

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**US Army Corps of Engineers  
Walla Walla District**

**SPORT FISHERY USE AND VALUE ON THE  
UNIMPOUNDED SNAKE RIVER ABOVE  
LEWISTON, IDAHO**

**PHASE II REPORT : PART 2  
WILLINGNESS-TO-PAY BY ANGLERS ON THE  
UNIMPOUNDED SNAKE RIVER DURING 1997-  
1998**

*Contract No. DACW68-96-D-003  
Delivery Order 0003*

**PREPARED FOR:  
Department of the Army  
Corps of Engineers  
Walla Walla District  
201 North Third Avenue  
Walla Walla, Washington 99362**

**PREPARED BY:  
Normandeau Associates  
1921 River Road, P.O. Box 10  
Drumore, Pennsylvania 17518**

**University of Idaho  
Department of Fish and Wildlife  
Moscow, Idaho 83844**

**and**

**Agricultural Enterprises, Inc.  
P.O. Box 120  
Masonville, Colorado 80541**

**MAY 1999**

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**TABLE OF CONTENTS**

[PURPOSES OF THE SPORT FISHING DEMAND SURVEY](#)

[THE STUDY AREA](#)

[MEASUREMENT OF ECONOMIC VALUE](#)

[THE DEMAND SURVEY](#)

[THE IMPORTANCE OF AVOIDING TRAVEL TIME VALUATION](#)

[THE DISEQUILIBRIUM LABOR MARKET MODEL](#)

[Differences Between Disequilibrium and Equilibrium Labor Market Models](#)

[Problems with Foregone Income Measurement](#)

[The Importance of Including All Closely Related Goods Prices](#)

[THE TRAVEL COST DEMAND VARIABLES](#)

[The Prices of a Trip from Home to Site](#)

[Closely Related Goods Prices](#)

[Other Exogenous Variables](#)

[ESTIMATED DEMAND ELASTICITIES](#)

[Price Elasticity of Demand](#)

[Price Elasticity of Closely Related Goods](#)

[Elasticity for Income and Time Constraints](#)

[Elasticity with Respect to Other Variables](#)

[Tests of Statistical Significance](#)

[ESTIMATING CONSUMERS SURPLUS PER TRIP FROM HOME TO SITE](#)

[Consumers Surplus Per Trip From Home to Site Assuming Travel Cost of 7.6 Cents Per Mile Per Angler](#)

[Total Annual Consumers Surplus for Sport Fishing on the 30-Mile Reach](#)

[Nonresponse Adjustment to Total Annual Willingness-To-Pay](#)

[The Effect of Multidestination Trips](#)

[Comparison of Willingness-To-Pay With Other Studies](#)

[REFERENCES](#)

[APPENDIX I - STATISTICAL CONCERNS FOR DEMAND CURVE ESTIMATION](#)

[APPENDIX II - QUESTIONNAIRE](#)

[APPENDIX III - CODE FORM FOR SPREADSHEET DATA FILE](#)

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**LIST OF TABLES**

<a href="#">Table 1</a>	Definition of Variables
<a href="#">Table 2</a>	Unimpounded Snake River; Travel Cost Per Mile Per Angler
<a href="#">Table 3</a>	Effects of Exogenous Variables on an Angler's Trips per Year

**LIST OF FIGURES**

<a href="#">Figure 1</a>	Locator Map for the Study Region South of Lewiston, Idaho
<a href="#">Figure 2</a>	Principal Access Sites on the Unimpounded Snake River
<a href="#">Figure 3</a>	Market Demand for Fishing
<a href="#">Figure 4</a>	Sport Fishing Demand for an Individual
<a href="#">Figure 5</a>	Travel Cost Versus Fishing Trips Per Year
<a href="#">Figure 6</a>	Travel Time Versus Fishing Trips Per Year

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**PURPOSE OF THE SPORT FISHING DEMAND SURVEY**

The sport fishing "demand" survey provided detailed information on samples of individuals who participated in fishing on the unimpounded Snake River and the information provided by these samples was used to infer the spending behavior of anglers. In capsule, the data collected by the demand survey provided information that was used to estimate the "willingness-to-pay" (marginal benefits) by consumers for various amounts of sport fishing. Estimation of the marginal benefits (demand) function allowed calculation of "net economic value" per sport fishing trip (measurement of economic value is discussed in the following section).

**THE STUDY AREA**

The surveys were conducted using a list of names and addresses collected from sport fishers along a reach of the unimpounded Snake River upstream of Asotin, Washington. Figure 1 locates the study region south of Lewiston, Idaho where the Snake River forms the boundary between the states of Washington and Idaho. Figure 2 shows the river access on Asotin County Road 209 on the west side of the river and the principal river access sites. The length of the study reach between Chief Looking Glass Park near the town of Asotin, Washington and the Oregon border is about 30 miles. The confluence of the Grande Ronde River and the Snake River is about 24 miles upriver from Asotin, Washington.

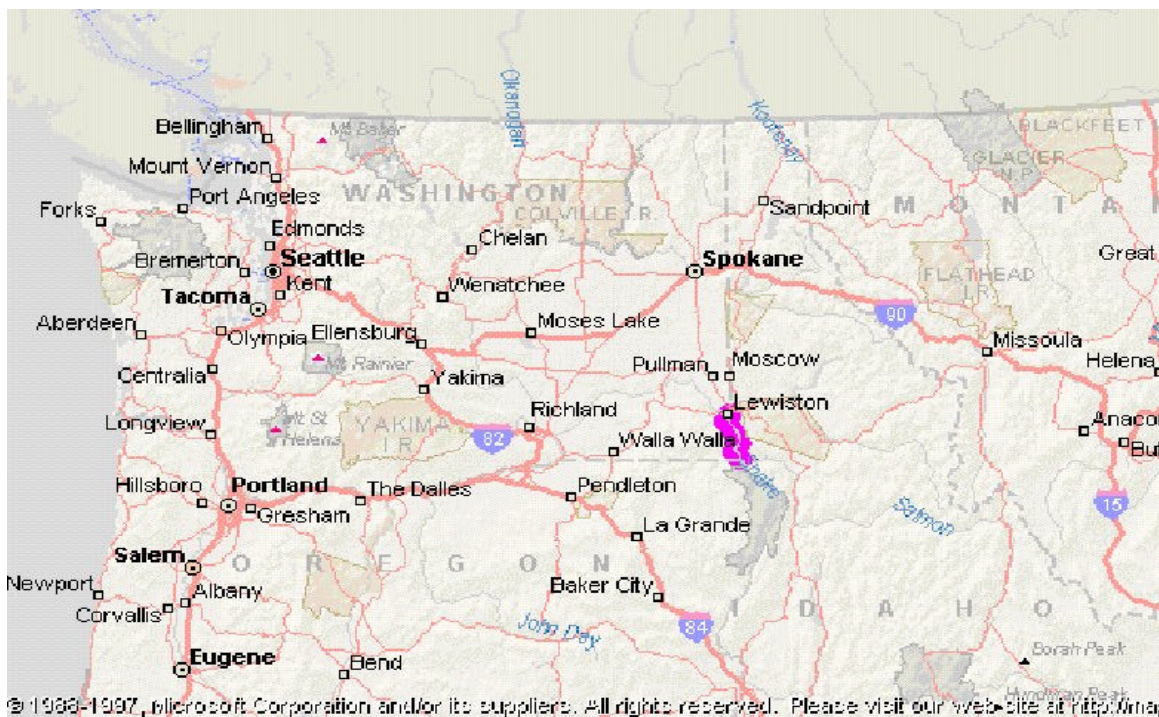


Figure 1 - Locator Map for the Study Region South of Lewiston, Idaho

Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment



Figure 2 - Principal Access Sites on the Unimpounded Snake River

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Shore anglers may access the river using County Road 209 throughout the reach from Asotin to the confluence of the Snake River with the Grande Ronde River. Boat anglers used developed boat launches at Hellers Bar, near the end of County Road 209, and at other developed launch sites at Lewiston (Hells Gate Park), Clarkston (Swallows Nest Park), and Asotin (Chief Looking Glass Park) or one of four undeveloped launch sites along County Road 209.<sup>1</sup> The undeveloped boat launch sites have no formal names but are identified by nearby landmarks. These sites include Asotin ramp located at the south end of Asotin next to a baseball field; Couse Creek ramp, at the confluence of Couse Creek about midway between Asotin and Hellers Bar; Coral Run ramp, located ¼ mile upriver from Buffalo Rapids; and Idaho Fish and Game House ramp, located opposite the Idaho Fish and Game House about two miles upstream of Coral Run (Figure 2).

### **MEASUREMENT OF ECONOMIC VALUE**

A public enterprise like the Snake River differs in two significant ways from a competitive firm. First, the public project is very large relative to the market that it serves; this is one of the reasons that a public agency is involved. Because of the size of the project, as output (sport fishing access) is restricted the price that people are willing to pay will increase (a movement up the market demand curve). Price is no longer at a fixed level as faced by a small competitive firm. Second, the seller (a public agency) does not act like a private firm which charges a profit-maximizing price. A public project has no equilibrium market price that can easily be observed to indicate value or marginal benefit.

If output for sport fishing at the unimpounded Snake River was supplied by many competitive firms, market equilibrium would occur where the declining market demand curve intersected the rising market supply curve.<sup>2</sup> A competitive market price would indicate the marginal benefit to consumers of an added unit of sport fishing recreation. However, calculation of total economic value produced would require knowledge of the market demand because many consumers would be willing-to-pay more than the equilibrium price. The amount by which total consumer willingness-to-pay exceeds the costs of production is the total net benefit or "consumers surplus." If output was supplied by many competitive firms, statistical estimation of a market demand curve could use observed market quantities and prices over time.

Economic value (consumers surplus) of a particular output (sport fishing) of a public project also can be found by estimating the consumer demand curve for that output. The economic value of sport fishing on the unimpounded Snake River can be determined if a statistical demand function showing consumer willingness-to-pay for various amounts of sport fishing is estimated. Because market prices cannot be observed, (sport fishing is a non-market good), a surrogate price must be used to model consumer behavior toward sport fishing (U.S. Army Corps of Engineers, 1995; Herfindahl and Kneese, 1974; McKean and Walsh, 1986; Peterson *et al.*, 1992).

The sport fishing demand survey collected information on individuals at the river showing their number of sport fishing trips per year and their cost of traveling to the river fishing site. The price faced by sport fishers is the cost of access to the fishing site (mainly the time and money costs of travel from home to site), and the quantity demanded per year is the number of sport fishing trips they make to the unimpounded Snake River. A demand relationship will show that fewer trips to the river are made by people who face a larger travel cost to reach the river from

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

their homes (Clawson and Knetsch, 1966). "The Travel cost method (TCM) has been preferred by most economists, as it is based on observed market behavior of a cross-section of users in response to direct out-of-pocket and time cost of travel." (Loomis, 1997)<sup>3</sup> "The basic premise of the travel cost method (TCM) is that per capita use of a fishing site will decrease if the out-of-pocket and time costs of traveling from place of origin to the site increase, other things remaining equal." (Water Resources Council, 1983, Appendix 1 to Section VIII).

Figure 3 shows a market for sport fishing. (It is a convention to show price on the vertical axis and quantity demanded on the horizontal axis). A market supply and demand graph for sport fishing shows the economic factors affecting all sport fishers in a region. The demand by anglers for sport fishing trips is negatively sloped, showing that if the money cost of a fishing trip (round trip from home to site and back) rises sport fishers will take fewer trips per year. Examples of how money trip costs might rise include: increased automobile fuel prices, sport fishing regulators close nearby sites requiring longer trips to reach other sites, entrance fees are increased, boat launching fees are raised, or nearby sites become congested requiring longer trips to obtain the same quality sport fishing. The supply of sport fishing opportunities is upward sloping. The upward slope of sport fishing supply is caused by the need to travel ever further from home to obtain quality sport fishing if more people enter the "regional sport fishing market." Increased sport fishing-trips in the region can occur when a larger percentage of the population becomes interested in sport fishing, when more non-local anglers travel to the region to obtain quality sport fishing, or if the local population expands over time. The market demand/supply graph is useful for describing the aggregate economic relationships affecting recreationist behavior but a "site-demand" model is used to place a value on a specific sport fishing site (such as the Snake River above Asotin, Washington).

