

RECREATION FEES

HEARINGS

BEFORE THE

SUBCOMMITTEE ON NATIONAL PARKS, FORESTS,
AND LANDS

OF THE

COMMITTEE ON
RESOURCES

HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON

RECREATION FEES ON PUBLIC LANDS

MAY 11, 1995

AND

LAND AND WATER CONSERVATION FUND ACT AMENDMENT

ON

H.R. 2107

**A BILL TO AMEND THE LAND AND WATER CONSERVATION FUND ACT
OF 1965 TO IMPROVE THE QUALITY OF VISITOR SERVICES PROVIDED
BY THE FEDERAL LAND MANAGEMENT AGENCIES THROUGH AN
INCENTIVE-BASED RECREATION FEE PROGRAM, AND FOR OTHER
PURPOSES**

H.R. 2025

**A BILL TO AMEND THE LAND AND WATER CONSERVATION FUND ACT
OF 1965 AS REGARDS THE NATIONAL PARK SERVICE, AND FOR OTHER
PURPOSES**

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RECREATION FEES ON FEDERAL LANDS

THURSDAY, MAY 11, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS, COMMITTEE ON RESOURCES,

Washington, DC.

The subcommittee met, pursuant to call, at 10:00 a.m. in room 1324, Longworth House Office Building, Hon. James Hansen [chairman of the subcommittee] presiding.

STATEMENT OF HON. JAMES V. HANSEN, A U.S. REPRESENTATIVE FROM UTAH AND CHAIRMAN, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

Mr. HANSEN. The Subcommittee on National Parks, Forests, and Lands will come to order.

I have scheduled our hearing today to begin to examine the issue of recreation fees on Federal lands. This is a topic on which each of the recent administrations has proposed a short-term fix. Having listened to each of these various proposals, I am now of the opinion that we don't need another quick fix, we need an overhaul of the current fee program.

The current Federal recreation fee program contains so many inconsistencies and inequities that it is virtually impossible to explain or defend. It provides no incentive for Federal managers to pursue its implementation, and it collects less than 10 percent of the cost of recreational services provided.

It is important that today we begin to discuss what the real goals of the fee program should be. Should it be designated to be as self-supporting as possible, or should recreation fees simply be viewed as supplemental incomes, as they are today? We will hear today about a variety of alternate fee programs and considerations for their implementation which will need to be factored into any legislative initiative.

I am very aware of the need for more money for our parks and other Federal lands where the public recreates, and I believe that recreational fees may be part of the solution to the problem. However, we will have to work closely with both the Budget and Appropriation Committees to ensure that fees collected remain on-site as well as with the Federal land management agencies to ensure there are adequate incentives to provide for the success of the program.

I appreciate our distinguished panel today who have traveled from all over the country to present us with their thoughts and ideas. I will let all of our panelists make their presentation today

so we can get their ideas on the table, and then we will turn to members for question, but prior to that I recognize the ranking member of the committee, Mr. Richardson from New Mexico.

**STATEMENT OF HON. BILL RICHARDSON, A U.S.
REPRESENTATIVE FROM NEW MEXICO**

Mr. RICHARDSON. Thank you, Mr. Chairman, and let me commend you for holding a hearing on an important issue, as we did yesterday.

Let me just express a little regret that we don't have somebody from the Park Service or the Administration testifying on this important issue. I understand that Director Kennedy was prepared to come, but perhaps you will consider doing his testimony in another hearing.

I think it is important that we deal with this issue on a bipartisan basis. As I have said before, you have done that in your short tenure as chairman, and I just hope that we can get input from the Administration and others that have a recreation fee proposal.

My support for Federal recreation fees hinges on some basic principles. Such fees should be fair and reasonable and not single out certain users or provide a disincentive to the use of Federal lands. There are some who advocate such things as Federal hunting and fishing licenses as a means of raising revenue. That is one idea I don't support. We are not going to balance the budget on the backs of recreation users. In addition, any increase in fees should be earmarked to the collecting agency to supplement their budgets and not supplant existing appropriation.

Mr. Chairman, there is room to increase Federal recreation fees as a means to enhance the management of Federal lands. I hope as we go forward with the consideration of this matter that we keep these proposals fair and reasonable, and I thank you for your courtesy and thank you again for starting on time, which you always do, which will enable me to go to testify shortly on another subject.

Mr. HANSEN. Thank you, Mr. Richardson.

I surely agree with your comments you have made about representatives of the Administration being here. In fact, we invited OMB to be here today, but they unfortunately declined to show up. We will do that, and I appreciate your comments.

[The prepared statement of Mr. Richardson follows:]

STATEMENT OF HON. BILL RICHARDSON, A U.S. REPRESENTATIVE FROM NEW MEXICO

Mr. Chairman, the issue of Federal recreation fees is an important one that deserves a hearing which provides open and varied viewpoints. Unfortunately, that does not seem to be the case today. How can you have a hearing on Federal recreation fees and not hear from any of the Federal land managers responsible for the program?

I understand that the Administration was prepared to send NPS director Kennedy to testify today but he was told that the Republicans did not want to hear from him, since it was presumed he would talk about the NPS's proposed recreation fee legislation. As a result, we will have no input from the Administration today on this important matter. Mr. Chairman, I believe it is a dangerous precedent on the subcommittee's part to attempt to tell the Administration who it may send and what they may say.

Generally, in this subcommittee, we have worked on recreation fee legislation on a bipartisan basis. Certainly that was the case last year on the NPS fee proposal, which you and Chairman Young supported. It was only when the bill got to the

House floor that it got partisan, with Republicans voting against the bill by over a 2 to 1 ratio, while Democrats supported the bill better than 3 to 1. I hope that was an aberration and that we can maintain our bipartisan support for recreation fee legislation.

My support for Federal recreation fees hinges on some basic principles. Such fees should be fair and reasonable and not single out certain users or provide a disincentive to the use of Federal lands. There are some who advocate such things as Federal hunting and fishing licenses as a means of raising revenue. That's one idea I don't support. I am not going to balance the budget on the backs of recreation users. In addition, any increase in fees should be earmarked to the collecting agency to supplement their budgets and not supplant existing appropriations.

Mr. Chairman, there is room to increase Federal recreation fees as a means to enhance the management of Federal lands. I hope as we go forward with the consideration of this matter that we keep these proposals fair and reasonable.

Mr. HANSEN. We are grateful to have on our panel today—Mr. Anderson isn't here yet, is he?—Terry Anderson, senior associate, Political Economic Research Center; Randall O'Toole, Cascade Holistic Economic Consultants; Chris White, Vicksburg, Mississippi; Derrick Crandall, president of American Recreation Coalition; and Ron Holliday, director of Texas Public Lands Division.

Is it OK, Mr. White, if we start with you, and we will just go right across there.

Mr. WHITE. Yes, sir.

Mr. HANSEN. OK. The time is yours. Let me just ask you this. How much time do you each need?

Mr. WHITE. Five minutes.

Mr. HANSEN. What about the rest of you? Five minutes, OK? OK.

Now in front of you, you see a light. If you had said seven minutes, we would have put it at seven minutes. Now if you go over, that is OK. We will ask the clerk to turn the light on. You see the green light. That means you start; the yellow light means you are ready to wrap up; the red light means you quit, or you ask me for more time; we accept it either way. Is that OK?

Mr. Anderson, we are grateful to see that you are here, and we can understand it may be a little more difficult to get around for you today than it has been other days.

Mr. ANDERSON. I have gained a certain appreciation for the Americans with Disabilities Act.

Mr. HANSEN. Well, we are still going to start with Mr. White to give you a moment to collect your thoughts.

Mr. White, we will start with you.

STATEMENT OF CHRIS WHITE, RESEARCH SCIENTIST, ASCI CORPORATION, VICKSBURG, MISSISSIPPI

Mr. WHITE. Thank you, sir.

I come to you today as a former National Park Service ranger turned researcher. I'm presently employed as a research scientist with the ASCI Corporation in Vicksburg, Mississippi. However, I come to you today only as a private citizen and these views represent only my views.

I would like to speak to you briefly about some findings on some studies that we did on day use and camp day use and campground fees on a core-funded and core-sponsored three-year project where we looked nationwide at fees, both day-use fees before they were implemented and campground fees.

With this short time, in my statement I have the background and information relating to this, but I would like to jump right to the implications and recommendations that we found both in this research and in reviewing previous peer-reviewed research.

Perhaps the most important thing in our mind was that we found that the disposition of both day use and campground fees, and from other research of other fees, is that respondents would like to see it tied as closely as possible to the area in which they are paying a fee. In our study on day use it was 84 percent. In the campgrounds it was even higher. In previous studies it is the same way. People want to be assured that their money is going back in the area in which they are paying the fees.

The second point that we found was that the most important factor for support for paying fees is people's past experience in other areas, in fee areas, the context in which the fee is collected—in other words, what are the things that are available—and this is something that we have submitted in a peer-reviewed article, "The Rule Of Fairness," that there is an assumption as to the role of Government. There was some concern among people that, "We have already paid this fee by paying our taxes," and the feeling was perhaps it had been wasted and the Government was asking additional money now that I'm coming to pay the fee at the site rather than the idea that we are paying an additional fee to pay for the specific operation of this area.

