



United States Department of the Interior

NATIONAL PARK SERVICE

Fort Raleigh National Historic Site Wright Brothers National Memorial

Cape Hatteras National Seashore

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IN REPLY REFER TO:

C46 (CAHA-S)

MAY 29 2013

Memorandum

To: Gordon Wissinger, Acting Regional Director, Southeast Region

From: Barclay C. Trimble, Superintendent, Outer Banks Group 

Subject: Request of Approval to Eliminate the Sale of Plastic Water Bottles Provided by Park Concessioners

On December 14, 2011, Director Jarvis issued Policy Memorandum 11-03, *Recycling and Reduction of Disposable Plastic Bottles in Parks*. The policy stated "Where appropriate, superintendents may request approval from their regional director to eliminate the sale of water in disposable plastic bottles by analyzing and addressing the following factors - in writing." By copy of this memorandum, the Outer Banks Group is requesting regional approval to eliminate the sale of plastic water bottles from concession operations at Cape Hatteras National Seashore (Seashore).

Significant environmental and monetary costs are associated with the removal of litter, transport of waste and recyclables, disposal of non-biodegradable plastics in landfills, and recycling of plastics. As a fiscally responsible, Climate Friendly Park, the Seashore is interested in minimizing all of these cost and believes that the most effective way to do so would be to eliminate the sale of water packaged in individual disposable containers.

While we realize that a ban on the sale of water in disposable containers is only one of the actions that can be taken, we have just begun an education program intended to increase visitor use of refillable water bottles and decrease dependence on water sold in disposable plastic containers. The attached evaluation and analysis has determined that eliminating the sale of plastic water bottles would result in minimal impact to concessioner's gross sales revenue because disposable bottled water makes up a minimal percentage (0.3% for Oregon Inlet Fishing Center and 1.2% for Avon Fishing Pier) of total gross revenue. In addition, for 2013 our cooperative association has created/purchased reusable water bottles and these sales items are creating a successful revenue stream while still providing a safe and enjoyable experience.

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For these reasons, we respectfully request permission to eliminate the sale of water packaged in individual disposable containers. Attached please find the required analysis of the potential impacts/effects of a ban on the sale of water in individual disposable containers in the parks per the Director's policy memorandum.

Attachments

Concur: 

Date: 4/25/13

Outer Banks Group - Cape Hatteras National Seashore, Fort Raleigh National Historic Site, Wright Brothers National Memorial – Analysis of Potential Impacts/Effects of Plastic Water Bottle Ban on Park Operations, Concession Operations, and Cooperative Association

1. Amount of waste eliminated and pros/cons to park concession operations.

The Outer Banks Group (Group) has a parkwide recycling program that includes paper, plastic, aluminum, and glass products, which accounts for 30% of the Group's overall solid waste. In 2012, the Group recycled 97 tons of material.

Eastern National (Eastern), which is the Group's cooperating association, operates visitor center bookstores at all three parks. Waste products generated through their activities are included in the Group's waste stream and appropriate items (glass, paper, plastic, and aluminum) are recycled and reported through the Group's recycling efforts.

Two concessioners operate within Cape Hatteras National Seashore (Seashore), and they include Oregon Inlet Fishing Center, Inc. operating the Oregon Inlet Fishing Center (OIFC) and E.W.N. Development Company operating the Avon Pier (Avon). Cape Hatteras Fishing Pier, Inc. (Frisco Pier) is an expired contract and is not currently operating within the park but concessioner facilities are still located within the park boundaries and possessory interest purchase of the assets has not occurred. Both operating concessioners are responsible for gathering and disposing of solid waste generated by their operations including recyclable material. Data is not available related to the overall solid waste generated by these concessioners; however, based on sales, approximately 8,400 and 2,000 water bottles are sold annually from OIFC and Avon respectively. By eliminating the sale of concessioner provided water bottles, a reduction in the amount of solid waste going to the landfill will occur; however, an estimated percentage of reduction cannot be determined since the Group's solid waste contractor cannot provide waste information.

