

RECREATIONAL FEE DEMONSTRATION PROGRAM

Progress Report to Congress

Volume I — Overview and Summary

Submitted by the

U.S. Department of the Interior

**National Park Service
U.S. Fish and Wildlife Service
Bureau of Land Management**

U.S. Department of Agriculture

Forest Service

January 31, 1998

Table of Contents

I. Introduction	1
Background	1
National Park Service	2
U.S. Fish and Wildlife Service	2
Bureau of Land Management	3
USDA Forest Service	3
Interagency Coordination	4
Regular Meetings of National Fee Managers	4
Common Approach to Evaluation of the Program	5
Implementation of Joint Projects	5
Joint Participation at Training Conferences and Training	6
Summary of Initial Visitor Reactions	7
Public Communications Regarding the Fee Demonstration Program	7
Visitor Reactions	8
Before-After Data	9
Number of Visits	10
National Park Service	11
U.S. Fish and Wildlife Service	12
Bureau of Land Management	12
USDA Forest Service	13
II. Fee Collection Approaches and Revenues	14
National Park Service	17
U.S. Fish and Wildlife Service	18
Bureau of Land Management	18
USDA Forest Service	19
III. Cost of Recreation Fee Collection	21
National Park Service	22
U.S. Fish and Wildlife Service	23
Bureau of Land Management	24
USDA Forest Service	24
IV. Backlog and Enhancement Projects	25
National Park Service	25
U.S. Fish and Wildlife Service	25
Bureau of Land Management	26
USDA Forest Service	27

V. Lessons Learned	28
Distinction Between Entry Fees and User Fees	28
Negotiating Regional and Multi-Agency Entrance Fees	29
Multiple Expectations about Recreation Fees	30
Startup Costs for New Fees	33
Cash Management and Employee Safety	34
Compliance Regarding Payment of Fees	34
Public Information Efforts	34
Inequities Within or Among Agencies	35
Agency Liability	35
Project Tracking Systems	35
Implementing First Time Fees	36
VI. Suggestions for Legislative and Management Improvements	37
Provide Flexibility to Tailor Fee Programs to Specific Needs	37
Recognize the Importance of Incentives	37
Address Equity Issues Related to Unequal Distribution of Revenues	38
Support Partnerships Across Agencies and Levels of Government	38
Reconcile Any New Fee Programs with Previous Statutes	38
Take into Account Implementation Time	39
Consider Broadening the Fee Demonstration Effort	39

Recreational Fee Demonstration Program Annual Report to Congress

Executive Summary

Congress authorized the Recreational Fee Demonstration Program to begin on October 1, 1995 and to end on September 30, 1998, and later extended the program for an additional year. The program authorizes the National Park Service, Bureau of Land Management, U.S. Fish and Wildlife Service, and USDA Forest Service to implement and test new fees across the geographic and programmatic spectrum of sites that they manage. Importantly, the program allows the participating agencies to retain all of the demonstration project revenues, and to retain at least 80 percent of the revenues at the sites where they are collected. These revenues yield substantial benefits because they provide on-the-ground improvements at local recreation sites.

As of September 30, 1997, there were 97 National Park Service demonstration projects, ten Bureau of Land Management projects, 61 U.S. Fish and Wildlife Service projects, and 40 USDA Forest Service projects. The agencies collected \$138,775 thousand in revenues from all recreation fee sources during the first year of the program at Recreational Fee Demonstration Program sites. This represents an increase of \$53,493, or 61 percent, from revenues the previous year, a gain that is attributable to the Recreational Fee Demonstration Program. It is clear that substantial gains can be made in generating revenues from recreation sites.

As a result of the Recreational Fee Demonstration Program, the agencies are beginning to apply the revenues to backlogged projects and to improving public services on the fee demonstration sites. The National Park Service is using the new revenues to reduce backlog needs in maintenance, infrastructure, and resource management, as identified in the Department of the Interior's ongoing efforts to establish clearer priorities. The U.S. Fish and Wildlife Service is using the revenues to improve visitor services and facilities, such as boat docks and ramps, auto tour routes, information kiosks, exhibits, signs, brochures, and trail guides. The Bureau of Land Management is using the revenues to improve campgrounds, parking areas, visitor services, site access, safety and health services, and environmental protection. The USDA Forest Service is using fee demonstration funds to provide quality recreation settings, reduce maintenance backlogs, and provide enhanced public services.

Public acceptance of the program has been generally high. There has been strong public support for retaining fee revenues at the site to improve visitor services and not return revenues to the United States Treasury. In a National Park Service survey of visitors, 85 percent indicated that they were either satisfied with the fees they paid or thought the fees were too low. In a USDA Forest Service survey, 64 percent agreed with the statement that the opportunities and services they experienced were at least equal to the fee they paid. Visitation to the fee demonstration sites does not appear to have been significantly affected, either positively or negatively, by the new fees.

The flexibility provided to the agencies has resulted in innovative approaches to fee collection, and a high level of responsiveness to the public in the design and implementation of fee programs. The ability to retain funds for visitor improvements at the site has given agency personnel a strong

incentive to work with the public on revenue generation, and is the source of public support to the fee program. It is important that future fee programs contain these agency and public incentives, and that they provide flexibility to tailor fee programs to specific needs and situations and to address revenue inequities. Permanent statutory authorization would allow agencies to strengthen multi-agency and multi-governmental fee arrangements and make the long-term plans and investments in fee collection infrastructure needed for an efficient fee program. It would also provide the stability for agencies to establish procedures for collecting, tracking, and allocating fee receipts in a clear, accountable manner.

Several issues remain that the agencies will be working through over the course of the Recreational Fee Demonstration Program. These include:

- Incentives—What is the best way simultaneously to retain strong incentives for local managers to collect fees, incentives for the public to support the fees, and management flexibility to consider agency-wide, as well as local, backlog priorities?
- Revenue sharing—What are the fairest and most effective ways to share fee collection costs and fee revenues among the agencies participating in joint fee arrangements?
- Uses of fee revenues—What is the best way to insure that revenues raised by fees enhance and supplement recreation facilities services and do not become a substitute for operational funding through the regular appropriation process?
- Cost of collection—What are the most effective approaches for minimizing the costs of fee collection relative to fee revenues?
- “Seamless” fees—How can we reduce the number of fees faced by the recreating public while at the same time tailoring fee programs to specific situations and locations?

Recreational Fee Demonstration Program Annual Report to Congress

I. Introduction

Background

Congress authorized the Recreational Fee Demonstration Program in section 315 of the Omnibus Consolidated Rescissions Act of 1996 (P.L. 104-134) and amended the program under Public Law 104-108 and Public Law 105-18. Four federal land management agencies—the National Park Service, Bureau of Land Management, U.S. Fish and Wildlife Service, and USDA Forest Service—were mandated to implement a Recreational Fee Demonstration Program. This project allowed these agencies to test new fees across the geographic and programmatic spectrum of sites that they manage. Initially, the agencies were to retain all of the new fees in excess of a base figure, with 80 percent of the retained fees to be used at the sites where they were collected, and 20 percent to be distributed nationally to any site under the administrative jurisdiction of the collecting agency. The Interior Appropriations Act for FY 1998 removed the base year requirement, thus allowing the agencies to retain all of the recreation fee revenues, not just the additional revenues in excess of FY 1994 collections.

Originally, Congress authorized the Recreational Fee Demonstration Program to begin on October 1, 1995 and to end on September 30, 1998, and mandated a final report to be submitted to Congress on March 31, 1999. The original schedule was designed to allow agencies time after completion of the demonstration program to prepare an evaluation report. Subsequently, Congress extended authorization of the program by one year, to end on September 30, 1999, but did not extend the date for the final report. Thus, the agencies currently are working to meet the final reporting deadline of March 31, 1999, though to do so means that the report will not reflect findings from the last year of the demonstration project.

As of September 30, 1997, there were 97 demonstration projects underway or planned at National Park Service sites. The U.S. Fish and Wildlife Service had 61 approved demonstration sites underway in FY 1997, with an additional 10 sites to begin in FY 1998, all but one of which are on units of the National Wildlife Refuge System. The Bureau of Land Management had ten projects underway in FY 1997, with more planned for FY 1998. The USDA Forest Service had 40 projects operating in FY 1997, and plans to add 45 additional demonstration projects in FY 1998. Preliminary assessments were conducted by the National Park Service and the USDA Forest Service during 1997. All four agencies have evaluation projects underway, and will conduct field evaluations during the 1998 visitor season.

The FY 1997 Interior Appropriations Act requires the land management agencies to prepare a joint report by January 31, 1998, with information on fee collections in FY 1997 and estimates for FY 1998, backlog projects, methods of fee collection, lessons learned, and suggestions for legislative and management improvements. This progress report is intended to meet that interim reporting requirement.

National Park Service. The National Park System contains 376 units comprising a total of more than 83 million acres. Fee collection in the national parks dates to 1908, when an auto permit fee was established in Mount Rainier National Park. In recent years, recreation fees have been collected under the authority of the Land and Water Conservation Act of 1965 (as amended), under which all fee revenues were returned to the U.S. Treasury and thus included, indirectly, in the Service's annual appropriation. Fees have also been collected for special park uses under 16 U.S.C. 3(a) and 31 U.S.C. 3701, in accordance with OMB Circular A-25. Under this authority, the National Park Service has recovered the costs incurred for providing special park uses, but has returned to the U.S. Treasury any revenues in excess of costs.

In FY 1996, the National Park Service collected a total of \$77.8 million in recreation fee revenues. In FY 1997, fee collections rose to \$122.2 million, resulting in \$45.1 million being returned by the National Park Service under the Recreational Fee Demonstration Program for use in the parks. The National Park Service has determined that the majority of new recreation fee revenues will be dedicated to reducing identified backlogged maintenance, infrastructure, and resource management needs. Some of the demonstration fee revenue will also be reinvested in infrastructure and new collection methodologies to prepare additional areas to collect fees and provide for overall collection efficiency across the Service. Recreation fee revenue will not be used to fund permanent staff salaries and expenses, except for those salaries directly involved in the collection of fees.

A full evaluation of the National Park Service's Recreational Fee Demonstration Program will be conducted using contracts with universities. Every demonstration project will be evaluated for collection efficiency, visitation trends, revenue generation, and revenue expenditures. A dozen case studies will be conducted at a cross section of the projects to sample public opinion on the new fees. Three in-depth case studies will be conducted to look at whether the new fees have had an impact on local and regional economies or whether the fees have affected visitation by various socioeconomic groups. For each major project, the National Park Service will prepare a capital asset plan that specifies up-front the project's cost, schedule and performance goals.

U.S. Fish and Wildlife Service. The U.S. Fish and Wildlife Service has a system of over 500 national wildlife refuges and 65 national fish hatcheries located in all 50 States, comprising a total of nearly 92 million acres. These areas are managed principally to conserve fish and wildlife, but also provide opportunities for wildlife-dependent recreation that is compatible with refuge purposes. The U.S. Fish and Wildlife Service was first granted authority to charge recreation fees in 1965 under the Land and Water Conservation Act. In 1986, authorization for entrance fees was included in the Emergency Wetlands Resources Act, which provided that 70 percent of the fees collected be used for nationwide acquisition of refuge lands and 30 percent to offset refuge operational and fee collection costs.

In FY 1996, the 65 units that charged entrance and/or user fees collected approximately \$2.2 million, of which 30 percent, or \$653,000, was available to field stations. In FY 1997, under the fee demonstration program, an additional 35 sites began collecting recreation fees for the first time. Collections from all Service sites rose to \$2.9 million, of which \$2.1 million were available for use on U.S. Fish and Wildlife Service lands. Funds remaining after recovering collection costs will be used to improve and enhance visitor services and facilities such as boat docks and ramps, auto tour routes, information kiosks, exhibits, signs, brochures, and trail guides.