One of the things we found also is that when implementing fees it is important to start with a conservative level. The most difficult thing is when you go from not charging a fee where I'm getting the services and goods free to charging a fee where all of a sudden what was free is now charged for, and if we start with a conservative fee we can lead into a higher fee later, but what we found is that there was a greater loss of revenue if we charged a high fee initially rather than start conservatively.

Our visitors wanted a choice on the provision of services and facilities, perhaps what you could call a menu, an offering of several different options, whether it is in picnic grounds where some people just wanted a basic picnic table, other people wanted electricity with a picnic shelter, or in campgrounds where some people simply wanted a place to pitch a tent while other people wanted a complete RV site, even in some cases with cable TV hookups.

We found interesting that when we asked about attitudinal issues on fees there was a broad support for discounts for elderly among all age groups. There was some concern that perhaps this was only supported by the people who benefit most from it, those in the elderly age group or about to get the elderly discount. However, we found no statistical difference among the different groups as far as that goes.

Users are looking for—and this is not just our research but other researchers found the same thing—they want good service, and, importantly enough, not to trivialize it, one of the most important things to all these users was clean bathrooms and showers. The second most important thing was adequate parking. The third most important was friendly staff. So the perceived level of service was one of the most important factors in the visitor satisfaction.

The greatest resistance to implementing a fee, at least at day use areas, was, surprisingly, those who stand to lose the most, and that was frequent users. We found that our day users reported that they came to a day use area at core sites about 21 to 22 times on average a year. They were the ones most opposed to fees. So what we also would suggest is that we offer visitors a selection of pricing alternatives. Give them an option such as perhaps, like some private organizations do, a half-day pass after 3 p.m., passes available for individuals, passes available for families.

Finally, I would like to emphasize several points that I haven't seen done a lot that I would suggest would help this, and that is, visitors like to know where their fee is going. For instance, if we build a picnic shelter based on picnic fees, let people know about that. That builds support among these people. This could be a small sign, it could be in discussions with the staff, it could be even printed on the back of the receipt that people provide when they pay their fee saying here's where your fees are going, and being very specific, saying last year we paved the road, last year we put in new campground pull-throughs, things like that.

So in conclusion, what I see is that there are two levels to fees, that there are people who say I have a willingness to pay a fee, an economic willingness, but there is also a philosophical level, and that is that people feel that I have already paid this fee partly through my taxes, and therefore it is a lower willingness to pay than perhaps we found in the past with just a pure economic measure.

Thank you.

[The prepared statement of Mr. White can be found at the end of the hearing.]

Mr. HANSEN. Did you have enough time?

Mr. WHITE. Yes, sir.

Mr. HANSEN. Mr. Holliday.

STATEMENT OF RON HOLLIDAY, DIRECTOR, TEXAS PUBLIC LANDS DIVISION

Mr. HOLLIDAY. Mr. Chairman, my name is Ron Holliday. I'm the director of the Public Lands Division for Texas Parks and Wildlife. Before coming to this job I was State park director in Montana and Colorado. Among the responsibilities that I have is the management of the Texas State Park System, 137 units encompassing over a half million acres of land. We are governed by a nine-member citizen board appointed by our governor.

We have been asked to share our experience in many ways the same as all levels of government. We have had shrinking or stagnant budgets, growing demand for additional areas and facilities, huge backlogs of deferred maintenance and equipment needs, and a feeling of helplessness in our rank and file, a feeling that someone else would solve these problems.

That world completely changed in January of 1991. Our legislature meets biennially and, working with our commission and executive director, told us that our general fund subsidy for the operation of State Parks would be removed over a four-year period of time. That was stunning news indeed because fully 60 percent of

the operations of State parks in Texas were funded by this general fund support. We are also staring into the reality of adding several areas to the State park system that had been under construction for years.

However, we were given spending authority for any money we could make, and we were also granted the authority to set fees ourselves. We were given the phrase often of, "Operate more like a business," but unfortunately none of the shackles were removed that made us operate in a very unbusinesslike manner.

Our marching orders were clear, but it took a while for it really to sink into our rank and file. We were given, however, the marching order to look at everything, and nothing was immune, so all sacred cows were up for grabs as well.

We decimated middle management in our organization. We flattened it to the maximum. We tried everything we could think of. We borrowed ideas and programs from anywhere, and, much to our delight, most of those programs have worked.

One of the sacred cows that we looked at was the system itself. We went through a vigorous scrubbing of what should be in the State park system and suggested closure of 11 State parks. We went through the normal reduction in forces starting at administrative levels.

Through the scrubbing of the system we were delighted that many communities came forward to help us. We pushed through some fee increases, but the employees resisted because there was little or no incentive for them to help, and then we hit on the cornerstone of what we believe is truly a revolutionary idea that is working wonderfully for us. We created a budgeting system that is filled with incentive. We call it the entrepreneurial budgeting system, and I would encourage you to read the paper and look at the tape that we have offered as part of our testimony.

This system basically returns to the park a portion of the money that the park can save or a portion of the money that they make beyond their revenue targets while still fulfilling their stewardship responsibilities. There is a contract involved, signed by everybody up the chain of command, which will guarantee that their budgets won't be raided.

We actually turned loose the authority to set fees within parameters at the park level. We emphasized resource management, and we told them to be as creative as possible and we would back them up, and we have, so as a result our people have put together programming and tours that we never thought would happen. They have encompassed differential prices for our facilities. We have started operating park stores, park-operated concessions where it makes sense, working closer with the other concessionaires pushing for revenue opportunity. We have developed product lines, actually even a catalogue encompassing many of those products. We have even started emphasizing donation boxes, something that hadn't been done before but targeting toward specific needs. Last quarter I was delighted to find out that we took in \$45,000 from our donation boxes.

We also did something unprecedented in a lot of levels of government, we quickly killed programs that don't work, and we did that

on several different avenues. We have increased our volunteer efforts by tenfold, and the story goes on and on.

The trick, we believe, the thing we stumbled on that really works is this incentive-filled budgeting system that I would encourage everyone to take a look at because I believe that there is something there that really strikes at the heart of the bureaucratic system in mind that gives an incentive to make money and to make a system self-sufficient.

[The prepared statement of Mr. Holliday can be found at the end of the hearing.]

Mr. HANSEN. Thank you very much.

Now Mr. O'Toole.

STATEMENT OF RANDALL O'TOOLE, ECONOMIST, CASCADE HOLISTIC ECONOMIC CONSULTANTS

Mr. O'TOOLE. Thank you.

I'm Randall O'Toole, and I'm an economist from Oak Grove, Oregon, and as an economist I have studied most of the national forests and BLM districts and national parks, and I have looked at the budgets and receipts and visitation for all of them over the last 20 years, and I am also a subsidized public land user. I recreate on the public lands. I own a cabin on the National Forest. And I pay the Forest Service a pittance as a lease for the right to use the land. I figure I get a subsidy of \$10,000 just from that alone. I pay virtually nothing to use the National Forest and National Parks, and that is probably worth several hundred dollars a year to me at the very least, and I'm here to say that I think I would be better off and everybody would be better off if you would take my subsidy away and fund the National Forests, National Parks, and other public lands exclusively out of user fees rather than out of tax dollars.

Before I get to the details of that proposal, I want to make a few points. The Forest Service estimates that the market value of recreation on National Forest lands is \$6.5 billion a year. That compares to actual receipts of about \$50 million a year. If we extend that to all public lands, National Parks, National Wildlife Refuges, and BLM lands, we are up to around \$11 billion a year. Now the Forest Service exaggerates everything it says, but even if they are off by four times, we are talking about \$3 billion a year for the public lands that we could collect in recreation fees.

Now I also want to point out that just about all the controversies we face on National Forests and National Parks and BLM lands stem from the perverse incentives created by the budgetary process.

Mr. HANSEN. Mr. O'Toole, could I stop you for just one moment, please?

Mr. O'TOOLE. Sure.

Mr. HANSEN. Mr. Torkildsen, could I get you to come and take the chair for a moment?

We have a salinity bill on the Colorado River in the Merchant Marine Committee, and because I'm the sponsor of that bill I'm going to run down there and run right back. All of what you have said is fascinating, and I want to spend some time quizzing you

when I get back, so please don't go away. Mr. Torkildsen from Massachusetts, a very able member of the committee, will sit in the chair for a moment.

Mr. TORKILDSEN [presiding]. Please continue.

Mr. O'TOOLE. OK.

So all of the controversies that we see about timber and mining and grazing and other uses of the public lands really stem from perverse incentives in the budgetary process. Those incentives give public land managers rewards for losing money on public land management, which is why we have below-cost timber and below-cost recreation and other below-cost activities.

Finally, I want to point out that these agencies have huge bureaucracies. There are three levels of bureaucracy in the Park Service and Bureau of Land Management, and as a result only 40 percent of these agencies' budgets actually make it to the ground. The Forest Service has four levels of bureaucracy, and only a third of its budget actually makes it to the ranger districts that do the on-the-ground management. So we have a lot of room for maneuvering to save money.

So basically I propose four things. First, allow public land managers to charge fair market value for recreation and other uses. They already charge market value for oil and gas and timber and some other uses, but the recreation is the one that is most subsidized in terms of below fair market value.

Second, fund them exclusively out of their net income, not gross. If we fund them out of their gross income we are giving them a further incentive to lose money, because if they make a profit somewhere they have to spend that on a below-cost activity somewhere else in order to have it come out even. Otherwise, they will have a profit on their books and they will be afraid that somebody will take that away from them. So fund them out of their net income, and then they will have an incentive to provide things that users really want.

