

Recreational Fee Demonstration Program Annual Report to Congress

I. Background

A. BACKGROUND

Congress first authorized the Recreational Fee Demonstration (Fee Demo) Program in section 315 of the Omnibus Consolidated Appropriations of 1996 (Public Law (P.L.) 104-134) and has subsequently extended it under P.L. 104-208, P.L. 105-18, P.L. 105-83, P.L. 105-277, P.L. 106-291, P.L. 107-63, and P.L. 108-108. Under the Fee Demo Program, four Federal land management agencies — the National Park Service (NPS), U.S. Fish and Wildlife Service (FWS), and Bureau of Land Management (BLM) in the U.S. Department of the Interior (DOI), and the Forest Service (USDA FS) in the U.S. Department of Agriculture (USDA) — are authorized to charge admission and recreation use fees and retain all of the revenues collected. At least eighty percent of the revenues must be spent at the site where they are collected, and the remaining revenue (up to 20 percent) is to be used on an agency-wide basis. The initial authorization for the Fee Demo Program limited each agency to 100 Fee Demo sites. However, P.L. 107-63 removed this ceiling and allowed each agency to select the number of sites to be included in its Fee Demo Program.

Congress most recently extended the Fee Demo program through December 31, 2005, with the revenues collected available through FY 2008, in the FY 2004 Interior Appropriations Act (P.L. 108-108).

The FY 1998 Interior Appropriations Act (P.L. 105-163) required the participating Federal land management agencies to prepare a joint report to Congress each year of the Fee Demo Program.² This report details aggregate and site-specific figures for visitation, revenue, obligations, and cost of collection as well as agency specific explanations of data trends, general program updates, and a number of example project examples. This is the seventh joint report to Congress.

B. LESSONS LEARNED AND SUGGESTIONS FOR PERMANENT RECREATION FEE LEGISLATION

Introduction

The core principle behind the Fee Demo Program is the ability of recreation sites to charge fees and retain the revenues for use at the collecting site. Unlike previous recreation fee authorities, the Fee Demo Program provides incentives for agencies to charge fees by allowing the agencies to retain all the revenues collected at the site where they were collected. Eighty percent of the fees are to be used for improvements at the site where the fees were collected and the remaining

²The Annual Reports to Congress for FY 1997-2002 and the April 2002 Interim Evaluation Report are available at: <http://www.doi.gov/nrl/Recfees/RECFEESHOME.html>.

20 percent are to be used on an agency-wide basis. These revenues yield substantial benefits by providing on-the-ground improvements at local recreation sites. This principle is sound and all of the agencies participating in the Fee Demo Program have benefited from its application.

Another core principle is the interagency nature of the program. What one agency does affects the others and consistency in policy and fee implementation is important across the participating agencies. This is particularly the case with respect to defining basic versus expanded fees and pass acceptance policies.

Characteristics of a Permanent Recreation Fee Program

The Fee Demo program enjoys broad public acceptance according to agency surveys. The surveys found that recreation fees are acceptable, both in the level of fees and the concept of users paying a share of the upkeep and maintenance costs on federal land. Public support is especially strong among individuals who are aware that most fee revenues remain at the site. Still, the Fee Demo Program has been a learning experience for the Departments over the last eight years, and we have used these lessons to move forward to implement administrative improvements as well as work with Congress on legislation to establish a permanent recreation fee program. The Departments have developed legislative concepts based on these lessons and have provided Congress with updates on administrative improvements.

The Departments' view is that a successful fee program should be:

- Beneficial to the visiting public;
- Fair and equitable;
- Efficient;
- Consistent;
- Collaborative;
- Convenient; and
- Accountable.

A Permanent Recreation Fee Program Should be Interagency

An interagency fee program makes sense and would significantly enhance our ability to serve the American public at recreation sites on national public lands. The visiting public does not distinguish between lands managed by different federal agencies. Enhancing coordination among agencies is extraordinarily important in creating a sensible, efficient, and coherent fee program with seamless services that is well understood by the public.

