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Peter Kiefhaber
June 13, 2016

Interview conducted by Antionette Condo
Transcribed by Antoinette Condo
Reviewed by Antionette Condo
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NPS History Collection
Harpers Ferry Center
PO Box 50
Harpers Ferry, WV 25425
HFC_Archivist@nps.gov

My Narrative
The Administrative History of the National Heritage Areas Coordinating Office

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Interview conducted and transcribed by
Antoinette J. Condo

This transcript was reviewed by Antoinette Condo
The narrator was asked to review the transcript, but did not.

Peter Kiefhaber Interview: June 13, 2016

I had never known anything about heritage areas until I started on the Interior Subcommittee in 2000. I was on the appropriations committee from 2000-2012 and had no responsibility for writing any of the statutes for the individual heritage areas.

NHA designation legislation: For several years it was our appropriations bill that at the end of the year carried the legislation across the finish line. In other words, the two houses couldn't get together and pass these bills on their own so the leadership would, at the end of the fiscal year as you were passing the appropriations bills for the next fiscal year, the leadership would come and attach them to the backend of our appropriations bills. Then they (the designation bills) would get across the finish line that way and get signed by the President and enacted into law.

There was an explosion of these (the designation bills) in the 2005/6-time frame. We went from 29 to 49 in a matter of a very few years. The problem was the members of Congress were looking at these and seeing that there was a small handful that were pulling in a half a million a year, in a couple of cases as much as a million dollars a year for exactly what the purpose of the heritage area program is, both historic preservation and economic development components all in one package. So, basically what happened was there were a bunch of members who thought, "I want a million dollars for my town too." So, they started pushing these things real hard and they couldn't necessarily get the two authorizing committees to agree to pass all of these things so a lot of times they just went to the leadership and the leadership agreed to put it on the back end of the appropriations bill. So that's how over the matter of four or five years you went from 29 to 49. Not everybody, but there were a fair number of folks, I think, who saw them as a gold mine and did not realize the extent of the work involved to get to the million-dollar mark. It was not just 'get one of these enacted and the Congress was going to hand you a check for a million dollars for your local county economic development commission'. We had a hard time with those. They were just shoved in the back end of our bill, and we had to pass them.

Most of them (the designation bills) are boilerplate language, a lot of them are very similar. As the appropriations subcommittee we did not negotiate language or funding we just inserted them in our bill. We didn't have any say in that and didn't get into it at all. We were interested in what was in the bills because we knew that we were the ones who ending up paying for this stuff (management plans, activities etc.). We often didn't know where we were going to come up with the money.

I would say that for a while we were, as appropriators in the House and the Senate, opposed to this thing (heritage areas). As fast as it was growing and in part because we were led to believe up on the Hill the local development folks would put a plan together of how you are going to do this (plan/work) get your state and local government folks to sign off on this, bring it to the Department of the Interior, the Department would look at it and sign off on it, then we would do a bill. And then, conceivably you would be getting money out of the Appropriations Committee and out of the NPS. The basic idea was you went and did all of the groundwork first. Then, after you had your management entity and the first few years of a work plan scoped out then you came to us. What we were seeing was just the opposite of that. We were seeing just the authorization being put out there for some people to get together and come out with some kind of

a management plan and we saw it as a kind of reverse operation. There were several of us, staff and members, who thought it was better for the local folks to do the groundwork first before they came to the NPS and the Congress. But, that's not the way it worked out. So, what are you going to do? One year we did eight or nine heritage areas all in one fell swoop. The leadership of the House and Senate put those in, and we could do nothing about it.

There were quite a few members of Congress who were trying to get money for their state and saw them as a cash cow to be crude about it. An easy way to get a half million, three quarters of a million dollars into my state or into my congressional district. In a perfectly worthy cause. It wasn't like this was all going under the table like some boondoggle project it was all perfectly worthwhile work.

Program Legislation: Craig Thomas was the chairman on the parks' subcommittee of the Senate, and he was the guy in charge of authorizing, and he was seeing what we were seeing in appropriations was that these things were getting out of hand with the growth. Although each of the bills kind of mirrored each other on boiler plate language: you set up a management entity, it's supposed to do this it's supposed to do that it's authorized for this amount of money for this many years. It was clear, I think, to Senator Thomas and to others that there needed to be some kind of a basic program legislation to establish this program of the National Heritage Areas and set some of these parameters in basic statute and then you would work individually off of that, but you would have some basic parameters of how the program was going to run. The appropriators would have absolutely supported program legislation to try to rein these things in and get a handle on them, so they weren't popping up quite as frequently.

