

RECREATIONAL FEE DEMONSTRATION PROGRAM



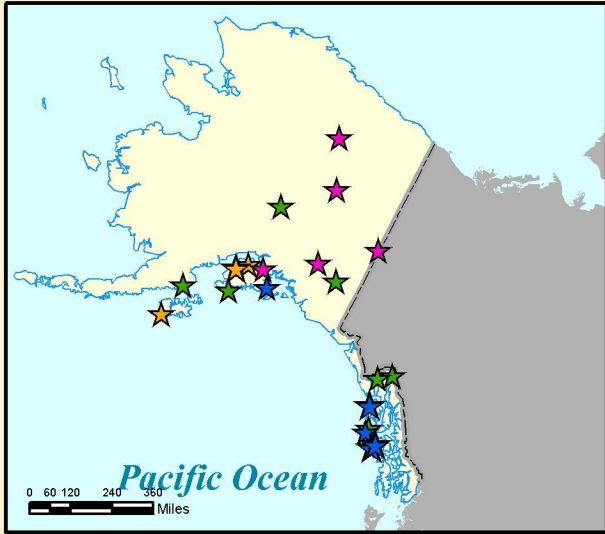
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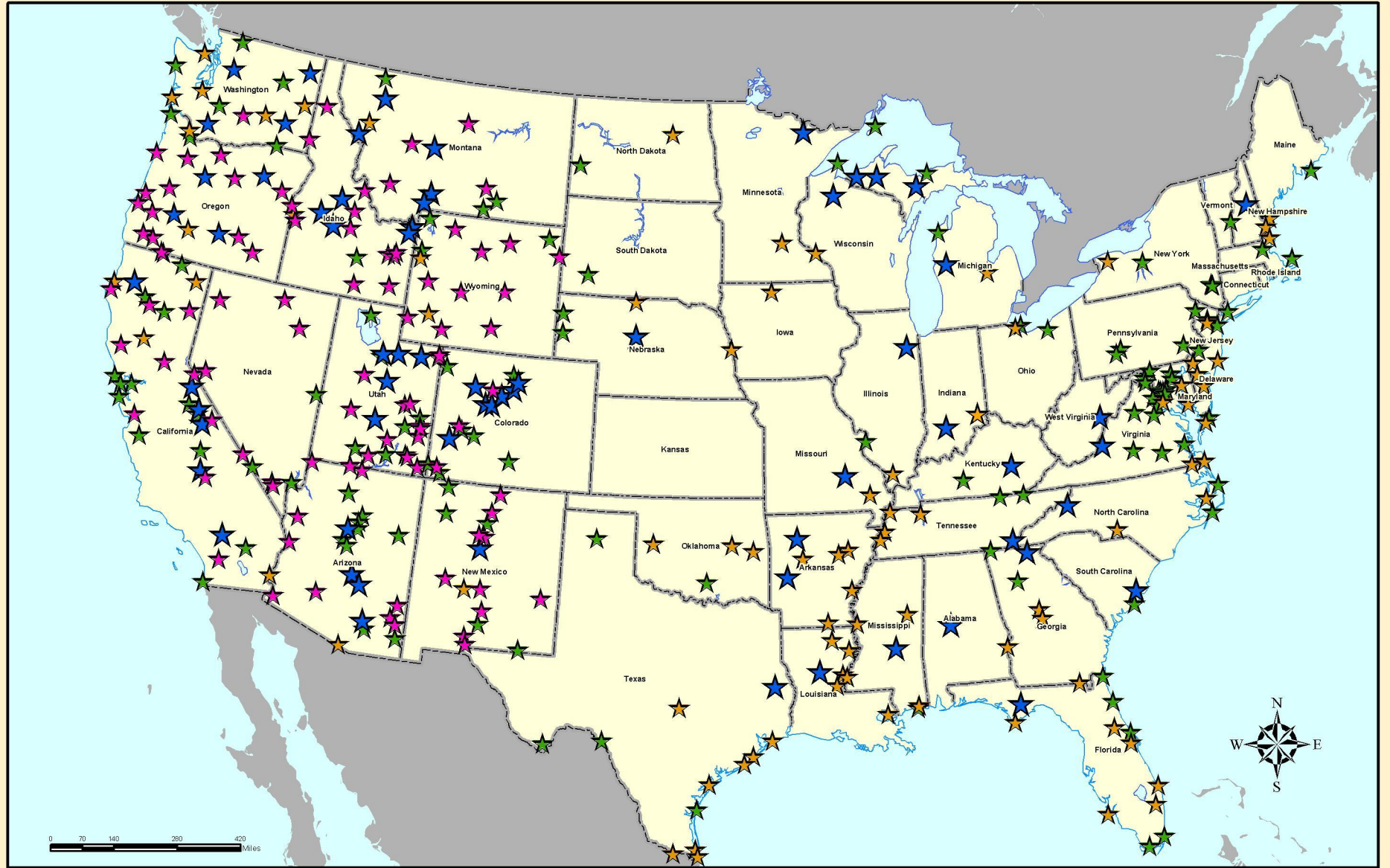
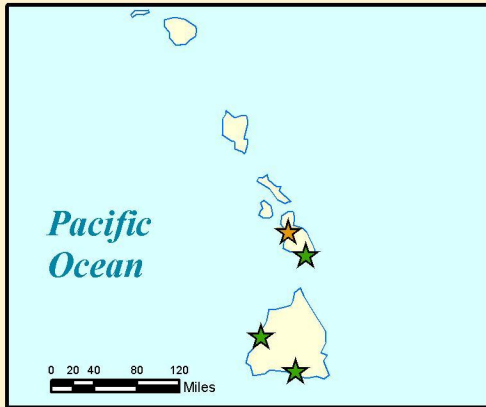
INTERIM REPORT TO CONGRESS



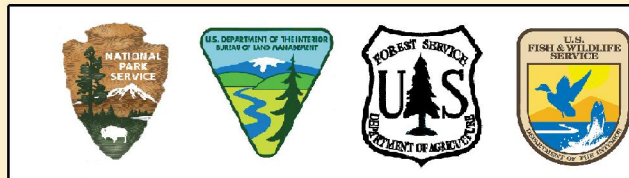
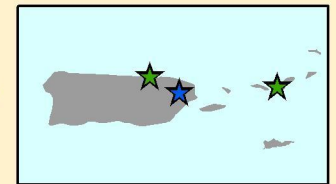
Alaska



Hawaii



Puerto Rico & Virgin Islands



Fee Demo Projects

★	NPS
★	BLM
★	USDA FS
★	FWS

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EXECUTIVE SUMMARY

This report is an evaluation of the first four years of the implementation of the Recreational Fee Demonstration Program (Fee Demo program). Congress authorized the program in the fiscal year 1996 Interior Appropriations Act (Section 315 of Public Law 104-134). The program provides the National Park Service (NPS), Bureau of Land Management (BLM), U.S. Department of Agriculture Forest Service (USDA FS), and the U.S. Fish and Wildlife Service (FWS) with the authority to test a variety of new fees and to retain the revenue raised for local management purposes. Federal land managers have used revenues to meet management goals for visitor service and resource protection in an effective, efficient and accountable manner.

There are currently 376 Fee Demo projects as shown on the map on the inside cover of this report.

The program has succeeded in raising revenues to meet high priority needs. From 1996 through the end of FY 2000, Fee Demonstration projects have raised approximately \$572 million to meet high priority needs. Of this total, \$316.9 million has been obligated for projects to improve visitor services, resource protection, health and safety maintenance and to cover collection costs. The NPS reports that 69 percent of all revenue approved for Fee Demo projects has gone to deferred maintenance projects (See Chapter 3).

The program enjoys broad public acceptance. Agency surveys reveal wide acceptance of the Fee Demo program, both in the level of fees and the concept of users paying a share of the upkeep and maintenance costs on federal lands. Public support is especially strong with individuals who are aware that most fee revenues remain at the site (See Chapter 5).

The program has not impacted visitation. General population and visitor surveys conducted by the agencies reveal that the Fee Demo program has not adversely impacted visitation in a significant manner. The agencies recognize that additional analysis of the public's sensitivity to fees is useful and will continue to explore the effects of fees on visitation and the visitor experience. (See Chapter 5).

The program has facilitated collaboration between land managing agencies. The agencies have coordinated their fees in a wide variety of ways and with many different types of entities. These collaborative efforts typically arise from site-specific conditions, such as adjacent boundaries, similar recreation activities or the opportunity to involve non-federal entities in decisions affecting a particular site. These collaborations have been successful, and the agencies will continue to seek additional collaborative opportunities (See Chapter 6).

The Fee Demo program has provided an opportunity for experimentation. During the course of the Fee Demo program, agencies have learned many lessons regarding the establishment and administration of fee programs. Some of the most important lessons learned include the following:

- the public wants the payment of fees to be easy and convenient;
- acceptance of fees increases when improvements to the site are apparent to visitors;
- collaborating with other entities can have benefits for all parties;
- fee programs can and should be adjusted in response to public concerns; and
- the administration of fee programs is not always simple.

The agencies have demonstrated that a variety of different fees and collection methods can be successful. The agencies have used the results and feedback from their experiments to adjust many Fee Demo projects. These adjustments are continuing as more information becomes available. The agencies are committed to additional experimentation and will continue to encourage site managers to do so, where appropriate (See Chapter 4).

There is currently an array of national and regional passes designed to serve different purposes and meet different needs. The agencies recognize the need to look more comprehensively at passes and to examine on a systematic basis the relative benefits provided, the prices, and visitor responses to the various passes (See Chapter 7).

Fees have provided opportunities for improved management. Fees have provided new opportunities to communicate directly with recreationists, sharing information on resource values and use ethics. Fees also help managers distribute use spatially as well as sequentially (See Chapter 4).

The Fee Demo program has facilitated decentralized decision making. Field managers are responsible for making most of the decisions about how fee revenues are spent within the general guidance each agency has developed to govern the implementation of the program (See Chapter 2).

Improved procedures and policies have been established to track costs and spending. The agencies recognize the importance of being able to identify high priority needs and report accurately on the costs and spending associated with addressing these needs. Detailed review and approval procedures exist for all projects with particularly thorough review procedures for projects that cost more than \$500,000 (See Chapter 3).

The agencies also plan to continue visitor surveys and similar efforts to ensure that there is adequate information on which to base policy decisions (See Chapter 8).

The agencies plan to implement improvements to strengthen the program. The agencies are committed to implementing a series of defined improvements to the Fee Demo program to justify making the program permanent. Improvements that the agencies anticipate putting in place are set out in Chapter 10 and include:

Increased Interagency Coordination

An interagency Recreation Fee Leadership Council has been established to coordinate interagency recreation fee program policy, encourage experimentation and establish consistent evaluation guidelines. Some of the issues the Leadership Council is addressing include: pass policies, reporting mechanisms, program evaluation, feedback loops for adjusting policies and joint research on various aspects of the Fee Demo program, including surveys of visitors and the general public.

Agency Specific Actions

Each agency will further analyze reporting, evaluation procedures, internal guidance needs and project approval processes. Steps will be taken to clarify and strengthen these processes as warranted. Some of the common actions agencies will undertake include: simplifying and improving the guidelines for participating in the program; institutionalizing the evaluation process for fee projects; continuing to seek measures to simplify and improve the program for the public, particularly with respect to entry and use fees; and continuing to improve financial reporting processes to better track site- or project-specific expenditures.

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SECTION I:
INTRODUCTION AND BACKGROUND

INTRODUCTION AND BACKGROUND

I. INTRODUCTION

The concept of collecting entrance and use fees on public lands is not new. Prior to the Recreation Fee Demonstration Program (the Fee Demo program), several different statutes gave the National Parks Service (NPS), Bureau of Land Management (BLM), Fish and Wildlife Service (FWS), and United States Department of Agriculture Forest Service (USDA FS) the authority to collect fees. Because these authorities varied from agency to agency, each agency had a different fee program in place when the Fee Demo program was implemented. This history is important in understanding that the resulting Fee Demo program for each agency continues to reflect its early fee collection practices. The most substantial difference between the Fee Demo program and other fee authorities is that Fee Demo provides agencies with the flexibility to test different types of fees and retain a majority of revenue at the site where the fee was collected.

II. FEES FOR RECREATION ON PUBLIC LANDS

Broad authority for Federal agencies to collect recreation fees dates as far back as 1951. In 1951, Congress stated in Public Law 82-137:

It is the sense of Congress that any work, service, publication, report, document, benefit, privilege, authority, use, franchise, license, permit, certificate, registration, or similar thing of value or utility performed, furnished, provided, granted, prepared, or issued by any Federal agency...to any person...shall be self sustaining to the full extent possible, and the head of each Federal agency is authorized...to charge such fee, charge, or price....

Fees collected under this authority were deposited into the U.S. Treasury. Congress became more involved in the details of recreation fee programs with the passage of the Land and Water Conservation Fund (LWCF) Act of 1965 (Public Law 92-347). Part of the revenue in the LWCF is given to States for planning, acquisition, and development of needed land and water areas and facilities, and part of the revenue in the LWCF is used for Federal acquisition and development of facilities for outdoor recreation. To support this fund, Federal agencies, including the NPS, the BLM, the Bureau of Sport Fisheries and Wildlife, the Bureau of Reclamation, and the USDA FS, are authorized to collect entrance and use fees within certain parameters and to establish a coordinated fee system through an annual interagency vehicle entrance pass. In support of charging recreation fees for contribution to the fund, Congress stated:

Federal recreation areas have been acquired or developed for the most part from funds appropriated out of the general tax revenues to the U.S. Treasury. People who use these areas receive special benefits which do not accrue to the public at large. In fairness to the general taxpayer...the people who use the areas for recreation

purposes – should pay a modest fee for the resources used. S. Rep. No. 1364 at 3646 (1964).

Over the next several years, Congress made some adjustments to the LWCF Act and even set a date for future repeal of the recreation fees authorized by the LWCF Act. In 1972, Congress instead scaled back recreation fees by abolishing entrance fees to all Federally owned recreation areas, except for designated units of the National Park System and National Recreation Areas administered by USDA, and by clarifying the definition of use fees (Public Law 92-347). This law provides:

Each Federal agency developing, administering or providing specialized sites, facilities, equipment or services related to outdoor recreation shall provide for the collection of special recreation use fees for the use of sites, facilities, equipment or services furnished at Federal expense.

Congress also clarified the applicability of the Golden Eagle Passport, which in practice had been accepted for use fees administratively defined as entrance fees and resulted in public confusion of entrance and use fees. Two other interagency passes, the Golden Age Passport and the Golden Access Passport, were established. The Golden Age Passport provides for free entrance to those citizens who are sixty-two or older, and the Golden Access Passport provided for free entrance to those citizens who are legally blind or permanently disabled.

Over the next two decades, Congress continued to mold and shape recreation fee authority under the LWCF Act. Amendments to the LWCF Act include those that further clarified the definition of an appropriate use fee, provided a 50 percent discount on use fees for the holder of a Golden Age Passport, expanded the Golden Age Passport from an annual to a lifetime pass, required that the Golden Eagle Passport be issued only to citizens or persons domiciled in the United States, clarified the definition of a “single visit,” and restricted the NPS from charging fees at certain units that serve urban populations.

III. THE FEE DEMO PROGRAM: RETAINING FEES AT THE SITES WHERE FEES ARE COLLECTED

In 1996, Congress authorized the Fee Demo program through the appropriations process. The Fee Demo program directs the NPS, BLM, FWS, and the USDA FS to experiment by changing existing or establishing new recreation entrance and use fees (Public Law 104-134). Authority under the Fee Demo program was to expire on September 30, 1998, and the agencies were to prepare a final report to Congress on March 31, 1999. The Fee Demo program has subsequently been extended several times, with current authorization for the program expiring September 30, 2004.

Unlike previous recreation fee authorities, the Fee Demo program provides incentives to agencies to charge fees by allowing the agencies to retain all the revenues collected. Eighty percent of the fees are to be used for improvements at the site where the fees were collected and the remaining 20 percent are to be used on an agency-wide basis. These revenues yield substantial benefits by providing on-the-ground improvements at local recreation sites. Congress observed:

This is a unique opportunity for the bureaus to develop and test a broad variety of cost recovery methods at 100 units per agency. This program was developed in direct response to the land management agencies' concern over their growing backlog maintenance needs. According to the National Park Service, the Bureau of Land Management, the U.S. Fish and Wildlife Service and the Forest Service, their combined estimated backlog is \$10 billion dollars. The Committee does not intend to offset these additional dollars with reductions to appropriations in future years. However, the Committee wants to emphasize that these funds are to be used primarily to reduce the backlog maintenance requirements. The Committee understands that some projects may be necessary to enhance visitor services and safety and demonstrate to the public that their dollars are being spent wisely. H. Rep. No. 105-163 at 5-6 (1997).

IV. THE LAND MANAGEMENT AGENCIES PARTICIPATING IN THE FEE DEMO PROGRAM

NPS: The National Park System consists of 385 units encompassing more than 84 million acres in 49 states, the District of Columbia, American Samoa, Guam, Puerto Rico, Saipan and the Virgin Islands. The NPS has a long history of recreational fee collection; automobile permits were charged as early as 1908 at Mount Rainier. Fee collection authority was further expanded under the User Charge Statute of 1952 and the LWCF Act of 1965 and its amendments.

BLM: The Bureau of Land Management oversees the remainder of the original public domain, a total of 264 million acres of public lands. The BLM manages close to 2,600 developed recreation sites offering dispersed recreation opportunities, providing areas and trails for biking, hiking, boating, camping, fishing and other similar activities. BLM landscapes are as diverse as America itself, spanning rainforests to deserts to the arctic. BLM sites include 752 wilderness and wilderness study areas totaling 24 million acres, 14 National Conservation and Protection Areas totaling 14.4 million acres and 15 National Monuments totaling 4.75 million acres. Additionally, the BLM manages 36 Wild and Scenic Rivers encompassing 20 percent of the national system, 9 National Historic Trails comprising 85 percent of the national system and a host of other federally designated special conservation sensitive areas. The LWCF Act authorized BLM to issue permits and charge fees for special uses and for certain recreation sites. The 1989 Omnibus Reconciliation Act provided authority to return 100 percent of fee revenue to the area of collection, subject to Congressional limits.



Alligator River NWR in North Carolina's Outer Banks used Fee Demo money for outreach and environmental education concerts such as this one at Manteo Elementary School. The concerts were given at 28 schools and reached 7,200 children.

USDA FS: The U.S. Department of Agriculture's Forest Service manages 191.6 million acres of national forests and grasslands across the United States. The 155 national forests provide a wide range of natural resource values in diverse areas such as minerals, timber, wildlife, range and recreation. The USDA FS runs more than 23,000 developed recreation facilities including trail-heads, picnic areas, boat ramps, visitor centers and over 4,000 campgrounds. More than 120 major ski areas are managed under special-use permits. There are 412 units of the National Wilderness Preservation System, totaling 34.7 million acres and in excess of 100,000 miles of designated trails within the national forests.

FWS: The U.S. Fish and Wildlife Service manages a system of more than 530 national wildlife refuges including about 95 million acres, and 70 national fish hatcheries that cover approximately 21,500 acres. These areas are located in all 50 states and some island territories. They are managed principally to conserve fish and wildlife, but also provide opportunities for wildlife-dependent recreation. Prior to the Fee Demo program, 70 percent of the money collected from entrance fees and other recreation fees in national wildlife refuges went to Migratory Bird Land Acquisition, with the remaining 30 percent going to the refuge that collected the fee.

V. SIGNIFICANT RECENT REVIEWS OF THE FEE DEMO PROGRAM AND FEE COLLECTION ACTIVITIES

Since the Fee Demo program was authorized, the U.S. General Accounting Office (GAO) has issued two reports analyzing implementation of the program. A November 1998 GAO report ¹ found:

- Recreational fee revenues increased substantially;
- Most fee revenue in the program remained unspent;
- There are opportunities for more innovation and coordination; and
- Visitation appears largely unaffected by the Fee Demo program.

A November 2001 GAO report ² recommended that the agencies:

- Develop specific program performance expectations and measurable performance criteria agency wide and for each participating site;
- Design and implement a process for conducting systematic evaluations of the program to identify which fee designs, collection methods and coordination practices work best, and to disseminate the information to all participating sites; and
- Establish an effective interagency mechanism to oversee and coordinate the program among the four agencies and resolve such interagency issues as developing standard definitions of entrance fees versus use fees.

¹U.S. General Accounting Office, Recreation Fees: Demonstration Program Successful in Raising Revenues But Could Be Improved, GAO/RCED-99-7, November, 1998.

²Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services, GAO-02-10, November 2001.

Additionally, each of the agencies have conducted studies analyzing the implementation and operations of the Fee Demo program. The details of those studies are discussed in depth in this report. The conclusions have shaped the improvements planned by the agencies and are outlined in Chapter 10.

VI. PURPOSE OF THIS REPORT

The Fiscal Year (FY) 1997 Interior and Related Agencies Appropriations Act required the participating agencies to prepare a joint annual report to Congress on January 31, 1998, and on the same date in succeeding years. These reports have provided information on annual program accomplishments as well as recommended improvements to the program.³

In addition to the annual reporting requirement, Senate Report 106-312 asked the agencies for an interim evaluation report:

While the Committee strongly supports the Fee Demonstration program, it recommends this limited extension with some reluctance so that participating agencies may make necessary management plans beyond the current expiration date. The Committee feels that the Fee Demonstration program ultimately will benefit from a formal authorization by the appropriate authorizing committees. To this end, the Committee strongly urges the Secretary of the Interior and the Secretary of Agriculture to submit a legislative proposal that would permanently authorize the program and address some of the concerns and criticisms that have been raised to date. In the interim, the Committee directs the Secretaries to report to the committees on appropriations and the relevant authorizing committees on the results of the demonstration program.

Senate Report 106-312 went on to identify specific issues to be addressed, stating:

The report should address whether fees are an unreasonable barrier to public use, delineate and respond to various criticisms of the program that have come to the Secretaries' attention, evaluate the degree of success at the sites with demonstration programs, assess which types of uses are suited for fees and which are not and describe how much was collected for each use at each site and how those funds have been used. The Report should also address the criteria used to determine the success of programs at different sites; the degree to which standard guidance has been and should be provided to local managers; the merits of uniform nationwide fee structures; policies and guidelines for the distribution of collected funds and allowable uses thereof; concerns regarding multiple fees for recreation activities at neighboring parks, forests and refuges; and the methods to ensure that facilities at fee collection sites are in suitable condition before fees are charged.

³The FY 1997, FY 1998, FY 1999, and FY 2000 Reports to Congress are available on the Internet at <http://www.doi.gov/nrl/Recfees/RECFEESHOME.html>.

The Committee recommended that opportunities for interested parties to comment be provided prior to preparation of this report. The agencies have achieved that goal by conducting intense outreach efforts throughout the program, including visitor surveys, comment cards and consultation with local managers and stakeholders.

VII. EVALUATING THE FEE DEMO PROGRAM

The criteria for evaluating the success of the Fee Demo program depend on how the objectives of the program are defined. The Fee Demo program has a number of objectives, some relating to establishment of new fees and others relating to the use of revenues. The clearest statement of objectives derives from the authorizing legislation. Section 315(a) of Public Law 104-134 states that the purpose of the program is to “demonstrate the feasibility of user-generated cost recovery for the operation and maintenance of recreation areas or sites and habitat enhancement projects on federal lands.” Section 315(b)(3) states that in order to increase the quality of visitor experience, expenditures of Fee Demo revenues are to be “used for the area, site or project concerned for backlogged repair and maintenance projects (including projects relating to health and safety) and for interpretation, signage, habitat or facility enhancement, resource preservation, annual operation (including fee collection), maintenance and law enforcement relating to public use.” The legislation also called on the agencies to be innovative in designing and testing the collection of fees, to develop partnerships with federal agencies and state and local entities and to provide higher levels of service to the public.

Table 1.1 summarizes the criteria used to evaluate the Fee Demo program in this report.

Criteria	Measures of Success
Success in raising revenues	Change in revenues compared to pre-Fee Demo revenues
Use of Fee Demo revenues to address deferred maintenance, improve visitor services, and meet other high-priority needs	Policies in place, spending accomplishments
Use of fees as a management tool	Change in number of instances where fees are used as a management tool
Experimentation with fee collection methods and type of fees	Increase in different fee collection methods and types relative to pre-Fee Demo
No adverse impact on visitation	General population surveys, visitor surveys
Public acceptance	General population surveys, visitor surveys

VIII. CONCLUSIONS

Senate Report 106-312 called for the agencies participating in the Fee Demo program to evaluate the program. This report provides that evaluation. Table 1.2 identifies each issue the agencies were requested to address and the location in the report where it is addressed. Responses to each question based on information provided in the evaluation chapters are also summarized in Chapter 9.

Table 1.2. Issues Addressed and Their Location Within this Report.	
Issue	Location in report
Assessment of which types of uses are suited for fees and which are not	Chapters 2 & 4, Appendix 2
Identification of the criteria used to determine the success of programs at different sites	Chapter 2
Evaluation of the extent to which standard guidance has been and should be provided to local managers	Chapter 2
Identification of agency policies and guidelines for the distribution of collected funds and allowable uses	Chapter 2
Methods for ensuring that facilities at fee collection sites are in suitable condition before fees are imposed	Chapter 2
Evaluation of degree of success at Fee Demo sites	Chapters 2-7
Identification of how much was collected for each use at each site and how those funds have been used	Chapter 3, Appendices
Determination of whether or not fees are an unreasonable barrier to public use	Chapter 5
Discussion of concerns regarding multiple fees for recreation activities at neighboring parks, forests and refuges	Chapter 6
Evaluation of the merits of uniform, nationwide fee structures	Chapter 7
Identification of and response to criticisms of the program	Chapter 9

SECTION II:
EVALUATION OF THE RECREATIONAL FEE
DEMONSTRATION PROGRAM

IMPLEMENTATION OF THE FEE DEMO PROGRAM

I. INTRODUCTION

This chapter describes the implementation of the Fee Demo program by the federal land management agencies, including a discussion of agency guidance to site managers.

II. NUMBER OF FEE DEMO PROJECTS

Table 2.1 shows the number of Fee Demo projects by agency over the FY 1997 - FY 2000 period. Appendix 2 lists the projects in the Fee Demo program for FY1998 - FY 2000.

Agency	FY 1997	FY 1998	FY 1999	FY 2000
NPS	96	100	100	100
BLM	10	63	95	100
USDA FS	39	50	81	88
FWS	61	71	87	88
Total	206	284	363	376

Source: NPS, BLM, USDA FS and FWS

NPS: The 137 NPS Fee Demo sites reflect the diversity of the National Park System. They include national parks, monuments, memorials, lake shores, seashores, historic sites, battlefields and recreation areas. Between 1997 and 2000, three sites were dropped from the Fee Demo program: Biscayne National Park, Pinnacles National Monument and Great Smoky Mountains National Park.

