lower Eastern Shore Assistance (MD)
Maine Stem Penobscot River — Hydropow Recreation Mitigation (ME)
Middlesex County Greenway (NJ)
Mountain Division Rail Line Planning (ME
New Jersey Trails Fair
Pawcatuck River Watershed Conservation Initiative (RI)
Pemigewasset River — Hydropower/ Recreation Mitigation (NH)
PA Rivers/P.O.W.R. Assistance (PA)
Philadelphia Urban Resources Partnership (PA)
Philadelphia-Delaware Riverfront Strategy (PA)
Potomac Heritage Trail (DC, MD, PA, VA, WV)
Quinebaug and Shetucket Rivers Valley National Heritage Corridor (CT)
Raquette River — Hydropower/Recreation Mitigation (NY)
Sacandaga River — Hydropower/Recreatic Mitigation (NY)
St. George River Trails Development (ME)
St. Lawrence River — Hydropower/ Recreation Mitigation (NY)
Saratoga County Heritage Trails (NY)
Saugatucket River Heritage Corridor (RI)
Schuylkill River Heritage (PA)
Schuylkill River Trail (PA)
Sunapee-Ragged-Kearsarge Greenway (NH
Sustainable Development Along Rivers Handbook (NY)
Tug Fork Greenway (WV)
Upper and Lower Androscoggin River Basi Recreation Assistance (NH, ME)
Upper Hudson River — Hydropower/ Recreation Mitigation (NY)
Urban Merrimack River Project (MA)
Urban Merrimack Riverfront Program (NH)
Vermont Trails and Greenways Council
Virginia Trail Coalition/Guide (VA)
Washington, D.C. Urban Resources Partnership
West Branch Penobscot River — Hydropov Recreation Mitigation (ME)
West River Trail (VT)
Wilkes-Barre Greenway (PA)
Woonasquaucket River Greenway (RI)

Chart III

National Park Service Visitor Services Project

Results of Customer Surveys

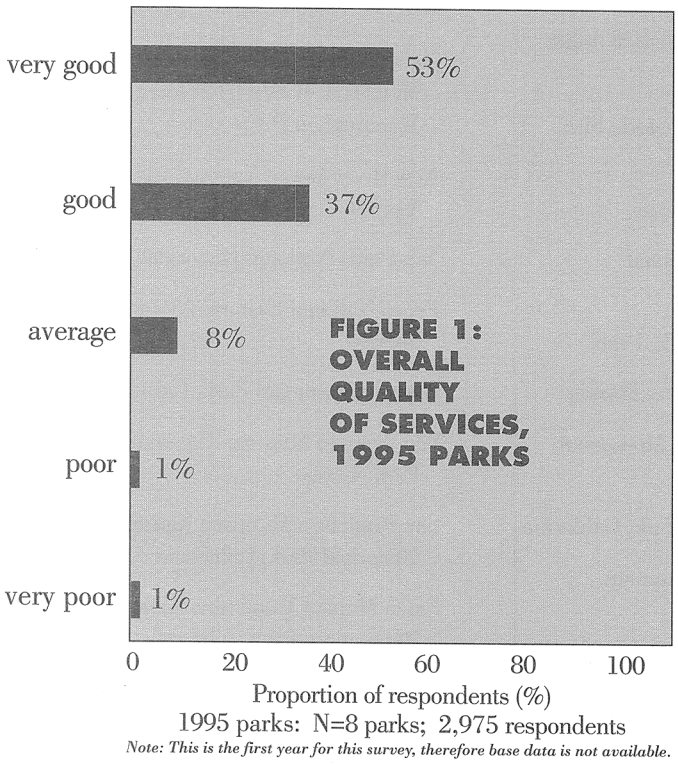


FIGURE 1: OVERALL QUALITY OF SERVICES, 1995 PARKS

Note: This is the first year for this survey, therefore base data is not available.

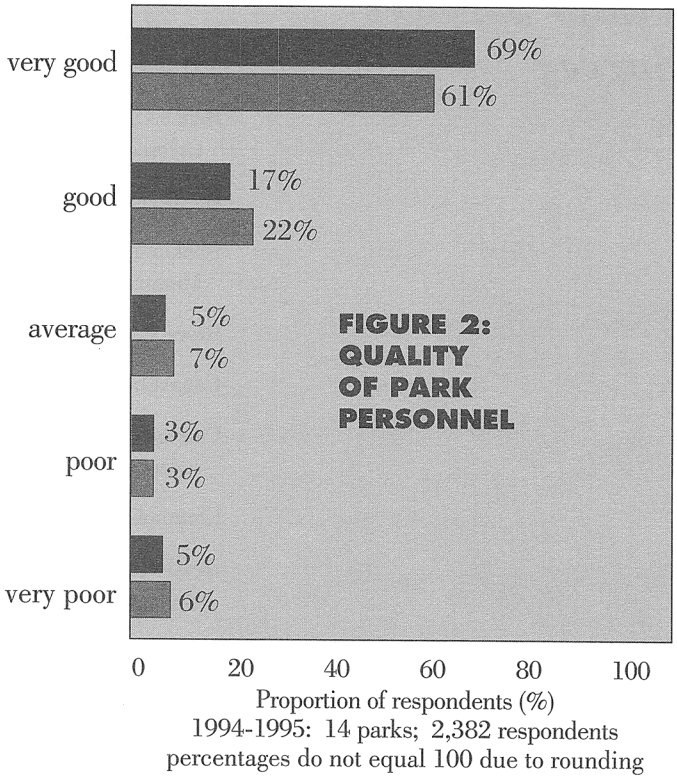


FIGURE 2: QUALITY OF PARK PERSONNEL

percentages do not equal 100 due to rounding

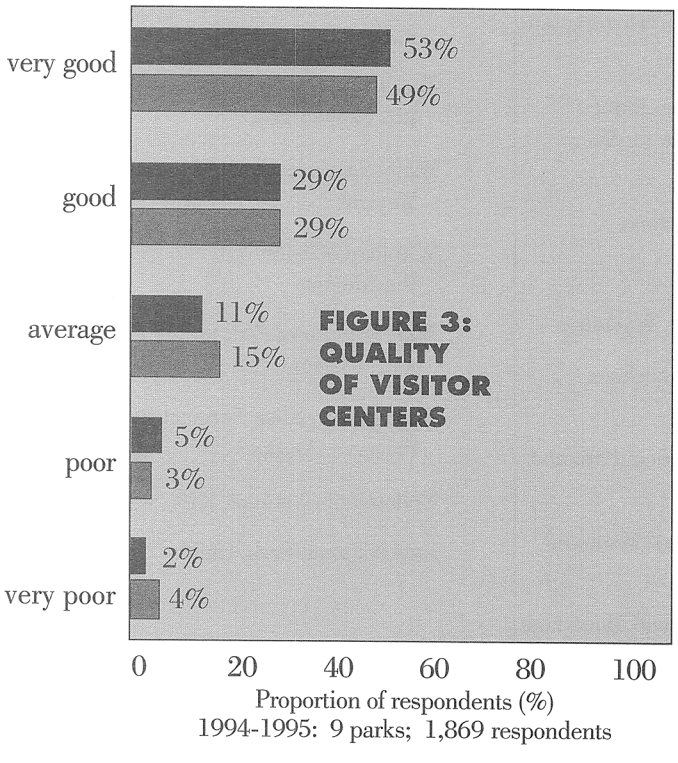


FIGURE 3: QUALITY OF VISITOR CENTERS

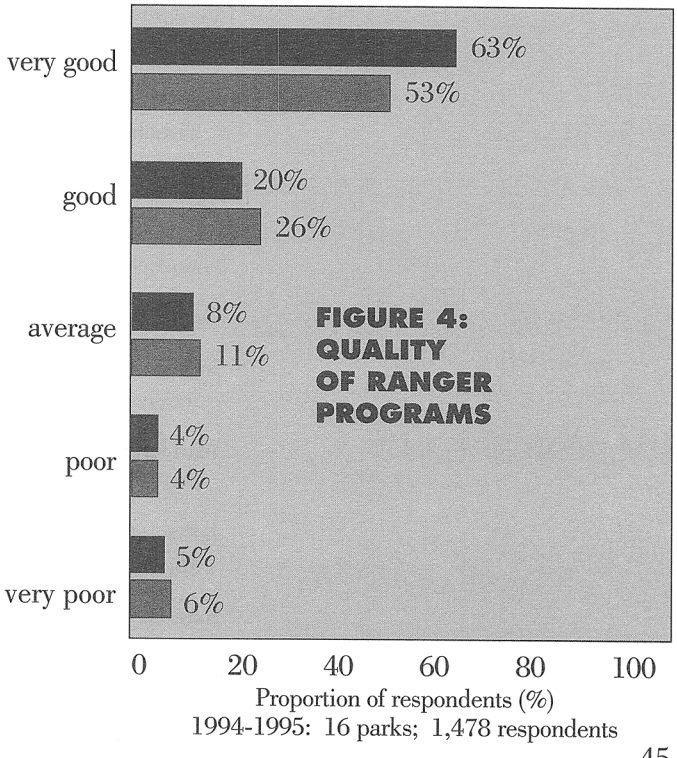


FIGURE 4: QUALITY OF RANGER PROGRAMS

A list of parks included in these surveys appears on the following page.

Table IV

NPS Park Units Included in the Visitor Services Survey

Adams National Historic Site, Massachusetts

Anchorage Alaska Public Lands Information Center Alaska

Arlington House/Robert E. Lee Memorial, Virginia

Bandelier National Monument, New Mexico

Belle Haven Park/Dyke Marsh Wildlife Preserve, Virginia

Bent's Old Fort National Historic Site, Colorado

Big Bend National Park, Texas

Booker T. Washington National Monument, Virginia

Bryce Canyon National Park, Utah

Canaveral National Seashore, Florida

Canyon de Chelly National Monument, Arizona

Channel Islands National Park, California

Devils Tower National Monument, Wyoming

Dry Tortugas National Park, Florida

Edison National Historic Site, New Jersey

Everglades National Park, Florida

Frederick Douglass National Historic Site, Washington, D.C.