The visitor portion of the evaluation for the U.S. Fish and Wildlife Service's Recreational Fee Demonstration Program will be conducted in 1998 under a memorandum of agreement with the Midcontinent Ecological Science Center of the U.S. Geological Survey. Visitor surveys will be conducted on approximately 16 wildlife refuges during peak use and activity seasons, which usually correspond with the highest concentrations of wildlife use. The U.S. Fish and Wildlife Service will conduct its own evaluation of the management and implementation aspects of the Recreational Fee Demonstration Program.

Bureau of Land Management. The Bureau of Land Management manages the remainder of the original public domain, a total of 264 million acres of public land. Collection of recreation fees began in the Bureau with a 1972 amendment to the Land and Water Conservation Fund Act. This Act authorized the Bureau to issue permits with fees for special uses such as group activities, major recreation events, or motorized recreation vehicle use, and to levy fees for certain recreation sites and facilities. In 1989, the Omnibus Budget Reconciliation Act gave the Bureau the authority to return fee revenues to the area of collection, with a legislative limit on the amount that the Bureau could retain. The Bureau of Land Management was authorized to charge entrance fees at its eight National Conservation Areas through the FY 1993 Omnibus Budget Reconciliation Act.

The Bureau of Land Management collected recreation fees totaling \$3.3 million in FY 1996, and \$3.7 million in FY 1997. The new fee projects under the Recreational Fee Demonstration Program generated \$419,000 in FY 1997. The demonstration project revenues will be used to improve or expand campgrounds, maintenance and operations, parking areas, visitor services, environmental protection, safety and health services, and access.

The evaluation of the Bureau of Land Management's Recreational Fee Demonstration Program will be conducted by the Pacific Consultant Group, which is currently assisting the Bureau with its customer service evaluations. The Bureau's evaluation effort will use two methods in FY 1998: 1) all pilot recreation fee areas will use a customer service comment card to obtain feedback from users, and 2) the Bureau will use a more formal survey instrument at a representative sample of the pilot recreation fee areas to collect detailed information.

USDA Forest Service. The Department of Agriculture's Forest Service manages 191.6 million acres of national forests and grasslands across the United States. The 154 national forests provide a wide range of natural resource values in diverse areas such as minerals, timber, wildlife, range and recreation. The agency manages over 23,000 developed recreation facilities, including campgrounds (over 4,000), trailheads, picnic areas, boat ramps and visitor centers. More than 120 major ski areas are managed under special use permits. There are 412 units of the National Wilderness Preservation System, totaling 34.7 million acres, and over 100,000 miles of designated trails located within national forests.

In FY 1996, approximately 800 million recreation visits were recorded on the national forests. Historic fee programs established under the Land and Water Conservation Fund Act, resulted in approximately \$10 million in user fees. User fee collections have been declining in recent years because many developed sites have been turned over to concession management. The USDA Forest Service collects an additional \$37.5 million from special use permits for such activities as ski areas,

outfitters and guides, and recreation residences. Essentially all these funds in excess of a 25 percent contribution to local counties are returned to the General Treasury.

The USDA Forest Service began implementation of the Recreational Fee Demonstration Program in June 1996, and by the end of FY 1996 collected \$20,095 from four small projects. FY 1997 collections from the 40 operating fee demonstration projects rose to \$8,721,664, of which \$7,736,002 was deposited to Treasury fee demonstration accounts by September 30, 1997. The million dollar difference is due to the time lag that exists between fee collection and actual Treasury account deposits. The difference will be accounted for in FY 1998 Treasury deposits. An additional 45 or more projects are expected to begin recreation fee collections in FY 1998 or 1999. Funds generated under the Recreational Fee Demonstration Program are all in addition to the historic fee collections under the Land and Water Conservation Act.

The USDA Forest Service is using fee demonstration funds to provide quality recreation settings, reduce maintenance backlogs, and provide enhanced public services. Decisions on what work to undertake are guided by the community assessments, project business plans, and public communication plans developed by each project. Local community concerns, user comments and existing backlog information are the key elements used to decide how to assign spending priorities. Some projects are hiring term, seasonal and other temporary employees with recreation fee revenues, to work on backlog reductions, enhanced services and fee collection. In no case are recreation fee demonstration funds used to hire permanent employees.

Each individual project has a business and communication plan that serves as the official authority for the project. These plans are dynamic documents that require ongoing project monitoring and change as the project moves forward and as lessons are learned. This process has proved very effective in project implementation and in adding a professional business focus. Public comments are sought at the national level through a sampling approach using comment cards, and by a variety of means at the local level. More detailed formal studies are either underway or planned, which will examine user reactions to the new fees both before and during the Recreational Fee Demonstration Program.

Interagency Coordination

The Recreational Fee Demonstration Program required close coordination among the four agencies involved in the program. The agencies made a serious effort to work closely both in implementing the projects and evaluating the program. Examples of coordination efforts include:

Regular Meetings of National Fee Managers. The fee managers began early in the process to meet on a regular basis to discuss plans, problems, and solutions related to implementation of the program. Those meetings, which are still being held regularly, formed the basis for resolution of problems, indirectly through sharing of information, and directly through appropriate action on joint projects. As an example, at one of the meetings, two national fee managers of different agencies were able quickly to facilitate resolution of a problem that their local managers were having in negotiating a joint recreation fee program. The fee managers agreed upon a common definition of the cost of fee collections that all would use to compare data across agencies and share experiences on the most effective means of collecting fees. In addition, the managers produced a phone and mailing list of key

persons involved in implementing and evaluating the Recreational Fee Demonstration Program. The managers collaborated in developing this report, and are preparing common approaches for the evaluation that will form the basis for the final report to Congress.

Common Approach to Evaluation of the Program. Fee managers prepared common guidance for those who would be responsible for evaluating the fee programs so that evaluations would be comparable from agency to agency. The fee managers developed a set of common core questions for the visitor surveys; the questions were included in subsequent work statements for evaluation contracts. The fee managers also developed a common format for management information, including revenues, cost of collections, implementation problems and solutions, recreation visitation, and other management issues. Fee managers keep each other apprised of their evaluation efforts, and share interim findings. In one instance, for example, when the USDA Forest Service informed the other agencies of its initial survey of visitor responses to the new fees, the Bureau of Land Management was able to adapt the USDA Forest Service questionnaire for its own use, thus saving both time and money. Fee managers keep each other apprised of progress, and inform their evaluation contractors about the evaluation projects in other agencies. Within the Department of the Interior, the Office of Policy Analysis has been designated to coordinate development of a single evaluation report from the Department of the Interior. The USDA Forest Service participates with the Interior agencies in this coordinated effort.

Implementation of Joint Projects. Some recreation fee demonstration projects are conducted jointly by two or more participating agencies. Examples of joint projects include:

- At a national level, the four agencies joined in increasing the price of the Golden Eagle passport, from the original price of \$25 per year to \$50 per year.
- In the fall of 1996, an interagency working group was formed to develop a coordinated proposal to charge fees at recreation sites within the South Fork of the Snake River corridor. The working group is comprised of representatives from agencies that are responsible for managing recreation access sites along this section of the Snake River, including the Bureau of Land Management, USDA Forest Service, Bureau of Reclamation, Bonneville County, Jefferson County, Madison County, the Idaho Department of Fish and Game, and the Idaho Department of Parks and Recreation. The South Fork of the Snake River corridor includes ten diverse recreation sites that are in varying stages of development. The fees will be collected and deposited in a single account. The interagency working group will prioritize operation and maintenance needs for the following season and determine appropriate distribution of funds. The working group plans to assess the needs of the corridor as a whole, rather than focusing on particular recreation sites.
- Paria Canyon, its tributaries Buckskin Gulch and Wire Pass, and the Coyote Buttes area are part of the larger Paria Canyon-Vermillion Cliffs Wilderness, designated in August 1984. This pilot site consists of a three-way partnership among the Bureau of Land Management, the Arizona Strip Interpretive Association, and the Northern Arizona University. The Association will handle public information efforts, the University will handle reservations, permits, and fee collections, and the Bureau of Land Management will provide project oversight, ongoing, management, and fee demonstration project reporting.

- Tent Rocks Area of Critical Environmental Concern, located 45 minutes from Albuquerque and Santa Fe, New Mexico, is well known for its unique geologic tent formations. A “win-win” partnership was forged between the Bureau of Land Management and the Pueblo of Cochiti in which the Pueblo grants public access to the site through Pueblo property in exchange for co-management responsibility and revenue sharing. The Bureau of Land Management provides 20 percent of the revenues for a Pueblo scholarship fund and will fund a part-time position to monitor and patrol the national recreation trail in order to protect resources and provide for environmental education programs.
- Along the Green River in Wyoming, between Fontenelle Dam and the Firehole Campground, an interagency agreement was developed among the U.S. Fish and Wildlife Service’s Seedskadee National Wildlife Refuge, USDA Forest Service, Bureau of Reclamation, and Bureau of Land Management. Under the agreement, the U.S. Fish and Wildlife Service manages a permit program for all of the commercial fishing outfitters using the area, with the other agencies coordinating a comprehensive river study and management program.
- The Allegheny Portage Railroad National Historic Site and Johnstown Flood National Monument have a shared admission fee and partnership pass with the Allegheny Ridge State Historic Park and other local partners.
- The USDA Forest Service’s Mount Evans scenic mountain area, near Denver, is accessed by a highway managed by the County of Denver. The entrance station is located on City of Denver land leased with fee demonstration receipts. The cooperative relationship provides the public with an integrated recreation experience of the highest quality.
- The Timpanogos Cave National Monument in Utah has a joint admission fee with the adjacent Uinta National Forest for the American Fork Canyon area.
- The unique Pack Creek Bear viewing area, located on Admiralty Island in the Tongass National Forest in Southeast Alaska, is jointly managed by the USDA Forest Service and the Alaska State Department of Fish and Game. Though fees are charged by each agency, the public is subjected to a single fee only, with revenues being used to provide a safe and enjoyable experience for both people and bears.

Joint Participation at Training Conferences and Training. When the National Park Service brought its local fee managers to Washington, D.C., for a training conference on implementation of the new Recreational Fee Demonstration Program, the Service invited fee managers from the other participating agencies to attend and to make presentations. At a workshop on recreation fees in the National Parks, presentations highlighting their own programs were made by the USDA Forest Service and the Bureau of Land Management. The USDA Forest Service and Bureau of Land Management held a joint workshop on fee management, in conjunction with individual agency workshops on recreation management and a conference of the National Association of Recreation and Resource Planners (April 1997, Salt Lake City). Several presentations at the workshop were made jointly by personnel from the agencies participating in the Recreational Fee Demonstration Program. The USDA Forest Service is planning a national fee demonstration workshop in February 1998 that will include representatives from all recreation fee demonstration agencies.

Summary of Initial Visitor Reactions

The final report to Congress on the Recreational Fee Demonstration Program will detail visitor reactions to the new fees. In addition, the report will evaluate the extent to which fees in general, or specific types of fees, affected visitor attitudes or visitor use of fee areas. These detailed evaluations will take place during the 1998 visitor season in each of the four agencies. However, some preliminary data from the 1997 are available, and are summarized below. In general, these data indicate that visitors are overwhelmingly supportive of the fee program, and that visitation to recreation fee sites has not suffered appreciably as a result of the fees.