BLM: Under the Fee Demo program, the BLM increased its recreation fee projects from ten in 1997 to 100 in 2000, although only 97 actually charged fees in FY 2000.

USDA FS: USDA FS has a total of 88 Fee Demo projects and is testing entrance fees (staffed entrance stations) at 12 projects. Entrance stations are impractical at most National Forest project locations due to the presence of multiple access points and major throughways. Also, while the agency has a very large, developed site recreation program, many other management issues and costs are associated with low development and dispersed recreation activities — such as the use of the extensive trail system — that take place on national forests. In addition to entrance fees, other types of fee concepts being tested in the national forests include:

- Bear viewing in Alaska
- Guided interpretative programs
- Small campground programs in several regions

- Trailhead parking fees
- Snowmobile/cross- country ski projects
- Recreation lodging (cabin/lookout rentals)
- Heritage expeditions
- Special use fee retention for outfitters and guides in Montana and California
- Fees for developed recreation complexes
- Visitor center fees
- Boating/floating fees, Climbing fees, and Wilderness permits
- Off-highway vehicle (OHV) use areas and trail fees
- National Recreation Reservation Services

FWS: The FWS currently has a total of 88 units approved for the program. Some of these stations did not start collecting fees until FY 2000 due to the type of fee being collected.

III. AGENCY POLICY GUIDELINES

The following sections detail agency guidance on the selection of projects, allocation of fee demo revenue, and program evaluation. At the end of the chapter, Table 2.6 summarizes all agency guidance on the implementation and administration of the fee demo program. Table 2.2 identifies agency-issued implementation guidance.

Table 2.2. Agency Guidance Documents	
Bureau	Guidance Document
NPS	<ul style="list-style-type: none"> • NPS-22 Policy Guideline on Recreation Fees; • Various policy memoranda concerning: implementation plan requirements, cost of collection guidance, allocation formulas and accounting procedures, project expenditure criteria, emphasis areas, accomplishment reporting, and project submission/review and approval processes.
BLM	<ul style="list-style-type: none"> • Guidelines for Implementing Fee Collections - December 18, 1996; • Recreation Fee Collection Guidance - November 12, 1998.
USDA FS	<ul style="list-style-type: none"> • National Business Plan Templates (including Communications Plan and Civil Rights Impact Analysis); individual business plans required for each project; • Fiscal and law enforcement standards in existing manuals and handbooks; • Regional and project desk guides.
FWS	<ul style="list-style-type: none"> • Interim Implementation Plan or Handbook to the Recreational Fee Demonstration Program sites, October 30, 1996.
Source: NPS, FWS, BLM, and USDA FS	

A. Guidance on Selecting Fee Demonstration Projects and Setting Fee Levels

Each of the agencies have implemented their own procedures to identify and select Fee Demo projects and determine appropriate fee levels. Specific information on the processes involved in selecting and approving Fee Demo sites and revenue expenditures can be found at the end of this chapter in Table 2.6.

NPS: The units selected to pilot the Fee Demo program were chosen to represent a wide variety of geographic areas, types of parks, types of fees and methods of collection. Sites that charged entry or use fees under previous authorities formed the core of those participating in the Fee Demo program. The remaining sites participating in the program were selected for inclusion on the basis of a fee project implementation plan.

NPS-22 is the primary guidance document for administering recreation fee programs in the NPS. This guideline document was amended in 1991 and is being converted into a Director's Order. This comprehensive guideline identifies all procedural and policy directives pertaining to recreation fees, including program development, collection operations and procedures, the NPS-wide reservation system, deposit and remittance procedures and program integrity requirements.

The guidance in NPS-22 does not specifically address the selection of Fee Demo sites, but does provide a list of criteria that must be met to charge entry and use fees.

Entrance Fee Criteria

- The area is administered by the NPS;
- The area is administered primarily for scenic, scientific, historical or recreational purposes;
- The area has recreation facilities or services provided at federal expense;
- The nature of the area is such that entrance fee collection is administratively and economically practical.

Use Fee Criteria

- A substantial investment has been made at the facility;
- The facility requires regular maintenance;
- The facility is characterized by the presence of agency personnel;
- The facility is used for the personal benefit of the user for a fixed period of time;
- The facility is developed, administered or provided by any bureau in the Department;
- The facility is provided at federal expense; and
- The nature of the facility is such that fee collection is administratively and economically practical.

Discretion is left, however, to the local manager to apply these criteria and to determine the appropriateness and feasibility of establishing and collecting a fee.

In addition to NPS-22, the NPS provides other guidance documents to Fee Demo managers on an annual basis. These include specific instructions on appropriate collection costs to include the types of allowable expenditures; the required submission process and use of the NPS Project Management Information System or PMIS (discussed in Chapter 3); and parameters for project descriptions, reviews and approvals. Collection costs are reviewed and approved annually by regional offices and headquarters. In FY 2000, the NPS began a pilot program called the Fee and Revenue Management Concept (FARMCON), designed to achieve consistency in collection costs by applying a set of criteria based on collection methods, revenue, visitation and other factors. This method of evaluating cost of collection is being utilized for all fee parks. However, the adoption of absolute funding allocations has been dropped because too many site-specific variables and logistics have made it overly complex to establish fixed amounts.

Executive Order 11200, issued after enactment of the Land and Water Conservation Fund Act of 1965, also requires an annual review of all park areas to determine whether existing recreation fees should be increased, reduced or eliminated. This comparability review evaluates fees for like facilities and/or services in an area or region and forms the basis for implementing new use fees or changing existing ones. NPS policy guides this process with the principle that “use fees shall be set at a level where public facilities will not create unfair competition with the private sector.” Annual comparability studies are approved by the Regional Directors and by the Associate Director for Operations.

BLM: Each field office manager, with approval from the State Director, selects the sites to be included in the Fee Demo program using the national guidance contained in Instruction Memorandum No. 99-033, Recreation Fee Collection Guidance. The Instruction Memorandum requests that managers consider sites or projects that are cost effective and allow for efficient fee collection, are considered major attractions, have facilities or provide some benefit to the user, have limited entry, include opportunities for partnerships, can sustain continued use and contribute to management goals and objectives.

Fee Demo projects within the BLM are also required to have an approved business or activity plan. These plans evaluate potential Fee Demo projects based on the following:⁴

- The number of potential partnership opportunities with other nearby fee areas and government agencies, as well as historic and projected future recreation use of the site by major component;
- Characteristics of current users, both local and non-local, including demographic information;
- The extent to which the objectives for use of the fee receipts are clear and of value to recreation users and local communities;
- The estimated costs required to establish and annually operate the Fee Demo project;
- What types of customer/public feedback mechanisms are or can be put in place.

USDA FS: In the first years of the Fee Demo program, project approval was centralized at the Washington office. In selecting potential fee sites, the agency emphasized creative fee testing in a variety of situations. Selection criteria include where unmet needs are greatest, i.e., deferred maintenance and deferred services, but also new recreational opportunities, such as interpretive and educational sessions, cabin rentals, and reservation services. Each potential project must first be approved in concept by USDA FS Headquarters in Washington. The project team then develops a business plan that includes a civil rights impact analysis and communication plan. All plans are reviewed by regional boards and approved by regional foresters. Since 1998, regional boards of directors have been chartered to oversee USDA FS program implementation. Each board has its own charter, approved by the Washington office. Boards typically have 12 members that represent various operational areas such as recreation, law enforcement, fiscal, forest management, and

⁴For additional details, see Bureau of Land Management Recreation Site/Area Business Plan Outline and Information Needed to Analyze Results, 1998.

engineering. Membership terms are usually one to two years. Each USDA FS region also has a regional Fee Demo Coordinator who works with the regional board.

FWS: In keeping with the experimentation principles of this program, FWS intentionally kept its site selection criteria broad. The first sites to join the Fee Demo program were those that were already collecting entrance fees, use fees and/or permit fees. Because these sites already had a collection system in place, the primary modification was in revenue allocation, in that the sites now retained 80 to 100 percent of the collections, rather than just 30 percent, as was the case under the previous authority.

The success experienced by the initial startup sites resulted in other sites enthusiastically joining the program. Some established new entrance fees and refuge specific passes, while others tried new activity programs that they previously were unable to afford. While the majority of initiatives worked, some sites dropped their entrance fees in favor of activity-related fees.

B. Agency-Specific Guidance on the Allocation of Fee Demo Revenues

As mandated by the Fee Demo program, at least 80 percent of the revenue raised is retained at the collection site. Site managers select projects and determine how these funds should be spent. Projects are to address visitor services, health and safety maintenance, and resource protection.

NPS: All NPS project revenues allocated to the collection sites and proposed by site managers are subject to a specific approval process outlined in Table 2.6. The 20 percent collected nationally is distributed via an annual competitive process for service-wide projects and non-Fee Demo parks. Similar to a grant process, a 20 percent project is funded for a specific scope of work and budget that have met the eligibility criteria as determined by the directorate. Generally, there have been two types of service-wide projects:

- 1) Projects that for efficiency and consistency are centrally managed, such as a single contract to preserve museum collection nitrate negatives in multiple parks or the development of restoration cost tables that are applicable service-wide.
- 2) Projects where the action takes place within the parks to assist in meeting a special emphasis goal such as Public Land Corps, Accessibility, Green Energy, and D.C. Improvements.

After the NPS-wide projects have been designated, remaining 20 percent revenues is distributed to the parks in the seven NPS regions according to a formula based on the number, size and visitation of the parks in that region.

BLM: All of the revenue collected from each Fee Demo project is retained at the site of collection. The BLM believes that the best use of the 20 percent flexible funds is to allow the revenue to be spent at the site of collection. However, BLM has established larger geographic projects in which spending is flexible. In these cases, the project area has a management team that sets priorities on how fees are spent with an emphasis on monies being spent at the site of collection for backlogged maintenance. Should another site in the project area have a higher priority, the funds can be spent outside the area of collection, but still within project boundaries.

USDA FS: Between 90 and 100 percent of revenues is retained at the site of collection. All site projects on which these funds are spent are reviewed by a regional board of directors, with involvement from the Washington office. The remaining 5 to 10 percent of collections is retained at the regional level and used for a variety of purposes, such as revolving funds to assist new projects with seed money; providing value toward region-wide efforts like “your fees at work” signs, brochures, regional pass sales and marketing; grants for Fee Demo projects; and partnership efforts. Eighty percent of the revenue from Golden Passport sales are retained at the site of sale, with 20 percent retained by the Washington office for agency-wide Fee Demo improvements.

FWS: Three of the seven FWS regions chose to retain 20 percent of the Fee Demo revenues at the regional level for competitive distribution. Two File-Maker Pro databases keep lists of priority projects by site. These databases are available to those at the local, regional and national levels. Regional Fee Coordinators keep in close contact with their sites, and periodic site reviews further ensure that the monies are spent on priority projects.

C. Agency-Specific Policy Guidance on Evaluating Fee Demo Projects

NPS: The NPS has established draft objectives for evaluating Fee Demo projects. Table 2.3 summarizes these objectives and the associated policy guidance.

BLM: The BLM has established a systematic evaluation process for Fee Demo projects that includes evaluating a sample of projects on an annual basis. Information gathered from site managers and other staff is used to evaluate the Fee Demo program at each site in the following categories: identifying best practices; the extent to which business plans have been updated and fee projections have been accurate; information on fiscal controls, procedures for safe and proper handling of fee receipts; and information on efforts to communicate with and involve the public in the Fee Demo project. The criteria used in the evaluations are shown in Table 2.4. In addition, the BLM has made a special effort through the evaluation process to identify best practices and to disseminate implementation ideas and successes across the Bureau. It is anticipated that each state will be visited every four years on a rotating schedule. The first round of evaluations was conducted in FY 2001 and included sites in California, Oregon, Nevada, and Utah. These areas were selected because they include some of BLM’s high-visitation, high-revenue sites.

At the beginning of the program, the BLM published a brochure entitled “Recreation Fee Demonstration Program” that discussed the purpose and goals of the program. The brochure also included a comment card to get immediate feedback from participants in the program. The BLM requires that each project be identified with a “Recreational Fee Demonstration Project, Your Recreation Fees Working for You” logo near a fee area sign and registration area. In addition, the BLM seeks input from visitors and interested representatives from gateway communities to establish priorities for spending fee collections.

Table 2.3 NPS Fee Demo Objectives and Policy Guidance

Objective	Policy Guidance
<p>Fee programs should support the mission of the National Park Service to protect park resources and provide visitor services.</p>	<p>Tracking systems such as the PMIS (discussed in Chapter 3) will continue to ensure that fee revenue is used to improve visitor services and address deferred maintenance leading to the protection of parks' natural and cultural resources.</p>
<p>Fee programs should fairly and equitably collect fees where it is determined to be administratively and economically feasible.</p>	<p>Guidance will continue to be issued requiring annual comparability studies to ensure that use fee rates are fair and equitable. Changes in any fee rate will be initiated by park managers with a request memo including a justification and implementation plan. The Regional Director and Associate Director for Operations at headquarters must review and approve the plan before it can be implemented.</p> <p>The recently completed NPS Fee Study (McKinsey) and its implementation, which is slated for 2002, will also establish new policy for setting and adjusting entrance fee rates.</p>
<p>Fees should not be set at levels that disenfranchise persons from visiting parks.</p>	<p>Entrance fee free days will continue to be provided. All bona fide educational groups using the parks for educational purposes, children aged 16 and under and Golden Age and Access pass holders will continue to be admitted for free.</p> <p>Visitation statistics will continue to be monitored and evaluated to ensure that fees do not adversely affect visitation.</p>
<p>Provide high quality customer service and public stewardship.</p>	<p>Guidance on desirable project types and emphasis factors will be given in annual project call memos. Projects submitted will be reviewed and screened against established criteria to ensure they promote stewardship and foster high-quality customer service. Surveys, as appropriate, will continue to be conducted to gauge visitor levels of customer satisfaction.</p> <p>Continued improvements in cash register technology and fee collection methods will be made to ensure that visitor fees are collected in an efficient, convenient manner. The NPS Fee Study will establish policy and plans for installing new collection equipment in parks to enhance customer service and better track metrics and statistics for analysis (See Chapter 10). Continued use of signage, brochures and media will educate the public and park visitors about how fee revenue is used to enhance visitor services and protect park resources.</p>
<p>Revenue optimization is important; however it should not be the most important goal of the Fee program.</p>	<p>DO-22 will require a review and approval process and comparability studies for all fees to ensure that rates are not maximized, but are priced reasonably and optimally.</p> <p>The NPS Fee Study will establish new policy and procedures for collecting fees at parks that previously have not collected fees.</p>
<p>Fee rates, structures and pass programs should be rational and understandable by the public</p>	<p>The NPS Fee Study will establish new policy and initiate a pilot program to experiment with per person fee structures. The study will also establish policy concerning the development of consistent fee rates for similar kinds of parks, revising commercial tour fee structures, evaluating the economics and stewardship aspects of the National Parks Pass and the relationship between the Pass and all the other Federal passports (see details in Chapter 10).</p>
<p>Source: NPS</p>	

Table 2.4 Summary of BLM Criteria for Evaluating the Success of Fee Demo Projects	
Category	How category is evaluated
Best practices.	Identification of best practices used at a site and the best practices adopted from elsewhere.
Adequate business plans to support the particular Fee Demo project.	The extent to which the business plan reflects management objectives, visitor needs, economic conditions, and visitor statistics; accuracy of fee collection estimates; how effectively the business plan is used for guiding and directing implementation of the project. Appropriateness of fee schedule and date when schedule was last reevaluated.
Use of Fee Demo revenues and cash management procedures.	Demonstrate that all funds collected are being used to pay for operation, maintenance, improvements, resource protection, law enforcement and interpretation to enhance recreational opportunities and visitor experiences at the site. Documentation that shows appropriate cash management procedures are in place.
Public outreach and communication.	How well the results of the Fee Demo program and expenditures have been shared with the public. Information on current public sentiments about fee schedules. Extent to which interpretation and environmental improvements are being provided at the site.
Source: Recreation Fee Demonstration Management, 2001 Draft Evaluation Guide, BLM.	

USDA FS: Each USDA FS region has a board that oversees its Fee Demo program. These boards conduct periodic reviews of each project in their region. The Washington office also conducts reviews of one or more regions each year. Fiscal reviews of accounting and cash handling are often conducted more frequently than overall project reviews. All aspects of operations are reviewed, including safety, security, adherence to business plans, communicating with visitors and revenue use. Project coordinators must also demonstrate that they have reviewed and updated (as needed) the business plan, communication plan and civil rights impact analysis when they submit their annual report to Congress. National meetings are held annually to discuss best practices, lessons learned and other aspects of the Fee Demo program.

In addition, the USDA FS has established draft objectives to evaluate Fee Demo projects. These objectives, which are currently under review, are shown below in Table 2.5.

FWS: Regional Fee Coordinators conduct visitor services site reviews periodically. As part of these evaluations, the coordinators review the Fee Demo program. If a particular site is not in the program, the coordinator helps the site staff determine whether it is a good candidate. The national fee coordinator will evaluate several of the top revenue collecting sites beginning in FY 2002. These evaluations will continue at different sites in the coming years. Furthermore, fee coordinators and budget staff at the regional and national level review the monthly finance reports for errors in accounting. The team works with the specific sites, the FWS Finance Center and in some cases with the Washington Office Administrative Officer to correct any errors.

The FWS has also contracted with the United States Geological Survey’s Biological Resource Division to conduct annual surveys of FWS Fee Demonstration sites. These surveys focus primarily on the impact fees have on visitors and customer satisfaction. The surveys are discussed in more detail in Chapter 5.

Table 2.5 Draft USDA FS Criteria for Evaluating the Success of the Fee Demo Program	
Objective	Criteria for evaluating objective
Equity	<p>The value of the recreation experience, opportunities and services provided are at least equal to the fees charged. <i>Potential Measure:</i> percentage of user satisfaction with project.</p> <p>Appropriate feedback channels for all interested parties are provided and utilized. <i>Potential Measure:</i> number of channels and percentage used.</p> <p>Fees are designed and set so they do not unfairly discriminate against low income or minority populations. <i>Potential Measure:</i> trend in use by low income and minorities.</p>
Efficiency	<p>Pricing of fees is considered in order to alleviate congestion, increase accountability, provide an incentive for responsible behavior and cover collection costs. <i>Potential Measure:</i> percentage of compliance; trend in distribution patterns.</p> <p>Project or fee permit system addresses public safety, facility maintenance and natural resource concerns. <i>Potential Measure:</i> “meaningful measures”⁵ standards met.</p>
Consistency	<p>Agency fee systems are integrated across agency boundaries where applicable, and coordinated with other agencies.</p> <p>Fee systems, passes, and permits are readily obtainable and user friendly. <i>Potential Measure:</i> visitor satisfaction trends.</p>
Revenue production	<p>Sufficient revenue is generated to cover the planned project operating costs, supplement other sources of funding and enable progress toward project objectives, as determined by meaningful measures standards, in order to deliver the desired recreational experiences, opportunities and services. <i>Potential Measure:</i> “meaningful measures” standards met.</p> <p>Fees supplement appropriated funding, donations, volunteer efforts, and private sector contributions (special use permits, concessions).</p>
Revenue distribution	<p>80 percent or more of the revenue generated by the project is reinvested in the site or project to meet needs as defined by the business plan.</p>
Source: USDA FS.	

Table 2.6 provides an expanded cross-agency comparison of the policies discussed above.

⁵“Meaningful Measures” is a system to set and track quality standards for facilities, settings and services.

Table 2.6 Summary of Agency Policies				
Category	NPS	BLM	FWS	USDA FS
<i>Selection of Fee Demo sites</i>				
Planning process for establishing Fee Demo projects.	<p>Sites submit an implementation plan that includes a description of the new fee or service, how the price was established, collection methods, projected revenues, start-up costs, a communications strategy and how funds can benefit the site.</p> <p>Plans are submitted by Park Superintendents to Regional Directors who review and approve; final review and approval is by the Washington Associate Regional Director for Operations.</p>	<p>Each site is evaluated with respect to its potential to be a successful fee site.</p> <p>A business or activity plan and a communication plan are required for each fee site. The State Recreation Lead reviews the plans and makes a recommendation to the State Director.</p>	<p>Site managers and regional office staff submit a proposal to the regional office for review. Proposal must substantiate that the site can: generate enough revenue to cover fee collection expenses; that there is enough local interest in the activity to justify fees; and the site is considering or attempting an innovative approach to fee collection. Final approval is from the Director.</p>	<p>Business and communication plans are required for each Fee Demo project. A civil rights impact analysis is also required.</p> <p>Headquarters approves project concept; regional boards of directors review business plans; business plans approved by Regional Forester.</p>
Determining fee levels.	Use fees are based on charges for local comparable activities; entry fees are determined administratively and are generally based on fees at similar parks. All fees are reviewed annually.	Fees based on the charges for comparable activities or facilities. Fees reviewed twice-yearly.	Fees based on nearby comparable activities. Managers may also consider cost recovery.	Cost recovery, private sector comparisons, market analysis.
<i>Operational and Spending Issues</i>				
Review process for spending Fee Demo revenues.	<p>The PMIS is used to identify, approve, track projects, and report accomplishments.</p> <p>Approval for Projects Using 80 percent revenue:</p> <ul style="list-style-type: none"> • < \$100,000 approved at the regional level • \$100K - 500K approved by Washington Office or the Assistant Secretary, Fish, Wildlife and Parks • > \$500,000 approved by NPS Developmental Advisory Board, Departmental Budget Office, the Office of Management and Budget, and Congress. <p>Approval for Projects Using 20 percent revenue:</p> <ul style="list-style-type: none"> • < \$100,000 approved by Assistant Secretary, Fish, Wildlife and Parks • \$100K - 500K approved by DOI and Congress • > \$500,000 are also required to provide quarterly status reports 	All spending authorities are at the field office levels. Nothing over \$500,000 to be spent on a single structure.	<p>Regional Fee Coordinators review several Fee Demo projects every year.</p> <p>Additionally, monthly financial statements are reviewed by fee coordinators and regional and national budget staff.</p>	Oversight by a regional board of directors, with Washington office involvement; annual stakeholder report; standard monitoring criteria being developed.

Table 2.6 Summary of Agency Policies				
Category	NPS	BLM	FWS	USDA FS
<i>Operational and Spending Issues</i>				
General guidance on use of fees.	Fee receipts cannot: <ul style="list-style-type: none"> replace appropriated operations funding or be used for housing projects. fund permanent positions not directly related to collection. Fee revenues can only be used for projects on Federal lands.	Fees cannot be offset by a reduction in the recreation budget for the project area; should support BLM's mission; and be spent in the following order: <ul style="list-style-type: none"> at the site of collection; within the field office of collection; and on other high priority recreation sites within the state of collection. 	Fees cannot be used to reduce site budgets. Fees are to be used at the site of collection except for the 20 percent collected in some regions for competitive distribution.	Decisions made locally, guided by business plans, public involvement and project priorities. Oversight by regional board of directors. At least 90 percent of revenue retained at the site; no budget offsets for fees.
Primary use of fee revenues.	Fee Demo projects have emphasized "Safe Visits to Public Lands," infrastructure projects; protection and restoration of historic structures, sites, landscapes and museum objects; disturbed land restoration; exotic species control; baseline inventory and monitoring needed for critical resource protection.	Protection of natural resources; public health and safety; reducing the maintenance backlog; improving visitor experiences	Cost of collections; visitor services improvements; and backlog maintenance projects.	Visitor services; backlogged maintenance and repair, public health and safety.
Cost of collection.	A small share of Fee Demo "80 percent funds" are used to cover cost of collection. Only authorized cost of collection expenses may be funded from 80 percent fee receipts. No site is allowed to spend more than 50 percent of gross revenue for collection costs. All high cost of collection sites must provide an adequate justification. There is an extensive review and approval process for all cost of collection projects.	Fee receipts can be used to cover the cost of collection.	Fee receipts can be used to cover costs of collection.	Fee receipts can be used to cover the cost of collection. Goal is 20 percent or less of revenue.
<i>Operational and Spending Issues</i>				
Use of fee revenues for capital improvements.	Can be used for cost of collection capital projects that directly support fee collection (e.g., entrance stations/related infrastructure, alarm systems, cash register systems, automated fee machines, power and telephone line installation.).	Can be used for capital projects but only after the operating and maintenance needs are met. Can be used for capital projects that support fee collections.	The FWS uses some fee receipts to pay for capital improvements that are directly related to cost of collections or visitor service improvements.	Can be used for capital projects under \$500,000, following business plan objectives and NEPA procedures.
Use of fee revenues for personnel costs.	No permanent positions can be funded except for those directly involved in the collection of fees; cost recovery projects may pay salaries of the personnel providing a new service.	For seasonal employees, law enforcement, personnel associated with fee collection, but not for general overhead.	Fee receipts may be used to cover the cost of new staff hired for collecting entrance fees.	May fund personnel that provide services to the public & direct program management, including fee collection.

IV. CONCLUSIONS

This chapter has summarized the agency-specific guidance developed to implement the Fee Demo program. All agencies have guidelines in place to govern the establishment of Fee Demo projects, and the allocation and spending of revenue. Because one of the major goals of the Fee Demo program was to delegate responsibility for spending fee revenues to project and site managers,



Graffiti removal is just one of the many maintenance needs funded by Fee Demo revenues. Fees have also proven to be effective management tools, eliminating congestion in some areas, encouraging visitor contact and even reducing vandalism.

priority-setting has largely been the authority of these managers. In most cases, project or site managers have established these spending priorities by assessing the needs of the site or by consultation with local user groups and communities. The NPS has developed a more centralized procedure, with priorities set at the park level, reviewed by the regional office and approved or concurred by the Washington office.

The agencies have focused particular attention on establishing policies and procedures for approving and reviewing the use of Fee Demo revenues. Spending review varies by agency, but typically involves multiple levels of the agency. Substantially greater internal review exists for large projects, generally considered to be those costing more than \$500,000. These projects require approval at numerous levels within the agencies as well as from Congress.

Each agency has established its own program for evaluating individual Fee Demo projects. There is some commonality across these evaluation efforts, with all agencies focusing on the important elements in the Fee Demo program:

- Where sufficient revenues are raised to justify having a fee program at a particular site;
- Operational considerations related to cash handling and management; and
- Public acceptance of the fee program at each site.

These evaluation efforts are in different stages for each of the agencies. The agencies recognize that as the program moves forward, some degree of coordination in these areas will be useful.