Gettysburg National Military Park/ Eisenhower National Historic Site, Pennsylvania

Glacier National Park, Montana

Glen Echo Park, Virginia

Grand Teton National Park, Wyoming

Indiana Dunes National Lakeshore, Indiana

Jean Lafitte National Historical Park and Preserve, Louisiana

Jefferson National Expansion Memorial, Missouri

John Day Fossil Beds National Monument, Oregon

Joshua Tree National Park, California

Klondike Gold Rush National Historic Site, Alaska

Manassas National Battlefield Park, Virginia

Muir Woods National Monument, California

Natchez Trace Parkway, Mississippi

National Mall (Jefferson Memorial, Lincoln Memorial, Washington Monument), Washington, D.C.

New River Gorge National River, West Virginia

Nez Perce National Historical Park, Idaho

Pecos National Historical Park, New Mexico

Redwood National Park, California

San Antonio Missions National Historical Park, Texas

San Francisco Maritime National Historical Park, California

Santa Monica Mountains National Recreation Area, California

Scotts Bluff National Monument, Nebraska

Sitka National Historical Park, Alaska

Statue of Liberty National Monument, New York

The White House Tours, President's Park, Washington D.C.

White Sands National Monument, New Mexico

Whitman Mission National Historic Site, Washington

Wolf Trap Farm Park for the Performing Arts, Virginia

Wrangell-St. Elias National Park and Preserve, Alaska

Yellowstone National Park, Wyoming

Zion National Park, Utah

Table V

FY 1996 NPS Construction Projects

(Dollars in thousands)

	Line Item Projects:	Appropriated Amount
*	Andersonville NHS: Prisoner of War Museum	$ 2,773
	Assateague Island NS: Erosion control, Bridges	297
	Blackstone River Valley National Heritage Corridor	297
	Blue Ridge Parkway: Hemphill Knob NC (Admin. Bldg.)	1,020
	Cane River Creole NHP & Heritage Area: Preservation and Stabilization	3,962
	Chamizal N Mem: Facility rehabilitation & safety improvement	297
	Chickasaw NRA: Campground rehabilitation	1,609
*	Crater Lake NP: Construct Mazama dormitories	9,905
	Cuyahoga Valley NRA: Site and structure rehabilitation	2,476
*	Delaware Water Gap NRA, PA: Trails rehabilitation	1,040
*	Everglades NP: Modify Water Delivery System	4,457
	Fort Necessity NB: Rehabilitation	262
*	Fort Smith NHS: Rehabilitation	495
*	Gateway NRA, NY: Rehabilitate Jacob Riis Park	1,580
	General Grant N Mem: Complete Mem. rehabilitation and grounds	991
*	Gettysburg NMP: Connect water & sewer lines to municipal system	2,526
*	Glacier NP: Rehabilitate chalets	325
	Grand Canyon: Improve visitor transportation system	991
	Gulf Islands NS: Erosion control	594
	Harpers Ferry NHP: Utilities and phone lines	451
*	Hot Springs NP: Stabilization/lead paint	495
	James A. Garfield NHS: Rehabilitation and development	3,566
*	Jean Lafitte NHP & P: Complete structural repairs, Bldg	2,080
*	Klondike Gold Rush NHP: Restore Skagway historic district	842
	Lackawanna Valley, PA: Technical assistance	396
	Lake Chelan NRA: Repair of Company Creek road	277
	Little River Canyon N Preserve: Health and safety	456
*	Mount Rainier NP: Replace Paradise Valley employees dorm	5,993
	Natchez Trace Parkway, MS, Construct Parkway	2,972
*	National Cap. Parks-Central: Lincoln/Jefferson Memorial	3,962
	New River Gorge NR: Trails, visitor access and hazardous materials removal	619
*	President's Park: Replace White House electrical system	1,090
	Sagamore Hill NHS: Connect water & sewer lines to municipal system	792
*	Salem Maritime NHS: Vessel exhibit	2,179
	Saratoga Monument, NY: Monument rehabilitation	1,981
*	Sequoia NP: Replace Giant Forest facilities	3,665
	Southwestern Pennsylvania Commission: Various projects	1,981
	Stones River NB: Stabilization	198
	Thomas Stone NHS: Continue ongoing rehabilitation work	248
	Western Trails Center, Iowa: Construct visitor/interpretive center	2,972
	Wrangell-St. Elias NP & P: Kennicott Mine safety & rehab	1,486
*	Yosemite NP: El Portal maintenance facilities	9,553
*	Zion NP: Implement visitor transportation system	5,151
	Total, Line Item Construction Projects:	$89,302

* In original NPS request

NATIONAL PARK SYSTEM UNITS




Voyageurs
Grand Portage
Isle Royale
LAKE SUPERIOR
Apostle Islands
Keweenaw
Pictured Rocks
LAKE HURON
Saint Croix
Mississippi
MINNEAPOLIS
ST. PAUL
WISCONSIN
Sleeping Bear Dunes
LAKE MICHIGAN
MICHIGAN
Pipestone
MILWAUKEE
MADISON
LANSING
DETROIT
Effigy Mounds
Missouri
IOWA
Herbert Hoover
CHICAGO
Indiana Dunes
TOLEDO
LAKE ERIE
Perry's Victory
CLEVELAND
James A. Garfield
Cuyahoga Valley
AKRON
Johnstown Flood
PITTSBURGH
PENNSYLVANIA
Allegheny Portage Railroad
HARRISBURG
BUFFALO
Delaware Water Gap
Steamtown
Upper Delaware
Middle Delaware
Vanderbilt Mansion
Home of F. D. Roosevelt
Eleanor Roosevelt
Weir Farm
Morristown
NEW YORK CITY
Edison
TRENTON
N.J.
PHILADELPHIA
Gettysburg
Eisenhower
DEL.
Great Egg Harbor
MD.
BALTIMORE
ANNAPOLIS
WASHINGTON D.C.
Thomas Stone
Assateague Island
George Washington Birthplace
Colonial
NORFOLK
Petersburg
Appomattox Court House
Booker T. Washington
Bluestone
New River Gorge
Maggie L. Walker
Richmond
RICHMOND
Fredericksburg and Spotsylvania
Shenandoah
Gauley River
Fort Necessity
Friendship Hill
WEST VIRGINIA
OHIO
COLUMBUS
Dayton Aviation Heritage
INDIANAPOLIS
Hopewell Culture
ILLINOIS
INDIANA
Lincoln Home
SPRINGFIELD
Homestead
LINCOLN
OMAHA
DES MOINES
Fort Larned
Tallgrass Prairie
WICHITA
Fort Scott
Wilson's Creek
Ozark
George Washington Carver
Pea Ridge
Buffalo
TULSA
OKLAHOMA CITY
Fort Smith
ARKANSAS
OKLAHOMA
LITTLE ROCK
Brices Cross Roads
Hot Springs
Arkansas Post
Chickasaw
Shiloh
MEMPHIS
Russell Cave
TENNESSEE
Chickamauga and Chattanooga
Ninety Six
Tupelo
Kennesaw Mountain
ATLANTA
Martin Luther King, Jr.
Chattahoochee River
Little River Canyon
Natchez Trace Parkway & Trail
BIRMINGHAM
Horseshoe Bend
Ocmulgee
GEORGIA
Tuskegee Institute
MONTGOMERY
Andersonville
Jimmy Carter
Vicksburg
JACKSON
Poverty Point
Cane River Creole
MISSISSIPPI
ALABAMA
LOUISIANA
Natchez
FT WORTH
DALLAS
XAS
Big Thicket
AUSTIN
HOUSTON
SAN ANTONIO
San Antonio Missions
BATON ROUGE
NEW ORLEANS
New Orleans Jazz
Gulf Islands
Jean Lafitte
TALLAHASSEE
JACKSONVILLE
Fort Frederica
Cumberland Island
Timucuan
Fort Caroline
Castillo de San Marcos
Fort Matanzas
Canaveral
FLORIDA
TAMPA
ST. PETERSBURG
De Soto
MIAMI
Big Cypress
Biscayne
Everglades
Dry Tortugas
adre Island
Palo Alto Battlefield
United States Territories
AMERICAN SAMOA
PAGO PAGO
National Park of American Samoa
GUAM
War in the Pacific
AGANA
PUERTO RICO
VIRGIN ISLANDS
SAN JUAN
San Juan
Virgin Islands
CHARLOTTE AMALIE
Salt River Bay
Buck Island Reef
Christiansted
codemus
KANSAS CITY
Harry S Truman
TOPEKA
Brown v. Board of Education
JEFFERSON CITY
ST. LOUIS
Ulysses S. Grant
Jefferson National Expansion Memorial
Lincoln Boyhood
LOUISVILLE
FRANKFORT
KENTUCKY
Abraham Lincoln Birthplace
Mammoth Cave
William Howard Taft
CINCINNATI
George Rogers Clark
CHARLESTON
Cumberland Gap
Big South Fork
Andrew Johnson
Obed
NASHVILLE
Stones River
Carl Sandburg Home
Great Smoky Mountains
Blue Ridge Parkway
Guilford Courthouse
RALEIGH
Wright Brothers
Fort Raleigh
Cape Hatteras
NORTH CAROLINA
CHARLOTTE
Kings Mountain
Cowpens
Cape Lookout
Moores Creek
Congaree Swamp
SOUTH CAROLINA
COLUMBIA
CHARLESTON
Charles Pinckney
Fort Sumter
Appalachian Trail
Saint Croix Island
MAINE
Acadia
AUGUSTA
BURLINGTON
MONTPELIER
VT.
NEW YORK
Saint-Gaudens
CONCORD
N.H.
Saratoga
ALBANY
Fort Stanwix
Women's Rights
BUFFALO
Theodore Roosevelt Inaugural
Martin Van Buren
MASS.
BOSTON
Springfield Armory
Cape Cod
PROVIDENCE
Roger Williams
New Bedford Whaling
CONN.
R.I.
BOSTON AREA
Adams
Boston African American
Boston Harbor Islands
Boston
Frederick Law Olmsted
John Fitzgerald Kennedy
Longfellow
Lowell
Minute Man
Salem Maritime
Saugus Iron Works
NEW YORK CITY AREA
Castle Clinton
Federal Hall
Fire Island
Gateway
General Grant
Hamilton Grange
Sagamore Hill
Saint Paul's Church
Statue of Liberty
Theodore Roosevelt Birthplace
PHILADELPHIA AREA
Edgar Allan Poe
Hopewell Furnace
Independence
Thaddeus Kosciuszko
Valley Forge
BALTIMORE AREA
Fort McHenry
Hampton
WASHINGTON, D.C. AREA
DISTRICT OF COLUMBIA
Constitution Gardens
Ford's Theatre
Frederick Douglass
Korean War Veterans Memorial
Lincoln Memorial
Lyndon Baines Johnson Memorial Grove
Mary McLeod Bethune Council House
National Mall
Pennsylvania Avenue
Rock Creek
Theodore Roosevelt Island
Thomas Jefferson Memorial
Vietnam Veterans Memorial
Washington Monument
White House
MARYLAND
Antietam
Catoctin Mountain
Chesapeake and Ohio Canal (also D.C., W.Va.)
Clara Barton
Fort Washington
Greenbelt
Monocacy
Piscataway
Potomac Heritage (also Pa., Va., D.C.)
VIRGINIA
Arlington House
George Washington Memorial Parkway (also Md.)
Manassas
Prince William Forest
Wolf Trap Farm
WEST VIRGINIA
Harpers Ferry (also Md., Va.)

