United States Government Accountability Office

GAO

Report to Congressional Requesters

September 2006

RECREATION FEES

Agencies Can Better Implement the Federal Lands Recreation Enhancement Act and Account for Fee Revenues

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GAO-06-1016

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Highlights

Highlights of GAO-06-1016, a report to congressional requesters

Why GAO Did This Study

In recent years, Congress has expressed concerns about the federal land management agencies' ability to provide quality recreational opportunities and reduce visitor confusion over the variety of user fees. In December 2004, Congress passed the Federal Lands Recreation Enhancement Act (REA) to standardize recreation fee collection and use at federal lands and waters.

GAO was asked to determine (1) what the agencies have done to coordinate implementation of REA, (2) what agencies have done to implement REA, (3) the extent to which agencies have controls and accounting procedures for collected fees, (4) how projects and activities are selected to receive funding from fees, and (5) the extent of unobligated fund balances. To answer these objectives, GAO reviewed agency guidance, analyzed fee data, interviewed officials, visited 26 fee-collecting units, and administered a nationwide survey to 900 fee-collecting units.

What GAO Recommends

GAO is making a number of recommendations to improve agencies' implementation of REA, including controls for recreation fee collection. In commenting on the draft report, Interior and Agriculture identified actions under way or planned to address them.

www.gao.gov/cgi-bin/getrpt?GAO-06-1016.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

September 2006

RECREATION FEES

Agencies Can Better Implement the Federal Lands Recreation Enhancement Act and Account for Fee Revenues

What GAO Found

The Departments of the Interior (DOI) and Agriculture (USDA) established four working groups to facilitate interagency cooperation and coordination of REA implementation. Each working group has made progress, but some issues remain unresolved. For example, the Interagency Pass working group has yet to determine the price to charge for the new pass, which is to be implemented in January 2007.

To implement REA, agencies reviewed their fee programs and made modifications to the fee programs at some of their units. For example, several of USDA's Forest Service units dropped 437 sites from their fee program, such as picnic areas, because they did not meet REA criteria. However, not all units are in compliance with REA. Many agency officials said that while the agencies have issued some interim guidance, REA was difficult to interpret and suggested the need for more specific and detailed guidance on the fee program. In addition, DOI's Bureau of Reclamation has not yet determined whether to implement REA. Reclamation is assessing how REA applies to its operations.

Some agencies lack adequate controls and accounting procedures for collected recreation fees and lack effective guidance for establishing such controls. On the basis of visits, some units did not have an effective means of verifying whether all collected fees are accounted for. In addition, many units have not implemented a system of routine audits to help ensure that fees are collected and used as authorized and that collected funds are safeguarded.

The various agencies participating under REA have different processes for selecting projects to be funded with recreation fee revenues. At DOI's Bureau of Land Management and Fish and Wildlife Service and USDA's Forest Service, most proposed projects are approved at the local unit level, usually within a few weeks. At DOI's National Park Service, fee projects are reviewed and approved at the unit, regional, and headquarters or department level before projects are funded. According to National Park Service officials, under this process, it can sometimes take a year or more to obtain approval for a requested fee project, which delays project implementation and contributes to unobligated fee revenue balances.

Agencies have $300 million in unobligated fee revenue balances. Unit officials cited several reasons for the unobligated balances, such as the need to save for large projects. Many unit officials also said that recreation fee revenues are essential to providing services at their recreation areas that would not otherwise be funded.

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Abbreviations

ASC	Albuquerque Service Center
BLM	Bureau of Land Management
DOI	Department of the Interior
FACA	Federal Advisory Committee Act
FS	Forest Service
FWPRA	Federal Water Project Recreation Act
FWS	Fish and Wildlife Service
GPO	Government Printing Office
HIRA	High Impact Recreational Area
LWCF	Land and Water Conservation Fund
NPS	National Park Service
NWR	National Wildlife Refuge
PMIS	Project Management Information System
REA	Federal Lands Recreation Enhancement Act
RFP	Request for Proposal
RRAC	Recreation Resource Advisory Committee
USDA	U.S. Department of Agriculture
WASO	Washington Office (National Park Service)

United States Government Accountability Office
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The Honorable Charles H. Taylor
Chairman, Subcommittee on Interior,
Environment, and Related Agencies
Committee on Appropriations
House of Representatives

The Honorable Norm Dicks
Ranking Member, Subcommittee on Interior,
Environment, and Related Agencies
Committee on Appropriations
House of Representatives

Over the past several years, Congress has expressed concern about the operation and maintenance of federal recreation sites and the ability of federal land management agencies to continue providing visitors high-quality recreational opportunities, while at the same time protecting natural and other resources. To help address these concerns, Congress passed legislation in 1996 authorizing an experimental initiative called the Recreational Fee Demonstration Program (Fee Demo), under which participating agencies were authorized to establish and collect recreation fees at a number of sites and to use the revenues to enhance visitor services, manage and protect resources, and reduce maintenance backlogs, among other uses. Agencies participating in the Fee Demo program included the Department of the Interior's (DOI) Bureau of Land Management (BLM), Fish and Wildlife Service (FWS), and the National Park Service (NPS), as well as the U.S. Department of Agriculture's (USDA) Forest Service (FS). The Fee Demo program created two types of recreation fees: entrance fees for basic admission to an area and user fees for specific activities, such as camping or boat launching. Between 1996 and 2004, Congress reauthorized the program several times. The program was designed to allow agencies to be creative in developing and experimenting with new fees and fee collection practices for improving visitor services, and to alleviate visitor confusion by coordinating multiple or overlapping recreation fees. The program required that at least 80 percent of fee revenues be used at the sites where they were collected, while allowing for the remaining 20 percent to be distributed to other sites that may or may not be participating in the demonstration program. Despite these program benefits, our reviews of the Fee Demo program identified a number of areas needing improvement.[1] Specifically, we reported that opportunities remained for the agencies to be more innovative and cooperative in designing, setting, collecting, and coordinating fees. We also reported that heavily visited sites might eventually have more revenue than needed for their projects, while other sites could have unmet needs as a result of adhering to the requirement that 80 percent of the revenues be used at the sites where they were collected.

To address these and other issues, in December 2004, Congress passed the Federal Lands Recreation Enhancement Act (REA), which repealed the Fee Demo program. Under REA, five federal agencies—BLM, FWS, NPS, and the Bureau of Reclamation (Reclamation) in DOI, and FS in USDA—are authorized to charge and collect recreation fees at federal lands and waters. When Congress authorized REA, it attempted to improve upon the demonstration program by providing fee authority for 10 years until December 2014, standardizing the types of fees, increasing flexibility for fee revenue expenditures, and authorizing a new national, interagency "America the Beautiful—the National Parks and Federal Recreational Lands Pass" designed to minimize visitor confusion over which passes can be accepted where. REA also provides criteria for establishing several different kinds of fees (entrance, standard amenity, expanded amenity, and special recreation permit) and prohibits charging of fees for certain activities and services such as outings conducted by schools for noncommercial educational purposes.

Under REA, only NPS and FWS are authorized to collect entrance fees. An entrance fee simply refers to a fee charged to enter lands managed by these agencies. BLM, FS, and Reclamation are authorized to collect standard amenity fees, which is a fee for access to a National Conservation Area; a National Volcanic Monument; a destination visitor or interpretive center that provides a broad range of interpretive services, programs, and media; or use of an area that provides significant opportunities for outdoor recreation and contains all of the following six amenities: (1) designated developed parking; (2) a permanent toilet facility; (3) a permanent trash receptacle; (4) an interpretive sign, exhibit or kiosk; (5) picnic tables; and (6) security services. In addition, each of the five agencies can collect

[1]GAO, *Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services*, GAO-02-10 (Washington, D. C.: Nov. 26, 2001). GAO, *Recreation Fees: Information on Forest Service Management of Revenue from the Fee Demonstration Program*, GAO-03-470 (Washington, D. C.: Apr. 25, 2003).

"expanded amenity fees," as well as fees for special recreation permits. Expanded amenity fees may be charged for the use of a specialized facility, equipment, or service, such as a campground, boat launch, reservation service, or interpretive tour. REA outlines the criteria that must be met in order to charge this fee. For example, in order for a BLM, FS, or Reclamation unit to charge an expanded amenity fee for use of a developed campground, the campground must include at least a majority of nine specified amenities such as tent or trailer spaces, drinking water, and simple devices for containing a campfire. Each of the five agencies can also collect a special recreation permit fee in connection with the issuance of a permit for specialized recreation uses of federal recreational lands and waters, such as group activities, recreation events, and motorized recreational vehicle use.

In general, REA directs the Secretaries of the Interior and Agriculture to involve the public in developing recreation fees and requires BLM and FS to establish committees, called Recreation Resource Advisory Committees (RRACs) or use an existing Resource Advisory Committee,[2] to allow public input on recommendations for fee amounts and their usage, and the establishment of new fee sites. REA provides that recreation fee revenues are available for expenditure without further appropriation, until expended and, in general, requires that the collecting unit retain a minimum of 80 percent of revenues from recreation fees.[3] However, REA does give the agencies some flexibility to make an annual decision to reduce the percentage allocation to a collecting unit to as little as 60 percent if they determine the revenues collected at a given unit exceed its reasonable needs. The remainder of these revenues goes into a central agency account for expenditure on an agencywide or regional basis. While we describe agency procedures for distribution of these funds, the use of these central funds was beyond the scope of this review. Furthermore, the law extends the agencies' authority to collect recreation fees to December 2014. The primary differences between the Fee Demo program and REA authority are illustrated in table 1.

[2]BLM generally refers to Resource Advisory Committees as Resource Advisory Councils.

[3]Recreation fees collected under REA are deposited in the Recreation Enhancement Fee account.

Table 1: Primary Differences between Fee Demo and REA

	Fee Demo	REA
Authority	Pub. L. No. 104-134, tit. III, § 315 (1996); Pub. L. No. 104-208, tit. III, § 319 (1996); and Pub. L. No. 107-63, tit. III, § 312(b) (2001)	Federal Lands Recreation Enhancement Act, Pub. L. No. 108-447, tit. VIII (2004)
Authority time frame	Operated on periodic reauthorizations from Congress.	Expires 10 years from date of enactment (December 8, 2014).
Authorized agencies	DOI: NPS, BLM, FWS USDA: FS	DOI: NPS, BLM, FWS, Reclamation USDA: FS
Types of fees	Entrance and user fees.	Entrance, standard amenity, expanded amenity, special recreation permit fees.
Fee prohibitions	No specific prohibitions.	Prohibitions on charging fees for certain individuals, such as those under 16 years of age; at certain places such as the Flight 93 National Memorial; and for activities such as noncommercial education programs.
Public participation	No specific requirements.	Public notification requirements for new fees and fee modifications; Recreation Resource Advisory Committee or existing Resource Advisory Committee input generally required on fee changes or new fee areas for BLM and FS.
Fee revenue collections	At least 80% must be retained by collecting unit for its use.	At least 60% must be retained by collecting unit for its use.
National passes	Various agency passes such as the National Parks Pass and interagency national passes, such as the Golden Eagle, Age, and Access Passports.	One national interagency pass.

Source: GAO.

You asked us to provide an early assessment of REA implementation and to help ensure that the guidelines being developed to implement the new law are based on sound management practices. As requested, we determined (1) what agencies have done to coordinate the implementation of REA, including preparing for the new interagency federal lands pass; (2) what agencies have done to implement REA fee and amenity requirements and sufficiency of guidance for REA implementation; (3) the extent to which the agencies have control and accounting procedures for collected recreation fee revenues; (4) how participating agencies prioritize and approve activities and projects funded with fee revenues; and (5) the extent to which units have unobligated fund balances and if recreational fees are being used to fund projects formerly funded with other appropriations. We are also providing in appendix II information on how recreation fees vary by type, amount, and the level of amenities offered at units with similar recreational opportunities across and within agencies participating in REA.

To address these objectives, we obtained and reviewed applicable laws, regulations, agencywide policies and procedures, regional policies and procedures, and the fees collected at selected units under the Fee Demo program and REA in order to determine what changes have resulted since REA implementation. We developed and administered a nationwide survey to about 900 units[4] collecting fees under REA, and 89 percent of the units responded. We supplemented the survey information with records reviews, analyses of documents, and testimonial evidence gathered during 26 unit visits and in meetings with state, regional, and headquarters officials. Appendix I shows the 26 units we visited, as well as a more detailed description of our objectives, scope, and methodology. We conducted our work between June 2005 and August 2006 in accordance with generally accepted government auditing standards.

Results in Brief

The Departments of the Interior and Agriculture established four working groups to facilitate interagency cooperation and coordination on REA implementation issues. While each of the four working groups has made overall progress facilitating the implementation of REA, some key issues being addressed by two of the working groups remain unresolved, which is impacting or has the potential of impacting progress on implementing some REA requirements. Some unresolved issues are as follows:

- The RRACs/Public Participation working group is focused on establishing RRACs or utilizing existing Resource Advisory Councils (advisory councils) as part of the REA public participation requirements. This working group is involved in establishing state and regional RRACs that may make recommendations to the Secretaries of the Interior and Agriculture related to public concerns about implementation of standard and expanded amenity fees or the establishment of a specific recreation fee site managed by BLM or FS, among other issues. As of April 2006, the working group had determined the organization of the RRACs and drafted an interagency agreement required before the RRACs could be formed. However, this interagency

[4]A unit is defined as a BLM field office, a FWS national wildlife refuge, a unit of the national park system (e.g., a national park, national historic site, or national monument), or a FS ranger district.

agreement was finalized on September 1, 2006, and there is no time line for implementation. As a result, no state or regional RRACs are fully operational. Since BLM and FS interim policy generally requires units to obtain RRAC review and recommendation for approval of new or increased fees, the delay in forming these advisory committees—which were originally estimated to be established with members appointed by the end of 2005—has delayed the implementation of new fees or fee changes in some BLM and FS units.

- The Interagency Pass working group has mainly focused on preparations for the new interagency pass. While the working group has made progress in preparing to implement the new pass, certain critical aspects in the pass development time line have taken much longer than anticipated. For example, the working group has yet to determine the price to charge for the new pass, which is to be implemented in January 2007. According to working group officials, they are working under a very tight time line to implement the new pass by this deadline, but say they are committed to implementing the pass on schedule.

The responsibilities of the other two working groups are essentially completed. The Fee Collection/Expenditure working group focused on developing common definitions and policy guidance to provide a consistent basis for implementing REA and enable common reporting by each of the agencies. This working group finalized an interagency handbook with common definitions and guidance in March 2006. Also, the Communications working group was formed to act as a vehicle for communicating REA implementation issues between the authorized agencies, Congress, and the public. According to agency officials, this working group has been used to facilitate interagency communication to Congress and the public, such as organizing public listening sessions on the new pass and formation of the RRACs.

To implement REA, participating agencies have reviewed their recreation fees under the former Fee Demo program and have begun modifying their fee programs. Most NPS and FWS units continued charging entrance fees as allowed under REA. Units at BLM and FS made modifications to their fee programs to comply with REA standard amenity or expanded amenity fee requirements. For example, FS stated that it dropped 437 sites from its fee program, including numerous trailheads and picnic areas, because they did not offer the required minimum amenities. In cases where existing amenities met REA criteria, agencies continued charging fees by converting existing user and entrance fees to the new fee categories defined by REA. Some units, primarily within FS and BLM, added amenities such as picnic tables or trash receptacles to bring sites into compliance with REA. However, in survey responses some BLM and FS units reported collecting standard amenity fees, without having all six amenities required under REA. BLM and FS headquarters officials said many of these survey responses were in error. Some of these units are still transitioning toward compliance with REA, as they plan to add the additional required amenities. Although REA included Reclamation as a participating agency, Reclamation is still considering whether to implement REA. It is assessing advice from the Office of the Solicitor on issues such as its authority to charge recreation fees under other legislation that was not repealed by REA. Although agencies reported no major problems with the transition from Fee Demo to REA, many unit officials said that REA was difficult to interpret, such as defining criteria for charging standard and expanded amenity fees, and suggested the need for more specific guidance, including detailed policies and procedures for implementing REA and managing recreation fee programs.

Some agencies lack adequate controls and accounting procedures over collected recreation fees and also lack effective guidance for establishing these controls. According to federal internal control guidance, program managers need to identify risks that could impair the safeguarding of fee revenues at the unit level and should formulate an approach for risk management that identifies the internal controls necessary to mitigate those risks. However, on the basis of our unit visits, we determined that some BLM, FWS, and FS officials did not have sufficient guidance—or even examples of best practices—to follow for implementing effective internal controls over cash management. For example, some units did not have a means of determining the amount of cash an employee collected and, therefore, could not verify that all collected fees were accounted for. Some agencies lacked adequate guidance to help develop an effective system of internal controls over collected fees. Further, many units have not implemented a system of routine audits to help ensure that fees are collected and used as authorized and that collected funds are safeguarded. On the basis of 752 units responding to this question in our survey, only 37 percent reported having their fee collection program examined by an auditor since October 2000. The percentage of units having their fee collection programs examined varies significantly by agency. For example, about 63 percent of NPS units reported having such examinations, whereas only 14 percent of FWS units, 27 percent of BLM units, and 33 percent of FS units had examinations. According to some unit officials with whom we spoke, they either did not believe they had access to internal or external audit resources or they rationalized that they did not need to implement an audit program since they had trustworthy staff. However, without routine audits, the agencies lack an important internal control that could allow them to promptly detect unauthorized transactions involving recreation fee revenues and assess the design and implementation effectiveness of controls over these assets agencywide.

The agencies have different processes for selecting projects to be funded by recreation fee revenues. Agencies prioritize projects based on REA criteria and related agency guidance. REA criteria allow the agencies to obligate fee revenues on a wide variety of projects such as repairs and maintenance, interpretive programs, and habitat restoration. However, REA also places restrictions on expenditures, including prohibiting the use of fees for threatened and endangered species biological monitoring and employee bonuses. Agency priorities, which focus the emphasis on using recreation fees to enhance the visitor's experience, are also guided by agency needs and revised policies under REA. The differences in the process for reviewing and approving projects can affect the types of projects funded and time lines for their implementation. For example, at BLM, FWS, and FS, most proposed projects are approved at the local unit level, which according to unit staff usually occurs within a few weeks or, in some cases, immediately without unit manager approval. At NPS, projects are reviewed and approved at the unit and regional levels, as well as at the headquarters level, prior to submitting them for Departmental or Congressional approval per a multi-level approval process that is based on dollar amounts. According to NPS officials, under this process it can sometimes take 1 year or more to obtain approval to fund a requested project, and many unit and regional officials expressed frustration about the length of this process. According to NPS officials at the unit and regional levels, the length of time to obtain approval for funding NPS projects has delayed project implementation and contributed to units having unobligated fee revenue balances. In contrast, a NPS headquarters recreation fee program manager stated that their approval approach helps to ensure that projects funded are consistent with REA and to assure accountability. The agencies have used recreation fee revenues to fund or partially fund a wide variety of maintenance, operations, and capital improvement projects. For example, fee revenues were used for maintenance work such as trail repairs, increased seasonal staff to help with operations such as teaching river safety, and the installation of capital improvements such as new restroom facilities. The collection and distribution of central and/or regional funds also varies by agency and sometimes by region. Generally, these central and regional funds are distributed among the units based on project proposals or are used to cover administrative costs of the recreation fee program.

The four agencies collecting recreation fees have accumulated unobligated balances of nearly $300 million at the end of fiscal year 2005. These balances have accrued under REA and its predecessor, Fee Demo, for a variety of reasons. On the basis of our survey, 114 of 270 NPS, BLM, and FWS units with unobligated balances reported that their balances exceeded the amount of fee revenues the units collected in fiscal year 2005. This condition also existed at 63 of 107 forests that FS reported as having unobligated balances. An example of a unit with a large balance is the Grand Canyon National Park. With revenues of about $20 million in fiscal year 2005 and with previous balances accumulated over several years, the park had an unobligated balance of almost $37 million at the end of 2005. NPS, BLM, FWS, and FS units responding to our survey identified several reasons for unobligated balances, including the fact that some units have inadequate staffing to administer and implement projects, the need to carry over funds for the next season's operations, and the need to carry over funds to complete large projects. For example, officials with the Grand Canyon National Park planned to use the park's $37 million unobligated balance for an alternative transportation project that is estimated to cost approximately $47 million. Officials from 58 percent of the four agencies' units responding to our survey indicated they believed that, to a moderate, great, or very great extent, recreation fee revenues are being used to fund the types of projects formerly funded with other general appropriations at their unit. However, many unit staff we interviewed or who commented on our survey stated that recreation fee revenues are essential to providing services at their recreation areas that would not otherwise be funded. Additionally, officials from 64 percent of responding units indicated they believed that, to a moderate, great or very great extent, they may need to replace other general appropriations with recreation fee revenues in the future. Interior and FS headquarters officials stated that historically, fee revenues have not replaced appropriations and there is no reason to expect this to change in the future. Further, Interior headquarters officials stated that the department has organized spending of recreation fee revenues in such a manner as to focus on supplementing spending that would have occurred absent fee revenues.

To allow for public input on new fees or modifications to existing fees, we are recommending that the Secretaries of the Interior and Agriculture expedite completing the steps needed for the RRACs and existing advisory councils to begin implementing REA. To improve (1) agencies' REA implementation and (2) improve the accountability and controls for recreation fee collection, we recommend that the Secretaries of the Interior and Agriculture direct their land management agency Directors and Chief to promptly issue final REA regulations and implementation guidance on their fee programs and ascertain the extent to which some of their units do not have processes and procedures for accounting for and controlling collected fees and develop cost effective approaches for implementing reasonable internal controls over cash management. We are also recommending the Secretary of the Interior to direct the Commissioner of the Bureau of Reclamation to expedite a decision on implementing REA so that units can begin to collect and retain recreation fees to enhance their recreation programs, as authorized under REA.

In commenting on a draft of this report, the Department of the Interior generally agreed with our recommendations and provided some specific actions planned or under way to address them. The Department of Agriculture's Forest Service also outlined some actions to address the recommendations. With regard to our recommendation for both agencies to complete the interagency agreement necessary for the RRAC's and advisory councils to implement REA, both agencies advised us that they had signed this agreement, which was finalized on September 1, 2006. As a result, we removed this recommendation from the report. Both agencies also offered several suggestions for updating information in the report and for technical clarifications; we have incorporated these suggestions, as appropriate.

Background

DOI's BLM, FWS, NPS, and Reclamation, and USDA's FS manage more than 638 million acres of land in the United States, including lands in national forests, grasslands, parks, refuges, and reservoirs. These agencies manage the federal lands for multiple uses, including recreational activities such as camping and boating. To enhance visitor services while protecting natural and other resources, as well as to address concerns about the prior recreation fee program, Congress passed REA, which authorized the collection and use of recreation fees at federal lands and waters.

- BLM's mission is to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations. BLM manages more than 260 million acres located primarily in 12 western states. The agency manages and issues permits for activities such as recreation, livestock grazing, timber harvesting, and mining. Recreation fees are collected under REA at about 100 BLM field offices.

- The mission of the FWS is to work with others to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people. FWS manages more than 545 national wildlife refuges and 37 large, multiple-unit wetland management districts on more than 96 million acres of land throughout the nation, 69 national fish hatcheries, and 46 administrative sites. As of August 2006, recreation fees are collected under REA at 166 FWS sites. An additional 32 national wildlife refuges only sell passes.

- The mission of NPS is to conserve the scenery, the natural and historic objects, and the wildlife of the national park system so that they will remain unimpaired for the enjoyment of this and future generations. NPS manages 390 national park units covering more than 84 million acres in 49 states, the District of Columbia, American Samoa, Guam, Puerto Rico, Saipan, and the Virgin Islands. NPS manages many of the nation's most precious natural and cultural resources. About 190 park units collect recreation fees such as entrance, use, and pass sales. An additional 31 units only generate revenue from the National Parks Pass and other pass sales.

- The mission of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. Reclamation manages about 8.5 million acres of land associated with water projects in 17 western states. The agency delivers water and hydroelectric power through the maintenance and administration of dams and reservoirs. Currently, Reclamation has identified seven locations that meet REA requirements for collecting standard amenity fees.