Third, change "use it or lose it" provisions in public land management contracts to "use it or conserve it" so that, for example, I could buy a grazing permit and pay the rancher off and then not graze. Right now if I decide not to graze—and there are some ranchers who are interested in letting the grass go to the wildlife—I lose my permit.

Finally, dedicate a small percentage of the gross user fees to trust funds for historic preservation and biodiversity and other things for which there are no true markets. Most resources are marketable even though we don't bother to market them, but there are a few that aren't.

Well, how do we get there? The rest of my ideas I think are good ones, but they aren't essential to the proposal. I think that for every national park, national forest, BLM district, and national wildlife refuge we should create a friends association, Friends of Yellowstone Park or the Sequoia National Heritage Association. This operation could be joined by anybody who would pay a nominal fee, \$20 a year, and as a member of the association they would get to decide, they would get to vote on who was going to be on the association's board of directors. The association boards would be required by law—would have a trust obligation to manage their

lands in trust for the people of the United States, they would approve the annual budget, and they would have the authority to hire and fire the supervisor or superintendent of the public land agency they are dealing with, whether it is Yellowstone Park or Kiwinah or whatever National Forest or other public land agency. Then the funds for these agencies would bypass the appropriations process. We would go to each unit at the end of the year and say how much did you make, how much did you spend, what is the difference; OK, you can have the difference, the rest of the money gets divided up among the U.S. Treasury, the counties, and the biodiversity and historic preservation trust funds.

The effects would be a massive decentralization of the public land agencies. We wouldn't need regional offices; we wouldn't need Washington offices. The reason why we need 1,000 people in the Park Service and 1,000 people in the Forest Service Washington offices is because right now that is where the money comes from, but if the money comes from the ground we don't need those things. We would save \$4.7 billion a year that we now spend managing these agencies, and I project that we would receive over \$700 million a year in receipts, the Treasury would receive, above and beyond the amount the agencies would get to keep for their own expenditures, and so we would have a total savings of almost \$5.5 billion a year. The first year I suspect we would have a smaller savings because we would want to seed them with some money, but after the first year we would have over \$5 billion a year of savings.

Now I think most public land users would see benefits from this. Commodity users would benefit because there would be more stability in the commodity production of the National Forest and BLM lands. Amenity users would benefit. Recreationists would benefit because there would be more opportunities for recreation. There would be incentives for managers to preserve scenic beauty, to preserve wildlife habitat, to preserve clean water, and so really everybody benefits from this. The taxpayers benefit because they save billions of dollars.

The only losers would be the bureaucracy, but the bureaucracy is made up of lots of intelligent people. I'm sure they can find jobs in the marketplace. Probably many of them will work as consultants to the National Parks, Forests, and BLM lands.

In conclusion, I would like to say that true reform of public land management comes up from the ground. You can't have true reform until you change the incentives, and that means changing the incentives on the ground. Reform can't be done from the top down, it has to come up from the ground, and this proposal will do that.

Thank you very much.

[The prepared statement of Mr. O'Toole can be found at the end of the hearing.]

Mr. TORKILDSEN. Thank you, Mr. O'Toole.

Our next witness will be Mr. Terry Anderson, who is senior associate with the Political Economy Research Center.

Mr. Anderson.

**STATEMENT OF TERRY ANDERSON, SENIOR ASSOCIATE,
POLITICAL ECONOMY RESEARCH CENTER**

Mr. ANDERSON. Thank you.

Let me begin by simply touting another work of Randall O'Toole since he didn't do it himself. I really thought he was going to talk more about his recent work on national parks. In winter of this year his issue of "A Different Drummer" entitled "Tarnished Jewels: The Case for Reforming the Park Service" is a must reading for anyone interested in public land issues and in particular with park issues. Randall's research is unsurpassed, in my opinion, and every member of this committee would be well served to look at that publication as well as his earlier work on the Forest Service.

That said, let me endorse much of what Randall has said and note just a few other points that I think illustrate how we might move forward with this issue of recreation.

It is certainly the case that environmentalists recognized in the 1980's that below-cost issues were a good way to attack commodity uses on public lands and we should not give up on the notion of eliminating below-cost, be it for cutting trees or delivering water, but I think what we can now recognize and should recognize is that when you look at the actual budgets it isn't below-cost timber sales, it isn't below-cost grazing, that really dominate the flow of money out of the budget, but rather it is below-cost recreation.

In fiscal year 1994 the recreational expenditures on all the Federal lands—BLM, Forest Service, National Park Service, and so on—totaled over \$1.5 billion while receipts were \$136 million. If you look at specific forests—and I've looked at quite a few—I've yet to find one where the recreation deficit, where the below-cost nature of recreation, did not exceed the below-cost nature of timber sales, grazing, or mining. The simple fact is that the numbers show that in virtually every national forest the below-cost recreation is 25 percent or more above below-cost timber sales, the next highest deficit. The simple fact is, recreation is not only an outflow to the Federal Government but is an asset.

Let me just for a few moments talk about how environmental groups and economists might defend this below-cost activity. They do so by arguing that it would be impossible to collect from the people who use these forests for recreation, those of us who are subsidized users. They argue that while you could charge the people who cut the trees, how could you possibly charge those who might backpack or picnic? And the point is, simply put, in economics, that there is a free rider problem, and while it may well be there is an extent to which there would be a cost to collecting fees from those of us who use the public lands, it is certainly not the case that these costs would necessarily in all cases be exorbitant.

Consider, for example, the willingness of most people who hunt or fish to purchase a license for that activity. I have hunted and fished all my life. I have only been checked one time for a license, and I have purchased a license in every single year. I purchase a duck stamp every single year. Some years I don't even hunt ducks. In those years when I do, I have never been checked for that duck stamp.

I submit that the reason I'm willing to do that is twofold. One, the fee is not exorbitant relative to that which I get; and, two, I'm

quite confident at least in some of those cases that those fees are going to help improve the service that I receive.

I therefore submit that simply asking and enforcing it with random checks, that people purchase a recreation stamp that is necessary for recreating on all of the U.S. Forest Service lands and BLM lands, would be a very easy way of collecting a substantial amount of fees, and at the Political Economy Research Center we are doing research on that right now in terms of the cost and potential revenue to be collected. There are certainly growing examples of how this might be accomplished in the private sector, and I think we could learn from those.

Let me just turn for one moment to why we aren't collecting those fees, and in the interest of brevity I want to tell a brief story about an interaction with Bob Barbee when he was superintendent of Yellowstone. He gave a speech at my university, Montana State, and at the end I asked him, "Superintendent Barbee, would you advocate higher fees for Yellowstone?" and, two, if so, "Why is it that higher fees haven't been implemented?" and his answers, I think, were very candid and appropriate.

In response to the first question, he said, "If I spend \$50,000 of my budget on simply manning the gates and collecting the existing fees, I believe that I could collect another \$500,000 in revenues." He then smiled, looked at me, and said, "You don't need to have a Ph.D. in economics or accounting to understand that that would be a good investment." But he said, "It isn't in my interest to do that simply because if I collect those \$500,000 those dollars don't come to me."

When I asked him the second question, why doesn't somebody advocate allowing you to collect more fees and let you keep more of them, he related a story of being called only a few days earlier by a Senator who was on the Appropriations Committee who wanted something from him and the Park Service and he felt he had to jump when the person said jump. His point was that people in Washington like controlling purse strings because it gives them more clout over those people in the bureaucracy.

I submit therefore that if we are going to really have any significant change in the long run, it will only come if people on this committee and people on other committees are willing to grant a bit more autonomy to those agencies if they do as Randall has suggested, fund their activities out of net fees. That will require, I think, some sacrifice perhaps on the part of people in Washington, but I think it can mean a much greater product for those of us who do recreate.

The prospects for gathering a coalition to support such a move, in my opinion, are great. There are plenty of examples out there now of people willing to pay fees. You have heard some of them. I submit that it would be useful to look at the Mill Creek Canyon experiment in the State of Utah which has collected fees and has substantially improved the management of that small canyon. I submit also that the State lands offer an excellent opportunity for considering just how we might improve the management of our lands by collecting fees.

But in doing all of this, it is important to understand that it isn't just enough to collect fees—and other speakers have already men-

tioned this—we have to change the very institutions and the incentives for the people who collect them and spend those fees, and you have already heard from people who have expressed some ideas on how that might be accomplished.

Let me conclude by simply saying that yesterday in the budget revelations from the Republicans there were two proposals put forward. One is that there be a five-year moratorium on further land acquisition. I have been before this committee on that issue earlier this year and certainly endorse that. It is a good idea. We don't need to have more lands that are losing money for us.

The second proposal was that the National Park Service operating budget should be cut by 10 percent. While I'm hardly going to be one to suggest not cutting budgets, I would submit that rather than simply cutting budgets that we consider again the use of user fees as a way of getting those operation funds to the agencies. If this committee and the Congress were to consider some real institutional changes, such as those proposed by other speakers, and consider the possibility of using fees paid by those of us who enjoy our public lands to actually fund the operations, we could reduce the budget deficit related to this and we could do it without reducing the services that we receive.

Thank you very much.

[The prepared statement of Mr. Anderson can be found at the end of the hearing.]

Mr. HANSEN [presiding]. Thank you. We appreciate the comments of all of you.

Derrick, you haven't testified yet?