FEE DEMO REVENUES – MEETING HIGH-PRIORITY NEEDS

I. INTRODUCTION

From the inception of the Fee Demo program, one of the primary objectives has been to raise revenue to eliminate the backlog of deferred maintenance, increase the quantity and quality of visitor services, provide critical resource protection and meet other high-priority needs. President Bush's direction to use fee revenues to eliminate the NPS backlog of deferred maintenance will serve to institutionalize this emphasis. This chapter will address the following:

- Gross and net revenue raised;
- How high-priority needs are being addressed; and
- The tracking systems in place.

II. REVENUES

Information on gross and net revenue generated by agency and project provides a starting point for evaluating the level of impact the Fee Demo program has had on addressing the backlog of deferred maintenance and other needs. One method of evaluating the Fee Demo program is to examine the quantity of revenue raised to address these high-priority needs. Net revenue is an appropriate measure because costs associated with raising revenue, reduce funds available to address the backlog of deferred maintenance and meet other needs. This section will present information on both gross and net revenues.

A. Gross Revenues

Over the first four years of the Fee Demonstration program (FY 1997 to FY 2000), a total of \$572 million was raised. Of this amount, 80 percent was collected by the NPS; 2 percent by the FWS; 3 percent by the BLM; and 15 percent by the USDA FS.

Total gross revenue of the agencies, including non-fee demo receipts, increased by 58 percent in 1997 — the first full year of the Fee Demo program — from \$93.4 million in FY 1996 to \$147.1 million in FY 1997. New and increased fees associated with the Fee Demo program are the primary explanation for this increase in revenue. These new and increased fees presumably resulted from the added incentive the program provides to site managers to raise revenue (whereby at least 80 percent of funds remain at the site of collection) .

Over the FY 1998-2000 period, total gross Fee Demo revenues of the agencies have continued to increase as each agency has approached its full quota of Fee Demo projects (see also Table 2.1). Table 3.1 shows the gross revenues raised during the FY 1994-2000 period, including Fee Demo and non-Fee Demo receipt revenue.

Bureau/Receipt Category	Before Fee Demo			During Fee Demo			
	FY 1994	FY 1995	FY 1996*	FY 1997	FY 1998	FY 1999	FY 2000
NPS							
Non-Fee Demo receipts	75.7	80.5	77.8	77.2	7.5	9.5	5
National Parks Pass [†]	0	0	0	0	0	0	10.1 [†]
Fee Demo receipts	0	0	0	45.1	136.8	141.4	133.6
NPS Totals	75.7	80.5	77.8	122.3	144.3	150.9	148.7
BLM							
Non-Fee Demo receipts	1.8	2.6	3.3	3.2	2.6	1.5	1.1
Fee Demo receipts	0	0	0	0.4	3.5	5.2	7
BLM Totals	1.8	2.6	3.3	3.6	6.1	6.7	8.1
USDA FS							
Non-Fee Demo receipts	10.9	9.5	10	9	5.5	5.4	5.4
Fee Demo receipts	0	0	0.1	9.3	20.8	26.5	31.9
USDA FS Totals	10.9	9.5	10.1	18.3	26.3	31.9	37.3
FWS							
Non-Fee Demo receipts	2.2	2.3	2.2	2.3	0.4	0.3	0.3
Fee Demo receipts	0	0	0	0.6	3.1	3.4	3.4
FWS Totals	2.2	2.3	2.2	2.9	3.5	3.7	3.7
Total, Four Agencies							
Non-Fee Demo receipts	90.6	94.9	93.3	91.7	16	16.7	21.9 [†]
Fee Demo receipts	0	0	0.1	55.4	164.2	176.5	175.9
Totals For All Agencies	90.6	94.9	93.4	147.1	180.2	193.2	197.8
*Although the program was authorized in 1996, 1997 was the first full year of operation							
†National Parks Pass proceeds are included in totals with non-Fee Demo revenues							
Source: Annual reports to Congress							

A detailed breakdown of NPS gross revenue, Fee Demo and non-Fee Demo, for FY 1994 and FY 2000 is available in Table 3.2. From FY 1994 to FY 2000, gross fee revenues increased by \$73.4 million; the percentage of daily entrance fees decreased slightly; the percentage of use fees increased slightly; and the percentage of revenue from passes increased slightly. At least part of the explanation for this shift in the distribution of revenues lies in the increase in the number and levels of use fees. The increased percentage of pass revenue is due primarily to the increased unit price of the Golden Eagle Passport and the implementation of the National Parks Pass.

Fee type		FY '94 (\$millions) (percent of total)	FY '00 (\$millions) (percent of total)
Entrance fees	Daily admission	42.7 (56.4%)	73.8 (49.5%)
	Park-specific passes	1.9 (2.5%)	5.3 (3.6%)
	Golden Eagle Passports, National Park Passport, and hologram upgrades	5.0 (6.6)	13.4 (9.0%)
	Golden Age Passports	1.4 (1.8)	2.5 (1.7%)
Use fees		24.7 (32.6)	54.1 (36.3%)
Total		75.7	149.1*
* FY 2000 gross fee revenue includes small office receipts, such as those from regional headquarters and support offices that are not included in other total revenue figures. Source: NPS			

B. Net Revenues

1. Introduction

Net revenue is the difference between total revenue and expenses associated with the cost of collection (i.e. operating costs and capital investment).⁶ Net revenue is a standard measure of financial performance. Overall, expenses associated with the cost of collection are a relatively small percentage of gross revenue.

2. Collection Costs: Capital and Operating Expenses

The agencies incur costs in collecting fee revenues. These costs fall into two general categories: operating costs, such as personnel, and capital costs. Capital costs may be incurred in establishing new fee collection facilities at a site, upgrading existing facilities or in otherwise making investments in fee collection equipment.

⁶In order to include capital costs in the annual net revenue calculations discussed in Table 3.3, the capital costs incurred at each Fee Demo site were converted to annual values by amortizing them using a discount rate of 6 percent and an investment period of 20 years.

The capital and operating costs incurred by each agency over the FY 1998 - 2000 period are shown in Appendix 2. Total *capital* costs during that period were \$7.5 million. Total *operating* costs were about \$95 million throughout the FY 1998 - 2000 period. The NPS incurred 74 percent of the capital costs and 78 percent of the operating costs associated with Fee Demo projects. These percentages are expected as the NPS is responsible for approximately 80 percent of the total gross revenue for the Fee Demo program.

Aggregate operating costs and annualized capital investment expenses for the four agencies' Fee Demo sites constitute the following percentages of total gross revenues: 33.7 percent in FY 1997; 16.7 percent in FY 1998; 18.9 percent in FY 1999; and 19.8 percent in FY 2000. The four-year average across all agencies was 20 percent.

Collection costs vary considerably across sites. Nearly all of the Fee Demo projects have positive net revenues; however, in a few cases Fee Demo projects have experienced negative annual net revenues. There are several possible explanations, including capital investment; temporary, unexpected or unforeseen events that reduced visitation below expected levels. Site managers may be willing to tolerate low or negative net revenues, at least in some years, if there is a causal relationship between the fee program and other benefits such as reduced vandalism, reduced operations and maintenance costs, or increased contact with visitors. Cutting costs, increasing revenues or other changes in the way the fee program is administered could make negative net revenues positive. Projects experiencing negative net revenues are being evaluated to determine why such a situation has occurred. In some cases, negative net revenue sites have been removed from the Fee Demo program.

Policies categorizing and identifying collection costs vary by agency. This issue should be addressed by the Recreation Fee Leadership Council discussed in chapter 10.

C. Gross and Net Revenue of the Land Management Agencies

Table 3.3 summarizes each agency's gross and net revenue raised by the Fee Demo Program from FY 1997 to FY 2000. The following section discusses each agency's revenue data in detail.

Agency	FY 1997		FY 1998		FY 1999		FY 2000*		Total ('97-'00)	
	Gross	Net*	Gross	Net*	Gross	Net*	Gross	Net*	Gross	Net*
NPS	45.1	30.5	136.8	114.7	141.4	115.3	133.6	107.4	456.9	368.0
BLM	0.4	-0.2	3.5	2.5	5.2	3.4	7.0	5.3	16.1	11.0
USDA FS	9.3	5.8	20.8	17.5	26.5	21.6	31.9	26.0	88.5	70.8
FWS	0.6	0.6	3.1	2.1	3.4	2.8	3.4	2.4	10.5	7.9
Total	55.4	36.7	164.2	136.8	176.5	143.1	175.9	141.1	572.0	457.7

*Net revenues include operating expenses and capital costs amortized at a 6% discount rate over a 20-year period.
Source: Annual Recreational Fee Demonstration Reports to Congress, FY 1997 - 2000.

NPS: In FY 2000, gross NPS Fee Demo collections were \$133.6 million. After collection costs, fee receipts totaled \$107.4 million. Both gross and net revenue have stayed relatively steady from FY 1998 to FY 2000. This relatively constant revenue figure is to be expected, as the NPS reached and maintained its Fee Demo project quota of 100 early in the program's implementation phase (see also Table 2.1).

It is worth noting that in FY 2000, the top ten NPS Fee Demo sites generated 56 percent of the total revenue. Figure 3.1 illustrates the revenue of these sites. Average net revenue varied considerably across NPS Fee Demo sites depending on site characteristics of the particular Fee Demo project. For example, in FY 2000 major destination parks had an average net revenue per site of \$1.5 million. Average revenues for all other types of sites were noticeably lower. Appendix Table 4.1A displays a distribution of net revenue by park type.

BLM: Gross BLM Fee Demo revenues increased from \$3.5 million in FY 1998 to \$7 million in FY 2000. During that same period, net revenues increased from \$2.5 million to \$5.3 million. The top ten BLM Fee Demo projects represented 65 percent of total net revenue in FY 2000 (see Figure 3.2). Net revenues have varied across projects, with some sites experiencing negative net revenues in some years. The average net revenue per BLM Fee Demo project in FY 2000 was \$51,000. Appendix Table 4.2 A shows the distribution of net revenues for BLM sites for FY 1998 - 2000.

USDA FS: Between FY 1998 and FY 2000, gross Fee Demo revenues for the USDA FS increased from \$20.8 million to \$31.9 million, and net revenues increased from \$17.5 million to \$26 million. Net revenues vary across projects. For projects that charged a fee for entry or use, the average net revenue per Fee Demo project in FY 2000 was about \$250,000. In FY 2000, the top ten Fee Demo projects generated about 39 percent of total net revenue (see Figure 3.3). Appendix Table 4.3A presents the distribution of revenues across USDA FS Fee Demo projects.

FWS: Gross Fee Demo revenues increased from \$3.1 million in FY 1998 to \$3.4 million in FY 2000. Over the same period, net revenues from the Fee Demo program increased from \$2.1 million to \$2.4 million. Here again, a small number of projects generate the majority of Fee Demo revenues. In fact, the top ten FWS Fee Demo projects generated about 63 percent of the total net revenue in FY 2000 (see Figure 3.4). Net revenues have varied across projects, with some sites experiencing negative net revenues in some years. The average FWS Fee Demo project had annual net revenues of about \$25,000 in FY 2000 (with a standard deviation \$63,000). Appendix Table 4.4A shows the distribution of net revenues across FWS projects for FY 1998 - 2000.

Figure 3.1: FY 2000 Net Revenue
Net Revenue of Top 10 NPS Sites

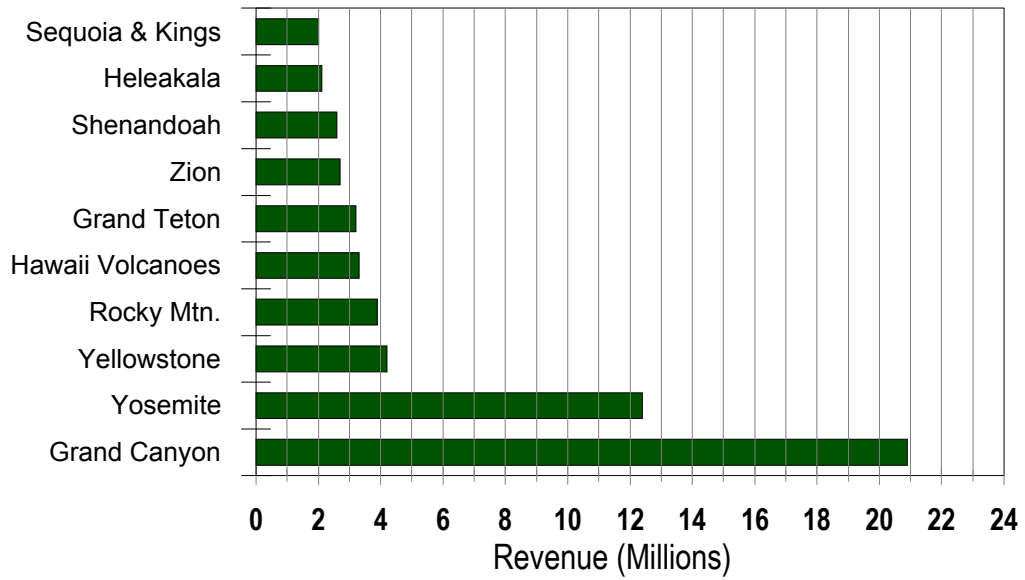


Figure 3.2: FY 2000 Net Revenue
Net Revenue of Top 10 BLM Sites

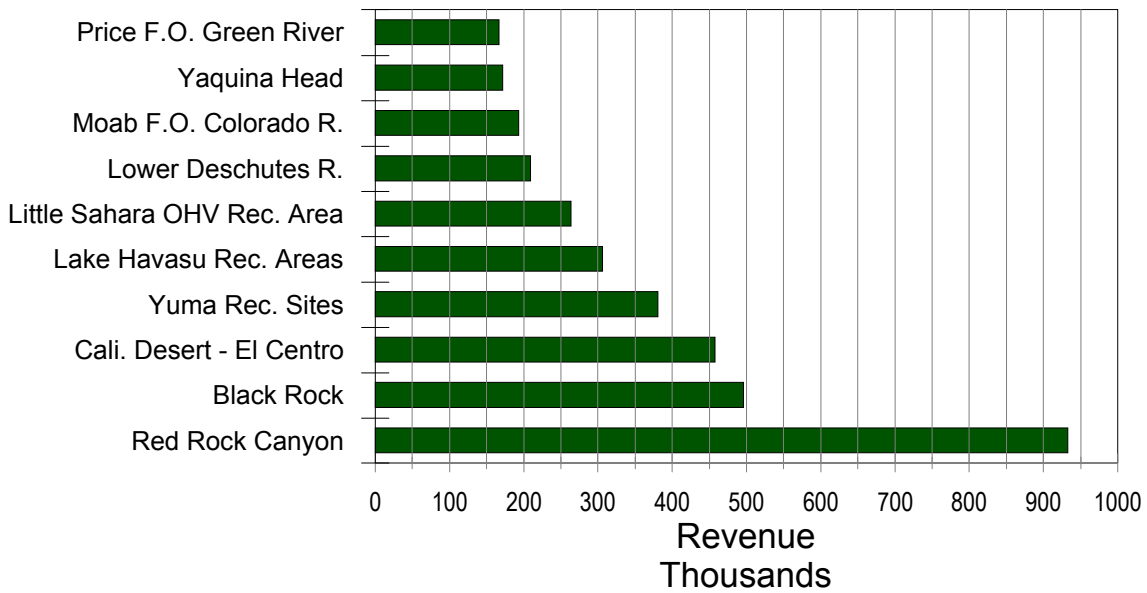


Figure 3.3: FY 2000 Net Revenue
Net Revenue of Top 10 USDA FS Sites

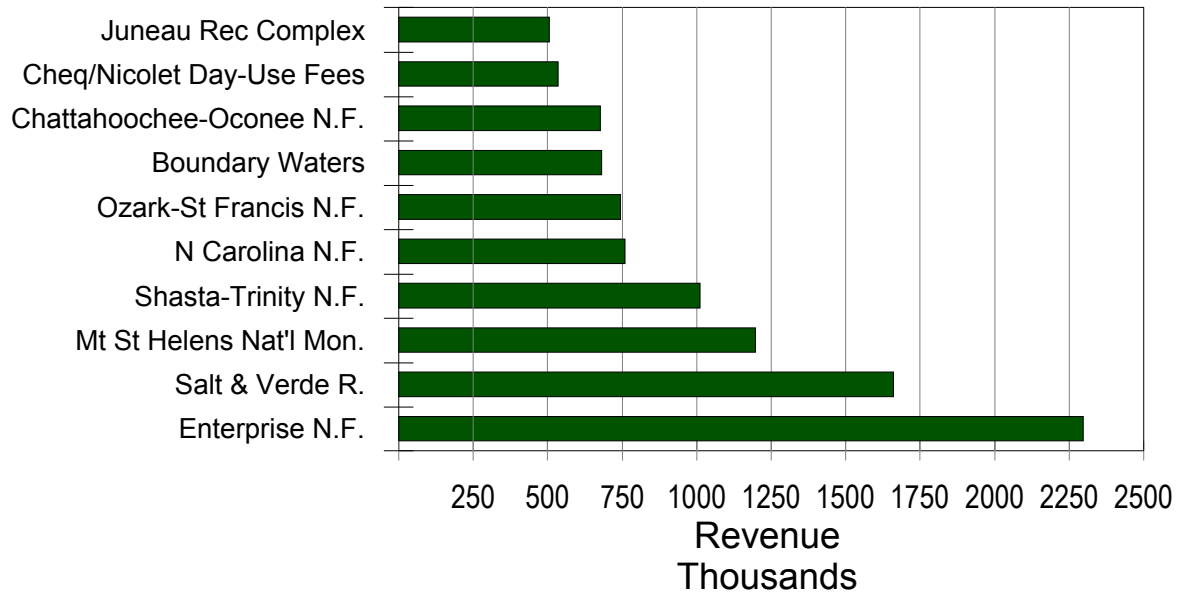
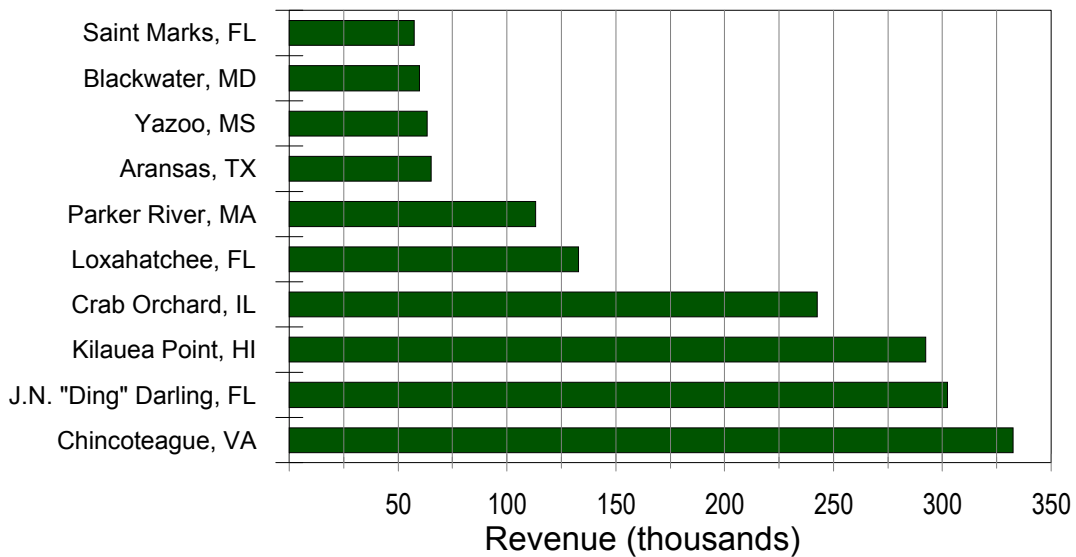


Figure 3.4: FY 2000 Net Revenue
Net Revenue of Top 10 FWS Sites



III. ADDRESSING HIGH-PRIORITY NEEDS

A. Obligations

The agencies are improving how quickly recreation fee revenues for projects are approved and obligated. Table 3.4 presents information on obligations. Total obligations went from \$110 million in FY 1999 to \$126 million in FY 2000 - an increase of 13 percent. At the end of FY 2000, about 55 percent of the total Recreation Fee receipts had been obligated, compared to 48 percent at the end of FY 1999. By the end of FY 2000, the NPS had obligated 50 percent of its cumulative receipts (up from 43 percent), the FWS had obligated 70 percent (up from 62 percent), the BLM had obligated 73 percent (up from 64 percent), and the USDA FS had obligated 76 percent (up from 74 percent).

For the NPS, the complexities of designing, planning, and seeking approval for large projects (i.e. visitors centers or any other permanent structures) exceeding \$500,000 have noticeably impacted obligation rates. Because each step of such large projects takes a substantial amount of time (the approval process may take 2 to 3 years), many large projects have yet to be obligated. NPS will continue to see obligation rates increase as these large project actions are implemented

B. How Fee Demo Revenues Have Been Spent

1. Introduction

There are a number of ways to analyze how Fee Demo revenues have been spent. This section will analyze projects based on the project category (visitor services, resource protection, health and safety maintenance, and other) and the cost category (under \$100,000, \$100,000 to \$500,000, and above \$500,000). Additionally, the distribution of 20 percent funds will be examined.

2. Spending by Project Category

Each of the land management agencies tracks obligations by project category. The NPS, BLM and FWS have endorsed a four-category sorting system (excluding cost of collection). The USDA FS uses a nine-category system (excluding cost of collection). For the purposes of this report, the USDA FS has aggregated its nine categories into four. The project categories include: visitor services, resource protection, health and safety maintenance, and other.

Figures 3.5, 3.6, 3.7, and 3.8 illustrate agency net revenue obligations for FY 1998 through FY 2000 by project category. Appendix 5 offers an annual breakdown of agency spending by category and a detailed description of the categories.

Table 3.4 Obligation of Recreation Fee Demonstration Program Revenue (\$millions)

Bureau	Fiscal Year (FY)				
	1997	1998	1999	2000	Total '97-'00
NPS					
Fee Demo Revenues	45.1	136.8	141.4	133.6	456.9
Unobligated Balance Brought Forward and Recoveries	NA	40.2	125.8	187.4	
Funds Obligated	6.5	51.3	80.9	91.5	230.2
Unobligated Balance	38.6	125.8	186.2	229.6	
BLM					
Fee Demo Revenues	0.4	3.5	5.2	7.0	16.1
Unobligated Balance Brought Forward and Recoveries	0.0	0.2	2.2	3.3	
Funds Obligated	0.2	1.5	4.1	5.9	11.7
Unobligated Balance	0.2	2.2	3.3	4.5	
USDA FS					
Fee Demo Revenues	9.3	20.8	26.5	31.9	88.5
Unobligated Balance Brought Forward and Recoveries	0.043	5.2	11.0	14.6	
Funds Obligated	4.1	15.0	22.9	25.6	67.6
Unobligated Balance	5.2	11.0	14.6	20.9	
FWS					
Fee Demo Revenues	0.6	3.1	3.4	3.4	10.5
Unobligated Balance Brought Forward and Recoveries	0.0	0.4	1.9	2.8	
Funds Obligated	0.2	1.6	2.6	3.0	7.4
Unobligated Balance	0.4	1.9	2.7	3.3	
Total, Four Agencies					
Fee Demo Revenues	55.4	164.2	176.5	175.9	572.0
Unobligated Balance Brought Forward and Recoveries	0.043	46.0	140.9	208.1	
Funds Obligated	11	69.4	110.5	126.0	316.9
Unobligated Balance	44.4	140.9	206.8	258.3	

Source: Annual Reports to Congress

Figure 3.5: NPS Fee Demonstration Project Obligations of Net Revenue by Project Category, FY 1998 - 2000

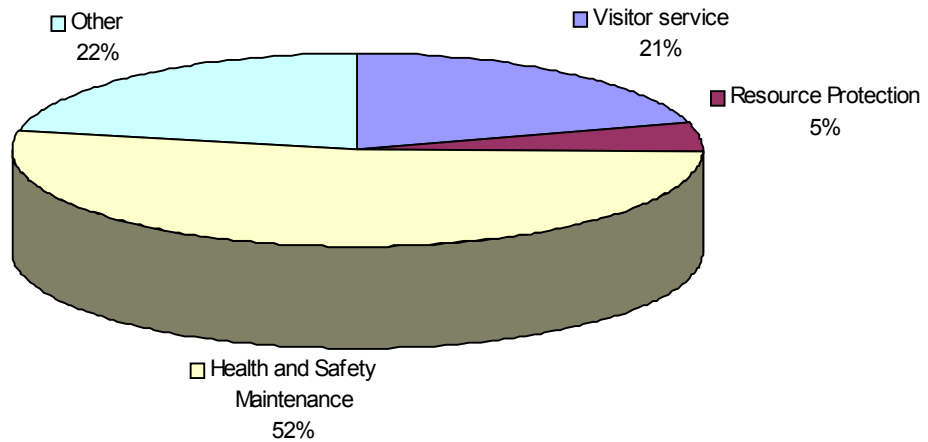


Figure 3.6: BLM Fee Demonstration Project Obligations of Net Revenue by Project Category, FY 1998 - 2000

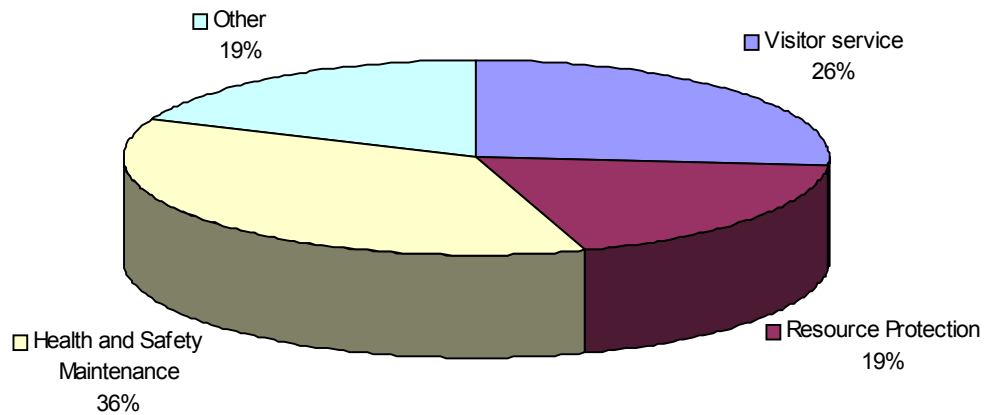


Figure 3.7: USDA FS Fee Demonstration Project Obligations of Net Revenue by Project Category, FY 1998 - 2000

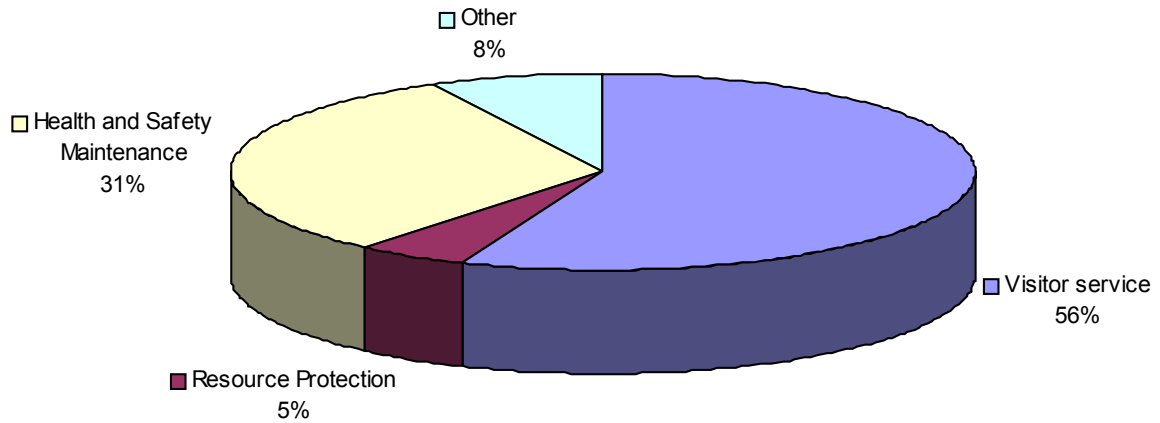
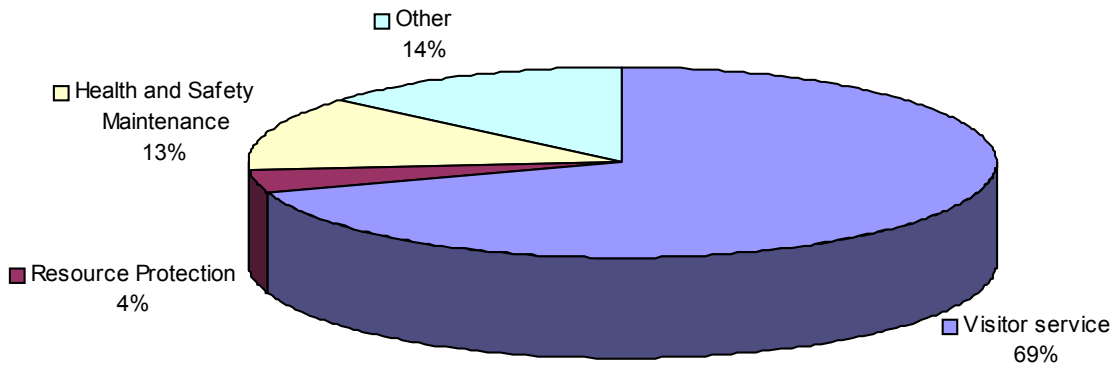


Figure 3.8: FWS Fee Demonstration Project Obligations of Net Revenue by Project Category, FY 1998 - 2000



3. Projects by Category

Analyzing projects by cost category illustrates several important points. First, a majority of the projects are small. Because small projects are easy to design, plan, approve, and complete, funding projects under \$100,000 has led to immediate results on the ground. Second, a limited number of large projects (over \$500,000) represent a significant portion of the total cost of Fee Demo projects. Table 3.5 illustrates Fee Demo projects sorted by cost category for NPS. In the NPS, projects that exceed half a million dollars represent 2 percent of the number of projects, but 27 percent of the dollars.