Public Communications Regarding the Fee Demonstration Program. As the fee demonstration program was getting underway, the National Park Service entered into a cooperative agreement with the University of Minnesota Cooperative Park Studies Unit to monitor public reactions to the new fees. The findings of detailed content analysis of public communications related to National Park Service fees were reported in November 1997.¹

Of the 484 pieces of correspondence to central offices and demonstration parks that were analyzed, public correspondence ran about two to one against the new fees. Thirty-one percent expressed some measure of support and 67 percent expressed opposition. Slightly over half of the people (53 percent) commenting on fees in general indicated support. However, a high percentage (83 percent) of those commenting on specific fees, such as entrance fees, were opposed to them. It should be noted that much of the correspondence focused on specific fees for river rafting through Grand Canyon National Park. These fees were implemented as special park use fees under a different authority than the Recreational Fee Demonstration Program.

In their correspondence, people expressed a wide range of concerns, such as the acceptability of fees in general (64 percent) and equity issues relating to unequal impacts on certain segments of society (42 percent). Other concerns included concerns about the level of fees (e.g., too high for a short visit) and concerns about the impact of fees on commercial operators such as tour busses and local businesses.

While these data are instructive, they should be used cautiously. First, people who take the time to write and express their views are likely to be those holding a more extreme view on either side of the issue, particularly those who are opposed to the new fees. There would be little reason for people who hold neutral views or who generally accept the fees to take the time to write to an agency or to Congress. Second, subsequent findings from surveys of park visitors indicate a much more positive reaction to the fees.

Visitor Reactions. Visitor reactions observed after implementation of the Recreational Fee Demonstration Program were generally positive. In a National Park Service survey in 11 parks

¹Allen L. Lundgren, David Lime, Cynthia A. Warzecha, and Jerrilyn L. Thompson, University of Minnesota Cooperative Park Studies Unit, *Content Analysis of Correspondence Received by the National Park Service Regarding the Recreational Fee Demonstration Program*, Final Report, November 1997.

during the summer of 1997, a total of 1,306 visitors either completed a self-administered questionnaire, or took part in focus group discussions. In addition, interviewers had informal discussions about the new fees with at least 300 additional visitors, park staff, and concessionaire personnel.² Overall, 83 percent of all respondents said they were either satisfied with the fees they paid or thought the fees were too low, with a range of acceptance across the 11 parks from a low of 73 percent to a high of 96 percent. An overwhelming 96 percent of respondents said the fees would not affect their current visit or future plans to visit the park. The remaining four percent said that, because of the new fees, they would visit the park less often in the future.

The strong support that visitors gave to the new fees was related to their strong preference that most or all of the fee revenues remain in the park in which they were collected, to improve visitor services or protect resources, rather than be returned to the United States Treasury.

Similar findings were reported by the USDA Forest Service. When forest customers purchased a fee permit at any test site, they were given the opportunity to respond to a customer "Comment Card." On a five-point scale, from "strongly agree" to "strongly disagree," 64.4 percent of the respondents either agreed or strongly agreed with the statement that the opportunities and services they experienced were at least equal to the fee they paid. However, a substantial number (23.8 percent) disagreed with the statement. The results were about the same for the statement that recreationists should help pay for visitor services on public lands by paying recreation fees.

While public responses were substantially positive with regard to the recreation fee demonstration project, and similar to findings in the National Park Service, caution should be exercised in interpreting these results. The comment cards were strictly voluntary, and respondents were not selected according to the strict standards of statistical sampling. Usually, people who fill out comment cards feel strongly one way or the other. The results bear this out, for there were few responses (usually less than ten percent) in the middle, or "neutral," category.

In spite of these cautions, the results of this preliminary survey can serve as a rough indication of how visitors to the national forests reacted to the fees. The written comments can be used to better understand what people would like to see in the way of improvements, and to raise "red flags" that might direct the attention of the USDA Forest Service to particular customer service issues. The data suggest that the agency should develop a communications package that explains why user fees are needed in addition to the taxes already paid, that emphasizes how the majority of the revenues will be used at the sites to accomplish backlog reduction and enhancements, and clearly explains the visitor amenities that were provided by the fees. The survey to be conducted during the 1998 recreation season will have a stronger scientific basis, and the findings will be presented in the final report to Congress on the Recreational Fee Demonstration Program. Each USDA Forest Service project is also required to identify and track local public comments on the fee program; some of these results are summarized in Appendix D.

²Allen L. Lundgren and David W. Lime, University of Minnesota Cooperative Park Studies Unit, *Monitoring 1997 Park Visitor Reactions to the National Park Service Recreational Fee Demonstration Program*, Research Summary No. 10, December 1997.

In addition to listening to visitor reactions, the agencies will seek responses from concessioners and local businesses that are affected by fees and explore ways to incorporate this feedback into future practices.

Before-After Data. The four agencies were not able to conduct systematic visitor evaluations *prior to* the Recreational Fee Demonstration Program in order to obtain “before” data. However, studies conducted independent of the Recreational Fee Demonstration Program provide useful data. One pre-demonstration visitor survey involved users to the four urban national forests in Southern California (Angeles, Cleveland, Los Padres, San Bernardino) known collectively as the Enterprise Forest.³ At the time the survey was conducted, slightly less than half the visitors believed that the then-proposed fees for use of the national forests were reasonable. When asked if a charge would influence the number of visits they made to the national forests, 39 percent said it would not, and 16 said it would. Those visitors who had paid previously to enter public recreation sites were more likely to say that their future visitation would not be affected by a fee.

A second pre-demonstration project study conducted relative to the Enterprise Forest was based on ten focus groups, for which membership was based upon ethnic origin, recreational interests, or proximity of their residence to the forests.⁴ Approximately 30 percent of the participants thought there should be no daily fee at all, while half felt a fee ranging from \$1.00 to \$5.00 was reasonable. A majority opposed the pilot fee program that was proposed for the Enterprise Zone. Their opposition was based not on the specific fee proposed, but on a general belief that the government cannot be trusted to implement the program fairly.

In a 1993 study by the U.S. Army Corps of Engineers in Missouri and Tennessee,⁵ visitors were surveyed before and after recreation fees were imposed. Before the fees, almost half of the visitors stated that, if the Corps charged a day-use fee, they would no longer visit their day use areas. Despite these findings, visitation increased after the fee was imposed. Based on indirect measures, the researchers concluded that little displacement of visitors had taken place. The early opposition to fees turned to support, once the fees were imposed, and support increased over time. The Corps found that visitor approval for the fees was higher when a gate attendant took the money than when a mechanical device was used, and there were higher perceptions of recreation quality and security as well.

³Robert Gable and Robert Short, Claremont Graduate University, and Deborah Chavez, U.S. Forest Service Pacific Southwest Research Station, *Pilot Fee Demonstration Project Evaluation: Visitor Surveys on the Enterprise Zone, Phase I—Before Fee Implementation*, September, 1997.

⁴Robert Gable and Rachel L. Burkhardt, Claremont Graduate University, and Patricia L. Winter, U.S. Forest Service Pacific Southwest Research Station, *Assessing Community Impressions of a Fee Pilot Program: Final Report*, September, 1997.

⁵Jim E. Henderson, *If We Charge Them, Will They Come?*, in *Reconotes*, U.S. Army Corps of Engineers, Waterways Experiment Station, Recreation Research Program, Volume R-97-2, September, 1997.

Number of Visits

Visitation rates to recreation sites vary from year to year based on such variables as weather patterns, the price of gasoline, or the exchange rate for foreign visitors. Public events such as a major news feature, motion picture, or historical celebration can also influence visitation numbers. Fee levels can be expected to play some role in determining visitation, but represent only one of many factors. Because the agencies have only one year of data following the implementation of most fees in the Recreational Fee Demonstration Program, the visitation data available to date represent only a snapshot, and cannot tell us whether changes are due to fees or to other factors. The final report to Congress will contain a second year of data, a more detailed evaluation of visitation, and more information on the relative impact of fees of visitation.

National Park Service. Visitation rates to National Park Service units vary from year to year based on such variables as weather patterns, the price of gasoline, or the exchange rate for foreign visitors. Public events such as a major news feature, motion picture or historical celebration can also influence visitation numbers. Fee levels can also be expected to play some role in determining visitation, but are but one of many factors influencing visitation.

Annual visitation in 1997 for all parks units that were part of the Recreational Fee Demonstration Program increased by 6.6 percent compared to visitation in 1996, while visitation to non-demonstration sites increased by 3.5 percent. Within the overall increase, visitation increased at some sites with new recreation fees, and decreased at others. The explanation for the visitation changes that occurred between 1996 and 1997, both positive and negative, is not clear in many situations. For example, visitation dropped 16 percent at Allegheny and increased 4 percent at Muir Woods, though both sites instituted an identical new entrance fee. Fee changes may be one possible explanation, but others explanations are also equally likely. The National Park Service will use data gathered from visitors during 1988 to examine in more detail the reasons for specific changes in visitation. The extent to which any of the changes observed in the 1997 data represent long-term trends will have to wait until additional visitation data have been collected in during future years.

Table 1. Overall Changes in Visitation^a

Agency	Number of Visitors (millions)		
	1996	1997	% Change
National Park Service			
Fee Demo Sites (97 projects)	137.8	146.9	+6.6%
All Other Sites, fee & non-fee	128.0	132.5	+3.5%
Agency Total	265.8	279.4 ^b	+5.1%
U.S. Fish and Wildlife Service			
Fee Demo Sites (61 projects)	9.4	9.5	+1.1%
All Other Sites, fee & non-fee	20.2	20.6	+2.0%
Agency Total	29.6	30.1	+1.7%
Bureau of Land Management			
Fee Demo Sites (10 projects)	1.2	1.0	-10.4%
All Other Sites, fee & non-fee	56.5	59.9	+6.0%
Agency Total	57.6	60.9	+5.7%
USDA Forest Service			
Fee Demo Sites (40 projects)	34.5	35.2	+2.0%
All Other Sites, fee & non-fee	824.7	849.8	+3.0%
Agency Total	859.2	885.0 ^b	+3.0%

^aThe data shown in this table reflect visitation in all sites that had recreation fee demonstration projects during FY 1997.

^bThe 1997 visitation totals for the National Park Service and USDA Forest Service are estimates.

Based on the information available to date, we can offer the following general observations. Decreases in 1997 visitation appeared to be most pronounced in the lesser known sites with lower levels of visitation and at sites whose visitors are largely from surrounding communities. For example, several large National Recreation Areas in the west implemented new user fees and experienced reductions in visitation. Visitation at the Amistad National Recreation Area in Texas was 19 percent lower than in 1996, 38 percent lower at Bighorn Canyon National Recreation Area in Montana, and three percent lower at Glen Canyon National Recreation Area. Fees may have played some role in these reductions, but other factors are also likely to have effected visitation levels.

Some of the sites that raised already existing entrance fees, as contrasted with implementing new fees, experienced significantly higher visitation in 1997 after the new prices went into effect. Visitation increased 17 percent at Bandelier National Monument in New Mexico and 49 percent at Hawaii Volcanoes National Park.

Visitation appeared relatively constant in some of the well-known sites that increased entrance fees. Visitation increased two percent at Grand Canyon and nine percent at Everglades National Park in Florida, and declined by four percent at Yellowstone, five percent at Bryce Canyon, and two percent at Zion.

All of these changes (both positive and negative) represent only a two year snapshot of visitation and should not be interpreted as signifying a long-term trend. Given all of the possible factors that influence individuals' decisions to visit a particular site, it is not possible with preliminary data to attribute all or part of these changes to the new fees.