Pros:

- Decreases plastics going to the landfill.
- Decreases monetary costs to any visitor who would have purchased more than one bottle of water at the OIFC or Avon; and if our education efforts are successful, visitors may save additional money as they continue to refill their reusable bottles after they leave the park units.
- Savings of resources used and Green House Gases (GHCs) released during the transportation of waste and recyclables and during the recycling process.
- Decreases in litter associated with disposable bottles along highways, waterways, and beaches (Staff observations indicate that water bottles are routinely observed in these areas).
- Diminishes release of toxic chemicals such as bisphenol A (BPA). Toxins leached from plastics are known to have negative effects on wildlife.
- Cost to install water filling stations would be borne by the National Park Service and not by concession.
- Ample sales outlets outside the boundaries of all three units that can provide bottled water for purchase.

Cons:

- Bottled water is a high profit margin item for the park concessioners. If reusable bottle sales (lower profit margin) do not make up for this, concessioners and partners could incur some financial loss. (See #6 for additional analysis).
- A perceived risk could occur related to visitors being dehydrated as a result of not purchasing bottled water.
- Costs associated with the design and/or purchase of refillable water bottles and providing them as a sales item may increase operating costs.

2. Infrastructure Costs and funding source(s) for filling stations

Suitable locations have been identified at OIFC and Avon for the placement of water filling stations. These stations would be installed along the store front of these locations and require only minimal installation efforts. The Seashore has identified appropriate procurement sources to purchase water filling stations for OIFC and Avon. Total cost is estimated to be \$12,300 with funding provided by the Seashore's concessions franchise fees. Additional filling stations will also be installed throughout the park units, using a variety of fund sources, to provide easy access to water in high traffic visitor areas.

3. Contractual implications on concessioners, including considerations of new leaseholder surrender interest or possessory interest

Sec 2(b) of the concessions contracts for Oregon Inlet Fishing Center, Inc. (OIFC), Avon-Thornton Limited Partnership, now E.W.N. Development Company (Avon Pier), and Cape Hatteras Fishing Pier, Inc. (Frisco Pier) states: "The Director reserves the right to determine and control the nature, type and quality of the merchandise and services described herein to be sold or furnished by the Concessioner within the Area."

OIFC is the park's biggest seller of disposable bottled water and currently the only concessioner selling reusable bottled water containers. Their initial contract term was set to expire on December 31, 1999. The concessionaire is under a one year continuation of service set to expire on December 31, 2013. The new Concession Prospectus is currently under WASO review, and expected for release this spring with an anticipated award date of January 1, 2014.

Avon's initial contract term was set to expire on December 31, 1999. The concessioner is under a one year continuation of service set to expire on December 31, 2013. The new Concession Prospectus is currently under draft, and expected for release next spring with an anticipated start date of January 1, 2015.

Frisco Pier has an expired contract as of January 1, 2012, which has not been renewed. The Seashore is in ongoing discussions to close out the contract with the existing concessioner and cease commercial operations permanently in this location.

The Seashore expects to include language in all new Concession Contracts eliminating the sale of disposable bottled water. OIFC and Avon have had discussions with the Seashore's Concessions Management Specialist regarding the removal of disposable water bottles, and

at this time the Seashore does not anticipate either new leasehold surrender interest in the new Contracts or possessory interest in the current Contracts.

4. Operational costs of filling stations including utilities and regular public health testing

The park estimates that it would spend about \$85 a year on each filling station, which includes routine water quality sampling. Total operating costs are expected to be \$175 for two stations. Similar cost will be associated with the other units installed throughout the park and these cost are comparable to current cost associated with replacement/rehab of existing water fountains, spigots, etc., that will be replaced with the new filling stations.

5. Cost and availability of BPA-free reusable containers:

The lowest priced reusable bottle sold by OIFC is \$7.50 and it is BPA-free. Only OIFC sells BPA-free, reusable, souvenir bottles. Bottled water, sold by the Concessioner, ranges from \$0.59 per bottle for a 16oz bottle to \$1.99 for a 1-liter bottle.