FINANCIAL PERFORMANCE MEASURES

The following section provides details on the Service's financial management performance in FY 1996.

PROMPT PAYMENT ACTIVITIES

Progress made during FY 1996 was seriously overshadowed by the problems caused by the two temporary shutdowns of operations due to funding limitations which occurred during the periods November 14, 1995, through November 17, 1995, and from December 18, 1995, through January 6, 1996. Also, the Accounting Operation Center (AOC) was closed from January 8 through January 15 because of severe winter weather.

During the six months ending March 31, 1996, there was a $19.8 million increase in invoices paid late when compared to the same period last year. These increases can be specifically attributed to the two shutdowns. During this time period approximately $104,642 of interest penalties were paid that can be related to the delay in processing payments. An additional $25,137 of interest penalties were paid that can be attributed to the delays, caused by these shutdowns, with the assembly and transmission of documents from the parks.

By working overtime, the backlog of payment documents at the AOC was cleared by March 1, 1996.

The following enhancements implemented during FY 1996 contributed to the efficiency of the payment system:

Beginning on February 1, 1996, park/office procurement offices implemented procedures to request and encourage commercial vendors to use the Automated Clearing House for payments under $100,000 and FED wire for



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payments of $100,000 or more. The Debt Collection Improvement Act of 1996 requires that all federal payments made after January 1, 1999, shall be made by electronic funds transfer.

Since March 1, 1996, the VISA/IMPAC credit card charges from Rocky Mountain Bank are processed immediately to take advantage of the significant rebate (discount) being offered by the bank. Analysis shows that it is to the advantage of the Federal Government to pay these invoices early.

TRAVEL ADVANCE MANAGEMENT

At the end of FY 1996 the Service had a total of $344,730 in outstanding travel advances, which is approximately a 55% reduction from the outstanding balance at the end of FY 1995 of $762,570. This significant decrease is directly attributable to increased efforts made by the AOC to identify and contact those employees with delinquent advances in a more timely manner. Processes were also improved between the AOC Travel and Accounting Services sections to identify employees with delinquent advances requiring collection action. This improvement led to the establishment of payroll deductions accounting for the collection of approximately $71,244. It is important to note that this collection effort was achieved despite the two government shutdowns which occurred during this fiscal year. Continuing use of the Government Travel Automatic Teller Machine (ATM) Card for travel advances and the increased limit on travel vouchers payable via Third Party Drafts to $2,500 should contribute to a continued reduction in the outstanding travel advances within the NPS of 3 to 5% during FY 1997.

DEBT COLLECTION ACTIVITIES

The NPS experienced a 22% decrease in delinquent debt during FY 1996. This outcome was attributable to a concentrated effort to collect delinquent accounts. The reduction was also impacted by the write-off of an uncollectible account. Based on authority from the Department of Justice, NPS wrote off a $698,000 delinquent debt. The FY 1996 goal to reduce delinquent debt by 3-5% was exceeded by 17-19%. Progress in this area is primarily attributable to the implementation of the FY 1995 Corrective Action Plan (CAP) and the revision of internal work processes. To the extent possible, action items in the CAP were accomplished and others were revised to adhere to the enactment of the Debt Collection Act of 1996. Directives to the field were revised and a departmental delegation of write-off authority was acquired.

Employee debt, which had been identified as the single largest factor contributing to the delinquency rate, became a focal point of our collection efforts. During FY 1996 NPS experienced a 61% increase in the dollar amount of salary offsets accomplished.

More stringent follow-up procedures led to an overall reduction of 39% in the dollar amount identified as uncollectible. Public sector receivables accounted for 29% of this reduction and 10% was attributable to federal receivables. Analysis of federal debt has shown that all debt is collectible over time; therefore, no allowance was established for federal delinquent debt.

The Park Service is currently in the process of implementing the debt processing requirements stipulated by the Debt Collection Act of 1996.

At the end of FY 1996 the Service had a total of $344,730 in outstanding travel advances, which is approximately a 55% reduction from the outstanding balance at the end of FY 1995 of $762,570.

The National Park Service monitors overtime costs to determine whether administratively controllable costs are reasonable.

During FY 1997, NPS intends to implement these requirements and continue efforts initiated by the CAP. The FY 1997 goal is to reduce delinquent accounts receivable by 15 to 20%.

THIRD PARTY DRAFT

The Third Party Draft program was implemented by the Service in FY 1990. As predicted in our FY 1995 annual report, third party draft usage declined this year by approximately $263,634. This decline can be attributed to the increased participation in the VISA/IMPAC program. Third party draft usage could possibly see an increase in FY 1997 with the travel reimbursement amount raised to $2,500. The higher draft amount will enable more travel vouchers to be processed and paid through third party draft.

OVERTIME MANAGEMENT

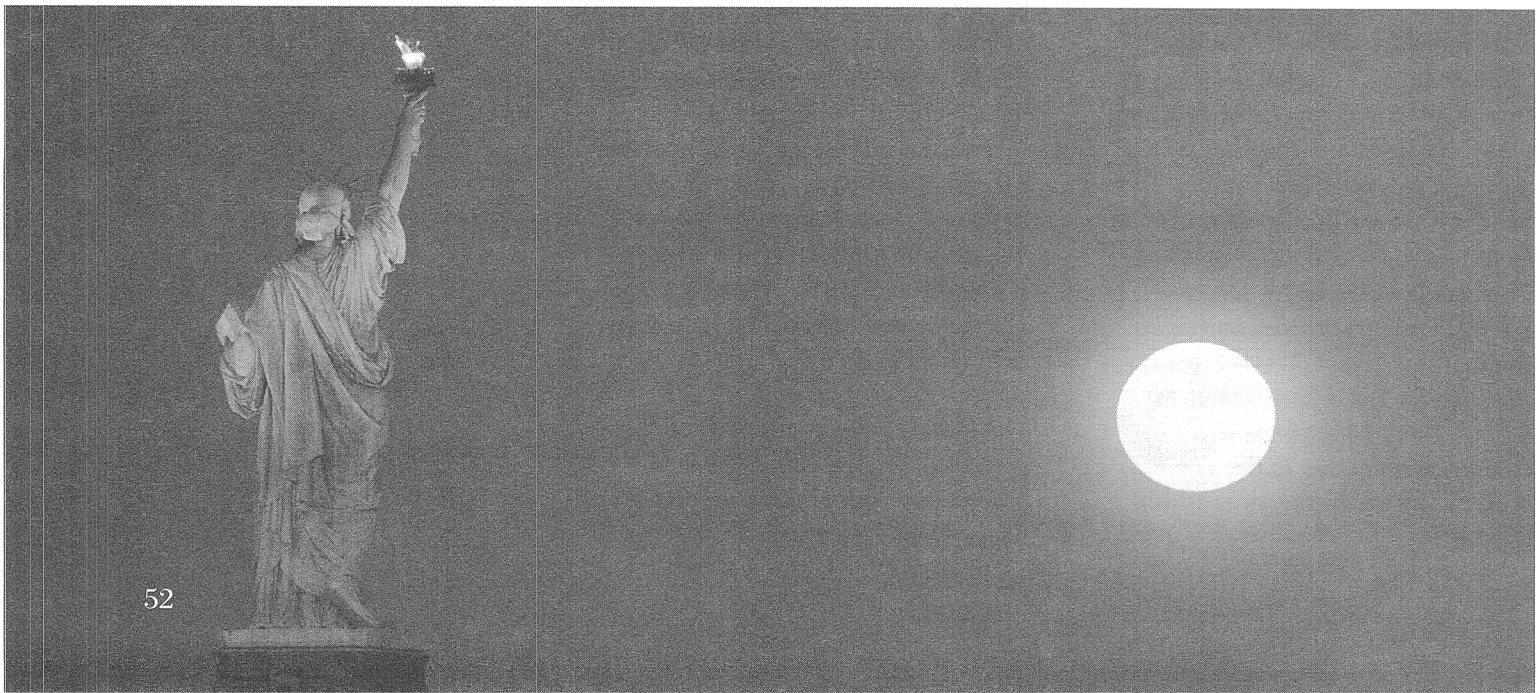
The National Park Service monitors overtime costs to determine whether administratively controllable costs are reasonable. The total costs of administrative overtime totaled $34,387,786 in FY 1996. Of these costs, administrative overtime for uncontrollable and controllable overtime totaled $6,981,398 and $27,406,388, respectively. Uncontrollable overtime (e.g., fire suppression) accounted for 20.3% of total overtime dollars in FY 1996.