Mr. CRANDALL. I would love to do, so sir.

Mr. HANSEN. You are on. Excuse me. I appreciate that. The floor is yours.

STATEMENT OF DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION

Mr. CRANDALL. Thank you, Mr. Chairman.

I'm Derrick Crandall, president of the American Recreation Coalition, which is a national federation of more than 150 organizations, trade associations, enthusiast organizations, and companies active in the recreation field. We come here today because our goal is to ensure that quality recreation opportunities continue to be available on America's public lands, and we believe that there is an impending crisis in ensuring that, in fact, that is available.

I would note that some \$300 billion are spent by the American public every year on recreation. Less than one-third of 1 percent of that is on Federal land management for recreation purposes, and I think it is important to keep that in mind because the Federal lands can become an important stranglehold on the American public enjoying their leisure times outdoors just by the very ownership of one out of every three acres of this Nation.

The American Recreation Coalition's policy on fees has several key components. Essentially, we would suggest to the committee a five-criteria test for fees.

First, we believe that recreation fees need to be equitable; second, that the collection of those fees needs to be efficient, costing

as little of the gross dollars taken in as possible; third, and most important, it needs to be convenient for the recreationist, because an inconvenient recreation fee system simply will not work; fourth, the system needs to be coherent and integrated so that overlapping charges are minimized and so that Federal, State, and local fees are integrated wherever appropriate as we see, for example, in the Pacific Northwest on the Winter Park program and a number of other areas, the Sikes Act provisions for hunting and fishing fees. We also believe that it is essential that the fees paid by recreationists are returned to benefit the resources, facilities, and programs utilized by those paying the fees.

We have come to the conclusion that there is no free lunch in America any more. The President's Commission on Americans Outdoors outlined a strategy for depending more and more upon the direct beneficiaries of public recreation programs to pay the bill, and we believe that that is appropriate. But the mechanisms today are not there to assure that, once the bill is paid, that the food is delivered. We need to look at that structurally.

We need no more band-aids; we need a new system. We need a system that is understandable and workable, a system where the fees are tied to the costs of the services sought by the public, where limits are placed to encourage efficiency, and where a percentage of the total costs can be assigned to the agencies for recovery.

The current fee system is something that even Rube Goldberg would shake his head in astonishment over. Those who look at the fee system, I think, are more confused about the flow of dollars taken in by the Federal Government than those who don't know the system at all. In other words, if you look at the way in which the dollars flow into such programs as PILT and the Land and Water Conservation Fund and special budget instructions in terms of returning it back to the agencies who collect as an offset against collection costs, and the Roads and Trails Fund, and more, it is beyond belief to understand the complexity. The real truth is, it doesn't mean anything at all, because the various mechanisms set up to deal with the collected fees are really only on paper. The budget process goes on with little or no regard to the specific political decisions that have been made by the Congress in the past.

There are several points in terms of fees that I think are important. One is that, as you have said before, creativity and a consumer focus is essential in a successful recreation fee program for the Federal lands. We have to understand that all fees don't have to come directly to the Federal Government from recreationists. There are many, many ways to substitute that. In fact, for the last two days we have had a Partners Outdoors Fair over in the Senate Energy Committee hearing room in which programs like cooperative interpretation and the Wallop-Breaux Program and others have been highlighted, where services of a high quality have been provided at lowered Federal costs through partnerships involving Federal, State, and local governments and the private sector. The Wallop-Breaux is an important model that can and should be looked at as a way to provide special funding for special needs.

As I'm sure the chairman and other members of the subcommittee understand, the Wallop-Breaux Program is funded 100 percent

by America's anglers and boaters through a 10 percent excise tax at the manufacturers' level on all fishing tackle, and the fuel tax collected by the Federal Government on motorboat fuel. That represents \$350 million a year that is returned through a matching program to the States for boating and fishing enhancement, for sports fish restoration. It is a program that is working extraordinarily well.

We believe that there needs to be flexibility and good communications in introducing new fee programs. A cookie-cutter approach to fees will not work, and yet agency-to-agency coordination is needed to avoid confusion of the American public as they pass through the great outdoors. They have little understanding of, nor should they really have to understand, the distinctions between the Forest Service and the Bureau of Land Management and the Fish and Wildlife Service and the Park Service as they cross boundaries in many of the areas where these agencies have adjoining lands.

We would like to address a variety of specific fees, areas that we know the chairman and others have looked at before, including Golden Eagle and the Golden Age Passes.

First of all, it is important to understand that the American public does believe that they are getting good value out of their recreation fees. Every year, we commission research by Peter Hart and Roper Starch Worldwide, and I would be happy to submit for the committee the full research, but approximately 80 percent of the American public believe that they get exceptional or very good value for the fees that they now pay both close to home and during their recreations visits to Federal areas on their vacation times.

We also see an extraordinary willingness on the part of the American public to pay for a Golden Eagle Pass that is substantially higher than the current \$25 per year charge. In fact, in materials submitted to the committee you will see that in 1991 and 1992 through two surveys we conducted, between 26 percent and 40 percent of the American public indicated that they would pay \$75 for a Golden Eagle Pass allowing them unlimited access to the national parks and other fee-collecting Federal sites during the year ahead. We believe that that is still possible, and in fact we believe that through simply changing the consignment provisions that have constrained the Recreation Roundtable from going ahead to implement the private sale of Golden Eagle Passes, that one step alone could result in a \$55 million increase in revenues to the Federal Government through the Golden Age.

As Ron Holliday and others mentioned, there are many ways to tweak the system and have something that is consumer friendly but also will generate the kind of revenues needed to assure good quality experiences.

Just two years ago, for the first time, the Golden Age Passport required an initial one-time payment of a fee. Prior to that time it had been free. I hate to confess this, but my parents had learned that it had no value. They would get a Golden Age Pass and go to a national park and then promptly lose it because they knew that they could get a new free Golden Age Pass every time they went to their next park visit. Now with a \$10 fee attached to the Golden Age Pass, they, like many others, are going to retain that pass.

We would like to also suggest that the Golden Age Pass could have some blackout periods, just as frequent flyer points on airlines have some blackout periods, and instead of allowing access during peak periods by those holding Golden Age Passes for free, they, too, may have to pay for those kinds of times when they enter the areas.

Finally, I guess I would like to say that we need to understand and harness emerging technologies. The Federal Highway Administration is spending millions of dollars every year to develop what they call "ITS" strategies, Intelligent Transportation Strategies. We have given up on making drivers smart and are instead looking at making our cars and highways smart, and some of the technologies have direct translatability to parks and recreation. In fact, in this area you will soon see metro cards and the collection of tolls on the Dulles Access Highway through these kinds of ITS strategies that allow a debit from accounts that people have at banks and other institutions. That same kind of process can lead to automated fee collection and a variety of other kinds of strategies.

The last point would be that we do believe that part of the problem is the training of those Federal officials who are charged with administering our forests, our parks, and other public lands. In virtually all cases, they are trained in natural resources and not in marketing and business. We believe that it is essential to provide the Federal institutions with new knowledge, with new skill sets, in the way of consumer satisfaction, sampling, and also marketing, and in fact the Recreation Roundtable has just initiated a career development exchange with six Federal agencies by which we will take Federal officials and put them to work in key recreation companies like Coleman and Disney and other companies and in turn also provide private sector executives to go to work within the public agencies so we begin to get an exchange between these two institutions that need to cooperate and participate as partners to ensure the kind of quality experience we seek.

Thank you very much.

[The prepared statement of Mr. Crandall can be found at the end of the hearing.]

Mr. HANSEN. Thank you. I appreciate your statement.

Christina, will you give us each five minutes, and we will just go around and around until we extract the last drop of blood out of the panel, OK?

We do appreciate you being here, and I can see that we have some real experts, and I have been glancing at your statements as you have been speaking also.

You have all hit upon a problem we have. We are sitting here with a lot of public land, and yet we are subsidizing it rather substantially. We hear now that Texas is doing it, making it on their own, which I was impressed to hear. It wasn't too long ago we had California in here, and I believe the figure was 60 percent that they were making it pay.

Steve just handed me something here that says what Congress appropriates for recreation on public lands is \$1.1 billion and we bring in \$107 million in recreation fees. So if you have ever seen a subsidy, you have got one there.

Mr. O'Toole says he would pay more for his cabin on public areas. Mr. Anderson buys a duck stamp and doesn't use it. I have been doing that for quite a few years myself. However, I try to use it if I get the occasion to do it. And I look at what many of you folks have been faced with.

Now I want you to see what we are faced with. We are sitting here, and people come in and they lament the fact that we have below-cost timber sales: "My goodness, how do you do that?" It becomes quite an argument. Timber people don't quite see it that way, they see it differently. The cattle people come in, and extreme environmentalists say you are just giving away the land for the \$1.82, or whatever it is per AUM; they should pay more. They don't see it that way.

The mining folks—we have one of our Members of Congress, he writes a "dear colleagues" every two weeks talking about for \$2.50 you can go rip off all this beautiful area and you haven't done anything. You bring the mining people in, and they say that is not entirely how it works: "We put up a tremendous gamble when we do this, we are not sure we are going to get anything on our return, and out of that we create thousands of jobs and we take care of strategic metals;" and the list goes on and on.

But really the best deal in America right now is the public lands. I mean that is a sweetheart deal. You take your family out for a show and dinner at night. You are in at 70 bucks to 100 bucks just as easy as not, if you have a large family. Now take them up to Yellowstone or go somewhere else.