U.S. Fish and Wildlife Service. There were 29.6 million visits to national wildlife refuges in 1996, and approximately 30.1 million visits in 1997. An additional three million people visit national fish hatcheries each year. Nationally, the demonstration program has had no detectible effect on visitation. Visitation in the 61 sites participating in the Recreational Fee Demonstration Program increased by slightly over one percent between 1996 and 1997, compared to an increase of two percent for all other sites. Overall, even on refuges charging fees for the first time there was little to no change in the level of visitation or participation in activities for which fees were charged.

Bureau of Land Management. Total visitation to Bureau of Land Management's public land areas increased 5.7 percent, from 57.6 million visits in 1996, to 60.9 million in 1997. There was an overall 10.4 percent first-year drop in visitation in the recreation fee demonstration projects, though it is not possible to determine the precise causes for these decreases based on available data. Possible reasons include: 1) new fees deterred some individual use; 2) some sites were flooded during part of the use season; and, 3) construction projects interfered with use at several sites. Visitation to all fee sites, including but not limited to the ten projects in the fee demonstration program, increased 33 percent, from 2.3 million visits in 1996 to 3.1 million in 1997. Of particular importance to the Recreational Fee Demonstration Program is that most of the increased visitation for the Bureau was recorded at recreation fee sites.

USDA Forest Service. Recreation visits to the national forests in 1996 totaled 859.2 million. On the 40 fully operating fee demonstration projects in 1997, use totaled 35.2 million recreation visits, or four percent of total visitation for the agency. Use on the fee demonstration projects increased by almost 724,000 recreation visits, though 14 projects showed slight to moderate use declines in visitation. Factors other than fee increases, such as weather or road repairs, can obviously cause use declines in visitation. In some cases, the public's willingness to pay a new fee level may be the deciding factor as to whether to visit a site. Project managers are studying the first year visitation data, and will make any needed changes for year two of the Recreational Fee Demonstration Program.

II. Fee Collection Approaches and Revenues

Tables 1 and 2 show the wide diversity of fee types and collection methods the agencies are using. *Type of fee* refers to the specific use for which a recreation fee is charged, such as entrance, camping, or hunting. *Approaches for collecting fees* include the variety of methods used by the agencies to obtain the fee monies from visitors, such as by a ranger at a kiosk, by mail, or by a mechanical device at a remote station. The agencies will continue to look for innovative approaches to fee collection, such as collection by concessionaires and vendors, and consignment sales of the Golden Eagle passport in addition to sales by the agencies at their recreation sites.

Table 2. Types of Recreation Fees in Demonstration Projects

Type of Fee	Number of Applications ^a			
	NPS	FWS	BLM	USFS
Entrance Fee (Individual or Vehicle) for a Site or Visitor Center	68	13	6	8
Golden Eagle Passport Price Increase	1	1	1	1
Agency-Specific Annual or Seasonal Pass		1 ^b		
Unit-Specific Annual or Seasonal Pass	71	25	7	16
Multi-Unit Pass for One Agency	6		2	4
Multi-Unit Pass, Federal, State and/or Local	3		4	2
General Recreation Use or Day Use Fee	14			15
Camping, Picnicking or Cabin Fee	26	2	10	19
Hunting or Fishing Fee		23		
Wildlife Viewing Fee		1		1
Boat Launch or Water Access Fee	9	7	5	4
Interpretive or Guided Tour Fee	24	4	5	2
Back Country Access, Climbing, or Trail Fee	17	1	3	5
Parking and Transportation Fee	5	1		13
Special Event or Building Use Fee	3	6		1
Motorized Recreation and Sanitary Dumping Fee	5		4	3
Outfitter or Expedition Fee		1		1
Reservation Service Charge				2

^aBecause there often are more than one type of fee in any particular recreation fee demonstration project, total number of applications will add up to more than the total number of projects.

^bThe U.S. Fish and Wildlife Service accepts the Duck Stamp for entrance into national wildlife refuges.

Table 3. Approaches Used to Collect Recreation Fees^a

Approach Used to Collect Fees	Number of Applications			
	NPS	FWS	BLM	USFS
Traditional collection at an entrance station or central point by an employee	76	22	8	32
Honor system or self-service	16	30	14	25
Automated collection machine	5			3
Collection by mail	5	31	5	17
Collection by concessioner	6	1	4	7
Collection by volunteers		14	6	12
Vehicle sticker or tag		2	3	20
Vendor Sales				8
Partnerships	1		4	1

^aBecause there often are more than one type of fee in any particular recreation fee demonstration project, total number of applications will add up to more than the total number of projects.

Table 4. Recreation Fee Revenues, FY 1994-98 ^a
(\$ thousands, rounded to nearest thousand)

Bureau/Receipt Category	Before Demonstration			During Demonstration	
	FY 1994	FY 1995	FY 1996 ^b	FY 1997	FY 1998
National Park Service					
Non-fee demo receipts	75,688	80,513	77,771	77,165	9,500
Fee demo receipts	0	0	0	45,079	132,500
NPS Totals	75,688	80,513	77,771	122,244	142,000
U.S. Fish and Wildlife Service					
Non-fee demo receipts	2,239	2,258	2,177	2,325	500
Fee demo receipts	0	0	0	622	3,300
FWS Totals	2,239	2,258	2,177	2,947	3,800
Bureau of Land Management					
Non-fee demo receipts	1,807	2,624	3,311	3,249	2,525
Fee demo receipts	0	0	0	419	2,700
BLM Totals	1,807	2,624	3,311	3,668	5,225
USDA Forest Service ^c					
Land & Water Conservation Fund Act receipts	1,618	1,900	2,003	1,195	43
Fee demo receipts	0	0	20	8,722	17,960
USFS Totals	1,618	1,900	2,023	9,917	18,003
Total, all four agencies					
Non-fee demo receipts	81,352	87,295	85,262	83,934	12,568
Fee demo receipts	0	0	20	54,842	156,460
Totals	81,352	87,295	85,282	138,776	169,028

^aThe data shown reflect total recreation fee revenues collected by agencies participating in the Recreational Fee Demonstration Program. Many of the demonstration sites had fees in place before the demonstration program was implemented. Thus, some of the revenues in the “before demonstration” columns were collected on sites that later were added to the fee demonstration program.

^bThough the Recreational Fee Demonstration Program was authorized to begin in FY 1996, only a few projects began in that year. Most projects were launched in FY 1997, following public involvement and community information activities.

^cThe data for the USDA Forest Service apply only to the 40 fee demonstration sites active in FY 1997, and do not include recreation fees at non-demonstration sites. At the demonstration sites, some but not all of the pre-existing fees under the Land and Water Conservation Fund Act were replaced by fee demonstration projects, and new demonstration fees were added. The amount listed for FY 1997 represents fees collected by the agency as of September 30, 1997. Due to normal lag in making deposits to the Treasury accounts, Treasury deposits were \$7,736,602. The difference will show up in the Treasury accounts in FY 1998. Data on fee demonstration Golden Eagle passport receipts were not available and are not reflected in USDA Forest Service figures.

National Park Service

The total recreational fee revenue in FY 1994 was \$75.6 million, and remained relatively constant through FY 1995, at \$80.5 million, and FY 1996 at \$77.8 million. For FY 1997, the first full year of the Recreational Fee Demonstration Program, National Park Service revenues increased to \$122.2 million, including \$45.1 million in new revenues attributable to the Recreational Fee Demonstration Program.

The National Park Service began implementing the Recreational Fee Demonstration Program at a majority of sites in early January 1997, with most of the sites fully “on-line” by Memorial Day. Installation of new automated fee collection technology and new infrastructure construction hampered some of the start-ups until late in the summer. Generally, the bulk of the “new” fee revenue was generated in the large, well known national park units which increased already existing entrance fees. For example, Grand Canyon and Yellowstone-Grand Teton (a reciprocal fee) National Parks increased their existing entrance fees from \$10 to \$20 per vehicle and from \$5 to \$10 per individual, for a seven-day pass. Grand Canyon National Park revenue increased from \$11.6 million to \$19.4 million. Grand Teton National Park revenue increased from \$2.7 million to \$4.4 million and Yellowstone National Park increased from \$3.2 million to \$6.7 million. Though Yosemite National Park experienced reduced visitation in FY 1997 after a disastrous flood, its revenue increased from \$6.8 million in FY 1996 to \$12.2 million in FY 1997, after raising the entrance fee from \$5 to \$20 per vehicle and from \$3 to \$10 per person. The total combined revenue for these four parks was \$40.3 million, or nearly one-third of the total revenue generated under the fee demonstration program.

The following examples illustrate the ranges of fees and revenues at fee demonstration sites: new fees initiated at Alcatraz Island and Muir Woods National Monument (units of Golden Gate National Recreation Area) generated a total of \$1.5 million in new revenue; Chattahoochee River National Recreation Area in Atlanta, Georgia, initiated new fees and collected \$239,838; Canaveral National Seashore in Florida instituted a new daily user fee and generated \$445,399 in new revenue; Zion National Park collected \$3 million in FY 1996 and with increased admission fees collected \$4.3 million in FY 1997; Glen Canyon National Recreation Area in Utah began collecting admission and watercraft user fees and collected over a million dollars in new revenue; and Shenandoah National Park raised the admission fee from \$5 to \$10 per vehicle and \$3 to \$5 per person and collected a total for FY 1997 of \$3.4 million compared to \$2 million in FY 1996.

As part of the fee demonstration program, the National Park Service initiated new approaches for efficiently collecting fees, including automated fee collection stations, major expansion of credit card acceptance (Visa, Master Card and Discover Card) at the majority of demonstration parks, and contracting with outside groups to collect the fees for the Service. A number of new fees for recreation uses were also instituted, including special interpretive programs, back country use permits and overnight stays, and boating. The National Park Service instituted fees under the Recreational Fee Demonstration Program in many units in which fee collections previously had been prohibited by legislation.

Although there were many initial startup and fee infrastructure costs associated with bringing the program on line, the overall costs of collection have remained relatively constant. The National Park

Service will continue to emphasize improving efficiency, conformity and equity throughout the duration of the program, and in FY 1998 will focus on upgrading security for the fee collectors, internal and external integrity of revenues collected, and secure transportation and accountability of often times large amounts of fee revenue. Some issues have arisen regarding developing and initiating more efficient methods of depositing the recreation fee revenues and returning the revenue to the parks. The National Park Service will work with the Department of the Treasury to consider ways to facilitate these processes within Treasury guidelines.

U.S. Fish and Wildlife Service

During FY 1997, recreation fees were collected in two major categories: entrance and user fees. Entrance fees, in most cases, permit visitor entry into the refuge and use of all areas and facilities. User fees include such activities as hunting, boat launches and ramps, guided tours, photo blinds and canoe trails. One field station, Crab Orchard National Wildlife Refuge, is experimenting with recovering user fees collected by a concessionaire. Where previously, most of such fees would go to the concessionaire with a small portion deposited in the Refuge Revenue Sharing Fund, user fees collected by the concessionaire under the Recreational Fee Demonstration Program become part of the refuge recreation fee revenues.

In the U.S. Fish and Wildlife Service, approximately 75 percent of the total recreation fee revenues came from the top ten stations collecting fees. However, taking into account all of the stations that are collecting fees, these top revenue generators are not all in the top ten for visitation. Piedmont National Wildlife Refuge, the eleventh refuge on the list of fee generators, actually collects more than one dollar per visitor on average, something no other station does.

Three regions have opted to retain 20 percent of the demonstration fee revenue collected by field stations in the regional office to support new fee programs and assist smaller field stations to enhance visitor services. This will allow smaller stations, where collecting fees is economically impractical, to receive some benefits from the program.