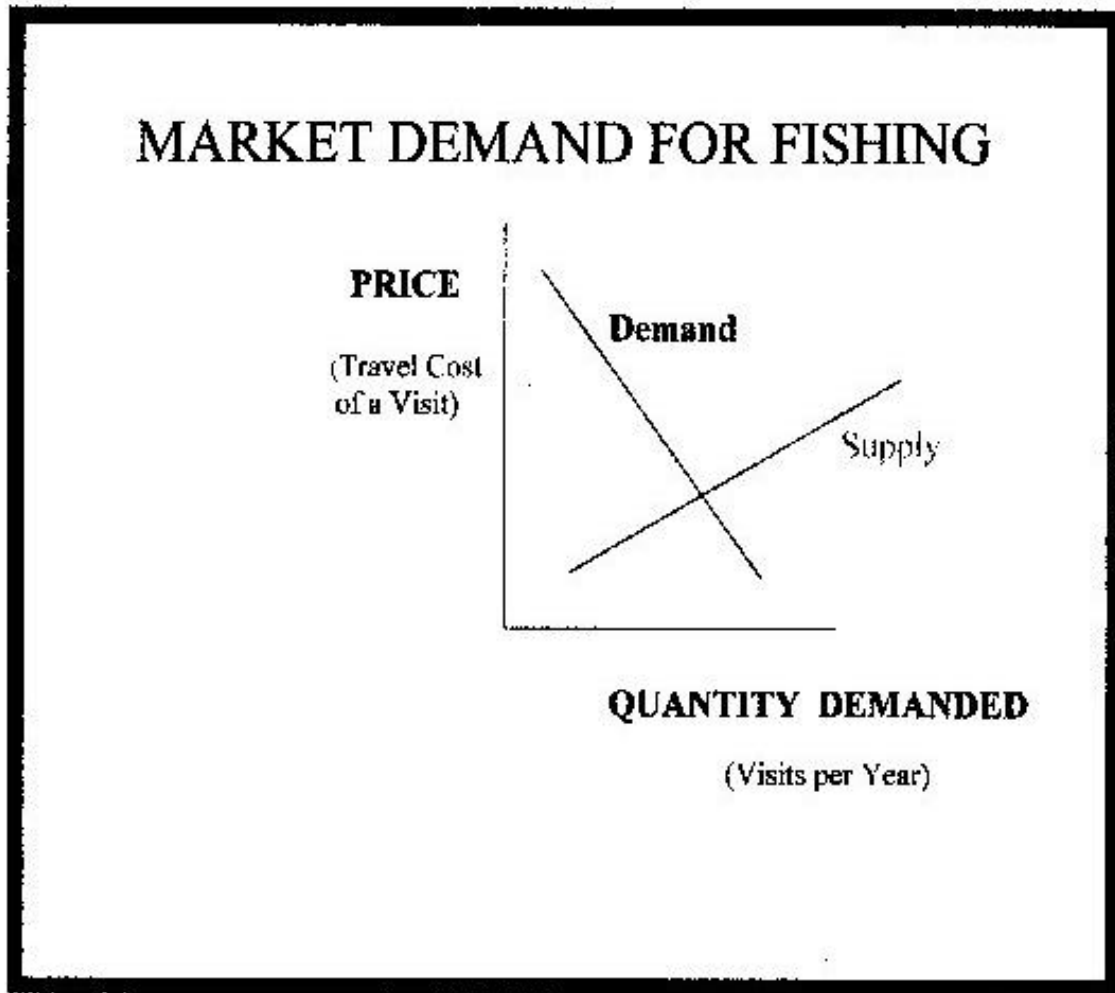


Figure 3 - Market Demand for Fishing

Figure 4 describes the demand by a typical angler for sport fishing at the unimpounded Snake River. Angler demand is negatively sloped indicating, as before, that a higher cost or price to visit the sport fishing site will reduce sport fishing visits per year. The supply curve for a given angler to visit a given site is horizontal because the distance from home to site, which determines the cost of access, is fixed. The supply curve would shift up if auto fuel prices increased but it would still be horizontal because the number of trips from home to fishing site per year would not influence the cost per trip.



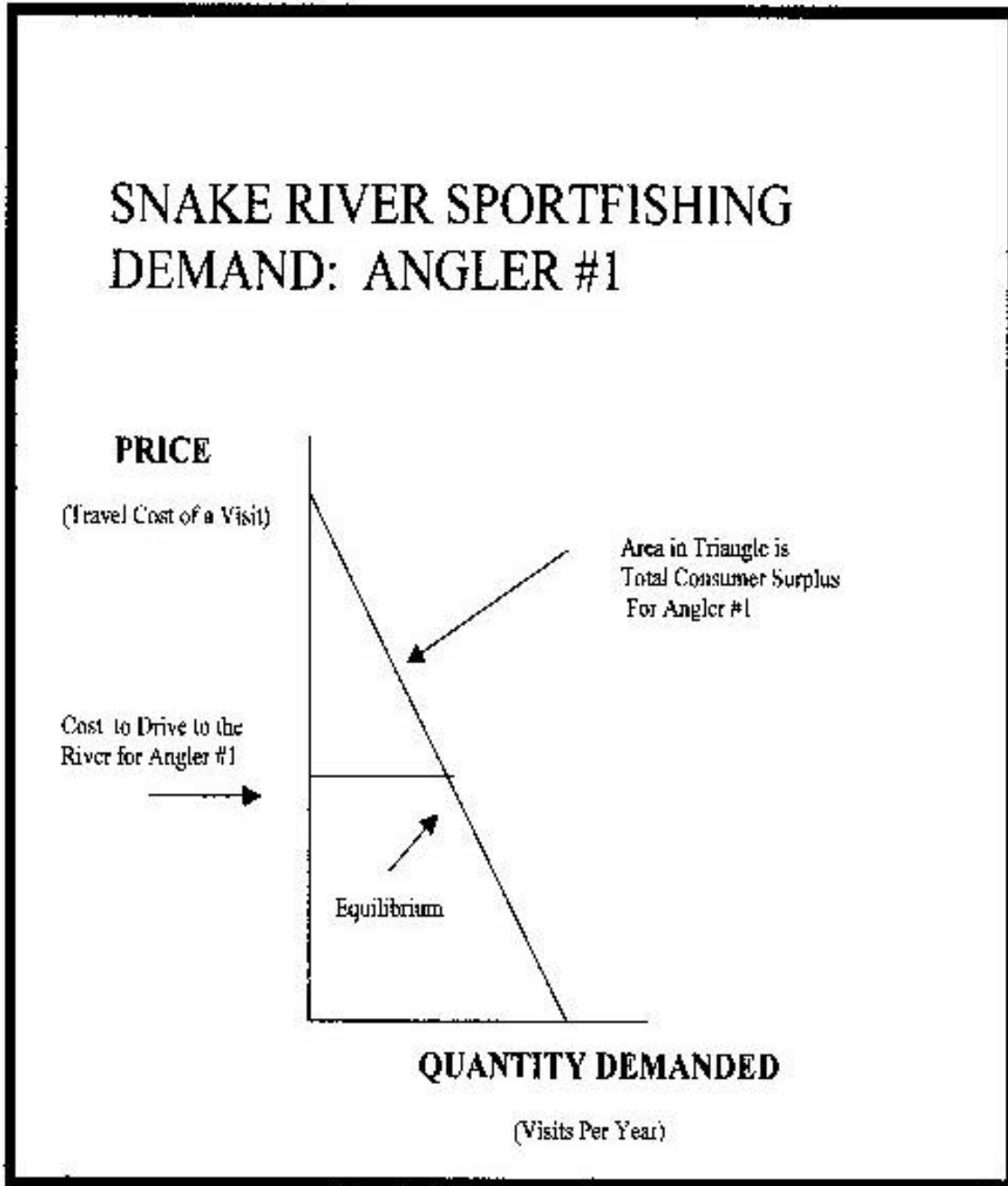


Figure 4 - Sport Fishing Demand For an Individual

The vertical distance between the angler's demand for sport fishing and the horizontal supply (cost) of a sport fishing trip is the net benefit or consumer surplus obtained from a sport fishing trip. The demand curve shows what the angler would be willing-to-pay for various amounts of sport fishing trips and the horizontal line is their actual cost of a trip. As more sport fishing trips per year are taken, the benefits per trip decline until the marginal benefit (added satisfaction to the consumer) from an additional trip equals its cost where cost and demand intersect. The sport fisher does not make any more visits to the river because the money value to this angler of the

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

added satisfaction from another sport fishing trip is less than the trip cost. The equilibrium number of visits per year chosen by the angler is at the intersection of the demand curve and the horizontal travel cost line.

Each angler has a unique demand curve reflecting how much satisfaction they gain from sport fishing at the river, their free time available for sport fishing, the distance to alternate comparable sport fishing sites, and other factors that determine their likes and dislikes. Each angler also has a unique horizontal supply curve; at a level determined by the distance from their home to the fishing site of their choice, the fuel efficiency of their vehicle, access fees (if any), *etc.*

The critical exogenous variable in the travel cost model is the cost of travel from home to the sport fishing site. Each angler has a different travel cost (price) for a sport fishing trip from home to the river. Variation among anglers in travel cost from home to sport fishing site (*i.e.*, price variation) creates the unimpounded Snake River site-demand data shown in Figure 5. The statistical demand curve is fitted to the data in Figure 5 using regression analysis.<sup>4</sup> Non-monetary factors, such as available free time and relative enjoyment for sport fishing, will also affect the number of river visits per year. The statistical demand curve should incorporate all the factors which affect the public's willingness-to-pay for sport fishing at the river. It is the task of the unimpounded Snake River sport fishing survey to include questions that elicit information about anglers that explains their unique willingness-to-pay for sport fishing.

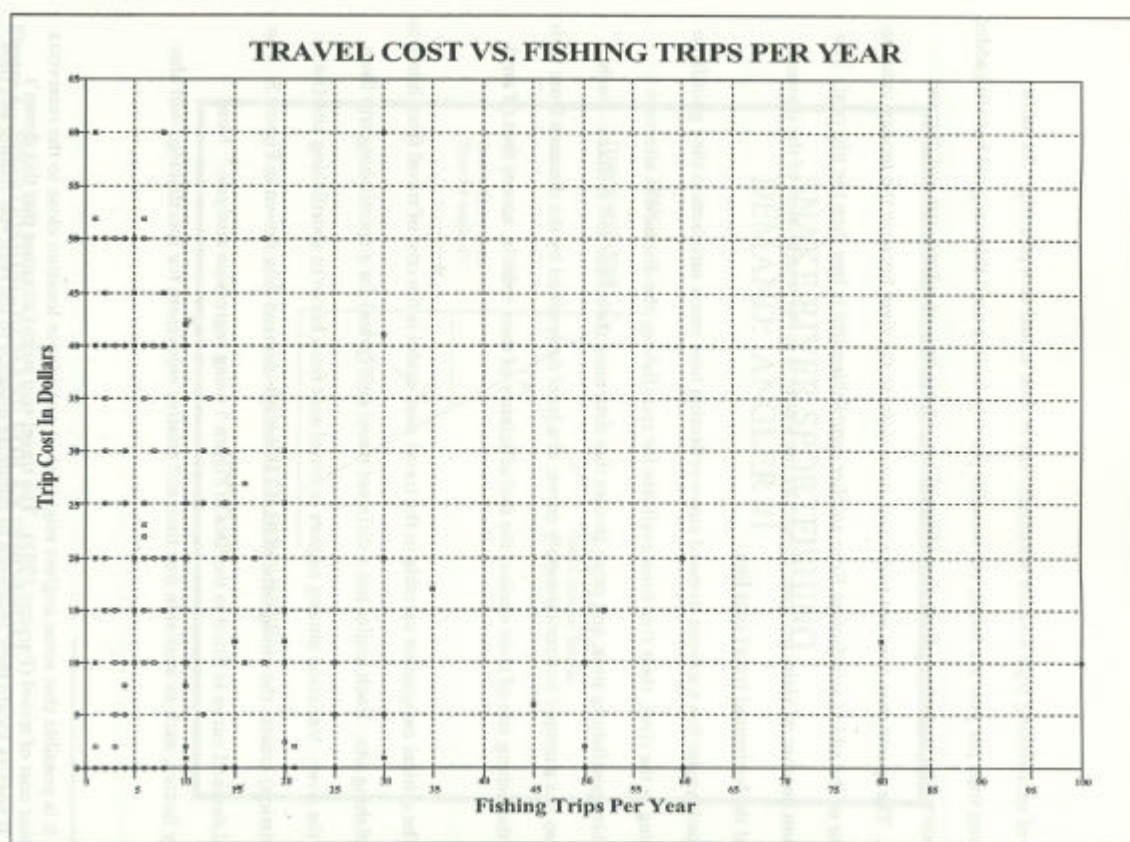


Figure 5 - Travel Cost Versus Fishing Trips Per Year

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

The goal of the travel cost demand analysis is to empirically measure the triangular area in Figure 4 which is the net dollar value of satisfaction received or angler willingness-to-pay in excess of the costs of the sport fishing trips. The triangular area is summed for the 247 anglers in our sample and divided by their average number of trips per year (which, for anglers in our sample was 12.38 trips per year). This is the estimated consumer surplus per sport fishing trip or net economic value per trip. The estimated average net economic value per trip (consumer surplus per trip), derived from the travel cost model, can be multiplied times the total angler trips from home to the river in a year to find annual net benefits of the unimpounded Snake River for sport fishing.