The pattern of recreation on our federal lands has changed dramatically. National Parks continue to be a destination favorite for American families. However, more than ever, Americans also are choosing to recreate on lands managed by other federal agencies, such as BLM and the FWS. Since 1985, recreation demand has increased approximately 65 percent on BLM lands and 80 percent on National Wildlife Refuges. Over the same time period, the Bureau of Reclamation estimates an increase of 10 million recreation visits for a total of 90 million visits to their 288 lakes. With this increase in visitation is an increase in visitor demand for adequate visitor facilities and services.

Many lands, regardless of which agency manages them, display similar features in terms of recreation activities, amenities, visitation levels, and even access points. The relevant policy question regarding recreation fee authority is whether the visiting public would benefit from enhanced recreation facilities and other visitor services that would result from such fees being charged. Because many of our visitors do not distinguish among federal land management agencies, many expect to find the same amenities typically provided at National Parks, including hosted campgrounds, and permanent toilet facilities. This increase in visitor use on these other federal lands also creates a greater need to expend funds to protect natural and cultural resources-the resources that are often the very reason visitors are drawn to the particular site. A permanent interagency recreation fee program allows each agency to respond to the needs of the visiting public.

A Permanent Recreation Fee Program Should Ensure that a Majority of the Fees Stay at the Site

Visitor support of recreation fees is strong when the fees remain at the site for reinvestment into visitor facilities and services. For this reason, a critical element of any recreation fee program is that a majority of the fees are used to benefit the visitors at the site of collection. Recreation fees are sometimes spent in ways that may not be apparent, but would be noticed by visitors if the investment did not occur. Recreation fees are spent on such services as maintaining and upgrading toilet facilities, trails, and parking lots. The Departments have learned that it is not only important to make these critical investments, but also to ensure that we communicate to the public how recreation fees are spent to enhance the visitor experience.

A Permanent Recreation Fee Program Should Be Limited to Areas that Provide Enhanced Facilities or Services

Our visitors seek a broad range of experiences when they choose to visit their federal lands and a permanent recreation fee program would better enable us to offer recreation options to the public. For example, some visitors choose our federal lands because they want a unique individualized experience with nature - they seek out areas where they can camp under the stars at undeveloped sites, hike alone along a river, and enjoy the solitude. These visitors do not mind carrying all of their food in and all of their garbage out, and they would prefer areas that do not have picnic tables, toilet facilities, or visitor centers. If given permanent recreation fee authority, the Departments will not charge for federal lands that do not have enhanced facilities and services. Even under the broad authority of the Fee Demo program:

- 89 percent of BLM sites do not charge Fee Demo fees;
- 78 percent of FWS sites open to visitation do not charge Fee Demo fees;
- 75 percent of all Forest Service sites do not charge Fee Demo fees; and
- 40 percent of all NPS sites do not charge Fee Demo fees.

In contrast, other visitors enjoy a more structured recreation experience. These visitors enjoy viewing interpretive films, attending lectures about geology, history and culture at a visitor center or museum, and riding trams or other types of transportation to see the sites. Their preferred lodging is a developed cabin or hotel. Still other visitors prefer a little bit of both experiences. These visitors often visit areas managed by one of many different agencies,

including the BLM, FWS, and the Forest Service. These visitors enjoy a less structured experience and more direct interaction with the land and its unique resources, but still want certain facilities, such as toilet facilities, interpretive exhibits, boat ramps, and developed parking areas. Other areas that appeal to these visitors are the popular weekend destinations that are located near major urban centers. Because of the sheer number of visitors at these locations, the need for visitor services increases. Such services include increased medical and emergency services, increased law enforcement, increased maintenance of toilet facilities and trails, and greater protection of natural, cultural, and historic resources. Modest recreation fees that remain stay at the site of collection make such enhanced facilities and services possible.

To ensure that the Recreation Fee Program enhances the recreation experience for our visitors, BLM, FWS, and the USDA FS have made a commitment not to charge basic or expanded recreation fees:

- At areas with no facilities or services
- For persons who are driving-through, walking-through, or hiking through federal lands without using the facilities or services;
- For undesignated parking; and
- For overlooks or scenic pullouts.