Eastern has never sold plastic water bottles at the Group; however, they have carried a 20 oz. metal bottle until March 2013 when it was replaced by a stainless steel, 24 oz. bottle at a cost of \$19.95.

6. Effect on concessioner and cooperating association sales revenue

Sales information for our concessioners and partners is provided below. Our belief, based on the provided data, is that the concessioners will not suffer a substantial loss in gross sales revenue because disposable bottled water makes up a small percentage of total general merchandise revenue. The sale of reusable water bottles also has the potential to make up some of the lost revenue from eliminating the sale of disposable water bottles.

Avon Fishing Pier

Avon continues to sell bottled water and does not currently provide any reusable water bottle options within their retail operation. The number of bottled water containers sold is provided below; however, actual water bottle sales revenue was not provided by Avon. Estimated water bottle revenue based on an estimated retail amount of \$1.99 per bottle.

	2010	2011	2012
Bottled Water Sold	2,067	1,974	2,084
Estimated Gross Revenue for Water Sales	\$4,113	\$3,928	\$4,147
% of Total Gross Revenue	1.2%	1.3%	1.2%

Oregon Inlet Fishing Center

The OIFC is the largest provider of bottled water in the park. According to their records, OIFC has seen sales for bottled water decrease from 2011 to 2012 by approximately 768 units sold, but they also experienced a decrease in the number of reusable water bottles sold by approximately 12 units sold.

	2011	2012
Bottled Water Sold	8,839	8,071
Gross Revenue for Water Sales	\$9,570	\$8,965
% of Total Gross Revenue	0.43%	0.3%

Reusable Water Bottles	26	14
Gross \$	\$180	\$105

	Most Expensive	Least Expensive
Reusable Water Bottle Prices	\$7.50	\$7.50
Disposable Bottled Water Prices	\$1.99	\$0.59

Eastern National Cooperating Association

Reusable water bottles are sold by Eastern and available at the Group's five visitor centers. Plastic water bottles have not been sold by Eastern at the Group; however, they have carried 20 oz. metal bottles until March 2013 when it was replaced by a stainless steel, 24 oz. bottles at a cost of \$19.95. Both bottles have a sales price of \$19.95.

	2012
Reusable Water Bottles	236
Gross \$	\$4,708

7. Availability of water within concessioner food service operations

Avon and OIFC are fishing and charter boat operations and do not provide food service operations in the form of restaurants, food counters, or cafeterias. However, they provide pre-packaged food, beverages, and fountain drinks. Water can be obtained at OIFC through a water dispenser located at the fountain drink machine. Drinking water is not available at Avon other than through the purchase of bottled water.

8. Visitor Education in the park and on-line so that visitors may come prepared with their own water bottles

Education of park visitors regarding the use of water filling stations and re-usable water bottles has been limited. Various educational ideas have been discussed with the current concessioner. The Seashore would work with both concessioners and our cooperating association to implement the following:

- provide information about this program on the concession/cooperating association websites
- provide signs on refrigerated cabinets where bottled drinks are available
- place signs on merchandise stands identifying the availability of reusable water bottles and purpose of this program
- provide information during the charter booking process prior to visitors arriving to the park
- provide information within printed publications related to these operations

The Seashore would include information about the filling stations and our reusable water bottle promotion in the park newspaper, *In the Park*, and on all filling stations. A site bulletin would be developed and made available on-line and throughout the Group. Information on the program would be put to the media in a news release and posted on the Group's News Release pages. The Group would develop a webpage dedicated to the use of filling stations and the reusable water bottle program. This site would be updated to reflect that water in individual disposable containers is no longer sold at our concession facilities/cooperating association; and a link to this page would be featured on the Group's individual home page to ensure easy access to information about the change.

9. Results of consultation with NPS Public Health Office

Seashore staff consulted with the NPS Public Health Office regarding the removal of plastic water bottles from the Group's waste stream and any concerns regarding the installation of filling stations throughout the Group. The NPS Public Health Office expressed support of this effort and commended the park for taking a proactive approach to managing its waste stream. Public health officials cited specific requirements that needed to be considered when installing filling stations that included routine water quality sampling and cleaning as conducted for other potable drinking water locations throughout the Group. The Group will incorporate these requirements for all filling stations installed.