	Number Of Projects	Dollar Amount	% of Dollar Amount	% of Number of Projects
NPS TOTAL	3,079	\$394,834,991	100%	100%
Projects over \$500K	50	\$106,707,985	27%	2%
Projects between \$100K & \$500K	884	\$211,426,672	54%	30%
Projects less than \$100K	1,988	\$76,700,334	19%	68%

Source: NPS

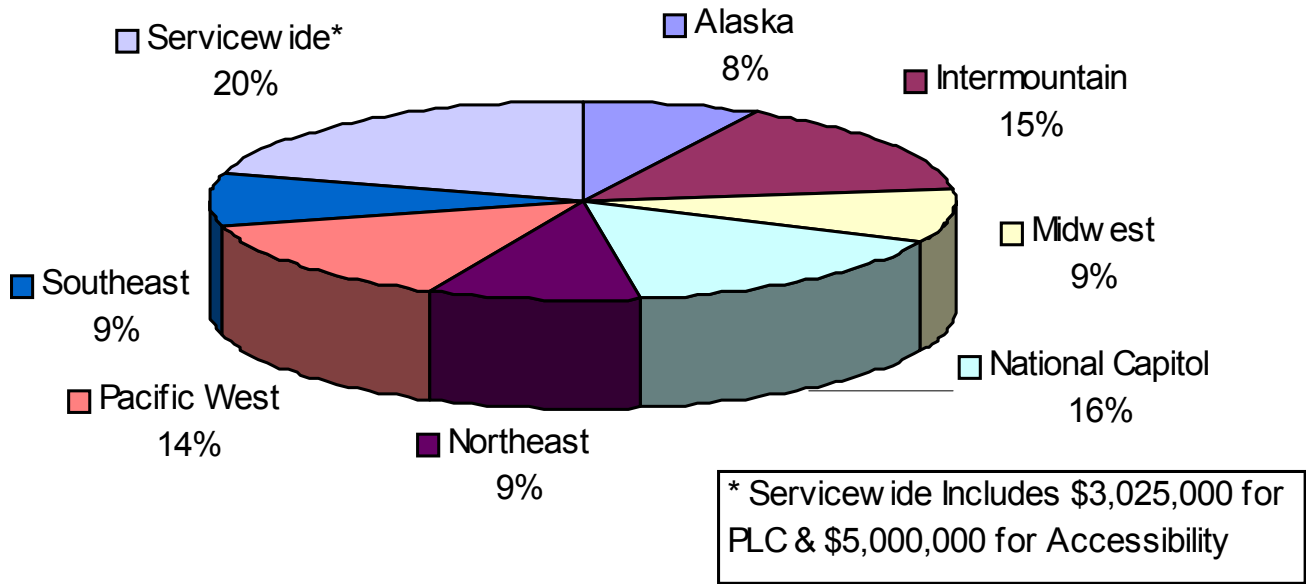
4. Regional Distribution of 20 Percent Revenue

While 80 percent of funds remain at the site where they are collected, up to 20 percent may be allocated through a competitive process either regionally or nationally. The NPS Director distributes the 20 percent funds collected nationally for service-wide and non-Fee Demo park projects. The BLM retains 100 percent of Fee Demo revenue at the site of collection. The USDA FS retains 90-100 percent of revenues at the site of collection. In some regions of the FWS, 100 percent of revenue remains at the site of collection, and in other regions a portion of Fee Demo revenue remains within the region of collection for distribution on a competitive basis or to address high-priority needs (See Chapter 2 for more information on “Agency- Specific Guidance on the Expenditure of Fee Demo Revenue”).

Figure 3.9 illustrates the NPS’s 20 percent funds approved project dollars by region. Figure 3.10 illustrates the number of NPS approved projects in each region funded by 20 percent revenue.

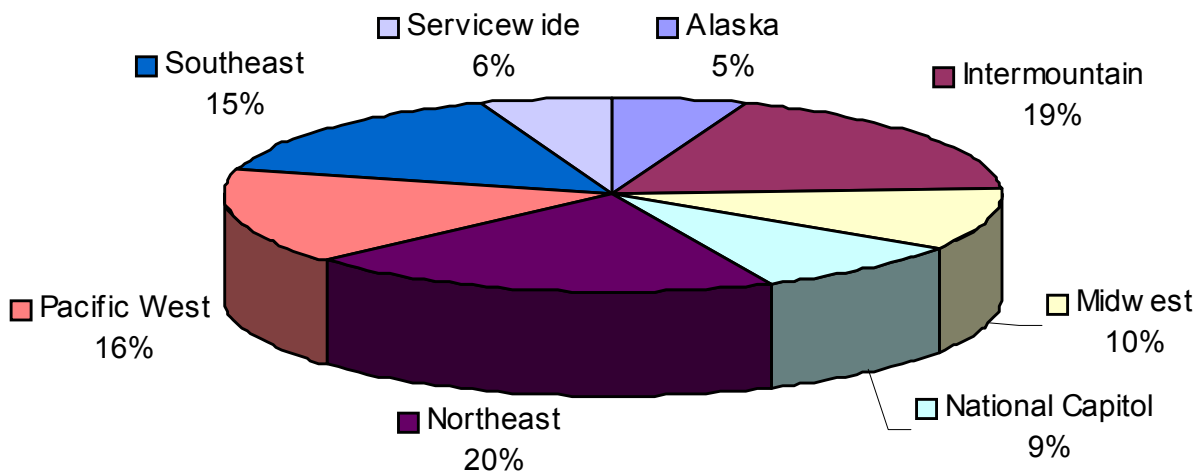
**Figure 3.9: NPS 20% Approved Project Dollars by Region
FY 1997-2000**

Total Amount Approved 1997-2000: \$88,892,810



**Figure 3.10: Number of 20% NPS Approved Projects By Region
FY 1997--2000**

Total Number of Approved Projects: 830



C. Deferred Maintenance

From the Fee Demo program's inception, one of the primary objectives has been to raise revenue to eliminate the backlog of deferred maintenance. The President's recent directive to use fee revenues to eliminate the NPS backlog of deferred maintenance has reinforced this priority. Thus, each of the land management agencies has taken steps to ensure that an appropriate proportion of Fee Demo revenues are spent on deferred maintenance. The NPS reports that 69 percent of all revenue approved for Fee Demo projects has been spent on deferred maintenance projects (\$274 of \$395 million). Corresponding data for the BLM, USDA FS and FWS were not available at the time of publication. Figure 3.11 illustrates Fee Demo revenue approved for deferred maintenance projects as a percentage of all Fee Demo-approved projects for NPS.

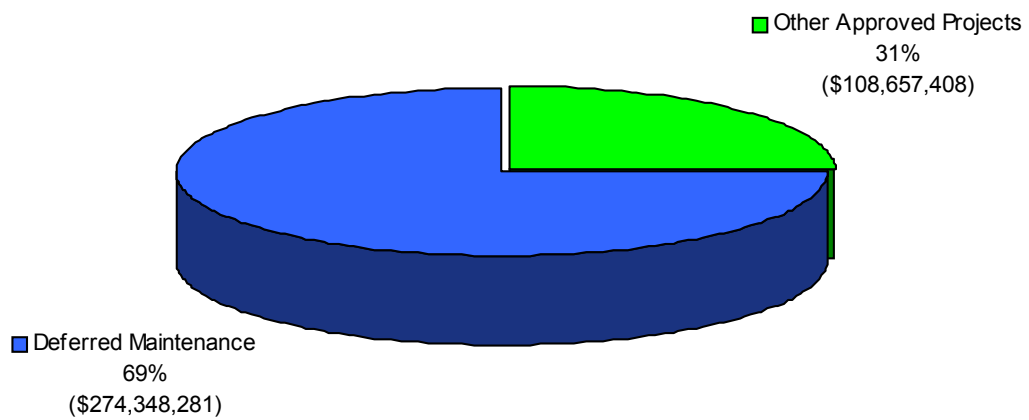


Personnel shortages at Castillo De San Marcos National Monument prevented staff from being able to maintain the fort walls. In 1999, the park was able to use \$85,000 from fee-generated revenue to remove vegetation from the walls.

The agencies also devote substantial resources from appropriated funds to maintenance activities. In FY 2000, the BLM spent about \$57.2 million on maintenance. Of this about 38 percent was spent on reducing the backlog of deferred maintenance. In FY 2000, the FWS spent about 53.5 million on maintenance. Of this amount, about 62 percent was spent on deferred maintenance.

Responding to congressional and administrative concern, in FY 2000 the Department of the Interior's land management agencies began implementation of a Five-Year Deferred Maintenance and Capital Improvement Plan. This Five-Year Plan creates a system that ranks and prioritizes projects by considering critical deferred maintenance needs in health and safety, resource protection, and bureau mission. Capital improvements not related to health and safety or resource protection are funded only in exceptional situations. Use of a common set of definitions among NPS, BLM, and FWS for "maintenance," "annual maintenance," "deferred maintenance," "repair," "rehabilitation," and "replacement" allow Interior to present a more consistent view of its resources, capital investments, goals and needs. The Five-Year Plan is updated and extended each fiscal year to reflect changes in need over time. The NPS is drawing on the success of the multi-agency Five-Year Plan and creating a Three Year Plan for Fee Demo spending on deferred maintenance.

Figure 3.11: NPS Approved Fee Demonstration Projects
(Deferred Maintenance Fee Demo Approved Projects vs. Other Approved Projects)
Data reported to the Project Management Information System (PMIS)
FY 1997 - 2000



IV. TRACKING SYSTEMS FOR FEE DEMO PROJECTS

NPS: At the beginning of the Fee Demo program the NPS instituted the use of computerized software to identify, approve, formulate and track projects. Although NPS anticipated substantial revenues and a large number of projects to manage, the initial software did not meet the agencies documentation needs. In 1998, the NPS implemented the use of Project Management Information System (PMIS), an Internet-based software program that allows parks to identify projects and allows the region as well as the Washington Office to approve the proposed use of Fee Demo revenues. PMIS continues to be updated and enhanced as important issues are identified by DOI, OMB and other auditors. Although PMIS is utilized for all projects regardless of the funding source, the most recent estimate in November 2000 suggests that 60% of the projects are primarily for Fee Demo and Repair/ Rehabilitation. The most recent version of PMIS includes the prioritization of projects regardless of the source of funds, with a Service-wide consistent banding and a park-specific numeric priority. It also includes the ability to show multiple-year and multiple-fund source formulation for a project. Because the software was built over time, certain data fields are not consistent throughout the database. For example, the FY 2000 addition of the account number in the funding information is not available for previously funded projects. There is an additional problem with incomplete and inaccurate data entry. The NPS is working to interface the software with an enterprise environment with greater accountability.

BLM: The BLM Management Information System (MIS) tracks the financial expenditures of all projects. The Recreation Management Information System (RMIS) is used to manage recreation programs in the Bureau.

USDA FS: Field Managers track projects through completion using individual accounting systems. The agency's financial system is not used because it does not employ the expenditure categories authorized in the Fee Demo legislation. The USDA FS is considering adoption of the agency's FFIS financial system to track expenditures. When fully functional, the agency's meaningful measures standards, as defined in Table 2.5, will provide the best means of measuring project needs and accomplishments.

FWS: The FWS has two File Maker Pro databases that track its priority projects and needs: the Refuge Operating Needs System (RONS) and the Maintenance Management System (MMS). The RONS database provides a site-specific list or data set of the operational priorities of the National Wildlife Refuge System. Similarly, the MMS database contains the FWS's maintenance priorities. These databases are accessible to the staff of field stations, the Regional Offices and the FWS headquarters. Staff at each level have input and may review the priorities for staffing and other operational needs, as well as for equipment replacement and maintenance backlog.

V. CONCLUSIONS

This chapter has presented information on the gross and net revenues raised, how the revenues have been spent, and the tracking systems in place for Fee Demo projects and needs. By analyzing each of these categories, this chapter has provided important information as to the impact the Fee Demo program has had on the backlog of deferred maintenance and other high priority-needs. Additional detailed materials on revenue and expenses are available in the appendix of this report.

Over the first four years of implementation, the Fee Demo program has raised \$572 million in gross revenue. Collection costs have averaged 20 percent across all agencies for the four year period. Taking into account operating expenses and capital costs, the Fee Demo program has a net revenue of \$457.7 million. Each agency's percentage of gross Fee Demo revenue is as follows: NPS, 80 percent; BLM, 3 percent; USDA FS, 15 percent; and FWS, 2 percent.

Cumulatively, the land management agencies have obligated 55 percent of the gross revenue for Fee Demo projects. These projects fall into a variety of categories including: Visitor Services, Resource Protection, Health & Safety Maintenance, and Other. The distribution of obligation within each category varies widely by agency. A majority of approved projects are small (under \$100,000) and easy to design, plan, approve, and complete, resulting in rapid results on the ground. Perhaps most importantly, a majority of approved projects address the backlog of deferred maintenance. The NPS reports that over two thirds of approved projects are for deferred maintenance.

To ensure that the revenue is spent efficiently and effectively, each agency has either implemented a complex tracking system or adopted one already used and endorsed by the agency in other areas. Within each agency, the systems in place continue to grow and evolve as the number of projects escalate and the data requirements further develop.

Fee demo revenue is being used to meet high-priority needs that both directly and indirectly improve visitor experiences at recreation sites. This spending meets the agencies' primary objectives of eliminating the backlog of deferred maintenance, increasing the quantity and quality of visitor services, providing critical resource protection and meeting other high-priority needs.

EXPERIMENTATION

I. INTRODUCTION

This chapter discusses experimentation during the Fee Demo program, including the types of fees the agencies have selected, the collection methods employed, and the use of fees as a management tool.

II. TYPES OF FEES

The agencies have experimented with a variety of fees. Table 4.1, compiled from information in the November 2001 GAO report, identifies the types of fees in the program. Most of the fees identified in the table are use fees. While many of these types of fees had been used on a limited basis by the agencies in the past, the Fee Demo program has provided an opportunity to test these types of fees on a much wider scale. It is difficult to identify all locations where one or more of these fees might be appropriate, because not every type of fee is suitable for every agency. However, what is most notable is that in virtually every category, the agencies significantly increased the number of applications of each type of fee relative to the pre-Fee Demo situation. The number of different applications of use fees increased from 64 to 259, confirming that the agencies actively sought to implement and test new fees to achieve the objectives of the Fee Demo program.

III. COLLECTION METHODS

The agencies have relied on a variety of ways to collect fees, ranging from traditional methods of payment, such as cash entry stations and self-service honor systems, to innovative methods such as credit cards, the Internet, toll-free numbers and off-site private vendors that sell passes.

The collection methods used by each agency are largely a function of the characteristics or existing infrastructure of an area. For example, if a site has a limited number of access points, payment is usually collected at an entry station. Use fees are also charged at an access point or point of use if such points are clearly definable. Heavy traffic access points are good candidates for person-to-person payment methods. Self-service honor systems may be more appropriate for isolated, less-used areas. Tables 4.2 and 4.3 illustrate the method of collection employed by each agency for entry and use fees.

New and innovative methods of collection are discussed in depth in the 2001 GAO Fee Demo report. While GAO found that “more can be done to offer visitors a wider variety of options in paying recreation fees,” GAO also noted the increase in the use of technologies in fee collection. Sites accepting credit cards for entry and use fees are up from 12 to 38 and 12 to 36 respectively. The number of sites offering automated fee machines for entry and use fees has risen from 1 to 10 and 1 to 20 respectively (the use of automated fee machines is discussed in depth below). The number of sites offering payment via the Internet for use fees has increased from 3 to 25. Tables 4.2 and 4.3 illustrate GAO’s findings in greater detail.

Table 4.1 Types of Recreation Fees at Fee Demo Projects

Type of Fee	Number of Applications									
	NPS		BLM		USDA FS		FWS		TOTAL	
	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo
Entrance fee for a site	63	69	6	11	4	11	26	35	99	126
Use Fees, Non-Entrance ^a	27	70	11	76	20	59	6	54	64	259
-Back-country use or reservations	10	18	2	13	3	11	0	2	15	44
-Boat launch or docking	7	10	2	9	8	14	1	5	18	38
-Camping	5	43	4	52	13	38	0	3	22	136
-Cave tour	1	5	0	0	0	2	0	0	1	7
-Climbing	0	0	0	3	5	6	0	0	5	9
-Hiking	1	1	2	12	4	6	0	3	7	22
-Historic site	2	5	1	4	3	3	0	0	6	12
-Hunting or fishing fee	2	3	2	9	8	11	4	44	16	67
-Interpretive	4	18	0	4	4	12	0	3	8	37
-OHV/ORV	0	0	1	9	7	11	0	4	8	24
-Parking	3	4	1	11	12	33	0	1	16	49
-Picnic site	3	6	2	17	8	15	0	1	13	39
-Rafting	1	2	2	8	2	5	0	0	5	15
-RV dumping fee	5	7	3	11	2	4	0	0	10	22
-Trailhead	1	1	0	4	6	14	0	1	7	20
-Other	5	18	6	41	12	34	2	9	25	102
Total number of sites providing data	96	96	91	91	75	75	84	84	346	346

^a Because there is often more than one type of fee charged at a site, the total number of use fees may add up to more than the total number of sites.

Source: Compiled from GAO, 2001. (Survey of site managers)

Table 4.2 Innovative Methods Used to Collect Entry Fees Pre and Post Fee Demo										
Methods used to collect entry fees	Number of applications									
	NPS		BLM		USDA FS		FWS		Total	
	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo
Credit card payment at an entrance station or central point collected by an employee	12	33	0	1	0	3	0	1	12	38
Automated collection machine	1	8	0	0	0	1	0	1	1	10
Toll-free telephone numbers	1	3	0	0	0	0	0	0	1	3
Internet	0	2	0	0	0	0	0	0	0	2
Vendors, interpretive associations, retail outlets\ or other outside groups	1	10	0	2	0	2	0	1	1	15
Total number of sites responding to the survey question	63	69	6	11	4	11	26	35	99	126
Source: GAO, 2001 (Survey of site managers).										

Table 4.3 Innovative Methods Used to Collect Use Fees Pre and Post Fee Demo										
Methods used to collect use fees	Number of applications									
	NPS		BLM		USDA FS		FWS		Total	
	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo	Pre-Fee Demo	Fee Demo
Credit card payment at an entrance station or central point collected by an employee	6	21	4	6	2	7	0	1	12	35
Automated collection machine	3	13	0	1	0	6	0	0	3	20
Toll-free telephone numbers	7	14	0	2	10	12	0	0	17	28
Internet	1	11	0	2	2	12	0	0	3	25
Vendors, interpretive associations, retail outlets or other outside groups	2	4	2	5	4	25	0	2	8	36
Total number of sites responding to the survey question	57	70	66	76	46	59	37	54	206	259
Source: GAO, 2001 (Survey of site managers).										

Collectively, the agencies have made substantial efforts to experiment with new ways of collecting fees to improve cost efficiency and enhance customer service. The agencies will continue, as appropriate, to expand the use of automated technologies, Internet sales and toll-free telephone numbers for fee collection.

However, in some cases it is desirable to utilize uniformed personnel for the collection of fees — even at a high cost — when it achieves additional management objectives, such as providing orientation, information and regular contact with visitors. For this reason, at a number of sites, agencies have made the decision not to install automated fee collection machines (see agency guidelines on this subject.) Entrance stations, at sites where this is the case, are typically staffed from early morning until late at night.

IV. USE OF TECHNOLOGY

A. Electronic Fee Collection Machines

Two agencies — the USDA FS and the NPS — have been engaged in extensive efforts to test electronic fee collection machines. The BLM has also installed 17 fee collection machines at one high-visitation location.

NPS: Fee collection machines are generally used to sell daily and annual entry passes, camping permits and boat launching permits. Since 1997, the NPS has experimented with the use of automated fee collection machines in a variety of locations. Currently the NPS has a total of 68 automated fee collection machines. The machines typically have the ability to accept cash and provide change for payment of an entry or use fee. At some installations, the fee machines also accept credit cards. Appendix 7 provides summary information on the number of machines in each park, how the machines are used and how well the machines have functioned.

Most of the fee machines were purchased centrally and distributed to interested parks as part of the Fee Demo program. The unit cost of each machine was approximately \$25,000. Since parks were not required to bear the capital costs associated with acquiring the machines, the only costs were startup expenses and annual operation and maintenance (O&M) costs. Startup costs varied considerably depending on the facilities needed. These costs ranged from hundreds of dollars to as much as \$80,000 in one instance where power lines and related infrastructure needed to be installed. Annual O&M costs have averaged \$10,000. Assuming capital costs of \$25,000, other startup costs of \$10,000 and annual operating costs of \$10,000, the annualized cost of a fee machine (using a discount rate of 7 percent) would be about \$18,500. Thus, at least this much revenue would have to be generated in the first year to justify installing a fee machine.

In order to evaluate the performance of the automated fee collection machines, data were collected on the machines currently in use at Fee Demo parks. Parks with automated collection machines were asked to supply information on the capital costs and annual direct FY 2000 operating costs. Gross FY 2000 revenue information was also obtained for each machine. Capital costs were converted into annualized costs by amortizing over a ten-year period using a 6 percent discount rate. Net annual

revenues were calculated by taking the difference between gross annual revenues and costs. Appendix 7 presents detailed results from this analysis.

The automated fee machines appear to be very cost effective at most locations. For example, the three fee machines at Glen Canyon accounted for nearly \$350,000 in net revenues in FY 2000. This amount represented about 16 percent of Glen Canyon's gross revenue that fiscal year. Most other locations where automated fee machines were installed had positive net revenues in FY 2001 that ranged on average from around \$10,000 to \$70,000. The NPS did not experiment with turnkey rental agreements of automated fee machines because of the high overhead costs, which typically accounted for approximately 50 percent of receipts collected.



A visitor at the Sand Dunes Recreation Area in California uses an automated pay machine. This site has automated pay stations throughout the Dunes for customer convenience, including a number of disabled accessible machines.

Some data suggest that certain locations are not cost-effective installations, at least in terms of generating positive net revenues. Fee machines at Lake Roosevelt, Sleeping Bear Dunes and Bighorn Canyon generated negative net revenues. The explanation for these results is not entirely clear. At Bighorn Canyon, operational problems with the fee machines are the likely cause. Anecdotal information suggests that individuals visiting Lake Roosevelt found the machines difficult to use; however, cash boxes left in place next to the fee machines may have resulted in a diversion of the revenues. The

fee machines appear to have had few operational problems at Sleeping Bear Dunes and were well accepted by the public. However, the machines are used only during June - August, which likely caused the low net revenues.

The NPS staff believes that in most instances where fee machines have been installed, they assist in fee collection efforts by helping to handle peak visitation situations or by being available after hours. For cases where the fee machines do not generate positive net revenue, the NPS will reevaluate their use and identify the factors that may have caused this result, and make adjustments where appropriate.

There are a number of logistical challenges associated with using automated fee machines such as the need for dedicated telephone and power lines, which can be barriers at some of the more remote locations. There are also challenges associated with the expertise of staff to operate and maintain these machines. The NPS is also concerned that automated fee machines may not always be appropriate because of their inability to blend in with the historic aesthetics of a particular site.

Notwithstanding the challenges identified above, the NPS is committed to further evaluating these machines for effectiveness. NPS is currently experimenting with two different vendors to evaluate the pros and cons of each machine prototype and the cost benefit comparisons between renting and purchasing machines. The NPS is working with vendors to test a solar (photovoltaic) automated fee machine prototype at Badlands and Biscayne National Parks. The NPS established a new technology workgroup and will be inventorying technology capabilities, equipment needs, vendor products, and maintenance and rental agreements. The NPS will continue to share information about new, more technologically advanced equipment and services at National Fee Conferences and in the future through an intranet Web site that can be accessible by the NPS and other interagency groups.