PLASTIC CARD COLLECTION NETWORK

The PCCN Program was implemented during FY 1993. The program experienced a dramatic increase in activity during FY 1995, and this trend continued during FY 1996. Receipts totaling $1,151,029 were collected in FY 1996, which represents a 41% annual increase in moneys collected via this mechanism. There are currently 31 park locations participating in the program with 47 sites on-line. This number represents a 27% increase in the number of on-line sites, and exceeded our projected goal by 17%. Therefore, our goal for FY 1997 is to increase the number of on-line sites by another 20%.

During FY 1997, NPS will implement a demonstration program affecting Recreation Fees in approximately 50 to 100 parks. It is expected that many of these parks will utilize the PCCN in the collection and deposit of receipts.

Statue of Liberty National Monument
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FINANCIAL STATEMENTS

National Park Service

Statement of Financial Position as of September 30, 1996

(in thousands)

ASSETS	1996	1995
Entity		
Fund Balance with U.S. Treasury (Note 2.)	$ 877,432	$ 943,897
Investments (Note 3.)	65	65
Accounts Receivable, Net of Allowance for Doubtful Accounts (Note 4.)		
Due from Other Federal Agencies	18,145	20,514
Due From Public	6,895	6,134
Loans Receivable (Note 5.)	6,836	7,200
Advances to Others, Public (Note 6.)	754	1,208
Cash (Note 7.)	821	883
Property, Plant and Equipment, Net of Depreciation (Note 8.)		
Construction-in-Progress	738,853	578,600
Buildings	166,845	178,762
Structures and Other Facilities	223,471	230,211
Equipment	112,267	88,313
Land (Note 9.)	0	0
Total Entity Assets	2,152,384	2,055,787
Non-Entity Assets		
Receipts Transferred to Treasury (Note 10.)	87,487	0
Accounts Receivable, Net of Allowance for Doubtful Accounts	2,080	0
Total Non-Entity Assets	89,567	0
TOTAL ASSETS	$2,241,951	$2,055,787

The accompanying notes are an integral part of these statements.

FINANCIAL STATEMENTS

National Park Service

Statement of Financial Position as of September 30, 1996

(in thousands)

LIABILITIES	1996	1995
Entity		
Liabilities Covered by Budgetary Resources		
Accounts Payable (Note 11.)		
Due to Other Federal Agencies	$ 589	$ 2
Due to Public	24,933	18,060
Advances Due to Others (Note 12.)		
Due to Other Federal Agencies	12,872	13,665
Due to Public	3,641	2,162
Other Liabilities (Note 13.)	3,082	960
Accrued Payroll, Benefits	39,027	34,086
Total Entity Liabilities	84,144	68,935
Non-Entity Liabilities		
Accounts Payable	2,080	0
Receipts Transferred to Treasury (Note 10.)	87,487	0
Total Non-Entity Liabilities	89,567	0
Total Liabilities Covered by Budgetary Resources	173,711	68,935
Liabilities Not Covered by Budgetary Resources		
Unfunded Accrued Annual Leave	58,062	53,349
Total Liabilities Not Covered by Budgetary Resources	58,062	53,349
TOTAL LIABILITIES	231,773	122,284
NET POSITION		
Appropriated Capital	788,610	878,706
Invested Capital	1,241,500	1,075,951
Cumulative Results of Operations	38,130	32,195
Future Funding Requirements	(58,062)	(53,349)
TOTAL NET POSITION	2,010,178	1,933,503
TOTAL LIABILITIES AND NET POSITION	$2,241,951	$2,055,787

The accompanying notes are an integral part of these statements.

FINANCIAL STATEMENTS

National Park Service

Statement of Operations and Changes in Net Position for the Year Ended September 30, 1996

(in thousands)

	1996	1995
Appropriated Capital Used	$1,448,063	$1,529,744
Revenues		
Sale of Services (Note 14.)		
Federal	49,016	59,902
Public	63,418	54,534
Receipts Collected on Behalf of Treasury (Note 10.)	87,487	0
Other Revenue Sources (Note 15.)	12,087	12,870
Receipts Transferred to Treasury (Note 10.)	(87,487)	0
Total Revenues	1,572,584	1,657,050
Expenses (Note 16.)		
Operating Expense		
Operation of the National Park Service	1,096,813	1,078,784
Construction	182,589	273,794
Land Acquisition	63,112	45,112
Historic Preservation	35,109	40,072
National Recreation and Preservation	37,770	37,503
Fire and Emergency Operations	36,706	37,962
Trust Funds	29,310	29,331
Fee Collection Activity	11,646	12,205
Operation and Maintenance of Quarters	12,714	10,961
Disaster and Flood Relief	5,517	7,493
Urban Park and Recreation	3,837	4,318
Other	3,952	3,320
Total Operation Expenses	1,519,075	1,580,855
Depreciation Expense	45,485	43,756
Interest Expense	363	244
Bad Debt Expense	37	0
Total Expenses	1,564,960	1,624,855
Excess Revenue over Expense	$ 7,624	$ 32,195
Net Position, Beginning	$1,933,503	$ 8,133,118
Prior Period Adjustment (Note 17.)	(9,037)	(6,023,418)
Net Position, Restated	1,924,466	2,109,700
Excess Revenue	7,624	32,195
Non-Operating Change (Note 18.)	78,088	(208,392)
Net Position, Ending	$2,010,178	$1,933,503

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. REPORTING ENTITY

The National Park Service is responsible for promoting and regulating designated areas within the National Park System. The NPS is also responsible for conserving the scenery, historical objects, and wildlife so that they may be enjoyed by future generations. The Director of the NPS is responsible for administrative oversight and policy of the NPS, including authority over money or other budget authority made available to the NPS. In fulfilling its mission, the NPS administers a variety of funds:

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

- Operation of the National Park Service
- National Recreation and Preservation
- Construction

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

- Donations
- Birthplace of Abraham Lincoln
- Jefferson National Expansion
- Construction

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

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

- Land Acquisition and State Assistance
- Historic Preservation
- Grant Administration
- Quarters, Operation and Maintenance
- Fee Collection 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 National Park Service as required by the Chief Financial Officers Act of 1990. They have been prepared from NPS books and records using the accrual basis of accounting, which recognizes the financial effects of transactions as they occur. In addition, these statements were prepared

in accordance with the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Bulletin 94-01, dated November 19, 1993, and based on the accounting policies summarized in the next note.

C. BASIS OF ACCOUNTING

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

The Statement of Cash Flows and Statement of Budgetary Resources and Actual Expenses were not prepared as the Department received a waiver from OMB for fiscal years 1995 and 1996 on the preparation of these statements. The principal financial statements are prepared in accordance with the following hierarchy of accounting principles and standards:

- Statements of Federal Financial Accounting Standards (SFFAS). These statements reflect the accounting principles, standards, and requirements recommended by the Federal Accounting Standards Advisory Board (FASAB) and adopted by the Comptroller General of the United States, the Director of OMB, and the Secretary of Treasury. Standards not required for implementation until fiscal year 1998 and not presented in these statements are disclosure of deferred maintenance costs and recording a line item entry for environmental cleanup liabilities.

- Form and content requirements for financial statements included in OMB Bulletin No. 94-01 (Form and Content of Agency Financial Statements).

- The accounting principles and standards contained in Departmental and Bureau accounting policy and procedures manuals.

- Other authoritative guidance which may include other federal sources and non-federal sources relating to transactions not covered elsewhere (e.g., Joint Financial Management Improvement Program Publications, etc.).

D. REVENUES AND OTHER FINANCING SOURCES

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

Donated funds, consistent with legislative authority and grantors' requests, are available to the NPS when received. Revenues from the rental of government-owned quarters to NPS employees are used to operate and maintain these quarters. Through special legislation, the NPS is authorized to use a portion of fees collected to defray the costs associated with the collection of those fees (e.g., to pay fee collectors, maintain collection stations, etc.).

E. FUNDS WITH THE U.S. TREASURY AND CASH

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

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

F. ACCOUNTS RECEIVABLE

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

G. PROPERTY, PLANT, AND EQUIPMENT

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

H. LAND

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

I. LIABILITIES

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

J. CONTINGENCIES

Except as described in the next paragraph, the NPS is not aware of any contingent liabilities, litigation, claims, or assessments representing financial claims against the NPS other than the estimated obligations related to closed appropriations. Therefore, no provision for claims and lawsuits has been made in the accompanying statements.

NPS employees hired since July 1994 who are responsible for law enforcement and/or firefighting duties are automatically covered by a retirement plan that

provides for higher retirement benefits than regular retirement plans provide for federal employees. Other employees with prior federal law enforcement and/or firefighting service have the option of being included retroactively in the higher benefits plan, and over 1,100 employees had submitted claims by the end of FY 1995.

These applications are then evaluated by the Department to determine the applicants' eligibility. Since the benefits are higher than regular retirement plans, the government's and employees' costs are higher than the amounts originally paid into the retirement funds. After an applicant has been determined eligible, the government's and the employee's share of the retirement fund contribution is calculated. At that time, the NPS and the employee are required to pay their respective shares of the costs for retroactive coverage. At the end of FY 1996, approximately 200 of these claims had been processed. Anticipating this shortfall during FY 1996, the NPS requested a first installment of $5.7 million as part of its FY 1997 Budget Justification to cover these costs. This request was enacted as part of the FY 1997 Appropriations Act.