Figure 5 shows unadjusted sample data relating sport fishing trips from home to site per year and dollars of travel expense per trip at the river for 247 respondents. Figure 6 shows the sample data relating sport fishing trips per year to the hours required to travel between home and the river fishing site. The data shown in both graphs reveal an inverse relationship between money or time required for a sport fishing trip to the river and trips demanded per year. Both out-of-pocket cost per trip and hours per trip act as prices for a sport fishing trip. Even before adjustment for differences among anglers' available free time, sport fishing experience, and other factors affecting angler behavior, it is clearly shown by Figures 5 and 6 that anglers with high travel costs or high travel time per trip take fewer sport fishing trips per year. Therefore, observations across the sample of 247 anglers can reveal a sport fishing demand relationship.

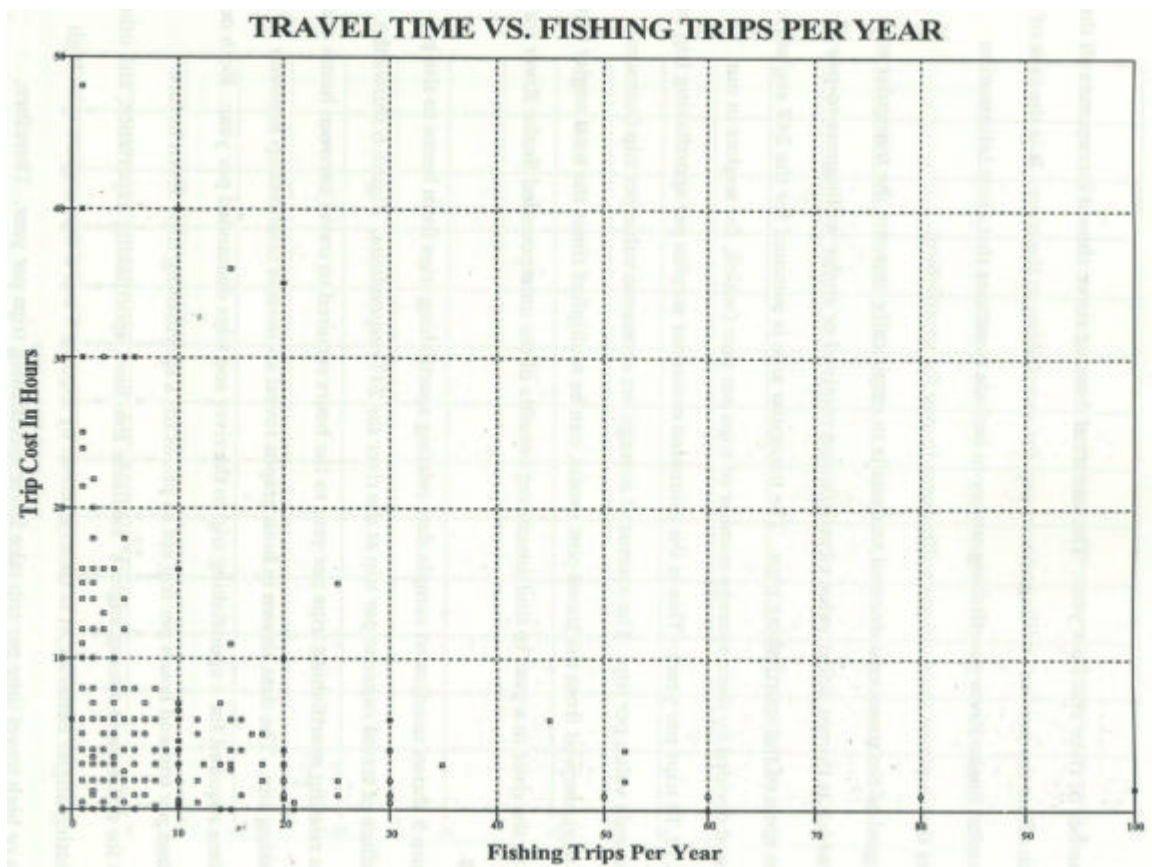


Figure 6 - Travel Time Versus Fishing Trips Per Year

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

In summary, each price level along a down-sloping demand curve shows the marginal benefit or angler willingness-to-pay for that corresponding output level (number of sport fishing trips consumed). The gross economic value (total willingness-to-pay) of the sport fishing output of a public project is shown by the area under the statistical demand function. The annual net economic value (consumer surplus) of sport fishing is found by subtracting the sum of the participants access (travel) costs from the sum of their benefit estimates. This is equivalent to summing the consumer surplus triangles for all anglers at the river.

### **THE DEMAND SURVEY**

The unimpounded Snake River demand survey includes detailed socio-economic information about anglers and data on money and physical time costs of travel, sport fishing, and other activities both on and off river fishing sites. Steelhead was the primary fish caught. Anglers listed steelhead (91.5%), smallmouth bass (43.7%), rainbow trout (27.1%), northern pikeminnow (25.9%), channel catfish (18.6%), and all other species (22.3%) among the species caught. The questionnaire used for the mail survey is shown in Appendix II and is similar to the sport fishing questionnaire used on the lower Snake River reservoirs (Phase I Report, Part 2). The questionnaire used in this study is also similar to those used previously to study sport fishing demand on the Cache la Poudre River in northern Colorado and for Blue Mesa Reservoir in southern Colorado (Johnson, 1989; McKean *et al.*, 1995; McKean *et al.*, 1996). Both of the latter surveys were by personal interview while the Snake River reservoirs survey was by mail.<sup>5</sup>

Anglers in this study were contacted at the river over the period from September 1997 through March 1998 and requested to take part in the sport fishing demand mail survey. Most persons contacted on-site were agreeable to receiving a mail questionnaire and provided their name and mailing address. A small share of those contacted preferred a telephone interview and provided a telephone number.

Our sport fishing demand mail survey resulted in a sample of 247 useable responses out of 288 surveys returned. Some surveys had to be discarded because they were incomplete. A total of 344 surveys were mailed out yielding a useable response rate of 72 percent for the demand model.

Mail surveys requesting data on expenditures by sport fishers in the unimpounded reach were also distributed. These data are reported in *Regional Economic Impact Models for the Lower Snake River Juvenile Salmon Migration Feasibility Study* by Agricultural Enterprises, Inc. (in preparation).

### **THE IMPORTANCE OF AVOIDING TRAVEL TIME VALUATION**

There has been disagreement among practitioners in the design of the travel cost model, thus wide variations in estimated values have occurred (Parsons, 1991). Researchers have come to realize that nonmarket values measured by the traditional travel cost model are flawed. In most applications, the opportunity time cost of travel has been assumed to be a proportion of money income based on the equilibrium labor market assumption. Disagreements among practitioners have existed on the "correct" income proportion and thus wide variations in estimated values have occurred.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

The conventional travel cost models assume labor market equilibrium (Becker, 1965) so that the opportunity cost of time used in travel is given by the wage rate (see a following section). However, much dissatisfaction has been expressed over measurement and modeling of opportunity time values. McConnell and Strand (1981) conclude, "The opportunity cost of time is determined by an exceedingly complex array of institutional, social, and economic relationships, and yet its value is crucial in the choice of the types and quantities of recreational experiences." The opportunity time value methodology has been criticized and modified by Bishop and Heberlein (1979), Wilman (1980), McConnell and Strand (1981), Ward (1983, 1984), Johnson (1983), Wilman and Pauls (1987), Bockstael *et al.* (1987), Walsh *et al.*, (1989), Walsh *et al.* (1990a), Shaw (1992), Larson (1993), and McKean *et al.* (1995, 1996).

The consensus is that the opportunity time cost component of travel cost has been its weakest part, both empirically and theoretically. "Site values may vary fourfold, depending on the value of time." (Fletcher *et al.*, 1990). "... the cost of travel time remains an empirical mystery." (Randall 1994).

Disequilibrium in labor markets may render wage rates irrelevant as a measure of opportunity time cost for many anglers. For example, Bockstael *et al.* (1987) found a money/time tradeoff of \$60/hour for individuals with fixed work hours and only \$17/hour with flexible work hours.

The results from our previous studies and this study on the unimpounded Snake River suggest using a model specifically designed to help overcome disagreements and criticisms of the opportunity time value component of travel cost. We use a model that eliminates the difficult-to-measure marginal value of income from the time cost value. Instead of attempting to estimate a "money value of time" for each individual in the sample we simply enter the actual time required for travel to the fishing site as first suggested by Brown and Nawas (1973), and Gum and Martin (1975) and applied by Ward (1983,1989). The annual income variable is retained as an income constraint.<sup>6</sup>

### **THE DISEQUILIBRIUM LABOR MARKET MODEL**

The travel cost model used in this statistical analysis assumes that site visits are priced by both (1) out-of-pocket travel expenses, and (2) opportunity time costs of travel to and from the site. Opportunity time cost has been conventionally defined in economic models as money income foregone (Becker, 1965; Water Resources Council, 1983). However, a person's consideration of their limited time resources may outweigh money income foregone given labor market disequilibrium and institutional considerations. Persons who actually could substitute time for money income at the margin represent a small part of the population, especially the population of anglers. Retirees, students, and unemployed persons do not exchange time for income at the margin. Many workers are not allowed by their employment contracts to make this exchange. Weekends and paid vacations of prescribed length are often the norm. Thus, the equilibrium labor market model may apply to certain self-employed persons, *e.g.*, dentists or high level sales occupations, where individuals, (1) have discretionary work schedules and, (2) can expect that their earnings will decline in proportion to the time spent recreating. (Many professionals can

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

take time off without foregoing any income). The equilibrium labor market subgroup of the population is very small. According to U.S. Bureau of Labor Statistics and National Election Studies (U.S. Bureau of the Census, 1993), only 5.4 percent of voting age persons in the U.S. were classified as self-employed in the United States in 1992. The labor market equilibrium model applies to less than 5.4 percent of anglers who are over-represented by retirees and students.

Bockstael *et al.* (1987), hereafter B-S-H, provide an alternate model in which time and income are not substituted at the margin. B-S-H show that the time and money constraints cannot be collapsed into one when individuals cannot marginally substitute work time for leisure. Thus, *physical travel time* and *money cost* per trip from home to site enter as separate price variables in the demand function. (Figures 5 and 6 show actual money cost and time cost plotted against fishing trips demanded per year). *Discretionary time* and income enter as separate constraint variables. Money cost and physical time per trip also enter as separate price variables for closely related time-consuming goods such as alternate sport fishing sites. The B-S-H travel cost model can be estimated as shown in equation 1:

$$r = b_0 + b_1c_o + b_2t_o + b_3c_a + b_4t_a + b_5INC + b_6DT$$

where the subscripts o and a refer to own site prices and alternate site prices respectively, c is out-of-pocket travel cost per trip, t is physical travel time per trip, *INC* is money income, and *DT* is available discretionary time.