The NPS also believes that wider distribution of information about the acquisition and performance of fee machines would be useful within the NPS and for all of the Fee Demo agencies. To this end, the NPS plans to convene a meeting in spring 2002 to specifically discuss fee machines. Representatives from all Fee Demo agencies will be invited.

BLM: The BLM has installed 17 automated fee collection machines in the California Desert. The presence of the machines permits BLM staff to attend to other permit, compliance and monitoring work. The BLM also experimented with fee machines for the South Fork Snake River Project. However, maintenance costs were determined to be too high to justify using the fee machines.

On January 1, 1999, the BLM and California Desert District entered into a service agreement with a contractor for automated pay stations to collect use fees at Imperial Sand Dunes Recreation Area. As required in the agreement, the contractor has installed 17 machines on which it performs all maintenance. Individual fees are \$10 per week or \$30 for an annual pass. Users can pay either with credit cards, debit cards or cash.

The revenues collected are split between the BLM and the contractor on a sliding scale. Revenues up to the first \$300,000 are split evenly between the two partners; revenues between \$300,000 to \$600,000 are divided 80 percent to BLM and 20 percent to the contractor; and revenues exceeding \$600,000 are given 85 percent to BLM and 15 percent to the contractor. In FY 1999 and FY 2000, the BLM collected a total net amount of approximately \$440,000.

USDA FS: The USDA FS has experimented with fee collection machines at sites in the Mt. Baker-Snoqualmie National Forest, the Tonto National Forest, the Arapaho National Recreation Area and the Oregon Dunes National Recreation Area. Some fee machines have been leased with a service agreement, while some were purchased outright. Implementation of the electronic fee collection machines at these locations has been successful in terms of generating sufficient revenue to justify installation and in terms of visitor satisfaction and ease of use. However, machines at each of these sites have been subject to vandalism.

Maintenance and service costs must be considered in the purchase of a machine. In addition, the short-term nature of the Fee Demo program may discourage use of fee machines due to the high capital cost or higher cost of short-term leases. While not appropriate for all locations, electronic fee collection machines appear most suitable for high-use sites, where the machines can supplement staffed fee-collection booths during busy periods and replace paid staff during slower times.

B. Technology and Processes Supporting Fee Collection Activities

An often overlooked aspect of managing fee collections is the support activities necessary to ensure that cash is collected and handled in the most efficient and appropriate way. Due to concerns about employee safety and financial management, cash management has become an increasingly important issue for the land management agencies participating in the Fee Demo program. The agencies have experimented in a number of areas related to cash handling.

1. Increased use of programmable cash registers

The NPS has invested heavily in new, innovative, point-of-sale technologies that allow credit card acceptance and, in the future, will allow parks to gather demographic and statistical information from encoded passes. The Grand Canyon, Yellowstone, and a number of other parks have made substantial investments in this technology. At high visitation parks, this technology is especially important because it can allow entrance stations to cut transaction times in half.

There are 28 NPS Fee Demo sites that are using advanced technology cash register equipment. These registers are computer-based and can be specifically programmed to capture detailed sales transaction information that aids managers in preparing reports, compiling statistics, cutting labor costs, providing inventory control, and providing more accountability and protection of personnel. These machines also streamline the amount of time necessary to prepare deposits and related paperwork. There is a substantial capital investment associated with the purchase, programming, and installation of these machines, as well as infrastructure requirements and investment of time for staff training. As such, the NPS will conduct further evaluation of cash register machines and vendor prototypes to determine cost benefits. The NPS has determined that it will be a priority to install advanced cash register equipment at more parks in the NPS to track detailed visitor use statistics, especially related to pass use.

Grand Canyon National Park has been using this technology since May 2000 and has found it to be an excellent method of tracking sales and storing data. The system has the ability to retrieve any data from the date of installation and has reduced transaction times. Data can be recalled from a single day or a range of dates, making monthly statistics easier to store and more accurate. Each transaction is assigned a passport number, which is available for recall, making any payment disputes quick and easy to resolve. Passport numbers are entered into the system at the time of sale and can be compiled for any period of time from daily, monthly, yearly or longer. The advanced technology cash register equipment has made it easy to track sales and visitation trends, and soon the ability to enter passenger numbers will assist in more accurate visitation statistics.

2. Cash management

All of the agencies have established policies governing employee cash handling. In addition to this type of policy, the NPS Intermountain Region has established a joint venture with the U.S. Treasury and KeyBank to provide modern banking services that will assist in the implementation of the Fee Demo program. KeyBank offers the parks customized financial services allowing for ease of access to timely, accurate and reliable deposit information, reconciliation reports and adjustments through

the development of easy-to-use Web-based deposit and reporting programs. Project planning and execution are enhanced as each park and central office is now able to see exactly how much revenue is gathered daily, thus creating a highly effective audit trail. KeyBank produces daily deposit information, prompt adjustment and reconciliation reports and electronic deposits to U.S. Treasury. These modern banking methods maximize efficiency and availability of funds for all parks in the Intermountain Region by enabling the U.S. Treasury to receive deposits sooner.

The Regional Banking System (RBS) eliminates the need to make entries in the Federal Financial System (FFS) because information is automatically uploaded by the Department of the Interior's FFS platform in Denver the day after the deposit. KeyBank transmits the upload file directly to the FFS. The NPS banking Web site enables program managers to have a read-only view of deposited funds so they can make daily management decisions based on solid information about the revenue stream.

The Web site developed as part of this effort has been used successfully by all the Intermountain parks participating in the Fee Demo program for depositing non-appropriated funds. In addition, the U.S. Treasury has certified that the RBS is operating successfully and meets its manual requirements. The RBS established NPS as the first federal agency having a banking Web site for making electronic deposits of collected fees.

The provision of these services is key to the NPS's ability to establish accountability, oversight and overall improved management for the Fee Demo program.

C. Other Uses of Technology

Agencies have experimented with a number of other technologies. For example, at the BLM's Loon Lake Recreation Area, individuals who wish to enter the campground at the site are given beepers similar to those used in restaurants so they do not have to stand in line. The beepers were purchased with Fee Demo revenues and allow visitors to picnic or swim until their site becomes available. The beepers assist in bringing use of the six reserved campsites up to capacity during peak periods. Public feedback has been extremely positive.

V. USING FEES AS A MANAGEMENT TOOL

The agencies recognize that pricing is a very powerful management tool to influence the overall level of recreation use and the timing of that use. Thus, a potential objective of establishing fees is to use fees as a management tool to change visitor behavior or to achieve resource management objectives. Used in this manner, fees could assist in shifting visitor use from high to low peak periods, or from heavily used to less heavily used areas, reduce visitation to overused areas, promote contact with rangers or even reduce vandalism. Decisions on the level and type of fees that would be most useful in achieving this objective would take into account visitation patterns and any projected changes in visitation associated with a fee change, characteristics of visitors, resource uses and impacts, administrative costs and substitutes.

An example of using fees as a management tool is the field experiment analyzed by Bamford, Manning, Forcier, and Koenemann (1988) at 14 Vermont state parks. This study evaluated the

effects of higher fees for high-amenity campsites. Bamford et. al. found that visitor use shifted away from prime campsites as the fee differential increased between prime and non-prime campsites. Such fee differentials could be used as an alternative to closing prime sites to rest them from overuse.

In general, the agencies increased their efforts to use fees to distribute recreation use across time or location or other management tools relative to the pre-Fee Demo situation. GAO 2001 identified a total of 119 applications of differential pricing across the four agencies, up from 74 pre-Fee Demo applications of differential pricing.

The agencies have implemented fees for management purposes in many locations and situations. Differential fees for campsites have been implemented at a variety of locations including National Parks such as Badlands, Acadia, Assateague Island, Indiana Dunes, Rocky Mountain, and Sequoia. Camping fees vary by time of year and/or campsite characteristics. Similarly, campsite and cabin fees at agency-managed sites vary depending on the quality of the site, access and the season of use.

Fees have been used to assist in achieving management specific objectives. For example, at several USDA FS sites such as Cougar Hot Springs and areas included in southern California's National Forests, the introduction of fees have served as a deterrent for criminal activities. Fees have also been introduced to manage off-highway vehicle use at a number of sites.

An unexpected and significant result of using fees as a management tool is the increased visitor contact made possible by the program. This provides additional opportunities to communicate resource protection ethics directly to visitors.

While the number of applications of differential pricing has increased substantially, the agencies recognize that additional evaluation and experiments may be possible and advantageous in this area. The agencies are working together to identify potential locations and institutional conditions where such experiments could be conducted. The agencies also believe that additional analysis of the locations where these tools have been in effect is desirable. This analysis will be undertaken when sufficient data become available.

VI. ADJUSTMENTS TO FEE DEMO EXPERIMENTS BASED ON FEEDBACK FROM VISITORS

Since the start of the Fee Demo program, the agencies have made numerous site, project or agency adjustments to Fee Demo projects based on visitor feedback and information obtained in the course of implementation.

NPS:

- Entrance fees were dropped at the Frederick Douglas House because the revenues collected did not justify the administrative cost of collection. Because the majority of visitors to this site were school groups exempted from paying entrance fees, little money was raised. As an alternative the site was placed on the National Park Reservation Service (NPRS). Now, school groups and others are able to make reservations for a service fee of \$2. NPRS is able

to schedule school groups so that they arrive at different times of the day and do not overcrowd the site.

- Biscayne National Park and Pinnacles National Monument were dropped from the Fee Demo Program because either revenues were low or it was determined that substitute projects could be of more value.
- A realignment of other Fee Demo sites was made to test the public reaction to shared pass arrangements between sites with geographical and/or thematic relationships. Eighteen NPS parks participated in this realignment project in FY 2000. The realignment provided visitors with more value and promoted visitation at multiple sites.
- A continuing issue for the Fee Demo program in some locations has been the confusion among visitor between entrance fees and use fees. For the NPS, the issue is most pronounced at cave parks such as Carlsbad Caverns National Park and Oregon Caves National Monument and historic sites where visitors expect that their annual or lifetime entrance passes will be accepted. In response, Carlsbad Caverns implemented a self-guide admission fee in FY 2000, and Oregon Caves National Monument implemented an entrance fee in FY 2001. Public reaction to this change has been favorable. There are some revenue losses and staffing constraints, but the level of visitor complaints has dramatically decreased at those sites. These sites are intended to be pilots to test the feasibility of making this programmatic change on a service-wide basis.

BLM:

- As a direct result of user input, the joint BLM-FS Rogue River Fee Demo project reduced the cost of a private floater permit from \$20 to \$12 in 1999.
- South Fork of the Snake River project stopped using an automated fee machine because of the difficulty of using and maintaining the equipment at this remote location. This decision was made based on feedback from visitors that this particular machine was difficult to use.
- Wyoming dropped an OHV area from the Fee Demo program because it was difficult to manage the many access points.
- California also dropped some OHV-centered projects initially and then reinstated them regionally after obtaining user input into the designation of the sites as fee areas.
- Yaquina Head Outstanding Natural Area changed its pricing structure based on input from local groups. Instead of charging for the visitor center and lighthouse, an entrance fee is now charged that includes all of the attractions.
- From input at public meetings and open houses, many of the BLM project managers instituted the use of seasonal or annual passes to accommodate frequent visits from local users.

USDA FS:

- A per-person fee for access to the White Mountain National Forest was changed to a vehicle-based pass at selected recreation sites.
- A general access pass at the Sawtooth National Recreation Area was changed to a fee for certain designated sites.
- The Northwest Forest Pass replaced 16 individual National Forest Passes, creating one seamless pass system for National Forest fee sites throughout Washington and Oregon.
- The Rogue River and Siskiyou National Forests in Oregon dropped approximately 40 percent of their trailheads and boat launches from the fee program based on an analysis of development level, maintenance costs and needs, and use and collection and enforcement costs. Additional analysis is presently underway elsewhere in Washington and Oregon.
- Fees were dropped at Mono Basin Scenic Area Visitor Center in California based on an analysis of visitor use patterns and attitudes toward fees.
- National Recreation Areas now accept the Golden Eagle Passport as an entrance pass.
- Many changes have been made to the Southern California Adventure Pass in response to visitor input. Some of these changes include the following: educational groups and volunteers are eligible to receive free administrative passes; the life of a daily pass has been extended until 10:00 a.m. the day after it is issued; a number of free days when a pass is not required have been established; and the pass is not required along certain highway segments in the forests.
- Many additional project adjustments have occurred at USDA FS projects during the course of the program, including price changes, dropping fees from certain sites, adding free days, developing volunteer recreation pass awards, broadcasting the number of areas where passes are accepted, and increasing payment convenience.

FWS:

- A resurgence in waterfowl numbers combined with public input led to the reopening of waterfowl hunting at Noxubee National Wildlife Refuge in Mississippi, after ten years of closure. This hunt is in addition to the deer, turkey and other small game hunts already offered at the refuge.
- Aransas National Wildlife Refuge and Matagorda Island National Wildlife Refuge in Texas combined resources to celebrate National Wildlife Refuge Week every October. This collaboration meant visitors could experience a celebration that was twice the size previously offered.

VII. CONCLUSIONS

In the four years since the Fee Demo program was authorized, the agencies have experimented in a variety of ways, including new types of collection methods and new types of fees. The agencies have also taken aggressive steps to implement innovative mechanisms to improve the activities that support fee collections such as cash management, banking relationships and employee safety.

The agencies have used the results and feedback from their experiments to adjust many Fee Demo projects, making payment more convenient and simple. The data published in GAO 2001 indicate there has been a significant increase in innovation since the implementation of the Fee Demo program. Although there are no objective criteria to determine whether an appropriate rate of experimentation has been achieved, the agencies are committed to additional experimentation and will continue to encourage site managers to experiment where appropriate. The agencies also recognize that in some areas additional analysis and evaluation may be appropriate.

THE IMPACTS OF THE FEE DEMO PROGRAM ON VISITATION

I. INTRODUCTION

The impact of the Fee Demo program on visitation is an important criteria on which to evaluate the program. This chapter includes a discussion of the extent to which fees deter visitation, including a summary of research conducted by the agencies and others. This chapter also presents an analysis of visitation data on an aggregate and individual site basis.

In concept, both use and entrance fees can influence visitation and visitor behavior. The extent to which they actually do affect visitation depends on how sensitive individuals are to the level of fees and the changes in fee levels that have accompanied the Fee Demo program. Income, preferences, site quality, institutional conditions and the availability of other recreation opportunities also play a role in determining visitor choices.

Linking fee changes to changes in visitation is very difficult because of the many variables that affect visitation. The data required to rigorously assess the impact of the Fee Demo program on visitation would include pre and post Fee Demo visitation data for recreation sites; demographic characteristics of visitors and for individuals who chose not to visit or to visit less frequently; information on the magnitude of the fee changes; and other site-specific information that might affect visitation, such as area closures and weather. Not all of this information is readily available, making comparisons across years and Fee Demo projects difficult.

II. PUBLIC ACCEPTANCE, FAIRNESS AND THE EXTENT TO WHICH FEES PRESENT BARRIERS TO USE

A. Introduction

The agencies recognize that public support for the Fee Demo program is essential for its success. There are two important issues: 1) to what extent does the general public support the idea of fee revenues staying on site; and 2) to what extent do fees unfairly exclude a portion of the population. Public acceptance of the fees is an obvious measure of program success. All of the agencies have done visitor surveys that speak to this issue. These surveys have shown that the majority of visitors accept fees. In general surveys of the population, fees rank low on the list of reasons why individuals choose not to visit or to visit less frequently.

The issue of unreasonable barriers included in the list of issues to be addressed by this report can be interpreted as an issue of fairness. One way of framing this issue is to consider how users with different income levels respond to higher fees. Specifically, do higher fees force lower-income users to decrease their participation proportionally more than higher-income users because of an inability to pay higher on-site fees? Some lower-income users may stop using facilities altogether. The possible impact on low-income users has been cited as a potential problem associated with higher fees.

The agencies recognize that the price of a recreation visit influences demand. The total cost to the individual visitor includes entry fees as well as travel costs associated with visiting any recreation site. As the distance to the site increases, so do travel costs. In addition, as distance increases, some low-income visitors may drop out. This is at least a partial explanation for the fact that many visitors to distant recreation sites have above average incomes. An increase in travel cost tends to reduce the overall use of a recreation site that is distant from many of its potential visitors. Therefore, increasing fees may tend to exclude local visits more so than visits from more distant areas because for local visitors the fee is a larger percentage of the total cost of a visit. The local visits that drop out may be low-valued uses, or they may be visits by low-income individuals.

B. General Population Surveys Related to Visitation and Recreation Fees

The NPS and the USDA FS have conducted large-scale general population surveys of the American public to gather information about the effects of fees on visitation. These studies have generally found that fees are not the primary factor in visitation decisions for most people.

In 2000, the NPS commissioned a telephone survey of the American public.⁷ The majority of those who had visited a park in the last two years considered entrance fees to be “just about right.” Responses indicated that current fee levels were appropriate and that entrance fees were not viewed as a barrier to visiting the parks. Just 4 percent of recent visitors felt “entrance fees are too expensive” as one of the reasons they did not visit units of the park system more often. However, the survey also showed that 82 percent of respondents with annual before-tax household income of less than \$20,000 had not visited a national park within the past two years. Among those with household incomes between \$20,000 and \$49,000, 71 percent had not visited a national park within the past two years.

The NPS survey indicated that individuals identifying themselves as non-visitors to NPS sites largely identified personal factors as the primary reason for not visiting. These factors included such things as being too busy or having to drive too far to get to an NPS unit. Respondents were read a number of statements and asked whether they strongly agreed, somewhat agreed, somewhat disagreed, or strongly disagreed: 73 percent of respondents strongly disagreed or somewhat disagreed with the statement “entrance fees are a barrier to visitation,” while 27 percent of respondents strongly agreed or somewhat agreed.

The USDA FS also conducted a general population survey in 2000. Nearly 90 percent of the respondents indicated that fees did not prevent them from staying at a public recreation area. People with lower incomes expressed somewhat more sensitivity to fees than those with higher incomes. A majority of the respondents in all income groups felt outdoor recreation should be paid for by a combination of use fees and taxes. Across most income brackets, people were equally supportive of

⁷ The National Park Service Comprehensive Survey of the American Public. Technical Report. June 2001. The survey, conducted by the Social Research Laboratory, Northern Arizona University, included 3,515 randomly selected adults.

visitors paying up to 50 percent of the costs for providing recreation services on federal lands. People were generally less in favor of visitors paying 50 percent or more of the costs.⁸

Additionally, the survey found that entrance fees did not deter most people from staying at a public recreation area. Across all categories of race and income, only a small percentage stated that an entrance fee would deter them from staying at a public recreation area. Those who thought that an entrance fee would impact them tended to be minority groups and at the lower end of the economic ladder. Table 5.1 illustrates these statistics.

When individuals were asked “If you knew that fees charged for using a particular recreation site would go mostly back into maintaining and improving the site, would you be willing to pay fees when visiting there,” a vast majority of people across all races and income brackets indicated that they would be willing to pay a fee (88-92% and 92-98% respectively).

Income	% Yes	% No		Race	% Yes	% No
< \$15,000	16.4	83.6		White, Non-Hispanic	9.1	90.9
\$15K - \$24,999	10.0	90.0		Asian	5.2	94.8
\$25K - \$49,999	12.3	87.7		African American	12.1	87.9
\$50K - \$74,999	9.2	90.8		Hispanic	15.1	84.9
\$75,000 +	8.4	91.6		American Indian	18.7	81.3
Refused	9.7	90.3				

Source: Gary Green, Greg Super, and Ken Cordell, *The National Survey on Recreation and the Environment (NSRE), Summary Report Regarding the Fee Questions*, USDA Forest Service, Southern Research Station, Oct.2000.

C. Other Studies of the Fee Demo Program

1. Introduction

The agencies have conducted additional visitor surveys to obtain information about how the public perceives the Fee Demo program. The methodology employed for these surveys has varied from statistical sampling to comment cards. Generally, the surveys have attempted to obtain information from visitors, rather than from individuals who choose not to visit. During the course of the program, each agency has conducted extensive visitor surveys. In addition to government evaluations, there is broad academic literature on recreation fees. The literature has addressed many of the issues that are central to the Fee Demo program, including pricing methods, policy issues, willingness to pay, attitudes toward recreation fees, influences of fees on visitation and use, estimating fee revenues and

⁸ This summary is drawn from Gary Green, Greg Super, and Ken Cordell, *The National Survey on Recreation and the Environment (NSRE), Summary Report Regarding the Fee Questions*, USDA Forest Service, Southern Research Station, October 2000.

research needs. This literature will be discussed to the extent it bears on issues addressed in the report. An excellent history of fees in the NPS can be found in Mackintosh.⁹

2. Studies of Fees and Visitors

Many studies have found that in general the majority of the general public and fee program managers support fees rather than oppose them. Few perceived negative impacts from fees have been reported (Bowker, Cordell, and Johnson, 1999; Economics Research Associates, 1976; Krannich, Eisenhauer, Field, Pratt, and Luloff, 1999). Some research indicates that individuals that have paid recreation fees in the past are more comfortable with them; individuals that had not previously paid fees may resent paying, particularly if they have been frequent users of a site for which fees had not been charged before (McCarville, Reiling and White, 1996; Williams, Vogt and Vitterso, 1999). National surveys such as Bowker, Cordell and Johnson have found that the majority of respondents agree that combinations of fees and taxes should be used to fund most recreation activities.

One portion of the literature addresses the pros and cons of implementing fees. This literature focuses on the rationales for fees and implementation issues. In general opponents of fees base their arguments on historic precedent, the view that public recreation opportunities are merit goods¹⁰ and the necessity of public subsidies for some segments of society. Supporters of fees argue that fees can assist in increasing the quality of recreation services and reduce congestion and resource damage, and that users should bear a larger part of the costs associated with recreation (see Ellerbrock, 1982; Harris and Driver, 1987; Reiling and Anderson, 1985).

The literature has also focused on pricing methods and the potential goals of establishing a particular set of prices. Economists tend to support the use of marginal cost pricing because it maximizes net economic benefits. While fees might not result in complete cost recovery, pricing decisions should be at least somewhat related to the costs associated with providing recreation services. In addition to raising revenues, research has suggested that pricing can be a valuable tool to redistribute recreation use over time and space, to encourage people to adjust their timing and location choices to save money and to help make recreational programs more self-supporting. Richer, Ross and Christensen (1999) discuss how an appropriate fee for the use of public lands is one that strikes a balance between the need for fee revenues, the desire to maintain access and four related concerns — fairness, equity, other users' ability to pay and congestion. Including these concerns in pricing decisions improves the likelihood that fees will be acceptable to users. Others suggest that prices are an underutilized management tool and could assist in facilitating economic efficiency improvements, fairness and environmentally sustainable management (McCarville, 1995; Reiling and Anderson,

⁹This paper is available at http://www.cr.nps.gov/history/online_books/mackintosh3/

¹⁰A merit good is a good or service which society considers to be intrinsically desirable for people to consume, independent of the actual desires or preferences of the consumer himself. In the case of such goods, it is sometimes held that free consumer choice is inappropriate and therefore that if many consumers left to themselves are unwilling to purchase "appropriate" quantities of such goods, they should be encouraged — perhaps by government programs or subsidies — or even compelled to consume them anyway. Examples of merit goods might include health care for children and schoolroom instruction for children.

1985; Rosenthal, Loomis, and Peterson, 1984). Crompton and Lamb (1986) discusses the complexity of setting fees in the public sector because political considerations can supplant rational analysis. They cite various pricing objectives, such as income redistribution, equity, efficiency and revenue production.

Research studies have addressed the appropriateness of charging fees for particular activities such as day use, dispersed recreation or wilderness use. Fee issues associated with wilderness in particular have generated a substantial amount of research. While generalizations across all wilderness areas are not possible, some research suggests general support for wilderness use fees, with strongest support for restoration of damaged sites, litter removal and provision of information on ways to reduce impacts (Vogt and Daniel, 1999). Other research has indicated that wilderness use fees are strongly supported by those already paying fees and those not paying fees if paying fees will prevent deterioration of wilderness areas (Leuschner et. al., 1987). Survey research in the Desolation Wilderness in California found general support for wilderness use fees, although respondents judged fees to be less appropriate for wilderness than for more developed recreation facilities and services (Williams, Vogt, and Vitterso, 1999).

A majority of respondents in surveys conducted in 1998 and 1999 supported new camping fees at Boundary Waters Canoe Area Wilderness, though many also expressed concern that fees could lead to decreased congressional funding (Lime and Lewis, 2000).

Research has demonstrated that individuals are sensitive to prices for leisure services, in particular for activities such as selecting campsites with relatively greater environmental amenities. Some research has suggested that low-income visitor groups are more sensitive to price changes and are more likely to be priced out of a recreation site or activity. Furthermore, some studies have documented that fees have caused visitor displacement, as well as changes in frequency and length of visit (see, Bamford, Manning, Forcier, and Koenemann, 1988; Bowker, and Leeworthy, 1998; Leuschner, Cook, Roggenbuck, Oderwald, 1987; Manning, Callinan, Echelberger, Koenemann and McEwen, 1984; Reiling, Cheng, Robinson, McCarville, and White, 1996; Reiling, Cheng, and Trott, 1992; Schneider and Budruk, 1999; More and Stevens, 2001; Green, Super and Cordell, 2000). On the other hand, additional research shows that low-income respondents prefer fees to reductions in services.

Fees can also affect visitors' relationships to land managers. Research has demonstrated support for the notion that if visitors are highly satisfied, they will be willing to pay more for a recreational experience (Noe, McDonald, and Hammitt, 1986).

NPS: Visitor reactions after implementation of the Fee Demo program were generally positive. In an NPS survey conducted in 11 parks during the summer of 1997, 1,306 visitors either completed a self-administered questionnaire or took part in focus group discussions. In addition, interviewers conducted informal discussions with 300 visitors, park staff and concessionaire personnel.¹¹ The

¹¹ Allen L. Lundgren and David W. Lime, University of Minnesota Cooperative Park Studies Unit, *Monitoring 1997 Park Visitor Reactions to the National Park Service Recreational*

majority of respondents said they were either satisfied with the fees they paid or thought the fees were too low, while nearly all of the respondents said the fees would not affect their future plans to visit the park.

In the summer and early fall of 1998, researchers from the University of Montana surveyed park visitors at 13 units of the NPS regarding the Fee Demo program.¹² The overall quality of park resources was judged to be “good” or “very good” by 87.7 percent of the respondents. Almost all respondents felt that the process of gaining entry into the park was convenient and time-efficient. Consistent with the 1997 study, the most found the entrance fees to be “about right” or “too low.” However, lower income individuals were more inclined to describe park fees as “too high.” The highest support for the fee program came from those with the highest reported incomes.