K. ENVIRONMENTAL CLEANUP LIABILITIES

The NPS Hazardous Waste Management/Pollution Prevention program has identified over 1,100 inactive, abandoned, and currently active sites contaminated by petroleum or hazardous waste. Many of these sites are abandoned mining areas which may or may not require restoration. At the close of FY 1996, approximately 200 of these sites had undergone investigation or remediation. Additionally, NPS owns or is otherwise responsible for nearly 2,000 underground storage tanks and 1,000 above ground fuel tanks. Since 1991, NPS has tested an average of 200 tanks per year and repaired or replaced over 600 underground storage tanks. During FY 1996, an additional 50 tanks were repaired or replaced.

Based on work conducted for fuel storage tank management and cleanup, landfill management and closure, development of solid waste management alternatives, contaminated site evaluation and cleanup, and the disposal of hazardous waste, NPS estimates a cost backlog over the next four years of approximately $80 million. These costs are summarized by program, Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA) in the following table (dollars in millions):

Program	1997	1998	1999	2000
CERCLA	$ 5.0	$ 5.0	$ 11.0	$ 11.0
RCRA-C	1.0	1.0	1.0	1.0
RCRA-D	2.0	2.0	2.0	2.0
RCRA-I	7.0	11.0	11.0	7.0
Total	**$15.0**	**$19.0**	**$ 25.0**	**$ 21.0**

The NPS Abandoned Mineral Lands (AML) program also develops cost estimates based on an ongoing Servicewide inventory containing 3,000 abandoned mines (of all types) and 727 abandoned oil and gas wells (of which 51 are abandoned with no identifiable owner). Numerous assumptions are made to arrive at these estimates: average costs to close mine openings, to restore disturbed land, and to stabilize mine structures. These estimates do not reflect the 3 million acres added to the System in the California Desert Protection Act of 1994, or other additions/expansions since 1994 that could contain AML sites. The cost estimate presented in the following table of $43.25 million reflects the immediate and near-term needs of the Service by program element (dollars in thousands):

Program Element	Immediate and Near-Term Needs	Estimated Total Costs
Inventory and Site Characterization (Studies)	$ 8,210	$ 8,210
Eliminate Public Safety Hazards	2,460	28,020
Rehabilitate Natural Resources Affected by AML	28,850	124,650
Education Programs - Historical Interpretation	3,370	3,370
Maintain Critical Wildlife Habitat	360	360
Total	**$ 43,250**	**$ 164,610**

Cost estimates reflect direct costs and an average of indirect costs for engineering design, oversight, etc. They do not, however, include administrative overhead or other indirect costs such as National Environmental Policy Act compliance. The estimated total costs are program manager estimates based on preliminary evaluation for a 20 to 30 year correction period.

L. 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.

M. 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.

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.

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, 1996, the National Park Service had approximately 64 concession agreements with over 40 different companies. Besides the fee revenue provided for by these contracts, the contractual agreements of approximately 35 of these concessionaires 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 generally 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 National Park 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. At September 30, 1996, the concessionaires reported that the Special Accounts totaled approximately $38.6 million.

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. This balance on the financial statement is comprised of the following amounts at September 30, 1996 (dollars in thousands):

	1996	1995
General and Other Funds	$ 830,336	$ 900,005
Trust Funds	47,096	43,892
Total Fund Balance and Cash	**$ 877,432**	**$ 943,897**

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 moneys owed to the NPS from other federal agencies and the public. A breakdown as of September 30, 1996, follows (dollars in thousands):

	Federal	Public
Accounts Receivable, Billed	$ 4,718	$ 6,889
Allowance for Doubtful Accounts	0	(1,385)
Canceled Checks Pending Confirmation	351	0
Net Accounts Receivable, Billed	5,069	5,504
Accounts Receivable, Unbilled	13,076	1,391
Total Accounts Receivable, Net	**$ 18,145**	**$6,895**

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

During FY 1996, NPS implemented a debt collection plan designed to reduce delinquencies and improve the overall efficiency of debt management functions. As a result of this initiative, NPS experienced a 21% decrease in delinquent receivables and the allowance for doubtful accounts decreased by 52% during the fiscal year.

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

Note 5. Loans Receivable

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

The reported amount for FY 1995 included $4,000 of advanced salary payments issued to new employees. At the end of FY 1996 there were no outstanding salary advances.

Note 6. Advances to Others, Public

The reported amount advanced by the NPS to other entities is comprised of Travel Advances and Grant Advances:

- As of September 30, 1996, there were outstanding travel advances of $344,730.
- The remainder of NPS advances support the NPS grants program. The NPS disburses grants to states, territories, and Indian tribes to facilitate the accomplishment of its overall mission. Typically, these grant funds are advanced to these other entities, which in turn disburse funds to vendors.

Note 7. Cash

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

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

In FY 1995, the NPS had adopted the recommended SFFAS No.6 concerning the financial treatment of Property, Plant, and Equipment. The adoption of this standard consisted primarily of the following two changes in accounting treatment:

- The Data Processing Software, Museum and Other Collections, and Land (see Note 9) accounts were no longer capitalized and their previous asset balances were removed from the general ledger.
- The NPS worked with Department of the Interior and Inspector General personnel in developing an approach to derive one-time estimated beginning balances for reporting two asset categories in FY 1995: buildings, and structures and other facilities. The NPS then performed an analysis of construction projects that were completed in the five to ten years previous to FY 1995 to develop these estimates. These beginning balances continue to be depreciated over a 20-year useful life using the straight line method of depreciation. The NPS personal property system continues to support the equipment balance which is depreciated using the straight line method based on Federal Supply Code useful life.

During FY 1996, the NPS developed and implemented new procedures for the accountability of fixed assets. These procedures outline the processes needed to close construction work-in-progress accounts upon completion of the work, and transfer the asset balances from the work-in-progress account to the appropriate fixed asset account(s) or expense account. Included are capitalization criteria and thresholds for completed construction projects that distinguish between operational and heritage assets, and four asset classes for the depreciation of these assets.The current balance in the work-in-progress account is supported by detailed listings of expenses for construction projects that have not yet been completed.

A breakdown of fixed asset categories with corresponding depreciation follows (in thousands):

Asset Category	Cost	Accumulated Depreciation	Current Year Depreciation	Net Value
Buildings	$ 238,349,436	$ (71,504,831)	$ (11,917,472)	$ 166,844,605
Structures/Facilities	319,755,653	(96,284,738)	(19,547,881)	223,470,915
Equipment	263,639,123	(151,372,197)	(14,019,184)	112,266,926
Construction-in-Progress	738,852,942	0	0	738,852,942
Total	**$1,560,597,154**	**$(319,161,766)**	**$(45,484,537)**	**$1,241,435,388**

Note 9. Land

Consistent with SFFAS Number 6, Accounting for Property, Plant and Equipment, all Service land is "stewardship land," or land that was acquired for public enjoyment and resource protection. This standard defines stewardship land as land that is not purchased for or in connection with general Property, Plant and Equipment (i.e., purchased for or in connection with other assets that: a) could be used for alternative purposes, b) are primarily used in business-type activities, and c) are used in activities whose costs can be compared to other entities).

In adopting this standard, the NPS removed all land balances from their respective general ledger accounts. The Land Program Office in Washington, D.C., continues to maintain the official records of NPS land purchases. A stewardship report with federal and non-federal acreage is provided in the supplemental section of this report.

Note 10. Receipts Transferred to Treasury

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

Note 11. Accounts Payable

The reported amount for Accounts Payable includes liabilities to other federal agencies and to the public. Amounts owed to the public, primarily payments due vendors for goods and services received by NPS, total $24,932,883 and include contract holdbacks of $1,189,935.

Note 12. Advances Due to Others

The reported amount includes advances to the NPS from other federal agencies and from the public. The NPS has reimbursable agreements with other federal agencies in support of the NPS mission. Advances for NPS services under these agreements total $12,871,635. Similarly, payments received by NPS in advance of expected services under reimbursable agreements with the public (e.g., state-federal-academic partnerships in research and graduate education for the management of natural resources, etc.) totaled $3,640,234.

Note 13. Other Liabilities

The reported amount consists of the balances in the NPS budget clearing accounts. NPS uses these temporary clearing accounts to record disbursements and collections that were recognized by Treasury but that cannot be associated with the appropriate funded account (typically because supporting documentation has not yet been received). The clearing accounts are analyzed monthly, and once the disbursement/collection has been identified the amounts in the clearing accounts are transferred to the funded accounts.

Note 14. Revenues from Sale of Services

The reported amount is comprised of receipts from the public and from other federal entities (e.g., reimbursable agreements with states and other federal agencies) that are recognized as revenues when earned. These revenues may be used to offset the cost of providing the service for which they are received.

Note 15. Other Revenue Sources

The reported amount is comprised primarily of monies for fee collection support activities.

Note 16. Operating Expenses

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

Object Classification	1996	1995
Personnel Compensation and Benefits	$ 846,678	$ 831,146
Contractual Services	266,473	339,294
Grants, Subsidies and Contributions	92,752	98,912
Supplies and Materials	85,575	84,633
Rental, Communications and Utilities	80,399	72,992
Travel and Transportation	49,237	54,258
Equipment, Land and Structures	25,639	34,471
Printing and Reproduction	5,907	6,078
Insurance Claims and Indemnities	941	841
Other	65,474	58,230
Total	**$1,519,075**	**$1,580,855**

Note 17. Prior Period Adjustment

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

Prior Period Adjustment	
Non-capitalized Construction Projects	$ 5,123
Accumulated Depreciation	3,914
Total	**$ 9,037**

Implementation of the new NPS procedures regarding the accountability of fixed assets will cause the first two line items appearing in the above table to be an ongoing occurrence. Construction projects both over and under the NPS capitalization threshold level can span multiple fiscal years until completion and final acceptance. Additionally, it is not until completion that the final supporting documentation is prepared as to the primary purpose of the asset (e.g., operational, heritage, or multi-use).