### **Differences Between Disequilibrium and Equilibrium Labor Market Models**

The equilibrium labor market model makes the explicit assumption that opportunity time value rises directly with income. Thus, the methodology that we have rejected assumes perfect substitution between work and leisure. McConnell and Strand (1981, 1983) (M-S) specify price in their travel cost demand model as the argument in the right hand side of equation 2:

$$r = f[c + (t)g'(w)]$$

where, as before, r is trips from home to site per year, c is out-of-pocket costs per trip, and t is travel time per trip. The term g'(w) is the marginal income foregone per unit time. It is assumed in the M-S model that any increase of travel cost, whether it is out-of-pocket spending or the money value of travel time expended, has an equal marginal effect on visits per year. The term [c + (t)g'(w)] imposed this restriction because it forces the partial effect of a change in out-of-pocket cost ( $\Delta f/\Delta c$ ) to be equal in magnitude to a change in the opportunity time cost  $\Delta f/\Delta [(t)g'(w)]$ . An important distinction in model specification is demonstrated by M-S. The equilibrium labor market model requires that out-of-pocket and opportunity time value costs be added together to force an identical coefficient on both costs.<sup>7</sup> In contrast, the B-S-H disequilibrium labor market model requires separate coefficients to be estimated for out-of-pocket costs and opportunity time value costs.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**Problems With Foregone Income Measurement**

Measurement and statistical problems often beset the full price variable in empirical applications. Even for those self-employed persons who are in labor market equilibrium, measuring marginal income is difficult. Simple income questions are unlikely to elicit true marginal opportunity time cost. Only after-tax earned income should be used when measuring opportunity time cost. Thus, opportunity cost may be overstated for the wealthy whose income may require little of their time. Conversely, students who are investing in education and have little market income will have their true opportunity time costs understated. In practice, marginal income specified by theory is usually replaced with a more easily observable measure consisting of average family income per unit time. Unfortunately, marginal and average values of income are unlikely to be the same.

**The Importance of Including All Closely Related Goods Prices**

Ward (1983,1984) proposed that the "correct" measure of price in the travel cost model is the minimum expenditure required to travel from home to fishing site and return since any excess of that amount is a purchase of other goods and is not a relevant part of the price of a trip to the site. This own-price definition suggests that the other (excess) spending during the trip is associated with some of the closely related goods whose prices are likely to be important in the demand specification. For example, time-on-site can be an important good and it is often ignored in the specification of the TCM. Yet time-on-site must be a closely related good since the weak complementarity principle upon which measurement of benefits from the TCM is founded implies that time-on-site is essential. Weak complementarity was the term used to connect enjoyment of a recreation site to the travel cost to reach it (Maler, 1974). It is assumed that a travel cost must be paid in order to enjoy time spent at the recreation site. Without travelling to the site, the site has no recreation value to the consumer and without the ability to spend time at the site the consumer has no reason to pay for the travel. With these assumptions, the cost of travel from home to site can be used as the price associated with a particular recreation site (Loomis *et al.*, 1986).

The sign of the coefficient relating trips demanded to particular time "expenditures" associated with the trip is an empirical question. For example, time-on-site or time used for other activities on the trip have prices which include both the opportunity time cost of the individual and a charge against the fixed discretionary time budget. Spending more time-on-site could increase the value of the trip leading to increased trips, but time-on-site could also be substituted for trips. Spending during a trip for goods, both on and off the site, consist of closely related goods which are expected to be complements for trips to the site. Finally, spending for extra travel, either for its own sake, or to visit other sites, can be a substitute or a complement to the site consumption. For example, persons might visit site "a" more often if site "b" could also be visited with a relatively small added time and/or money cost. If the price of "b" rises, then visits to "a" might decrease since the trip to "a" now excludes "b." Conversely, persons might travel more often to "a" since it is now relatively less expensive compared to attaining "b" (McKean *et al.*, 1996).

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Many recreational trips combine sightseeing and the use of various capital and service items with both travel and the site visit, and include side trips (Walsh *et al.*, 1990b). Recreation trips are seldom single-purpose and travel is sometimes pleasurable and sometimes not. The effect of these "other activities" on the trip-travel cost relationship can be statistically adjusted for through the inclusion of the relevant prices paid during travel or on-site and for side trips. Furthermore, both trips and on-site recreation are required to exist simultaneously to generate satisfaction or the weak complementarity conditions would be violated (McConnell, 1992). A relation between trips and site experiences is indicated such that marginal satisfaction of a trip depends on the corresponding site experiences. Therefore, the demand relationship should contain site quality variables, time-on-site, and goods used on-site, as well as other site conditions. Exclusion of these variables would violate the specification required for the weak complementarity condition which allows use of the TCM to measure benefits.

In this study of the unimpounded Snake River, an expanded TCM survey was designed to include money and time costs of on-site time (McConnell, 1992), on-site purchases, and the money and time cost of other activities on the trip. These vacation-enhancing closely related goods prices are added to the specification of the conventional TCM demand model. Empirical estimates of partial equilibrium demand could suffer underspecification bias if the prices of closely related goods were omitted.<sup>8</sup> Traditional TCM demand models seemingly ignore this well known rule of econometrics and exclude the prices of on-site time, purchases, and other trip activities which are likely to be the principal closely related goods consumed by anglers.

#### **THE TRAVEL COST DEMAND VARIABLES**

The definitions for the variables in the disequilibrium and equilibrium travel cost models are shown in Table 1. The dependent variable for the travel cost model is ( $r$ ), annual reported trips from home to the sport fishing site. Annual sport fishing trips from home to the unimpounded Snake River is the quantity demanded. The average angler took 12.38 trips from home to the fishing site on the unimpounded Snake River during the period September 1997 through March 1998.



**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

<b>Table 1 Definition of Variables<sup>9</sup></b>	
$r$	Annual trips from home to the lower Snake River reservoir fishing site (dependent variable)
$c_o$	The angler's out-of-pocket round trip travel cost to the sport fishing site, in dollars
$L(t_{01})$	"Retirees" round trip travel time to the sport fishing site, in hours
$L(t_{04})$	"Hourly wage earners" round trip travel time to the sport fishing site, in hours
$L(t_{05})$	"Professionals" round trip travel time to the sport fishing site, in hours
$L(t_{08})$	"Other occupation" round trip travel time to the sport fishing site, in hours
$c_a$	The angler's out-of-pocket travel cost to an alternate fishing site away from the reservoirs, in dollars
$L(t_{0s})$	Time spent onsite at the river sport fishing during the trip, in hours
$c_{md}$	The angler's out-of-pocket travel cost (if any) for the second leg of the trip for anglers visiting a second site away from the unimpounded Snake River, in dollars
$L(c_{as})$	The angler's out-of-pocket purchases while during the trip at an alternate fishing site, in dollars
$L(INC)$	Annual family earned and unearned income, in dollars
$L(DT)$	The angler's discretionary time available per year, in days
$L(Taste)$	The angler's ratio of days fished (at all locations), divided by their available days
$L(E(Catch))$	The angler's reported historical catch rate at the Snake River site, fish per day
$L(EXP)$	The angler's total sport fishing experience at the river, in years

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

### **The Prices of a Trip From Home to Site**

The money price variable in the B-S-H model is  $c_r$ , which is the out-of-pocket travel costs to the sport fishing site. In order to make this study comparable with the lower Snake River study the same 7.6 cents per mile per angler travel cost was used in both cases. Reported one-way travel distance for each party was multiplied times two and times \$0.076 to obtain money cost of travel per person per trip. Cost per mile was based on average angler-perceived cost rather than costs constructed from Department of Transportation or American Automobile Association data. Anglers' perceived price is the relevant variable when they decide how many sport fishing trips to take (Donnelly *et al.*, 1985).

The physical time price for each individual in the B-S-H model (disequilibrium labor market) is measured by  $t$  which is round trip driving time in hours. Average round trip driving time was 10.95 hours with an average round trip distance of 385.32 miles. Thus, average speed was 35.2 miles per hour. Possible differences in sensitivity to the time cost of a trip were accommodated in the model by creating separate time price variables for different occupations. Eight occupation or employment status categories were obtained in our survey.<sup>10</sup> Dummy variables (0 or 1) were created for each of the occupations and the time price,  $t_o$ , was multiplied times the dummies to create separate price variables for each occupation category. For example,  $t_{o1}$  is either the "retired persons" round trip travel time to the sport fishing site or zero if the angler is not self-employed. In this manner, the price elasticity of demand with respect to travel time  $c$  is allowed to vary, or be zero, for each of the occupation classes.<sup>11</sup>

It would be expected that employment status with the least flexibility to interchange work and leisure hours would be the most sensitive to time price. Hourly workers and retirees showed highly significant time price effects on trips per year. Evidently retirees have firm time commitments. The "professional" employment status category showed no affect of time price on trips per year and was excluded from the final regression. Professionals are likely to have the ability to interchange work and leisure hours.

### **Closely Related Goods Prices**

The B-S-H model calls for the inclusion of  $t_a$ , round trip driving time from home to an alternate sport fishing site, as the physical time price of an alternate sport fishing site. This variable was not significant and appeared to be highly correlated with the monetary cost of travel. Another alternate site price variable is  $c_a$ , which is the out-of-pocket travel costs to the most preferred alternate sport fishing site from the anglers home. This substitute price variable also was not significant.

A price variable,  $c_{md}$ , measuring money travel cost for the second leg of the trip for anglers visiting a second fishing site was included. This variable would indicate if the number of trips to the unimpounded Snake River was influenced by the cost of going from the first river fishing site to the second site for those with multideestination trips. A positive coefficient would indicate the second site is substituted for the first if fishing is poor on the Snake River. In that case, a

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

multidestination trip was not the initial intention of the angler. The sign for the money travel cost of the second leg of the trip was, in fact, negative indicating the second site was a complement rather than a substitute to the first site. Anglers whose second site was costly to reach made fewer trips per year. The average distance to travel from the first fishing site to the second site was only 27.7 miles.

The variable to measure available free time is  $DT$ . The discretionary time constraint variable is required for persons in a disequilibrium labor market who cannot substitute time for income at the margin. Restrictions on free time are likely to reduce the number of sport fishing trips taken. The discretionary time variable has been positive and highly significant in previous disequilibrium labor market recreation demand studies and was highly significant in this study (Bockstael *et al.*, 1987; McKean *et al.*, 1995, 1996). The average number of days that anglers in the survey were "free from other obligations" was 99 days per year.

The income constraint variable ( $INC$ ) is defined as average annual family income resulting from wage earnings. The relation of quantity demanded to income indicates differences in tastes among income groups. Although restrictions on income should reduce overall purchases, it may also cause a shift to low cost types of consumer goods such as fishing. Thus, the sign on the income coefficient conceptually can be either positive or negative. The income variable was not significant perhaps indicating offsetting effects.

Three other closely related goods prices were significant in the model:  $t_{os}$ , time spent on site at the river (33.3 hours per trip),  $c_{os}$  money purchases at the river (\$124.66 per trip), and  $c_{as}$ , money spent on-site at alternate sport fishing sites during the fishing trip (\$57.20 per trip). The signs of the coefficients for the time variables indicate how they are considered by anglers. As discussed earlier, spending more time-on-site at the river, (or at alternate sites during the trip), could increase the value of the trip leading to increased trips, but time-on-site could also be substituted for trips. Money purchases at the river should be a complement to fishing with a negative sign.

### **Other Exogenous Variables**

The expected sport fishing success rate variable,  $E(Catch)$ , is the individual's previous average catch per day on the unimpounded Snake River. Anglers average catch was reported at 3 fish per travel cost trip and varied from one to eight. Trips from home to site per year are hypothesized to relate positively to expected sport fishing success based on the individuals past experience at the fishing site.

The strength of an angler's preferences for sport fishing over other activities should positively influence the number of sport fishing trips taken per year. The variable,  $TASTE$ , days fished (at all sites) divided by the angler's available days (time free from obligations), is used as one indicator for angler tastes and preferences for fishing. Nearly 29 percent of available days were used for fishing by anglers in the survey. A second indicator of taste related particularly to the study site is the number of years that the angler has visited the unimpounded Snake River. The variable  $EXP$  measures this second aspect of taste. Anglers had an average of 12.6 years experience fishing on the Snake River above Asotin.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Age has often been found to influence the demand for various types of sport fishing activity. The average age of anglers in the survey was 47.7 years. Age of the angler was tested in the statistical demand model and found nonsignificant.