Bureau of Land Management

In every case, the high volume visitation areas collected the most money in terms of gross revenues, particularly in those areas that had limited access, such as Red Rock Canyon National Conservation Area located just a short drive from Las Vegas, Nevada, Flagstaff Hill National Historic Oregon Trail Interpretive Center in Oregon, and the Anasazi Heritage Center in Colorado, all of which have high volume and a single point entrance. Special use activity areas requiring special recreation permits were also very successful at generating revenues. These areas include: Paria Canyon/Coyote Buttes, Arizona/Utah, Deschutes River, Oregon, and the South Fork of the Snake River, Idaho. Types of activities authorized under these special recreation permits include river floatboating, mountain bikes, back country use, and hiking.

The most successful method of fee collection, in terms of rates of compliance on the part of potential fee payers, was through the mail when permits were required, regardless of the activity. The second most successful collection compliance occurred when a Bureau of Land Management representative collected the fee. In third place were fee collections at sites where the Bureau had a presence at the

site. Third party collections, i.e., partnerships or concession, also had high compliance rates. Honor system fee collection systems resulted in the least compliance. In these cases, voluntary payment of an established fee was significantly more successful than payment of a contribution. These systems typically use a pipe safe as the fee receptacle.

The honor system can be moderately successful at high use sites. However, volunteer fee stations, even with signs explaining the objectives of the program, did not work where there was public opposition to the fee, as was the case at the Gunnison River Gorge site. It is also difficult to collect recreation fees from volunteers who have played a moderate to major role in the development and management of a particular resource. These volunteers expect that their services and contributions will be accepted in lieu of payment of a direct fee.

All of the recreation fees collected were retained at the area of collection. Each pilot project established a special fiscal account with a project code to ensure proper accounting for the fees.

USDA Forest Service

The USDA Forest Service has for many years charged fees, under the Land and Water Conservation Fund, for approved facilities. In the first year of the Recreational Fee Demonstration Program (FY 1996), the 40 FY 1997 projects generated just over \$2 million in Land and Water Conservation Fund Act revenues, all of which went to the General Treasury.

With the start of the demonstration program, the range of collections for the USDA Forest Service projects ran from \$3,929 on the Targhee National Forest South Fork of the Snake River boat launch project, to \$2,166,726 at Mount St. Helens and \$1,567,130 at the large recreation complex on the Tonto National Forest in Arizona. A significant number of projects (21) collected from \$50,000 to \$150,000. A wide variety of fee types were tested in FY 1997, in two basic categories—entrance fees and user fees (See Tables 2 and 3). The USDA Forest Service used more user fees than entrance fees due to its dispersed land base. Some areas with entrance fees included the Mt. Evans road in Colorado and the Mono Basin in California.

User fees are and will remain the primary fee on the national forests because most project areas do not lend themselves to entrance fees; in reality the agency is charging for the use of recreation opportunities and not general access to the area.

The Forest Service has established fee handling procedures in a Fiscal Guide. The legislation that established the Recreational Fee Demonstration Program mandated that each agency return 80 percent of revenues that collected them, with the remaining 20 percent available to each agency to spend as needed. The USDA Forest Service decided to divide the 20 percent by providing 15 percent to local projects and five percent to the Regional Foresters for use within their regions. The USDA Forest Service also left the spending decisions to the local project managers. A business plan process was established for each project. The rationale and priorities for the use of fee demonstration revenues are displayed in the local business plans. Their decisions are summarized in Appendix D.

Tables 2 and 3 show the wide diversity of fee types and collection methods that are being examined and tested by the USDA Forest Service for their efficiency in collecting fees. Collection costs are

high with some methods and low with others. Similarly, public acceptance is high on some methods and low on others. The public desires a reasonable fee that is easy to pay, and there appear to be advantages to adapt and fine-tune fee types and collection methods to the local project. Modifications are being developed based on the first-year test results.

While locally-based fees are well accepted on most projects, problems have arisen where a number of fee demonstration projects overlap with each other or with other fee systems (state parks, state snow-park passes, etc.). In areas with a large number of fees, the public has expressed the desire to simplify the fee system, so that one fee enables access to many recreation sites. The fact that the agencies are testing a variety of fee types, sometimes in close proximity, has led to some confusion. Acceptable trade-offs in revenues and improved methods for interagency fee sharing are being developed. For example, the Siuslaw National Forest in Oregon is negotiating with Oregon State Parks and the Bureau of Land Management to develop a single Oregon coastal pass.

Collection of fees seems to work best at entrance stations and at areas with mail-in permit requirements. More dispersed areas with self-pay systems often have low compliance. Self-pay machines are a great improvement over the post-in-the-ground method—the so-called iron rangers. Staffing and machine technology are expensive, however, and are only justified when the volume of business makes them feasible. Much is being learned about the delicate balancing act between reducing collection costs and increasing public compliance with the fees, for both are needed to produce revenues for improving recreation services.

III. Cost of Recreation Fee Collection

In the absence of a standard definition of fee collection costs, the four agencies agreed to use the following common criteria so that their evaluations of collection costs would be comparable. Fee collection costs include:

- a. Salaries and benefits (on a pro-rata basis for individuals with other duties in addition to fee collection activities).
- b. Utilities charges (e.g., electric, gas, phone) for fee collection facilities.
- c. Costs associated with fee collection training.
- d. Maintenance costs (e.g., janitorial or repairs) associated with fee collection activities, facilities, or equipment.
- e. Communication items (e.g., radios, phones) needed for fee collection.
- f. Other costs associated with fee collections (e.g., bank contracts, armored car services, money orders, printing park specific passes).
- g. Fee demonstration project-specific law enforcement.

Capital expenditures do not appear on this list. However, all of the agencies recognize that capital costs may be needed in support of fee collection activities. Capital expenditures are of much greater importance for *new* fees than for modifications in existing fees, since new fees often require construction of access points, kiosks, roads and parking facilities. Capital expenditures also are often associated with new collection points for existing fees, such as installing machine fee collection facilities in remote areas. The four participating agencies have discussed approaches to amortizing these costs over the useful life of the capital, so that collection cost data presented in the final report to Congress are consistent from agency to agency. Permanent authority would provide the assurance the agencies need to make such long-term capital expenditures in fee collection infrastructure.

Costs of fee collection per visitor or as a percentage of revenue can vary widely depending, for example, upon the number and timing of visitors to a unit. Cost of fee collection might be very low relative to revenue, for example, in Yellowstone National Park where a large and steady stream of visitors enters the Park, compared to an entrance station at a remote national wildlife refuge in which a low number of visitors enter at random times throughout the day. The relative costs can be moderated somewhat by a variety of means, such as installing mechanical devices or focusing fee collection on times of peak visitation. Collection costs per visitor are generally higher for new fees than for established fees because of startup costs.

There are additional costs associated with fee collection that, while potentially significant, are not included by the agencies in their preliminary estimates of fee collection costs. One such cost is for national oversight of the fee collection program. Each of the four agencies maintains a small staff with responsibility for managing its nationwide recreation fee program.

A second such cost is for the additional financial controls associated with the Recreational Fee Demonstration Program. The program necessitates a major accounting workload that will be distributed among the various local operating units of the agencies and their national service centers. The relative simplicity of transferring revenues from their source to the U.S. Treasury will be replaced by the need for sometimes elaborate and complex systems of accounting for revenues and

expenditures at the sites where they are collected and incurred and for quality assurance to verify that the revenues were expended properly. While in the future agencies should be able to absorb these costs as a matter of doing business, they are significant and somewhat disruptive in the short run.

National Park Service

For FY 1996, the National Park Service dedicated approximately \$15 million to collect \$78 million in recreation fee revenues, representing approximately a 19 percent cost of collection allocation for the total fee revenue. These funds were primarily derived from the "15 percent" amount the agency was allowed to withhold from the total collections, plus \$3 million in appropriated funds. The monies were allocated to such costs as central office oversight, auditing of the fee program, fee policy articulation for the National Park Service, mandatory training for each recreation fee collection park, printing of national passports and brochures, and identified direct costs of collection. These costs were carried through into the first year of the Recreational Fee Demonstration Program, plus the necessary one time initial startup costs for many of the demonstration projects which previously had not collected recreation fees.

In FY 1997, the National Park Service dedicated \$20.6 million, or 17 percent of revenue, for the overall cost of collection for the *entire* recreation fee collection program, including central and regional office oversight, printing of Golden Eagle passports, implementation of new collection technologies, and related costs. \$17 million was spent on the total cost of collection for the fee demonstration parks, including approximately \$3 million for startup costs for the demonstration program. The National Park Service will monitor sites with relatively high fee collection costs to see if there need to be changes in procedures or practices to make fee collection more cost-efficient.

Startup costs involved infrastructure improvements such as security cameras and signage, extended collection hours, improved collection technology such as automated fee collection machines and credit card machines, and increased staffing for fee collection activities to handle the higher workloads. In addition, the higher public profile of the fee program, and the increased management concerns associated with its implementation at large park areas, added to the overall costs of the program. One-time costs associated with producing identifiable "Recreation Fee Demonstration" logos, producing and distributing introductory videos and brochures to explain the program to parks and the public, conducting and participating in national organizational meetings to discuss policy implementation, providing technical assistance to new collecting parks, and providing oversight over the expenditure of new demonstration revenues, all added to the cost of implementing such a major initiative as the Recreational Fee Demonstration Program.

In addition to the obvious costs of collections are additional costs that may not be recognized up front. Extended hours of collection at the fee kiosk to maximize revenues may also mean added law enforcement patrols and dispatch capabilities in order to respond to emergencies. Implementing new fees has a corresponding cost of enforcing those collections. This is especially crucial in the early stages of collecting the fees. Added burdens of counting, depositing, transporting, and auditing the increased revenues have added significantly to the overall cost of collections. Additional or new collection personnel have added increased uniform costs, personnel actions, management responsibilities, training, etc., taking additional resources that may already be spread thin. These are some of the issues that are being learned after the first year of the program.

Efficiency and equitable collection are twin hallmarks for the overall direction of the recreation fee program; the incentive for the new fee revenues to primarily stay at the site where they are collected should improve these areas of concern. More evaluation is needed of the relative cost for collecting the fees in order to justify the resources which are dedicated to the fee program. We expect improvement in finding new ways to collect fees and in ensuring that all persons who should pay, do pay. Some of what we call cost of collection might actually be the benefits of public interaction, exchange of information, and increasing visitors' awareness that they are entering a National Park Service unit. In many cases, the only public contact with National Park Service staff may come at the fee station.

Anecdotal information often suggests that vandalism, crime, and medical emergencies, may be reduced by areas that have instituted fee collections. One example from the first season of the fee demonstration program that illustrates the tangential benefits of fee collection comes from Glen Canyon National Recreation Area. A fee was implemented for Lone Rock Campground. In 1996, prior to the collection of fees, there were 31 documented cases of assault. In 1997, after the fee station was installed, there were nine cases of assault. Sex offenses went from two in 1996 to zero in 1997. "Driving under the influence" violations went from 20 in 1996 to six in 1997. Disorderly conduct incidents dropped from 40 in 1996 to five in 1997. Quiet hours were enforced for the first time. Numerous comments were received from the local visitors and return users about how "safe" and pleasant the Lone Rock area was in 1997. There was a dramatic decrease in gang activity, and a corresponding increase in family group usage. There was much less littering on the beach and corresponding reduction in litter pickup costs. Additional toilet facilities, provided with fee demonstration revenues, were heavily used, and there was much less human waste and toilet paper found in the adjacent area. The courtesy recreational vehicle pumpout service eliminated the surreptitious, night-time dumping of holding tanks onto the beach or into the water. Lone Rock was not closed to swimming or other activities during 1997 because of water quality, as it had been occasionally closed in past years.