The program legislation has never been enacted because it just doesn't work like that (it's a good idea so create it) in Congress, I'm sorry to say. Part of the problem, and I would argue, the heritage area program is probably a prime example of this, at the federal level there are so many moving parts. There are so many things going on. There are so many different programs and ideas and possible solutions out there. Until something percolates up to a certain level with enough members across the board in both the House and Senate it just doesn't get acted on. The priority is not there. Senator Thomas clearly saw it. I'm sure the House folks at the time said the same thing. But, that's two or three members of Congress. There wasn't a critical mass within the membership of the House and the Senate to move something along. That's what it takes to get legislation through. It doesn't matter whether it's a good idea or it's the right thing to do, it takes a certain mass of members in order to move a bill through Congress. The idea that some in Congress don't want program legislation because of the possibility that then their own area might not get a heritage area may have been operable a few years ago, but generally speaking there has kind of been just an unofficial moratorium on any more heritage areas.

My understanding is the NPS position is they would not support growth of heritage areas until we figure out the program legislation and figure out the money and things like that. Just adding more to the present 49 is not a win-win situation for anybody until we can answer some of these other questions. It's possible that congressmen don't want program legislation because it limits them, but I think it's just because not enough people care. Only so many things get across the finish line in a certain year. It becomes a kind of unofficial priority list of what is going to get across the finish line and even the chairman of the House Resources or Senate Energy and

Natural Resources may say this is an important bill and it's the right thing to do but on my plate of 20 things it's at 18. I've got three things I want to get across the finish line before I get that. It's just a lower priority. That's life in the Congress. This (program legislation) is not a hot button issue like gun control or abortion and with the language put into the individual bills about anyone being able to opt out or not be included in the heritage area may have addressed concerns of property rights advocates and so not an issue with that either. It is just a low priority.

Heritage areas benefit to NPS: Working on the Appropriations Committee we look at everything with a green eye shade. Anything that doesn't cost as much as a full-blown park is a win in my book, as a former appropriator. I have not been to all 49 heritage areas so I can't speak about them all authoritatively, but anyone I have been to I have been very impressed. They do great historic preservation work, and they fold in the economic development. Certainly, with respect to the historic preservation side that mirrors right in with the NPS mission. It's a compliment to the NPS mission and what the NPS is actually or what the taxpayers are actually spending is pennies on the dollar compared to what it would cost if we told the NPS to go do this. It's much cheaper to get some of this preservation work done through heritage areas than it is through a national park. National parks are very expensive. Forget setting aside just the initial establishment of it. As with any park in the park system, salaries and expenses are probably your biggest expense. Federal employees are not cheap. The average across the country is about \$155 thousand per person. That's expensive.

Funding: The biggest problem right now that the NPS has to deal with is the allocation of funding to the heritage areas. I'm sorry to say I think they have not done a good job and it's going to continue to be a problem until they figure out how to pull this off. You had this explosion ten years ago and simple mathematics is going to tell you unless you grow the pie each slice of the pie is going to get correspondingly smaller. I think the NPS idea of going to a funding formula, which came from the Congress, so I don't mean to disparage the NPS in coming up with that idea. It wasn't their idea. But, when you look at the formula that was put out, in my opinion, it was pretty obvious that there were going to be some severe problems with that between the haves and the have nots. Particularly on the part of the haves. Some of the size of the cuts that the heritage areas were going to have to sustain were 30, 40, 50 % of their funding. There are few businesses that can take that size of cuts and remain in business.

I have always had a very hard time understanding why it is so hard for non-profits to get partnership agreements up and running and get outside money. I have never understood why but I have dealt with enough non-profits over the years that I have finally come to realize that's just the way it is. For you to come up with \$300 or \$400 thousand a year it's going to take you several years to establish relationships with local governments or corporations. People don't just write \$100 thousand checks for the heck of it. So, if you were looking to put a funding formula together what I couldn't figure out is why there was not some provision put in there to ease this on into place. To stretch it out over a four or five-year period and for the folks who were going to be taking large cuts in their federal funding why you didn't step them down gradually over a four or five or six-year period. It still would have left some of the heritage areas mad that it wasn't happening faster, but I think you would have had a consensus within the 49 heritage areas that that was fine. That that was going to be implemented. I think the NPS would have had probably fewer complaints on its hands. I'm obviously not as aware as the NPS is with all of the

blow back on it, but I do know several of those people I work with at the Alliance (of National Heritage Areas), and I know for the last two or three years it's just been the issue that's virtually consumed all of their time. People don't understand why they don't have more money and why they can't get more money. The obvious solution is to grow the pie. But if that can't happen. If they can't get more money into the overall program, then you have to live with what you got. You've got to figure out how to divvy that up in as equitable a manner as possible.