Nearly two thirds of the anglers in the survey used a boat at least part of the time. However, a dummy variable (*BOAT*) that identified anglers that used a boat for fishing either all or part of the time was found nonsignificant. Anglers with a boat did not visit the fishing site any more often than shore anglers.

### **ESTIMATED DEMAND ELASTICITIES**

The estimated regression coefficients and elasticities from the truncated negative binomial regression estimation for the unimpounded Snake River sport fishing demand models are reported in Tables 2 and 3.<sup>12</sup> Most of the exogenous variables in the truncated negative binomial regressions were log transforms. When the independent variables are log transforms the estimated slope coefficients directly reveal the elasticities. When the independent variables are linear the elasticities are found by multiplying the coefficient times the mean of the independent variable. Elasticity with respect to dummy variables could be estimated for at least three situations, the dummy variable is zero, the dummy variable is one, or the average value of the dummy variable. Given a log transform of the dependent variable, elasticity for a dummy variable is zero if the dummy is zero, the estimated slope coefficient if the dummy is one, and the slope coefficient times the  $E(\text{dummy})$  if the average value of the dummy is used. We will report the elasticity for the case where the dummy is one.<sup>13</sup>

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**Table 2**  
**Unimpounded Snake River**  
**Travel Cost Per Mile Per Angler Assumed to be \$0.076**  
 Truncated Negative Binomial Regression,<sup>14</sup>  $r$  = trips per year to the river ( $r$  = dependent variable),  
 mean  $r$  = 12.38.  $R^2 = 0.60$   
 (Estimated by a regression of the predicted values of trips  
 from the truncated negative binomial model on the actual values.)

Variable	Coefficient	t-ratio	Mean of Variable	Elasticity
Constant	2.73	4.65	na	na
$c_o$	-0.028	-8.71	28.66	-0.80
$L(t_{o1})$	-0.255	-2.15	--	-0.26
$L(t_{o4})$	-0.0244	-0.22	--	ns
$L(t_{o5})$	-0.1847	-1.86	--	-0.18
$L(t_{o8})$	-0.1901	-0.93	--	ns
$L(t_{os})$	-0.0869	-1.40	2.65	-0.09
$L(c_{md})$	-0.1676	-4.11	3.51	-0.17
$L(c_{os})$	-0.1676	-4.11	3.51	-0.17
$L(c_{as})$	0.1058	2.73	1.30	0.11
$L(INC)$	-0.0015	-0.03	10.39	ns
$L(DT)$	0.1775	3.41	4.11	0.18
$L(TASTE)$	0.4562	11.57	-1.56	0.46
$L(E(CATCH))$	0.2469	3.36	0.73	0.25
$L(EXP)$	0.2358	4.19	2.08	0.24

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

<b>Table 3 Effects of Exogenous Variables on an Anglers Trips Per Year</b>	
<b>Exogenous Variable</b>	<b>Effect on Trips/Year of a +10% Change</b>
Angler's Money Cost of Round Trip (dollars/trip)	-8.00%
"Retiree" Angler's Round Trip Travel Time (hours/trip)	-2.60%
"Hourly Wage Earner" Angler's Round Trip Travel Time (hours/trip)	ns
"Professional Occupation" Angler's Round Trip Travel Time (hours/trip)	-1.86%
"Other Occupation" Angler's Round Trip Travel Time (hours/trip)	ns
Angler's Time Spent at the Snake River Sport Fishing (hours/trip)	-0.87%
Angler's Money Cost (if any) of the Second Leg of the Journey To Another Fishing Site (dollars/trip)	-0.78%
Angler's Purchases While at the Snake River Fishing Site (dollars)	-1.68%
Angler's Purchases During the Trip While Fishing Away from the Snake River Site (dollars)	1.06%
Annual Family Income (dollars/year)	ns
Angler's Discretionary Time Available (days/year)	1.78%
Angler's Fraction of Available Days Spent on Fishing (ratio)	4.56%
Angler's Historical Catch Rate at the Snake River Site (fish per day)	2.47%
Angler's Total Years of Fishing Experience (years)	2.36%

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

### **Price Elasticity of Demand**

Price elasticity with respect to out-of-pocket travel cost is -0.80. As expected for a regionally unique consumer good (fishing on the unimpounded Snake River), the number of trips per year is not very sensitive to the price. A ten percent increase in travel costs would reduce participation by only 8 percent.

The elasticity with respect to physical travel time for retirees in the sample is -0.255. If the time required to reach the site increased by ten percent, visits would decrease by 2.55 percent. Elasticity with respect to travel time for the self employed is not statistically significant. Price elasticity of travel time for hourly wage earners is -0.185. The coefficient on "other" and "professional" occupations was not significant. Most of the remaining occupation categories had very few members represented in the sample and were excluded from the regression.

### **Price Elasticity of Closely Related Goods**

Price elasticity with respect to the cost of the second leg of the journey for those visiting more than one site (other than at the unimpounded Snake River) was -0.078. Three other closely related goods prices were significant in the model:  $t_{os}$ , time spent on site at the river had an elasticity of -0.09. Larger expenditures of time at the river per trip reduces the number of trips. Thus, the time on site price of a trip is a complement to fishing trips because as the time on site price of a trip increases fewer trips are made. Money purchases ( $c_{os}$ ) at the river per trip also has an elasticity of -0.17, indicating that on-site purchases are a complement to fishing trips. Increased cost per trip of on-site purchases reduces the number of trips. Money spent per trip on-site at alternate sport fishing sites away from the river during the fishing trip,  $c_{as}$ , has a price elasticity of -0.11. Thus, increases in the cost of purchased inputs at alternative sites also is a complement to fishing trips to the unimpounded Snake River.

### **Elasticity for Income and Time Constraints**

Income elasticity is not significantly different from zero. Quantity demanded (sport fishing trips from home to the river per year) was not affected by income. It is not unusual to find that sport fishing is unrelated to income.

Elasticity with respect to discretionary time is 0.18. As in past studies, the discretionary time was positive and highly significant. A ten percent increase in free time results in a 1.8 percent increase in sport fishing trips to the river. As expected, available free time acts as an important constraint on the number of sport fishing trips taken per year.

### **Elasticity With Respect to Other Variables**

Elasticity with respect to *TASTE* (preference) for fishing was positive showing that anglers who fished a larger fraction of available days were likely to take more sport fishing trips per year to the Snake River. Those who fished ten percent more of their available days would tend to take 4.56 percent more sport fishing trips per year to the Snake River.

The sport fishing experience variable showed that those who have fished the river over a long period of time tend to make more sport fishing trips to the river. A ten percent increase in years visited the river results in a 2.36 percent in annual trips to the river.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

The past experience of fishing success was very important in explaining demand for sport fishing on the unimpounded Snake River. A ten percent increase in expected catch resulted in a 2.47 percent increase in trips per year.

### **Tests of Statistical Significance**

The t-ratios for all important variables to estimate the value of sport fishing are statistically significant from zero at the 5 percent level of significance or better. All of the tests for overdispersion (Cameron and Trivedi, 1990; Greene, 1992) for the Poisson regression were positive. Therefore, as discussed earlier, the truncated Poisson regression was replaced by the truncated negative binomial regression method. Use of the truncated negative binomial model eliminated the overstatement of the t-ratios found in the Poisson regression results.

### **ESTIMATING CONSUMERS SURPLUS PER TRIP FROM HOME TO SITE**

Consumers' surplus was estimated using the result shown in Hellerstein and Mendelsohn (1993) for consumer utility (satisfaction) maximization subject to an income constraint, and where trips are a nonnegative integer. They show that the conventional formula to find consumer surplus for a semilog model also holds for the case of the integer constrained quantity demanded variable. The Poisson and negative binomial regressions, with a linear relation on the explanatory own monetary price variable are equivalent to a semilog functional form. Adamowicz *et al.* (1989) show that the annual consumers surplus estimate for demand with continuous variables is  $E(r)/(-\beta)$ , where  $\beta$  is the estimated slope on price and  $E(r)$  is average annual visits. Consumers surplus per trip from home to site is  $1/(-\beta)$ . (Also note that the estimate of consumers surplus is invariant to the distribution of trips along the demand curve when surplus is a linear function of  $Q$ . Thus, it is not necessary to numerically calculate surplus for each data point and sum as would be the case if the surplus function was nonlinear.)

### **Consumers Surplus Per Trip From Home to Site Assuming Travel Cost of 7.6 cents per Mile per Angler**

Estimated coefficients for the travel cost model with labor market disequilibrium, and assuming travel cost per mile of 7.6 cents per mile per person are shown in Table 2. The assumption of 7.6 cents per mile per person is identical with that used in the fishing demand model estimated for the four reservoirs on the lower Snake River (Phase I Report, Part 2) and is based on the much larger sample (537 observations versus 247 observations) collected for the reservoirs. However, actual cost per mile reported by anglers fishing upstream of Lewiston was smaller at 4.8 cents per mile.

Application of truncated negative binomial regression, and using angler-reported travel distance times \$0.076 per mile per person to estimate out-of-pocket travel costs, results in an estimated coefficient of -0.028 on out-of-pocket travel cost. Consumers surplus per angler per trip is the reciprocal or \$35.71. Average angler trips per year in our sample was 12.38. Total surplus per angler per year is average annual trips x surplus per trip or  $12.38 \times \$35.71 = \$442$  per year. This result assumes that anglers upstream of Lewiston and anglers on the four reservoirs on the lower Snake River use vehicles having similar fuel efficiency.



**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**Total Annual Consumers Surplus for Sport Fishing on the 30 Mile Reach**

An important objective of the demand analysis was to estimate total annual willingness-to-pay for fishing on the 30 mile reach of the unimpounded Snake River. As discussed above, consumer surplus was estimated at \$35.71 per person per travel cost trip. The average number of sport fishing trips per year from home to the unimpounded Snake River was 12.38 resulting in an average annual willingness-to-pay of \$442 per year per angler.

The total annual willingness-to-pay for all anglers requires knowledge of the total population of anglers which fish on the 30 mile reach. The number of anglers can be inferred from our sample values for hours per day fished and days fished per year combined with the estimated total annual hours fished (88,940 hours) on the 30 mile reach (Phase II Report, Part 1). Hours fished per year for the average angler is estimated from the product of average hours per day (7.2 hours) times average days per year (14.82) or  $7.2 \times 14.82 = 106.7$  hours fished per year for an angler. Dividing total annual hours fished by our estimate of hours per year for an individual yields total anglers or  $88,940/106.7 = 833.6$  unique anglers on the 30 mile stretch.<sup>15</sup> Multiplying annual value per angler times the number of unique anglers yields total annual willingness-to-pay of  $\$442 \times 834 = \$368,628$ .