The first line item, Non-capitalized Construction Projects, consists of expenses for projects completed in a prior fiscal year but not meeting the established capitalization requirements. The second line item for Accumulated Depreciation primarily represents projects that were capitalized during FY 1996 upon receipt of supporting documentation but were actually completed during a prior fiscal year.

Note 18. Non-Operating Change

A breakdown of the non-operating change is presented below (in thousands):

Non-Operating Change	
Change in Invested Capital	$ 174,588
Change in Appropriated Capital	(90,096)
Change in Future Funding Requirements	(4,714)
Reconciliation of Available Receipt Accounts	(1,690)
Total	**$ 78,088**

The reported figure for Change in Invested Capital represents increases to the fixed asset accounts. Change in Appropriated Capital represents the change in this account from the prior year. Change in Future Funding Requirements is the current year portion of accrued annual leave. The Reconciliation of Available Receipt Accounts is a correction of the closing model necessitated by the automated closing of the NPS accounting system.

ASSETS

Supplemental Statement of Financial Position as of September 30, 1996

(in dollars)

Entity	General and Other Funds	Trust Funds
Fund Balance with U.S. Treasury	$ 830,336,313	$ 47,095,668
Investments	0	65,000
Accounts Receivable, Net of Allowance for Doubtful Accounts		
Due from Other Federal Agencies	18,080,469	64,532
Due from Public	6,634,269	260,711
Loans Receivable	6,835,877	0
Advances to Others, Public	754,327	0
Cash	820,708	0
Property, Plant and Equipment, Net of Depreciation	1,180,606,428	60,828,961
Land	0	0
Total Entity Assets	**$ 2,044,068,391**	**$108,314,872**
Non-Entity Assets		
Receipts Transferred to Treasury (Note 10.)	87,486,913	0
Accounts Receivable, Net	2,080,389	0
Total Non-Entity Assets	**89,567,302**	**0**
TOTAL ASSETS	**$ 2,133,635,693**	**$108,314,872**

Supplemental Statement of Financial Position as of September 30, 1996

(in dollars)

LIABILITIES

Entity	General and Other Funds	Trust Funds
Liabilities Covered by Budgetary Resources		
Accounts Payable		
Due to Other Federal Agencies	$ 585,706	$ 3,345
Due to Public	24,101,609	831,274
Advances Due to Others		
Due to Other Federal Agencies	12,871,635	0
Due to Public	3,640,234	0
Other Liabilities	3,082,277	0
Accrued Payroll, Benefits	38,637,868	389,087
Total Entity Liabilities	**82,919,329**	**1,223,706**
Non-Entity Liabilities		
Accounts Payable	2,080,389	0
Receipts Transferred to Treasury	87,486,913	0
Total Non-Entity Liabilities	**89,567,302**	**0**
Total Liabilities Covered by Budgetary Resources	**172,486,631**	**1,223,706**
Liabilities Not Covered by Budgetary Resources		
Unfunded Accrued Annual Leave	57,301,817	760,617
Total Liabilities Not Covered by Budgetary Resources	**57,301,817**	**760,617**
TOTAL LIABILITIES	**229,788,448**	**1,984,323**

NET POSITION

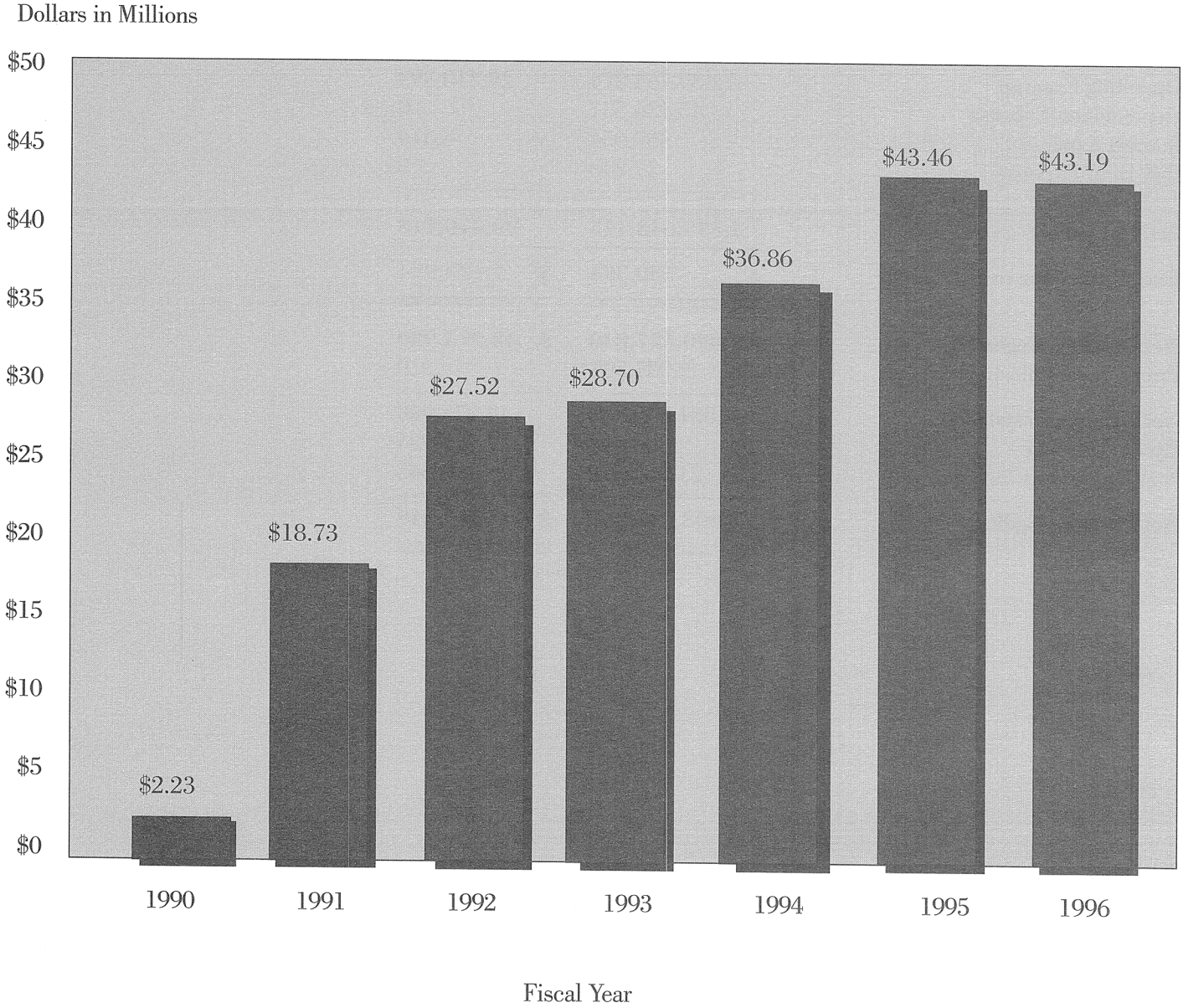
Appropriated Capital	768,520,306	20,089,887
Invested Capital	1,180,606,428	60,893,961
Cumulative Results of Operations	12,022,328	26,107,319
Future Funding Requirements	(57,301,817)	(760,618)
TOTAL NET POSITION	**1,903,847,245**	**106,330,549**
TOTAL LIABILITIES AND NET POSITION	**$2,133,635,693**	**$108,314,872**

Supplemental Statement of Operations and Changes in Net Position for the Year Ended September 30, 1996

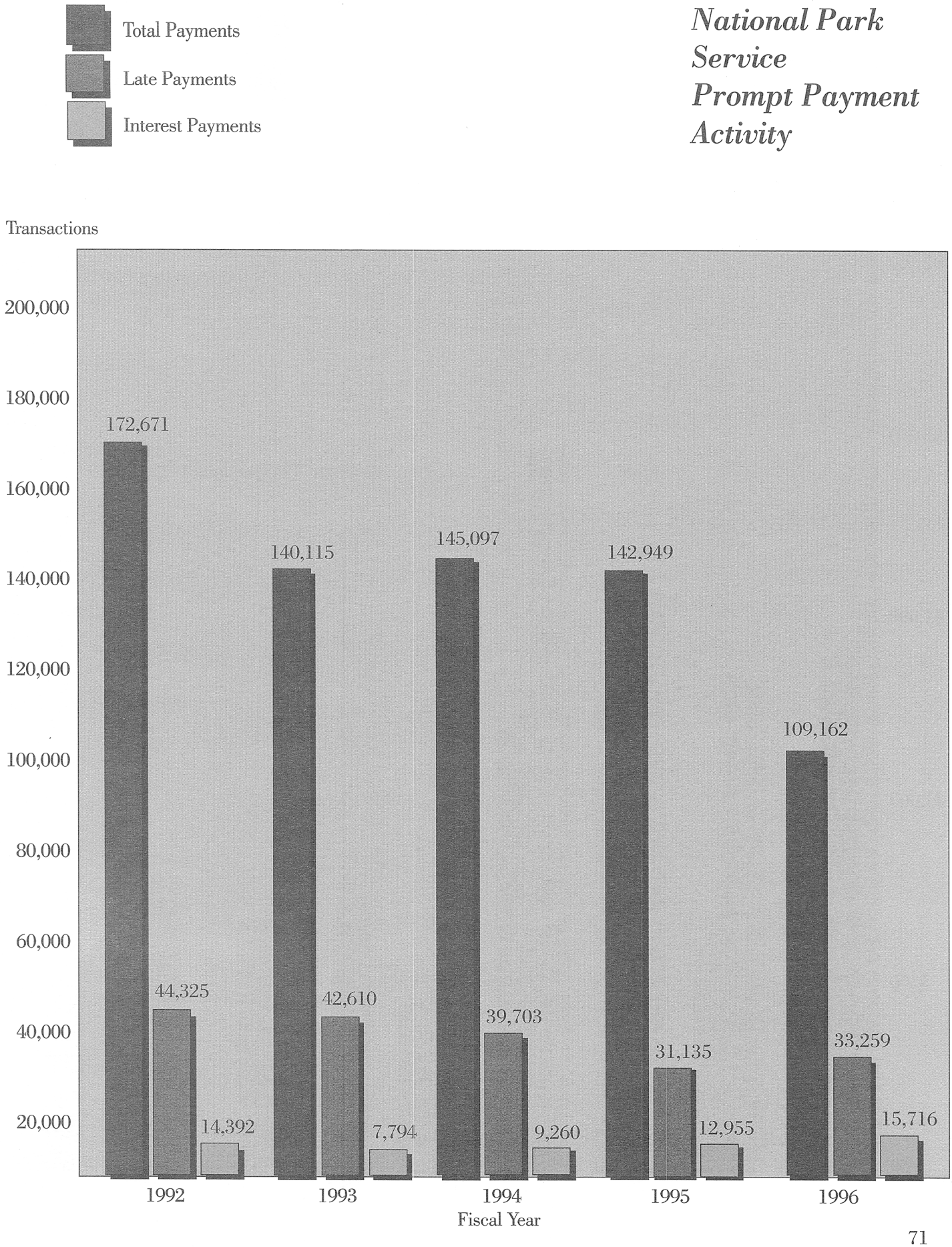
(in dollars)