During the summer of 1999, the Cooperative Studies Unit at the University of Minnesota visited nine units at eight NPS areas to interview visitors.¹³ A majority of the visitors surveyed indicated they thought that the fees they paid were “about right” or were “too low.” Almost all the visitors surveyed preferred either to keep all of the fee revenues collected by the park in the park or to keep most of the fee revenues in the park and distribute the rest among other National Park Service units as needed.

To supplement their findings from 1997 - 1999, the NPS interviewed winter visitors at Yellowstone National Park in 2000 about their reactions to the recreation fees. Consistent with the results of previous studies, winter visitors indicated strong support for the demonstration fees, provided that all or most of the fees collected remain in the park or elsewhere in the NPS to improve visitor services or protect resources.

BLM: In 1998 the BLM interviewed 405 visitors at seven Fee Demo projects. The results of the survey were positive. Respondents rated the value of their experience very high compared to the fee charged. Most of the respondents considered the fee charged to be “about right” when compared to the quality of services rendered.

Fee Demonstration Program, Research Summary No. 10, December 1997.

¹² This summary is drawn from Duffield, John, Patterson, David, and Neher, Chris, *Evaluation of the National Park Service Fee Demonstration Program: 1998 Visitor Surveys*, Final Report, 1999. Three units were surveyed in greater detail to gather additional data to assess the impacts of the fee program on local communities and their associated economies. The study addressed how fee changes would affect the park experience, the mix of park visitors and local economies. Of the 3,735 surveys distributed, 2,644 surveys were received — a return rate of 70.8 percent. A little more than half of the respondents were male, and the average age was 47 years old. The respondents were well educated, with 65.5 percent holding at least an undergraduate degree, and the respondents were financially secure, 46.8 percent had an income greater than \$65,000 with the median household income being \$40,000 to \$65,000 annually. When comparing how respondents paid fees, 68.8 percent paid a fee at the gate for entrance into the fee unit, whereas 20.7 percent of the visitors used an annual pass for admission.

¹³ David W. Lime, Jerrilyn Thompson, Jonathan Nauman, and Cynthia Warzecha, *Overview of a 1999 National Park Service Monitoring Study to Obtain Visitor Reactions to the Recreational Fee Demonstration Program: Replication of a 1997 Study*, Final Report, December 1999. A total of 1,130 respondents completed the self-administered questionnaire. Respondents were predominantly white and tended to be above-average in income and education.

That same year, the BLM conducted a more detailed customer survey at two additional projects at Paria Canyon and Red Rock Canyon National Conservation Area. Seventy five percent of visitors to Red Rock Canyon said they supported use fees, with a majority stating that they expected to see improved visitor services as a result. When asked about the level of fees at Paria Canyon:

- 69 percent found fees “about right.”
- 10 percent thought fees were “too low.”
- 19 percent found fees “too high.”
- 72 percent support the fee permit system.
- 89 percent agreed that the value of recreation opportunities and services experienced were at least equal to the fee paid.
- 76 percent said the fee would not adversely affect their plans to visit Paria Canyon in the future.

In 1999, the BLM contracted with Human Management Services, Inc. to assess the results of the Bureau’s Recreation Use Customer Survey.¹⁴ From April to October of that year, the BLM administered customer satisfaction surveys to visitors at 40 recreation sites in 11 states, 26 of which were part of the Fee Demo program. When asked about the overall quality of their recreational experience, 92.9 percent responded favorably, and the majority indicated that the fees charged were “about right.”

From January to November 2000, the BLM administered customer satisfaction surveys to an additional 22 recreation sites in ten states¹⁵. Sixteen of the sites are part of the Fee Demo program. Of the 2,444 survey responses, 66 percent were from visitors to Fee Demo sites. Respondents were asked to assess the appropriateness of entrance fees or fees for services on a five-point scale with 1 being “far too low” and 5 being “far too high.” Typical respondent scores were “about right,” with an average score of 3.0. Almost all of the respondents commented favorably on their recreation experience, while 84.6 percent either “agreed” or “strongly agreed” that the value of their recreation experience was at least equal to the fees paid.

USDA FS: The USDA FS has conducted numerous surveys on a number of individual projects, such as the Northwest Forest Pass, Adventure Pass, Shasta Lake and others. Additional information on these surveys is available from the USDA FS. The USDA FS plans to review and synthesize the results of these surveys, which assess a variety of factors, including visitor characteristics, willingness to pay, payment convenience, potential barriers to use, desired facilities and more.

¹⁴Coray, Kevin E. November 1999. *BLM Recreational Use Customer Survey Results*, November 1999. Human Management Services, Inc., Arlington, Virginia. Of the 4,592 responses, 72 percent were from visitors to the Fee Demo sites. The respondents had the following characteristics: 59 percent male, Median age of 44, 91.3 percent were white, 58 percent earned \$40,000 + a year, 52 percent were college graduates, 17 percent had a graduate degree.

¹⁵The respondents had the following characteristics: 58 percent male, median age of 45.5 years, 86.7 percent were white, 7.5 percent were Hispanic, 3.2 percent were Native American, 34 percent had college degrees, 20 percent had a graduate degree, 58 percent earned more than \$40,000 per year, and 15 percent earned less than \$20,000 per year.

In 1999, the USDA FS conducted a national news article analysis. The analysis examined a random sample of text from the thousands of USDA FS fee-related news articles written since 1996 in 109 newspapers across the country. On average, 65 percent of the articles were favorable.

Another study in Arizona during the early years of the Fee Demo program indicated that some displacement did occur. About one-third of those contacted stated that they had changed their visitation from a fee to a non-fee area or reduced the length of their visit (Scheider and Budruk, 1999). Better information about the Fee Demo program could assist in changing this behavior, but a follow-up study has not been conducted.

Since 1997, customers using USDA FS Fee Demo sites have been given the opportunity to respond on a customer comment card. Although the responses collected are not considered statistical data, the cards provide an opportunity for input and a view of user sentiments. By the end of 2000, 7,037 responses had been received. Projects in their second or third years were generally showing higher acceptance than new projects. The FY 2000 comment cards indicate that 62 percent of respondents agreed with or were neutral towards the statement, “The value of the recreation opportunities and services I experienced was at least equal to the fee I was asked to pay.” These results compare with responses the previous three years, in which 68 percent of the respondents agreed with the statement. In FY 2000, 26 percent of respondents disagreed with the statement. Also, in FY 2000, when asked the question, “Should recreationists help pay for visitor services on public lands by paying recreation fees,” 60 percent of the respondents agreed and only 33 percent disagreed.



A young fisherman shows off his catch at Shasta Lake.

While public comment card responses were positive with regard to the Fee Demo program, caution should be exercised in interpreting the results. The USDA FS notes that respondents were self-selected, not selected by researchers using random sampling procedures. Thus, it is not possible to generalize these findings to specific recreation sites or to the USDA FS as a whole with statistical confidence. In addition, under this approach, those with strong opinions, either pro or con, are more likely to respond than are those who do not hold strong opinions. However, more than twice as many respondents supported the Fee Demo program than those who did not.

FWS: The FWS has conducted extensive visitor surveys in order to evaluate reactions to the Fee Demo program. Visitors were surveyed at 14 different National Wildlife Refuges in 1998-1999 and 1999-2000 regarding their opinions about various types of fees, including entrance fees, hunt fees and use permit fees.¹⁶ Visitors were classified into one of four types: non-hunting daily individual,

¹⁶ Taylor, J. G., J. J. Vaske, M. P. Donnelly, L. Shelby, C. Browne-Nunez, The U.S. Fish and Wildlife Service Recreation Fee Demonstration Program. May 2001. Demographics of the respondents was as follows:

non-hunting daily vehicle, non-hunting annual and hunting. The objective was to examine visitor response to various fees in the context of their demographic profile and beliefs about the Fee Demo program in general.

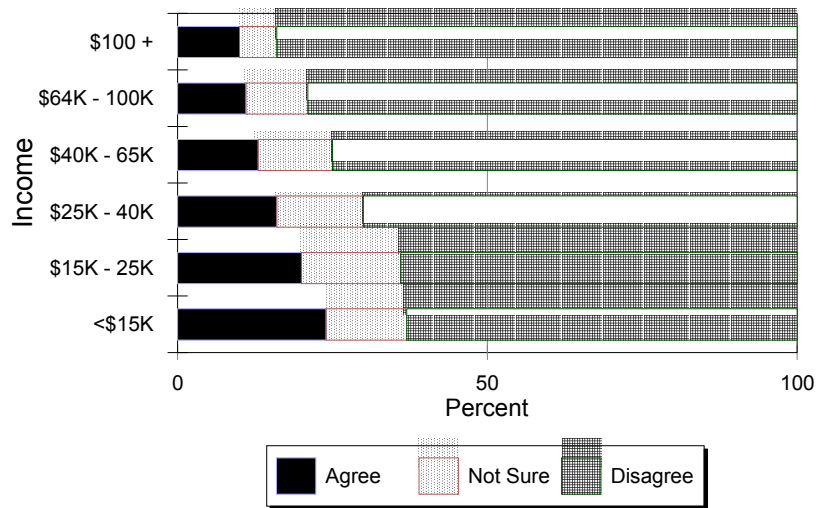
Across both study years and all 14 National Wildlife Refuges, 81 percent of the visitors who paid an entrance fee evaluated the amount they paid as “about right” while the remaining 9 percent considered the fee “too low.” This pattern of findings was constant despite gender, age, education level, income and ethnicity.

Similarly, 73 percent of all visitors disagreed with the statement, “The fee program would limit my access to this refuge,” and 91 percent indicated that they would not change their plans for future National Wildlife Refuge visits because of the fees they paid. Both of these findings were constant across all of the demographic indicators.

A minimum of 86 percent of respondents indicated that they understood the reasons behind the fee program, believed that the fees were necessary to maintain the quality of services provided to the public, found the current fees acceptable and were satisfied with the quality of services they experienced.

Although generally the visiting public approved of the fees, there was a reciprocal relationship between opinion of fees and income. The higher the income, the more likely they were to think fees were too low and vice versa. Lower-income individuals were also more likely to think fees would limit their access to FWS sites (see figure 5.1).

Figure 5.1: Impact of Fees by Income
Statement: Fees will limit my access



Finally, the survey results indicated that most of the respondents favored keeping recreation fees on-site to make infrastructure repairs, protect natural resources and improve visitor services.

59 percent of total respondents were male, 97 percent of hunters were male, Average age of male respondents was 45.4, with the majority ranging between 45 and 54, median annual household income was between \$45,000 and \$65,000, with 38 percent having household incomes of greater than \$65,000, 84 percent were white, 6 percent were a minority and 10 percent provided no racial identification, and 13 percent gained access using an annual pass.

III. AGGREGATE CHANGES IN VISITATION

Averaged across all four agencies, the Fee Demo program does not appear to have significantly affected visitation trends. Mean visitation for 1999 - 2000 increased relative to the average 1994 - 1996 visitation by about the same percentage for Fee Demo and non-Fee Demo projects. However, the aggregate changes mask the alterations that have occurred within each agency and at each site. Table 5.2 breaks down the average changes in visitation by agency and Fee Demo and non-Fee Demo sites.

The data reveal some interesting comparisons across the agencies. In the aggregate, visitation to NPS non-Fee Demo sites increased significantly more than visitation at Fee Demo sites. In contrast, at FWS, BLM and the USDA FS Fee Demo sites, cumulative visitation increased significantly more relative to total visitation at non-Fee Demo sites. The explanation for these trends is not clear, but they suggest that factors other than fees are affecting visitation.

Agency	Site	Average agency visitation 1994-1996 (millions)	Average agency visitation 1999-2000 (millions)	Percent change
NPS	Fee Demo Sites	164	164	0%
	All Other Sites	104	123	18%
	Agency Total	268	287	7%
BLM	Fee Demo Sites	15	19	27%
	All Other Sites	40	36	-10%
	Agency Total	55	55	0%
USDA FS	Fee Demo Sites	80	92	15%
	All Other Sites	761	824	8%
	Agency Total	841	916	9%
FWS	Fee Demo Sites	9	14	56%
	All Other Sites	19	22	16%
	Agency Total	28	36	25%
Total	Fee Demo Sites	268	287	8%
	All Other Sites	924	1,005	9%
	Total	1,192	1,292	9%

Source: Recreational Fee Demonstration Program, FY 2000 Progress Report Congress.

IV. DISTRIBUTION OF VISITATION CHANGES BY AGENCY

The average trend in visitation presented above does not fully characterize the changes in visitation that have occurred during the last eight years. Table 5.3 presents information on the distribution of changes in visitation on an individual site basis for the NPS for the 1998 - 2000 period compared to the 1993 - 1995 averages. Table 5.4 provides a similar analysis for BLM, except that the comparison is between average site visitation in 1996 - 1997 compared to average visitation in 1999 - 2000 because complete data are not available for BLM sites prior to 1995. Sufficient pre-Fee Demo data are not available for USDA FS or FWS sites. Use of multi-year averages helps mitigate for single year events that might skew the comparison between pre- and post-Fee Demo.

NPS: Analysis of the data in Table 5.3 suggests that the distribution of visitation changes at Fee Demo and non-Fee Demo sites is not substantially different. There is no information to suggest that fees are causally related to any of these changes. Additional site-specific analysis would be necessary to clarify this.

Percentage change in visitation	Number of sites (percent of total)		
	Fee Demo Parks	Non Fee Demo Parks	Total
Less than -20 percent	19 (14.4%)	26 (20.6%)	45 (17.5%)
-20 percent to -5 percent	37 (28.9%)	35 (27.8%)	72 (28.3%)
-5 percent to 5 percent	30 (22.7%)	17 (13.5%)	47 (18.2%)
5 percent to 20 percent	27 (20.4%)	31 (24.6%)	58 (22.5%)
Greater than 20 percent	18 (13.6%)	17 (13.5%)	35 (13.5%)
Total number of sites with data	131	126	257
Source: NPS.			

BLM: As mentioned above, Table 5.4 presents information on the distribution of visitation changes at individual BLM Fee Demo sites, comparing average site visitation in 1996 - 1997 to average site visitation in 1999 - 2000.

Table 5.4 Distribution of Percentage Changes in Visitation at Individual BLM Fee Demo Sites, Comparing Average 1996-1997 Visitation to Average 1999-2000 Visitation

Percentage change in visitation at site	Number of sites (percent of total)
Less than -20 percent	18 (21.2%)
-20 percent to -5 percent	17 (20.0%)
-5 percent to 5 percent	10 (1.8%)
5 percent to 20 percent	17 (20.0%)
Greater than 20%	23 (27.1%)
Total number of sites with data	85
Source: BLM.	

USDA FS: The USDA FS has changed the way it measures visitation dramatically since 1996. In the past, visitation figures have been unreliable due to the dispersed nature of National Forest use, particularly outside of controlled areas such as campgrounds and visitor centers. In 2000, the USDA FS began the National Visitor Use Monitoring (NVUM) program, a statistically accurate and reliable recreation use estimate system that employs a visitor contact survey instrument. The NVUM includes information on the type, quantity and location of recreational use, as well as visitor satisfaction measures regarding settings, facilities and services. To avoid duplicate efforts in counting visitation and to enhance accuracy, the new NVUM system will be used to report visitation in future years. Visitation figures are calculated for all National Forests, so data specific to individual Fee Demo sites will not be available. The measurement definitions have also changed and will not be comparable to previous use estimates.

V. CONCLUSION

Agency surveys suggest that the Fee Demo program has not adversely impacted visitation. A majority of those surveyed accept the use of fees and believe that public lands should be maintained with a combination of use fees and general tax revenue. Most individuals surveyed believe that fee levels are “about right.” These studies also found that support is strongest when individuals are aware that the majority of fee revenues remain at the site.

In a broad sense, fees have not adversely affected visitation. This is especially the case at major destination parks or recreation areas where fees represent a very small portion of the total cost affecting an individual’s decision whether to visit. For recreation sites located near major population centers, visitation trends also appear not to have been significantly impacted by fees. However, at many lesser known and visited sites, the extent to which fees may have affected visitation is not clear. Sufficient pre- and post-Fee Demo demographic and visitation data are not available to make definitive conclusions for every Fee Demo site.

The agencies recognize that additional analysis on visitors sensitivity to fees could be helpful. This research will continue to be a useful tool in setting fee levels and evaluating whether fees are changing visitation or the mix of visitors. These results will continue to shape fee policy at each site and each agency.

The agencies further recognize that equity concerns associated with establishing or raising fees are legitimate. The agencies have implemented a variety of mechanisms to address equity concerns, including site-specific annual passes, volunteer opportunities and free days. In addition, many recreation sites in or close to urban areas have no fees or very low fees. The agencies are continuing to explore additional ways to address equity concerns.

COLLABORATIVE EFFORTS

I. INTRODUCTION

This chapter summarizes information on collaborative efforts across federal and non-federal entities. There are important advantages to the public in establishing fee arrangements that minimize multiple fees, allow visitors to pay a single fee or coordinate fee arrangements for entrance into adjacent or nearby recreation areas operated by different agencies or levels of government. The material in this section highlights important collaborative efforts. The agencies are involved in ongoing analysis to evaluate the success of each collaboration.

In establishing the Fee Demo program, Congress intended, in part, to encourage collaboration within federal agencies and among federal and non-federal entities.¹⁷ In its November 1998 report on the Fee Demo program, the GAO noted a number of instances where agencies had implemented collaborative approaches to collecting fees that resulted in greater convenience to the public and improved efficiency to the agencies. Despite the progress being made, GAO suggested that other opportunities existed for successful partnerships. GAO reached similar conclusions in a more recent report on the Fee Demo program. In this report GAO noted that “site managers responding to our questionnaire reported that about 30 percent of all sites participating in the program—103 out of 346—coordinated their fees with other federal, state or local recreation sites after the Fee Demo Program began.” GAO did not present any information on what these collaborations actually encompassed and the extent to which they might be judged successful. An objective measure of the right amount of collaboration does not exist. Relative to the pre-Fee Demo situation, the agencies have made significant efforts to collaborate. The most notable collaborative efforts have been described in past annual reports to Congress. These examples and several others are summarized below.

II. COLLABORATIVE EFFORTS

The agencies have initiated many additional collaborative efforts since the Fee Demo program began. Table 6.1 summarizes the most significant of these efforts. The table categorizes these efforts as follows: river management collaborations; collaborations involving adjacent sites; collaborations with visitor associations and friends groups; collaborations involving transportation; and other collaborations. More detailed information on these collaborations is available from the agencies.

¹⁷House Report 105-163 stated (p. 6)

Table 6.1 Summary of Major Fee Demo Collaborative Efforts				
Name/participants	Location	Description	How Revenues Used	Revenue Sharing
<i>River Management Collaborations</i>				
South Fork of the Snake River/USDA FS; BLM; ID Dept of F&G; and Bonneville, Jefferson and Madison Counties.	10 jointly managed boat access sites in ID	Parking fee - \$3 daily, \$30 annually, outfitter permits administered by the BLM and USDA FS and 150 guides pay an \$80 annual fee.	Hiring of seasonal help, maintenance facilities and enforcement.	A working group composed of representatives from each collaborating agency determines how revenues are spent based on highest priority.
Payette River Complex/ USDA FS; BLM; Boise County Sheriff; Boise County Chamber of Commerce; ID Dept of Transportation.	16 river access sites along a 39-mile corridor of the South Fork and Main sections of the Payette River in ID	Parking fee - \$3 daily, \$30 annually; outfitters and guides required to pay special use fees to the USDA FS.	Development of additional recreation sites, signs and safety markings.	The Resource Advisory Committee decides how revenues will be expended based on need throughout the whole complex. Some funding is provided to the Sheriff's Dept. to assist with security and enforcement.
Rogue Wild and Scenic River/BLM; USDA FS.	An 84-mile stretch of the Rogue River in OR is managed by the BLM and USDA FS.	Fees based on amount of time spent on the river by each type of user. Commercial and noncommercial floaters - \$12.00 per person; power boaters - \$4.00 per person/day; commercial tour boat passenger fees - 3 percent or \$80 (whichever is greater).	Improvements to Foster Bar boat ramp; other repairs and maintenance, resource conservation activities and law enforcement.	Fees divided between BLM and USDA FS based on the percentage of river miles they manage (BLM - 61 percent; FS - 39 percent).
San Juan River/BLM; NPS.	San Juan River in vicinity of Glen Canyon NRA.	BLM administers the San Juan River permit system for Glen Canyon NRA. Daily - \$6; commercial outfitters - 3 percent of annual gross revenues.	Hiring of summer season help (river patrol, information clerk and customer services).	BLM administers in consultation with NPS; revenues are used to fund permit system and support ranger patrols.
Rio Chama/ BLM; USDA FS.	Chama River in the vicinity of the Santa Fe National Forest	BLM and USDA FS cooperate in issuing permits to private rafters and commercial outfitters. BLM collects all fees.	Improved access, rehabilitation of camp sites along river and removal of safety hazards	Revenues split based on needs agreed upon by both agencies on an annual basis.
Antelope Point - Glen Canyon NRA/ NPS; Navajo Nation.	Navajo Nation boundary is adjacent to Glen Canyon NRA.	The Navajo nation and Glen Canyon NRA honor each other's passes at all entrance points into the park. The Navajo Nation also honors national passes.	Cost of collection, deferred maintenance and resource management.	Each party retains revenues collected
Source: NPS, BLM, FWS, and FS.				

Table 6.1 Summary of Major Fee Demo Collaborative Efforts				
Name/participants	Location	Description	How Revenues Used	Revenue Sharing
<i>Collaborations Involving Adjacent Sites</i>				
Chincoteague NWR/ FWS and Assateague Island NS/NPS.	Assateague Island NS and Chincoteague NWR in MD have a common boundary.	Assateague and Chincoteague honor each other's daily and annual passes.	Deferred maintenance, interpretation and cultural resource management	Each agency keeps revenues collected at sites under its jurisdiction.
Hume Lake/Sequoia-Kings Canyon NP/ NPS; USDA FS.	Kings Canyon & Sequoia Nat. Forest in CA are adjacent, but most traffic enters Sequoia through Kings Canyon entrance.	Joint entrance fee collection and staffing of visitor center. Seven-day entry pass - \$10; annual pass - \$20.	Improve roads, trails, and horse corrals.	Kings Canyon retains a base of \$740,000; revenues above this go the USDA FS.
American Fork Canyon/ USDA FS; NPS; state and local agencies.	The Timpanogos Cave National Monument in UT is located within the Uinta National Forest.	Entry fee of \$3 per vehicle into American Fork Canyon also allows entry to Timpanogos Cave NM. Fees are collected by the Uinta NF.	Deferred maintenance, visitor services, interpretation and natural resource management.	Board of program directors, citizen representatives and land supervisors decide on projects by assessing the need and priority.
Tent Rocks Area/ BLM; Pueblo Indians of Cochiti.	Site is adjacent to land owned by the Pueblo Indians of Cochiti in NM.	In exchange for public access to the area through Pueblo land, the Cochiti have co-management responsibilities.	Improvement of parking area, and installation of restrooms and picnic tables.	The Cochiti receive \$20,000 from the BLM annually, as well as 35% of the fees collected.
Colonial National Historic Park/ NPS; Assoc for Preservation of Virginia Antiquities (APVA).	Jamestown Island, VA.	Joint admission fee to historic properties on Jamestown Island. Daily - \$6; annual - \$20; entrance free with APVA membership.	Deferred maintenance, interpretation and resource management.	Revenues are shared equally.
Source: NPS, BLM, FWS, and FS.				
<i>Collaborations involving transportation</i>				
Alcatraz/Golden Gate/NPS; concessionaire	Alcatraz Island, CA.	Concessionaires collect use fees. Daily - \$1.	Maintenance, health and safety and interpretation.	Concessionaire collects fees at no cost.
Isle Royale NP/NPS; concessionaires.	Isle Royal NP, MI	Concessionaires collect use fees.	Dock and trail improvements.	Concessionaires retain 5 percent of fees.
Bizz Johnson Trail/ BLM; local transit agency.	Bizz Johnson Trail, CA	Transit authority shuttles users on selected weekends to trailheads. \$3/person for 7-mile shuttle; \$7/person for 25-mile shuttle.	Fees reimburse transit agency.	Local transit authority gets publicity and recognition.
Source: NPS, BLM, FWS, and FS.				

Table 6.1 Summary of Major Fee Demo Collaborative Efforts				
Name/participants	Location	Description	How Revenues Used	Revenue Sharing
<i>Collaborations with Visitor Associations and Friends Groups</i>				
Paria Canyon Vermillion Cliffs Wilderness/BLM; Arizona Strip Interpretative Association.	Paria Canyon Vermillion Cliffs Wilderness, Southern UT	The Arizona Strip Interpretive Association handles public information and permit reservations.	Maintenance of permit reservation system, interpretive materials and seasonal employees.	Net revenue is distributed by the BLM (AZ Strip) to the different areas for projects as needed.
Imperial Dunes/BLM; "Technical Review Team."	Imperial Dunes, CA.	Technical Review Team oversees joint maintenance and management effort.	Maintenance of service roads and campgrounds, replacement of water system and restrooms.	Technical Review Team gives BLM input into setting priorities and spending.
Muir Woods/NPS; Golden Gate National Park Association.	Muir Woods National Monument, CA.	Park association collects all fees at the site: individuals - \$2; annual - \$15 per person.	Interpretation, resource protection, deferred maintenance.	Concession contract covers park association expenses for collection contract. All other fee revenue retained by the park.
John Muir House NHS/NPS; park association.	John Muir House NHS, CA.	Park association sells entrance fees and passes through its sales outlet. Individual entrance - \$2.	Interpretation, deferred maintenance, resource protection.	Concession contract covers park association expenses for collection contract. All other fee revenue retained by the park.
Source: NPS, BLM, FWS, and FS.				
<i>Other Collaborations</i>				
Pack Creek Bear Viewing Area/ USDA FS; AK Dept of F&G.	Admiralty Island, Tongass National Forest in Southeast AK.	Individuals pay a single fee. Uniformed FS and state employees accompany groups of up to 25 to the island and provide interpretation.	Interpretive services.	The FS and the State split the fees equally. Fees cover costs associated with providing interpretive services.
Southeast Alaska Discovery Center/ eight federal and state agencies.	Ketchikan, AK.	Visitor and travel information provided. Entrance to visitor center - \$5 per person; annual - \$15.	Partial funding of the Center.	Tongass NF runs the day-to-day operations and retains all fees.
Mount Evans/Arapaho-Roosevelt NF; City and County of Denver.	Joint management of city/county lands located within the National Forest in CO.	Fees collected on Mt. Evans road. Vehicles - \$10; bikers, hikers, motorcycles - \$3; annual - \$25.	Enhancement of visitor services and site improvements.	Arapaho-Roosevelt - 85 percent; city/county - 15 percent. All city/county proceeds are returned to the FS for maintenance.
Source: NPS, BLM, FWS and FS.				