**Nonresponse Adjustment to Total Annual Willingness-To-Pay**

An adjustment for bias caused by nonresponse could increase the total annual willingness-to-pay (and angler expenditures also) by as much as 11 percent. About 28 percent of anglers contacted did not return a useable survey. A survey of nonresponders was not attempted for this data set. However, a telephone survey on nonresponding anglers in the lower Snake River reservoir survey resulted in an average of 13 trips per year compared to about 20 trips per year for those who did respond (Phase I Report, Part 2). These data suggest about 35 percent less participation by nonrespondents. A crude adjustment for nonresponse bias assumes that the 35 percent reduction in trips also applies to angler hours per year from our survey. Given that assumption, the average hours per year remains 106.7 for responders and becomes  $106.7 \times (1-0.35)$  for nonresponders and the adjusted average hours per angler is  $[106.7 \times 0.72] + [106.7 \times (1-0.35) \times 0.28] = 96.24$  where the response rate was 0.72 and the nonresponse rate was 0.28. The result of the adjustment for lower participation by nonresponders is to lower the hours per year from 106.7 to 96.24 which is a 9.8 percent reduction in estimated average fishing hours per year per angler. As before, the total number of unique anglers was estimated by dividing total angler hours per year by annual hours per angler ( $88,940/96.24 = 924$  unique anglers). Compared to our previous estimate of 834 unique anglers before the adjustment for nonresponse, this is a 10.8 percent increase in unique anglers. Multiplying annual value per angler times the number of unique anglers yields total annual willingness-to-pay of  $\$442 \times 924 = \$408,408$  compared to \$368,628 prior to the adjustment for nonresponse bias. The adjustment for nonresponse bias is not substantial because a relatively large share (72 percent) of the persons contacted returned a useable survey.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

### **The Effect of Multidestination Trips**

About 102 anglers out of 288 fished at sites other than upstream of Asotin during the trip. (The sample of 288 was reduced to 247 for the regression analysis because of missing data on trips per year or miles traveled). In order to measure the influence of multidestination visitors we removed them from the sample. First, we eliminated persons in the sample (total of 38) who spent as much or more time fishing away from the site as fishing on-site. The result was that average travel distance from home to site increased from 192 miles to 202 miles and consumer surplus per visitor per trip increased slightly. The model continued to fit well. We then eliminated 33 persons in the sample who spent one half as much or more time fishing away from the site as fishing on-site. The result was that average travel distance from home to site increased from 192 miles to 215 miles and consumer surplus per visitor per trip increased again. The model still fit well to the data.

The results described above are the opposite of what is normally expected. Evidently, eliminating those who visit multiple sites eliminates mainly locals. Perhaps nonlocals tend to stay on the river upstream of Lewiston because they don't know other local sites that are good fishing or they have signed up with a guide service which keeps them on the river. Nearly 27 percent of boat anglers used guides (Phase II Report, Part 1) but this percentage would be much larger for nonlocals. Locals may visit other sites, but the sites usually are not far away; apparently they visit the reservoirs or tributaries to the Snake River upstream. The average distance to the alternative site is only 27 miles for the entire sample. If a few huge outliers are removed the distance to the alternate site drops to about 11 miles. Our conclusion is that multidestination visitors tend to be locals who visit nearby sites either on upriver tributaries or on the reservoirs. Few of the visitors are on an extended journey across the country. Eliminating anglers who fished at other sites from the sample does not accomplish the goal of reducing overstatement of benefits to multidestination visitors because it mainly eliminates locals. Thus, consumer surplus per person per trip increases rather than decreases when multidestination visitors are removed from the sample.

### **Comparison of Willingness-To-Pay With Other Studies**

Comparisons of net benefits for fishing among demand studies is difficult because of differences in the units of measurement of consumption or output. Comparisons of value per person trip are flawed unless all studies compared have similar length of stays. Comparisons of value per person per day are difficult because some sites and fish species are fishable all day (or even at night) and others only at certain hours. Conversion problems for sport fishing consumption data makes exact comparison among studies impossible. Many studies are quite old and the purchasing power of the dollar has declined over time. Adjustment of values found in older studies to current purchasing power can be attempted using the consumer price index. Another problem with older studies is the changes in both economic and statistical models used to measure value. Adjustment for different travel cost model methodologies, as well as contingent value methodologies, and inflation, is shown in Walsh *et al.* (1988a; 1988b; 1990a). Some of the more recent studies used higher cost per mile than we did for travel and also used income rate as

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

opportunity time cost that was added to the monetary costs of travel. If these outmoded methods resulted in an overstatement of travel cost, a near proportional overstatement of estimated consumer surplus will occur. In addition, some of the studies used Poisson regression and obtained extremely large t-values. Although no test for overdispersion was mentioned, the very high t-values suggest that the requirement of Poisson regression that the mean and variance of trips per year be equal was violated. If that is the case, the Poisson regressions are inappropriate and should have been replaced with negative binomial regression.

Olsen *et al.* (1991) used a contingent value survey to obtain estimates for steelhead and salmon fishing in the Columbia River Basin including the lower Columbia River. Their estimate is \$90 per person per trip for steelhead. The average trip length was about two days with 0.68 steelhead caught on average during the trip.

Willingness-to-pay per travel cost trip from home to site in the present study was estimated to be \$35.71. This result is slightly higher than our estimates for reservoir fishing on the lower Snake River of some \$32 (Phase I Report, Part 2).<sup>16</sup>

## REFERENCES

Adamowicz, W. L., J. J. Fletcher, and T. Graham-Tomasi. 1989.

*Functional Form and the Statistical Properties of Welfare Measures.* American Journal of Agricultural Economics 71:414-420.

Becker G. S.

*A Theory of the Allocation of Time.* 1965. Economic Journal 75:493-517.

Binkley, D., and T. C. Brown. 1993.

*Management Impacts on Water Quality of Forests and Rangelands.* USDA Forest Service. GT Report RM-239. Rocky Mountain Forest and Range Experiment Station: Fort Collins.

Bishop, R. C., and T. A. Heberlein. 1979.

*Measuring Values of Extra-Market Goods: Are Indirect Measures Biased?* American Journal of Agricultural Economics 61(5):926-932.

Bockstael, N. E., and K. E. McConnell. 1981.

*Theory and Estimation of the Household Production Function for Wildlife Recreation.* Journal of Environmental Economics and Management 8:199-214.

Bockstael, N. E., Strand, I. E., and W. M. Hanemann. 1987.

*Time and the Recreational Demand Model.* American Journal of Agricultural Economics 69:293-302.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Brown, W. G., and F. Nawas. 1973.

*Impact of Aggregation on the Estimation of Sport fishing Demand Functions.* American Journal of Agricultural Economics 55:246-49.

Cameron, A., and P. Trivedi. 1990.

*Regression Based Tests for Overdispersion in the Poisson Model.* Journal of Econometrics 46:347-364.

Cameron, T. A., W. D. Shaw, S. E. Ragland, J. Callaway, and S. Keefe. 1996.

*Using Actual and Contingent Behavior Data with Differing Levels of Time Aggregation to Model Recreation Demand.* Journal of Agricultural and Resource Economics 21(1):130-149.

Caulkins, P. P., R. C. Bishop, and N. W. Bouwes. 1985.

*Omitted Cross-Price Variable Biases in the Linear Travel Cost Model: Correcting Common Misperceptions.* Land Economics 61:182-87.

Clawson, M. and J. L. Knetsch. 1966.

*Economics of Sport Fishing.* Johns Hopkins University Press: Baltimore.

Cramer, J. S. 1986.

*Econometric Applications of Maximum Likelihood Methods.* Cambridge University Press: Cambridge. 208 pp.

Creel, M. D., and J. B. Loomis. 1990.

*Theoretical and Empirical Advantages of Truncated Count Data Estimators for Analysis of Deer Hunting in California.* American Journal of Agricultural Economics 72:434-41.

Creel, M. D., and J. B. Loomis. 1991.

*Confidence Intervals for Welfare Measures with Application to a Problem of Truncated Counts.* The Review of Economics and Statistics 73:370-373.

Crow, E. L., F. A. Davis, and M. W. Maxfield. Undated.

*Statistics Manual.* Research Department, U.S. Naval Ordnance Test Station. Dover Publications, Inc: New York.

Dhrymes, P. J. 1978.

*Introductory Econometrics.* Springer-Verlag: New York. 288 pp.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Donnelly, D. M., J. B. Loomis, C.F. Sorg, and L.J. Nelson. 1983.

*Net Economic Value of Recreational Steelhead Sport fishing in Idaho.* Resource Bulletin RM-9. Rocky Mountain Forest and Range Experiment Station. USDA Forest Service. Fort Collins, Colorado.

Englin, J., and J. S. Shonkwiler. 1995.

*Estimating Social Welfare Using Count Data Models: An Application to Long-Run Recreation Demand Under Conditions of Endogenous Stratification and Truncation.* The Review of Economics and Statistics :104-112.

Englin, J., D. Lambert, and W. D. Shaw. 1997.

*A Structural Equations Approach to Modeling Consumptive Recreation Demand.* Journal of Environmental Economics and Management 33:33-43.

Fiore, J., and F. A. Ward. 1987.

*Managing Recreational Water Resources to Increase Economic Benefits to Recreationists in the Arid Southwest.* Agricultural Experiment Station. Report No. 609. New Mexico State University, New Mexico.

Fletcher, J. J., W. L. Adamowicz, and T. Graham-Tomasi. 1990.

*The Travel Cost Model of Recreation Demand: Theoretical and Empirical Issues.* Leisure Sciences 12:119-147.

Greene, W. H. 1992.

*LIMDEP, Version 6.* Econometric Software, Inc.: Bellport, New York.

Greene, W. H. 1981.

*On the Asymptotic Bias of Ordinary Least Squares Estimator of the Tobit Model.* Econometrica 49:505-13.

Gum, R., and W. E. Martin. 1975.

*Problems and Solutions in Estimating The Demand for the Value of Rural Sport Fishing.* American Journal of Agricultural Economics 57:558-66.

Hellerstein, D. M. 1991.

*Using Count Data Models in Travel Cost Analysis with Aggregate Data.* American Journal of Agricultural Economics 73:860-67.

Hellerstein, D. M., and R. Mendelsohn. 1993.

*A Theoretical Foundation for Count Data Models.* American Journal of Agricultural Economics 75:604-611.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Herfindahl, O. C., and A. V. Kneese. 1974.

*Economic Theory of Natural Resources*. Charles E. Merrill Publishing Co.: Columbus, Ohio. 405 pp.

Johnson, D. M. 1989.

*Economic Benefits of Alternative Fishery Management Programs*. Ph.D. Dissertation. Colorado State University. Fort Collins, Colorado.

Johnson, T. G. 1983.

*Measuring the Cost of Time in Recreation Demand: Comment*. American Journal of Agricultural Economics 65:169-171.

Kmenta, J.

*Elements of Econometrics*. 1971. The MacMillan Company: New York. 391-396

Larson, D. M. 1993.

*Joint Recreation Choices and Implied Values of Time*. Land Economics 69(3):270-86.

Layman, R. C., J. R. Boyce, and K. R. Criddle. 1996.

*Economic Valuation of the Chinook Salmon Sport Fishery of the Gulkana River, Alaska, Under Current and Alternate Management Plans*. Land Economics 72(1):113-28.

Loomis, J. B. 1997.

*Recreation Economic Decisions: Comparing Benefits and Costs*, Second Edition. With Richard Walsh. Venture Publishing, Inc.: State College, PA.

Loomis, J. B., Sorg, C. F., and D. M. Donnelly. 1986.

*Evaluating Regional Demand Models for Estimating Recreation Use and Economic Benefits: A Case Study*. Water Resources Research 22:431-38.

Loomis, J. B., B. Roach, F. A. Ward, and R. Ready. 1993.

*Reservoir Recreation Demand and Benefits Transfers: Preliminary Results*. Western Regional Research Publication. W-133 Benefits and Costs Transfer in Natural Resource Planning.

Maddala, G. S. 1983.

*Limited Dependent and Qualitative Variables in Econometrics*. Cambridge University Press: Cambridge.

Maddala, G. S. 1977.

*Econometrics*. International Student Edition. McGraw-Hill Book Company: Singapore.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Maler, K. G. 1974.

*Environmental Economics: A Theoretical Inquiry*. Johns Hopkins University: Baltimore.

McConnell, K. E. and I. E. Strand. 1981.

*Measuring the Cost of Time In Recreational Demand Analysis: An Application to Sport fishing*. American Journal of Agricultural Economics 63:153-56.

McConnell, K. E. and I. Strand. 1983.

*Measuring the Cost of Time in Recreation Demand Analysis: Reply*. American Journal of Agricultural Economics 65:172-74.

McConnell, K. E. 1992.

*On-Site Time in Recreation Demand*. American Journal of Agricultural Economics 74:918-25.

McKean, J. R., and D. M. Johnson. 1998.

*Experiments with Equilibrium and Disequilibrium Labor Market Travel Cost Models*. In Review. 34 pp.

McKean, J. R., R. G. Taylor, G. Alward, and R.A. Young. Forthcoming 1998.

*Adapting Synthesized Input-Output Models for Small Natural Resource-Based Regions: A Case Study*. Society and Natural Resources, An International Journal.

McKean, J. R., and R. G. Walsh. 1986.