U.S. Fish and Wildlife Service

Costs of collection have a significant impact on the amount of actual funds available to address project backlogs. Because of the dispersed nature of visitation to refuges, collection costs at many refuges make it un-economical to collect fees. Overall, salaries are the most significant cost, amounting to approximately 90 percent of all collection costs. In total, collection costs averaged about 21 percent of the recreation fee revenue.

For new fee programs the initial outlay for start up costs can result in no funds at all being available for backlog projects, at least for the first year. Stations just starting programs or switching over into the Recreational Fee Demonstration Program, commented that funds to do so either came out of the station's annual operating budget or from the fee revenues leaving nothing for backlog projects or improving refuge programs. A number of field station managers suggested that initial start up funds be provided as part of the Recreational Fee Demonstration Program.

Another category of collection costs is capital improvements. Although not an annual cost, when they do occur, they can have a significant impact on funds available for other projects. Capital improvements may include such things as construction of a fee collection station or booth, equipment

to maintain an auto tour route or interpretive trail, kiosks, trailheads, check stations and parking areas.

Bureau of Land Management

Revenues at the high use sites exceed the cost of collection, while the less frequently visited sites collected revenues just sufficient to cover their collection costs. Since start up costs were also involved, the revenue collections to collection cost ratio will improve in the future as the one-time start up costs are amortized.

USDA Forest Service

Start-up costs are a significant part of establishing a new fee program. The USDA Forest Service spent \$4,648,000 for fee collection start up in FY 1997. Approximately \$1 million was for one-time capital investments in such needs as entrance stations, fee kiosks, and fee collection equipment. The USDA Forest Service did identify capital costs in their accounting of the cost of collection but did not amortize them. These capital costs are displayed in the year in which they were incurred in the project descriptions in Appendix D. The remaining \$3.6 million went for such needs as signage, fee collector salaries, utilities, banking contracts, and law enforcement. New employees were hired for fee collection, but all were term or temporary appointments due to the short-term time frame of the Recreational Fee Demonstration Program.

Collection costs amounted to 53 percent of total collections. This number appears high because of unamortized one-time capital costs, and because many large projects only began operations in mid year. In FY 1998 collection costs on the 40 projects are expected to be 24 percent of total collections. Eight projects had collection costs that exceeded their collections in this first test year. All 40 projects are expected to have collections greater than costs in FY 1998. The USDA Forest Service is closely monitoring collection costs to make certain that efficiencies are incorporated. High collection costs in the long run will cause a project to be dropped or modified.

IV. Backlog and Enhancement Projects

The House Committee on Appropriations expressed its view that revenues from the Recreational Fee Demonstration Program are to be used primarily to reduce the backlog maintenance requirements and provide public service enhancements at the sites operated by the four agencies. The agencies had to implement new procedures for handling funds, accounting, and selecting projects, but were able to fund some backlog projects during FY 1997. Much more progress is expected during FY 1998.

National Park Service.

The National Park Service instituted a policy that the new recreational fee demonstration program revenue would be primarily dedicated to reducing the identified non-recurring maintenance, infrastructure repair, and resource management backlogged projects of the Service. The policy prohibited parks from hiring staff to supplement ongoing and current operational activities at the demonstration parks, and determined that no new permanent positions would be funded from the new revenue, except for those salaries directly involved in the collection of fees. In a few instances where a specific new fee was implemented to provide a special tour, such as a special kayak tour at Redwoods National Park, the revenues were dedicated to hiring the necessary staff to carry out these tours. New revenues from the increased price of the Golden Eagle passports were returned to the collecting parks and used for agency-wide projects using the 80-20 percent formula, and subjected to the same criteria governing other fee revenue projects.

Except for those projects that require Congressional review, the projects initially funded with the 80 percent of new fee revenue were proposed by each park, reviewed at the regional level for adherence to service-wide policies, and forwarded to the national office for approval. After approval, funding allocations were made to the demonstration parks to undertake the projects. Projects were solicited from all parks within each region. Regional teams reviewed and prioritized the projects using the criteria established for the "80 percent" projects. These projects were reviewed at the national level and with concurrence, funding was released for each project. Additional projects using the 20 percent portion of FY 1997 revenues are contingent upon ongoing efforts by the National Park Service to establish a clear list of maintenance and construction priorities. For each major project, the National Park Service will prepare a capital asset plan that specifies up-front the project's cost, schedule, and performance goals.

Appendix A contains a list of the currently-approved backlogged projects, except for those projects that require Congressional review, that will be funded using FY 1997 revenues for the 80 percent portion that is retained at the sites that collect the revenues. For projects requiring Congressional review, the Department of the Interior plans to submit a list to Congress after the National Park Service and a Departmental working group have had an opportunity to review and prioritize critical health and safety, and natural and cultural resource projects. This effort will assure that the most critical projects are addressed in a timely manner and that projects are appropriate and cost effective. Once the list is finalized, future allocations will be made for projects on the list and Congressional review will be sought as necessary.

National Park Service projects undertaken with new demonstration fee revenues include:

- Amistad National Recreation Area — Construct vault toilets — \$40,000.
- Fort McHenry National Monument and Historical Site — Repair woodwork on the historic Star Fort building — \$125,000.
- Frederick Douglass National Historic Site — Replace historic wallpaper throughout the historic house — \$40,000.
- Everglades National Park — Install an elevator at the visitor center for accessibility — \$100,000.
- Denali National Park — Rehabilitate Riley Creek campground — \$115,000.
- Isle Royale National Park — Repair and replace back country trails — \$225,000.

U.S. Fish and Wildlife Service.

There were 9,284 backlog maintenance projects in the National Wildlife Refuge System at the beginning of FY 1997, of which 1,799 public use projects with an estimated maintenance cost of \$69 million were suitable for funding from annual Resource Management budgets. Ninety-eight projects, 20 of which are safety related, costing \$3 million, were targeted for completion in FY 1997. In FY 1998 another 92 projects with a cost of \$4 million are scheduled to be accomplished; 26 are safety related. An additional 39 public use projects costing \$50 million are suitable for construction funding. Of the 1,505 maintenance projects in the National Fish Hatchery System at the beginning of FY 1997, 148 projects costing \$10.7 million, involve public access. In the foreseeable future, fee demonstration revenues will not be sufficient to remove these maintenance backlogs. The Service intends to continue using a combination of appropriated resource management funds and fee revenues in order to reduce the backlog.

Table 5. FWS Refuge System Public Use Maintenance Backlog

Maintenance Category	Resource Management		Construction	
	Number of Projects	Backlog (\$millions)	Number of Projects	Backlog (\$millions)
Buildings	282	11	12	13
Utility Systems	33	1	0	0
Roads and Trails	655	32	24	31
Water Management & Related Facilities	69	2	2	5
Other Structures & Facilities	578	18	1	1
Transportation Equipment	83	4	0	0
Other Equipment	99	1	0	0
Total	1,799	69	39	50

Bureau of Land Management

The Bureau of Land Management's overall recreation backlog for nearly 1,400 recreation sites and 11,000 miles of trail is approximately \$29 million, not including road or bridge access backlogs. Annual maintenance for these sites is around \$16 million. Backlog projects for the ten recreation fee demonstration projects that charged fees in FY 1997 totaled \$5.1 million. During FY 1997, \$335,000 was spent on recreation projects to reduce that backlog. Enhancement projects for these same sites will require approximately \$520,000 through FY 1999.

USDA Forest Service

The Forest Service currently has a national deferred maintenance backlog for recreation facilities and trails of approximately \$1,000,000,000. The recreation fee demonstration projects that were in operation in FY 1997 addressed only .06 percent (\$638,500) of the total Agency backlog. A time lag exists between collecting fees and expending those fees on backlog and enhancement projects. In FY 1998, the first 40 projects are expected to address an additional \$3,881,000 in backlog projects, representing .38 percent of the total. Backlog expenditures for each of the 40 FY 1997 fee demonstration projects are listed in detail in Appendix D; these data do not necessarily include all backlog projects undertaken in FY 1997 or the backlog projects that will be undertaken on these 40 sites in the future. Additional planning is being done on many projects as they adjust to the actual amount of fees collected.

The USDA Forest Service also used fee demonstration revenues for expanded customer service and maintenance enhancements. The agency felt that in addition to backlog reductions it was also important for the recreating public to see and experience enhanced services for their increased fee payments. Many new interpretive programs were instituted, resource protection efforts were increased, new toilets were added, more snow plowing was done, and more law enforcement was done. Backlog accumulation was also addressed by enhancements in the operation and maintenance area, including cleaner toilets, more frequent building maintenance, increased trail maintenance, and related activities, all aimed at reducing the accumulation of new backlog. Operation and maintenance enhancements are also more visible to the recreating public; a clean toilet is important. In FY 1997, over \$2.3 million of fee demonstration receipts were spent on enhancements. In FY 1998, the amount is expected to rise to \$4.3 million. Public acceptance of the new fees is much greater when the public sees and smells improvements.

V. Lessons Learned

From their preliminary experience in implementing the Recreational Fee Demonstration Program, the four participating agencies have learned several lessons, which include the following:

Distinction Between Entry Fees and User Fees

Entrance fees are those fees that provide access into a recreation site. User fees authorize a visitor to use specific facilities, programs or resources sponsored by a recreation site. The distinction is important to those visitors who possess a Golden Eagle passport or similar pass, because the passes can be used for entrance fees, but not for user fees.

If the purchaser is told simply that the Golden Eagle passport is good at any national park, national forest, Bureau of Land Management recreation site or national wildlife refuge, and therefore assumes that the passport covers all charges, he or she may be surprised when the passport is not accepted for camping or a guided tour. When recreation agencies do not honor the Golden Eagle passport, passport-holders may feel that the agencies are not following through on promises made when the passport was purchased. In the absence of a clear understanding of the difference between entrance fees and user fees, the public may be uncertain why the Golden Eagle passport is accepted in some situations or locations and not in others.

In some cases, agencies have charged a user fee for what appears to the visitor to be authorization to enter an area. This occurred, for example, at national monuments or national recreation areas managed by the USDA Forest Service in which user fees, such as visitor center fees and general parking fees at trailheads, were charged at points of access. The public objected when the Golden Eagle passport was honored by one agency and not by another for what appeared to be an identical use. In response to public comments identifying the problem, the USDA Forest Service announced on January 9, 1998, that Golden Eagle passports would be accepted for free admission at all USDA Forest Service national monuments, national scenic areas and national recreation areas that are part of the Recreational Fee Demonstration Program.

There is room for agencies to improve public information about the fees for which the Golden Eagle passport does and does not apply, by better information at the point of sale, and by more consistent explanations by recreation personnel at the point of use. In the short run, agencies might also use a more inclusive definition of entrance fees, such as was done by the USDA Forest Service, where the public perceives user fees actually to offer general access to an area. In the long run, agencies may need to develop common definitions of entrance fees that are applied consistently across all federal recreation facilities that accept the Golden Eagle passport.

Negotiating Regional and Multi-Agency Entrance Fees

There appear to be important advantages to the public to establish fee arrangements that allow visitors to pay a single fee for entrance into adjacent recreation areas operated by different agencies or levels of government. Many members of the public do not even distinguish between agencies, and such descriptors as “national park” often are used by the public to describe other federal lands, such as national forests. Yet, there are several difficult problems that agencies will have to address in

negotiating regional and multi-agency fees, in which one pass allows admittance into several units operated by different federal agencies, or by a combination of federal, state, and local governments.

Agencies and units of government must integrate or account for their different fiscal calendars, different modes of accounting for revenues and expenditures, different procedures for administering fees, different recreation purposes, and often they have different primary clientele groups. Even when these issues are resolved, there are difficult negotiating issues related to sharing of fee revenues and fee collection costs among the participating agencies. These problems are not insurmountable, but they do plague negotiations whenever joint fees are being considered.