A Permanent Recreation Fee Program Should Provide A Sensible Pass and Fee System

In working administratively to improve the recreation fee program, the Departments have found that the issues of standardizing recreation fees across agencies, creating a streamlined and sensible pass system, and minimizing fee layering - or what might better be thought of as tiered fees - are all interrelated. Historical fee definitions in the LWCF Act and differences among agencies in legislative fee authorities have led the agencies to develop slightly different definitions of what activities are covered by entrance fees and those covered by use fees. The result has been that, at some sites, a use fee was established rather than an entrance fee, and at other sites, an additional use fee was charged for the primary attraction of the site when the activity should have been covered by an already-paid entrance fee. The lack of consistency among and within agencies has led to visitor confusion and some expression of frustration about fee layering and the related issue of when the Golden Passes established under the LWCF Act and the National Park Passport may be used.

The Departments have proposed addressing these concerns by creating a new system of basic and expanded recreation fees that would be consistently applied across all agencies and would minimize fee layering by ensuring that the basic fee covers the primary attraction of the site. Under this system, restrictions would be put in place to ensure that the visiting public is not charged if the agency is not making a certain level of investment in visitor facilities or services.

The visiting public is interested in having a variety of pass options. Interagency and regional passes can provide visitors, including nearby residents, with convenient and economical ways to enjoy recreation on federal lands. Passes also can serve as a means to educate the American public about their federal lands and available recreational opportunities. Because of the lack of standardization of fees, however, some confusion has resulted from the existing pass system. For these reasons, the Departments support a program that would allow for the streamlining of a

multi-agency pass and the creation of regional multi-entity passes with a standardized package of benefits. Visitors should be able to expect and receive the same amenities for their pass regardless of which agency manages the site they are visiting. The distribution formula of pass revenues would be data-driven, in proportion to passholder use, and periodically reevaluated.

The Departments have moved forward administratively to address these issues, where possible. Although the Departments are retaining the LWCF terminology, the agencies are making adjustments to standardize the classification of fees to decrease visitor confusion about the passes and minimize fee layering. For example, the Forest Service has expanded and clarified the benefits of the Golden Passes to include 1,500 additional sites. The previous pass policy at those sites was confusing: the Golden Eagle Pass was not accepted, Golden Age and Access Passport holders were given a 50 percent discount, while a regional pass, like the Northwest Forest Pass, was accepted in full. NPS is evaluating whether passes could be accepted at an additional 30 sites that currently do not accept passes for the primary attraction. BLM has evaluated all of its sites and is now accepting the Golden Eagle Pass at 12 additional sites.

The Departments are streamlining the recreation fee system. Our experience has shown that eliminating all fee-tiering is neither fair nor equitable, especially for specialized services such as camping, reservations, enhanced tours, or group events. The notion behind charging a fee beyond the basic recreation fee is that certain recreation activities require additional attention by agency staff or involve costs that should not be borne by the general public through taxpayer funds or by the rest of the visiting public through the basic recreation fee. The system must balance fairness and equity principles by carefully considering the relationship between who pays and who benefits. Strict prohibitions and specific guidance would safeguard against blurring the two categories of fees to ensure that: (1) the system is understandable to the public; (2) the public is not double charged when enjoying the primary attraction of the site; and (3) passes retain full value. All passes established under this system would cover the basic recreation fee at all sites.

Another important consideration is fee levels. The Departments are committed to ensuring access to all visitors. Recreation fees represent a tiny percentage of the out-of-pocket costs that an average family spends on a typical vacation. Recreation fees are reasonable in comparison to those charged for other recreational activities. For example, in Jackson Hole, Wyoming, a family of four pays \$20 for a seven day pass to both Grand Teton National Park and Yellowstone National Park. In contrast, in Jackson Hole, the same family pays \$27.50 for 2-3 hours of entertainment at a movie theatre.