So the questions we have—and you have all hit around on these things—what do you say to a rancher in Salina, Utah, who is accustomed to spending as much time on public land in a pickup truck or an ATV or on horseback, now he has to pay money to go on the public lands? What do you say to the people in California or Massachusetts who want to go out and see our public lands that now you have got to pay to do that? One, practically, how do you do it?

You have alluded to the idea that on parks it is not too hard. We stick a guy in that little shack, and especially as we are doing now, we are doing a park bill, we would probably have a greater incentive if they can keep some of the money to take care of the park, which we intend to do, that they will probably have somebody there for 24 hours a day, and they can take that money and they can use it for the infrastructure of the park using some accounting guidelines that will come from us. Now there is an incentive.

But what do you say to a guy like me? I mean I live against a national forest. I can step out my back door and I'm on national forest land, almost. What do you say to me? How do you get it out of me, and how do we enforce it and that type of thing? These are some of the things that this Congress has to look at.

You have all talked about the austerity. My goodness, if you listened to John Kasich yesterday or Pete Domenici, you see that this country is in really serious financial condition, and we are trying to pick up every dime we can from whatever source we can get it from.

So we have all talked, and you people are the experts. We want to hear from you how we do this. How do we talk about the idea

of getting some money out of John Q. Public to go on the public lands? How do we enforce it? How does it work? That is the kind of thing this committee is very interested in at this particular time.

I see my green light is still on. That doesn't mean I won't get another shot at you as we go along. I have given you a general sweeping statement. I would like some specific answers.

Does anybody want to volunteer to start?

Mr. O'Toole.

Mr. O'TOOLE. Well, I can conceive of lots of ways of collecting fees from people, and all we have to do is look at how private landowners and how the States are collecting fees to get some ideas. One idea is to ask people to pay annually a short-term fee and put a bumper sticker on their car, and if they have that bumper sticker that means they get in, and if they don't have that bumper sticker then they can be cited, and if they are cited you just make them pay their fee when you cite them.

You can also ask people if they are hiking in the wilderness to wear a ski-lift-type tag on their coat. That is how Disneyland does it, you wear a tag, and Magic Mountain, and places like that. If you have that tag you are fine, if you don't have that tag you are not.

If that kind of system is used, there is a lot of self-monitoring because people who pay \$50 to buy an annual permit to a wilderness area and they meet people who don't pay that money, they know the money is going for the wilderness, they are going to say, "Hey, you should pay a fee too." Hunting and fishing fees are self-monitoring now.

Mr. HANSEN. Mr. O'Toole, how would you respond if I said we are going to make a Golden Eagle Pass and you buy it at a fishing or a recreation store or at a Government place, and it is 100 bucks, and you get to go in our national parks, you can go on BLM ground, you can go on Forest Service ground?

Mr. O'TOOLE. I'd say that is a bad idea, because I believe the important part of an incentive is the direct link between the person paying the fee, the user, and the person providing the resource, the producer, the land manager. That direct link is provided when you have an incentive. When I'm paying a fee to the Mount Hood National Forest for hiking, the Mount Hood National Forest knows that there are people who want to hike. I could get a \$100 pass to go into Safeway and clean off anything off their shelves. The grocery store manager wouldn't know what it is that people want. Instead, I pay for milk, I pay for cereal, I pay for whatever, and they get that direct feedback.

Mr. HANSEN. I guess the issue is, the American public likes things easy, they don't like complicated things.

I see my time is up.

Mr. Torkildsen.

Mr. TORKILDSEN. Thank you, Mr. Chairman, and thank you for holding the hearing on this very important subject.

Listening to the testimony, I guess I just have a general question, and that is, some of you have touched on the idea of having fees either be retained or somehow be redirected to their source area so that there is an incentive for the collection of these fees. Would you do that on a site-specific basis, or would you do it collectively for all of the recreational parks or all of one particular use?

My concern is that while you look toward charging fees for the use, you also have a limit as to what the market will bear, and I think all of us know that while some parks and some uses may be extremely lucrative and could raise far more money than they could possibly need to actually run their own park or individual site, others we may have an interest in keeping open but may not be as available to fund their immediate use. So would you have one fund that all fees went into and went back, or would you have site-specific uses? How would you deal with that in your concepts?

And if we could start with Mr. Anderson and work our way across.

Mr. ANDERSON. Well, I think Randall has already made the point that the more site-specific you make it the better the incentive structure for the people on those sites managing them to both collect them and spend them wisely, and, you know, in the world I would envision, I would keep it that way as much as possible.

But I also think that it is unlikely that Congress would be willing to give up some of those particular recreational sites where maybe they wouldn't really cover costs, and for that reason I think it would be appropriate to at least consider taxing the high profit centers. I suppose you could think of it as that. Yellowstone, Yosemite, Grand Canyon are examples of national parks where it is very clear we can charge much higher fees and collect much more revenue.

If Congress would allow, say, 80 percent of the revenues to stay with those parks where those fees are collected and take the other 20 percent and use it for other kinds of things that the committees believe need to be funded because they won't cover—I mean it seems to me that is a way to get at the differential value that is available.

Mr. WHITE. I guess, sir, speaking from a research standpoint, one of my concerns is that we need to make sure to talk to users, and in looking through the research I'm not aware of much where we have gone out and asked people from a standpoint, do you think this is a fair fee? Now the research we do have seems to indicate that those people with the greatest investment and the greatest attachment to an area are the most willing to pay a fee.

For instance, somebody coming to a day use area many times daily was the most opposed to a fee because they could go elsewhere and they didn't really have much invested in it. Somebody who has bought an RV or somebody who has put a lot of money into backpacking gear and drives a long way to go backpacking in a forest service or park service or whatever wilderness area is more likely to, probably.

But one of the things I guess I would emphasize from a research standpoint is that we really don't know very much about what our users feel about this. We do have a lot of opinions and statements, but we don't have a lot of research to back up that information. But I think we would find that as part of the travel cost the fee paid is very small compared to the investment that most people have in it.

Mr. HOLLIDAY. I would concur that the best chance of success in this is linking the incentive right to the specific park. The way we have handled it with the EBS system is that we have started at

sort of ground zero with the existing situation with a park that is profitable and a park that is not profitable. We start at that level. Each park then can, as we put it, play the game depending on whatever we negotiate as a revenue target and expenditure target, so from that standpoint it has worked very well for us.

I have found over my career that people are perfectly willing to pay more fees so long as they can specifically see where it is going. It is a very tough sell, Mr. Hansen, regarding what we had to go through answering the question of, why are my fees going up, and our answer is so your services aren't going to get cut so much. That is a very, very difficult sell.

As far as what Chris's last point was on market research, when you put incentive at that local level, either negative incentive—if you don't raise revenue you are going to have to absorb cuts—or positive incentive to say if you raise revenue you get to keep a portion of it, it is amazing how, as Derrick put it, how creative people get and how customer-focused all of a sudden they have become. You make marketers out of park superintendents overnight.

Mr. O'TOOLE. I've looked at the budgets for every national park, every national forest, and almost every BLM district in the country, and I'm convinced that, funded out of their income as I propose, all the national forests and BLM districts would have no problem making it.

About 20 national parks would have a problem, and these are units of the National Park System, so these are mostly historic sites that probably shouldn't have been made national parks in the first place.

A good example is the Eugene O'Neill house near San Francisco, California. There is no public access to it. It is difficult for people to get there so there are only a couple of thousand visitors a year. It is right now in controversy about how it is going to be managed. The people who wanted to make it a park disagree with how the Park Service is managing it. I don't know why it has to be a national park anyway. So I'm not worried about those 20.

Now if we charge a fee at each of these units, it will be complicated, but life is complicated. I can go to the Safeway store and buy oatmeal in a box, or I can go to Giant and buy it in bulk, or I can go to Cosco and buy it by the ton, but those are complicated decisions I have to make. I don't hear people complaining that when they go to Disneyland they pay one fee and when they go to Knott's Berry Farm the next day they pay a different fee. That is the way life works.

Mr. CRANDALL. Well, I guess I'll be the contrarian. I think there is importance to a system. I think the system is more than just the total of the individual 368 park units, or 150 national forests. I believe that it is important to not tie the revenue stream exclusively to the area at which it is collected. Yes, a portion of it should be there, but the issue is bigger than that.

I think to the consumers, to the people who are visiting the parks, we simply have to explain where their money is going. It may not be in that specific site, but we have to say that that money is going back into something that they will feel a connection to regardless of whether it is at that particular site or not.

I think whether it is in for-profit companies like a McDonald's where they have a store that is performing very well and is clearly in a good market or whether it is a rich congregation that can afford to devote 20 percent of its budget to missionary work while other churches struggle to pay operating costs. I think we have to look at the park system, the forest system, the BLM networks, as something like that. You will have those areas that can more easily raise the dollars that it takes to run the unit.

I also think there needs to be integration. For example, as you look at one way to help, in addition to the 20 sites that Randall talked about, we have urban sites, the Golden Gates, the other areas where it is very difficult to charge every person who walks into Golden Gate National Recreation Area any kind of a fee, but you can encourage volunteerism by saying you could earn your access to the Yosemite of this world with 25 or 50 or 100 hours of volunteer work at Golden Gate National Recreation Area, and I also think that would be an important way also to not price people out of getting into some of our premium parks.