- The mission of the USDA FS is to sustain the health, diversity, and productivity of the nation's forests and grasslands to meet the needs of present and future generations. FS manages more than 190 million acres throughout the country. The agency manages and issues permits for activities such as skiing, livestock grazing, recreation, timber harvesting, mining, and rights-of-way for road construction. Recreation fees are collected at about 410 ranger districts in 155 national forests.

BLM, FWS, NPS, and FS have had broad authority to collect recreation fees for over 40 years, first under the Land and Water Conservation Fund

(LWCF) Act of 1965 and later under Fee Demo. Initially, Fee Demo authorized only a limited number of sites to charge and retain recreation fees—up to 100 sites per agency—but Congress later expanded the authority to allow any number of sites to charge and collect recreation fees. Under Fee Demo, the agencies were encouraged to be innovative in designing and collecting fees and to coordinate their fees with other federal, state, and local recreational sites. The program yielded substantial benefits for recreation sites by funding significant on-the-ground improvements. Total fee collections were about $192 million in fiscal year 2004, with about 67 percent or $129 million collected by NPS; the four agencies collected a total of over $1 billion in recreation fee revenues during the 8 years of the Fee Demo program.[5] Nevertheless, under the demonstration program, the majority of the agencies' funds were still provided to them through annual appropriations.

Between 1998 and 2004, GAO conducted several reviews of the Fee Demo program, resulting in numerous reports and testimonies. During these reviews, we found that Fee Demo was successful in raising revenues and providing benefits to the agencies, but that improvements could be made to better the program. GAO informed Congress of several areas that needed to be addressed to ensure the program's success. These included: (1) providing a more permanent source of revenue to supplement existing appropriations by providing the agencies with a more permanent fee authority; (2) encouraging effective coordination and cooperation among agencies and individual fee sites to better serve visitors by making the payment of fees more convenient and equitable, while at the same time reducing visitor confusion about similar or multiple fees charged at adjacent federal recreation sites; (3) providing the agencies with greater flexibility regarding fee revenue expenditures by modifying the requirement that at least 80 percent of fee revenues remain at the collection site; and (4) encouraging fee innovation through pricing structures based on extent of use or peak pricing. In 2004, Congress passed REA, in part, as a response to the suggestions and concerns documented in these previous reports. REA repealed several prior authorities such as those contained in LWCF Act, Fee Demo, and the National Parks Omnibus Management Act of 1998, which authorized national passes including the National Parks Pass.[6]

[5]Dollars in this report are unadjusted for inflation.

[6]Existing passes purchased prior to the establishment of the new interagency pass will remain valid until expired, lost, or stolen.

However, many of the fees currently charged under REA were first instituted under the LWCF Act or during the Fee Demo program.

For fee revenues, REA provides that recreation fees collected under the act be deposited in a special fund account and remain available for expenditure without further appropriation action. REA allows the revenues to be used in a variety of ways such as for repair, maintenance, and facility enhancement; interpretation and visitor information; law enforcement; and direct operating or capital costs associated with the fee program. However, not more than an average of 15 percent of total recreation fee revenues may be used for administration, overhead, and indirect costs related to the recreation fee program. Further, REA prohibits the use of recreation fee revenues for employee bonuses or for biological monitoring under the Endangered Species Act.

Both visitors to federal lands and agency officials generally support recreation fees and tout the benefits that fee revenues provide through improved facilities and services. Some assert that the recreation fee program will improve recreational opportunities and that it is a needed supplement to general fund appropriations. However, concerns about the recreation fee program continue to exist for a variety of reasons. For example, some people are concerned that the fee program under REA does not go far enough in simplifying fees, that federal lands will be overdeveloped to attract fee-paying tourists, and that the law fails to ensure that most collections will be used for the agencies' highest priorities. Other critics continue to oppose recreation fees in concept, in large part, on the grounds that the cost of operating and maintaining federal lands should be covered by general fund appropriations and that these fees constitute a barrier to public access to federally managed lands. However, in times of budget constraints, recreation fees may provide an important source of additional funding needed to sustain agency operations.

Working Groups Formed to Foster Interagency Cooperation and Coordination on REA Implementation Issues Have Made Progress, but Some Issues Remain Unresolved

The four technical working groups formed by DOI and USDA to facilitate interagency cooperation and coordination on specific REA implementation issues have made progress. However, progress has been slow in some areas, such as resolving issues surrounding the RRACs and the new interagency pass, possibly delaying agency implementation of these aspects of the law. For example, the working group responsible for forming advisory committees, such as RRACs, has missed target dates, which has ultimately delayed the establishment of some new recreation fees. GAO has reported in the past that agencies face barriers any time they attempt to work collaboratively, but that there are key practices that can be applied to help enhance and sustain agency collaboration.[7] For example, it is important to establish compatible policies, procedures, and other means to operate across agency boundaries. While one working group has finalized its interagency handbook, one is not planning to issue any guidelines, and two have not issued all of their interagency guidelines and agreements. For example, the working group responsible for preparing for the new interagency federal lands pass has not issued interagency guidelines outlining such details as pass eligibility requirements and distribution of costs and revenues among the agencies, which could potentially delay implementing the new pass.

The RRACs/Public Participation Working Group is Facilitating the Establishment of State and Regional RRACs, but Progress Has Been Slow

The RRACs/Public Participation working group has focused on establishing RRACs or utilizing existing advisory councils as part of the REA public participation requirements.[8] These committees may make recommendations to the Secretaries of Interior and Agriculture related to public concerns about implementation of standard and expanded amenity fees or the establishment of a specific recreation fee site managed by BLM or FS, among other issues. However, the development of the RRACs has been slow, which has delayed the implementation of new fees or fee changes at some units. According to a June 2005 interagency presentation, it was expected that the RRACs would be established with members appointed by the end of 2005. Despite progress toward establishing RRACs,

[7] GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15 (Washington, D.C.: Oct. 21, 2005).

[8] The establishment of the RRACs is guided by the Federal Advisory Committee Act (FACA), as well as REA. Under FACA, there are specific requirements for organizing and managing such committees, such as assigning of a Designated Federal Officer to each committee, achieving balanced membership on the committees, and requiring open public meetings.

some tasks have taken longer than originally estimated and, as of August 2006, no state or regional RRACs are fully operational. Before the working group can move forward with many aspects of establishing RRACs—including issuing a charter and soliciting nominations for membership—or existing advisory councils can begin reviewing fee issues, an interagency agreement on implementing the RRAC requirements had to be signed. This interagency agreement, which covers issues such as the specific duties of the new RRACs and existing advisory councils, was finalized on September 1, 2006, but there is no time line for implementation, according to an agency official. In addition, other preparatory work to implement the new RRAC requirement has begun. For example, BLM and FS have begun educating existing advisory councils and the public about recreation fees and the REA public participation requirements.

Because BLM and FS generally cannot create new fees or modify existing fees (per each agency's interim policy) without the participation of RRACs, or existing advisory councils, the delay in establishing these advisory committees has prevented many units from making fee decisions. Agency officials at 26 percent of BLM and almost 38 percent of FS fee-collecting units responding to our survey, or 171 units out of 481 total units, said that the establishment of or changes to recreation fees at their units had been prevented or delayed to a moderate, great, or very great extent since the passage of REA in December 2004. For example, the Dillon Ranger District in the White River National Forest in Colorado is currently considering modifying its fee structure but has been delayed because the RRACs are not operational. Because adding new fees or increasing existing fees generally results in an overall increase in fee revenue, some units may be losing fee revenue that could be used to further enhance visitor services without functioning RRACs in place. Some units, however, were allowed to add or modify fees prior to implementation of the new RRAC requirement if the fee changes were already in progress, and public notification and participation requirements had been met. For example, about 25 new expanded amenity fees have been implemented at FS units since early 2006, most of which are for cabin rentals, according to the FS Fee Program Coordinator. In addition, in some states there are no units that currently want to add or modify fees, so the implementation of the RRAC requirements is not delaying fee changes at any units in those states.

The organizational structure for the RRACs and use of existing advisory councils was approved by DOI and USDA in March 2006 via an interagency organizational agreement that established, among other things, how the REA RRAC requirement will be met in each state/region. In the majority of western states, BLM and FS will use joint RRACs or committees, many of which will be composed of existing BLM advisory councils—REA allows existing advisory committees or fee advisory boards to perform the RRAC duties. In addition, five new RRACs are being established nationwide. Appendix III outlines the organizational structure and membership requirements for the RRACs.

Finally, in addition to the specific requirement for BLM and FS to establish RRACs or use existing advisory councils to review fee issues, REA has several other provisions for public participation that apply to all agencies, and these new public participation requirements have also delayed the implementation of new fees or fee changes at some units. DOI and USDA issued interagency guidelines on public participation that apply to all participating agencies in September 2005. The guidelines direct the Secretaries of Agriculture and Interior to publish a *Federal Register* notice for establishing each new recreation fee area 6 months prior to its establishment, as required by REA. The guidelines also direct the agencies to identify outreach efforts, such as public meetings, to encourage public involvement in establishing recreation fee areas[9] and to annually post notices at each recreation fee area describing the use or anticipated use of recreation fees collected at that site during the previous year. Some of the agencies, including NPS, BLM, and FS, have issued agency-specific guidance for meeting REA public participation requirements. According to agency officials, the public participation requirements have delayed fee changes or the establishment of new fees at some units. Agency officials at almost 17 percent of fee-collecting units within all four agencies responding to our survey said that the public participation process in general had delayed or prevented the establishment of or changes to recreation fees at their unit to a moderate, great, or very great extent since the passage of REA in December 2004.

[9]The public involvement opportunities must also include “sharing plans” developed by the agencies when deciding to establish any new recreation fee areas. These plans will generally contain (1) a description of the new recreation fee areas; (2) a financial analysis, including projected development, operating, and maintenance costs, as well as projected income for the fee area; (3) an analysis of existing private and public facilities or services in the vicinity of the fee area that may compete with it; and (4) a description of how the cooperating agencies will inform the public as to how the fees collected at the area will be spent.

Interagency Pass Working Group Has Made Progress Preparing for the New Interagency Federal Lands Pass, but Some Issues Remain Unresolved

The Interagency Pass working group has mainly focused on preparations for the new interagency "America the Beautiful—the National Parks and Federal Recreational Lands Pass." While the agencies have made progress in preparing to implement the new pass, some issues remain unresolved. For example, while the working group has generally determined how revenues from passes sold centrally will be distributed for the first 3 to 5 years, it is unclear how these revenues will be distributed among all participating agencies beyond this time frame. In addition, the working group has not determined the price to charge for the new pass. According to DOI, the most complex and time-consuming aspect of implementing REA relates to establishing this new pass. The Interagency Pass working group has been addressing the various issues involved with the pass, including the price of the pass, the distribution of revenues from the sale of the pass, and operational issues like accepting the pass and tracking its use at recreation sites. The target date for implementing the new pass is January 1, 2007, with passes available for distribution by November 1, 2006. According to the working group, this is a very tight time line that will require the contracting processes to stay on schedule and for subsequent design, production, and shipping deadlines to be met.

The standard version of the new pass will be available to the general public; in addition, there will be versions of the pass available to senior citizens, persons with disabilities, and volunteers. Table 2 provides a description of each of the versions of the new pass. The price of the standard pass has not yet been determined. The Golden Eagle, Age, and Access Passports, and the National Parks Pass will continue to be sold until the new interagency passes are available and all existing passes will be valid for the lifetime of the pass (e.g., 1 year from purchase for National Parks Pass and Golden Eagle Passport; lifetime of the pass holder for Golden Age and Access Passports).

Table 2: Description of America the Beautiful—the National Parks and Federal Recreational Lands Pass

Pass name	Price of pass	Coverage	Eligibility	Valid
Standard (annual) pass	Not determined	Entrance fees and standard amenity fees	General public	12 months from time of purchase
Senior lifetime pass	$10.00	Entrance fees and standard amenity fees; discounts on some expanded amenity fees	U.S. citizens or permanent residents aged 62 or older	Lifetime of pass holder
Access lifetime pass	Free	Entrance fees and standard amenity fees; discounts on some expanded amenity fees	U.S. citizens or permanent residents who have a permanent disability	Lifetime of pass holder
Volunteer pass	Free	Entrance fees and standard amenity fees	Volunteers at recreation sites who log 500 volunteer hours over any period of time	12 months from time of receipt

Source: GAO.

While the price of the new standard pass has yet to be determined as of August 2006, the pricing decision is critically important because of the potential impact of the pass on entrance and standard amenity fee revenues. In particular, agency officials at NPS have emphasized the importance of pricing and marketing decisions and their potential impacts on entrance fee revenue. To provide information to help determine the price of the new pass, the agencies entered into a cooperative agreement with the University of Wyoming to conduct a pricing analysis. For the study, researchers conducted six focus groups throughout the nation,[10] collected benchmarking information from a number of U.S. state parks and Canadian national parks, and developed and implemented a random telephone survey of recreation users. According to a NPS headquarters official, the working group is not considering potential revenue losses due to the new interagency pass, only what the public is willing to pay for the new pass. However, in commenting on a draft of this report, NPS headquarters officials informed us that revenue impacts will be considered in the pricing decision. According to a DOI official, the price of the new pass was to be determined in the summer of 2006. As of August 2006, the price of the new standard (annual) pass had not yet been established.

[10]Focus groups were held in Richmond, VA; Boston, MA; Salt Lake City, UT; Fresno, CA; Portland, OR; and Madison, WI.

The details of the plan for distributing revenues from the sale of new interagency passes sold centrally, such as through the Internet or outside vendors, beyond the first 3 to 5 years of the pass program is still uncertain. All pass revenue from passes sold at units will remain within the agency where the pass was sold, and it will be up to each agency to determine how to redistribute pass revenues within the agency. For the first 3 to 5 years of the pass program, revenues from passes sold centrally will initially be used to cover administrative costs of the new pass and to reimburse NPS for the almost $2.4 million it loaned to fund development of the new pass. After administrative costs for the new pass are covered and NPS is reimbursed, any remaining central pass revenues will be distributed equally among all participating agencies for at least the first 3 to 5 years of the program, with the goal of assisting all agencies in establishing a pass program. However, this plan may be revisited if central pass sales significantly increase or decrease[11] or if central pass revenue after 3 years is not adequate to cover administrative costs of the program or to reimburse NPS for its loan. The long-term plan for revenue distribution beyond the initial 3 to 5 years is more uncertain because these plan details have not been agreed upon. According to an official from the working group, the current long-term plan is to distribute central pass revenues to the agencies based on a formula that takes into account pass use, where passes were purchased, and possible additional factors. However, the details of the formula have not been determined, and there are some potential problems with the collection of pass-use data to be used in the formula.

While units are generally able to track the number of passes sold, it would be difficult for many units to collect accurate data about use of the pass. At most NPS and FWS sites, fees covered by the new interagency pass will generally be collected at staffed entry points, whereas at BLM and FS sites, fees covered by these new passes will generally be collected at unstaffed and often remote locations where fee compliance and enforcement will be irregular and infrequent. One way to track pass usage would be to swipe a magnetic strip on the passes at recreation site entry gates. However, even within NPS, whose sites frequently have staffed entry points, only one-third of the sites with entrance fees are currently capable of reading magnetic strips at their entry gates. It would likely be difficult and expensive to

[11]In 2004 and 2005, more than 85 percent of National Parks Passes were sold at fee sites, approximately 5 percent were sold through the Internet, less than 1 percent were sold through the current contractor's contact center, and approximately 8 percent were sold through third-party sales.

install technology to read magnetic strips at many remote and unstaffed units, and compliance with such systems would be difficult to enforce at sites without staffed entry booths by January 2007. According to a member of the working group, the working group is aware of these issues and, while it has not yet addressed them, the group plans to develop a consistent data collection strategy that the agencies can use at unstaffed locations to determine pass usage. Agencies will be responsible for implementing the strategy and units will be expected to collect data on the use of the pass after the new interagency pass is released.

As of August 2006, the agencies are engaged in a contracting process to acquire the goods and services necessary to implement the new interagency pass and are planning to issue the pass by the January 2007 target date. A Request for Proposal (RFP) for the contract was published on June 5, 2006, and, according to agency officials, it is unknown when the contract will be awarded. The U.S. Government Printing Office (GPO) will print the new pass and any accompanying products. Agency officials from the Interagency Pass working group have acknowledged that they are working within a very tight time line, but have said that they are committed to issuing the new pass by January 2007. However, certain critical aspects in the pass development time line have taken much longer than originally anticipated. For example, an earlier estimated date for issuing the RFP for contracting services was fall 2005 before it was pushed back several times and finally published in June 2006. In addition, interagency guidelines for the new pass[12] that were estimated in June 2005 to be completed in fall 2005 had not been completed as of August 2006. However, the working group still has several months to meet their target pass implementation date of January 2007.

One goal of the new single interagency pass is to reduce visitor confusion over which passes can be accepted where, since the various passes currently offered by the agencies create considerable confusion among the visiting public. The majority of units responding to our survey, almost 63 percent, were aware that the visiting public was confused about the use of current national passes, regional passes, or annual passes. The factor most frequently cited for causing visitor confusion was where the different types of passes are accepted, with 82 percent of units responding that this factor

[12]The interagency guidelines will address the price of the pass, the benefits provided, eligibility requirements, marketing and design, the issuance of passes to volunteers, and the distribution of costs and revenues.

causes confusion to a moderate, great, or very great extent. Other factors cited by more than two-thirds of survey respondents as causing confusion were the differences in the benefits between passes, the recreation uses covered by each pass, the differences in the Golden Eagle Passport versus the National Parks Pass, the difference between federal and nonfederal units, and understanding the differences between various passes (e.g., eligibility, cost, benefits, etc.). Given that there will be overlap between the current National Parks Pass, the Golden Eagle, Age, and Access Passports, and the new interagency pass, it will be important for the new pass guidelines and agency-specific guidance and training on it to address these issues and provide unit staff with materials and information to better educate the public.

Fee Collection/Expenditure Working Group Has Issued Final Interagency Guidance in an Attempt to More Clearly Define REA Terminology

The Fee Collection/Expenditure working group was established to address organizational concerns, implementation issues, and coordination among the agencies as they relate to fee collections and expenditures. While the agencies individually took steps after the enactment of REA to assess their recreation fee programs and begin implementing the new act, the working group's main task was to develop common definitions and policy guidance to establish a basis for consistent implementation of REA and common reporting by each of the agencies. This working group finalized an interagency handbook with common definitions and guidance—the *Interagency Implementation Handbook for Federal Lands Recreation Enhancement Act*—in March 2006.

The interagency handbook provided definitions for some of the terms used in the law, such as "designated developed parking," "permanent trash receptacle," "reasonable visitor protection," and "special recreation permit fees" in order to clarify terms that may be interpreted differently by the various agencies. In addition to the definitions, the handbook provided general policy guidance regarding certain aspects of the law—such as overall guidance on some aspects of the new interagency pass and annual reporting of budgetary information—while delegating the authority to develop and implement policies on other issues to the individual agencies. For example, the handbook directed the agencies to develop and implement a policy for revenue distribution decisions, including retention of recreation fee revenues and agencywide distribution of funds. For the sections of REA that were delegated to the individual agencies, the handbook directed the agencies to develop written policy guidance that incorporates the standard definitions and policy guidelines. According to a working group official, the Fee Collection/Expenditure working group is no longer formally meeting since developing the interagency handbook was the group's main task, and the handbook has now been finalized.

Communications Working Group Has Been Used to Facilitate Interagency Communication with Congress and the Public

The Communications working group was formed to facilitate interagency communications about REA implementation issues with Congress, the public, and other interested third parties, such as states and localities. The working group organized listening sessions to gain public input on the RRACs and the new interagency pass. The agencies have periodically briefed congressional staffers on a variety of issues, including the *Federal Lands Recreation Enhancement Act First Triennial Report to Congress; Fiscal Year 2006*, which was released in May 2006. According to agency officials, the working group now meets infrequently and has not issued any joint press releases to the public since all press releases regarding REA have thus far been issued by individual agencies.

Most Agencies Have Reviewed and Begun to Modify Recreation Fee Programs to Implement REA, but Some Units are Still Transitioning, Reclamation Is Not Yet Participating, and Agencies Have Been Slow to Issue Final Guidance

After the passage of REA, agencies directed their units to assess and modify their fee programs to comply with REA criteria. Although most units have made some modifications to their programs, such as converting fees, eliminating sites and fees, or adding amenities, some units are still in transition and may still need to add required amenities. Some responding units, however, reported collecting standard amenity fees, without having all six amenities required under REA. In commenting on a draft of this report, agency officials said many of these survey responses were in error. Although Reclamation was included as a participating agency under REA, it has yet to make a final decision about whether to implement REA. Also, most BLM, FWS, NPS, and FS units reported that some kind of guidance is available; however, the agencies have not yet issued final guidance, and many unit officials indicated that some aspects of the law are unclear and that they need more specific guidance on how to add new fee sites or modify existing fees to fully implement the law.

Agencies Assessed Existing Fee Programs and Made Changes to Comply with REA, but Some Units Are Still in Transition, and Reclamation Is Deciding Whether to Implement REA

To implement REA, participating agencies reviewed their recreation fees under the former Fee Demo program and other legal authorities and instructed units to make necessary modifications to ensure compliance with key REA provisions. While most units converted fees, eliminated fees, or added amenities to comply with REA, some are still transitioning toward taking such actions and, in some cases, are charging fees without having all of their required amenities. One agency, Reclamation, has assessed its recreation fees but has not decided whether it will implement REA.

Agencies Assessed Recreation Fee Programs and Made Changes

In 2005, all agencies assessed existing fee programs to determine whether existing fee collecting sites met REA requirements, and some units made modifications to comply with REA. Overall, the transition from Fee Demo to REA was easiest for NPS and FWS, both of which charged entrance fees under Fee Demo, were authorized to charge such fees under REA, and continued to charge entrance fees. Therefore, the transition for these agencies to REA did not have much impact. NPS eliminated a day-use fee at the Exit Glacier site in Kenai Fjords National Park in Alaska because of concerns that it would be perceived as an entrance fee, which is prohibited under both the Alaska National Interest Lands Conservation Act and REA.[13] FWS eliminated an entrance fee at Gavin's Point National Fish Hatchery in South Dakota because fish hatcheries are not allowed to charge entrance fees under REA.[14]

The transition from Fee Demo to REA had more of an impact on FS and BLM since REA provided additional criteria for fee sites and prohibitions on certain fees at these agencies. Unlike Fee Demo, REA limits the authority of BLM and FS, authorizing these agencies to collect fees only at locations with a certain level of infrastructure and/or services and prohibits charging fees for parking, general access to dispersed areas with little or no investment, and scenic overlooks, among others. BLM and FS assessed existing fee programs and either eliminated fees, converted fees, or added amenities in order to convert entrance or day-use fees to standard amenity

[13]REA prohibits charging an entrance fee at an area or unit covered by section 203 of the Alaska National Interest Lands Conservation Act, with the exception of Denali National Park and Preserve. Section 203 prohibits charging fees for entrance to any unit of the national park system located in Alaska. 16 U.S.C. 410hh-2.

[14]REA allows FWS to collect entrance fees only at units of the National Wildlife Refuge System. Since Gavin's Point National Fish Hatchery is a unit of the National Fish Hatchery System and not a unit of the National Wildlife Refuge System, collection of entrance fees at that unit is not allowed under REA.

fees. BLM and FS also assessed existing campgrounds and other developed facilities to ensure that they had at least the minimum number of required amenities to charge an expanded amenity fee.

BLM eliminated several fees after passage of REA, including fees for overlooks at Imperial Sand Dunes in California, fees at undeveloped sites at Orilla Verde Recreation Area in New Mexico, and youth fees at several sites, including Cape Blanco Lighthouse in Oregon. For BLM, a key change was converting existing entrance fees to standard amenity fees where sites met the new criteria. According to a BLM headquarters official, BLM converted entrance fees at 10 sites to standard amenity fees. According to state coordinators, only one of these sites, located in Arizona, did not meet standard amenity criteria and had to add an informational kiosk. Other BLM sites converted various fees charged for activities such as camping to expanded amenity fees. For example, campgrounds at Fisherman's Bend Recreation Area in western Oregon had at least the minimum amenities required by REA to convert a camping fee to an expanded amenity fee.