10. A sign plan so that visitors can easily find filling stations

Current plans call for the placement of filling stations at concession operations/cooperating association/high traffic visitor use areas within the Group. These stations would be placed in prominent locations either at the front of the facilities or adjacent to primary entry points. Language regarding their location would be placed on printed material and signs within buildings where reusable water bottles and beverages are sold. Locations of these facilities would be placed on the park map in the *In the Park* newspaper, and a site bulletin.

11. Safety considerations for visitors who may resort to not carrying enough water or drinking from surface water sources with potential exposure to disease

Filling station locations have been chosen specifically to provide immediate water access to all patrons of the Avon and OIFC concessions and other high visitor use areas. These locations provide the appropriate amount of water to meet the needs and uses of these operations and will in most cases replace water drinking fountains which are not currently designed to allow for filling of reusable water bottles. Water filling stations would be connected to a municipal water supply, which substantially reduces the health risk to park visitors. Water stations would be inspected through regular health inspections to minimize

health risks. Additionally, concession operations would be responsible for regular cleaning of the filling stations to meet required health standards.

12. A system for annual evaluation of the program, including public response, visitor satisfaction, buying behavior, public safety, and plastic collection rates

On an annual basis the park would monitor and collect the following data:

- Visitor satisfaction/public response by using visitor comment forms (Public Response and Visitor Satisfaction).
- Concession staff would track incidents related to water availability and dehydration associated with patrons of their facilities (Public Safety).
- Safety Officer/NPS Public Health Representative would log any safety issue related to water suitability or availability (Public Safety).
- Concessions/Cooperating Association would track sales (Buying Behavior).
- Concession Specialist and Concession staff would track collection rates (Collection Rates).

The Seashore's Concession Specialist would be designated as the "project manager" to collect all of the data and evaluate the data on an annual basis.

13. Results of consultation with concessioners and cooperating associations

Consultation with the two operating concessioners located in the park began on an informal scale in January 2013. These discussions included the development of alternative products that are both sustainable and affordable (various price points) in order to allow the organizations an opportunity to recoup revenue currently associated with bottled water sales which is minimal as Avon has a seasonal closure in December and does not open again until April so the inventory is depleted. OIFC is a year-round operation with a slow season that begins in late fall and ends in mid to late April, so the inventory during this period is also minimal. Both concessioners were unsupportive of the idea, because of the amount of competition in the local community, while the cooperating association is very supportive of the concept and already developed various designs and types of bottles for sale.

14. Timeline of phase in period

Prospectuses are currently under development for both the Avon and OIFC concession operations. As a result, the Seashore would like to eliminate the sale of disposable bottled water beginning with the initiation of the new contracts. The OIFC prospectus is expected to be complete and available for bid beginning in June 2013 with a contract award and new operation beginning January 2014. The Avon prospectus is expected to be completed and open for bid in spring 2014 and a new contract awarded in early 2015. Implementation throughout the three parks would begin in early 2014.

The Group anticipates being able to install water filling stations by winter 2013-2014 when one concessioner is closed, the other has very minimal operations and visitation to all the parks is low. This would allow installation of the stations to take place during a time that would cause the least impact to park visitors and concessioners.

Information about the concessioner's reusable water bottle program would be developed this

fall and made available for posting on the Seashore's webpage, printed in the Seashore's newspaper, and available to concessioner's for printing prior to their next operating season.

If approved, the Seashore would immediately inform concessioners of the forthcoming ban on the sale of bottled water, and would coordinate with concessioners and cooperators to ensure they could sell, transfer, or return any product they already have in stock which we expect is very minimal. The Seashore would also notify WASO and SERO concession programs to make necessary modifications to the concession prospectuses. The WASO and SERO concession staff is aware of this direction by the Seashore and are ready to incorporate any changes to the respective prospectus.