Mr. TORKILDSEN. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you, Mr. Torkildsen.

Mr. Radanovich.

Mr. RADANOVICH. Thank you, Mr. Hansen.

**STATEMENT OF HON. GEORGE P. RADANOVICH, A U.S.
REPRESENTATIVE FROM CALIFORNIA**

I appreciate your all coming here for this important discussion. My district is in California. It has got Yosemite, Kings and Sequoia National Parks, it has got BLM lands, Forest land, and in my district is a tiny bit of private land.

I was born and raised next to Yosemite National Park (one of the most impacted national parks), so I know quite a bit about the issues that they are dealing with today, and I do remember a time over the last few years knowing, as a county supervisor of which that land is a part—Yosemite is a part of Mariposa County—the problems that Yosemite National Park was facing due to high impact, increased user impact in the park.

At the same time there was a big push to add to the National Park System by including Desert National Park in Southern California and such, and I was distinctly aware of the impression of the fact that, "For crying out loud, you can't even take care of the jewels and you are still adding to the park system," and that was a very, very frustrating experience, knowing that there were problems in the park system already and still that system was being added to. It brings to mind this whole idea of localizing and downscaling and really spreading your costs over certain things that you can manage and not spreading them too thin.

I have been reading through the analysis here, and it mentioned that there was a pay-as-you-go system, I think, that worked up until 1937, and I may have the answer to this thing already, but I would like somebody to address why that changed and if that increased cost of maintaining parks was due in part to increased Federal regulation on how you are operating parks. I have an idea that primarily that increased cost was due to just increased usership or impact on the park, but I'm curious to know how much

of it is oversized bureaucracy and too much regulation as a result on the Federal level on Federal lands.

I do have a question too regarding localizing, because I think that seems to be the atmosphere here in Washington—you know, if government is going to be doing it, let's see how we can localize it, and if government is not going to be doing it, let's privatize it, and I'd like to see some of that applied to that so that we don't have to jack the price up.

The economy of the satellite communities around Yosemite Park is directly dependent on tourists visiting the National Park System, and I would be real leery of raising costs that would affect that industry in the satellite communities around there, but I do believe that localizing is a real key to keeping the costs of operations down, and I would much rather look at controlling costs than I would raising fees.

I know the superintendent in Yosemite, and more than one superintendent, has just forgotten about posting guards at the gate entrances because they weren't getting any of those fees. Why should they pay the costs of manning these entrance stations and collecting the fees when it was going to the Federal Government and not coming back? And so many times you would find during the middle of the day going to Yosemite where the stations would be shut down for nothing other than that reason alone.

So I guess my questions really are a couple of things. What changed in 1937 that made it that national parks and other Federal lands didn't pay for themselves? How would localizing affect your costs of operations, not the increase in your fees? How much of this increase in cost of maintaining these parks is due to Federal regulation? And how about getting rid of some of this stuff? I mean there is a lot of land out there that I know of, especially in BLM land and some Forest land, that might be better in private hands.

One other question I do have too is, in particular, with Yosemite National Park, the word is around town, in my town, that you don't go to the park between Memorial Day and Labor Day because it is a madhouse, everybody is there. If you want to enjoy the park, go after Labor Day or go before Memorial Day or go in the wintertime because that is when there is the most visitorship in the park.

There was made mention by somebody to me about the possibility of flexible fees, something that was a higher fee during the high traffic times in the park and lower fees during the off-seasons, maybe weekdays, wintertime, in order to spread out the usership of the park. That may lessen the costs of operating the parks if you could spread those visitor times out. So I would appreciate some comment on that.

I see I'm yellow already.

Mr. HANSEN. Go ahead. Give him another five minutes will you please, Christina?

Mr. WHITE. May I briefly address the question on 1937, sir?

Mr. RADANOVICH. Sure.

Mr. WHITE. I believe, from reading through the history of several of the testimonies in hearings, it goes back to the point in the early 1918 era that the director in the Park Service was perceived by Congress as being too independent, and this was an attempt to provide additional congressional oversight, is why they originally

changed back the legislation on fees there, and the concern was that they would become independent of the appropriations process, and so it was an attempt to provide oversight there.

Mr. RADANOVICH. You guys can jump right in.

Mr. ANDERSON. I just want to comment briefly on your question about localizing and what impacts it would have. I think two things are important.

One, I think that to whatever extent these fees are localized to a specific park you will see some reduction in the overhead, because those people managing those parks are going to have much more incentive to say where can I put my dollars that will please my customers rather than just which offices do I like for whatever reasons even if they are not producing. So I think localizing will help a great deal.

The second point: What impact is that likely to have on local communities? You can certainly construct an economic argument that if a person is considering a trip, with a family, and they are saying OK, we have allocated \$1,000 to take a trip, what will happen if now we get to the gate of the park and the fee is higher? Well, the kinds of fees we are talking about, as someone mentioned earlier, relative to the total costs of this trip are so trivial that I don't think they are going to have any impact at all. It's not like I'm going to say gee, now that Yellowstone is charging \$10 a person to get into the park, I guess I won't go and stay in the motel in West Yellowstone, and therefore the tourist industry in West Yellowstone is going to dry up. We are not talking about that kind of an impact.

Indeed, if you look around Disneyland or Disney World, there seem to be a lot of tourist facilities doing very well with much higher user fees at Disneyland and Disney World, but the point there is that Disneyland and Disney World provide a better service because they collect and use the fees there, and it just makes the whole product bigger, and it makes the pie that the communities will get to tap larger, in my opinion.

Mr. RADANOVICH. OK. Thanks.

Mr. HOLLIDAY. On the question regarding which areas should be in a system, that has been one of the most frustrating things that we have had to deal with. Everybody will agree to the concept, and privately you will hear about the dogs, but then all of a sudden when it is laid out publicly everything is absolutely pristine and nobody wants to give up theirs. So it seems to me that you need backbone, you need discipline, and, frankly, you need some sort of a system that gives political cover to paring down a system, and certainly Congress has, I think, done a wonderful job in that in the whole base closure situation.

As far as spreading use and differential fees, we have done that, and it has helped a little bit, but I would agree with Terry, when you look overall, the difference between \$2 and \$6, you know, the size of the fee that we deal with isn't really going to make an impact to a trip.

Other than, with Derrick's point, as far as at least looking at the Golden Age and so forth, of blackout periods, all of a sudden if you are dealing with sizable fees that can control use a little bit.

I also agree that if you can zero in to that local level as much as possible it is truly amazing how suddenly those park superintendents or the local land managers will find out where the fluff is or where their money is best spent. You would be surprised at how many hard personnel decisions, for example, are made when there is incentive to do it as opposed to just letting those situations slide when there is no incentive.

Mr. WHITE. Could I real quickly, sir, add one quick thing on controlling use and differential fees. Several studies indicate that people are not very time-flexible, and it is a great revenue enhancer, but it really doesn't change visitation patterns, at least at the levels we are talking about, until you get way up, say, to \$100 or \$200.

Mr. O'TOOLE. On the history of the parks and forests, I want to point out that both Stephen Mather, the founder of the Park Service, and Gifford Pinchot, the founder of the Forest Service, intended their agencies to be for-profit agencies and to return money to the Treasury, and it was only their successors who discovered that it was a lot easier to take money from Congress than it was to take it from users that caused agencies to go below cost, and in fact I would say that we have bloated bureaucracies because of congressional funding, not we have lack of user fees because of bloated bureaucracies, and you have to understand that when we are talking about a park like Yosemite we are talking about rationing systems, and there are a lot of different rationing systems, and a user fee is one rationing system. Another rationing system is, we will just overcongest it and make it so unpleasant nobody wants to go there.

Now I have been to Yosemite between Memorial Day and Labor Day and had a very good time. I went to Hechhechie Valley; there was hardly anybody there after I walked in 15 minutes; I didn't see anybody. If we start charging higher fees in Yosemite Valley and lowering them at Hechhechie, then we might get some of those people to move.

Finally, one of the greatest benefits of user fees on public land is that private landowners can also charge user fees, and that is going to have an enormous benefit both for the environment and for those private landowners. The landowners can make money out of uses that they are now giving away, that they have to give away because nobody is going to pay them if the Federal land next door is nearly free, and environmentalists won't start saying, "Hey, we have to buy more land all the time because the private landowners are messing it up." If the private landowners have an incentive to protect their land because they can collect fees from people who like scenic beauty and clean water and wildlife habitat, then those lands will be as well managed from the environmental viewpoint as Federal lands, and I can give you a lot of examples of that, if you want, some other time.

Mr. RADANOVICH. All right. Thanks.

Mr. CRANDALL. I generally agree with most of the points that have been made, but I would say that I think we have to keep in mind that our Federal agencies serve many purposes other than direct visitor purposes. For example, as you look at the total budget of the National Park Service, which is some \$1.5 billion, the reality is that they say that their visitor service recreation program is only

some \$444 million. So in other words, we can't try to recover the entire cost of the Park Service from the people who visit our National Parks this year. I think it is very important for us to just say that strongly on behalf of the recreation community.

On the other hand, I think it is also important for us to understand that there are cost-effective ways to provide services and not cost-effective ways to provide services because of a lack of understanding of what the consumer wants. For example, we had examples of lovely visitor centers that have been built over the last 20 years that are white elephants—little used—where the public was looking for visitor *services*. There is a big difference between visitor centers and visitor services.