There are many potential approaches to apportioning fee revenues among the participating agencies. Each approach affects the agencies in different ways, favoring some and placing others at a disadvantage. Fee revenues could be apportioned on the basis of visitation, but there are great disparities of visitation among various sites and the cost of managing the units may not be proportionate to the number of visitors. Furthermore, agencies have different definitions of what constitutes a visit, or a visitor, so they would have to agree on some standard terminology if visitation were used as the basis for revenue distribution.

Revenues could remain with the agency that sells them, but some agencies might prosper at the expense of others. It is possible, for example, that a particularly high-volume recreation site might sell virtually all of the passes in a region and therefore benefit from the revenue, while other recreation sites have to honor the passes without realizing revenue benefits from their sale.

Revenues could be apportioned on the basis of land area in the recreation site. However, some sites are quite large and others small. Furthermore, land area is not necessarily related to the level of visitation. Other mechanisms for revenue apportionment include size of backlog, miles of trails, and number of recreation sites. In the case of the South Fork of the Snake River corridor project, an interagency working group was used to prioritize operation and maintenance needs among the various sites, and to allocate joint fee revenues to the areas of greatest need.

It appears that regional passes are most easily negotiated and implemented among groups of relatively equal partners—agencies with similar recreation mandates, similar types of recreation offerings, roughly similar fee collection costs, and common recreation clienteles. The most logical location for a common fee would be a location in which recreation sites of two or more entities are accessed from common entry points. Complexity and difficulty increase greatly if a single fee mechanism involves agencies with markedly different agency missions, levels of government, fee authorities, fiscal calendars, and user clienteles.

Another aspect of joint fee arrangements involves the Golden Eagle passport. Where entrance fees are established, projects must accept the Golden Eagle passport for free admission. Currently, all of the agencies sell Golden Eagle passports and the revenues from such sales are retained by the agency that generates them. However, the use of the passports may not be distributed among the agencies in proportion to the sales. In the most extreme case, for example, one agency might sell all of the Golden Eagle passports, and they might all be used for admission in another agency's recreation sites. Although such an extreme situation may never occur, there are equity concerns that some agencies might benefit disproportionately from the *sale* of Golden Eagle passports, and other agencies might

have a disproportionate *cost* from their use in lieu of other fees. There may be a need to examine the distribution of sales and use of the Golden Eagle passport among the agencies, and consider an equitable arrangement for distributing the revenues from its sale among the agencies, such as a kind of staged pass with endorsements for each agency the holder wants to visit, or distribution of revenues based on the distribution of use.

Multiple Expectations about Recreation Fees

There are many reasons for implementing a recreation fee program, and the reasons are not necessarily complementary. The result is that managers often are confused over what primary objective, if any, should take priority, or whether they should attempt to satisfy several objectives simultaneously. Even if the explicit objective were to attempt to “satisfy” all of the possible objectives, managers would still face the prospect of determining the priority to give to each possible objective. The implicit objectives of fee collection appear to include all of the following to a certain extent.

Fees for Raising Revenue. Fee collections raise revenue. Whether the revenues are returned to the Treasury for general purposes or used for backlog and enhancement projects under the Recreational Fee Demonstration Program, revenue enhancement is an implicit objective of Congressional fee legislation. If raising revenue were the primary objective of a fee system there are several approaches that might be considered. One revenue enhancement approach would be to raise fees selectively in units like Yellowstone, Yosemite, or other “crown jewels” in which demand is only minimally affected by price.

Another approach would be to broaden the base of potential fee payers. This could be done by making entrance fees (including the Golden Eagle passport and other passes) apply to an individual holder and not to the carload, by moving toward daily rather than multi-day passes, by authorizing fee collection at all units where it is now prohibited, and by authorizing fee collections from persons who now pay reduced fees or no fees at all (the old and the young). Without increasing the fees, it may be possible to increase or maintain total revenue levels by establishing a single modest daily individual fee level (for example, \$1 per person) that applies across the entire recreation fee system.

Regardless of the approach taken, there are practical limits to the extent to which the base of potential fee-payers can be broadened. Because fees are applied to the most feasible recreation sites first, the implementation costs associated with additional sites can increase greatly. Thus, agencies must focus on *net* revenues, balancing revenue against collection and administrative costs. Otherwise, the implementation costs of broadening the base of fee payers might at some point outweigh the revenue benefits.

Fees as a Management Tool. Fees could be used as a way to help achieve other management objectives such as maximizing resource protection or minimizing infrastructure investment. For example, higher fees on weekends, summer months, or other periods of traditionally-high recreation use, might reduce the peak loads on resources and facilities. Or, higher fees in high demand areas might result in distribution of recreationists to the under-utilized adjacent areas. Using fees to disperse visitors over time or space can increase the relative complexity of the fee structure, with higher fees at certain times or certain places and lower fees at others. As agencies become more

experienced and adept in implementing flexible fee authority, they will be able to use fees more effectively as a management tool.

Reductions in peak loads can directly reduce the costs to taxpayers associated with operating the recreation sites, providing services at these sites, and any attendant damage to the resource. A lower peak demand could result in smaller facilities, reduced operations and maintenance expenses, fewer staff, reduced capital investment needs, and reduced environmental damage caused by visitation. Using fees primarily as a management tool would likely require different fees in different recreation areas and perhaps different activities, with a price structure designed to affect visitor behavior.

Entrance fees can also be used as a way to encourage legitimate uses of the recreation resource while discouraging undesirable activities, or to reduce the number of visitors in order to reduce damage to sensitive natural resources. Some areas have found that the physical presence of personnel associated with fee collection has resulted in fewer incidents of vandalism, perhaps because people tend to care more for an area if they have paid to recreate in it. Although the evidence at this point is primarily anecdotal, it bears further evaluation.

Fees to Promote Personal Contact with Visitors. Personal contact with the “ranger” or comparable recreation professional is, for many visitors, an important aspect of the recreation experience. The fee collection at the entrance kiosk provides that kind of personalized contact with the agency personnel where visitors can ask questions, obtain information, address security concerns, and get directions. Using fees as a tool for personal contact may not result in high revenues; even a very low fee will provide the opportunity to have a positive personal interaction between agency personnel and the visiting public. However, with a fee that is too high, these benefits might be lost.

Fees to Promote Equity. Another potential objective of a recreation fee system may be to ensure that no individuals are excluded by the fees. The justification behind this objective is that the federal recreation areas are owned jointly by all U.S. citizens and that the fee level should not present a barrier to entry to these areas. Current policies contain elements that address these equity concerns. For example, the law explicitly gives preferential treatment to children under 17 and senior citizens over 61, and to physically disadvantaged persons. Social equity is also the justification for the National Park Service’s annual “free day” in which anyone can enter a national park without paying a fee. The USDA Forest Service is providing free passes to low income users in at least one test case. Carload fees are an indirect way of limiting the amount that families, particularly large families, have to pay. Equity concerns would tend to result in a modest fee for most visitors and lower or no fees for persons determined to be less able to pay.

Fees to Nurture Public Support. Some types of recreation facilities tend to attract certain user groups or repeat customers. An implicit use of recreation fees is to provide these special visitors in such a way that they develop a sense of “ownership” in the recreation site. Waterfowl hunters, for example, are an important class of visitors to national wildlife refuges. When affixed to a State hunting license, the Duck Stamp permits the holder to hunt waterfowl. Though the \$15 Duck Stamp was not originally intended as an entrance pass, the U.S. Fish and Wildlife Service accepts the Stamp in lieu of an entrance fee. This can be viewed as a way of fostering a sense of ownership of the

national wildlife refuges, whose acquisition is partially financed using revenues from Duck Stamp purchases.

Some agencies have found that an annual pass to a specific unit has similar benefits. The pass is particularly attractive to local patrons who use a specific unit several times during the year. When combined with a kiosk-type entrance fee facility, these regular visitors establish a personal relationship with agency personnel, and become personal stewards for the recreation resource. Vandalism damages have declined significantly at some fee demonstration locations.

The provision in the Recreational Fee Demonstration Program that 80 percent of the fee revenues returns to the site that collected them also engenders public support for the fees. When asked how the entrance and other recreation fees collected by the National Park Service should be used, 96 percent of visitors surveyed in Summer 1997 chose either to keep all of the revenue collected by the park in the park, or to keep most of it in the park and distribute the rest to other National Park Service units as needed.

Fees for Cost Recovery. One common objective of many recreation fee systems is simply to recover the costs associated with providing the good or service. For example, entry fee levels could be set to recover the costs associated with providing visitor-related services at each fee area. This might imply different entry fees from site to site. Alternatively, fee levels might be chosen that would, on average, recover visitor service costs over the entire portfolio of sites operated by an agency. This objective recognizes that, while taxpayers are expected to cover “public goods” (such as protecting resources for future generations), individuals are expected to pay for the “private goods” in limited services provided only to them (such as a campground site).

With these multiple, often contradictory, objectives for recreation fee systems, it is not surprising that there are a corresponding multitude of fee structures at a variety of prices, including such variations as:

- Golden Eagle passport, which at a price of \$50 entitles the holder and occupants of the holder’s vehicle to unlimited entrance into all recreation fee sites of the Federal agencies under the Land and Water Conservation Fund Act.
- Golden Age passport, which for a one-time \$10 administrative fee entitles the qualified holder and occupants of the holder’s vehicle to unlimited entrance into all recreation fee sites of the Federal agencies under the Land and Water Conservation Fund Act.
- Golden Access passport, which without charge entitles the holder and occupants of the holder’s vehicle to unlimited entrance into all recreation fee sites of the Federal agencies under the Land and Water Conservation Fund Act.
- Duck Stamp, a \$15 stamp which, when affixed to a state hunting license, entitles the bearer to hunt migratory waterfowl, also is accepted by the U.S. Fish and Wildlife Service for admission into national wildlife refuges.

- Annual site-specific passes, which are sold at various prices by each agency, for unlimited access into the site for which they are sold.
- A variety of bus fees, often based on average numbers of riders or on bus size, rather than on actual counts of individuals.
- Daily or short-term passes for entrance into recreation sites at a variety of prices and for a variety of periods of stay. Some are per person; some per vehicle.

In addition to these entrance fees, there are a variety of special use fees for specific activities and facilities that are optional, once the visitor is admitted to the recreation site. For the user fees, agency managers experience the same confusion over objectives, because the same set of implicit objectives can be associated with user fees.

Given the variety of fee arrangements, agencies face difficult decisions in establishing the various fee structures. In principle, it would be desirable to set individual entrance fees at levels consistent with the relative “value” of the recreation site, and to establish prices on general entrance passes, such as the Golden Eagle passport, at a level that provides convenience and a modest discount to the “frequent visitor” and provides a reasonable revenue for the recreation agencies. The agencies will continue to strive to balance these multiple expectations as fee programs develop.

Startup Costs for New Fees

When new recreation fees are implemented at sites that previously did not have a charge, the sites often encounter initial costs for such things as road access, fencing, signs, kiosks, collection machinery, ticket books, accounting systems, and reallocation of personnel. Thus, agencies and local recreation areas that do not have existing recreation fees can be expected to report high collection costs in the short run. The first lesson is that agencies must demonstrate that short-run startup costs can be recovered by long-run revenues in order for a recreation fee program to be feasible. Second, the agencies must find a way to finance these startup costs in the short run before they can effectively implement a recreation fee program.

The evaluation of fee collection costs, planned as part of the final report to Congress, will amortize startup costs over their useful life. Otherwise the cost of new fees, compared to changes in existing fee programs, could be greatly exaggerated in the short run. Permanent authority would make it easier for agencies to support startup costs that would be recovered by long-run revenues.