*Neoclassical Foundations for Nonmarket Benefits Estimation*. Natural Resource Modeling 1:153-170.

McKean, J. R., and C. Revier. 1990.

*An Extension of 'Omitted Cross-Price Variable Biases in the Linear Travel Cost Model: Correcting Common Misperceptions*. Land Economics 66:162-82.

McKean, J. R., D. M. Johnson, and R. G. Walsh. 1995.

*Valuing Time in Travel Cost Demand Analysis: An Empirical Investigation*. Land Economics 71:96-105.

McKean, J. R., R. G. Walsh, and D. M. Johnson. 1996.

*Closely Related Good Prices in the Travel Cost Model*. American Journal of Agricultural Economics 78:640-646.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

McKean, J. R., and K. C. Nobe. 1983.

*Sportsmen Expenditures for Hunting and Sport fishing in Colorado - 1981*. Technical Report No. 39. Colorado Water Resources Research Institute, Colorado State University and Colorado Division of Wildlife.

McKean, J. R., and K. C. Nobe. 1984.

*Direct and Indirect Economic Effects of Hunting and Sport fishing in Colorado - 1981*. Technical Report No. 45. Colorado Water Resources Research Institute, Colorado State University and Colorado Division of Wildlife. Fort Collins, Colorado.

Mendelsohn, R., J. Hof, and G. L. Peterson. 1992.

*Measuring Recreation Values with Multiple-Destination Trips*. American Journal of Agricultural Economics 74:926-33.

Mullahy, R. 1986.

*Specification and Testing of Some Modified Count Data Models*. Journal of Econometrics 33:341-365.

Olsen, D., J. Richards, and R. D. Scott. 1991.

*Existence and Sport Values for Doubling the Size of Columbia River Basin Salmon and Steelhead Runs*. Rivers 2(1):44-56.

Oster, J. M., D. T. Taylor, J. J. Jacobs, and E.B. Bradley. 1987.

*Reservoir Entrophication and the Value of Recreation Activities: A Case Study of Flaming Gorge Reservoir*. Department of Agricultural Economics and Wyoming Water Research Center. University of Wyoming. Laramie, Wyoming.

Palm, R. C., and S. P. Malvestuto. 1983.

*Relationships Between Economic Benefit and Sport-Sport fishing Effort on West Point Reservoir, Alabama-Georgia*. Transactions of the American Fisheries Society. Page 112.

Parsons, G. R. 1991.

*A Note on Choice of Residential Location in Travel Cost Demand Models*. Land Economics 67(3):360-64.

Peterson, G. L., C. S. Swanson, D.W. McCollum, and M.H. Thomas, Eds. 1992.

*Valuing Wildlife Resources in Alaska*. Westview Press: Boulder, CO. 357 pp.

Randall, A. 1994.

*A Difficulty with the Travel Cost Method*. Land Economics 70(1):88-96.



**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Rosenthal, D. H. 1987.

*The Necessity for Substitute Prices in Recreation Demand Analyses.* American Journal of Agricultural Economics 69:828-37.

Shaw, W. D. 1992.

*Searching for the Opportunity Cost of an Individual's Time.* Land Economics 68:107-15.

Shaw, D. 1988.

*On-Site Samples' Regression Problems of Non-Negative Integers, Truncation and Endogenous Stratification.* Journal of Econometrics 37:211-223.

University of Idaho, Department of Fish and Wildlife; Agricultural Enterprises, Inc.; and Normandeau Associates. 1998.

*Phase I Report: Volume 2 of 2, Reservoir Sport Fishery During 1997. Sport Fishery Use and Value on Lower Snake River Reservoirs.* Department of the Army. Corps of Engineers. Walla Walla District. Walla Walla, Washington.

University of Idaho, Department of Fish and Wildlife; Agricultural Enterprises, Inc.; and Normandeau Associates. 1998.

*Phase II Report: Volume 2 of 2, Unimpounded River Sport Fishery During 1997-1998. Sport Fishery Use and Value on Lower Snake River Reservoirs.* Department of the Army. Corps of Engineers. Walla Walla District. Walla Walla, Washington.

U.S. Army Corps of Engineers. 1995.

*Columbia River System Operation Review, Final Environmental Impact Statement, Appendix O, Economic and Social Impact.*

U.S. Army Corps of Engineers. 1995.

*Columbia River System Operation Review, Final Environmental Impact Statement, Appendix J-1, Recreation Demand Model & Simulation Results.*

U.S. Army Corps of Engineers. 1995.

*Columbia River System Operation Review, Final Environmental Impact Statement, Appendix J, Recreation.*

U.S. Water Resources Council. 1983.

*Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies.* U.S. Government Printing Office.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Wade, W. W., G. M. McColister, R. J. McCann, and G. M. Johns. 1988.

*Estimating Recreation Benefits for Instream and Diverted Users of Waterflows of the Sacramento-San Joaquin Rivers Watershed.* Presented at the W-133 Meeting. Monterey, California.

Walsh, R. G., D. M. Johnson, and J. R. McKean. 1988.

*Review of Sport Fishing Economic Demand Studies with Nonmarket Benefit Estimates 1978-1988.* Colorado Water Resources Research Institute. Technical Report No. 54. Colorado State University, Fort Collins, Colorado.

Walsh, R. G., J. R. McKean, and D. M. Johnson. 1988.

*Benefit Transfer of Sport fishing Demand Studies, 1968-88.* Water Resources Research 28(3):707-713.

Walsh, R. G., G. L. Peterson, and J. R. McKean. 1989.

*Distribution and Efficiency Effects of Alternative Recreation Funding Methods.* Journal of Leisure Research 21:327-47.

Walsh, R. G., J. R. McKean, and D. M. Johnson. 1990a.

*Nonmarket Values from Two Decades of Research on Recreation Demand.* In *Advances in Applied Microeconomics*, Vol. V. V.K. Smith and A.N. Link Eds. JAI Press, Inc.: Greenwich, Conn. Pp. 167-194.

Walsh, R. G., L. D. Sanders, and J. R. McKean. 1990b.

*The Consumptive Value of Travel Time on Recreation Trips.* Journal of Travel Research 29:17-24.

Ward, F. A. 1983.

*Measuring the Cost of Time in Recreation Demand Analysis: Comment.* American Journal of Agricultural Economics 65:167-68.

Ward, F. A. 1989.

*Efficiently Managing Spatially Competing Water Uses: New Evidence from a Regional Recreation Demand Model.* Journal of Regional Science 29(2):229-46.

Ward, F. A. 1984.

*Specification Considerations for the Price Variable in Travel Cost Demand Models.* Land Economics 60:301-5.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Whitehead, J. C. 1991-92.

*Benefits of Quality Changes in Recreational Sport Fishing: A Single-Site Travel Cost Approach.* Journal of Environmental Systems 21(4):357-64.

Wilman, E. A. 1980.

*The Value of Time in Recreation Benefit Studies.* Journal of Environmental Economics and Management 7:272-86.

Wilman, E. A., and R. J. Pauls. 1987.

*Sensitivity of Consumers' Surplus Estimates to Variation in the Parameters of the Travel Cost Model.* Canadian Journal of Agricultural Economics 35:197-211.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**APPENDIX I--STATISTICAL CONCERNS FOR DEMAND CURVE ESTIMATION**

Truncated Poisson or truncated negative binomial regression is appropriate for dependent variables with count data (integer), and truncated negative binomial regression is used in this study (Greene, 1981; Creel and Loomis, 1990, 1991; Hellerstein and Mendelsohn, 1993). Because the data for the dependent variable (visits per year) are integers, truncated below one visit per year, equation estimation by ordinary least squares regression (OLS) is inappropriate. Truncation occurs when part of the data are excluded from the sample. The on-site survey excluded persons not consuming recreation at the study site. Maddala (1983) shows that the regression slopes estimated by OLS will be biased toward zero when the dependent variable data are truncated. The result is that the least squares method understates price elasticity<sup>18</sup> and overstates consumers' surplus.

Poisson and negative binomial regression functional form is mathematically equivalent to a logarithmic transformation of the dependent variable. Some of the independent variables are log transformed. The resulting functional form for these variables in the demand equation is double log. Out-of-pocket travel cost and several other independent variables are not transformed resulting in a semi-log functional form.

The significance of the coefficients in a Poisson regression can be greatly overstated if the variance of the dependent variable is not equal to its mean (overdispersion). The negative binomial regression does not have this shortcoming but the iterative solution process sometimes fails to converge.<sup>19</sup> Convergence was not a problem for this data set. Tests for overdispersion in the truncated Poisson regressions were conflicting. Tests developed by Cameron and Trivedi (1990), and shown in Greene (1992), were conducted. These tests did not indicate that overdispersion was present in the Poisson models estimated for this study. However, the t-values appeared inflated in the Poisson regressions. A second test is available by actually running the negative binomial regression. When the truncated negative binomial regression was estimated, the coefficient on the overdispersion parameter,  $\alpha$ , was 0.86 with a t-value of 11.15. This result provided strong evidence of overdispersion because the negative binomial model implies  $\text{var}(r)/E(r) = \{1 + \alpha E(r)\} = \{1 + 0.86 E(r)\}$  and our sample estimate of  $E(r)$  was 20.255 fishing trips from home to the reservoirs per year. The Poisson model assumption that  $\text{var}(r)/E(r) = 1$  is clearly violated. The t-values found in the truncated negative binomial model were much smaller than in the truncated Poisson model. That result was further evidence that Poisson model had overdispersion. Therefore, the truncated negative binomial regression technique was used in place of truncated Poisson regression.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**APPENDIX II--QUESTIONNAIRES**

DATE

FIELD(First\_Name) FIELD(Last\_Name)

FIELD(Address)

FIELD(City), FIELD(State) FIELD(Zip)

Dear FIELD(First\_Name) FIELD (Last\_Name),

Recently you helped the University of Idaho by participating in a use survey at FIELD(WhereContacted) on the Snake River. It is our understanding that you, or a household member who was present on the first survey, would be willing to assist this project by completing the attached "Follow-up" survey for a more in-depth view of the Snake River. The information you supply concerning the money you or your party spent in going to the recreation site, at the site, and returning home is of high importance for this study.

Please find enclosed a stamped pre-addressed envelope for mailing to the project home office.

Enclosed is a small token of our appreciation, for you to keep, for your participation in this effort to learn more about the use of the Snake River.

All information will be confidential and will be used only as totals with no individual names or information released to any person or agency.

Thank you for your assistance in completing the survey forms.

Sincerely,

Project Consultant

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

SPORT FISHER SURVEY SNAKE RIVER UPSTREAM FROM LEWISTON  
(OMB #0710-000 Expires September 30, 1998)

Thank you for agreeing to participate in this sport fisher survey. This questionnaire pertains to the Snake River, upstream of Lewiston, near where you were surveyed.

1. Circle one ... {mainly fish from boat} {mainly fish from bank}  
{equal amount from boat and bank}
2. Circle one ... stayed in: {camper} {trailer} {commercial campground} {motel}  
{with friends} {public campground} {didn't stay overnight} {other, describe:  
\_\_\_\_\_ }
3. How many hours per 24 hour day do you fish on average? \_\_\_\_\_ hours per day
4. Typically, how many days per year are you on fishing trips to the river where you were surveyed? \_\_\_\_\_ days per year
5. Typically, how many days per year are you on fishing trips to places other than the river where you were surveyed? \_\_\_\_\_ days per year
6. How many fish of all kinds do you typically catch per day at the river where you were surveyed? \_\_\_\_\_ fish per day
7. Circle all that apply ... What kind of fish do you typically catch?  
{steelhead} {rainbow trout} {northern pikeminnow} {channel catfish}  
{smallmouth bass} {other, describe other \_\_\_\_\_ }
8. How many miles (one-way) is it from your home to the river where you were surveyed?  
\_\_\_\_\_ miles one-way
9. Circle all that apply ... How did you travel to the Snake River fishing site upstream of Lewiston? {pickup truck} {car} {boat} {bus} {plane} {other, describe other \_\_\_\_\_ }
10. How many years have you fished on the lower Snake River? \_\_\_\_\_ years
11. How many days per year are you free from other obligations so that you could go fishing or undertake other recreation? \_\_\_\_\_ days per year
12. What is your total time (hours) away from home on a typical trip to the river where you were surveyed? \_\_\_\_\_ hours
13. What is the typical total cost to you of a trip to the river where you were surveyed including round trip transportation, equipment, supplies, food, accommodations, entertainment, etc.? \$ \_\_\_\_\_ cost to you.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

14. Please enter your typical hours away from home and typical trip cost (answered above) in the last row of the table below.