III. CONCLUSIONS

This chapter identified a number of collaborative efforts. The Fee Demo program has provided an opportunity for the agencies to coordinate their fees in a variety of ways and with many different types of entities. These collaborative efforts typically arise from site-specific conditions: adjacent boundaries, similar recreation activities or the desire to involve non-federal entities in decisions affecting a particular site. These collaborations have been successful, although additional project specific evaluation efforts will continue. A number of the collaborative efforts took a long period of time to organize and are only now beginning to realize their potential.

The GAO identified some degree of collaboration at 30 percent of the Fee Demo sites. The GAO's data also show that the number of instances where sites coordinated their fees increased from 38 pre-Fee Demo cases to 168 cases after the Fee Demo program was established. These data reflect a very significant increase in collaborate efforts in a relatively short period of time. The agencies are developing additional collaborations.

The agencies recognize that there may be further opportunities to coordinate fees. Efforts will be made to evaluate collaborative opportunities more systematically. In addition, the agencies will strive to address any inconsistencies identified, especially between adjacent fee areas.



Rangers for the USDA FS and the NPS outside the Visitor's Center at Sequoia National Park. Sequoia represents just one of many collaborations between the federal land management agencies and state, local and private organizations.

PASSES

I. INTRODUCTION

This chapter discusses the various national, site-specific and regional pass programs administered by the agencies. It presents sales and other available data and discusses issues associated with passes that have arisen since the Fee Demo program began.

The existing family of passes are authorized by a complex assortment of legislation. The Duck Stamp was created by the Duck Stamp Act of 1934. First enacted in 1965, the Land and Water Conservation Fund (LWCF) Act and subsequent amendments authorized the Golden Eagle, Golden Age and Golden Access passports. Revenues from pass sales are returned to the LWCF or kept by the various agencies under the Fee Demo authority. The National Parks Pass was authorized in 1998 by the National Parks Omnibus Management Act, and implemented in April 2000. The majority of the revenue from National Parks Pass sales remains at the site where the passes are sold. From 1996 - 1999, the NPS included changes to the price of the Golden Eagle Pass as one of its Fee Demo projects. Other agencies have also considered the Golden Eagle a Fee Demo project. A variety of regional passes have also been implemented since the Fee Demo program was authorized. Additionally, many parks and other recreation sites issue site-specific annual passes. Tables 7.1 and 7.7 summarize the existing national and regional passes.

In general, the goals of a pass system are to:

- Provide a convenient and standardized means of paying fees for a specific set of sites;
- Cover the costs associated with marketing and administering the pass program;
- Provide revenue for project improvements;
- Reduce cash handling;
- Provide social benefits for certain population segments;
- Provide price incentives for specific market segments; and
- Assist in creating public stewardship and recognition by enhancing the identity of an agency and its mission.

These goals may not be mutually achievable. For example, there may be tension between reducing confusion for visitors of multiple administrative units and increasing visitor awareness of different administrative missions. National or regional passes, especially those that might include non-federal entities, may blur this desired distinction even further.

To a certain extent, passes offer a means of providing uniform fee structures. This is particularly true where passes explicitly provide visitors with a consistent package of benefits at a defined set of recreation sites. National passes are one type of a uniform national fee. While it is undesirable and impractical to achieve uniformity in all fees across all sites, it is desirable to provide visitors with a standard set of services upon payment of an entry fee. These services might include access to the recreation resources and facilities at a particular site.

II. NATIONAL PASSES

Table 7.1 summarizes the characteristics of the national recreation passes that are currently available. Each pass has a different mandate and history.

Table 7.1 National Passes					
	Duck Stamp	Golden Eagle Passport	Golden Age Passport	Golden Access Passport	National Parks Pass
Type of Pass	Use/annual entrance Pass	Annual entrance pass	Lifetime entrance pass/use discount benefit	Lifetime entrance pass/use discount benefit	Annual entrance pass
Benefits	Mandatory federal permit for hunters 16 and older to hunt waterfowl. Also serves as an entrance pass to national wildlife refuges that charge entrance fees.	Entrance to all NPS, FWS, USDA FS and BLM sites that charge entrance fees.*	Entrance to all NPS, FWS, USDA FS and BLM sites that charge entrance fees. Provides a 50 percent discount on use fees.	Entrance to all NPS, FWS, USDA FS, and BLM sites that charge entrance fees. Provides a 50 percent discount on use fees.	Entrance to all National Parks
Authority	Duck Stamp Act of 1934	LWCF Act of 1965	LWCF Act Amendment, P.L. 92-347 1972	LWCF Act Amendment, P.L. 96-344 1980	National Parks Omnibus Management Act of 1998
Annual price	\$15	\$65	\$10	Free	\$50*
Market Segment	Hunters/ bird watchers/collectors/ conservationists	Everyone	Citizens aged 62 years or older	Legally blind or permanently disabled citizens	Everyone
Distribution	In person at most national wildlife refuges, by telephone or Internet, at a U.S. Post Office or from certain third-party vendors such as Kmart and Wal-Mart.	In person at any park, wildlife refuge, USDA FS or BLM site. Also available by telephone through USDA FS.	In person at any park, wildlife refuge, Corps of Engineers, USDA FS or BLM site. Proof of age required.	In person at any park, wildlife refuge, Corps of Engineers, USDA FS or BLM site. Proof of eligibility required.	In person at any park, by telephone, Internet, or from certain third-party vendors.
* The NPS no longer sells Golden Eagle Passports. However, a Golden Eagle Hologram Sticker can be purchased for \$15 to augment the National Park Pass making it equal to the Golden Eagle Passport.					

A. Duck Stamp

The Duck Stamp is primarily a use pass, although it can also be used to gain entrance into National Wildlife Refuges. Since its establishment in 1934, the Federal Duck Stamp Program has become one of the most popular and successful conservation programs ever initiated. The price of a Duck Stamp has increased from \$1 to \$15 in 1991. Sales reached a high in 1970-1971 when 2.4 million stamps were sold. In recent years, about 1.5 million stamps have been sold annually.

Possession of a Duck Stamp is required for hunting on refuges. The FWS estimates that at least 80 percent of Duck Stamps are sold to hunters. However, the Stamp also has a sizable market among stamp collectors and conservationists. Lands acquired for many national wildlife refuges have been paid for all or in part by Duck Stamp revenues. Table 7.2 shows annual Duck Stamp sales and revenue.

	1989	1990	1991	1992	1997	1998	1999	2000
# Sold	1,415,882	1,408,373	1,423,374	1,347,393	1,697,000	1,685,000	1,668,000	1,720,000
Revenue (\$mil)	17.7	17.8	21.4	20.1	23.5	25.3	25.0	25.8

Source: FWS

Because the Duck Stamp is primarily purchased by hunters, sales are positively correlated with duck populations. The peak in sales in the early 1970s can be attributed to more liberal local regulations such as 50-day hunting seasons and five-bird limits. The 1980s were generally drier and duck populations were smaller; thus harvests were smaller. In the 1990s, populations on several key flyways have recovered, leading to relatively higher Stamp sales.

The administration of the Duck Stamp program was contracted out to the AMPLEX Corporation in 1989. AMPLEX has a strong incentive to increase sales because the company earns interest income on all sales. AMPLEX sells the Stamps at face value to retailers, holding the revenues for a period of time before transferring them to FWS — retaining the interest earned. Most of the larger retailers like Kmart and Wal-Mart do not add a surcharge, however some retailers add an additional fee of up to \$0.75 per stamp.

B. Golden Eagle Passport

The primary goal of the interagency Golden Eagle Passport was to create a convenient method for admission into Federal recreation areas on a nationwide basis. The target audience is visitors who are likely to visit multiple units in a single year. Table 7.3 shows how the price of the Golden Eagle Passport has changed over time. The largest increase in the price of the Golden Eagle Passport occurred in 1997 as part of the Fee Demo program when the price was raised from \$25 to \$50. The current price of the Golden Eagle is \$65.

Annual revenue from Golden Eagle Passport sales has been approximately \$10 million since 1997. Prior to 1997, annual revenues were considerably lower, between \$2 million and \$4 million. The jump in revenue is attributed to the price increase in 1997. In FY 2000, Golden Eagle Passport sales decreased markedly when the National Parks Pass was introduced and subsequently captured a large share of the national pass market. Table 7.4 presents sales and revenue data for the Golden Eagle Passport. Figure 7.1 further illustrates these sales trends. Golden Eagle Passport revenues represented about 2 percent of the total annual gross Fee Demo receipts in FY 2000. In FY 1999, prior to the introduction of the National Parks Pass, Golden Eagle Passport sales represented about 6 percent of total gross Fee Demo revenues.

Year	Price
1965	\$ 7.00
1970	\$ 10.00
1986	\$ 25.00
1997	\$ 50.00
2000	\$ 65.00

Historically, the NPS had sold the vast majority of Golden Eagle Passports. For example, during each year between 1989 and 1992, 98 percent of Golden Eagle Passports were sold by the NPS. In recent years, other agencies have increased their sales of Golden Eagle Passports. The NPS share of the number sold dropped to 94 percent in 1999. With the advent of the National Parks Pass the NPS share declined again to 80 percent in 2000 and in 2001 the NPS stopped offering the Golden Eagle Passport. Today, the NPS sells a \$15 Golden Eagle hologram upgrade sticker for the National Parks Pass that makes it equivalent to the Golden Eagle Passport.

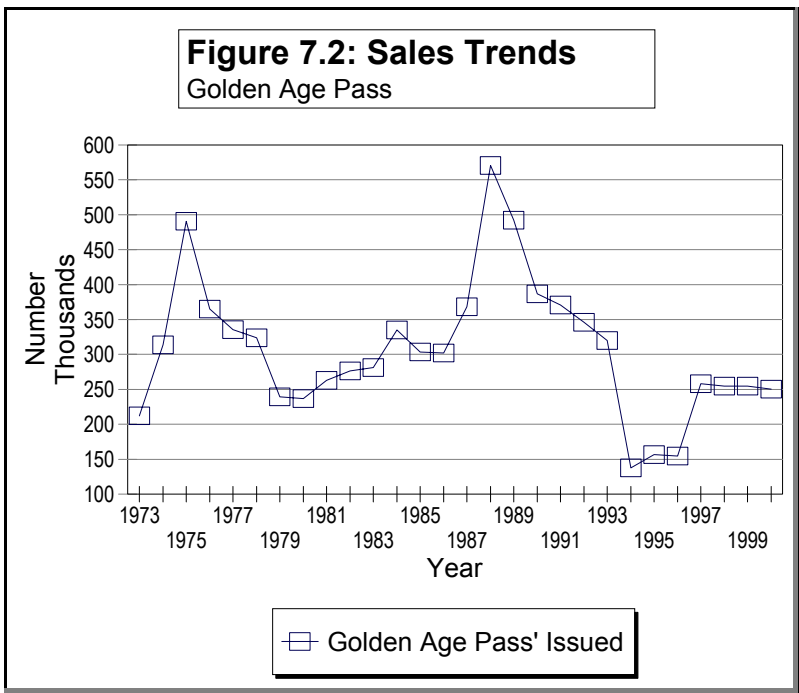
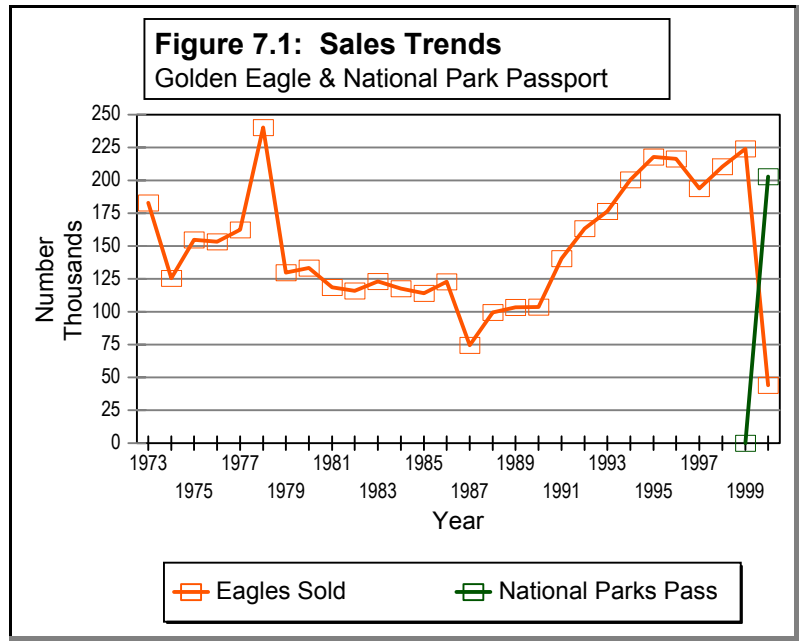
Agency, No. Sold, Revenue		Pre-Fee Demo				Fee Demo			
		1989	1990	1991	1992	1997	1998	1999	2000
NPS	# Sold	101,039	101,546	138,143	160,713	~193,000	~199,000	~215,000	~43,000
	Revenue (\$1,000)	2,526	2,539	3,454	4,018	4,485	9,955	10,534	3,478
BLM	# Sold	0	0	0	0	1,060	1,885	2,043	504
	Revenue (\$1,000)	0	0	0	0	40	90	102	30
FWS	# Sold	1,958	1,654	1,994	2,240	NA	NA	NA	1,419
	Revenue (\$1,000)	49	41	50	56	NA	NA	NA	NA
USDA FS	# Sold	304	339	254	309	NA	~10,000	~7,000	~9,000
	Revenue (\$1,000)	8	9	6	6	NA	~500	~350	~600
Total	# Sold	103,301	103,539	140,391	163,262	~194,000	~211,000	~224,000	~54,000
	Revenue (\$1,000)	2,583	2,589	3,510	4,080	~4,500	~10,500	~11,000	~4,000

~ denotes an estimate based on reported revenue
 NA = not available
 Source: Federal Recreation Fee Report to Congress; RMIS.

Currently, the Golden Eagle Passport and the National Parks Pass with hologram upgrade provide entry to all 147 NPS sites (all national parks charging entry fees); six BLM sites; 33 FWS sites; and 14 USDA FS sites. For the list of non-NPS sites accepting the Golden Eagle Passport or National Parks Pass see Appendix 8.

C. National Parks Pass

Public Law 105-391, enacted in 1998, authorized the NPS to sell the National Parks Pass for admission to units of the National Park System. The NPS began selling the National Parks Pass in April 2000. The authorizing legislation establishes the price of the Pass at \$50 per year and permits the NPS to use the revenue it generates without further appropriation, for high-priority visitor service and resource management projects. The legislation also permits the NPS to use 15 percent of the revenues for administrative costs. The pass was expected to generate additional revenue for support of the National Park System.



D. Golden Age Passport

In 1972, Congress created the Golden Age Passport as a free annual entrance pass for individuals 62 and older with a 50 percent discount on use fees. In 1974, Congress made the free pass good for life. In 1994, the pass was made available for a one-time fee of \$10. During the 1990s, about 270,000 of these passes were being sold annually, substantially exceeding the sales of the Golden Eagle Passport and the National Parks Pass. The reason for this trend is not clear, but may be partially explained by the fact that the Golden Age

Passport is inexpensive, lasts a lifetime, and provides a substantial discount on use fees.

Table 7.5 Golden Age Passport Sales and Revenues									
Pre-Fee Demo					Fee Demo				
Agency, No. Sold, Revenue		1989	1990	1991	1992	1997	1998	1999	2000
NPS	# Sold	369,056	300,165	291,263	260,533	258,000	255,000	255,000	250,000
	Revenue (\$1,000)	0	0	0	0	2,582	2,545	2,549	2,502
BLM	# Sold	2,048	2,223	1,944	2,984	3,428	6,353	6,623	3,871
	Revenue (\$1,000)	0	0	0	0	33	62	64	36
FWS	# Sold	38,184	28,980	28,901	26,326	NA	NA	NA	7,645
	Revenue (\$1,000)	0	0	0	0	NA	NA	NA	NA
USDA FS	# Sold	44,011	N/A	N/A	N/A	NA	~12,000	~9,000	~12,000
	Revenue (\$1,000)	0	0	0	0	NA	~122	~91	~119
Total	# Sold	453,299	331,368	322,108	292,843	~262,000	~273,000	~271,000	~274,000
	Revenue (\$1,000)	0	0	0	0	2,615	2,729	2,704	2,657

~ denotes an estimate based on reported revenue, NA = not available
Source: Federal Recreation Fee Report to Congress; RMIS.

E. Golden Access Passport

The Golden Access Passport was created in the 1980s as a free lifetime entrance pass with a 50 percent discount on use fees to the blind and permanently disabled. Data are limited on the number of these passes issued in recent years. However, during the early 1990s, the agencies averaged 15,000 - 20,000 annually. Table 7.6 illustrates these numbers in detail.

Table 7.6 Golden Access Passports Issued by Agency, 1989 - 2000 (Number of passports issued)								
Agency	1989	1990	1991	1992	1997	1998	1999	2000
NPS	14,375	13,514	16,680	23,301	NA	NA	NA	NA
BLM	235	213	214	338	481	725	736	598
FWS	1,323	915	1,426	1,008	NA	NA	NA	795
FS	4,056	NA	NA	NA	NA	NA	NA	NA

NA = not available
Source: Federal Recreation Fee Report to Congress

III. REGIONAL PASSES

The number of regional pass programs has increased in recent years, primarily as a result of the Fee Demo program. Regional passes typically allow access to or use of multiple recreation sites in a particular region managed by different federal and state agencies. Table 7.7 shows the number of passes and amount of revenue generated by each pass in FY 2000.

Visit Idaho Playgrounds (VIP) Pass: In December 2000, the Idaho Department of Parks and Recreation, the Idaho Department of Commerce, the Bureau of Reclamation (BOR), USDA FS, NPS and BLM launched the VIP Pass. The VIP Pass started as a \$10 per vehicle, five-day pass, or \$69 annual pass that provides access to approximately 100 recreation sites in Idaho. The VIP Pass includes entrance into state parks, Craters of the Moon National Monument, parking at Park 'n Ski areas and access to certain USDA FS and BOR day-use areas. Overnight camping, group-site use and other special fees continue to be charged separately and are not included as part of the VIP Pass program. In FY 2000, the VIP Pass raised \$14,825, though it was not available until December of that year. Passes are sold at agency offices and participating sites, and a toll-free telephone number and the Internet.

Each agency retains the revenues from all VIP Passes sold at its offices. All parties agree to consider redistribution of those funds — as well as those generated by private vendor sales — based upon historic collection levels, current price structures and increased visitation at agency-managed sites. Distribution from private vendor sales and, if necessary, redistribution among agencies are conducted annually.

Initially, the number of passes sold did not meet expectations. The VIP oversight board commissioned a survey of those who had purchased the pass since its inception. The survey asked pass holders how much they thought the pass should cost, the number of sites visited and the frequency of visits. As a result of this survey, the board voted to reduce the price from \$69 to \$49 annually. The response has been overwhelming. In the first year of the program, about 200 annual passes were sold. In the first three weeks following the price reduction, 1,400 annual passes were sold.

Northwest Forest Pass (Oregon and Washington): The Northwest Forest Pass program was started in the summer of 2000 and replaced several individual National Forest Fee Demo projects. The pass, administered as a vehicle parking fee, covers all USDA FS day use charges in 17 national forests in Oregon and Washington. The pass also covers a vehicle parking fee charged at North Cascades National Park. Recently, the BLM began accepting the pass on some of its lands adjacent to National Forest System lands in Oregon and Washington. Vehicle day use passes are \$5; annual vehicle passes are \$30, with a 50 percent discount given to Golden Age and Access Pass holders. The passes are sold at all USDA FS offices, numerous retail outlets, via the Internet, through a toll-free telephone number and at certain trail heads. Private vendors can either purchase the passes directly from the USDA FS and retain 10 percent of the price for each pass sold, or sell them for the USDA FS for an 8 percent commission. In FY 2000, \$2.2 million in revenues were collected from the sale of the passes. The funds are returned to the area where they are collected to help maintain trails and other public facilities.

According to the USDA FS Regional Fee Demo Program Coordinator, the majority of the public has responded positively to the pass program; those opposed have indicated that they are not accustomed to paying recreation fees for hiking on USDA FS trails. The most challenging part of administering the program has been the distribution of the revenues collected among the numerous national forests, BLM, NPS and vendors.

Oregon Coastal Pass (Oregon): The Oregon Coastal Pass is a collaborative effort that began in 1997 between the Siuslaw National Forest, Oregon State Parks, the BLM and the NPS. Seventeen recreational sites between Astoria and Brookings along U.S. Highway 101 accept the Oregon Pacific Coast Passport, which covers vehicle parking, entry and day use fees. The cost of the per vehicle pass is \$35 annually or \$10 for a 5-day pass. Fees for activities such as developed site camping, cabin and lookout rentals, wilderness and river use permits are not included in the pass. In 2000, 2,436 annual passes and 3,301 5-day passes were sold. Revenue from annual pass sales totaled \$118,270; revenue from 5-day passes totaled \$33,010.

The revenues generated are retained by the agency that sells the pass. All revenue obtained through the toll-free telephone number for the Oregon State Park Service is distributed among the four organizations involved in the project according to a formula that takes into account how many recreation sites each organization has, the historic record of revenues each organization has generated and the visitation totals for each organization. This formula currently results in the following distribution: 52 percent to the Oregon Parks and Recreation Department, 33 percent to the USDA FS, 8 percent to the BLM and 7 percent to the NPS. Passes may be purchased at sites where they are honored.

NPS Southeast Utah Group: In Southeastern Utah, a number of NPS sites — Arches, Canyonlands, Hovenweep and Natural Bridges — have created a partnership where they honor each other's annual passes and share a headquarters facility. In FY 2000, about 1,000 passes were sold. Revenue generated from the sale of the passes, which cost \$25 annually, was \$23,815. Each park retains the revenue from the annual passes it sells.

Southern California Adventure Pass: The Adventure Pass covers all recreation activities for persons who park their vehicle and recreate on National Forest lands on the Angeles, Cleveland, Los Padres and San Bernardino National Forests. The fee is designed to recover the costs associated with dispersed recreation, but also covers many minor or less-developed sites where no other fee is charged. There are categories of fee exemptions, such as special use permit areas, areas where other fees are charged, volunteers, persons with other valid permits, such as wood cutters, miners and others on official business. Persons doing no more than driving through the forest or those who make brief stops are not required to pay. The USDA FS considers this a use fee and not an entry fee. The cost of the Adventure Pass is \$30 annually and \$5 daily per vehicle. About 200,000 annual and 600,000 daily passes have been sold since 1997. Since 1997, the pass has generated close to \$9.2 million in gross revenue.

Pass revenue is invested in basic custodial services, such as cleaning restrooms and fire rings, picking up litter, repairing repeated vandalism and paying personnel to accomplish the work. Passes are available from the USDA FS, from more than 100 private vendors located near the forests and

via telephone sales. The USDA FS has sponsored a significant amount of research on the impacts of the Adventure Pass program.

Red Rocks Pass: In October 2000, the USDA FS began collecting parking fees for all vehicles parked on National Forest land in the Coconino National Forest near Sedona, Arizona. Four pass options are available: \$5 daily pass; \$15 weekly pass; \$20 annual pass; and a Grand Annual pass for \$40. During FY 2001, about 60,000 passes were sold. Of those, 73 percent were daily, 12 percent were weekly, 14 percent were annual, and 1 percent was Grand Annual. Due to limited interest, the Grand Annual pass may be discontinued in the future.



The pass program has been implemented in collaboration with the Sedona-Oak Creek Chamber of Commerce, Sedona Cultural Park and the Friends of the Forest, a non-profit organization. Passes are available at five visitor centers, two archaeological interpretive sites, through the Red Rock Country Web site, at automated fee machines, via telephone and at about 30 local businesses in the greater Sedona area.

Volunteers work on a hiking trail. Some recreation areas allow visitors to volunteer on various projects in lieu of paying annual or daily entrance fees. This arrangement is just one example of steps that the agencies are taking to ensure that fees do not exclude any populations.

In the first 11 months of the program, pass sales raised \$584,000. Fee Demo funds have been used for interpretive programs, trail and road maintenance, facility repair and enhancement, visitor services, law enforcement and wildlife habitat and watershed improvements.

The program has not been without controversy, which is reflected in the average compliance rate of 64 percent. Some forest visitors have expressed concern that the Red Rocks Pass Program is pricing people out of the recreation opportunities offered in the area. To address these concerns, the USDA FS developed two ways for people to receive a free pass:

- 1) Individuals and families may receive an annual pass simply by participating in any of the numerous ongoing, district-sponsored volunteer projects. Volunteer projects range from trail maintenance and construction to clerical duties and visitor assistance at visitor centers. Many people have taken advantage of this opportunity, and the numbers continue to rise.
- 2) Three social service organizations in the area, Catholic Social Services, Verde Valley Sanctuary and Cottonwood Old Town Mission, have the ability to disperse complimentary day passes to economically disadvantaged individuals and families living in the area.

The Sedona Ranger District also is considering establishing a limited number of visitor appreciation or free days throughout the year to reach all forest visitors.

For regional passes, the most important issues are marketing and demand for the pass, interaction with other existing national passes, and the equitable distribution of revenue among the participating agencies. Each of these issues needs to be addressed before a regional pass is established.

There are a number of ways to allocate fee revenues among the participating agencies. For example, fee revenues could be distributed on the basis of visitation or on the basis of acreage or river miles managed. However land area is not necessarily related to the level of visitation. Other mechanisms for revenue apportionment include size of backlog, miles of trails and number of recreation sites. In the case of the South Fork of the Snake River corridor project, an interagency working group was used to prioritize operation and maintenance needs among the various sites and to allocate joint fee revenues to the areas of greatest need. For example, revenue from the sale of the Idaho VIP pass, which covers entry fees for certain USDA FS, BLM and NPS sites in Idaho, is apportioned based on historic revenues at the sites.

IV. SITE-SPECIFIC ANNUAL PASSES

Annual site-specific passes provide annual access to a specific site and are typically sold at that site. Annual passes are available for most Fee Demo sites. Their primary purpose is to provide low-cost entry to frequent users who often reside in the area. Prices for these passes range from \$15 - \$30. For frequent users of a particular site, annual passes can represent a very good value.

Data are not currently available on the sales and revenues associated with site-specific annual passes for all agencies. However, available NPS data suggest that for some sites, sales of annual site-specific passes appear to generate a large percentage of Fee Demo revenue.