The appropriations process and how things get funded, what gets funded, what doesn't get funded, and those things that do get funded at what level, is probably one of the most misunderstood processes certainly in Washington if not in this country. With respect to the heritage areas and the NPS in general I can assure you that people not liking the NPS or not wanting to fund this or that and if we did like the NPS, why didn't we just put more money into it, it doesn't really work like that. First off, everybody on Capitol Hill loves national parks. You couldn't find a member of Congress, well, up until a couple of years ago, that didn't like the NPS. There are certain members that have particular grievances with local parks and stuff like that, but generally speaking, if you talk to the Park Foundation, the NPCA can turn out reams of data for you that parks are up there with mom and apple pie. This is 90+% of the national public loves the parks, raves about the parks, think the parks are wonderful. When you sit down to write an appropriations bill and you try to decide how much is going to go into each of these accounts it just doesn't work that you say, "I don't like the parks so we're not going to fund them." That's not a politically viable strategy for getting an appropriations bill across the floor. By the same token it's not possible to say, "I love the parks and so we're going to add 3 or 4 or 5 million dollars extra this year." Each subcommittee has an allocation of what it can spend that fiscal year and, you have to live within the boundaries of your budget. The Congress decides overall what we are going to spend this year on everything. Social Security, Medicare, Defense, Education, Natural Resources the whole enchilada, the FBI everything. They set a top line number for federal spending. Then the House and the Senate appropriations committees decide what the allocations are going to be for each of the twelve subcommittees. So, each of the subcommittees has a cap amount of money it's got to live within. There's probably a lot less flexibility within those caps than most people think. Unless you are just prepared to shut down the entire national park system the basic funding for running the 410-412 park units is what it is. You can't just say, "I want to cut everybody's salary by 20% this year." Or, "I'm only going to give you 80% for your salaries and expenses." You don't have the authority to do that. You can't move money around. The same with the Forest Service. The Same with EPA. The same with the Indian Health Service. Fire fighting between the Department of the Interior and the Forest Service. You have got to fund it you don't have a choice. There is a lot less wiggle room for the appropriators than a lot of people think. They just think you can fund what you want. They think if you really liked the parks, you would just fund them. Well, that's not how it works. You do the best you can with what you got, and you do that across the board. It may not be everything you want to provide, but it's not politically viable to say, "You know what? We are going to shut down the Smithsonian Institution completely and we're gonna' take that \$800 million. And we're gonna' give another \$400 million to the NPS and \$300 million to the Forest Service and another \$100 million to the Indian Health Service." We could do that, but that bill does not pass Congress and it doesn't get passed into law. That's just a fact. What's the point of going down that road? Unless someone gives you an extra three or four hundred million this year you can't add that to the NPS for what they want. Heritage areas were additional funding.

They were not in lieu of. Their funding does not come out of some other program or park money.

That said, there is also, I think, from my perspective as a former appropriation staff, and I know from talking with my colleagues over the years, within the NPS and within a lot of the other land management agencies too, there is a fair number of folks over the years that we have gotten the underlying feeling that if the program doesn't directly benefit a national park, if it is not providing funds for salaries and expenses or construction costs we don't need it, it's not helping us. "We're required by OMB or the White House to say that we want this but frankly we don't." I've had people tell me that with respect to the Historic Preservation Fund. Certainly, a lot of the funding that's in the national recreation preservation appropriation which is where heritage areas are. They don't see it as any benefit to the NPS. And so, they think, if heritage areas just went away well there's \$20 million+ that we would otherwise get. Wrong. That's not how that works. The appropriators don't say, "Here's \$2.7 billion for the NPS, now how are we going to divvy that \$2.7 billion up?" If I got rid of historic preservation funding. I got rid of national rec and preservation. I got rid of some of the other things then all of that money would slide into the basic operations for the parks, the OMPS account. That's simply not how it's done. It's not how we appropriate up there. If there was no such thing as a heritage area program, we wouldn't add 20 million dollars to the basic operation account. It would go somewhere else. It would probably go to the Forest Service for fire, or it'd be divvied up to help pay fixed costs for the Indian Health Service. There are a million other needs. But that money doesn't belong to the NPS. Mr. Park Service \$2.7 billion is not yours automatically at the beginning of the fiscal year. "And, Peter, if you would just stop giving \$20 million to the heritage areas and \$60 million in the Historic Preservation Fund then we could fix up some of our deferred maintenance." No. A lot of people think that, but the allocation process is one of the most misunderstood processes in Washington. Also, in respect to that, twelve years of being the Democratic clerk on the Senate side and working for four United States Senators who told me what they wanted and how things should be or who listened to staff recommendations on things they didn't necessarily know much about and said yea that was reasonable.