FS reviewed its existing recreation fees and stated that it dropped 437 sites, such as trailheads and picnic areas, from its fee program because they did not meet the new criteria described under REA. Under Fee Demo, FS charged fees for entrance into large areas, sometimes entire forests. However, REA prohibited FS from charging entrance fees and only allowed FS to charge standard amenity fees if the sites provide the required level of amenities. In addition to dropping fee sites, numerous FS units added amenities to bring sites into compliance with REA. According to one FS regional coordinator, if a developed site was missing one or two amenities, then the unit added those amenities, otherwise, the site was dropped from the fee program.

Concerns about FS compliance with REA criteria have been raised by users who are critical of the use of High Impact Recreational Area (HIRA) designations and standard amenity fee areas. While HIRAs are not specifically mentioned in REA, FS relies on a section of REA that authorizes standard amenity charges for the use of "an area" as authority to designate HIRAs. The *Interagency Implementation Handbook for Federal Lands Recreation Enhancement Act* defines a HIRA as an area of concentrated recreation use that includes a variety of developed sites providing a similar recreation opportunity that incur significant expenditures for restoration, public safety, sanitation facilities, education, maintenance, and other activities necessary to protect the health and safety of visitors, cultural resources, and the natural environment. The handbook also defines limitations on which areas can be designated as a HIRA. For example, whole administrative units, such as a national forest or a Reclamation project, cannot be declared a HIRA. During the past few years, FS identified HIRA sites and has proceeded to charge standard amenity fees for the use of these areas under REA. According to the agency's officials, the HIRA designation is a logical way of categorizing amenities supporting high levels of recreation use, and collected fees go to maintain and clean these provided amenities, such as restroom facilities.

Another concern about the HIRAs is that some access points into parts of wilderness areas that are not considered part of a HIRA are only accessible via the HIRA, so visitors must still pay the standard amenity fee to access these parts of the national forests. In addition, some assert that because REA prohibits charging a fee "solely for parking" or "driving through, walking through, boating through, horseback riding through, or hiking through…without using the facilities and services," the standard amenity fees for HIRAs are prohibited in some cases. For example, a visitor to an Arizona national forest challenged FS citations issued to her for failing to display the required day pass permit to travel into a HIRA. The visitor was cited on two occasions because she parked within a HIRA to hike the area without having paid for the day pass permit. On September 5, 2006, a district court held that the REA bars the FS from collecting fees for parking along roads or trailsides and that the FS acted "far beyond its legislative authority" in its attempt to collect the fee. Accordingly, the court dismissed the citations against the visitor.[15]

According to FS officials, the agency significantly decreased the size of many of its HIRAs to only cover areas where required standard amenities are within reasonable access. For example, the entire Flaming Gorge National Recreation Area in Utah and Wyoming had an entrance fee under Fee Demo; now only 4 percent of the recreation area is subject to fees. Another example is the Los Padres National Forest in southern California, which reportedly decreased the size of its HIRA from almost 1.5 million acres to 71,000 acres while also removing 37 fee sites. However, in testimony before the Senate Committee on Energy and Natural Resources, Subcommittee on Public Lands and Forests, on October 26, 2005, representatives from the Arizona and Western Slope No-Fee Coalitions charged that the BLM and FS are using the HIRA and standard amenity concepts to circumvent the intent of Congress and charge fees for areas

[15]*United States v. Wallace*, 2066 WL 2563468 (D. Ariz. Sept. 5, 2006).

that do not have the amenities required by REA. However, REA does not provide a definition for "area" and thus the criteria used to define an "area" are open to the agencies' discretion. For example, the Arapaho National Recreation Area in Colorado charges a standard amenity fee for an area it defines as an HIRA that contains 25 developed sites including picnic areas, boat launches, campgrounds, and trailheads. Not all six of the amenities that are required under REA are collocated at each of the developed sites. However, since all six of the required amenities are somewhere within the hundreds of acres of their designated HIRA, the FS is charging a standard amenity fee for the entire area under REA. In the October 26, 2005, Senate subcommittee hearing, a USDA official acknowledged that FS implementation of REA is a "work in progress" and that different local conditions and characteristics make it difficult to develop HIRA criteria that fit all circumstances. According to this official, FS has continued to work on providing consistent signage and to identify areas that may not meet the criteria for charging fees and plans to have the RRACs comment on how the agency is applying HIRA criteria.

Some BLM and FS Units Do Not Have All Required Amenities to Charge Standard Amenity Fees

We also found that some BLM and FS units still do not meet REA requirements for charging standard amenity fees. Based on the results of our survey, of the 195 BLM and FS units that reported that they charge a standard amenity fee, 38 reported they did not provide all six amenities that are required for them to charge the fee. Two BLM units and 36 FS units reported that they did not provide all six required amenities. The amenities that the units were most frequently lacking were a permanent trash receptacle and interpretive signs, exhibits, or kiosks. Although these units reported in survey responses that their unit did not have all six required amenities, BLM state-level officials and FS headquarters officials stated they believed all of their fee-collecting units were in compliance with REA criteria. In commenting on a draft of this report, both BLM and FS indicated their unit officials had likely been confused by the fee terminology in the survey question and/or may have misunderstood the definitions of the required amenities, rather than because these units lack amenities such as picnic tables.

However, during interviews with agency officials, we learned that some units charging a standard amenity fee did not have all six required amenities, but had plans to add these amenities. For example, the Meadow Creek site at the Arapaho-Roosevelt National Forest in Colorado lacked two of the six amenities—picnic tables and interpretative signage—required under REA when we visited it in December 2005. The unit has continued to charge a standard amenity fee since REA passed because unit officials thought it would be confusing to visitors to temporarily discontinue the fee while they worked on upgrading the area to meet REA criteria. The unit received a $20,000 grant in 2005 from the central fee revenue fund to add picnic tables and signage, as well as fire rings to the area. According to a unit official, the required amenities were added during the summer of 2006, and the Meadow Creek site now has all of the required amenities in place.

Some FS unit staff also found the standard amenity criteria at odds with wildlife management practices. For example, several national forests near the Canadian border are in grizzly bear areas, so FS has instructed the public to "pack out," or dispose of their trash outside of camping and day-use areas, rather than install costly bear-proof garbage cans. Now, if these forests are going to continue charging recreation fees at these sites, REA requires FS to put trash receptacles in the areas. In another example, picnic tables were previously removed from Mt. Evans, in the Arapaho-Roosevelt National Forest, because of wildlife interaction issues. However, in order to comply with REA, FS must provide all six required amenities, including picnic tables.

In commenting on a draft of this report, BLM headquarters officials stated that they checked with the two units that reported having less than six required amenities in their response to our survey. The officials determined that the two units' reports were in error and that the units did offer all six amenities. Similarly, the FS headquarters staff made further inquiries of the 36 units that reported less than the six required amenities and determined that some of the information that the units reported on their survey response was in error. Based on information from FS officials and our analysis, the status of those units is as follows:

- 12 units did not have a standard amenity fee but instead had an expanded amenity fee, which does not have the same amenity requirements under REA.

- 11 units did have the required six amenities and did not accurately report this in their survey response to us.

- 4 units had a standard amenity fee for a visitor or interpretive center, which under REA may be charged without having the six required amenities.

- 2 units had no standard amenity fee and should have reported this in their survey response to us.

- 7 units have not yet responded to the follow up inquiries.

It should be noted, however, that the results of BLM and FS headquarters officials' inquiries have not been verified.

Reclamation Undecided on Implementing REA

Reclamation has not made a decision to move forward with REA implementation. The agency officials are assessing Office of the Solicitor advice concerning how the act applies to their operational situation and to the alternate authority for Reclamation to charge fees under the Federal Water Project Recreation Act (FWPRA). Reclamation had requested advice from the solicitor's office because of their unusual operational situation that includes the management of about 250 of Reclamation's approximately 300 sites by partner organizations, such as other government entities. In 2005, Reclamation conducted an assessment to determine which of its recreation sites met REA requirements. Reclamation identified 7 of the 50 sites it directly manages that would qualify to charge standard amenity fees under REA, one of which was New Melones Reservoir in California. New Melones collected about $170,000 in 2004 under LWCFA, which was repealed by REA. Reclamation is now using FWPRA as its authority to collect recreation fees at New Melones. Any fees collected under FWPRA are to be deposited into a Department of the Treasury (Treasury) account, unless project specific legislation provides otherwise. Reclamation has not indicated how many of the 50 sites they directly manage meet REA criteria for charging an expanded amenity fee.

Although Most Units Have Received Some Guidance, Final Policy Guidance on REA Is Still Pending for all Agencies, and Many Unit Officials Said Some Aspects of the Law Are Unclear and More Specific Guidance Is Needed

After REA passed, the *Interagency Implementation Handbook* directed agencies to develop written policy guidance that incorporates the standard definitions and overarching policy guidelines established in the handbook. Although agencies reported that they made the transition from Fee Demo to REA without major problems, many units said that some aspects of REA are unclear, and more specific guidance is needed. For example, some unit officials expressed confusion about how to add new fees or modify existing fees, while others expressed confusion about amenity criteria.

BLM and FS issued interim guidance documents, and the NPS has issued memos and provided training on REA implementation, while FWS has issued no formal guidance to the field. BLM and FS issued interim recreation fee guidelines within months after the passage of REA, and both have since issued additional guidance on different aspects of the law. NPS issued transitional guidelines and memos on various aspects of REA and has provided training on REA implementation. FWS formed a working group with representatives from headquarters and the field to work on various implementation tasks, including drafting guidance and policy on REA. According to an FWS official, interim guidance will be out by the end of fiscal year 2006. Since Reclamation has not yet determined whether the agency will implement REA, the agency has not issued any guidance on the new law.

While most respondents to our survey indicated that some type of guidance on the fee program is available, many unit and regional officials indicated during interviews that additional guidance is needed. Based on the results of our survey, most units responding indicated that some kind of guidance is available from national headquarters and a regional or state office, with the majority of units indicating that the existing guidance is at least moderately useful on authorized types of fees and passes. For example, 85 percent of BLM, FS, FWS and NPS units reported that written guidance is available from national headquarters. Most units also indicated that unwritten, unit-specific guidance, staff knowledge, and experience are additional sources of guidance that are generally available to them. However, although the vast majority of survey respondents reported that some kind of written guidance was available, unit officials at the state and regional level, as well as at some of the sites we visited, emphasized that more specific guidance is needed, including detailed policy and procedures for implementing and managing fee programs. For example, as BLM and FS unit staffs have implemented REA, some unit agency officials have found REA amenity criteria and terminology ambiguous, and some units expressed confusion about how to interpret and apply such criteria as "reasonable security" and "permanent trash receptacle." Other unit officials at the various agencies said they needed more guidance on how to add new fee sites or modify existing fees. For example, according to an FWS official, the main obstacle to implementing fees at a refuge complex in Nevada has been a lack of policies and procedures, as well as basic guidance, on how to implement a fee program. According to FWS officials, such guidance should include examples of implementation plans, information on how to set up accounts, effective ways to share lessons learned among the seven FWS regions, and contact information for other agency officials with fee program experience.

Some Agencies Do Not Have Adequate Controls and Accounting Procedures for Collected Fees and Lack Effective Guidance for Establishing a System of Internal Controls, Including Routine Audits

We found that some agencies' units did not have adequate controls for safeguarding and accounting for collected fee revenues. While current federal guidance requires managers to establish and maintain accounting systems that incorporate effective internal controls, we determined that some BLM, FWS, and FS units did not have sufficient guidance—including examples of best practices—to follow for implementing internal controls over collected fee revenues.[16] NPS has also been slow to issue updated guidance on accounting for and controlling collected fee revenues. However, despite this lack of guidance, NPS units we visited appear to have generally implemented effective internal controls. Furthermore, routine audits are an integral part of any system of effective internal controls over agencies' financial assets. However, less than 37 percent of respondents to our survey indicated their units have been examined by auditors since October 2000. Without effective internal controls, the units cannot provide reasonable assurance that the fee revenues collected are properly controlled and accounted for.

Some Agencies Lack Adequate Controls on Collected Fees

Federal internal control standards require management to identify risks that could impair the safeguarding of agency resources, such as fee revenues at the unit level, and suggest that management should formulate an approach for risk management that identifies the internal controls necessary to mitigate those risks. A good set of internal controls should incorporate physical control over vulnerable assets—such as cash—with other controls such as segregation of duties, controls over information processing, accurate and timely recording of transactions and events, and access restrictions to and accountability for resources and records. However, cash collection is an area where agencies are particularly vulnerable to the risk of theft. Some locations, such as BLM's Gunnison Field Office, have such limited staff running their recreation fee program that their program coordinator indicated the appropriate separation of duties, not to mention using procedures such as two staff jointly counting fee receipts, is simply not possible.[17] Unfortunately, this circumstance may

[16]GAO, *Standards for Internal Control in the Federal Government*, GAO/AIMD-99-21.3.2 (Washington, D.C.: November 1999) and GAO, *Internal Control Management and Evaluation Tool*, GAO-01-1008G (Washington, D.C.: August 2001).

[17]According to a BLM official, since our visit in March 2006, the officials at the Gunnison Field Office have made changes to their fee collection procedures, including utilizing two employees for fee collections and processing.

not be unusual, especially at smaller units where resource management staffs—generally with little or no accounting or business operations experience—are tasked with implementing the fee program, including cash handling procedures. The staffs at these units face many challenges ranging from the development of safe and secure procedures for gathering and transporting fee envelopes from remote campground sites to assuring that staff with appropriate knowledge and skills are assigned to process and account for collected fees. In addition, survey respondents indicated a myriad of other problems such as

- security concerns over the delivery of collected cash fees from their unit to the bank,
- local banks not accepting agency procedures for depositing funds to a Treasury account,
- local banks and/or post offices charging fees for issuing the money order or cashier's check necessary to make deposits in Treasury accounts,
- employees having to pay bank fees for money orders or cashiers checks with their own funds and then seek reimbursement from the agency, and
- the closest local bank sometimes being an inconvenient 30 to 60 miles away from fee collecting locations.

According to federal internal control standards, management should strive to remove the temptation for unethical behavior by avoiding the receiving and handling of cash by individual staff without a reasonable means of determining the amount of revenues the employee has received. For example, at the Tonto National Forest Mesa Ranger District, near Phoenix, staff members sometimes collect cash fees directly from visitors when the automated fee machines are broken. Most of the district's fees are collected by automated machines that are owned and serviced by a contractor. However, one or more of the unit's automated fee machines are often broken. To avoid a loss of revenues when the machines are not working, the managers designate staff members as collection officers to work at busy entry points to collect fees and direct traffic flow. According to district management, the staff later feed the collected fees into a working automated machine someplace else in the district. However, the managers have not developed physical or other compensating controls over these cash collections (easily amounting to several hundred dollars on a busy day) that would enable managers to verify that all of the fees collected by any given staff member are actually fed into a working machine. In commenting on a draft of this report, FS headquarters officials indicated that they believe that automated fee machines should rarely be broken and they also noted that local officials are responsible for reasonable internal controls over cash collection.

In addition, the safety of staff involved in collecting the cash could be jeopardized due to the risk of being targeted for robbery. In another example, at BLM's Gunnison Field Office, in western Colorado, one or two staff members collect the fee envelopes containing campground fees from a remote self-service fee station and place the envelopes into a bag for transport back to the office. At the office, the envelopes are placed in a safe until another employee has an opportunity to open the envelopes, count the cash, and record the fees collected. However, the manager has not developed physical controls over the cash collections and accounting to provide assurance that all of the fee envelopes collected by the first staff member(s) are turned in at the office or that all of the funds counted by the second employee are deposited and accurately documented. Consequently, in both of these examples, the managers were left without reasonable assurance that the revenue each employee collected was received and accounted for by the agency.

Some Agencies' Units Lack Adequate Guidance to Establish Accounting Procedures and an Effective System of Internal Controls for Collected Fee Revenues

Most available agency guidance provides overall objectives for establishing and maintaining an effective accounting system. For example, the FS *Manual on Accounting* states that one of the overall objectives is to "establish and maintain an accounting system that provides: A system for internal control and accountability of funds, property, and other assets from acquisition to disposition." However, this guidance does not provide the detailed, "cook book" type of instructions most unit-level fee program managers need to successfully implement an effective system of internal controls. In contrast, Yosemite National Park's written opening procedures provide detailed step by step instructions as follows:

- Check the accountable stock [of passes]; verify that the numbers are in sequence.
- Make note of any missing passes.
- Enter the first and last number of each type of pass on the shift report.

- Date and initial the shift report.

According to several unit-level officials we interviewed, agency-level support and training on accounting and control issues is needed to help units develop this type of detailed procedures for their fee programs. Some field staffs have also requested training opportunities to help them learn how they should manage their fee programs. The lack of both written procedures that are current and comprehensive and fee program training are obstacles to developing successful internal controls.

Due to the numerous comments shared by agency staff about the need for updated guidance, we included questions about this issue in our nationwide survey of BLM, FWS, NPS, and FS units. Of those units that reported receiving some sort of guidance related to controlling and accounting for collected fees, over one-third (277/752) indicated the guidance they received was less than moderately useful. When asked about whether staff had been provided training on controlling and accounting for collected funds, over 40 percent indicated they had not received training on this issue. Of the survey respondents who did receive training, over 60 percent indicated the training was less than moderately useful. In commenting on a draft of this report, FS acknowledged the need for revising the *Forest Service Manual* and indicated it will expedite publication of the handbook and updated procedures as soon as practicable.

Although NPS units we visited appear to have implemented reasonable accounting procedures and effective internal controls, the agency has been slow to issue updated guidance on accounting and controlling collected fee revenues. NPS parks are still following NPS-22, the 1989 NPS policy for fee collection. However, technologies have changed so much since 1989 that the old policy does not even address issues such as electronic processing of credit card payments. The parks have been waiting for years for a new fee collection policy to be issued, and several unit and regional officials stated that the revised policy guidance is needed immediately. NPS management indicated they had developed a draft of the new policy when REA passed in late 2004, making portions of the previous draft obsolete. NPS fee program coordinators in the headquarters office said they recognize that units need and want updated guidance and, although they are trying hard to get the guidance on recreation fees out as soon as possible, could not provide an estimated time frame for issuance.

Some units' fee coordinators, such as the coordinators at Rocky Mountain National Park in Colorado and the Shasta Trinity National Forest Shasta Lake Ranger District in California appear to have a good handle on how to develop and implement sound financial and accounting internal controls. However, many other units lacked both the technical and professional expertise to develop sound procedures without detailed guidance. Since many unit-level staffs have not received detailed agency guidance that would be useful in establishing such procedures on their own, they continue to struggle with these issues and the risks associated with poor internal controls.

Some Agencies Do Not Have a System of Routine Audits to Account for Collected Fee Revenues

Many units have not implemented a system of routine audits to help ensure that fees are collected and used as authorized and that collected funds are safeguarded. Only 37 percent of the 752 units responding to this question in our survey reported having their fee collection program examined by an auditor since October 2000. The percentage of units having their fee collection programs examined varies significantly by agency. For example, NPS reported the highest percentage of audits of unit-level fee programs with about 63 percent of units (110/175) having their control and accounting procedures examined since October 2000. According to a NPS regional fee program coordinator, some NPS regions are aggressive about audits, such as the Intermountain Region where one staff person is dedicated to conducting audits. Other regions may not have dedicated resources to conduct audits. For example, the Northeast Region has only one fee coordinator available to conduct fee program audits, and she does not feel she is justified in going to parks unless unit managers ask her to review how the unit is doing operationally. In the past, the NPS headquarters fee project coordinator reportedly proposed using a portion of the centrally held recreation fees to fund a national audit program, but the proposal was only partially implemented in one region. In commenting on a draft of this report, NPS stated its intention to reconvene a workgroup to develop a National Audit Program.

Other agencies reported having many fewer routine audits of their programs: only 14 percent of FWS units, 27 percent of BLM units, and 33 percent of FS units reported having examinations. According to some unit officials with whom we spoke, they either did not believe they have access to internal or external audit resources or they rationalized that they did not need to implement an audit program since they had trustworthy staff. A lack of staff resources is also a factor in the limited number of units that have had their recreation fee programs audited during the past 5 years.

Routine audits are an important internal control that could allow agency officials to promptly detect unauthorized transactions involving recreation fee revenues and assess the design, implementation, and effectiveness of controls over these assets agencywide.

One example that highlights the need for routine audits was at the Tonto National Forest Mesa Ranger District, where officials acknowledged that no audit had been conducted on the contractor who maintains the automated machines and processes the fees collected through the machines. In fact, the district officials said they had seen no reason to request that the contractor, who owns and services the automated fee machines, be audited. The contractor collects the fees (cash and credit card payments) directly from the machines and then prepares quarterly reports for the FS unit, stating the amount collected and the amount to be remitted to FS under the contract. Over the life of the contract, FS staff members have verified the amount of the contractor's remittance against the reported total collected fees to ensure the contractor submitted the correct percentage of the fees under their contract. Unfortunately, by simply relying on this approach, FS officials have no way of independently verifying actual receipts because they have no access to raw data from the automated machines.[18] FS was simply verifying the contractor's mathematical calculation against what the contractor had self-reported as total fee receipts.

In commenting on a draft of this report, FS officials noted that it is FS policy to audit collection officers at least annually, but acknowledged they have not been meeting this goal. In order to begin addressing FS's recognized shortfall in meeting their prescribed audit program, they have assigned a full-time FS Albuquerque Service Center (ASC) resource to monitor the program, nationwide. Also, according to a FWS headquarters official, in fiscal year 2004, FWS implemented a procedure to help target units for visitor service reviews.

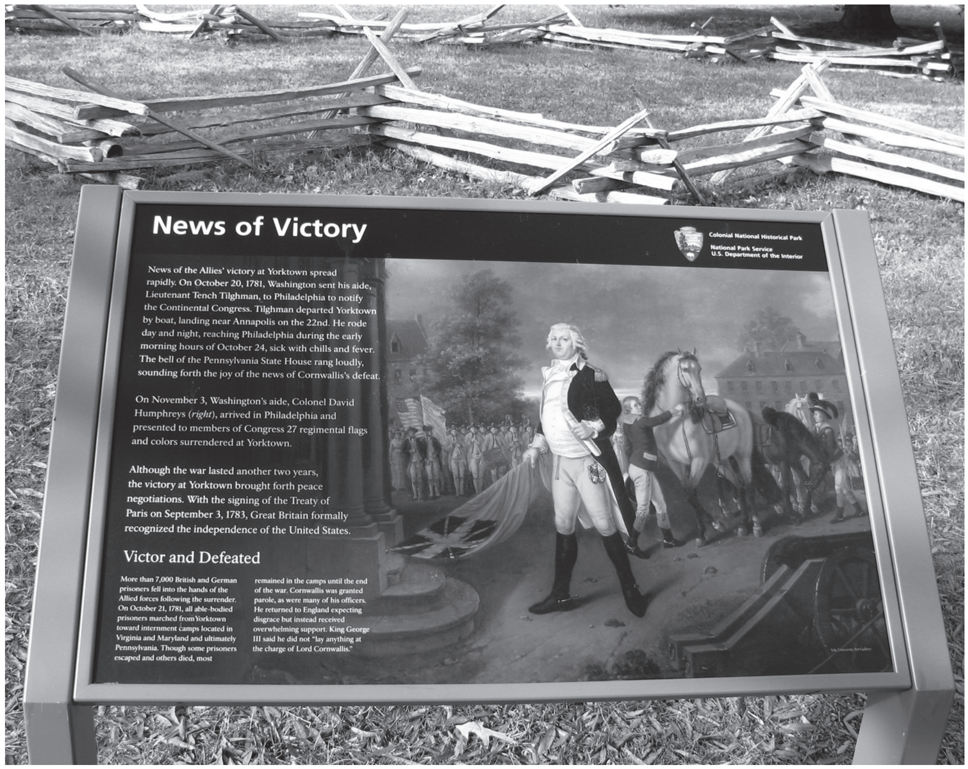
[18] Since our visit to this unit in March 2006, Tonto officials have sought assistance from the FS Albuquerque Service Center (ASC) to audit this contract. ASC officials indicated they have requested copies of the automated machine data from the contractor, but the contractor has refused to provide the data because of proprietary issues.