	General and Other Funds	Trust Funds
Appropriated Capital Used	**$ 1,427,429,523**	**$ 20,633,719**
Revenues		
Sale of Services		
Federal	48,956,482	58,940
Public	47,685,473	15,732,860
Receipts Collected on Behalf of Treasury	87,486,913	0
Other Revenue Sources	12,072,029	15,123
Receipts Transferred to Treasury	(87,486,913)	0
Total Revenues	**1,536,143,507**	**36,440,642**
Expenses		
Operating Expense	1,489,764,274	29,310,399
Depreciation Expense	45,484,537	0
Interest Expense	357,054	6,319
Bad Debt Expense	37,248	0
Total Expenses	**1,535,643,113**	**29,316,718**
Excess Revenue over Expense	**$ 500,394**	**$ 7,123,924**
Net Position, Beginning	**$ 1,890,527,840**	**$ 42,975,980**
Prior Period Adjustment	(9,037,501)	0
Net Position, Restated	1,881,490,339	42,975,980
Excess Revenue	500,394	7,123,924
Non-Operating Change	21,856,512	56,230,645
Net Position, Ending	**$1,903,847,245**	**$ 106,330,549**

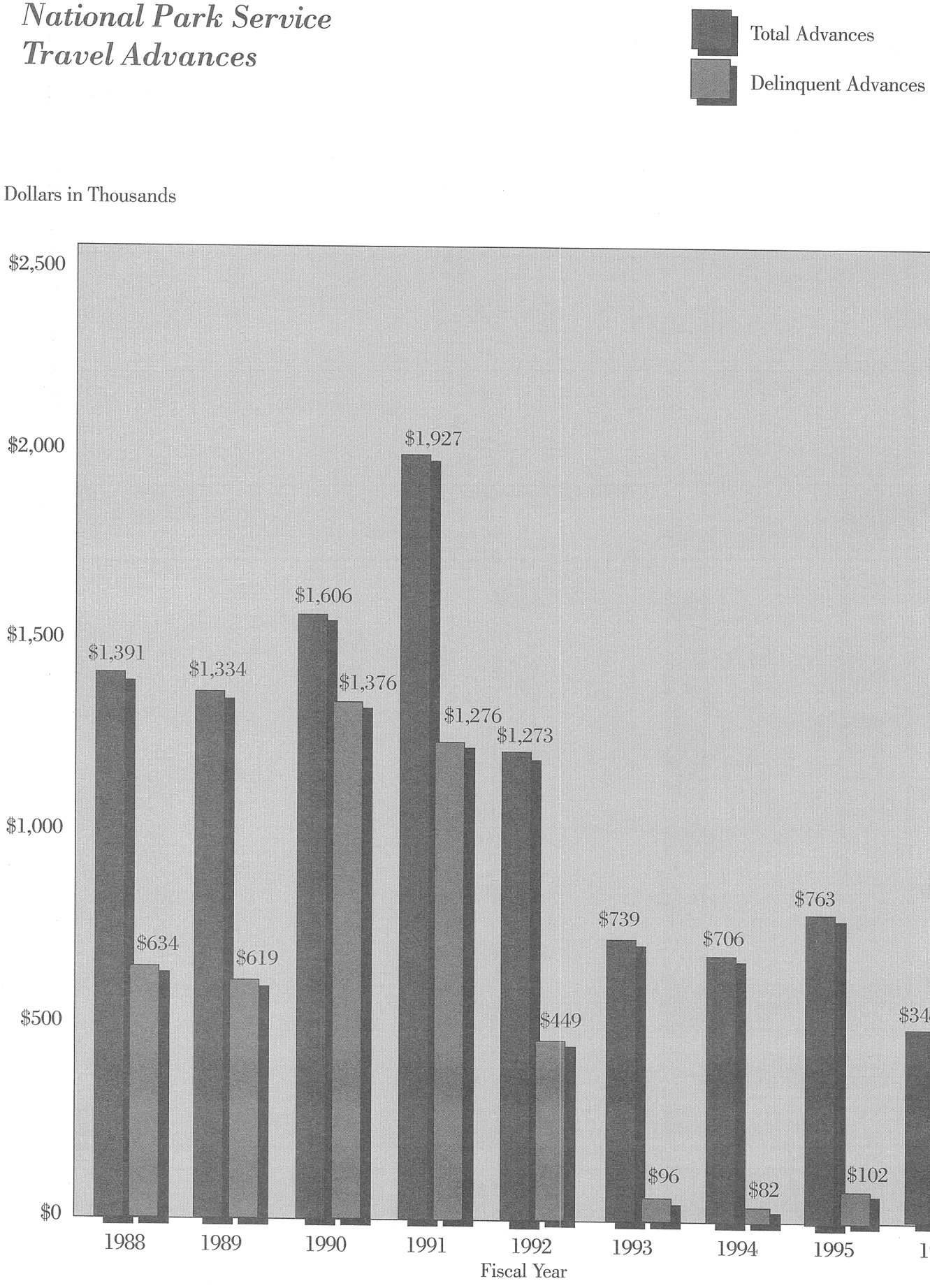
National Park Service Third Party Draft Payments



National Park Service Prompt Payment Activity



National Park Service Travel Advances



STEWARDSHIP RESPONSIBILITIES

As defined by the 1916 National Park Service Organic Act, the mission of the Service 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." To carry out this stewardship responsibility, the Service has implemented programs that encompass a broad range of research, operational, and educational activities conducted to inventory, evaluate, document, preserve, protect, monitor, maintain, and interpret the resources in the National Park System.

NATURAL RESOURCES

To meet its stewardship responsibilities regarding natural resources, the National Park Service conducts research to understand and evaluate park resources and ecosystems; plans, designs, evaluates, and conducts activities to identify, preserve, restore, and monitor natural resources; and conducts other activities to mitigate existing or threatening conditions that damage or may damage the land, air, water, vegetation, and wildlife resources in the parks.

Existing and/or threatening conditions include air pollution, water pollution, acid rain, flooding, pollutants from oil and other hazardous chemical spills, visitor use, mining and mineral operations, commercial and other development affecting land use and resulting conditions, lightning and fuel load regarding fire threats.

CULTURAL RESOURCES

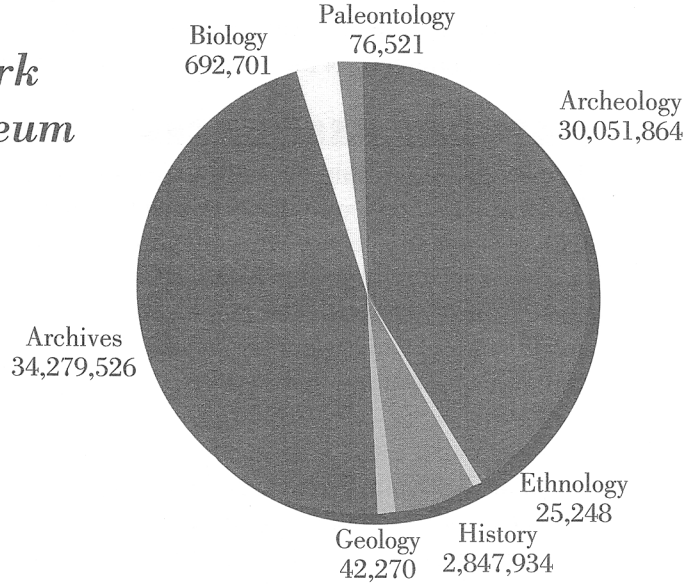
To meet its responsibilities regarding preservation, protection, and interpretation of cultural resources, the Service conducts research, planning, management, preservation, restoration, and interpretation activities involving historic structures, historic and prehistoric archeological objects, landscapes, museum collections, ethnologic resources, Native American and paleontological resources.

Museum Collections - At the end of FY 1995, museum collections included over 68 million objects. These collections, plus over 12,000 linear feet of historic documents, support interpretation of resources and significant events associated with National Park Service lands and history. Museum collections are displayed and interpreted throughout the Park System and are on loan to other federal agencies and non-federal institutions.