A Permanent Recreation Fee Program Should Encourage Collaborative Partnerships with States, Counties, and Gateway Communities

States, counties and gateway communities are potential partners in our effort to provide a quality recreation experience for our mutually-shared visitors. The Departments support a recreation fee program that provides the Secretary authority to enter into collaborative partnerships with public and private entities for visitor reservation services, fee collection or processing services. Such a provision would allow us, among other things, to more vigorously seek out opportunities to engage gateway communities through the recreation fee program.

The Departments believe that collaborative partnerships with gateway communities best serve our visitors and the counties involved. The collaborative partnership approach recognizes that we can work together with gateway communities to promote tourism by providing a quality recreational experience to our shared visitors. Other possible collaborative partnerships with states and local communities could be developed through the creation of regional multi-entity passes. Providing visitors and residents of nearby communities with a well-structured, appropriately priced, regional multi-entity pass would allow for benefits that could extend to other federal, state, and private entities. Recognizing that recreation areas, and the visitors who enjoy them, do not necessarily follow state boundaries, our experience has shown that regional multi-entity passes offer greater flexibility and can be tailored to meet identified recreational demands.

Monitoring and Controlling Cost of Collection

Fee collection costs are largely composed of personnel costs. These costs rise over time due to Federal salary increases. The Departments continue to emphasize the need to track and control fee collection costs. In FY 2003, the cost of collection for NPS remained constant at about 22 percent (including revenue from the National Parks Pass and National Parks transportation system), FWS decreased from 19.3 percent in FY 2002 to 13.9 percent in FY 2003; the BLM decreased from 22.3 percent in FY 2002 to 18.6 percent in FY 2003; and for the USDA FS, decreased from 16.3 percent in FY 2002 to 14.1 percent FY 2003.

The NPS, the FWS, and the Bureau of Land Management have all adopted similar guidelines on what constitutes collection costs. The general guideline is for fee managers to ask the question "If fee collection were to cease, would this activity still continue? Would this position be fully funded?" If the answer is "yes", then the activity or position should NOT be charged to cost of collection. The guidelines contain detailed instructions to fee managers about identifying fee collection costs. Allowable fee collection costs include costs associated with salaries, benefits, reservation system expenses, campgrounds, training, background checks, security equipment, contracted services, communication items, signage, planning and/or construction of fee collection facilities, maintenance and custodial services, utilities, vehicles, incidental business permit costs for commercial tour fees, printing costs, equipment and miscellaneous expenses. These guidelines should result in greater standardization of the treatment and identification of collection costs across the Interior bureaus. The implementation of these guidelines has helped reduce FWS and BLM collection costs in FY 2003. Greater use of volunteers in some situations has also helped reduce collection costs.

Obligations

Obligation rates are improving and the Departments have taken steps to ensure that Fee Demo revenues are obligated in a timely manner. Unobligated balances are expected to decline in the coming years as a number of large projects enter the construction phase. The NPS, in particular, has implemented a number of management improvements that should improve obligation rates. These improvements are described in detail in the NPS section of the report.

C. CONCLUSION

The Fee Demo Program represents a major innovation in the management of federal recreation activities. Allowing Fee Demo revenues to be retained by the collecting site has strengthened the incentive to collect fees and has enhanced the ability of federal land managers to address high-priority needs at recreation sites. From FY 1996 through FY 2003, Fee Demo projects have raised approximately \$1.1 billion to meet high priority backlog maintenance, visitor service, and resource protection needs. Millions of visitors have directly benefited from the projects undertaken with Fee Demo revenues.

The Departments are committed to improving their ability to report on how Fee Demo revenues are spent and to providing opportunities for the public to provide input into establishing spending priorities. Efforts to better demonstrate more effectively, on site, to visitors how and where their recreation fees are being spent and to explore more creative ways to seek public input on visitor projects funded by Fee Demo revenues are ongoing.

The program has also facilitated collaboration between land management agencies in a wide variety of ways. These collaborative efforts typically arise from site-specific conditions, such as adjacent boundaries, similar recreation activities, or the opportunity to involve non-federal entities in decisions affecting a particular site. The Departments strongly believe that a permanent recreation fee program that encompasses all of the federal land management agencies is not only desirable, but can be managed in a manner that is sensitive to each agency's unique mission, lands, and recreation opportunities.