Agencies Have Different Processes for Selecting Projects to Be Funded with Fee Revenues

While REA establishes the basic priority of using recreation fee revenues for enhancing visitors' experience, each agency has a different process for selecting projects to be funded with fee revenues based on the agency's needs and revised policies under REA. These different processes affect the types of projects the agencies fund and their time lines for project implementation.[19] Agencies fund a wide variety of priority projects with fee revenues, typically maintenance, operations, and some capital improvements. Examples of projects and activities funded with fee revenue include campground renovations within American Fork Canyon at the Uinta National Forest in Utah, interpretive panels at Colonial National Historic Park in Virginia as pictured in figure 1, interpretive staff at BLM's Red Rock Canyon National Conservation Area in Nevada, and trail work at FWS's Rocky Mountain Arsenal National Wildlife Refuge in Colorado as pictured in figure 2. Some units also use recreation fee revenues to leverage funds received from other sources, such as grants or donations.

[19]We discussed project selection processes and time lines with agency officials at specific units, state/regional offices, and headquarters but did not collect data to confirm their statements.

Figure 1: Interpretive Panel at Colonial National Historic Park



Source: GAO.

Note: This panel was funded with recreation fee revenue.

Figure 2: Site of Trail Work at Rocky Mountain Arsenal National Wildlife Refuge

Source: GAO.

Note: The materials and a portion of the labor for trail work at this location were funded with recreation fee revenue.

Project Prioritization Processes Are Based on REA Criteria and Agency Guidance

REA established limits on the use of recreation fees to focus the expenditures more directly on benefiting the people who visit the unit at which they were collected. For example, REA supports the use of recreation fees to repair, maintain, and enhance facilities related directly to visitor enjoyment, visitor access, and visitor health and safety but restricts the use of recreation fees for biological monitoring under the Endangered Species Act or for employee bonuses. It also limits the use of fee revenues to not more than an average of 15 percent of total revenues for administration, overhead, and indirect costs related to the recreation fee program. Other sanctioned uses of recreation fee revenues include a myriad of things ranging from interpretive signage to law enforcement[20] to certain limited types of habitat restoration. Specifically, REA mandates that fee revenues only be used for the following:

- repair, maintenance, and facility enhancement related directly to visitor enjoyment, visitor access, and health and safety;
- interpretation, visitor information, visitor service, visitor needs assessments, and signs;
- habitat restoration directly related to wildlife-dependent recreation that is limited to hunting, fishing, wildlife observation, or photography;
- law enforcement related to public use and recreation;
- direct operating or capital costs associated with the recreation fee program; and
- a fee management agreement or a visitor reservation service.

In addition to REA guidance, BLM, NPS, and FS have all issued at least interim guidance on expenditure priorities for projects funded with fee revenues. BLM guidance emphasizes that fee revenues be used to support projects or activities related to recreation and stipulates a specific percentage of funding be spent in this area. NPS has established deferred maintenance projects as its first priority for recreation fee revenues and stipulates the percentage of funding that should be spent in support of this. FS guidance essentially repeats the priorities established in REA. FWS has not issued any interim guidance on expenditure priorities, but draft guidance that has not been finalized also repeats the priorities established in REA, similar to FS guidance. Each of the agencies' guidance also stipulates the amount of fee revenues that can be spent for either (1) administration, overhead, and indirect costs or (2) collections cost. Table 3 shows the guidance developed by the agencies for how recreational fee revenues should be spent.

[20]Use of these funds for law enforcement is acceptable as long as the enforcement activity is related to public use and recreation.

Table 3: Agency Fee Revenue Expenditure Guidance

Agency	Fee revenue expenditure priorities
BLM	According to BLM's guidance, 85% of fee revenues shall be used for recreation related projects or activities. Guidance also states that fee expenditures shall be used (1) to reduce recreation deferred maintenance, (2) for a revolving fund focused on recreation projects authorized by legislation that provide a demonstrable improvement to BLM public land recreation sites and services that would otherwise take years to realize, (3) for funding recreation enhancements through volunteer projects and Challenge Cost Share program, and (4) for limited state and national recreation fee program administration. No more than an average of 15% of fee revenues can generally be used for administration, overhead, and indirect costs.
NPS	The top priorities for fee revenues are to meet NPS mission and performance goals in four areas: (1) deferred maintenance obligation targets,[a] (2) overall condition of the NPS constructed asset inventory, (3) cost of collection targets, and (4) critical needs in other allowable areas. The service wide target for the units to spend approximately 60% of their yearly revenue on deferred maintenance is prorated to and applied by the regions. NPS has various restrictions on what fees can be spent on, such as employee housing and some operations. NPS guidance generally directs units to not exceed 20% for cost of collection and does not allow any unit to exceed 50%; each region has an annual cost of collection target.
FS	Agency guidance details what REA allows fees to be used for. The guidance also states that cost of collection expenditures are included in the REA "direct operation expenses" category and caps cost of collection at 15%. The guidance also provides suggestions for expenditures for special use permits and guidance for regional and national fee expenditures.
FWS	FWS draft guidance details what REA allows fees to be used for. The draft guidance also states that cost of collection expenditures are included in the REA "direct operation expenses" category and caps cost of collection at 20%.

Sources: GAO analysis of BLM, NPS, FS, and FWS documents.

[a]NPS committed $95 million in 2006 to deferred maintenance. Consequently, deferred maintenance is the NPS priority for fee money—especially projects that improve the visitor experience while at the same time reduce deferred maintenance.

Project Selection Processes Are Guided by Agency Needs and Revised Policies under REA

While REA establishes the basic priority of using recreation fee revenues for enhancing visitors' experience, each agency has a different process for selecting projects to be funded with fee revenues based on the agency's needs and policies revised under REA. These different processes can affect the types of projects agencies fund and their time lines for project implementation. At BLM, FWS, and FS, most proposed projects are approved at the local unit level. Unit staff indicated that most projects funded with fee revenues are usually approved within a couple of days to a few weeks or, in some cases, implemented immediately without unit manager approval. At NPS, however, projects must be reviewed and approved at the unit and regional levels, as well as at the headquarters or department level before projects are funded. In commenting on a draft of this report, NPS noted that its project approval process was put in place by DOI and the Office of Management and Budget and has been articulated in congressional appropriations report language.

BLM, FWS, and FS project approvals generally occur at the local unit level. The initial project suggestions are typically generated by local unit staff members who have identified a need that could be filled with fee revenues. In BLM and FWS units, it is generally a field office or refuge manager that approves proposed projects. For example, at BLM's Upper Colorado River unit, ideas for fee projects are suggested, discussed, and agreed upon by unit staff members and the field office Manager has final approval on all recreation fee projects. This was also the case at FWS's Back Bay National Wildlife Refuge, where unit staff members suggest and jointly prioritize fee projects, while the refuge Manager has final approval. Similarly, the FS Manager of a ranger district may decide on projects or, in some cases, the projects are reviewed at a higher level—by the Forest Supervisor or regional office. At some FS units, a fee board reviews and approves proposed projects. For example, at the Shasta-Trinity National Recreation Area within the Shasta-Trinity National Forest in California, any employee may propose a fee project, which must be presented to the Recreation Area's fee board for approval.

Suggestions for projects within NPS are also typically generated by local unit staff, except this is only the first of several steps in an often time-consuming NPS project approval process. NPS project requests are entered into the Project Management Information System (PMIS) by unit staff in advance of regional and NPS headquarters—the Washington Office (WASO)—project call due dates for prioritization by the park management team, with approval at the park level. After the units submit their project proposals, the regional official(s) review the project proposals/requests[21] and generally either approve the proposals or mark them for edits. According to one regional official, a regional reviewer may occasionally reject a proposal if the project does not comply with established criteria or if the requesting unit did not meet their deferred maintenance goal; however, most projects are forwarded to WASO for approval. In commenting on a draft of this report, NPS headquarters informed us that on average, a Fee Demo project remains at the region or park level for 3 years as the data and information are edited and updated. Those projects that do not have accurate and complete data in PMIS are delayed in the approval process at all levels.

[21]The regional reviewers rank the projects in PMIS based on certain criteria and generally aim to target deferred maintenance activities, facilities, visitor enjoyment, and interpretive projects.

The project approval process at WASO was put in place by DOI and NPS to improve accountability. This process is managed by the NPS Headquarters Park Facilities Management Division to provide review for consistency to established policies. According to a Facility Management Specialist within this division, project approval depends on the dollar amount of the project because NPS' Development Advisory Board, DOI, Congress, and the Office of Management and Budget (OMB) all approve projects over certain dollar amounts. For example, the agency's Development Advisory Board reviews and approves all projects over $500,000, and Congress approves projects over $500,000 and all projects over $100,000 if the money comes from the central fund. Meanwhile, DOI reviews all projects over $100,000, and regional and national projects are approved at the national level. The complexity of the approval process has required parks and regions to be proactive in getting projects into the process early. However, according to NPS officials, it can sometimes take 1 year or more to obtain approval to fund a project under this process. Many agency officials at the unit and regional levels expressed frustration about the length of time it takes to obtain approval for funding NPS projects, and some noted that the approval process has delayed project implementation and/or has contributed to units having unobligated fee revenue balances. For example, one park unit official noted in the survey that the lengthy approval process jeopardizes projects, especially partnership projects that may be time sensitive. However, others noted that the approval process can be expedited in emergency situations to enable project approval within a couple of months.

According to some unit officials, part of the reason WASO approvals take so long is that parks' priorities for fee revenue projects do not always match WASO priorities and, as a result, WASO may question a project's appropriateness and delay or deny its approval, even if it is consistent with projects allowed by law or under NPS policy. In addition, while WASO officials sometimes contact regional officials to question or offer suggestions on a project that has not yet been approved, WASO will, in other cases, allow projects to remain in the system indefinitely without approval or disapproval, according to another agency official. NPS headquarters officials explained that the lack of accurate and complete data in PMIS is the primary reason for projects remaining in the system indefinitely and pointed to mistakes by the units and regions as the cause of this problem.

According to a Facility Management Specialist, the agency is implementing a comprehensive plan approach under REA, which should help units and regions to better manage their projects through an advance 5-year planning process. According to this official, the Regional Directors can also approve projects estimated to cost under $500,000, but she still retains the authority to review these approved projects and related project data to ensure that projects funded are consistent with REA and to assure accountability. NPS headquarters officials stated that the 5-year plan of projects, which was first instituted in fiscal year 2003, requires parks to be strategic and proactive in submitting projects for approval, and to identify their sequential needs for compliance, design and planning prior to project execution.

Agencies Fund a Variety of Maintenance, Operations, and Capital Improvement Projects with Fee Revenues

Recreational fee revenues are used by the agencies to fund a variety of maintenance, operations, visitor services, and some capital improvement projects. The specific types of activities or projects funded with these fees vary by agency. For example, in fiscal year 2005, NPS spent the majority of fees they collected under REA on various types of maintenance work, mostly focusing on deferred maintenance. Meanwhile, FS units spent about 40 percent of the fees collected under REA on maintenance, which included deferred maintenance, annual maintenance, and capital improvements. For example, recreation fee revenues at the Sequoia National Forest in California funded capital improvements including a new restroom (see fig. 3), paving of a parking lot, and the installation of trash receptacles, picnic tables, and grills at the Big Meadows Winter Trailhead, which is heavily used by snowmobile riders and skiers in the winter. While BLM and FWS also funded some maintenance work, they spent a large portion of their revenues on visitor services. BLM spent about 33 percent of their fee revenues on visitor services, such as increased seasonal staff to complete trail work and other projects and to help monitor and teach river safety along the Merced River. FWS also focused a lot of their resources on providing/enhancing visitor services, almost 44 percent of the total fees they collected under REA. For example, at Chincoteague National Wildlife Refuge in Virginia and Maryland, REA fee revenues have funded visitor services such as the design, development, and installation of interpretive exhibits along four separate trails.

Figure 3: Restroom Constructed with Fee Revenue at the Big Meadows Winter Trailhead in Sequoia National Forest

Source: GAO.

Figure 4: Lake Directional Sign Funded with Fee Revenues at the Shasta-Trinity National Forest

Source: GAO.

Note: The sign is on land instead of on the water because this picture was taken during the off-season.

Some units are quite creative with their use of recreation fee revenues to fund fee projects. For example, agency officials at the Shasta-Trinity National Forest in northern California use recreation fee revenues to purchase materials to make "pack-out bags" that are given to mountain climbers to facilitate the removal of human waste from Mount Shasta. The bags help with resource protection since climbers are able to remove their waste using the bags rather than leaving it on the mountain, as was done prior to the inception of the program. Also at the Shasta-Trinity National Forest, recreation fees funded the lake directional signage on Shasta and Trinity Lakes pictured in figure 4. The lakes are quite large—Shasta Lake has about 420 miles of shoreline—so the signs improve visitor services by helping direct boaters to various locations on the lakes. At Rocky Mountain National Park in Colorado, recreation fee revenues have been used to fund campsite improvements, including new tent pads, fire rings, and picnic tables, as can be seen in figure 5. These improvements enhanced visitor services by improving the level of amenities while also protecting natural resources by containing visitor impacts.

Figure 5: Campsite at Rocky Mountain National Park

Source: GAO.

Note: Fee revenues were used to improve this campsite.

Figure 6: Fishing Pier at Whiskeytown National Recreation Area

Source: GAO.

Note: Fishing pier shown is universally accessible.

Recreation fee revenues at NPS's Whiskeytown National Recreation Area in northern California were used to construct the universally accessible fishing piers pictured in figure 6, which have improved visitor services and are heavily used, according to the park Superintendent. Many units within various agencies have used recreation fee revenues to purchase and install improved restroom facilities, such as the one pictured earlier in figure 3 at Sequoia National Forest. Such restrooms improve visitor services while also enhancing resource protection, according to Sequoia's Assistant Recreation Fee Coordinator.

Many units, especially within BLM and FS, use fee revenue for daily site maintenance and operations and, while these activities may not be as visible as capital improvement projects such as new restrooms, officials noted they still provide valuable services to visitors. For example, at Desolation Canyon in Utah, which is managed by BLM's Price Field Office, the main source of recreation fee revenue is rafting permits. The revenues are then primarily used to fund ranger staff who fulfill multiple roles including inspecting rafters' equipment and permits, patrolling the waters, providing interpretive information to rafters, and maintaining the launch and take-out sites along the Green River. Another example of a unit that funds operations and maintenance activities with fee revenues is Blackwater National Wildlife Refuge in Virginia, where recreation fees fund restroom maintenance, including toilet pumping and supplies. At most units, a portion of fee revenues are also used to cover other operations, such as the cost of collecting fees.

Finally, some units use recreation fee revenues to leverage funds received from other sources, such as grants or donations. For example, the Klamath Falls National Wildlife Refuge Complex on the California-Oregon border worked with a birding group to construct the universally accessible photo blind pictured in figure 7. The birding group provided funds to construct the handicapped accessible pathway leading to the blind, while FWS leveled the ground for the pathway and purchased materials to construct the photo blind with fee revenues. Another example is NPS's Antietam National Battlefield, where recreation fee revenues were leveraged with other funds to restore a 106-year old monument located at the unit, see figure 8. The total cost of the project was $300,000—the unit's largest fee project to date—with $255,000 of the project cost funded by recreation fee revenues and the remaining $45,000 leveraged from other sources, including a $31,000 donation from the state of Maryland, funds from the "Adopt-a-Monument Program," and donations from a local newspaper. Recreation fees have been used to leverage grant funding at BLM's Gunnison Field Office in Colorado, which received about $100,000 in grants in 2006. The interpretive panels pictured in figure 9 at American Basin, managed by the Gunnison Field Office, were partially funded with recreation fees.

Figure 7: Photo Blind at Klamath Falls National Wildlife Refuge Complex

Source: GAO.

Note: This blind is universally accessible and was funded with fee revenues.

Figure 8: Monument at Antietam National Battlefield

Source: NPS.

Note: Restoration funds for this monument were from fee revenues and other sources.

Figure 9: Interpretive Panels at American Basin

Source: BLM.

Note: Recreation fee revenues provided partial funding for these panels.

The Collection and Distribution of Central and/or Regional Funds Varies by Agency and by Region

The collection and distribution of central and/or regional funds varies by agency and sometimes by region. Three of the participating agencies—NPS, FWS, and FS—have central or regional funds where a portion of fee revenues are deposited, as shown in table 4. The projects and activities funded with central or regional funds vary by agency and, in some cases, by region, but generally the central and regional funds are distributed among the units based on project proposals or are used to cover the administrative costs of the recreation fee program. For example, FWS Region 2, which has a 20 percent regional fund, uses a portion of its regional funds to cover administrative charges and distributes the remaining funds to refuges within the region based on submitted project proposals. Similarly, FS Region 5 uses a large portion of its 5 percent regional fund to cover fee program management costs, and special project expenditures, such as the RRAC start-up costs, and distributes a portion of the regional funds back to the units in the form of resource and internship grants. Within FWS and FS, the distribution of regional funds is generally determined at the regional level. At NPS, project proposals must be reviewed and approved at both the regional and WASO levels before central funds are distributed to the units.

Table 4: Distribution of Recreation Fee Revenues to Central or Regional Funds

Agency	Percentage of fee revenue retained on-site	Percentage of revenue deposited into central or regional fund
NPS	80-100%[a]	0-20%
FWS	80-100[b]	0-20
BLM	100	0
FS	95%[c]	5%

Source: GAO.

[a]Park units that collect less than $500,000 per year are allowed to retain 100% of their fee revenues on-site. Other NPS units retain 80% of the fee revenue generated, and 20% is deposited into a central fund. NPS retains 15% of the total National Parks Pass revenues to pay for pass administration and overhead, with the majority of these funds used to reimburse the National Park Foundation under their pass sales contract. Of the remaining pass revenue, the unit that sold the pass retains 70%, and 30% is deposited into a central fund.

[b]Units in four of the seven FWS regions—Regions 1 (including the California-Nevada Office), 3, 6, and 7—retain 100% of fee revenue on-site. Units in three of the seven FWS regions—Regions 2, 4, and 5—retain 80% of fee revenue and deposit 20% into a regional fund.

[c]FS units will retain 80% of Golden Passport sales until revenue distribution for the new interagency pass is determined.

Agencies Have Millions of Dollars in Unobligated Recreation Fee Balances to Fund Future Projects; Some Projects Funded May Be Similar to Those Formerly Funded with Other Appropriations

The four agencies collecting recreation fees under REA have accumulated unobligated balances of nearly $300 million dollars at the end of fiscal year 2005. These balances have accrued for several reasons that included their units' plans to undertake large projects requiring them to have all required funds available before initiating the project, the need to carry over funds for the next season's operations, and the lack of adequate staffing to administer and implement projects in a more timely fashion. Many agency sources believe that the recreation fees are to supplement and not replace funds from other appropriations, such as construction and operations. Despite this, the majority of officials at the units we surveyed indicated they believed to a moderate, great, or very great extent that recreation fee revenues are being used to fund projects formerly funded with other appropriations at their unit. In addition, the majority of agency officials told us they believe that they may need to replace appropriations with recreation fee revenues in the future. However, in commenting on a draft of this report, FS and DOI noted that historically, fee revenues have not replaced appropriations and there is no reason to expect this change in the future.

Overall, Agencies Report Unobligated Balances Consisting of Millions of Dollars at the End of Fiscal Year 2005

According to the agencies' recent report to Congress,[22] BLM, FWS, FS, and NPS reported a total unobligated balance of $295.8 million at the end of fiscal year 2005, or 61 percent of the $483.8 million available for obligation (total fee revenues collected plus unobligated balance and recoveries). In response to our survey, 75 percent of fee-collecting units in NPS, BLM, and FWS reported unobligated balances at the end of fiscal year 2005. Furthermore, 93 percent or 107 of 115 of the FS's national forests reported unobligated balances.[23] FS headquarters reported unobligated balances at the forest level, and the balances were not available for individual units (ranger districts) because of changes in their accounting system. The fiscal year 2005 revenue, unobligated balance and recoveries, funds obligated, and unobligated balances reported by the four agencies are provided in table 5 below. A 5-year history of the agencies' recent revenue and obligations are provided in appendix IV.

Table 5: Fiscal Year 2005 Recreation Fee Revenue, Obligations, and Unobligated Balances

	BLM	NPS	FWS	FS
Fee Demo/REA revenue	$13.3	$128.2	$4.3	$50.2
Unobligated balance brought forward and recoveries	7.7	240.7	3.7	35.7
Funds obligated	12.7	125.2	4.4	45.6
Unobligated balance	$8.2	$243.6	$3.6	$40.3

Source: U.S. Departments of the Interior and Agriculture. *Federal Lands Recreation Enhancement Act: First Triennial Report to Congress, Fiscal Year 2006* (Washington, D.C.: May 2006), p.68.

[22]U.S. Departments of the Interior and Agriculture, *Federal Lands Recreation Enhancement Act: First Triennial Report to Congress, Fiscal Year 2006* (Washington, D.C.: May 2006).

[23]The 115 national forests collecting recreation fees include many that consist of two or more forests merged into one administrative unit.

Typically, units collecting recreation fees had an unobligated balance of these funds in their accounts at the end of fiscal year 2005 because not all funds collected during a fiscal year are spent during that fiscal year. According to the NPS Facilities Management Specialist, the majority of revenues, especially at large western park units, are typically collected during the last 3 months of the fiscal year and, therefore, are unlikely to be obligated that same year.

We also found that at the end of fiscal year 2005, unobligated balances for many of the units or forests exceeded the revenues collected that year. For example, on the basis of our survey responses, 114, or 42 percent of 270 BLM, NPS, and FWS units and 63 of 107 FS forests with unobligated balances had balances that were greater than 100 percent of the total fee revenue they reported for fiscal year 2005. Table 6 shows for each of the four agencies the number of units/forests with unobligated balances and those with unobligated balances that exceeded the annual revenues collected by 100 percent or more.

Table 6: BLM, NPS, FWS Units, and FS Forests with Unobligated Balances at End of Fiscal Year 2005 and Those with Unobligated Balances Greater Than Revenues Collected

	Overall	BLM	NPS	FWS	FS
Number of units with a fiscal year 2005 unobligated balance	270	56	138	76	107
Number of units in which the unobligated balance was greater than 100% of the total fees collected in fiscal year 2005	114	26	64	24	63
Percentage	42%	46%	46%	32%	58%

Sources: GAO survey and agency data.

Note: FS data is based on numbers at forest level provided by FS headquarters, rather than at the ranger district units included in the GAO survey.

Also, on the basis of information provided by units responding to our survey and information provided on national forests, the top 10 units with the largest unobligated balances at the end of fiscal year 2005 were all in NPS. Table 7 lists the 10 units with the highest unobligated balances compared with their fiscal year 2005 fee revenues. Appendix V provides a listing of the top 10 units with the largest unobligated balances in all four of the agencies.

Table 7: 10 Largest Unobligated Balances of Recreation Fee Revenue Among All Units and Forests

Unit	End of fiscal year 2005 unobligated balance	Fiscal year 2005 total fee revenue	Unobligated balance as a percentage of total revenue
Jefferson National Expansion Memorial	$3,019,449	**$2,608,161**	116%
Haleakala National Park	4,172,814	**2,880,126**	145
Sequoia and Kings Canyon National Park	4,447,870	**3,163,540**	141
Golden Gate National Recreation Area/Muir Woods National Monument	4,734,347	**3,288,230**	144
Lake Mead National Recreation Area	4,847,637	**4,101,875**	118
Mammoth Cave National Park	4,972,503	**3,495,605**	142
Hawaii Volcanoes National Park	5,262,769	**3,799,829**	139
Gateway National Recreation Area	6,641,400	**2,436,786**	273
Grand Canyon National Park	36,726,755	**20,082,719**	183
Yosemite National Park	$36,730,533	**$15,019,482**	245%

Sources: Unit responses to GAO survey and FS headquarters data.

Note: Revenues reflect gross amount before a percentage was contributed to a central fund.

REA provides a mechanism for units to reduce their unobligated balances. As part of the new REA authority for the recreation fee program, Congress included a provision that allows the Secretary of the Interior or the Secretary of Agriculture to reduce the percentage allocation of the recreation fees and site-specific pass revenues to a unit from 80 percent to 60 percent for a fiscal year. This authority can be exercised if the Secretary determines that the revenues collected at the unit or area exceed the reasonable needs that may be addressed during a fiscal year. As part of the interagency guidance developed for the implementation of REA, the Secretaries have agreed to delegate to the individual agencies the authority to develop and implement policy for this provision, including identifying the metrics and benchmarks required to determine when a unit's revenue retention may be reduced and devising a method for distributing the remaining funds. To date, none of the agencies have completed the process of establishing final criteria for implementing this provision, although it is reportedly under discussion in NPS.