Cash Management and Employee Safety

Agencies need to have procedures in place to handle cash. These procedures need to be established well in advance of actual fee collection, and fee collection personnel need to receive training. One issue relates to accountability, as numerous employees handle, transfer, deposit, and account for potentially large amounts of cash from widely dispersed sources, and as agencies establish the necessary accounts and disbursement procedures to make certain that fee revenues are used in the appropriate sites for appropriate expenditures. Some of these problems may be exacerbated to the extent that agencies use volunteers for fee collection.

Perhaps a more serious issue, particularly in remote and isolated areas, is for the safety of fee collection personnel and for the protection of the cash itself. Some safety concerns related to theft can be mitigated by minimizing the use of cash, through credit cards, mail purchase of passes, and vendor sales in these areas. Machine collection in remote areas can help protect the safety of personnel, but machines in such areas are vulnerable to theft and vandalism.

Unfortunately, such safety concerns lead almost inevitably toward video monitoring and related types of security systems. These changes constitute a challenge for agencies that have been based in a strong orientation to personal trust.

Compliance Regarding Payment of Fees

Increased public compliance with fee payment requirements appears to be associated with the following: direct contact with a fee collection employee; ease and convenience of payment methods; visibility of the local projects funded by the fee program; extent to which the public views the fee as being used in “their” local recreation site; the perceived “fairness” of the fee amount; and, the extent to which the fee was required as prerequisite for engaging in the recreation activity.

Public Information Efforts

Communication with the public is an important part of the process of implementing new fees and in modifying existing fees. The agencies adopted several approaches to notify the public before implementing the Recreational Fee Demonstration Program, including formal communication plans, news releases, meetings with local community leaders, constituent groups and advisory councils, information leaflets, explanatory videos, open houses, public workshops, comment cards, and signs and bulletin boards. These efforts were important to the success of the Recreational Fee Demonstration Program. Equally important is informing the public about how the revenues are being used, both in general terms, and in terms of signage and other methods of highlighting specific projects that are being paid for using recreation fee revenues.

Inequities Within or Among Agencies

In each agency, a small number of sites generate a high percentage of the agency's total fee revenue. The current fixed formula, which returns at least 80 percent of fee revenue to the site in which it is generated, is key to public and agency acceptance of the Recreational Fee Demonstration Program. At the same time, it is possible that some key revenue-producing sites may quickly reduce their backlog projects and then be faced with accumulating large balances in their fee revenue accounts, funding projects that would rank low in priority compared to projects elsewhere in the agency, or searching for additional projects just to spend the money. This could be a significant problem for an agency if, at the same time, there remain substantial backlogs at other agency sites that either have low visitation, or are not authorized to charge recreation fees.

Although it is too early to determine whether the fixed 80 percent formula will constitute a problem in the long run, the agencies will evaluate this in greater detail as the Recreational Fee Demonstration Program progresses.

Agency Liability

Under most current state statutes, units that collect fees are more susceptible to public safety liability claims than units that do not collect fees. In general, agencies that charge for admittance or recreation uses are subject to simple negligence, but agencies that do not charge are subject to gross negligence claims. Simple negligence is easier to prove than gross negligence. These liability issues are potentially more serious in dispersed, remote sites, such as unguarded beaches, where agencies can be perceived as negligent, since there may be few if any personnel or warning signs.

The potential risk of higher liability claims has budgetary consequences in the short run, because agencies must allocate greater budget resources to such public safety features as signs, trail and facilities maintenance, public information and warnings, ranger patrols, and law enforcement. These public safety measures are an indirect cost associated with fee collection.

Project Tracking Systems

As agencies enter into recreation fees in a major way and use the revenues to reduce the backlog and provide enhancements, tracking systems will be needed to monitor the flow of funds. The National Park Service is using "off-the-shelf" software to track backlogs and monitor expenditures applied toward reducing the backlog. The software program "Future Projects Management Software," will provide a tool to measure the effectiveness of the Recreational Fee Demonstration Program in reducing backlogs by indicating changes in condition ratings, such as the number of facilities that have moved from poor to good condition. Service-wide training to utilize the software is underway at this time. The National Park Service will also use its overall backlog priority list to track the status of priority projects funded through fee receipts. The USDA Forest Service is using traditional systems and is developing new systems. The agencies will determine the applicability of these systems and possibly examine others for potential use in the long term.

Implementing First Time Fees

Implementing first time fees is much more difficult than increasing existing fees. Public acceptance of National Park entry fee increases was quite high. The USDA Forest Service projects that were extensions of past fees or permit systems were also easily accepted by the public, whereas projects that started charging fees for the first time generally have taken longer to build public acceptance. The more dispersed the recreation use the longer it has taken to gain public acceptance. It is generally easier to charge fees for developed sites than for undeveloped locations. The Bureau of Land Management is generally charging at more developed locations. Several years of implementation will indicate which types of fees will be accepted by the public and which will need to be modified or dropped.

Innovative Fee Collection

Agencies can learn much from the private sector and from each other on how to collect fees more effectively. Peak pricing, for example, is a common practice used in private industry as a management tool. Agencies have begun discussions with companies that are interested in selling annual or Golden Eagle passports on consignment, and will continue to listen to concessioners and local businesses for ways to improve procedures for collecting fees.

VI. Suggestions for Legislative and Management Improvements

Because the Recreational Fee Demonstration Program is only partially completed, and because the intensive evaluation projects scheduled for the FY 1998 visitor season have not yet been conducted, the agencies are not yet prepared to offer specific recommendations in this report for fee legislation other than those that have already been communicated to Congress through testimony or correspondence. Nevertheless, based on preliminary lessons learned from implementing the Recreational Fee Demonstration Program, the agencies can offer suggestions for ways in which the fee program can be improved and strengthened. Some of these suggestions might involve legislation, while others can be handled through management actions within the agencies. The agencies would be pleased to assist the Committees in drafting legislation. The President's 1999 Budget does assume that legislation will be enacted to provide agencies permanent authority, starting in FY 2000, to collect and use all new and existing recreation and entrance fees. The agencies will coordinate with each other to draft this legislation.

Provide Flexibility to Tailor Fee Programs to Specific Needs

Because of the variability in the types of recreation areas managed by the agencies that participate in the Recreational Fee Demonstration Program, the agencies need flexibility to:

- Determine the most appropriate types of recreation entrance or user fees;
- Meet resource management goals;
- Establish fee levels most appropriate to the recreation uses and user demands;
- Determine the most effective modes of fee collection for particular situations; and
- Evaluate the relative effectiveness of various approaches.

Because there are often several, sometimes contradictory purposes for which a fee program or particular fee is implemented, it is important to clarify the purposes so that the approach selected is consistent with the objectives to be achieved.

Recognize the Importance of Incentives

As Denis P. Galvin, Acting Director of the National Park Service, testified on June 19, 1997, because of the many restrictions imposed through the Land and Water Conservation Fund Act on the collection of fees and on the allocation of the fee revenues back to the agencies, managers have not had an incentive to collect the fees. To provide fee collection incentives, new legislation could follow the pattern of the demonstration project and allow fee revenues to supplement existing budgets and also provide that a majority of new fees would stay in the area where they were collected.⁶ Not only would this provision provide an incentive to managers, but based on our preliminary evaluations, it would also result in greater public acceptance of the fees.

⁶Denis P. Galvin, Testimony before the Subcommittee on National Parks, Historic Preservation and recreation, Senate Committee on Energy and Natural Resources, June 19, 1997.

Several elements of the current Recreational Fee Demonstration Program provide incentives for collecting fees. One element is that funds collected become immediately available to the agencies without further appropriation. The second element is the provision that most of the fee revenues stay in the facility in which they were collected. The third element is targeting the fee revenues to removing the backlog of badly needed maintenance backlog and allowing for enhancement of recreation areas. The fourth element is the ability of the agencies to distribute a portion of fee revenues to priority projects in facilities other than those that collected the fees.

Recognize the Importance of Permanent Authority

Permanent authority would allow the agencies to set aside funds toward expensive backlog projects that could not be funded with only one year's revenue. It also encourages agencies to invest in startup costs that could only be justified if amortized over several years. The assurance of funding would allow agencies to make long-term plans for recreation development, and to implement these plans in a systematic way. Permanent authority would strengthen the agencies' ability to enter into cost-sharing or other partnership arrangements that make backlog reduction a cooperative effort. A consolidation of existing temporary and permanent authorities would also help to improve accountability by making a direct correlation between fees collected and benefits provided.

Address Equity Issues Related to Unequal Distribution of Revenues

The agencies should have the ability to correct some of the inequities in distribution of the benefits of fee collection. The provision in the Recreational Fee Demonstration Program that agencies have discretion to distribute a portion of the fees among other recreation sites is a very important means of reducing revenue inequities within agencies. It may be that a different formula is more appropriate, one in which the agencies have more discretion on internal distribution of fee revenues within the agency, so long as a significant portion of the revenue is dedicated to the site in which it is collected. For example, there might be a minimum, such as 50 percent, that must stay in the site of collection, allowing agencies to keep as much as 100 percent in the site of collection for backlog and enhancement projects.

Inequities result from current legislation that prohibits fee collection in certain sites. Some of the imbalance can be alleviated by agency discretion in allocating a portion of recreation fee revenues. However, the inability to collect recreation fees places many units at a distinct disadvantage. Congress might consider removing current legislative prohibitions on fee collection at many or all recreation sites. By broadening the base of areas collecting fees, it might actually be possible to keep prices low and still increase revenues.

Support Partnerships Across Agencies and Levels of Government

Because of the practical difficulties involved in implementing joint arrangements, agencies have moved slowly. Specific statutory authorization could help to clarify the agencies' authority to enter into multi-agency and multi-governmental fee agreements, and to pool resources for subsequent redistribution among the partner agencies and governments.

Reconcile Any New Fee Programs with Previous Statutes

There are numerous areas that have stringent legislative restrictions with regard to fee collections that resulted, in some instances, in implementation of the Recreational Fee Demonstration Program in a manner different from what was intended. For example, current law requires that recreation fee revenue generated and collected from the O&C lands in western Oregon must be deposited into the O&C account for subsequent redistribution to counties. Only a small portion of recreation fee revenues are returned to the site in which they were collected.

Another example involves legislation authorizing the USDA Forest Service to return 25 percent of recreation fees to the state in which they were collected. While this provision was retained in the original fee demonstration legislation, subsequent amendments removed the base year, implying that these receipts will not be included in the 25 percent payments to states in FY 1998. It would be helpful to the agencies if any future fee legislation clarified how fee revenues are intended to be coordinated with other laws.

Take into Account Implementation Time

The implementation of new fees in sites that have not collected fees in the past often requires substantial local planning, assessment of comparable fees in the vicinity, assessment of the elasticity of prices at the site, public involvement, public information efforts, new procedures for cash management and personnel safety and accountability, and capital construction of access and fee payment facilities. Congressional requirements for reporting and for revenue targets should take into account these startup times and startup costs.

Consider Broadening the Fee Demonstration Effort

The fee demonstration program applies only to recreation fees. Of all the fee programs in which the agencies currently engage, there are those that clearly can be designated recreation fees, and clearly those that are not recreation fees. In the middle are a number of public recreation activities for which the agencies currently collect fees, but which may appear to be outside the scope of the Recreational Fee Demonstration Program, such as ski area special use permits, and permits for outfitters and guides. Using fee revenues from these recreation-related activities for on-the-ground permit administration facility and recreation enhancements could yield benefits for the recreating public. Consideration might be made to applying the Recreational Fee Demonstration Program more broadly so that it encompasses recreation-related fee programs currently that currently may be outside the scope of the program.