Part of the thing is, listening over the years to the NPS especially, is that it takes its popularity with both members of Congress and the public way too seriously, in my opinion. It thinks because it does rank up there with mom and apple pie, and on certain days probably even ahead of mom, that it's in a preferred position. But when you talk to members of Congress, when you get inside their offices when the doors are closed, and when you get in the room where the funding decisions have to be made, it doesn't bring quite the cache that people think. It's not the only important program out there. People would say to me, "Peter, we come to you to tell you how important this is and urge your boss to provide more funding." Little did they realize that the meeting just before that happened to be with a tribal coalition that wanted to talk about how many kids are dying on Indian reservations because there's not enough money for juvenile dialysis. It runs out in mid-August and it's forty-five days 'til the first of the fiscal year. They hope the kids can last that long until they can get more money for dialysis and some reservations they don't. How do you want to compete against that conversation? That's a tough one to go up against. "Peter, we need more money in this EPA program because we got a situation like Flint, Michigan. We got lead in our water. Our kids are being poisoned with lead." "Well, no, I'm sorry, we're not going to fund that. I'm not going to put that on a priority list because the parks

are really popular. Everybody likes parks you know. 95% of the public doesn't like EPA, so you lose." That's the reality when you're up there of how some of these things work. I'm very concerned for the NPS particularly as they look forward to the next 50 years, 100 years. That they overplay their hand on their popularity, and they think the Congress is just going to continue putting additional dollars into some of these programs that the NPS and others think are grossly underfunded.

I would argue that programs are funded at the level Congress wants them funding at.

But we live in a system that requires compromise. No one person waves a magic wand and decides what the funding level for the programs are. It's give-and-take between the people that think all the money should be at the NPS and the people who think they should have no money. What you end up with on all these programs, not just in the Interior bill but in the Defense bill and Transportation bill and the Labor bill and the Education bill, what you end up with, I argue, is what the Congress is comfortable with whether you like it or not.

As recently as the early 2000s up until 2005 - 2006, through the Clinton administration through the first couple of years of the Bush administration, I think presidential requests (budget) that came out in early February for all the agencies were seriously considered by the Congress and in most cases great deference was given to the President's request. In part because if your guys are running all these programs, you're the experts on the Transportation Department or the FAA or the Education Department or the parks. We on the Hill, while we absolutely retain the prerogative to set spending priorities and, as the Constitution says, no money drawn from the Treasury except in consequences by law. It was our job to make the final decisions. I think there was always great deference given to the White House, to the Executive branch request. I think unfortunately over the last probably twelve years, fourteen years maybe, a lot of that deference has gone away. Now days it's just hard-core raw politics. In 2016, for example, the House and the Senate budget committees wouldn't even allow the Director of the Office of Management and Budget to come up and testify on the President's budget. Since the day there has been a Director of the Office of Management and Budget the Congress has always offered that person an opportunity to come and present the President's budget. That's where we have gotten politically in this country. That we won't even allow the man to come up and speak for ten minutes on the budget of the President of the United States. That filters down to everybody below that level. So, what you have now is Presidents send budgets up and in a lot of cases those documents serve as nothing more than door stops over in the corner.

I think on the Appropriations Committee at the subcommittee level the staff is still very attuned going through all of the documentation coming from each of the agencies. Each agency sends a five or six-hundred-page document to the committees laying out exactly what it wants to do down to the dollar level. It's very dense and detailed. Most people would consider it very dry to read. But if you want to know what they intend to do with their money this is it. The staff still goes through these with a real sharp eye but, I think, politics is driving a lot of the decision making. Any new decisions are just dead on arrival. There are members that if the President wants to say X, they automatically say Y.