Fee-Collecting Units Cite Several Reasons for Unobligated Balances

Those recreation fee collecting units reporting an unobligated balance cited a variety of reasons for why all available funds were not obligated. To a moderate, great, or very great extent, units cited the following as the most common reasons for their unobligated balances: (1) saving funds to ensure they had sufficient funds to pay for large projects, (2) saving funds needed for the following season's operations, (3) lack of personnel to administer and implement projects on a more timely basis, and (4) completing environmental compliance or analysis. Table 8 provides a complete list of reasons cited for the unobligated balances overall, and by each agency, and the percentage of the units citing the reason to moderate, great, or very great extent.

Table 8: Agency Reasons for Their Unobligated Balance of Recreation Fee Revenues

Reason	Total	BLM	FS[a]	NPS	FWS
Saving funds for large project	**61.7%**	76.8%	55.1%	61.6%	75.0%
Funds are needed for next season's operations	**52.4**	69.6	58.0	23.2	72.4
Lack of personnel to implement project	**31.1**	30.4	30.8	37.7	21.1
Lack of personnel to manage and oversee project	**28.0**	28.6	26.1	37.7	17.1
Environmental compliance or analysis to be completed	**26.6**	28.6	26.8	37.7	3.9
Design and engineering work to be completed	**25.8**	30.4	21.4	42.8	7.9
Used appropriated dollars before fee revenues	**22.2**	39.3	24.3	11.6	21.1
Contracting delays	**13.0**	12.5	9.1	26.1	3.9
Project approval process at higher levels	**11.9**	7.1	5.8	32.6	.0
Change in unit's priorities	**10.8**	8.9	8.7	18.1	6.6
Other	**10.3**	8.9	14.1	5.1	6.6
Weather caused delays	**9.0**	5.4	7.6	13.0	9.2
Actual expenditures less than original estimate	**8.1**	5.4	7.6	11.6	5.3
Unanticipated growth of fee revenues	**6.0**	5.4	9.1	2.9	1.3
Lack of projects meeting agency criteria	**2.7**	1.8	.7	7.2	2.6
Legal actions need to be resolved	**1.8%**	0.0%	1.8%	2.9%	1.3%

Source: Unit responses to GAO survey.

Note: Percentage citing reasons to a moderate, great, or very great extent.

[a]Forest Service numbers include all ranger district units responding to the question, not just those with an unobligated balance of funds.

The following examples highlight some of the reasons for unobligated balances at specific units.

- Officials at Yosemite National Park, the unit with the highest unobligated balance of about $36.7 million or 245 percent of its annual revenue, cited the following as the primary reasons for its unobligated balance: legal actions need to be resolved that have delayed spending on certain projects and the lack of personnel to manage, oversee, and implement the projects planned for these funds. Park officials said that unobligated funds accumulated in the early years of the Fee Demo program when obligations were lower relative to collections. Obligations have now increased as major projects have passed the planning and design phase. Another factor in the amount of obligations for projects funded with recreation fees was that the same Yosemite staff concurrently managed the 1997 flood recovery work funded by an appropriation. The flood recovery work occupied the same Project Managers that manage recreation fee funded projects thereby reducing the amount of work and obligations under that program. A major part of the fee revenues are planned for utility projects that are under way, including replacing sewers and reconstructing other utilities, the staff said.

- Officials at Grand Canyon National Park, with an unobligated balance also of about $36.7 million, or 184 percent of its annual revenue, stated that the primary reasons for its unobligated balance that has accumulated over at least 3 years were the need to save funds for large projects and the lead time needed to complete design and engineering work that had delayed the actual expenditure of most funds allocated for a particular project. Park staff reported plans to use the unobligated balance primarily for an alternative transportation system for park visitors, involving parking area and road construction, and upgrading the current shuttle bus system. These improvements are expected to cost approximately $47 million and take 9 years to complete in phases using unobligated funds already accumulated, as well as a portion from future fee revenues.

- Officials at BLM's Coos Bay District Office in North Bend, Oregon, cited saving funds for large projects, needing funds for the next season's operations, and using other appropriated dollars before fee revenues as the primary reasons for its unobligated balance. Coos Bay's unobligated balance was about $320,000 at the end of fiscal year 2005 or about 202 percent of the fee revenues.

- Officials at Crab Orchard National Wildlife Refuge in Marion, Illinois, reported an unobligated balance of about $645,000 at the end of fiscal year 2005, which was 184 percent of its fee revenue. Refuge officials cited needing to save funds for a large project, completing design and engineering work, and needing funds for the next season's operations as the primary reasons for the unobligated balance.

- Shasta-Trinity National Forest in northern California had an unobligated balance of about $2.8 million in fiscal year 2005, which was 246 percent of its fee revenue and the largest reported for a national forest. Forest staff cited the need to save these funds to cover programs and services during the next year that were previously funded with the fee revenue from the marina area. Under REA, the unit is no longer authorized to keep approximately $900,000 in annual marina revenues that the unit collected under the Fee Demo program from marina operations.[24] Staff indicated the unobligated balance will be used to continue a number of marina area programs including a fish rearing program, boat patrols, floating toilets, illegal dump cleanups, boating safety program, and interpretive programs that began under Fee Demo.

Agencies Use Fee Revenues to Fund All or Part of Needs Formerly Funded with General Appropriations and View Fee Revenues as an Important Supplement to General Appropriations

During our site visits and in response to our survey, recreation fee-collecting units also provided many examples in which recreation fee revenues were used in conjunction with other general appropriated funds, donations, or other revenues to complete projects within their units. According to responses from units in the four agencies responding to our survey, 58 percent of the units indicated that they believed to a moderate, great, or very great extent that recreation fee revenues are being used to fund projects formerly funded with other general appropriations at their unit, such as the construction account. The percentage of units within each agency that expressed this opinion varied from a high of 65 percent in FS to a low of 46 percent in FWS. In addition, about 64 percent of the units believed to a moderate, great, or very great extent that, over the next 5 years, fee revenues will be used to fund projects that would have been funded with other general appropriated dollars. The portion of respondents in each agency believing this was 74 percent in BLM, 67 percent in FS, 57 percent in FWS, and 58 percent in NPS. In contrast to the opinions of unit level officials, FS and DOI comments on a draft of this report noted that fee revenues have not historically replaced appropriations and denied there is any reason to expect this to change in the future.

[24]Throughout Fee Demo, the Shasta-Trinity National Forest collected resort and marina special use permit fees under the Term Permit Act but were able to use Fee Demo as a second authority to retain the resort and marina revenues on-site. However, the unit no longer has the authority to retain the revenues because there is a limitation in REA that states that amounts collected under any other law may not be disbursed under REA. The unit does not use REA to collect the funds because the marina permits are issued for 20 years, and the authority to carry out REA terminates in 10 years after REA was enacted.

We identified a number of NPS projects similar to those funded by other general appropriations, such as items typically funded by the construction appropriations account, which are being or have been funded wholly or in part by recreation fee revenues. For example, the fiscal year 2006 construction appropriation for NPS includes $11.8 million for a conversion to narrowband radios to ensure rapid response to emergency and life-threatening situations. NPS stated in its fiscal year 2007 budget justification that it was proposing to reduce funding for the narrowband radio system program in order to fulfill higher priority needs in other areas. NPS added that to minimize the delay in achieving full conversion to narrowband radio equipment, those systems that are to be converted after fiscal year 2005 will be funded through construction appropriations and augmented, as necessary, by other NPS fund sources, such as recreation fee revenues.

In response to our survey or during our site visits, many NPS units reported completed, planned, or ongoing expenditures from recreation fee funds for the narrowband radio upgrade, including: Yosemite National Park, $3.4 million; Grand Canyon National Park, $3.0 million; Lake Mead National Recreation Area, $1.0 million; Gateway National Recreation Area, $1.7 million; Sequoia-Kings Canyon National Park, $0.9 million; Acadia National Park, $0.7 million; Olympic National Park, $0.7 million; Channel Islands National Park, $0.7 million; Great Smokey Mountains National Park, $0.6 million; and Glacier National Park, $0.6 million. NPS officials said the decision to fund the radio upgrade with fee revenues was made because of concern that construction appropriations would not be enough to fund the new system.

Many NPS units listed other projects that have been funded wholly or in part by recreation fee revenues similar to those previously funded by general appropriations, such as construction appropriations account. See table 9 for a list of examples.

Table 9: NPS Unit Recreation Fee Projects Similar to Those Previously Funded by General Appropriations, Such as the Construction Account

Unit	Project	Category of expenditure	Recreation fees used
Yosemite National Park	Replacement of the Valley/El Portal force main and gravity sewers	Deferred maintenance and capital improvement	$10.0 million
	Repair valley sewer collection system (Phase I)	Deferred maintenance	5.7 million
	Relocate and improve utility lines for Curry Village	Deferred maintenance	19.6 million
Grand Canyon National Park	Construct a South Rim Emergency Services Building	Capital improvement	3.6 million
	Restore historic district buildings	Deferred maintenance	16.6 million
Sequoia and Kings Canyon National Parks	Rehabilitate General's Highway/Grant Tree parking lot	Deferred maintenance	0.5 million
Yellowstone National Park	Rehabilitate and upgrade Canyon Visitor Center	Capital improvement	1.5 million
	Resurface 5 miles of roads for visitors' safety	Deferred maintenance	2.1 million
Shenandoah National Park	Complete headquarters maintenance building	Capital improvement	$1.2 million

Source: Unit responses to GAO survey.

In addition, many of the unit staff we visited or who commented on our survey stated that recreation fee revenues are essential to providing services at their recreation areas that would not otherwise be funded. The following is a sampling of such comments from units in each agency:

BLM

- "The recreation fee program has been a great asset to the overall recreation program. Without these dollars coming back into the system to help augment other appropriation dollars, BLM could not continue with current standards for existing facilities, developing new facilities, providing proper monitoring of special recreation permits, or to provide the public with service they need and deserve."

- "Unfortunately, our recreation fee funds collected have become the primary source of revenue for our (unit). This was not the original intent of the fee demo program but with shrinking budgets it has become our main funding source."

FS

- “In this time of declining budgets and increasing use of national forests as the Baby Boomer generation retires, a loss of REA funds would be devastating to our ability to provide recreation opportunities.”
- “Our unit has become very much dependent on REA funds to provide basic care and maintenance activities of our developed facilities. These include the high costs of solid waste disposal; toilet pumping and disposal; and maintaining a seasonal workforce to meet standards and guidelines for recreation management.”

NPS

- “Funding for projects via the recreation fee program has enabled the park to make modest improvements in visitor facilities and services. Without the recreation fee program, very little of work that has been done would have been done.”
- “Recreational fee revenues allow us to accomplish projects which wouldn’t have been accomplished with other (general) appropriated funds. While some of the more urgent projects might have been accomplished with other (general) appropriations, fee dollars enable us to accomplish much more.”

FWS

- “Most public use activities and projects would not be conducted if we did not have funds from a recreation fee program.”
- “The recreation fee program has provided additional revenue to support visitor needs and enhance the visitor experience. Without these funds, we could not provide visitors with a high quality of visitor service.”

Conclusions

REA was essentially designed to mitigate past problems with the recreation fee demonstration program, such as having multiple passes that caused visitor confusion, provide a more sustainable long-term authority to support effective planning and management of fee programs, encourage increased public participation, protect recreational resources, and provide the public with quality visitor services. In addition, REA authorized a new multiagency recreation pass to help relieve visitor confusion associated with having to use multiple passes to access and enjoy federal recreation sites. REA was enacted almost 2 years ago, and our early assessment of the participating agencies' implementation of the act indicates that they are making progress. Still, there are areas in need of management attention. Two key working groups established to facilitate REA implementation have yet to take important steps to carry out REA, such as completing necessary tasks to allow RRAC requirements to be fully implemented, which will enhance public participation requirements. Also, our analysis indicates that some of the DOI agency and FS units are struggling with how to interpret certain aspects of the agencies' interim guidance for implementing the act, which has caused confusion regarding the types and amount of fees to collect. Furthermore, unit officials are in need of guidance on facilitating public participation and how to ensure projects funded with REA fees are connected to the visitor experience. Unless actions are taken to issue final regulations and implementation guidance for the fee program, including detailed policy and procedure guidance, many unit officials will continue to struggle with how to effectively and consistently implement the recreation fee program.

Measures the agencies have in place to control and account for collected fee revenues is another area that needs attention. While the results of our analysis cannot be projected to all fee-collecting sites, we noted weaknesses in the controls over fee collections at some BLM, FWS, and FS sites that warrant attention because they not only affect the accounting for the collected revenues, but they may also affect the safety of the individuals involved in the collection efforts. Although millions of dollars are collected annually through REA, some agencies have not provided adequate guidance or conducted routine audits needed by the units to ensure that they develop and maintain proper controls over their fee revenues and provide reasonable physical protection for their staff.

Despite the fact that Congress intended all five federal land management agencies to implement REA, Reclamation has not determined whether it will implement the act. Unlike the other participating agencies, Reclamation operates most of its recreation sites through partnerships that collect fees to support the costs of administering the recreation programs they provide. Reclamation has determined that its recreation areas that are managed by nonfederal partners will not be participating in REA, and thus will not accept the new multiagency pass. Further, the federal managing partners will be allowed to decide on their own how REA impacts the recreation areas located on Reclamation lands that they manage. Reclamation has not yet decided what actions to take with regard to those units managed by Reclamation that it identified as meeting REA criterion for charging recreation fees.

Recommendations for Executive Action

To allow for public input on new fees or modifications to existing fees, we recommend that the Secretaries of the Interior and Agriculture expedite completing the steps needed for the RRACs and existing advisory councils to begin implementing REA.

In order to improve agencies' implementation of the Federal Lands Recreation Enhancement Act and improve the accountability and controls for recreation fee collection, we recommend that the Secretary of the Interior direct the

- Director, National Park Service; Director, Bureau of Land Management; and Director, Fish and Wildlife Service to promptly issue final regulations and implementation guidance on the fee program, including detailed policy and procedure guidance; and

- Director, Bureau of Land Management and Director, Fish and Wildlife Services to ascertain the extent to which their units do not have effective processes and procedures for accounting for and controlling collected fees and develop guidance for implementing appropriate and effective internal controls over cash management. This guidance for implementing such controls should identify and encourage the use of best practices, such as routine audits.

We recommend that the Secretary of the Interior direct the Commissioner of the Bureau of Reclamation to expedite its decision on implementation of REA.

In order to improve the Forest Service's implementation of the Federal Lands Recreation Enhancement Act and improve the accountability and controls for collected recreation fees, we recommend that the Secretary of Agriculture direct the Chief of the Forest Service to take the following two actions:

- promptly issue final regulations and implementing guidance on the fee program, including detailed policy and procedure guidance; and

- ascertain the extent to which its units do not have effective processes and procedures for accounting for and controlling collected fees and develop guidance for implementing appropriate and effective internal controls over cash management. This guidance for implementing such controls should identify and encourage the use of best practices, such as routine audits.

Agency Comments and Our Evaluation

We provided the Departments of the Interior and Agriculture with a draft of this report for review and comment. Their written comments are provided in appendixes VI and VII, respectively. DOI generally agreed with our findings and recommendations. It said that our recommendations further REA implementation efforts and it was dedicated to addressing them promptly. Specifically, with regard to issuing final regulations and implementation guidance for the new interagency pass, the department said that, while guidelines had not been formally completed, most of the policy decisions composing the guidelines have been taken and discussed in congressional testimony. Although this may be the case, the results of our survey and site visits indicated that those who are to implement REA in each of DOI's agencies are in need of clarifying guidance, particularly with regard to adding new fee sites or modify existing fees to fully implement the act, which will also help to ensure consistency in applying the requirements of REA.

We also recommended that DOI direct that BLM and FWS ascertain the extent to which their units have effective processes and procedures for accounting for and controlling collected fees and develop effective guidance and internal controls over cash management, such as routine audits. Although this recommendation was not directed at the Park Service, the department's comments state that the Park Service has the intention to recommitting to a National Audit Program. It said that such a program has been delayed due to other program priorities and lack of staff resources. However, it said that the Park Service has a working group that is being reconvened to restart the process of developing a National Audit Program and that, once additional resources are in place, it will be possible to implement a more standardized program. On the basis of our visits to eight sites, we observed practices for controlling and accounting for fee revenues that appeared to be working well at these locations in the Park Service. However, we are encouraged by the additional actions that the Park Service plans to take to improve their processes in this area and any lessons learned from this effort may also benefit BLM and FWS.

With regard to our recommendation that the department direct Reclamation to expedite its decision on implementing REA, the department provided comments from the bureau that said that the bureau had only identified seven sites that currently meet the statutory criteria for charging standard amenity fees under REA. Given this fact and the likely costs of implementing REA for the agency, it said that there is a strong possibility that Reclamation would require all recreation sites meeting the criteria to participate in REA. However, as recognized in our report, Reclamation should decide this issue soon so that its units can begin taking the needed steps to implement REA.

The Department of Agriculture did not specifically state its agreement or disagreement with our recommendations. However, it outlined actions it has planned or under way to address them. Specifically, it acknowledged the Forest Service's need to revise several policies that relate to REA and collections in general. It said that the Forest Service had already initiated policy revisions for its manuals and handbooks, which it plans to produce by September 2007. It also said that the Forest Service is in the process of revising its policies on billings and cash collections, which it will expedite for publication as soon as practicable.

Both DOI and the Department of Agriculture provided other comments for updating information in the report or for providing technical clarifications that we have incorporated, as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 2 days from the report date. At that time, we will send copies of this report to the Secretary of the Interior, the Secretary of Agriculture, and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have questions about this report, please contact me at (202) 512-3841 or nazzaror@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix VIII.

Robin M. Nazzaro

Robin M. Nazzaro
Director, Natural Resources
and Environment

Objectives, Scope, and Methodology

Based on the congressional request letter of May 2005 and subsequent discussions with your staffs, we agreed to determine (1) what agencies have done to coordinate the implementation of the Federal Lands Recreation Enhancement Act (REA), including preparing for the new interagency federal lands pass; (2) what agencies have done to implement the REA fee and amenity requirements and sufficiency of guidance for REA implementation; (3) the extent to which the agencies have control and accounting procedures for collected recreation fee revenues; (4) how participating agencies prioritize and approve activities and projects funded with fee revenues; and (5) the extent to which units have unobligated fund balances and if recreational fees are being used to fund projects formerly funded with other appropriations. In addition, we are providing information on how recreation fees vary by type, amount, and level of amenities offered at units with similar recreational opportunities across and within agencies participating in REA.

To address the objectives, we obtained and reviewed applicable laws; regulations; agencywide policies and procedures; regional policies and procedures; and the fees collected at selected units under the Fee Demonstration Program and REA in order to determine what changes have resulted since the implementation of REA. We developed and administered a nationwide survey to agency officials responsible for fee programs under REA. We supplemented the survey information with records reviews, analyses of documents, and testimonial evidence gathered during unit visits and in meetings with state, regional, and headquarters officials.

To obtain information on all of our objectives related to the implementation of REA, the collection and expenditure of recreation fee revenues, we designed and administered a national survey of units collecting these fees. We worked to develop the survey instrument with social science survey specialists to administer to staff at National Park Service (NPS) units, Forest Service (FS) ranger districts, Bureau of Land Management (BLM) field offices, and Fish and Wildlife Service (FWS) refuges. Because this was not a sample survey, there are no sampling errors. However, the practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. For example, differences in how a particular question is interpreted, in the sources of information that are available to respondents, or how the data are entered into a database can introduce unwanted variability into the survey results. We took steps in the development of the surveys, the data collection, and data analysis to minimize these nonsampling errors. For example, prior to administering the survey, we pretested the content and format of the surveys with several site officials at each agency to determine whether (1) the survey questions were clear, (2) the terms used were precise, (3) respondents were able to provide the information we were seeking, and (4) the questions were unbiased. In addition, we provided a draft of the survey to the national fee program coordinators at the four agencies and met with them to obtain comments and corrections to the wording and structure of the questions in the survey. We made changes to the content and format of the final questions based on pretest results. We verified some financial information from a random sample of 25 non-FS units by asking these respondents to check their answers originally provided to four questions and verify the reported dollar amounts or provide corrections. Our analysis showed that a significant number of units reported they had made errors in providing the original survey data; however, total dollars reported after correction did not differ significantly from the dollars reported originally. The revised sum of the total fees collected differed from the original by less than plus or minus 2 percent and for unobligated balances, less than plus or minus 4 percent. We also checked a sample of cases to ensure the accuracy of data entry and made corrections as needed. We performed computer analyses to identify inconsistencies in responses and other indications of error. We contacted survey respondents, as needed, to correct errors and verify responses. In addition, a second independent analyst verified that the computer programs used to analyze the data were written correctly. It is our opinion that the data we present is valid and reliable for the purposes of this report.

To identify the current fee-collecting units to complete the survey, we asked the national fee program coordinators at NPS, FS, BLM, and FWS to provide a full list of these units including phone numbers and e-mail addresses. The survey was designed to be distributed as a locked MS Word document attached to a transmittal e-mail, allowing the document to be saved on unit computers, altered with answers, and returned via attachment to e-mail messages. Respondents were instructed to complete one survey per unit to reflect all recreation fee activities managed as a single unit. Based on phone calls from respondents and returned surveys, we determined some surveys included responses for more than one unit on the list provided by the agency. In other cases, surveys were returned for units that were not on the list. In either case, we contacted the unit to determine the status of the unit. If we found that the management of a fee program extended across the boundaries of more than one unit, and its fee collection and spending were combined, with funds commingled and project priorities jointly determined, then we accepted a single survey for more than one unit. Because some units were combined, and because others indicated that they were not collecting fees, contrary to the lists provided by agency headquarters, the number of units in the universe for this survey declined. Table 10 provides the estimated response rates by agency and overall.

Table 10: Estimated Response Rates by Agency and Overall

Agency	Number of units identified	Number of units returning surveys	Number of fee collecting units returning surveys	Response rates
BLM	128	104	88	81.3%
FS	467	408	393	87.4
NPS	197	192	174	97.5
FWS	112	103	97	92.0
Total	**904**	**807**	**752**	**89.3%**

Source: GAO.

The number of units identified, 904, reflects the total number of units remaining in the universe after adjustments, when units reported that they had been administratively merged with another unit or, in a few cases, when they were not included on the list provided by the agencies. The units identified by the agencies included units that indicated that they did not collect fees under REA. These respondents were not intended to have been included in the universe and, therefore, were dropped from the analysis of responses. Once the surveys were received, logged in, and printed, they were checked for completeness and logic, and the responses were then coded into a database for summarization and analysis.

To assess the accounting and control procedures in place at various fee-collecting units, we conducted unit visits to a sample of unit locations where we collected documents, observed accounting and control practices, and interviewed staff. Information that we gathered during our site visits and during our interviews represents only the conditions present in the units at the time of our review. We cannot comment on any changes that may have occurred after our fieldwork was completed. Furthermore, our fieldwork focused on in-depth analysis of only a few selected units. Based on our interviews, we cannot generalize our findings beyond the units and officials we contacted.

As of 2005, four of the five agencies were actually collecting recreation fees under REA—the same four that had previously been authorized to collect fees under the Fee Demo program. The amounts of recreation fee collections varied substantially among the four agencies. For example, NPS's top fee-collecting unit, Grand Canyon National Park, collected $15,773,239 in Fee Demo revenue in fiscal year 2003, while FWS's top fee-collecting unit, Chincoteague National Wildlife Refuge, collected $658,497 in the same fiscal year, and there were only seven units within the entire FWS agency that collected over $100,000 in recreation fee revenue. Therefore, in order to ensure that we visited fee units of varying sizes within each of the four agencies, we created different small, medium, and large fee categories for each agency. These categories were identified by sorting the fee-collecting units within each agency from highest to lowest in fee revenue for fiscal year 2003.[1] After sorting the data by fee revenue, we analyzed the data to see where natural breaks for small, medium, and large units fell, in order to determine the categories for each agency. The resulting categories are shown in table 11.