**Column 2:** please allocate hours away from home across the trip activities listed on the left.

**Column 3:** please allocate trip cost across the activities listed on the left.

(1) TRIP ACTIVITY	(2) HOURS AWAY FROM HOME	(3) TRIP COSTS IN DOLLARS
Fishing at the river		
Fishing at other sites than the river upstream of Lewiston during the trip		
Travel to and from the fishing site from your home		
Other recreation activities at the river		
Recreation at other places than the river during the trip		
Other Activities on Trip (explain below)*		
	TOTAL HOURS =	TOTAL DOLLARS =

\* Please describe other activities on trip

---

---

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

15. What is your occupation? Describe type of employment, or student, housewife, retired, unemployed, school teacher, truck driver, etc. \_\_\_\_\_
16. How many days of vacation, excluding weekends, do you typically take each year?  
\_\_\_\_\_ **days per year**
17. What is the one-way distance from your home to your most preferred alternative fishing site if you didn't fish upriver from Lewiston on the Snake River? \_\_\_\_\_ **miles one-way**
18. What is the name & location of your most preferred alternative fishing site?  
\_\_\_\_\_
19. Circle one ... Will you typically leave the site where you were surveyed for alternative reservoirs, lakes, or streams, if fishing conditions are bad here?  
{yes} {no}
20. If the answer to question 19 above is yes, what is the distance one-way from the site where you were surveyed to the alternate site? \_\_\_\_\_ **miles one-way**
21. For the kind of fishing you like to do, how many other sites besides the river where you were surveyed are available to you? \_\_\_\_\_ **other sites**
22. Typically, how many fishing trips per year do you take to the river where you were surveyed? \_\_\_\_\_ **trips per year**
23. What is your age? Circle one ... {less than 20} {20-25} {25-30} {30-35} {35-40}  
{40-45} {45-50} {50-55} {55-60} {60-65} {65-70} {70-75} {75-80}
24. Circle one ... Do you give up wage or salary income (*i.e.* non-paid vacation) when traveling to this site or while fishing at the site? {yes} {no}
25. If the answer is yes to question 24 above, how much income do you give up for a typical fishing trip to the river where you were surveyed? \$ \_\_\_\_\_
26. What is your current wage or salary income in \$ per year? Circle one ...  
{0-10,000} {10,000-20,000} {20,000-30,000} {30,000-40,000} {40,000-50,000}  
{50,000-60,000} {60,000-70,000} {70,000-80,000} {over 80,000}
27. What is your current pension, interest income, etc., in \$ per year? Circle one ...  
{0-10,000} {10,000-20,000} {20,000-30,000} {30,000-40,000} {40,000-50,000}  
{50,000-60,000} {60,000-70,000} {70,000-80,000} {over 80,000}



**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

**APPENDIX III--CODE FORMS FOR SPREADSHEET DATA FILES**

**Snake River Sport Fishing Travel Cost  
Code Page for Entry Into Microsoft Excel**

<b>For Column</b>	<b>Corresponding Question or Data From Survey</b>
A	Control Number  Mainly fish from...
B	1) Boat 2) Bank 3) Equal boat and bank  Stayed in...
C	1) Camper 2) Trailer 3) Commercial Camp 4) Motel 5) With Friends 6) Public Camp 7) Didn't stay over 8) Other
D	How many hours per day do you fish on average?
E	How many days per year are you on fishing trips to the river where surveyed?
F	How many days per year are you on fishing trips to places other than the river?
G	How many fish of all kinds do you typically catch per day at the survey location?  What kinds of fish do you typically catch (1=indicated, 0=not indicated)
H	Steelhead
I	Rainbow Trout
J	Northern pikeminnow
K	Channel Catfish
L	Smallmouth Bass

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

- M Other
- N How many miles (one-way) to river where surveyed?  
How did you travel to the fishing site?  
(Where 1 = circled and 0 = not circled)
- O Pickup Truck
- P Car
- Q Boat
- R Bus
- S Plane
- T Other
- U How many years have you fished on the lower Snake River?
- V How many days per year are you free from other obligations?
- W What is your total time (hours) away from home on a typical trip to the river?
- X What is the typical cost to you of a trip to the river where surveyed?
- Y 14a1 Hours Away: Fishing at the river
- Z 14a2 Dollars of Trip Costs: Fishing at the river
- AA 14b1 Hours Away: Fishing at other sites than the river
- AB 14b2 Dollars of Trip Costs: Fishing at other sites than the river
- AC 14c1 Hours Away: Travel to and from the lower Snake region
- AD 14c2 Dollars of Trip Costs: Travel to and from lower Snake region
- AE 14d1 Hours Away: Other recreation at the river
- AF 14d2 Dollars of Trip Costs: Other recreation at the river
- AG 14e1 Hours Away: Recreation at other places than the river
- AH 14e2 Dollars of Trip Costs: Recreation at other places than the river
- AI 14f1 Total Hours
- AJ 14f2 Total Dollars

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

Occupation

- AK
- 1) Retired
  - 2) Student
  - 3) Unemployed
  - 4) Self-employed
  - 5) Hourly wage earner
  - 6) Professional
  - 7) Housewife
  - 8) Other

AL How many days of vacation do you take each year?

AM What is the one-way distance from home to most preferred alternative site?/TD

Will you typically leave the site if fishing is bad?

- AN
- 1) Yes
  - 2) No

AO If the answer is yes, what is the distance one-way from the river to the alternate?

AP For the kind of fishing you like, how many other sites are available to you?

AQ How many fishing trips per year do you take to the river where surveyed?

What is your age?

- AR
- 0) less than 20
  - 1) 20-25
  - 2) 25-30
  - 3) 30-35
  - 4) 35-40
  - 5) 40-45
  - 6) 45-50
  - 7) 50-55
  - 8) 55-60
  - 9) 60-65
  - 10) 65-70
  - 11) 70-75
  - 12) 75-80

AS Do you give up wage or salary income?

- 1) Yes
- 2) No

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

- AT            If yes, how much?
- What is your current wage or salary income?
- 0) 0-10,000  
                  1) 10,000-20,000  
                  2) 20,000-30,000  
AU            3) 30,000-40,000  
                  4) 40,000-50,000  
                  5) 50,000-60,000  
                  6) 60,000-70,000  
                  7) 70,000-80,000  
                  8) Over 80,000
- What is your current pension or interest income?
- 0) 0-10,000  
                  1) 10,000-20,000  
                  2) 20,000-30,000  
AV            3) 30,000-40,000  
                  4) 40,000-50,000  
                  5) 50,000-60,000  
                  6) 60,000-70,000  
                  7) 70,000-80,000  
                  8) Over 80,000

---

<sup>1</sup>Swallows Nest Park, Hells Gate Park, and Chief Looking Glass Park are all located on the Lower Granite reservoir.

<sup>2</sup>The competitive market equilibrium is economically "efficient" because total consumer benefits are maximized where marginal cost equals marginal benefits. If marginal costs exceed marginal benefits in a given market, "rational" consumers will divert their spending to other markets.

<sup>3</sup>Travel cost models are incapable of predicting contingent behavior and involve current users. Another set of economic models, contingent behavior and contingent value models, are typically used for projecting behavior or measuring non-use demands.

<sup>4</sup>It is possible that some anglers might select a residence location close to the reservoirs to minimize cost of travel (Parsons, 1991). The travel cost model assumes that this doesn't happen. If anglers locate their residence to minimize distance to the reservoir fishing site, then the assumption that travel cost is exogenous is invalid, and a simultaneous equation estimation technique would be required.

<sup>5</sup>The personal interview surveys had sample sizes of 200 and 150, while this survey had 247 useable responses. Sample size has varied widely in published water-based recreation studies. Ward (1989) used a sample of 60 mail surveys to estimate multi-site demand for water recreation on four reservoirs in New Mexico; Whitehead (1991-92) used a personal interview sample of 47 boat anglers for his fishing demand study on the Tar-Pamlico River in North Carolina; Laymen, *et al.* (1996) used a sample of 343 mail surveys to estimate angler demand for chinook salmon in Alaska.

<sup>6</sup>An added advantage of not using income to measure opportunity time value is that colinearity between the time value component of travel cost and the income constraint should be greatly reduced.

<sup>7</sup>Although the equilibrium labor market model requires that the marginal effects of out-of-pocket cost and income foregone on quantity demanded be equal, empirical results often fail to support the model if the two components of price are entered separately in a regression.

**Preliminary Draft Document - Subject to Change  
For Informational Purposes Only - Not for Comment**

<sup>8</sup>Bias in the consumer surplus estimate, created by exclusion of important closely related goods prices, depends on the sign of the coefficient on the excluded variable, and the distribution of trip distances (McKean and Revier, 1990). Exclusion of the price of a closely related good will bias the estimate of both the intercept and the demand slope estimate (Kmenta, 1971). Both these effects bias consumer surplus. Since the expression for consumer surplus generally is nonlinear, the expected consumer surplus is not properly measured by simply taking the area under the demand curve. The distribution of trips along the demand function can affect the bias in consumers surplus, depending on the combination of intercept and slope bias created by the underspecification of the travel cost demand. Both intercept and slope biases *and* the trip distribution must be known in order to predict the effect of exclusion of the price of a related good on the consumer surplus estimate.

<sup>9</sup>L in front of the variable indicates a log transformation.

<sup>10</sup>Several employment categories were empty or nearly empty. The categories were retired (17.4%), student (2.4%), unemployed (0.4%), self-employed (11.3%), hourly wage earner (24.3%), professional (33.6%), housewife (0.0%), and all other (10.5%).

<sup>11</sup>Price elasticity with respect to travel time is defined as the percentage reduction in quantity demanded (trips per year) for a 1-percent increase in time required to travel from home to the fishing site.

<sup>12</sup>Elasticity refers to the percentage change in the dependent variable (trips) caused by a 1-percent change in the independent variable (unless otherwise noted).

<sup>13</sup>Let the regression equation be  $\ln(r) = \alpha_1 + \alpha_2 D + \alpha_3 \ln(Z)$  where Z represents all the continuous independent variables. The equation can be written as  $r = e^{(\alpha_1 + \alpha_2 D)} Z^{\alpha_3}$ . Elasticity of r with respect to D is defined as  $\Omega = (\% \text{ change in } r) / (\% \text{ change in } D) = (\Delta r / r) / (\Delta D / D) = \alpha_2 e^{(\alpha_1 + \alpha_2 D)} Z^{\alpha_3}$ ; D can be 0, 1, or E(D); and r is defined above. Elasticity reduces to  $\Omega = \alpha_2 D$ . Thus,  $\Omega$  becomes zero if D is zero and  $\Omega$  takes the value  $\alpha_2$  if D is one.

<sup>14</sup>See [Appendix I](#) for a discussion of the statistical methodology.

<sup>15</sup>Adjustment for non-response bias in the reservoir angler travel cost study resulted in an increase of 16.7 percent in the estimated number of unique anglers.

<sup>16</sup>The difference in the value of fishing is believed reliable because the same economic model and estimation techniques were applied to the reservoirs and the free-flowing Snake River.

<sup>17</sup>An alternate approach is to separate the decision process into two parts. The potential visitor fish decides whether or not to visit the site. For those who decide to visit the site, a second decision is made on the number of visits per year. Two-stage estimation techniques such as Tobit, Heckman, and Cragg models do not account for the integer nature of the recreation trips variable, resulting in significant error (Mullahy, 1986).

<sup>18</sup>Price elasticity is defined as the percentage change in quantity demanded (trips) caused by a 1-percent change in money trip price (out-of-pocket cost of a trip).

<sup>19</sup>The distinguishing characteristic of many recent non-linear econometric estimation techniques is that they have no explicit analytical solution. In such cases, an iterative numerical calculation approach is used (Cramer, 1986).