Again, I would go back to the cooperative interpretation programs that are going on at Timberline Lodge, on the Holland America ships going to Glacier Bay, and a number of other kinds of things where the Federal Government gets paid to put the interpreter on the boat, gets paid to put the interpreter on the Amtrak train, and doesn't have to build a multi-million dollar visitor center to serve the public. I think those are the kinds of creative solutions that we need to look at, and it is a combination of cost cutting and more efficient operation and creativity looking for partnerships to work together.

Mr. O'TOOLE. I would like to say one thing in response to my colleague here. The Park Service budget, which is \$1.5 billion, only \$550 million went to the operation of the national parks. Another \$100 million went to capital improvements on the national parks, like visitor centers that are way too expensive and unnecessary, and the rest of it was absorbed by the bureaucracy. A little bit went into historic preservation and a few other things, but most of it was just bureaucratic stuff. So the fact that visitor services is only \$450 million means that that is what got spent on the parks.

Mr. RADANOVICH. Mr. Chairman, may I ask one more quick question?

Mr. HANSEN. We will recognize you for another 60 seconds.

Mr. RADANOVICH. Thank you, sir.

If you had to say with the increased cost of operating parks—is it due then to more usership of parks, and you can say Federal lands as well, or is it due to the increase of bureaucracy and regulation, if you had to choose between one of the two?

Mr. O'TOOLE. I'd say number three. The Park Service has an incentive to waste money. Congress gives the Park Service an incentive to waste money on things like visitor centers. It is not bureaucracy, it is, if you build a grand visitor center in your park, the local congressman can cut the ribbon and feel good about it. It is just a big waste because they have an incentive to waste money.

Mr. ANDERSON. I would just add, I think there is a big incentive to show there are more visitors and then say I need more budget.

I recall talking to Jim Watt once when he was a little upset to find that there was a road counter out here on the Rock Creek Parkway and that the number of ticks going through that counter counted as visits to a National Park. How could you deny it? The Park Service is in charge of Rock Creek Parkway, and they put a counter out there and said, "Hey, we have got more visitors. We

need more money." Jim was not happy with that mechanism. But I think that is the driving force.

So it is related clearly to visitors, and if I'm going to come here and grovel at the feet of Congress for more money, I want to say, "Here's the reason I need it: I have more of your constituents visiting Yosemite, and therefore you have to give me more money."

Mr. WHITE. One comment I would add, sir, is that specifically with visitor centers there seems to be a propensity to build them but not to appropriate the money for operations and maintenance, and that creates a lot of problems. That is just an observation that I have seen over the years.

Mr. RADANOVICH. Thank you.

Mr. CRANDALL. In defense of our land-managing agencies, they are taking on additional responsibilities. Now I think we may want to question that, but, as I understand it, the National Park Service does a fair amount of local policing in Anacostia and other areas of Washington, DC, and the same is true for all of the urban parks that the National Park Service added in the sixties and seventies. As you look at that law enforcement role, which has not historically been there, the Federal land management agencies have been saddled with that as a part of that additional cost.

Mr. RADANOVICH. All right. Thank you very much.

Mr. HANSEN. Thank you. Mr. Radanovich.

Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman. I'm sorry for being late. I had two other hearings this morning.

Just a couple of observations and questions. Mr. O'Toole, you mentioned that most of the money goes to the bureaucracy. What does the bureaucracy do?

Mr. O'TOOLE. Well, that is a good question. They spend a lot of time planning; they spend a lot of time doing strategic planning; they spend a lot of time passing memos around. I don't want to blame the bureaucrats, I don't want to blame the Park Service or the Forest Service or the BLM. I think a lot of the Washington office's time is spent answering questions by Members of Congress, and the Park Service and Forest Service both have a thousand people in the Washington office, which is their largest office in the country, and frankly I think that the bureaucracy is a response to the incentives created by past congresses, and we need to change the incentives so that the agencies have an incentive to be slim and put their people on the ground rather than be fat and put their people at the top.

Mr. KILDEE. Well, you know, I'm cochairman of the Congressional Automotive Caucus, and I have Chrysler headquarters in my district and the largest concentration of General Motors workers in my district. They do a lot of planning too. They do a lot of strategic planning. You know, we have to do some planning.

Mr. O'TOOLE. Sure, we have to do some planning, but the Forest Service spent \$2 billion planning national forests over the last 10 years, and they are going to spend more money planning them over the next 10 years.

Mr. KILDEE. How much would you have spent?

Mr. O'TOOLE. I probably would have spent a few million. The Forest Service—when they originally started the planning process

in 1976, Congress passed the National Forest Management Act, they said to the Forest Service, who really wrote the law, "How much is this planning going to cost?" And the Forest Service said, "We estimate \$1 million of forest," that is about \$120 million, and they ended up spending \$2 billion. So that is 20 times as much.

Mr. KILDEE. But 75 percent of the Park Service are out in the parks, and under the Reinventing Government there will be a greater percentage out in the parks too. But 75 percent are out in the parks. Now I don't think it is too surprising that you have a large number here in Washington. This is the center of government, and we have probably more people for the Pentagon and more people for the Commerce Department. We have a lot of people here. Any single office is not, you know, just something with the Park Service itself. This is the capital of the country, and it is where the center of government is.

Yes, sir?

Mr. HOLLIDAY. I think you make a good point, and on the other hand I do agree that, left to its own devices, the bureaucracy will bloat at the administrative level. What has worked for us once more is, if we have incentives, both negative and positive, to find where the equilibrium should be, then it once more is amazing at what otherwise stagnant bureaucracies can do as far as putting the resources where it really counts. If you are not careful and you completely strip the administrative level, then all of a sudden phones don't get answered, correspondence doesn't flow quickly enough, and so forth, and the backlash is evident. So there has to be some equilibrium, but, put to its own devices, the bureaucracy will find that equilibrium if they are given the incentives to do so.

Mr. KILDEE. My only point is, I have been in government for a number of years, and it is just so easy to condemn and use the word "bureaucracy." That covers a multitude of sins, this cover "bureaucracy," but actually, you know, over 75 percent are out in the parks, and when I go over to the Park Service, to visit the Park Service, I find them to be very hard working people.

We are trying to downsize government. When Mr. Clinton finishes his plan we will have the smallest number of Federal employees since the time of John Kennedy. So we are trying to do that. But I think to just level something at the bureaucracy—you know, these are people who are concerned about our parks, concerned about our land.

General Motors downsized, Government is downsizing now too, but we do strategic planning in General Motors, we do planning in General Motors. I think to say that those that are doing strategic planning are drones or imply that they are drones or call them bureaucrats is not really enlightening this committee.

Thank you very much.

Mr. O'TOOLE. I don't think anybody here used the word "drones." It is true, 75 percent of the National Park people are out on the parks, 60 percent of the National Forest people are out in the ranger districts. I have met hundreds of those people. They are all good people. They love the land, they want to do the best thing for it, but their incentives are wrong. Although 75 percent of the Park Service people are out in the parks, only 40 percent of the parks budget is out on the parks. Although 60 percent of the Forest Serv-

ice people are out in the districts, only 33 percent of the Forest Service budget goes to the districts. That means, if you want to get ahead, if you want to earn more money, if you want to do something, the thing to do is to transfer to the forest or the region or the Washington office where the money is, and so people have an incentive to get away from the ground and get up where they are shuffling paper.

Mr. KILDEE. Well, again, and I will say you possibly have a point, but that is true in the private sector. Most people in General Motors would like to wind up working on the 14th floor of the General Motors Building in Detroit rather than the production line. I mean on the 14th floor your hamburger is ground sirloin, you get better pay. Most people would like to go to the 14th floor of the General Motors Building.

My only point is, I'm not denying totally, but I think the idea that people might want to come to a central headquarters makes the operation somewhat suspect is ignoring what happens in the private sector too, and then I do object to just throwing out that word "bureaucracy" as if that is so enlightening to this committee.

Mr. O'TOOLE. Well, all I can say is, General Motors has a natural feedback mechanism. When they start to lose money they have to let people go, and they let people go on the ground, they let people go in the bureaucracy in the headquarters. The Parks and the Forests and the BLM districts don't have that feedback mechanism. When they don't get enough user fees they just come to you and get more money, and so far you have been giving it to them, so they have no incentive to trim any part of their operations.

Mr. HANSEN. Thank you, Mr. Chairman—Mr. Kildee. I appreciate your comments.

Mr. Kildee has been a chairman around here for a long time.

Let me just say that we have a lot of hearings going this morning, just in this committee, and the full committee has three or four going, so we have got people spread all over, and this has been quite an interesting discussion we have had.

You know, the whole question before us is, though we have all this Federal land and we have got parks and we have got Corps of Engineers and we are subsidizing it to a rather substantial amount of money, the charge that we are looking at and our Budget Committee keeps jumping on me about is, how do we get more money out of the parks and use of our Federal land?

I have a very interesting fee program schedule here in front of me that I thought was fascinating. If everyone who visited the Corps of Engineers paid 48 cents it would be revenue-neutral. If everybody paid \$1.17 that used the Forest Service it would be neutral. If everyone who used the National Park Service paid \$1.64 it would be revenue neutral; Bureau of Land Management, 63 cents; and Bureau of Reclamation, \$1.18. Well, that doesn't seem like much money, does it? So you are saying, "Gee, that is really a minuscule amount of money; why is it we can't figure out a way to do that?"