Table 11: Description of Small, Medium, and Large Units by Agency

Agency	Small unit	Medium unit	Large unit
NPS	under $250,000	$250,000-$1 million	over $1 million
FS	under $100,000	$100,000-$500,000	over $500,000
BLM	under $50,000	$50,000-$100,000	over $100,000
FWS	under $20,000	$20,000-$50,000	over $50,000

Source: GAO.

Our original plan was to visit at least three large units, two medium units, and one small unit within each agency. In addition, to address congressional concerns about large unobligated carryover balances, we planned to visit at least two more units with very large carryover balances. We also recognized the importance of visiting units in several different geographic areas to document possible differences in the implementation of the fee programs within different states or regions. We completed this

[1]We used revenue data from the *Recreational Fee Demonstration Program* (Progress Report to Congress for Fiscal Year 2003), because this was the most recent report that had been published that included fee revenue data broken down by individual unit for all four agencies.

original methodological plan with one exception; we only visited two large FWS units. However, given the relatively small size of even the largest of FWS' fee-collecting units, we believe that our review had already sufficiently covered their program. Table 12 identifies the recreation fee units we visited.

Table 12: Recreation Fee Units GAO Visited

Agency and unit	State
BLM	
Folsom Field Office	California
Grand Junction Field Office	Colorado
Gunnison Field Office	Colorado
Kremmling Field Office (includes Upper Colorado River)	Colorado
Price Field Office (includes Desolation Canyon)	Utah
Red Rock Canyon National Conservation Area	Nevada
FWS	
Back Bay National Wildlife Refuge	Virginia
Blackwater National Wildlife Refuge	Maryland
Chincoteague National Wildlife Refuge	Virginia (also partially in Maryland)
Klamath Basin National Wildlife Refuge Complex	California (also partially in Oregon
Rocky Mountain Arsenal National Wildlife Refuge	Colorado
NPS	
Antietam National Battlefield	Maryland
Colonial National Historic Park	Virginia
Grand Canyon National Park[a]	Arizona
Lake Mead National Recreation Area	Nevada
Rocky Mountain National Park	Colorado
Sequoia and Kings Canyon National Parks	California
Whiskeytown National Recreation Area	California
Yosemite National Park[a]	California
FS	
Arapaho and Roosevelt National Forests, Sulphur Ranger District (includes Arapaho National Recreation Area)	Colorado
Sequoia National Forest, Hume Lake Ranger District	California

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Agency and unit	State
Shasta-Trinity National Forest, Shasta Lake, and Mount Shasta Ranger Districts (includes Shasta-Trinity National Recreation Area)	California
Tonto National Forest, Mesa Ranger District (includes Salt and Verde Rivers National Recreation Complex)	Arizona
Uinta National Forest, Pleasant Grove Ranger District (includes American Fork Canyon)	Utah
George Washington and Jefferson National Forests, Glenwood-Pedlar Ranger District	Virginia
White River National Forest, Dillon Ranger District (includes Green Mountain Reservoir and Cataract Lake)	Colorado

Source: GAO.

[a]Units visited due to identified large carryover balances.

Finally, we spoke with headquarters officials at all five agencies to obtain their views on the implementation of REA, their plans for future monitoring and assessment activities, the status of the new interagency federal lands pass, and their opinions on the future impact of REA fees on their agency's appropriations.

We conducted our work between June 2005 and August 2006 in accordance with generally accepted government auditing standards.

Fees for Recreational Uses Vary by Agency and for Amenities Across and within Agencies Participating in REA

This appendix provides information on how the fees charged and the amenities provided for use of recreational units across the country vary by the activity offered, the provisions of the Federal Lands Recreation Enhancement Act (REA) and the agency offering them. For example, under REA, units of the National Park Service (NPS) and the Fish and Wildlife Service (FWS) are authorized to charge entrance fees for accessing the lands they manage. REA does not specify minimum amenity requirements for entrance fees. The Bureau of Land Management (BLM) and Forest Service (FS) units, on the other hand, are authorized to charge standard amenity fees, not entrance fees. Unlike entrance fees, REA specifies the minimum amenities required at recreation sites to charge this fee.

NPS and FWS Entrance Fees

Of the 271 NPS and FWS units responding to our survey, 168, or 62 percent had entrance fees. Of the 168 units with entrance fees, 137, or 82 percent were NPS, and 31, or 18 percent, were FWS units. In NPS, the entrance fees ranged from a low of $1 per person to a high of $300 per bus or group, while FWS units reported an average fee ranging from a low of $1 per person to a high of $50 per bus. The entrance fees are typically charged per visit, on per vehicle, per person, per group, or commercial vehicle bases, as well as on an annual basis. Table 13 shows the number of units that reported charging an entrance fee and the minimum and maximum fees charged for the various entrance categories.[1]

[1]Data in this appendix represent fees in effect at the time the respondents completed the survey (February to May 2006).

Table 13: Number of Units Reporting Entrance Fees of Various Categories, with the Overall Minimum and Maximum Fee Amounts

	NPS			FWS		
Category	Number of units that charge this fee	Minimum fee	Maximum fee	Number of units that charge this fee	Minimum fee	Maximum fee
Private vehicle	71	$1	$25	26	$2	$12
Per person	133	0	15	15	1	25
Motorcycle	60	3	20	22	2	12
Bicycle	61	3	20	16	1	12
Commercial bus	74	3	300	19	3	50
Group rate	14	4	300	4	15	30
Unit-specific annual entrance pass	103	$10	$45	28	$10	$30

Source: GAO survey results.

BLM and FS Standard Amenity Fees

Standard amenity fees were authorized by REA to be charged for federal recreational lands and waters under the jurisdiction of BLM, Reclamation, or FS. As mentioned earlier in this report, Reclamation has not implemented REA and, therefore, is not included in these results. The law sets criteria for the establishment of standard amenity fees: the area where charged must have significant outdoor recreation, a substantial federal investment, allow efficient collection of fees, and must have the following amenities: designated developed parking, a permanent toilet facility, a permanent trash receptacle, interpretive sign, exhibit or kiosk, picnic tables, and security services. Of the 472 survey responses from BLM and FS units, 38 of 85 (45 percent) BLM units and 157 of 387 (41 percent) of FS units reported having standard amenity fees. BLM's units responding to the survey had standard amenity fees ranging from a low of $1 to a high of $10 for each person and from $2 to $10 per vehicle. FS's units reported standard amenity fees ranging from a low of $0.50 per person to a high of $7.50 per person and per vehicle standard amenity fees that ranged from $1 to $50.[2] Table 14 outlines the number and types of standard amenity fees charged and the range of fees of each category reported.

[2]A $50 standard amenity fee is charged to reserve one day use of the Jack's Creek or Holy Ghost Large Group Areas in the Pecos-Las Vegas Ranger District of the Sante Fe National Forest.

Table 14: Standard Amenity Fees Reported by BLM and FS under REA Authority

	BLM			FS		
Category	Number that charge fee	Minimum fee	Maximum fee	Number that charge fee	Minimum fee	Maximum fee
Per person	9	$1	$10	22	$0.50	$7.50
Per vehicle	26	$2	$10	126	$1	$50

Source: GAO survey results.

Many Units Offer More Amenities Than What Is Required Under REA

Our survey identified 195 BLM and FS units that reported charging a standard amenity fee for recreation use in their units. In addition to the six amenities required under REA to charge a standard amenity fee, many of the units reported providing various other amenities for the visiting public. Table 15 shows the various amenities provided at the 195 BLM and FS units, for either the minimum or maximum (if any) standard amenity fee, including the amenities required under REA for the unit to charge a standard amenity fee.

Table 15: Amenities Available at BLM and FS Units Charging Standard Amenity Fees

Features and amenities	Number of BLM units	Number of FS units	Total
Permanent toilet facility[a]	37	152	**189**
Picnic shelter	21	60	**81**
Picnic tables[a]	37	143	**180**
Drinking water	29	103	**132**
Fire ring or grill	32	119	**151**
Permanent trash receptacle[a]	36	139	**175**
Reasonable visitor protection (security)[a]	35	146	**181**
Designated developed parking[a]	34	152	**186**
Access roads	37	144	**181**
Interpretive sign, exhibit, or kiosk[a]	35	139	**174**
Museum or visitor center	13	29	**42**
Interpretive staff	13	34	**47**
Self-service fee collection	33	130	**163**
Collection of fee by staff and/or attendant	21	65	**86**

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Features and amenities	Number of BLM units	Number of FS units	Total
Boat dock or pier	12	32	**44**
Boat launch	15	51	**66**
Fish cleaning station	7	5	**12**
Shower/bathhouse	8	22	**30**

Source: GAO survey results.

[a]Designates an amenity required for a standard amenity fee by Sec. 803 (f) (4) (D) of REA.

Our survey also identified that 52 of the 195 units that charge standard amenity fees had more than one standard amenity fee. For example, one recreation site at a unit could offer such amenities as attendant fee collection in addition to the amenities required by REA and charge a fee of $3 per person. Another recreation site at the same unit could offer these same amenities but charge a higher fee amounting to $5 per person because it also offers additional amenities such as picnic shelters and drinking water. Of the 52 units with more than one standard amenity fee, the five most common additional amenities offered for the higher fee were picnic shelters, drinking water, shower or bath house, fire ring or grill, and a permanent trash receptacle. It should not be implied that the higher fees are solely due to these added amenities. However, according to our survey results, the units responding indicated that the level of amenities offered was one of the most influential factors in determining the type and amounts of fees charged. Other factors that had a significant influence on these fees were professional judgment, fees at comparable sites, and agency policy.

Fees Charged for Similar Activities Vary

We also collected information on the various types of activities, amenities, or services for which units charge a fee, other than entrance fees. These could be standard or expanded amenity fees and special recreation permit fees authorized by REA. The most common activities, amenities, or services for which a fee is charged are camping, outfitter or guides, day use, Christmas tree cutting, and cabin rentals. Table 16 shows the number of units charging a fee under REA for the various types of activities, amenities, or services provided.

Table 16: Number of Units Charging a Fee under REA for the Various Types of Activities, Amenities, or Services Provided

	Number of units charging fee				
Activity, amenity, or service	**Total**	**BLM**	**FS**	**NPS**	**FWS**
Day use, individual or family (e.g., for general use of a recreation area)	**147**	30	105	9	3
Group day-use site (e.g., picnic site or pavilion)	**145**	21	102	19	3
High Impact Recreation Area (FS only)	**56**	0	56	0	0
Scenic drive	**3**	0	1	0	2
Boat launch or lake use (with a boat)	**71**	12	46	10	3
Boat docking, marinas, other slips	**11**	4	4	1	2
Fishing	**27**	3	14	1	9
Rafting, canoeing, or kayaking	**35**	13	16	4	2
Cave tours	**7**	0	1	6	0
Visitor center, museum, or historic site	**19**	3	12	4	0
Interpretive tour or program (aside from cave tours)	**37**	5	12	18	2
Rock climbing	**9**	4	5	0	0
Hiking or trailhead access, including day-use backcountry permits	**44**	4	37	3	0
Camping at established campgrounds	**385**	61	259	63	2
Backcountry overnight use or camping	**47**	8	22	17	0
Cross-country skiing	**7**	0	7	0	0
Off-road or off-highway or all-terrain vehicle	**54**	8	42	1	3
Snowmobile use	**5**	0	5	0	0
Hunting	**65**	2	3	3	57
Christmas tree cutting	**145**	21	124	0	0
Cabin rentals	**126**	4	117	3	2
RV dump service	**50**	14	27	9	0
Parking	**46**	13	28	5	0
Shuttle bus	**8**	1	4	3	0
Outfitter or guide activities	**314**	65	237	5	7
Other	**81**	10	54	6	11

Source: GAO survey results.

To determine the extent to which similar fees are charged for similar activities or services, we asked units for further details on the specific fees charged for a few of the common activities or services at recreation units: camping, motor boating, and access to a body of water for rafting, canoeing, or kayaking. Specifically, we asked the units to identify a minimum and maximum fee for the activity or service, as well as the amenities provided for the fee charged. To illustrate, a campsite at a unit may charge $5 per night per individual for camping and for that fee provide only a site to put up a tent, whereas another campsite at this unit may charge $10 per night per individual and provide a site, shower facilities, drinking water, and electrical service. Our analysis of responses from NPS, BLM, FS, and FWS units indicated that there was a wide range of fees charged for these common activities or services, and a variety of amenities were available at the locations where these fees were charged.

Campsite Fees and Amenities

Units may have more than one campsite available for recreation and charge fees for their use. Our survey asked each unit to identify the fees and amenities for their lowest priced campsite and for their highest priced campsite. The fees charged for a campsite in BLM, FS, FWS, and NPS units ranged from a low of $2 in BLM and FS to a high of $225 in FS.[3] This range includes both individual and group campsites. Table 17 shows the number of units offering camping for a fee, their median fees, and range of fees charged for the lowest and highest priced campsites.

Table 17: Number of Units with a Campsite Fee and the Average and Range of Fees Charged for Individual and Group Campsites

	Lower priced campsite				Higher priced campsite			
Agency	Number of units	Median	Low	High	Number of units	Median	Low	High
BLM	63	$6	$2	$18	63	$8	$4	$90
FS	278	7	2	50	278	10	3	225
NPS	69	10	3	25	69	15	3	64
FWS	2	$7	$5	$8	2	$8	$5	$10

Source: GAO survey results.

Note: The reported “higher priced campsite” fee amounts for BLM, FS, and NPS units within the “high” column are fees for group campsites.

Camping for a fee is offered in 55 percent of the units responding to our survey. FS had the greatest percentage of units offering camping for a fee, 71 percent of units responding. FWS had the lowest, with only 2 percent of the units responding offering camping for a fee.

[3] A group campsite fee of up to $225 was reported for the Hot Springs Campground in the Emmett Ranger District in the Boise National Forest.

We asked units to identify which amenities were provided at the campsites with the minimum and maximum fees within that unit. Overall, an average of 10.7 amenities was offered at the minimum fee campsites, and an average of 12.1 amenities was offered at the maximum fee campsites. The amenities most often available for the maximum fee sites, and not the minimum fee sites, are drinking water, availability of reservation system, electrical hookups, water hookups, and sanitary dump stations. Within the individual agencies, the difference in number of amenities between minimum fee camping sites versus maximum fee camping sites was on average within two amenities or fewer.

Motor Boating Fees and Amenities

Our analysis of responses from NPS, BLM, FS, and FWS units on the minimum and maximum fees for motor boating charged in the unit also focused on amenities available for these fees. Boating for a fee is offered in 10 percent of the units overall with FS having the largest number of units with motor boating for a fee available, 52 units, or 13 percent of FS units responding. FWS has the lowest number of units with boating fees, with only 4, or 4 percent of units reporting a motor boating fee. The results of our survey on the extent of motor boating fees are given in table 18.

Table 18: Number of Units Offering Motor Boating for a Fee or That Charge for the Use of a Boat Launch or Other Facilities

	Total		BLM		FS		NPS		FWS	
	Units	Percentage	Units	Percentage	Units	Percentage	Units	Percentage	Units	Percentage
Motor boating fee	**72**	**9.6%**	6	6.8%	52	13.2%	10	5.7%	4	4.1%
No fee	**672**	**89.2%**	82	93.2%	337	85.8%	163	93.7%	90	92.8%

Source: GAO survey results.

Motor boating fees at units in the four agencies surveyed are charged on a number of bases: per person, per boat, or other bases, such as a per trip charge. A total of 5 FS and FWS units reported charging motor boating fees on a per person basis, with the minimum and maximum fees per person starting at $1 and ranging up to $4. A total of 41 units in all four agencies reported charging on a per boat basis, with the minimum fees starting at $1 per boat and ranging up to a maximum of $40. Fees charged on various other bases, such as per trip, were reported in 30 units, with the fees starting at $0.50 and ranging up to a maximum of $300.[4] Survey responses showed that only 9 of the 72 units with a fee for motor boating and related activities had a maximum fee in addition to the minimum fee listed for these activities.

We asked the units with a motor boating fee to identify which common amenities were provided for boating with the minimum and maximum fees within that unit. Overall, an average of 11.5 amenities was offered at the minimum fee areas, and an average of 11.9 amenities was offered at the maximum fee areas, virtually the same when considering all the units.

Special Recreation Permit Fees for Rafting, Canoeing or Kayaking, and Amenities

The third type of fee we asked survey respondents about was special recreation permit fees for access to a body of water for rafting, canoeing, or kayaking. A total of 45 units reported this type of fee, with the greatest number in FS and BLM, and few reported by NPS or FWS. Table 19 provides a breakdown of the agency units reporting on our survey a special recreation permit fee for these activities.

Table 19: Units with a Special Recreation Permit Fee under REA for the Purpose of Accessing a Body of Water for Rafting, Canoeing, or Kayaking

	Total		BLM		FS		NPS		FWS	
	Units	Percentage	Units	Percentage	Units	Percentage	Units	Percentage	Units	Percentage
Special recreation permit fee for rafting, canoeing or kayaking	**45**	**6.0%**	17	19.3%	21	5.3%	5	2.9%	2	2.1%
No fee	**705**	**93.6%**	71	80.7%	370	94.1%	169	97.1%	95	97.9%

Source: GAO survey results.

These special recreation permit fees for rafting, canoeing, or kayaking at units in the four agencies surveyed are charged on a number of bases: per person per day, per group per day, per boat per day, per trip, or other bases. A total of 12 BLM, FS, and FWS units reported charging per person per day fees for this activity, with the fees per person starting at $1 and ranging up to a maximum of $6. A total of 9 units in BLM and FS reported charging on a per person per trip basis, with the fee starting at $3 and ranging up to a

[4]An example of such a motor boating fee is the $300 that the Midway Atoll National Wildlife Refuge charges ships over 65 feet in length for harbor entrance.

maximum of $404.[5] Fees were charged on various other bases, such as per group per day, or per boat per day, with the fees starting at $1 and ranging up to a maximum of $90. Our survey showed that only 10 of the 45 units with special recreation permit fees for rafting, canoeing, or kayaking had a maximum fee in addition to the minimum fee listed for these activities.

We asked the units with a special recreation permit fee for rafting, canoeing, or kayaking to identify which common amenities were provided for boating with the minimum and maximum fees within that unit. Overall, an average of 9 amenities was offered at the minimum fee areas, and an average of 9.3 amenities was offered at the maximum fee areas, virtually the same when considering all the units.

[5]This maximum special recreation permit fee was estimated for an outfitter to provide whitewater rafting of the Kern River in the Sequoia National Forest. Under the permit, a two day trip costing $898 per person, for a maximum of 15 people, results in a fee of 3% of the total outfitter trip revenue, or $404.

Information on Organizational Structure, Costs, and Membership Requirements of Recreation Resource Advisory Committees

This appendix provides information on the organizational structure, costs, and membership requirements of Recreation Resource Advisory Committees (RRAC). In March 2006, the Department of the Interior (DOI) and the Department of Agriculture (USDA) approved the organizational structure for the RRACs and existing advisory councils via an interagency organizational agreement. Table 20 outlines the nature and type of RRACs and advisory councils that Bureau of Land Management (BLM) and Forest Service (FS) have agreed to use in each state and/or region.[1] In the majority of western states, BLM and FS will use joint RRACs or committees, many of which will be composed of existing BLM advisory councils since the Federal Lands Recreation Enhancement Act (REA) allows existing advisory committees or fee advisory boards to perform the RRAC duties. In addition, five new RRACs are being established nationwide. Two of the new RRACs are being formed in the eastern United States and will primarily address FS fees since BLM has minimal land and only one fee-collecting unit in the East.[2] Of the two new eastern RRACs, one will cover all of FS Southern Region (Region 8), [3] and one will cover all of FS Eastern Region[4] (Region 9). The remaining three new RRACs are being formed in the western states: one joint RRAC covering all of California, one joint RRAC covering Washington and Oregon, and one joint RRAC covering Colorado.

[1]Hawaii is not included in the RRAC interagency organizational agreement.

[2]The one BLM fee-collecting unit in the eastern states is a horse boarding stable that has a multiyear management contract. This unit will be covered by the new Southern Region RRAC.

[3]FS's Southern Region covers Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, and Virginia.

[4]FS's Eastern Region covers Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin.

Table 20: Type of RRAC to Be Used by BLM and FS by State and Region

State/region	RRAC type
Alaska	No RRAC[a]
Arizona	Existing BLM advisory council[b] to act as joint BLM/FS RRAC
California	New joint BLM/FS RRAC
Colorado	New joint BLM/FS RRAC
Idaho	Existing BLM advisory councils to act as joint BLM/FS RRAC
Kansas	New Colorado RRAC to act as joint BLM/FS RRAC[c d]
Montana/Dakotas	Existing BLM advisory councils to act as joint BLM/FS RRAC[e]
Nebraska	No RRAC[a]
Nevada	Existing BLM advisory councils to act as joint BLM/FS RRAC
New Mexico[f]	Existing BLM advisory council to act as joint BLM/FS RRAC
Oregon/ Washington	New joint BLM/FS RRAC
Utah	Existing BLM advisory council to act as joint BLM/FS RRAC
Wyoming	No RRAC[a]
Region 8 (Southern Region)[g]	New joint BLM/FS RRAC[h]
Region 9 (Eastern Region)[i]	New joint BLM/FS RRAC[c j]

Source: GAO.

[a]The governors of Alaska, Nebraska, and Wyoming decided that a RRAC was not necessary in their respective states; therefore, these states will not have a RRAC or utilize existing advisory councils regarding recreation fee issues.

[b]While some states have just one advisory council, others have multiple advisory councils.

[c]BLM does not have land and/or fee-collecting units in Kansas and the Eastern Region.

[d]There is only one fee-collecting unit in Kansas—a national grassland—which will be managed with the new joint BLM/FS RRAC for the purpose of determining fees.

[e]The Black Hills National Forest in South Dakota will use its existing forest facility advisory board as its RRAC.

[f]Western Texas and Oklahoma grasslands that are managed out of the Cibola National Forest will use BLM's existing New Mexico advisory council.

[g]FS's Region 8 (Southern Region) covers Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, and Virginia.

[h]The one BLM fee-collecting unit in the eastern states is a horse boarding stable that has a multiyear management contract. This unit will be covered by the new Southern RRAC.

[i]FS's Region 9 (Eastern Region) covers Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin.

[j]While BLM does not currently have any fee-collecting units in the Eastern Region, the new Eastern Region RRAC will also consider BLM's fee issues if BLM has fee-collecting units in that region in the future.

The March 2006 interagency organizational agreement states that BLM is responsible for the direct costs of its advisory councils, while FS will be responsible for the direct costs of the new RRACs. FS estimates that it will cost about $90,000 to $120,000 per year to fund each new RRAC—based on travel costs for the RRACs to meet twice per year, FS staff time, and the assumption that each RRAC will have one to five subcommittees—and all funding for the RRACs will come from the FS's 5 percent regional funds, according to a FS headquarters official. However, implementing the RRACs may cost more the first year since the members of the RRACs may need to meet more frequently than twice per year during the initial establishment of the RRACs. BLM is allocating $3,000 per state per year in base funds starting in fiscal year 2007 to implement the RRAC requirements where existing advisory councils are used, according to a BLM headquarters official.

The new RRACs will be composed of 11 members. In appointing members to the RRACs, the Secretary is to provide for a broad and balanced representation of the recreation community; table 21 outlines the requirements for the composition of the RRACs. Nominations for the new RRACs will be solicited during a 30-day nomination period established in a *Federal Register* notice that will be published once the interagency agreement is finalized.[5] The Secretary of Agriculture will make formal appointments to the RRACs once the nominations are received and evaluated by FS. According to agency officials, it is unknown how long the appointment process will take but it is hoped that nominees will be appointed within 90 days of issuance of the interagency agreement, which occurred on September 1, 2006.

[5]Under the Federal Advisory Committee Act, anyone can nominate individuals to serve on the RRAC. REA allows state Governors and designated county officials to submit nominations. Members of the RRACs will serve in staggered terms of 2 to 3 years.