The reality of the process is such that a lot of agencies, particularly those that are heavy staff agencies, the NPS is a very staff heavy agency, relative to the overall budget. For example, HHS is in charge of kicking out \$300 - \$400 billion a year in social security checks. The number of people to actually get those checks out the door is relatively small compared to a \$300 billion program. As opposed to the NPS budget which is about \$2.5 billion but has 20,000 employees. That's a real staff heavy thing. While the President's budget tends to be ignored now, it's ignored for new initiatives, new ideas. The day-to-day operation of the NPS is still what it is, and all the information is contained in that budget and that still largely becomes the base for how things are going to happen. The Appropriations Committee doesn't sit down at the beginning of each year and write what is referred to as a zero-based budget. Meaning we start from scratch. It takes the status quo and then makes adjustments to and from that. You work off of the President's budget in the sense of here's how much the President has requested or the NPS has requested for construction this fiscal year. There is a certain amount in there for expenses of planning and the actual construction and follow up and the Appropriations Committee goes through all that and just makes adjustments to that. The President's basic budget is your baseline of what you work off of.

Work with Alliance: My main concern with the heritage areas is about how to figure out an equitable split amongst the 49 or 48 heritage areas for the money that's there. I think it is the single biggest issue that is going to tear apart the Alliance of National Heritage Areas, their association. My guess is it's probably the single biggest issue causing problems at the NPS right now across the board nationally. I wish the NPS would do a little bit more than simply pay lip service to trying to get more money for the program. They will be quick to tell you that they are prohibited by law from lobbying up there. That in my experience has always been the biggest copout going. They are quite happy to lobby when it serves their purposes, and they shy away from it when they don't feel like doing it.

I wish the Director on down through the senior folks at the NPS would take a more active role in trying to convince the Congress that its worth putting in a few extra million. Those really are pennies on the dollar. It's not a lot of money. The Interior bill is \$30 billion total. I think across the board the heritage areas do very good work. They are well worth (funding) both in terms of local economic development but particularly from the NPS' perspective of historic preservation. I think they are a great bang for your buck for the NPS and for the local area. To the extent NPS is just gonna' live with the status quo I think the program is going to suffer long-term. I think what you are going to see is if the version of the funding formula I have seen is implemented in the next year or two and 12-15 of these heritage areas that receive \$400 thousand are going to be forced to take cuts of the size you're potentially looking at, a large number of those are going to go out of business. I don't know what purpose that serves for the NPS. At the same time, it's a fair argument to say the 20 or so that are down in the \$300 thousand range deserve a chance to grow. And they could if they just had a little more federal money. I don't know what the solution is for the NPS, but I think sitting quietly and observing the status quo is probably not a good choice.

I have real concerns about the viability of the program going forward. I could see some of the more established heritage areas see their federal funding cut to the point where they can't survive. And that money, if they drop out of the program, is moved over to some of the smaller

ones, up and coming ones. Then maybe in a very short term you say well that's good because we've got a bunch of heritage areas out here that are growing. But I don't see over the long-term, 15, 20, 25 years that putting some of these folks potentially out of business is a good long-term strategy. But maybe I'm missing something.

Sunsetting: I think that the NPS and people on the Hill understand that there is no such thing as a sunset. You don't offer people federal money and then take it away from them. I was always mad when I started in appropriations that you give someone seed money for a number of years and so okay fine you don't need this money from the feds anymore you were off and running. That's a notion that a lot of us have in our head that's just not reality. It's another part of this that I grudgingly learned, and I have come to accept. I have seen it with any agency that works with public-private partnerships. These people will all tell you it's virtually impossible for people to raise money in any kind of environment that's connected with the federal government unless the fed's got a stake on the table. Every one of these heritage areas has the same problem. They can't go to the state or county historic preservation folks or economic development folks, or corporations or foundations and say we are a National Heritage Area we're affiliated with NPS we would like to have you guys invest \$300 thousand a year so we can expand these trails or redo these buildings downtown and repurpose them. The first question is, "What are the feds putting into this?" It's just a fact of life and so this idea that these programs are going to run for five years or ten years and then people are going to go away. It's a great idea but it's not a reality of how it works.

I think it is important that NPS talk with Congress members and staff. Not only in writing the bills but with the appropriators as well. Money is policy.