National Park Service Museum Collections

Beginning of FY 1996

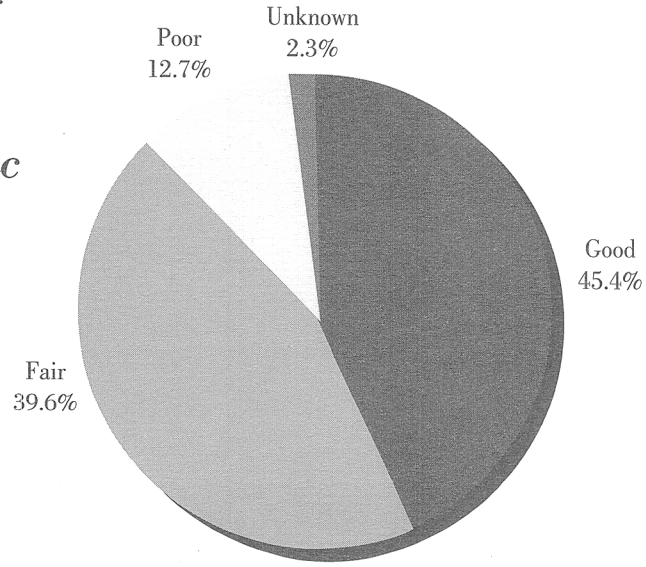
Total Collection 68,016,064



Historic Structures - There are over 18,000 historic structures on national park lands that include buildings, forts, and monuments. The condition of the structures is continually threatened by weather, age, erosion, and visitor use. The Service conducts programs to assess the condition of the structures, and takes actions such as maintenance, repair, rehabilitation, and/or changes the use of the structures to mitigate adverse effects so as to preserve and protect the structures for interpretation and use.

National Park Service Historic Structure Condition

18,239 Structures



STEWARDSHIP LAND

Land Acquisition - The objective of the land acquisition program is to acquire land and interests in land 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.

The National Park System is comprised of 369 units that have over 83 million acres of land within their boundaries. Most of the land was acquired by withdrawals from the public domain, and the rest was acquired by purchase, donation by private citizens or states, exchange, and transfer from other federal agencies.

Federal ownership of the land consists of about 77 million acres in fee simple title and about 223,000 acres under less-than-fee title. Less-than-fee title includes scenic easements and right-of-ways across property owned by others. Other land within park boundaries is owned by state and local governments (about 1.2 million acres) or is in private ownership (4.3 million acres).

During fiscal year 1996 the National Park Service purchased 9,137 acres and acquired 2,671 by other means. Future acquisition of privately-owned land will be based on park land protection plans. About 350,000 acres have been identified for future protection. 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.

Type of Park Area	Federal Acreage	Non-Federal Acreage	Total Acreage
International Historic Site	22.19	13.20	35.39
National Battlefields	10,405.34	2,739.07	13,144.41
National Battlefield Parks	8,007.30	769.05	8,776.35
National Battlefield Site	1.00	0.00	1.00
National Historic Sites	17,682.67	5,438.24	23,120.91
National Historical Parks	113,195.89	49,291.98	162,487.87
National Lakeshores	145,212.62	83,716.06	228,928.68
National Memorials	7,963.11	83.93	8,047.04
National Military Parks	34,681.77	3,934.04	38,615.81
National Monuments	1,745,464.63	319,268.64	2,064,733.27
National Parks	49,314,048.61	2,386,888.16	51,700,936.77
National Preserves	21,436,937.33	2,168,871.54	23,605,808.87
National Recreation Areas	3,353,106.98	348,620.00	3,701,726.98
National Reserves	10,323.56	23,083.63	33,407.19
National Rivers	307,718.15	108,300.07	416,018.22
National Scenic Trails	114,011.72	69,620.59	183,632.31
National Seashores	477,365.94	115,233.62	592,599.56
National Wild and Scenic Rivers	71,917.63	147,580.68	219,498.31
Parks (other)	37,615.29	1,331.98	38,947.27
Parkways	163,211.93	7,510.83	170,722.76
Total Acres	**77,368,893.66**	**5,842,295.31**	**83,211,188.97**

Condition of land - The Service conducts various activities to preserve and protect land resources, and to mitigate the effects of activities conducted previously on or near the parks that adversely affect the natural state of the land. These activities include hazardous waste disposal, mining and mineral operations, and other activities. See Note 1.K to the financial statements for more information regarding the status of Park Service sites and actions being taken to mitigate adverse conditions.

United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

JUN 13 1997

Memorandum

To: Director, National Park Service

From: Robert J. Williams
Assistant Inspector General for Audits

Subject: Report on National Park Service Financial Statements for Fiscal Years 1995 and 1996

In accordance with the Chief Financial Officers Act of 1990, we audited the National Park Service's financial statements for the fiscal years ended September 30, 1995, and 1996, as contained in the Park Service's accompanying "Annual Report - Fiscal Year 1996." The Park Service is responsible for these financial statements, and we are responsible for expressing an opinion, based on our audit, on these financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin 93-06, "Audit Requirements for Federal Financial Statements," and was completed on December 30, 1996. These audit standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and accompanying notes. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We found that the financial statements and accompanying notes present fairly the Park Service's assets, liabilities, and net position; revenues; expenses; and changes in net position. We also found that these financial statements are presented in conformity with the accounting standards and policies described in the notes to the financial statements. Further, the supplemental financial statements that follow the notes were subjected to the auditing procedures applied in the audit of the financial statements and are fairly stated in relation to the financial statements taken as a whole.

As discussed in Note 1.O to the financial statements, the financial activities of the "special concession accounts" are not included in the Park Service's financial statements. These accounts are required by agreements between the Park Service and some of the concessioners. As stated in the note, the agreements provide for the establishment of escrow-type accounts, the funds from which are to be used by the concessioners to maintain,

develop, and improve visitor facilities in the parks. An October 29, 1996, memorandum from the Department of the Interior's Director of Budget directed the Park Service to include the financial activities of these accounts in the Park Service's financial statements. However, as stated in Note 1.O, interpretations differ on the extent of the Park Service's jurisdiction over the funds in these accounts. In that regard, on December 26, 1996, the Department of the Interior's Solicitor issued an opinion which stated that: (1) the accounts are private funds belonging to the applicable concessioner rather than to the Park Service; (2) related deposit and disbursement financial activity of these accounts should not be reported in the Park Service's proprietary financial statement revenue and expense accounts; and (3) completed improvements made with funds from the accounts may properly be considered Park Service assets. As a result of the opinion, the Park Service did not include the financial activities of the special concession accounts in the Park Service's financial statements.

As part of our audit, we evaluated the Park Service's internal control structure, tested the Park Service's compliance with selected provisions of laws and regulations, and reviewed the financial information presented in the Park Service's overview. 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. However, because of inherent limitations in any system of internal controls, losses, noncompliance, or misstatements may occur and not be detected. We also caution that projecting our internal control evaluations to future periods is subject to the risk that the controls or the degree of compliance with the controls may diminish.

Except as discussed below, we found that the Park Service's internal control structure in effect at September 30, 1996, was sufficient to safeguard assets against loss from unauthorized use or disposition; ensure that transactions were executed in accordance with laws and regulations; ensure that transactions were properly recorded, processed, and summarized; and provide reasonable assurance that any losses, noncompliance, or misstatements that are material to the financial statements would be detected. In addition, we found that there were no material instances of noncompliance with selected provisions of the laws and regulations that we tested, and nothing came to our attention during our other audit work to indicate that material noncompliance with such provisions occurred. Further, we found that the financial information in the Park Service's overview relating to the financial statements is consistent with information presented in the financial statements.

During our audit, we found that the Park Service continued to refine its internal controls relating to the subsidiary ledgers, listings, and reconciliations to support the material accounts in the financial statements. However, its internal controls were not sufficient to provide reasonable assurance that: (1) the property and equipment subsidiary ledgers will be maintained in agreement with the related general ledger control account; (2) delinquent accounts receivable will be collected in a timely manner; (3) completed projects in the construction-in-progress account will be timely and appropriately transferred to the buildings and the other structures and facilities accounts; and (4) effective and periodic financial information integrity reviews will be made of the financial information contained in the general ledger control accounts and in their related subsidiary ledgers, listings, and

reconciliations. These issues were discussed in our April 1996 report (No. 96-I-757) on the Park Service's financial statements for fiscal year 1995.

In addition to the previously reported issues, we also noted that the Park Service had not established an adequate process to allow it to obtain, in a timely manner, reliable information on the number of the "special concession accounts" and their balances or on the financial activities in these accounts.

The preceding issues are considered to be reportable weaknesses in the Park Service's internal control structure that need to be corrected, as discussed in the Findings and Recommendations section of this report.

As also stated in our April 1996 report on the Park Service's financial statements, the Park Service had reported in the Secretary's annual report for fiscal year 1995, which is required by the Federal Managers' Financial Integrity Act of 1982, that the Park Service's accounting system was not in conformance with Office of Management and Budget Circular A-127, "Financial Management Systems." Specifically, the Park Service had not interfaced its property system with the Federal Financial System (the Park Service's accounting system). Although the Park Service did not include this issue in its September 6, 1996, annual assurance statement on management controls, even though the condition still existed during the reporting period, we understand that the Department will report this as a material nonconformance in the Secretary's Accountability Report for September 30, 1996. In its August 2, 1996, response to our prior report, the Park Service stated that it had formed a task force to determine how property management could be improved, including the electronic interfacing of the property system with the Park Service's accounting system, and that the task force would report its findings by August 30, 1996. However, as of December 30, 1996, the end of our audit fieldwork, the task force's report had not been provided to us.

Except as mentioned above, our review of prior Office of Inspector General and General Accounting Office audit reports disclosed that there were no significant unresolved and unimplemented recommendations that affected the Park Service's financial statements.

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