Table 21: Composition of the New RRACs

11 total members from the following three categories:		
Five members who represent recreation users in the following categories: • winter motorized recreation (e.g., snowmobiling), • winter nonmotorized recreation (e.g., snowshoeing), • summer motorized recreation (e.g., off-highway vehicles), • summer nonmotorized recreation (e.g., backpacking), and • hunting and fishing.	Three members who represent the following interest groups: • motorized outfitters and guides, • nonmotorized outfitters and guides, and • local environmental groups.	Three members who represent the following: • a state tourism official to represent the state, • a person who represents affected Indian tribes, and • a person who represents affected local government interests.

Source: GAO.

The RRACs and existing advisory councils may form subcommittees to allow for local representation and to provide additional advice and recommendations to the RRAC or existing advisory council. DOI and USDA will be providing advice on subcommittee membership; however, final determination on whether subcommittees are utilized and their membership will be the determination of the existing advisory councils and not the agencies involved.

Information on Total Fee Revenues, Obligated Funds, and Unobligated Balances

This appendix provides information on the fee revenue and obligations collected under the Recreational Fee Demonstration Program (Fee Demo) and the Federal Lands Recreation Enhancement Act (REA) as reported by the agencies to Congress. Table 22 shows the fee revenue, the funds obligated, and unobligated balances for fiscal years 2001 through 2005 for the Department of the Interior's Bureau of Land Management, Fish and Wildlife Service, the National Park Service, and Department of Agriculture's Forest Service.

Table 22: Fee Demo/REA Revenue and Obligations

Dollars in millions

Agency/account	2001	2002	2003	2004	2005
National Park Service					
Fee Demo/REA revenue	$126.2	$125.7	$123.5	$128.6	$128.2
Unobligated balance brought forward and recoveries	232.0	243.7	269.7	251.5	240.7
Funds obligated	116.4	101.9	142.3	141.1	125.2
Unobligated balance	241.7	267.5	250.9	239.1	243.6
Fish and Wildlife Service					
Fee Demo/REA revenue	3.7	3.6	3.8	3.9	4.3
Unobligated balance brought forward and recoveries	3.4	3.6	3.9	4.0	3.7
Funds obligated	3.6	3.4	3.7	4.3	4.4
Unobligated balance	3.5	3.8	4.0	3.5	3.6
Bureau of Land Management					
Fee Demo/REA revenue	7.6	8.7	10.3	13.3	13.3
Unobligated balance brought forward and recoveries	4.8	5.6	5.4	0.2	7.7
Funds obligated	6.9	9.1	9.0	12.6	12.7
Unobligated balance	5.5	5.2	6.5	0.8	8.2
Forest Service					
Fee Demo/REA revenue	35.3	37.7	39.3	46.8	50.2
Unobligated balance brought forward and recoveries	20.9	26.9	22.0	25.4	35.7
Funds obligated	29.3	45.3	35.1	44.0	45.6
Unobligated balance	26.9	19.3	26.2	28.2	40.3
Totals, all four agencies:					
Fee Demo/REA revenue	172.8	175.7	176.9	192.5	196.0

Dollars in millions

Agency/account	2001	2002	2003	2004	2005
Unobligated balance brought forward and recoveries	261.0	279.8	300.9	281.1	287.8
Total funds available	**$433.6**	**$455.4**	**$477.8**	**$480.1**	**$483.8**
Funds obligated	156.2	159.7	190.1	202.0	187.9
Funds obligated as a percentage of total funds available	36.0%	35.1%	39.8%	41.9%	38.8%
Unobligated balance	$277.6	$295.8	$287.6	$271.6	$295.8

Sources: U.S. Departments of the Interior and Agriculture, *Federal Lands Recreation Enhancement Act: First Triennial Report to Congress, Fiscal Year 2006* (Washington, D.C.: May 2006), p.68.

Information on Participating Agencies' 10 Units with Largest Unobligated Fund Balances

This appendix provides information on the unobligated balances for recreation fee funds collected under the Recreational Fee Demonstration Program (Fee Demo) and the Federal Lands Recreation Enhancement Act (REA). Table 23 shows the 10 units with the largest unobligated fund balances of recreation fees for Bureau of Land Management (BLM), National Park Service (NPS), Fish and Wildlife Service (FWS), and Forest Service (FS).

Table 23: Ten Largest Unobligated Balances of Recreation Fee Funds Reported by BLM, NPS, and FWS Units and FS Headquarters for Forests

Agency/unit	Fiscal year 2005 end of year unobligated balance	Fiscal year 2005 total revenue	Unobligated balance as a percentage of total revenue
BLM			
Shoshone Field Office	$175,000	$214,000	82%
Cedar City Field Office	199,000	176,000	113
Monticello Field Office	219,000	259,330	84
Deschutes Resource Areas	226,000	694,600	33
Cottonwood Field Office	233,544	121,395	192
Las Cruces District Office	243,071	59,000	412
Umpqua Resource Areas	260,069	123,205	211
Coos Bay District Office	320,321	158,691	202
Winnemucca Field Office	490,000	749,784	65
El Centro Field Office	675,000	2,897,000	23
NPS			
Jefferson National Expansion Memorial	3,019,449	2,608,161	116
Haleakala National Park	4,172,814	2,880,126	145
Sequoia and Kings Canyon National Park	4,447,870	3,163,540	141
Golden Gate National Recreation Area/Muir Woods National Monument	4,734,347	3,288,230	144
Lake Mead National Recreation Area	4,847,637	4,101,875	118
Mammoth Cave National Park	4,972,503	3,495,605	142
Hawaii Volcanoes National Park	5,262,769	3,799,829	139
Gateway National Recreation Area	6,641,400	2,436,786	273
Grand Canyon National Park	36,726,755	20,082,719	183

(Continued From Previous Page)

Agency/unit	Fiscal year 2005 end of year unobligated balance	Fiscal year 2005 total revenue	Unobligated balance as a percentage of total revenue
Yosemite National Park	36,730,533	15,019,482	245
FWS			
Felsenthal National Wildlife Refuge (NWR)	43,431	30,872	141
Kodiak NWR	47,646	12,030	396
Klamath Basin NWR Complex	53,253	57,288	93
Nisqually NWR	63,544	43,022	148
Piedmont NWR	70,056	65,102	108
North Mississippi NWR Complex	75,907	[a]	
J. N. Ding Darling NWR	80,000	297,743	27
Chincoteague NWR	120,000	712,000	17
Kilauea Point NWR	247,834	474,692	52
Crab Orchard NWR	644,868	349,996	184
FS[b]			
Mississippi National Forests	652,660	256,215	255
George Washington-Jefferson National Forests	734,375	719,855	102
Cherokee National Forest	791,891	645,596	123
Salmon and Challis National Forests	844,523	713,703	118
Ouachita National Forest	897,116	234,864	382
North Carolina National Forests	948,046	913,094	104
Superior National Forest	1,084,595	495,739	219
Chattahoochee-Oconee National Forests	1,322,172	691,148	191
Angeles National Forest	1,823,616	637,199	286
Shasta-Trinity National Forest	$2,769,806	$1,126,791	246%

Sources: GAO survey and FS data.

[a]Number not reported on survey.

[b]FS unobligated balances and total revenue reported at the forest level rather than the unit level. In commenting on a draft of this report, FS officials noted that the national forests listed in this table are generally spending the same amount that they collect in one year.

Comments from the Department of the Interior

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240

TAKE PRIDE IN AMERICA

SEP 12 2006

Ms. Robin M. Nazzaro
Director, Natural Resources
And Environment
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Ms. Nazzaro:

Thank you for the opportunity to review and comment on the Government Accountability Office (GAO) draft report "Recreation Fees: Agencies Can Better Implement the Federal Lands Recreation Enhancement Act and Account for Fee Revenues" (GAO-06-1016).

The Department of the Interior (DOI) generally agrees with the GAO's findings and recommendations. We also believe, however, that the report could more explicitly recognize the challenges inherent in implementing the complex, interdepartmental Recreation Fee Program and the credible work that the various DOI agencies have completed toward implementation of the Federal Lands Recreation Enhancement Act (REA).

The DOI welcomed enactment of REA, which has brought more certainty and consistency to our Recreation Fee Program, and we are diligently working toward its full implementation. We welcome the recommendations in the report. The recommendations further REA implementation efforts and DOI is dedicated to addressing the GAO's recommendations promptly.

Thank you again for the opportunity to work with your team during its review of implementation of REA. If you have any questions, please contact Andrea Nygren, BLM Audit Liaison Officer, Division of Evaluations and Management Services, WO-830, on 202-452-5153. Additional specific comments from the BLM, NPS, FWS, Bureau of Reclamation, and the Office of Policy Analysis are enclosed.

Sincerely,

R. Thomas Weimer

R. Thomas Weimer
Assistant Secretary

Enclosure

Comments on GAO draft report on Recreation Fees (GAO-06-1016)

NPS Comments

See Highlights page.

Overview Page, "What GAO Found," Paragraph 4, Line 5: Change to read: "At Interior's National Park Service, fee projects obligation rates would benefit from a streamlined approval process and the ability to support project management needs such as compliance, contracting and planning with fee revenues."

Now on pp. 6 and 18.

Page 10, Line 24 (reference to the pass workgroup delays in determining eligibility requirements): On Page 23 in the chart at the bottom of the page, it states the eligibility requirements of the new passes. They have been established.

Now on p. 8.

Page 13, Line 6 should read: "Threatened and endangered species biological monitoring."

Now on p. 8.

Page 13, Line 14 should read: "… as well as at the headquarters level prior to submitting them to Departmental or Congressional approval per a multi-level approval process that is based on dollar amounts."

Now on p. 8.

Page 13, Lines 15 -17: Delete "According to NPS officials under this process it can sometimes take one year or more to obtain approval to fund a requested project."

Now on p. 8.

Page 13, Line 15: Change to read: "Many unit and regional officials expressed frustration about the length of this process."

Now on p. 9.

Page 14, Line 2 (reference to the $300 million accumulated unobligated balance): It is not clearly stated that this unobligated balance is a legacy of the Fee Demo Program.

Now on p. 11.

Page 16, Line 14: Change to read "An additional 31 units only generate revenue from the National Park Pass and other pass sales."

Now on p. 13.

Page 18, Lines 11- 17 (reference to the REA expenditure categories): The listing is not comprehensive. It would be valuable to use the language from the law because it lists the full range of expenditure types and adds new emphasis on projects that have a direct connection to visitors.

Now on p. 17.

Page 23, Line 2, (reference to the public sale of pass as mid-December 2006): The date for sale of the new pass to the public is now planned for January 1, 2007.

Now on p. 18.

Page 24, Lines 8-10 (reference to an NPS Headquarters Official stating that revenue loss was not being considered in pricing decision): This comment needs to be removed since revenue impacts will be a consideration in the pricing decision.

Now on p. 19.
See comment 1.

Page 24, Lines 14-16 (reference to ambiguity about interagency revenue distribution formulas): On the same page, it outlines the agreed upon revenue share strategy, both

Now o

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short and long-term. (There may be some questions about data collection capabilities, but the revenue share formula appears to be identified.)

Now on p. 19.

Page 24, Footnote 11 (reference to pass sales): This sentence needs to refer to National Park Pass sales.

Now on p. 21.

Page 26, Lines 24-25 (reference to interagency pass guidelines): The interagency workgroup is in the process of developing a complete Standard Operating Procedures for field personnel to aid in ordering, issuing, accounting for and reporting on pass program operational aspects. An interagency pass advisory group has been established and will be meeting in September to finalize procedures. These procedures will then be able to be incorporated into each agency's overall fee policy guidance.

Now on p. 22.

Page 28, Lines 24-28 (reference to fee rate guidance): The NPS has an established annual and review process. The established process was used to secure high level DOI approval to implement fee rate changes during the first year of the REA authority.

Now on p. 29.

Page 35, Line 17 (reference to NPS guidance): The NPS guidance should be termed transitional rather than interim. With a large number of policy documents and processes in place, the communication was to identify incremental adjustments needed to immediately align with REA.

Now on pp. 30 and 33.
See comment 2.

Page 36, Line 27 and Page 40, Lines 9-21 (reference to NPS being slow to issue updated guidance on accounting for and controlling collected fee revenue): The report indicates that the NPS does have effective internal controls in place. (See response to recommendation for background information, most importantly, the steps that the NPS is taking to address this issue.)

Now on p. 34.

Page 41, Line 19 (reference to not implementing a National Audit Program): The NPS would like to express its intention to recommitting to a National Audit Program. Perhaps the wording could be changed to say "but the proposal has only been partially implemented through the ongoing development of automated program review capabilities in the Comprehensive Plan software application and by providing regions with funds to hire staff to perform audits such as in the Intermountain Region or to clean-up data in software systems to prepare for automated audits as in the Midwest Region. A full blown National Audit Program has been delayed due to other program priorities and lack of staff resources. There is a new NPS workgroup made up of regional and Washington Fee Managers that are reconvening to restart the process of developing a National Audit Program." As demonstrated by the Intermountain Region, once additional resources are in place, it will be possible to implement a more standardized National Audit Program.

Now on p. 39.

Page 44, Line 17 (reference to prioritization): The NPS, as a result of prior GAO audits and Office of Management and Budget (OMB) guidance, has a 2-step prioritization process embedded in the Project Management Information System (PMIS). For each project, a park answers questions which determine a high, medium or low band of importance to the NPS mission. Then the park gives each project, regardless of fund source, a numerical priority to demonstrate the importance of the project to that specific park. Facility projects complete the DOI criteria (also embedded in PMIS) which gives a numerical rank with the highest rank to health and safety deferred maintenance. While the primary focus of Recreation Fee revenues is deferred maintenance, the project must demonstrate its relative importance through the Servicewide banding, park priority and DOI criteria.

Now on p. 40.

Page 45, chart NPS (reference to the deferred maintenance target): The NPS has had an annual Servicewide deferred maintenance obligation target since FY 2002. Each year, that target has been prorated to the regions based on revenues and unobligated balances. The regions determine the amount each park contributes to the regional deferred maintenance target. The 60 percent is a suggested average, not an absolute, applied by the regions.

Now on p. 40.

Page 45, Lines 15 - 19 (reference to approval process): Recently, GAO was provided with additional documentation that supports the following changes in wording: "At NPS, under Fee Demo, an elaborate project approval process with reporting requirements was put in place by DOI, OMB and articulated in the appropriations report language. To meet the requirements of this process, the NPS utilized PMIS to have parks identify and approve the project, the region review and approve, and Washington Office (WASO) review, approve and move the project through one of six approval variations identified by project cost. All project approvals and changes were to be reported in the quarterly reports which required complete high quality PMIS data no matter what the approval level. To deal with this lengthy approval process, parks were told to input projects in anticipation of revenues and starting in FY 2003, to input projects to build a 5-year plan. The NPS is negotiating a streamlined approval process that incorporates the 5-year plan as the cornerstone and differentiates the approval level needed for lower cost and routine projects versus complex projects over $500,000."

Now on p. 41.

Page 46, Lines 21-24 (reference regional review): Criteria have been established and implemented at all levels, but have not been consistently applied by all levels. It is not an arbitrary decision by WASO to reject ineffective reviews by regional staff, but requires additional review at WASO. WASO's review has been successful in assuring projects receive upper level approvals based on programmatic criterion and policy. Of the 10,000 projects moved forward in the approval process only 6 projects have been rejected outside of the NPS. An analysis of auto-generated dates in PMIS shows that on average a Fee Demo project remains at the region or park level for 3 years as the data and information are edited or updated. Projects that do not have accurate and complete data in PMIS are delayed in the approval process at all levels.

Now on p. 42.

Page 46, Line 26 (reference to the Fee Demo approval process): The approval process was negotiated by DOI, OMB, and the NPS and included by Congress as appropriations report language.

Now on p. 42.

Page 46, Line 27 – Page 47 Line 15: Change to read "This process is managed by the NPS Headquarters Park Facilities Management Division because of the division's resources and expertise in project management and computerized management systems. The process is owned by all levels of the organization. The WASO approval responsibility is not an arbitrary process, but provides review for consistency to established policies, which should be applied at all levels of the organization. The established approval process depends on the dollar amount of the project and the type of work performed. Projects over $500,000 require additional internal review by the Development Advisory Board (DAB) and Director's approval prior to being transmitted through DOI and OMB to Congress for approval. Projects under $500,000 can take one of five different approval routes depending on type of work and dollar amount. The complexity of the approval process has required parks and regions to be proactive in getting projects into the process early. In the past, parks have been frustrated by the length of time it takes for approval; however, in recent years that problem has been limited by giving guidance to input projects based on future revenues and instituting a Comprehensive Plan. This 5-year plan of projects requires parks to be strategic and proactive in submitting projects for approval, and to identify their sequential needs for compliance, design and planning prior to project execution. The Comprehensive Plans were instituted in FY 2003 and have helped the parks to see their revenue and project portfolio in one place and plan accordingly. Projects over $500,000 inherently require more then a year for approval. These projects are approved to spend 11 percent of the total project cost to prepare pre-design in order to go to DAB prior to seeking Congressional approval. Fee project approval is part of the larger NPS Servicewide Comprehensive Call (SCC) and runs on a one-year cycle where parks request approval for projects in future years, regions approve and formulate to future years and WASO approves the future year plan. In emergency situations, the approval process and the software can function to move projects rapidly through the system."

Now on p. 42.

Page 47, Line 17 (See comment above for Page 44, Line 17): Change to similar language. A park's priorities should be reflected in the three Servicewide methods used to establish when a project is high priority. Prioritization is not based on the NPS mission and the specific park's mission; therefore, a park's priority should not be in conflict with Servicewide or WASO priority.

Now on p. 42.

Page 47, Line 21: Please delete the reference to WASO official calling directly to parks. The standard practice is to contact the region to work with the park. The exception would be when a park contacts WASO directly, in which case the region and park are simultaneously responded to. Documentation of the communication flow during project review was recently provided to GAO.

Now on p. 42.

Page 47, Line 22 (WASO allowing projects to remain in system indefinitely): Lack of accurate and complete data in PMIS is the primary reason for projects remaining in the system indefinitely. This is generally a result of parks not following the guidance on how data fields are to be completed for that year's SCC. An example would be an incorrect requested funding year. Regions may not correctly formulate the project to the years covered by the call or may not have identified the correct fund source.

Now on p. 43.

Page 47, Lines 27 - 30 (reference to Comprehensive Plan Review): Under the new approval process, projects on a park's Comprehensive Plan under $500,000 will be spot checked for compliance with REA and NPS policy. Projects over $500,000 will require review for complete and accurate data since it will be transmitted to Congress for approval as part of the Greenbook.

Now on p. 52.

Page 53, Footnote 1: The NPS charge to parks grossing less than $500,000 retaining 100 percent of their revenue resulted in the majority of the parks are now 100 percent (143) and the minority is 80 percent.

BLM Comments

Now on p. 6.

Page 10, line 15: The draft report states that "BLM and FS units generally *have to* obtain RRAC review and recommendation for approval of new or increased fee". This statement inaccurately suggests this is a requirement of REA. REA requires RRACs to be created or it allows the use of existing advisory groups to perform the duties of RRACs. REA states that these groups then *may* make recommendations on agency fee proposals. Interim BLM policy (Instruction Memorandum No. 2006-102) – not law – delays fee increases and the establishment of new fee areas until the RRACs are established and operational. (Similar issue on Page 20, line 21.)

Now on p. 7.
See comment 3.

Page 11, line 23; page 28, line 21; page 29; line 5; and table on page 34: The draft report states that "…some BLM and FS units collect standard amenity fees, without having all six amenities required under REA." The table on page 34 states that 2 BLM sites do not have the 6 REA-required standard amenities. The BLM requests that the GAO investigate the site information further and that the report be corrected accordingly.

Now on p. 14.
See comment 4.

Page 19, line 28 and page 20, line 5: The draft report states that RRAC progress has been "slow". Slow is a relative term and should be revised. A point of comparison would be creation of BLM's existing Resource Advisory Councils (RACs), which took approximately two years to implement.

Now on p. 14.

Page 20, footnote number 8: FACA defines DFO as "Designated Federal Officer," not "official," as stated in the draft report.

Now on p. 30.

Page 37, footnote 17: This important footnote regarding fee collection changes that took place at the BLM Gunnison Field Office after the GAO visit should be moved to the main text of the report at line 18. (Precedence for this placement occurs on page 33, line 22, where a post-GAO visit change is documented in the main text of the report.)

Now on p. 74.

Page 74, line 18: The draft report states that BLM "…standard amenity fees ranged from a low of $1 to a high of $95 for each person…" The $95 fee must be an error. The BLM standard amenity fees typically range from $3 to $10. It is possible that the fee mentioned is for a Special Recreation Permit for a group, commercial or competitive event.

Now on p. 78.

Page 79, Table 18: The draft report states that the BLM has a $90 campsite. The BLM does not have the benefit of the survey data, but assumes this is a group site. The BLM recommends that the report clarify whether these are individual or group campsites.

Now on p. 83.

Page 82, text and Table 21: Text and table should be corrected to state that no RRAC will be created in Alaska and a new RRAC will be created in Colorado (rather than using the existing BLM RACs in Colorado).

Now on p. 85.

Page 84, lines 15-18: The sentence on these lines confuses the potential role of an RRAC or RAC subcommittee, and states that a subcommittee may "act as the RRAC". A subcommittee may be formed to provide advice to the RRAC or RAC. Only RRACs or RACs may provide formal REA fee recommendations to either the BLM or the FS.

FWS Comments

Now on p. 11.

Page 16, at the top of the page, the partial paragraph will be more accurate if it includes more current site numbers. It should include national fish hatcheries and administrative sites since the REA allows them to collect expanded amenity recreation fees and since some sell national passes. Correct numbers are 545 national wildlife refuges, 37 wetland management districts, 69 national fish hatcheries, and 46 administrative sites. In the last sentence of the same paragraph on line 4, please replace the words "national wildlife refuges" with "sites" since hatcheries, administrative sites, and wetland management district offices are selling passes in addition to some refuges.

Now on p. 23.

Page 29, on line 21, should state "not allowed to charge entrance fees under REA." Please add the word "entrance" since hatcheries may charge other types of fees.

Now on p. 31.

Page 38, on line 9, please add the following to the list of problems with cash management: "banks no longer allow sites to convert cash to cashier's checks without having an account at the bank."

Now on p. 51.

Page 52, on line 28, should state "regional fund, uses a portion of its regional funds to cover administrative charges and. . ." The amount of administrative charges changes annually, so replacing "half" with "a portion" is more accurate.

Reclamation Comments

Now on p. 10.

Page 15, first paragraph, last sentence (lines 7 through 10): The report recommends that Reclamation expedite its decision as to whether to implement the REA so that units can decide whether to collect and retain recreation fees to enhance recreation programs. It would be incorrect to state that if Reclamation decides to participate in REA that each of its sites will be given the latitude to decide if it will participate. Given the fact that Reclamation has identified only seven recreation sites that currently meet the statutory criteria to be able to charge a standard amenity fee under the REA, and the likely costs of implementing REA for the agency, there is also the strong possibility that Reclamation would require all recreation sites managed by Reclamation that meet the criteria to participate.

Also, the head of this agency is the "Commissioner" of the Bureau of Reclamation, not the "Director"of the Bureau of Reclamation.

Now on p. 11.

Page 16, second bullet (lines 22 and 23): Reclamation requests that the last sentence be removed from the bullet. As it is currently worded, the inclusion of the last sentence concerning Reclamation's managing recreation partners is misleading because it implies that Reclamation can only collect recreation fees at the seven sites it directly manages that meet the REA criteria and at sites managed by its managing recreation partners. In fact, Reclamation collects recreation fees at other sites that it directly manages and do not meet the REA criteria. Reclamation is able to do so based on its standing recreation authority: the Federal Water Project Recreation Act.

See comment 5.

Secondly, Reclamation has two sets of managing recreation partners -- Federal and non-Federal. The Federal managing partners will decide on their own how REA impacts the recreation areas located on Reclamation lands that they manage (e.g., Lake Mead National Recreation Area). The non-Federal recreation managing partners will not be collecting fees based on REA or otherwise participating in REA. This distinction is not made clear in what is included in this bullet. Rather, the implication is that all the managing partner organizations are collecting fees and because this entire report concerns REA, a reader might assume those fees will be REA fees, if Reclamation decides to participate. Finally, the last sentence as written states that Reclamation manages land and our partner organizations collect fees. Where Reclamation has managing recreation partners, they manage the recreation facilities, including the associated land. We believe it will be easier to simply delete the last sentence, since it adds little to the REA discussion, rather than to try to clarify these points.