V. PASS IMPLEMENTATION AND ADMINISTRATION

A. Data

While data are available on pass sales, there is little systematic data on pass usage, and agencies are only now beginning to track usage. Similarly, there is a lack of data on the characteristics of pass buyers and potential buyers. The agencies also do not collect and track data on the costs associated with selling, marketing and administering the various pass programs, with the exception of the Duck Stamp and the National Parks Pass. More complete data will assist in evaluating the pass programs. The agencies plan to address data needs systematically over the coming year.

B. Pricing

The lack of information on pass usage hinders analysis of the relative price of passes. For example, if information were available on the average number of visits by certain passholders, it might be possible to determine whether the pass was priced appropriately relative to the daily admission price

and to other existing passes. Similarly, the prices of regional passes could be evaluated relative to the price of national passes. In concept, pass revenue should at least cover the cost associated with administering the pass, as well as the costs of an appropriate number of entries (for those that cover entry) so that on average, it does not result in reducing daily entry fee revenues.

C. Use vs. Entrance

Confusion between use fees and entrance fees has generated controversy within the Fee Demo program. The distinction is particularly important for passes because individuals purchasing passes often assume that they cover use fees.¹⁸ In some locations where individuals perceived that a use fee was identical to an entrance fee, the agencies have modified their policies to accept passes for use fees.

D. Fraud

As the number of pass programs increases, the agencies are concerned that pass fraud will increase. This is of particular concern for the NPS, where tours of multiple parks are common. In some locations there are indications that passes are being transferred: the NPS has anecdotal evidence that tour groups and individuals swap passes or daily entrance receipts. Pass fraud has potentially significant revenue implications. A Golden Circle fee fraud working group has been established and is piloting a fee fraud standard operating procedure to assess and address fee fraud issues in National Parks.

E. Coordinated Implementation

The agencies have coordinated implementation of their pass programs to a certain extent. The Fee Demo program has made increased coordination more important because of the growing number and variety of passes. For passes that may be used at sites managed by different agencies, the agencies plan on clarifying:

- To whom the pass applies (e.g. holder and family, car load, individual).
- Where the pass can be used.
- The benefits provided by the pass.

F. Golden Age Passport Issues

The Golden Age Passport is a lifetime pass available for a one-time fee of \$10 to individuals 62 and older. It provides entry into sites accepting the pass and a 50 percent discount on use fees. A number of issues are associated with the Golden Age Passport. The issues are primarily related to the rationality in continuing to offer this pass. The Fee Demo program has underscored that significant revenue losses may be associated with this pass, especially since it is a lifetime pass and offers a 50 percent reduction in use fees.

¹⁸The Golden Age and Golden Access Passes do provide a 50 percent discount on use fees.

The agencies have little or no data on use of this pass or on the administrative costs associated with the pass. The agencies note, however, that a number of options could be considered that would still provide substantial benefits to senior citizens. These options include eliminating the pass altogether and allowing seniors to enter free after a driver's license check at an entry point, shifting to a low annual fee instead of a one-time lifetime fee, increasing the age at which the pass can be purchased or eliminating the use fee benefits of the pass.

VI. CONCLUSIONS

There is currently an array of passes designed to serve different purposes. The agencies recognize the need to look more comprehensively at passes and to examine systematically the relative benefits provided, the prices of passes and visitor responses to the various passes. Better data collection — including data on administrative costs and usage statistics — is an integral component prior to any consideration of policy changes.

The Recreation Fee Leadership Council will further evaluate pass issues during the coming year.

SECTION III:
CONCLUSIONS AND PLANS FOR THE FUTURE

LESSONS LEARNED DURING THE FEE DEMO PROGRAM

I. INTRODUCTION

The preceding chapters have provided an in-depth evaluation of the Recreational Fee Demonstration Program. This chapter presents the overall, general findings based on the statistical and non-statistical information obtained since the inception of the program.

II. LESSONS LEARNED

The following list enumerates important general principles identified by the agencies:

Implementation of Fee Programs

- Fees are a very useful revenue-raising tool.
- Fee collection promotes visitor contact.
- The distinction between entry fees and use fees must be more clearly defined.
- Fee programs need to be tailored to the specific site conditions and markets served. Market studies of visitors are important in designing appropriate fee programs.
- Depending on the complexity of fee collection methods, logistics can be complicated, often involving a learning curve or up-front investment. Acquiring appropriate expertise in oversight and accountability is important.
- Comparing the cost of collection budgets with agency-specific criteria and follow-up site audits are the best ways to ensure the efficiency and appropriateness of expenditures. Due to the many logistical and operational variables at different sites collection costs can be difficult to standardize.
- Although collaborations have proven successful, selling entrance passes through commercial vendors or contractors can be complicated by the number and diversity of passes; the difficulty in informing the public of eligibility requirements, pass options, benefits and proper use; the need to establish appropriate commission rates; the need to establish inventory controls; and the need to coordinate other logistical and administrative aspects.
- The use of technology is desirable, and good results have been achieved to date. Nevertheless, technological improvements take time to implement and require considerable capital investments in purchasing, installation, training, operation and maintenance.

- Fees with very low administrative costs and high compliance rates — such as special use permit fees — have been very successful. Because the link between the fees collected and site improvements is often very visible, the fees facilitate partnerships with permit holders and collection costs are low.
- Collection costs generally constitute a higher percentage of gross revenue for lower-revenue sites. As with similar businesses in the private sector, small operations have higher overhead costs.
- Areas with multiple entry points pose a greater challenge in designing a successful fee system.

Visitor Perceptions

- Fairness is important to the public. The public perception of the fairness of the program depends on everyone paying appropriate fees. A variety of location- or situation-specific approaches will help address this.
- In general, compliance is more difficult at sites offering dispersed recreation, but increases with the ease of payment and the use of techniques such as campground hosts, on-site volunteers, seasonal patrols and provision of information about the Fee Demo program.
- Acceptance of fees increases when improvements to the site are apparent to the visitor and when the majority of fees collected remains at the site of collection.
- There is little public resistance to paying existing fees. However, there can be reluctance to pay new fees. Obtaining adequate rates of compliance and public acceptance for new Fee Demo projects takes time.
- Fees assist in generating public support for a site or project if the objectives are clearly communicated to users and efforts are made to include users in decisions about spending Fee Demo revenues.
- Visitors want a convenient way to pay fees, either before arriving at the site or while at the site.
- The desire for accountability is much stronger with fee revenues than with funding through general tax revenue. The need to communicate how fees are invested is important. To reach a greater population segment, communication must be through a variety of sources.
- Generally, visitors dislike paying multiple fees for nearby areas or within an area.
- In each agency, a small number of Fee Demo projects generates a high percentage of the agency's total Fee Demo revenue.

- The concept of retaining fee revenue on-site is key to public and agency acceptance of the Fee Demo program. Under the current fixed formula, which returns at least 80 percent of fee revenue to the site at which it is generated, it is likely that some key revenue-producing sites will, over time, reduce their high-priority backlog projects and begin to fund projects that rank lower in priority. This situation could be a significant problem for an agency if there remain substantial backlogs at other agency sites that either have low visitation, or are not authorized to charge recreation fees. Therefore, the agencies will continue to evaluate whether the 80 percent formula needs to be adjusted.



Revenue from Fee Demo projects pay for many types of publications and brochures such as those shown above at the Okefenokee National Wildlife Refuge in Georgia. Such literature is key in communicating information to visitors.

SUMMARY RESPONSES TO CONGRESSIONAL QUESTIONS AND CONCERNS IDENTIFIED

I. INTRODUCTION

This chapter synthesizes the analysis in this report to respond directly to the Congressional questions posed in Section 334, Senate Report 106-312. The Senate Report identified the following issues to address:

1. Whether fees are an unreasonable barrier to public use.
2. Criticisms of the program.
3. The degree of success at the sites with demonstration programs.
4. Which types of uses are suited for fees and which are not.
5. How much was collected for each use at each site and how those funds have been used.
6. The criteria used to determine the success of programs at different sites.
7. The extent to which standard guidance has been and should be provided to local managers.
8. The merits of uniform nationwide fee structures.
9. The agencies' policies and guidelines for the distribution and use of collected funds.
10. Concerns regarding multiple fees for recreation activities at neighboring parks, forests and refuges.
11. The methods to ensure that facilities at fee collection sites are in suitable condition before fees are imposed.

The following section addresses these issues in a question and answer format.

II. CONGRESSIONAL QUESTIONS AND THE CONCERNS OF THE PUBLIC

Issue 1 *Are fees an unreasonable barrier to public use?*

The agencies have concluded that fees do not present an unreasonable barrier to public use. Entrance and use fees are only one element in a complex decision-making process for visitors and potential visitors who are considering visiting federal recreation sites. Research indicates that fees can alter visitation decisions as well as a visitor's experience, and that a very small percentage of visitors from all income levels will sometimes choose not to visit some sites due to fees. In other cases, fees are such a small part of the overall expense for a visit to a recreation site that fees play almost no role in the decision-making process. To address potential barriers to visitation, mitigation measures, such as providing reasonably priced annual passes, free days and awards of free passes for volunteers, have been put in place. It also should be noted that currently relatively few public lands require fees for

use or entrance. For instance, 82 percent of recreation use on BLM public lands occurs in non-fee areas, and not all of the National Parks and Monuments have an entrance fee. Chapter 7 contains further discussion of the impact of fees on the general public's use of federal recreation areas.

Issue 2 ***What have been the major criticisms of the Fee Demo program?***

Criticism 1 *There is a general philosophical view that no fees should be charged for access to or use of public lands, and that such fees constitute "double taxation."*

During the course of the Fee Demo program, some individuals and entities have expressed the view no fees should be charged for access to or use of federal lands. It is important to note that fees, in one form or another, have been present on many federally managed recreation sites for many years. The agencies believe that in general, these fees are appropriate to because they build a sense of ownership and fund important visitor service and resource protection activities that might otherwise not be possible, and offset a portion of the direct costs imposed by visitors. However, the level of a particular fee, how it is collected, and even the extent to which it is worthwhile to collect are legitimate subjects of discussion. The agencies recognize that one of the most challenging program areas is fees for dispersed recreation, particularly where fees have not been charged in the past and where multiple access points exist.

The Fee Demo program has also been criticized by some as resulting in double taxation: according to this view, the public is being asked to pay for recreation twice – once through general taxation and again through site-specific fees. However, recreation fees do not cover the total cost of providing services, and a large portion of the cost of the activities is paid through tax revenues. To the extent that visitors consume services, it is appropriate that they bear at least a portion of the costs associated with providing those services. This is only fair to other taxpayers who never consume those services. The agencies recognize that there is a legitimate debate about the extent to which fees cover the costs of recreation activities.

Criticism 2 *Fees lead to commercialization/privatization.*

The Fee Demo program has been criticized as being a step on the road to additional commercialization of recreation areas or, in the extreme case, a step toward privatization. The agencies do not believe that this criticism is well founded. Recreation fees are used to help support important health and safety, visitor service and resource protection needs at recreation sites. The development of any particular site occurs within the established agency planning processes that involve public participation and environmental assessment. Privatization is not the objective of the Fee Demo program, and the federal government does not plan to divest itself of these important natural resource assets. Indeed additional fee revenue can make continued public management more viable.

Criticism 3 Fees will be used to offset appropriations.

The potential for offsets remains a concern. However, the extent that fee revenues are used to offset appropriations is a Congressional decision. Thus far, Congress has chosen not to use fee revenues as an offset to appropriations. All of the agencies' existing policies on spending fee receipts currently prohibit replacing or supplanting appropriated operations funding.

Criticism 4 The costs of collection are too high.

The Fee Demo program has been criticized for having collection costs that are "too high." Overall, the aggregate of all four agency collections since the program's inception (1997 to 2000) have averaged about 20 percent. Still, the agencies agree that in some cases collection efficiency needs to be increased.

However, relatively high collection costs at a particular location does not necessarily mean that fees should not be charged or that costs are not appropriate. High collection costs, however, imply that the agency needs to examine closely how it is collecting the fees, the overall objective of collecting fees at that location, whether or not collection costs are reasonable, and the extent to which collection costs could be reduced. In some locations, it may not be worth collecting fees. In other situations it may be appropriate to collect fees even with higher collection costs to accomplish other equally important management objectives. The agencies also recognize that establishing cost of collection standards may be appropriate. Agency guidance on cost of collection is discussed in Chapter 2 and Table 2.6.

Criticism 5 The distinction between use and entrance fees is not clear.

Some members of the public have been confused between use fees and entrance fees. Typically a use fee is charged for a specific activity or service, such as camping or boat launching, while an entrance fee is charged to enter a particular recreation site. In the eyes of the public, however, this distinction is not always clear. For example, at some recreation sites, use fees were charged at points of access, such as visitor center fees and parking fees at trailheads.

The confusion generated by entrance fees and use fees is partially the result of the Land and Water Conservation Fund (LWCF) Act. Under this Act, the Golden Eagle, Age, and Access Passports entrance fees are assessed primarily for National Parks. The law states that "[e]ntrance or admission fees shall be charged only at designated units of the National Park System or National Conservation Areas administered by the Department of the Interior and National Recreation Areas, National Monuments, National Volcanic Monuments, National Scenic Areas, and no more than 21 areas of concentrated public use administered by the Department of Agriculture." 16 U.S.C. 460C-6a(a).

Use fees authorized under the LWCF Act are also more limited than under the Fee Demo authority. Under the LWCF Act, use fees may be charged only for "specialized outdoor recreation sites, facilities, equipment, or services." 16 U.S.C. 460C-6a(b). These use fee sites are further defined as campgrounds, swimming sites, boat launch facilities and managed parking lots. Campgrounds have to have a majority of the following amenities: tent or trailer spaces, drinking water, an access road,

refuse containers, toilet facilities, personal collection of fees by an employee, reasonable visitor protection and simple devices for containing campfires.

The agencies recognize that this problem exists and are actively working to address it at sites where it is a concern.

Criticism 6 Layering of fees.



NPS facilities management division constructs and repairs handicap accessibility ramps at Castillo De San Marcos National Monument.

Some individuals and permitted businesses such as outfitters and guides are concerned about the extent to which they may have to pay multiple fees for the use of a particular recreation site. For example, they could face entry fees, special tour fees, fees collected by concessionaires, and back country permit fees.

It is not possible, or desirable, to eliminate all layering because some of the layers are associated with specific services that only a portion of visitors may choose to consume. In other cases, layering may be associated

with preexisting contractual agreements with concessionaires. The agencies are working to simplify fee structures and eliminate layering where possible and appropriate.

Criticism 7 Recreation fees are not consistent across sites.

Recreation fees vary across sites. This lack of consistency has concerned some members of the public. Fees for services such as camping and boat-launching are established to be consistent with fee levels established by other public and private providers of similar services in the relevant market area, taking into account differences in quality and quantity of services provided. The agencies recognize that entrance fees vary across recreation sites. Entrance fee rates are generally set through an administrative process. The Fee Demo program gives the agencies broader discretion to adjust fee levels. Efforts are underway in some of the agencies to standardize entrance fee rates for similar kinds of recreation sites. National, regional and local annual passes can also address this concern.

Criticism 8 No visible improvements to facilities and services as a result of fees being charged /Lack of transparency in accounting for fee revenues.

Some have criticized the Fee Demo program for not producing visible improvements to visitor services and facilities. Many visible improvements, both large and small, have been made over the past four years, and the agencies understand the need to showcase these projects better to visitors. The previous annual reports to Congress detailed many of the site improvements that have been made. As a result of the Fee Demo program, the agencies have also implemented many improvements that are less visible but would be noticed if they were absent. These include a reduction in litter and

vandalism and proper maintenance of trails, restrooms and other facilities. Chapter 3 describes some of the revenue obligations undertaken to date. Chapter 2 describes the policies that guide the expenditure of revenues.

Issue 3 *How do the agencies evaluate the degree of success at the sites with demonstration programs?*

Each agency has developed, or is in the process of developing, a set of criteria to evaluate the success of its program, given the overall objective of improving recreation sites, settings and services. Each agency is also putting in place evaluation procedures to apply the criteria. The criteria focus on key issues, including to what extent revenues have been raised and spent on projects to improve sites or services. In addition, the agencies report to Congress annually on the results of the program in the prior year and actions taken to achieve the objectives of the Fee Demo program. Chapters 2 - 7 contain more information relating to measures of success for the program.

Issue 4 *Which types of uses are suited for fees, and which are not?*

Many recreation sites offer uses that are suitable for collecting some kind of fee. In general, the agencies have found that fees are most appropriate where individuals have a choice of participating; individuals have a choice of type and quality of services; use can be monitored; and the cost of collection is reasonable. Examples of where fees are most suitable include controlled entrance points, campgrounds, boat launch sites, special hunts, tours, where use is concentrated (whether in developed or undeveloped areas), where impacts (such as impacts to water quality or threatened or endangered species) are greatest, and group uses that require permit issuance and administration. Additional information on this topic can be found in Chapters 2 and 5.

Issue 5 *How much was collected for each use at each site, and how have those funds been used?*

Chapter 3 contains an analysis of the use of Fee Demo revenues by the agencies can be found in of this report. Appendix 2 contains data on revenue collected at each site. The agencies' annual reports to Congress include examples of projects funded by the program at individual sites.

Issue 6 *What criteria are used to determine the success of the program at different sites?*

Each agency has developed or is developing criteria to evaluate the success of its program, given the overall objective of improving recreation sites, settings and services. Each agency is also implementing evaluation procedures to apply the criteria. The criteria focus on key issues including to what extent revenues have been raised and spent on projects to improve sites or services. In addition, the agencies report to Congress annually on the results of the Fee Demo program in the prior year and actions taken to achieve the objectives of the program. Chapters 2 - 7 contain more information relating to measures of success for the program.

Issue 7 *To what extent has standard guidance been provided and to what extent should it be provided to local managers?*

The agencies have each issued standard guidance to field managers on administering the Fee Demo program. As discussed in Chapter 4, this guidance was integral to establishing the program. The agencies recognize that additional standard guidance could be beneficial in managing some aspects of the program.

Issue 8 *What are the merits of nationwide fee structures?*

Nationwide fee structures are beneficial in terms of administration and ease of use to visitors. Although the methods used to determine the amount of use fees are already standardized, use fees themselves cannot be standardized nationally in part because they are based on comparable local market conditions. Further opportunities to standardize entry fees may exist.

National passes, such as the Golden Eagle Passport and the National Parks Pass, are an example of standardized nationwide fees. The agencies recognize the need to standardize, clarify and simplify pass benefits and implementation and have taken or are taking steps to do so.

Issue 9 *What policies and guidelines are in place concerning distribution of revenues collected and expenditure of revenues collected?*

All of the agencies have policies concerning the distribution of Fee Demo revenues and allowable uses. Chapter 4 contains an extensive discussion of these issues.

Issue 10 *What concerns exist regarding multiple fees for recreation activities at neighboring parks, forests and refuges?*

Critics of the Fee Demo program have pointed to the fact that recreationists may be assessed multiple fees for neighboring sites. The agencies recognize the legitimacy of this criticism and where possible have simplified fee structures and established management arrangements that permit visitors to pay one entrance fee to cover admission for neighboring units. The agencies are actively seeking to develop additional arrangements of this type, especially with non-federal entities. Managers continue to seek ways to reduce the numbers of fees, although barriers such as differing legal authorities among federal and state agencies, challenging revenue and distribution problems, and the obligation to honor contractual obligations with concessionaires remain.

Issue 11 *What methods are in place to ensure that facilities at fee collection sites are in suitable condition before fees are imposed?*

Existing agency planning processes are used to identify needs at any particular site. The agencies occasionally face the dilemma where sites could benefit from fee revenues to improve site conditions, yet lack the up-front funding to improve them. All agencies require that health and safety needs be met before fees may be charged. Many fee programs such as the hunt programs administered by the FWS do not involve facilities.

INCREASING THE TRANSPARENCY AND ACCOUNTABILITY OF THE FEE DEMO PROGRAM – STEPS TOWARD A PERMANENT RECREATIONAL FEE PROGRAM

The agencies are committed to implementing improvements to the Fee Demo program to justify making the program permanent. The improvements are designed to strengthen the accountability and transparency of the program. Improvements the agencies anticipate implementing include the following:

I. INCREASE COORDINATION ACROSS AGENCIES

- The agencies have established a Recreation Fee Leadership Council (Leadership Council).
- The Leadership Council will facilitate coordination and consistency among the land management agencies on recreation fee policies.
- The Leadership Council will coordinate the establishment and implementation of:
 - legislative options;
 - broad parameters to evaluate and measure the success of the recreation fee programs;
 - the reporting and tracking of fee revenues and expenditures;
 - joint research that will assist in setting recreation fee policies; and
 - a communications plan.
- The Department of Interior members of the Council are the assistant secretaries for Policy Management and Budget, Fish and Wildlife and Parks, Land and Minerals Management, and Water and Science; the bureau directors from the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the Bureau of Reclamation; and the Director of Congressional and Legislative Affairs. The Department of Agriculture is represented by the Under Secretary for Natural Resources and Environment, the Chief Forester for the USDA FS, and the Director of Legislative Affairs for the USDA FS. The Council is co-chaired by the Department of the Interior's Assistant Secretary - Policy Management and Budget and the Department of Agriculture's Under Secretary for Natural Resources and Environment.

II. AGENCY-SPECIFIC ACTIONS

NPS:

In Spring 2001, the NPS, in collaboration with the National Park Foundation and McKinsey & Company Inc., evaluated all NPS fee programs. The review included both the Fee Demo program as well as other non-appropriated fee revenue programs. The study consisted of interviews with the executive leadership of the NPS; a survey of all parks; interviews with fee managers, superintendents, and regional managers; and telephone interviews with state parks, international parks and concessions. The report found that the NPS fee programs were supported by the public and not perceived as a barrier to access. Additionally, fee programs were customer-service-oriented and contributed to increased stewardship when visitors



The Stone Bridge at Manassas National Battlefield Park in Virginia was restored to its original Civil War condition. The project was completed in 2000 with 80 percent Fee Demo revenue.

and park personnel could see fee revenue being spent on park improvements. Areas identified for improvement included the need to strengthen consistency and understandability of fee types, pass benefits and fee structure. The report also identified increased opportunities for optimizing fee revenue as well as the need to collect and analyze specific data on pass use.

NPS management has endorsed the findings of the NPS fee study and is already implementing many of the proposed recommendations. The following action items will assist the NPS in strengthening consistency of fees and public understanding, and will dispel visitor confusion about entry and use fees. Additionally, the NPS will enhance fairness and equality by revising fee structures and realigning commercial tour fees. Finally, the NPS will further optimize revenues by consistently setting fee rates and establishing fees at non-collecting parks. The tentative timetable for implementation follows:

2002

- Hire an Implementation Manager.
- Establish a steering committee and related work groups.
- Gather pass use data by sampling a group of parks.
- Establish a plan and policy for categorizing similar parks and establishing consistent entrance fees.
- Establish standardized lengths of stay for daily entrance receipts .
- Establish a core entrance fee package of activities .

2003

- Evaluate the National Parks Pass (pricing, benefits and stewardship) and propose adjustments as needed.
- Evaluate pilot parks to test a per-person fee structure.
- Examine all fee authorities and set policy for standardizing allocation formulas.
- Analyze commercial tour fees and the feasibility of implementing a fee structure rate change.

2004

- Develop policy for establishing fees at appropriate non-collecting parks.

Additional Action Items:

- Issue specific guidance on appropriate cost of collection expenditures. Establish annual review and approval of all cost of collection budgets.
- Conduct annual site audits at the regional level to ensure facilities are undertaking proper expenditures.
- Conduct annual comparability studies for all use fees and review changes in rates on an annual basis.
- Improve the collection and tracking of key data on pass usage and develop a mechanism for analyzing data.
- Investigate to what extent point-of-sale data collection systems could be installed at all major parks.
- Continue to monitor and analyze visitation statistics to determine what, if any, effect fees are having on visitation trends.
- Explore the possibility of using the Visitor Survey Project to continue to gather information on how satisfied the public is with the services they receive and how supportive they are of fees and fee rates.
- Quarterly “Go Parks” newsletters will be distributed to all National Park Pass holders and subscribers in order to inform them about the parks and ways that visitors can become more involved in stewardship activities.
- Implement a standardized minimum level of entrance fees on a service-wide basis in January 2002. This minimum level will be \$3 per person and \$5 per vehicle.
- Convert all fee collection parks to Fee Demo program sites to streamline fee programs.
- Continue to add more parks to the National Parks Reservation Service in order to expand the use of Internet, toll-free telephone numbers and contractor collected fees.

BLM:

- Institutionalize an evaluation process for the fee program. The BLM will evaluate projects in three to four states every year. The purpose of the evaluation will be to observe and discuss best practices, the success of the program based on the merits of adherence to bureau-wide policy, meeting the goals and objectives of the fee program, and the specific site activity/business plan.
- Establish a Web site to post best practices from all the fee programs across the BLM.

- The site will also be used to post current and new policy and direction. It will also serve as a vehicle for the BLM's fee program managers to ask questions and receive responses.
- Continue to improve the financial reporting process to better track site or project specific expenditures.
- Provide agency-wide direction on criteria and the assessment of the criteria towards establishing new fee areas in order to have a consistent process for evaluating new potential fee sites.
- Provide additional guidance on the application and use of fees and the use of fees to accomplish management objectives.
- Provide direction on criteria and the assessment of the criteria towards establishing new fee areas in order to have a consistent process for evaluating new potential fee sites.
- Add the Fee Program Policy and Direction to the BLM Handbook on Recreation Permits.
- Continue to survey the public to keep abreast of customer satisfaction issues.
- Build upon the current direction for being accountable to the public we serve.

USDA FS:

The USDA FS developed a strategic plan to craft fee policy that will include:

- An analysis of research related to recreation use fees, including general population and fee site surveys to enhance understanding of visitor and general public reaction to fees.
- Input from key internal and external sources, such as public comments, agency personnel, and other federal agencies and interest groups, including lessons learned from the first five experimental years of the program.
- Evaluation criteria to assess current fee demo sites, as well as prospective sites. The criteria will address principles such as equity, efficiency, consistency, revenue production/distribution and visitor satisfaction.
- Improve business planning processes that enhance financial efficiency, accountability and innovation.
- Develop policy and criteria for a nationally consistent, locally driven fee program, including where and how recreation entrance and use fees will be charged and how the program will be implemented and monitored.

FWS:

- Update the Implementation Plan (Handbook to the Recreational Fee Demonstration Program Sites).
- Institute standard agency criteria or guidance for establishing and evaluating fee programs. Establish a schedule for regular review of sites.
- Continue visitor surveys at the 14 refuges where surveying has taken place and evaluate to what extent broader market surveys may be appropriate in gathering information about non-visitors.
- Continue Fee Demo program training and guidance.

- Convene a meeting of agency fee coordinators to share lessons learned.
- Continue monthly finance report reviews, edits and corrections.
- Add more sites and activities to the program.
- Work with the Division of Finance to facilitate credit card usage at more sites.

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