Now on p. 23.

Page 29, first paragraph, last sentence (lines 6 and 7): Please change "need to" to "will." We do not believe Reclamation has a "need to" implement REA; rather, the question is whether Reclamation will implement REA.

Now on p. 62.

Page 64, last paragraph, third sentence (lines 25 through 27): Reclamation's managers are clear as to how REA applies to Reclamation's operations and if all Reclamation units will be required to accept the new pass. Reclamation has determined that its recreation areas that are managed by non-Federal partners will not be participating in REA, and thus will not accept the new pass. That leaves seven recreation sites that currently meet the statutory criteria required to charge a standard amenity fee under the REA. This does not include those recreation areas that are managed by Reclamation's Federal recreation partners.

Now on p. 63.

Page 65, first set of bullets, last bullet (lines 20 and 21): Again, we would like to note that the head of this agency is the Commissioner of the Bureau of Reclamation, not the "Director of the Bureau of Reclamation" as stated in the report.

Now on pp. 6 and 14.

Now on p. 6.

Now on p. 9.
See comment 6.

Other DOI Comments

Page 10, line 20; page 19, lines 21-25: While the Guidelines have not been formally completed, most of the policy decisions that compose the guidelines have been taken and discussed in congressional testimony.

The third sentence on page 11 of the draft report should be adjusted to be consistent with language in the first paragraph on page 27. ("This working group issued an interagency handbook with common definitions and guidance -- the 'Interagency Implementation Handbook for Federal Lands Recreation Enhancement Act' -- in March 2006."). The document that the working group produced is a handbook, not an agreement. This comment also applies to page 19 where an "interagency agreement" is again mentioned; it should be referred to as an "interagency handbook."

Page 14, lines 16-19 and lines 21-24: The draft report states, "Fifty-eight percent of the four agencies' units responding to our survey indicated that they believed that to a moderate, great, or very great extent that recreation fee revenues are being used to fund the types of projects formerly funded with other general appropriations at their unit...Additionally, 64 percent of units responding to our survey believed to a moderate, great or very great extent that they may need to replace other general appropriations with recreation fee revenues in the future." We suggest that these statements be dropped from the report. While these statement may accurately describe the survey findings, evaluating their validity and interpreting them it is highly problematic for the following reasons: 1) the responses represent "beliefs" not actual empirical information about the budgetary situation at field locations and the survey did not investigate the basis for these "beliefs;" 2) the field personnel at these locations have little or no direct knowledge about the magnitude of any future budget resources that might or might not be available, thus their responses are pure speculation; 3) it is inappropriate to combine responses over the "moderate," "great," and "very great" range, it is unclear how individual respondents interpreted the various categories, it is unclear whether the interpretations were consistent across respondents, and it is unclear how respondents viewed the different (i.e. "distance") between the categories. The survey did not investigate any of these issues so the responses obtained are highly questionable in terms of their meaning.

Statements such as those on lines 16-19 and 21-24 should not be included in the report unless they have an empirical basis; otherwise they are simply speculation. Historically, fee revenues have not replaced appropriations and there is no reason to expect this to change in the future.

The Department has organized spending of recreation fee revenues in such a manner as to focus on supplementing spending that would have occurred absent fee revenues. Budget data indicates that for all of the Interior bureaus funding for repair and rehab projects has increased substantially since 1998. For NPS funding for repair and rehab increased from \$32.6 million in 1998 to \$95.1 million in 2005. For FWS, funding for deferred maintenance projects increased from \$21.8 million in 1998 to \$53.3 in 2005. Funding for BLM deferred maintenance projects increased from \$3.5 million in 1998 to \$41.3 in 2005. These very substantial increases indicate that fee revenues have not supplanted

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appropriated funding. The Department has also gone to significant lengths to ensure that recreation fee revenues are not used for annual operating costs and to fund FTEs, as well as to ensure that fee revenues are not simply absorbed into base funding.

Now on p. 10.

Page 15, line 3: The text refers to "final regulations." It is not clear what regulations are being referred to.

Now on p. 13.
See comment 7.

Page 18, line 23, line 27: The text should be explicit about who "some people" and who "other critics" are.

Now on p. 14.
See comment 8.

Page 19, line 11: The text states that progress has been "slow." Slow is a relative term, especially in the context of implementing an interdepartmental program; the text needs to recognize this. One point of comparison might be the establishment of the National Park Pass, which took a number of years.

Now on p. 15.

Page 20: Delays in implementing new fees or increasing fees are not necessarily bad and do not necessarily result in lower levels of visitor services.

Now on p. 19.
See comment 9.

Pages 24-25: After the first five years, it has been determined that the revenues from central sales will be distributed among the agencies based on a formula that accounts for pass use. There is sufficient time to develop this formula, since it does not need to be in place for a number of years. There are no problems obtaining the necessary information. Different agencies may choose to use different techniques or approaches to collect pass use data. Use of these techniques will provide data that are sufficiently accurate. The last sentence in the first paragraph on page 25 (lines 5-6) is misleading. Due to differences in infrastructure and fee collection methods the agencies will likely utilize different approaches to collecting pass use data. However, this does not constitute a "potential problem," as stated in the report.

Now on p. 19.

Page 24, lines 8-10: One component of the study involved obtaining information on individuals' willingness to pay for the new pass. However, the analysis explicitly involves evaluating how the price of the pass might impact both pass revenues and revenues from daily entry and standard amenity fees.

Now on p. 20.

Page 25, line 30: The GPO has a monopoly on government printing. The agencies were required to use GPO to print the passes.

The following are GAO's comments on the Department of Interior's letter dated September 12, 2006.

GAO Comments

1. We disagree with NPS's comment concerning distribution of the new pass revenues. The NPS noted in its comments that "the revenue share formula appears to be identified." However, the details of the formula have not yet been determined. The working group has only determined that the revenue will be distributed based on a formula that takes into account pass use and other factors. Therefore, the long-term revenue distribution strategy is unclear.

2. We stand by our description of NPS' efforts to update its guidance on accounting and controlling collected fee revenues as "slow." NPS' current guidance on this subject was last published in 1989, which it recognizes as needing to be revised. In addition, the NPS' statement that our report language indicates "NPS does have effective internal controls in place," is incorrect. We specifically state that NPS units we visited, which are only 8 of 390, appear to have implemented reasonable accounting procedures and effective internal controls. Thus, we cannot attribute this condition to the entire universe of NPS units.

3. BLM provided additional detail on the results of their inquiries to units that responded to our survey that they did not offer all six amenities required to charge standard amenity fees under REA. We have summarized this information on pages 27 and 28 of the report. In essence, BLM officials imply from the results of their inquiries that their units did offer all six amenities required under REA. This new information would have to be verified to attest to its accuracy.

4. We agree that "slow" is a relative term but believe that it is used appropriately in the context of the information presented in the paragraph pertaining to the development of the RRACs. The information in the paragraph notes that, according to a June 2005 interagency presentation, the RRACs were expected to be established with members appointed by the end of 2005. Since none of the members for any of the RRACs have been appointed, we feel comfortable in referring to this RRAC development as "slow."

5. One of REA's goals was to reduce visitor confusion. We believe that Reclamation's approach to allowing each managing partner to make its

own determination of how REA impacts each unit, to include the decision of whether or not to accept the new pass, will create an inconsistent and more confusing system of fees for the visitors.

6. We disagree with DOI's contention that evaluating the validity and interpreting the responses of units to our survey is problematic, since we have simply reported the survey results. The results we reported are based on two opinion survey questions that we asked both FS and DOI field-level officials to respond to. The first question asked if the unit officials believed recreation fee revenues are being used to fund the types of projects formerly funded with appropriations at their unit. The second question sought the officials' opinions about the extent to which they believe that recreation fee revenue will be used to fund the types of projects over the next 5 years at their units that would have been funded with appropriated dollars. We recognize that individual units do not have agencywide perspectives on these issues. Also, including these survey results in our report is not intended to forecast the future, but rather to share the perspective of the survey respondents responsible for the on-the-ground implementation of this program. No GAO conclusions or recommendations were based on these stated perceptions.

7. The concerns noted in the background are general concerns that are frequently cited by critics of the fee program. Implementing both Fee Demo and the recreation fee program under REA has been controversial and many people and groups, such as the Western Slope No-Fee Coalition and the Arizona No-Fee Coalition, have spoken out against recreation fees.

8. Same as comment 4.

9. Since the working group has not determined a formula and how pass use or other factors will be considered in such a formula, it is still not clear how revenues will be distributed beyond the first 3 to 5 years of the pass program. Therefore, the long-term revenue distribution strategy is unclear. The potential problems with collecting pass use data are outlined in this report. Accurate pass-use data will be difficult to collect at remote locations and many units within the agencies do not have the infrastructure in place to collect pass-use data. This may lead units to have inaccurate pass-use data or data largely based on estimates. Since pass use revenue distribution will be tied to the pass-use data, units and/or agencies may benefit from submitting inflated

pass-use estimates. All of these issues are potential problems with the collection of pass-use data.

Comments from the Forest Service

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

USDA United States Department of Agriculture | Forest Service | Washington Office | 1400 Independence Avenue, SW Washington, DC 20250

File Code: 2300
Date: SEP 0 7 2006

Ms. Robin Nazzaro
Director, Natural Resources and Environment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548548

Dear Ms. Nazzaro:

Thank you for providing the U.S. Department of Agriculture the opportunity to review and comment on the draft U.S. Government Accountability Office report entitled “Recreation Fees: Agencies Can Better Implement the Federal Lands Recreation Enhancement Act and Account for Fee Revenues (GAO-06-1016).”

Specific comments are listed in the enclosure. If you have any further questions, please contact our agency’s External Audit Liaison, Clarice Wesley, at 703-605-4799.

Sincerely,

Dale N. Bosworth

DALE N. BOSWORTH
Chief

Enclosure

Caring for the Land and Serving People

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Forest Service Comments on Draft Report GAO-06-1016
Recreation Fees: Agencies Can Better Implement the Federal Lands Recreation Enhancement Act (REA) and Account for Fee Revenues

August 30, 2006

General Comments: The Forest Service (FS) appreciates the efforts of the Government Accountability Office (GAO) staff to visit several Forest Service recreation fee sites and learn how it administers the complex recreation fee program. We acknowledge that the FS needs to revise several policies that relate to REA and collections in general. The FS has already initiated policy revision for the Forest Service Manuals and Handbooks that relate to these issues. The Agency plans on producing revised policy within a year.

After reviewing the actions taken to ensure a successful REA implementation, we are certain that GAO recognizes and acknowledges the interagency work teams' challenges and accomplishments over the past year. Implementing the REA provisions with four other agencies has been a demanding, but ultimately rewarding experience. Five agencies, with different budget processes, policies, histories, and missions, working together to create interagency policy and agreements regarding fees has been a beneficial process. Collaborating to provide a seamless recreation experience for the American public has fostered greater communication among recreation and policy staffs within the Departments of Agriculture and the Interior from which the visitors to public lands will benefit.

Specific comments on the draft report follow.

Main Body of Report

Now on p. 5.

Page 10, lines 15-16: The report reads, "Since BLM and FS units generally have to obtain RRAC review and recommendation for approval of new or increased fees…". To clarify, REA states that Recreation RACs "may" make a recommendation regarding recreation fee sites, not "have to" make a recommendation as is implied in this statement. Although the FS has set internal policy that limits new recreation fee site and fee changes until Recreation RACs are in place to review those proposals, this is not a REA requirement.

Now on p. 7.
See comment 1.

Page 11, lines 23-24: The FS has completed additional follow-up on the survey results where units indicated that they were out of compliance with REA by charging a standard amenity fee although the site did not meet the level of amenities required in REA. Further investigation shows that out of the 37 FS units that reported they were out of compliance, 31 units expressed confusion over the survey and their responses for several reasons including: 1) they do not charge any standard amenity fees at all, 2) they were confused and described expanded amenity fee sites, 3) there was misunderstanding over the definitions of the amenities. The FS is still investigating the remaining six units that reported they were out of compliance with standard amenity fee criteria.

Now on p. 22.
Now on p. 26.
Now on p. 27.

The comment above is applicable to three other places in the GAO draft report.

- Page 28, lines 21-22
- Page 33, lines 2-11
- Page 34, Table 3

Now on p. 9.
See comment 2.

Page 14, lines 16-19; lines 21-24: These comments are highly speculative and are based on survey respondents projecting their beliefs into the future with no empirical data to back their assertions. In the case of the FS, GAO surveyed a select group of field level personnel that have little or no direct knowledge about the magnitude of any future budget resources that might or might not be available, thus their responses are pure speculation. Historically, fee revenues have not replaced appropriations (GAO-03-47, page 30) and there is no reason to expect this change in the future.

Now on p. 52.
Now on p. 58.

The comment above is applicable to two other places in the GAO draft report.

- Pages 53, lines 30-33 and Page 54, lines 1-2
- Page 60, lines 8-17

Now on p. 9.

Page 14, lines 27-30: The FS, in coordination with the Bureau of Land Management (BLM), has been diligently working toward establishing Recreation RACs since REA was enacted. Throughout this process, the agencies have sought to ensure that we have the best possible framework for establishment. In fact, the agencies agreed to further engage the public by conducting listening session across the country in June 2005 and 2006. Input from those listening sessions only made the framework stronger. The Interagency Agreement was signed by Deputy Secretary of the Interior, Lynn Scarlett, on August 31, 2006, and Under Secretary of Agriculture, Mark Rey, on September 1, 2006.

Now on pp. 14 and 15.
Now on p. 62.

The comment above is applicable to two other places in the draft GAO report.

- Page 20, lines 5-19
- Page 63, lines 28-31

Now on p. 9.

Page 15, lines 1-3: We agree that the FS must issue final regulations and implementation guidance on recreation fee programs. The FS is revising Forest Service Manual (FSM) 2300, Chapter 2330 – Publicly Managed Recreation Opportunities which includes direction and guidance on recreation fees. Since manual revision includes all aspects of publicly managed recreation opportunities, it is likely that the final revision will be issued in a year.

Now on p. 10.

Page 15, lines 4-7: The FS is in the process of revising the collection agent and cash handling policies in Forest Service Manual (FSM) 6530 – Billings and Collections and Forest Service Handbook (FSH) 6509.14 -Collection Officer Handbook. Because of major agency changes in accounting procedures, finalizing these revisions has been delayed. The FS will expedite publication of the handbook and updated procedures as soon as practicable.

Now on p. 32.

The comment above is applicable to Page 40, lines 1-7.

Now on p. 14.

Page 20, line 1: Please change sentence starting, "These committees are to make recommendations…." to "These committees may make recommendations…".

Now on p. 14.
See comment 3.

Page 20, line 5: Slow is a relative term. Delaying the implementation of new fees or fee changes is not necessarily a bad thing. The FS decided that it would delay any major changes to the recreation fee program until we can have Recreation RACs review proposals for new or changed fees.

Now on p. 17.

Page 22, lines 21-23: The FS has determined that the new pass guidelines completion is on-time considering when the new passes will actually be available and when the field staff would need the guidelines (Fall 2006). Issuing guidelines earlier than Fall 2006 would be premature and confusing to field staff.

Now on p. 28.
See comment 4.

Page 36, lines 6-9: The Forest Service interim implementation guidelines for REA have definitions of the standard amenity fee amenities, including permanent trash receptacle and reasonable security.

Now on p. 32.
See comment 5.

Page 38, lines 10-26: It should be rare that a cash machine is broken, else there is a possible breach of contract and remedial action should be taken. In the rare condition that the cash machine is broken, asking managers who have been properly appointed Collection Officers to collect receipts and to have them deposited into a working machine is an acceptable temporary action. Local line officers are responsible for annual Collection Officer audits, including unannounced cash counts per policy found in FSH 6509.11k, 3042a. Local line officers are also responsible for reasonable internal controls over cash collections, which in the case of the Tonto NF might include the use of number envelops, visitor counts matched to daily collections and the use of the USDA OIG Hotline if theft were suspected. The OIG Hotline may also be used by customers if they suspect unusual cash handling.

Forest Service has Law Enforcement Officers whose mission includes protection of high risk assets and at-risk personnel.

Now on p. 35.

Page 41, lines 21-23: It is Forest Service policy, FSH 6509.11k, 31.11, that Collection Officers are to be audited at least annually. It is the responsibility of Regional Foresters and Forest Supervisors to execute the audit program at the local level. Senior Forest Service management is aware of a shortfall in the prescribed audit program and has assigned a full-time Albuquerque Service Center resource to monitor the program, nation-wide.

Now on p. 51.

Page 52, line31: It is more accurate to say that Region 5's 5percent fund covers fee program management costs and visitor services (fee envelope purchases, etc.) rather than "administrative" costs.

Conclusions

Now on p. 62.

Page 63, lines 28-31: The FS, in coordination with the Bureau of Land Management (BLM), has been diligently working toward establishing Recreation RACs since REA was enacted. Throughout this process, the agencies have sought to ensure that we have the best possible framework for establishment. In fact, the agencies agreed to further engage the public by conducting listening session across the country in June 2005 and 2006. Input from those listening sessions only made the framework stronger. The Interagency Agreement was signed by

Deputy Secretary of the Interior, Lynn Scarlett, on August 31, 2006, and Under Secretary of Agriculture, Mark Rey, on September 1, 2006.

Now on p. 62.

Page 64, lines 1-9: The FS recognizes that there is confusion among employees regarding REA. The FS is developing better communication tools for field staff implementing the Act.

Now on p. 62.

Page 64, lines 11-16: Forest Service policy is to perform an audit on all active Collection Officers at least annually. This is the responsibility of the local line officer, using guidance found in the FSH 6509.11k, chapter 30 and FSH 6509.14 (Collection Officer Handbook). Senior Forest Service management is aware of a shortfall in the prescribed audit program and has assigned a full-time resource to monitor the program, nation-wide.

Forest Service is very concern about employee safety and makes law enforcement resources available in high risk situations.

Recommendations for Executive Action

Now on p. 63.

Page 65, lines 2-5: The FS, in coordination with the Bureau of Land Management (BLM), has been diligently working toward establishing Recreation RACs since REA was enacted. Throughout this process, the agencies have sought to ensure that we have the best possible framework for establishment. In fact, the agencies agreed to further engage the public by conducting listening session across the country in June 2005 and 2006. Input from those listening sessions only made the framework stronger. The Interagency Agreement was signed by Deputy Secretary of the Interior, Lynn Scarlett, on August 31, 2006, and Under Secretary of Agriculture, Mark Rey, on September 1, 2006.

Now on pp. 63 and 64.

Page 65, lines 28-29: The recreation staff is in the process of revising Forest Service Manual (FSM) 2300, Chapter 2330 – Publicly Managed Recreation Opportunities. Revision of the FSM 2300, Chapter 2330 will likely take 1 year.

Now on pp. 63 and 64.

Page 65, lines 30-31: The FS is in the process of revising the collection agent and cash handling policies in Forest Service Manual (FSM) 6530 – Billing and Collections and Forest Service Handbook (FSH) 6509.14 -Collection Officer Handbook. Because of major agency changes in accounting procedures, finalizing these revisions has been delayed. The FS will expedite the publication of the handbook and updated procedures as soon as practicable.

Appendix II

Now on pp. 74 and 75.

Page 75, line 1 and Table 15: The "$50 Maximum fee per vehicle" charge as described in the text and Table 15 for the FS is for a commercial vehicle and not an individual or private vehicle. We suggest GAO review the survey results to verify that is correct and identify in the text and table whether these charges are for individual, private vehicles or whether the responses given reflect commercial vehicle charges.

Now on p. 78.

Page 79, Table 18: Although the text identifies that the prices in Table 18 are for group and individual campsite charges, we suggest GAO further clarify this distinction in Table 18's title as well.

Now on p. 81.

Page 81, line 14: The sentence states that the FS (identified in Footnote 30) charges "$898" as a maximum special recreation permit fee for whitewater rafting of the Kern River in the Sequoia National Forest. The Sequoia National Forest retains the commercial permit fees (special use permits for outfitting and guiding) for the Kern River. Thus, it is likely that this $898 maximum fee reflects a commercial special recreation permit (special use) fee and not an individual special recreation permit fee. The only location along the Kern River where the FS charges an individual special recreation permit fee is along the section of the river that is jointly managed with the BLM. An individual, non-commercial special recreation permit fee for this section of the river is $2/person.

Appendix III

Now on p. 83.

Page 82, lines 14-21: The Departments of Agriculture and the Interior have made changes to the Recreation RAC framework as follows: a) in consultation with the Governor of Alaska, the Alaska Region will not be forming a Recreation RAC, b) the State of Colorado will not be consulting existing BLM Resource Advisory Councils. Instead, the FS will charter a new, joint FS and BLM Recreation RAC for the State of Colorado, and c) the National Grasslands located in Kansas will consult with the new Colorado Recreation RAC when it is formed. Please edit the text and tables in Appendix III to reflect these new changes.

Now on p. 85.

Page 84, lines 15-18: This language describing subcommittees is confusing and suggests that subcommittees serve or act as a chartered Recreation RAC. Subcommittees are not advisory committees and should be referred to as providing additional advice and recommendations to their parent committee, the Recreation RAC.

Appendix V

Now on p. 89.

Page 88, Table 24: It is important to note that if you look at the annual obligations for the listed national forests (not a part of the table), generally, these national forests are spending the same amount that they collect in one year.

The following are GAO's comments on the Department of Agriculture's Forest Service letter dated September 7, 2006.

GAO Comments

1. FS provided additional detail on the results of their inquiries to units that responded to our survey that they did not offer all six amenities required to charge standard amenity fees under REA. We have summarized this information on pages 27 and 28 of the report. In essence, FS officials imply from the results of their inquiries that many of these unit officials were not aware of the type of fees they were charging or the amenities offered for the fees charged under the REA authority when they replied to our survey. This new information would have to be verified to attest to its accuracy.

2. The GAO survey was sent to 467 FS Ranger District officials directly responsible for implementation of the fee program, under REA. The results we reported are based on two opinion survey questions that we asked both FS and DOI field-level officials to respond to. The first question asked if the unit officials believed recreation fee revenues are being used to fund the types of projects formerly funded with appropriations at their unit. The second question sought the officials' opinions about the extent to which they believe that recreation fee revenue will be used to fund the types of projects over the next 5 years at their units that would have been funded with appropriated dollars. We recognize that individual units do not have agencywide perspectives on these issues. Also, the inclusion of these survey results in our report is not intended as a forecast of the future but rather as a way to share the perspective of the survey respondents responsible for the on-the-ground implementation of this program. No GAO conclusions or recommendations were based on these stated perceptions. In addition, we have added the FS statement that, historically, fee revenues have not replaced appropriations, and there is no reason to expect this to change in the future in order to also share the agency's official perspective on this issue.

3. We agree that "slow" is a relative term but believe that it is used appropriately in the context of the information presented in the paragraph pertaining to the development of the RRACs. The information in the paragraph notes that according to a June 2005 interagency presentation, the RRACs were expected to be established with members appointed by the end of 2005. Since none of the

members for any of the RRACs have been appointed, we feel comfortable in referring to this RRAC development as “slow.”

4. We recognize that the FS interim implementation guidelines for REA have definitions of the standard amenities; however, these guidelines have not prevented confusion about amenity criteria. In their comments on a draft of this report (bottom of page 104), the FS contends 31 of their unit officials erroneously reported they were out of compliance with REA’s standard amenity requirements because they were either confused over the difference between standard and expanded amenities, or, because “there was misunderstanding over the definitions of the amenities.” Such results further highlight the need for more specific FS guidance on implementing and managing the fee program.

5. We believe that for department-level management to have assurance that collected fees are controlled effectively and accounted for properly, detailed department- or bureau-level guidance on procedures are an important tool for local managers and imperative for those who have little or no formal accounting training or background.

GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the individual named above, Roy Judy, Assistant Director; Carolyn Boyce; Elizabeth Curda; John Delicath; Denise Fantone; Doreen Feldman; Timothy Guinane; Anne Hobson; Susan Irving; Stanley Kostyla; Diane Lund; Robert Martin; Matt Michaels; Angie Nichols-Friedman; Lesley Rinner; John Scott; Jack Warner; and Amy Webbink made key contributions to this report.

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