Mr. Holliday, you came up with a very interesting comment when you talked about Texas paying at 100 percent. Let me ask you something. We can say anything we want in here, I guess, and I don't mean to take a shot at something that is very sensitive, but

did you close any of those State Parks when you took over down there?

Mr. HOLLIDAY. No. We suggested closing 11. There was a great hue and cry, and, once more, conceptually everyone seemed to agree behind closed doors and even in public that some should be closed, but when it got out on the table then the hue and cry came forward.

On the other hand, many of those local communities where those closures were targeted came forward with some help that they had never come forward with before—paying electricity bills, mowing the grass, and helping to the tune of, we got \$1 million of help from those communities when we laid on the table, we have got to do something, including considering closing these parks. We worked out arrangements where seven of these parks were actually managed by someone else, some with a little bit of help from us, but still lower-cost help or subsidy than it was costing us.

So all of a sudden there were some solutions that came forward that kept these places open, that kept the services up, and yet spread the burden in a number of different ways.

Mr. HANSEN. When you highlighted the issue that you wanted to close these 11 parks, a lot of folks started thinking about creative ways to keep them open apparently.

Mr. HOLLIDAY. Absolutely.

Mr. HANSEN. You know, we have 368 parks in our system, and I would even say, with your expertise, that most people can't even name 50 of them. Everyone thinks of Yellowstone, Yosemite, Glacier, Great Smokies, that kind of thing, but you don't see too much about Fort Sneer or areas such as that. Do any of you know about Fort Sneer? Charles Pinckney was there.

Mr. VENTO. Sneer Farm.

Mr. HANSEN. Yes, Sneer Farm, excuse me. Charles Pinckney, do you know who he was? He signed the Constitution. Well, now we are trying to find out whether he was really there or not. Some of the preponderance of the evidence seems to be he wasn't even there, but yet it costs us \$310,000 to keep that open.

But I agree with you, Mr. Holliday, if we even happen to mention that we are going to close a park, well, we just spit on the flag. That's like, my gosh, you can't do something like that. That is next to motherhood and baseball—baseball is probably a bad example now. Maybe football would be closer.

Mr. Anderson, do you have a response to that?

Mr. ANDERSON. I think the point about innovative solutions is a crucial one to ponder, and if Congress is not willing to go forward with a fairly abrupt change, as was suggested in some of the questions to the panelists here, and really start charging fees on a system-wide basis, then at least some experiments ought to be tried, and, again, I would point to the Mill Creek Canyon experiment in Utah. That is a grassroots kind of response that came about because that canyon was being totally trashed, and it was local people, the county, that got together with the Forest Service and said let's put in a toll booth, let's charge a fee, and let's use those fees to improve the stream, to improve the riparian areas, and those kinds of experiments. If that is all that happened, this Congress would go a long way toward illustrating to people what could hap-

pen if they paid their money and got their products at that location.

Mr. HANSEN. I appreciate your mentioning it. That has kind of been highlighted around the United States now. This is one of those beautiful canyons to the east of Salt Lake, just 100 yards out of Salt Lake and you are almost in a pristine area, and it is a beautiful, beautiful canyon. It has got granite and pines and all this area. It just looked like a dump yard for a while. The county commissioner said, "Well, let's charge people to go up that canyon." It was a minuscule amount. Maybe you can recall the amount. It wasn't very much money. Now it is absolutely a show case, and people enjoy going up there.

So as we kind of try to find different solutions to it—the Mill Creek Canyon, how much is it, Mr. Anderson?

Mr. ANDERSON. Two dollars.

Mr. HANSEN. Two dollars per person or per car?

Mr. ANDERSON. I think it is per car.

Mr. HANSEN. Per car. That is nothing. Who wouldn't pay that? And in Mill Creek, I wouldn't want some of my eastern friends to see it. They would want to make it a national park. I mean it is a very, very beautiful, beautiful area, and now it looks very, very nice.

Mr. Vento, the institutional memory of the committee—we will turn to him.

Mr. VENTO. Well, the chairman does flatter me.

I appreciate the testimony. I was at a hearing trying to straighten up the salinity issue that is of immediate interest to the gentleman from Utah. I appreciate his hearing and sort of this free-wheeling discussion with the panel of folks that have given a lot of thought to the recreation fee issue.

After having worked on this for some time, I find there is a lot more enthusiasm in Washington for increasing the fees than there is in the field. That is to say that there is a lot of authority in law right now that Congress has granted to, for instance, the Park Service and to some extent the Forest Service and the BLM for user fees, in one instance for entrance and user fees and in both instances for the Park Service and BLM, again, for user fees now, and they don't exercise it.

Now there are a couple of reasons that happens. One very important one is, you can have numbers here in terms of people visiting, but common sense has to prevail, and that is, it costs more sometimes to collect the fee, whether it be a recreation or an entrance fee, than you can get back. You are going to put a seasonal or a park professional out there, sitting some place, going around, when you have got multiple entrances? Well, no, you are not going to do that. So a canyon ideally lends itself to that. I think these are some of the practical things we have to consider in terms of what happens.

Every administration that comes down the pike since I have been here wants to increase entrance fees and wants to increase user fees, but they aren't exercising the authority they already have to do so, and it is for that reason to a large extent. You know, we want to obviously do what is reasonable in terms of fees.

Now of course there are exceptions for children, for education, for other reasons which are certain social decisions. Of course I think there is also the backdrop of this, just taking a step back from this entire issue, that the American public does pay a certain amount of dollars and feels that some of the funds that come from the general revenues should go to support this and that we have a draw on the general revenues, as do other programs, so you pay in different ways. But those that are going to go can pay and will pay, you know, when it is possible. But we make various decisions about that. So I don't see any magic in terms of this.

The question is, can any of you set on the table a definitive study as to what happens with the 368 units or the 130 units that we charge fees if they increase? Does visitorship go up or down? I mean who has a definitive study that they can show? I asked the Park Service for that, and I never got it. Mr. Randall O'Toole says he has it.

Mr. O'TOOLE. Well, I have looked at all 368 parks, and I can't tell you for every single park that the visitorship is going to go up or down, but it is my estimation that in a lot of parks visitorship will go up if, first of all, you give the managers an incentive to collect a fee. Right now the managers don't see the money. Although theoretically half the money comes back to them, it is really folded into their budget, and the manager of Montezuma Castle, for example, points out that her National Monument is the only unit of the park system in the country that collects more fees than it costs, but she doesn't see any of the money, and so she doesn't understand why anybody else bothers to collect fees.

The second point is that you not only have to give the managers good incentives—

Mr. VENTO. Of course that gets into the budget. I agree with you, it is an incentive. I think the fees that are collected should remain in the Park Service or remain with the Forest Service. In fact, all recreation fees do, don't they?

Mr. O'TOOLE. What is that?

Mr. VENTO. All recreation fees do remain with the agency, don't they?

Mr. O'TOOLE. Well, technically they do, but they don't go back to the managers who collect them on top of their regular budget.

Mr. VENTO. I think entrance fees, you are correct. I think with recreation fees—not all, OK.

Mr. O'TOOLE. Theoretically on the budgetary basis the managers are supposed to see that money, but they don't.

It is not like Forest Service timber sale money, that they get to keep the money and spend it right on that sale area.

Mr. VENTO. You have no disagreement from me on that. We have tried very hard in rewriting the Land and Water Conservation Fund law in 1987 or 1988 to accomplish that, and, you know, supposedly between the appropriations and the OMB the money remains, but there is always an eagerness to spend it before it comes. I don't have any disagreement with that. I don't know what the solution is between the Budget Act and the OMB.

The other point—Mr. White, you did a study that suggested a fee system would not affect users any more severely than non. However, the results consistently indicate that users with lower income

and education would respond differently to fees than users with higher incomes. Can you elaborate?

Mr. WHITE. Yes, sir. Speaking for our peer-reviewed article, that is being subjected to peer review right now, what we found was that the greatest predictors at day use areas at Corps of Engineers projects was education and income, and those people with a lower income and lower education levels tend to indicate that they would drop off faster than would people with a higher level, and I would caution that this is concerned with Corps of Engineers day use areas. However, I can't cite you the studies right off the top of my head, sir, but there are several others with campgrounds that Dr. Steve Reiling at the University of Maine has published that also seem to indicate there is an issue as far as that goes.

Mr. VENTO. Well, Mr. Chairman, I would just point out, I think for the record anyway the experience has been that there is a broad authority for recreation fees already with regard to almost all the land management agencies. In fact, I know there are just a few limitations on user fees where you are getting campground, wood, and other types of issues. Obviously what we are talking about is entrance fees in terms of BLM or the Forest Service; we are saying these are public domain lands and people can go on them. I think you are crossing a new threshold in terms of that particular issue, and then how do you control that? I don't know.

I think the Bush Administration had the idea of a passport, an America the Beautiful Passport, or something that Mr. Crandall and others worked on. We tried, in fact, in the last session, as the chairman knows, to provide a rebate for the cost of collecting entrance and other types of fees and put entrance fees for the first time on some BLM sites and some Forest Service sites and on the Park Service. I think they are able to keep it.

Of course, one of the complaints that I had from the Forest Service was that Mount St. Helens, of all places—that the 15 percent was inadequate. Well, if they can't get by on 15 percent, I don't know where they can, because, as any of you know that have been there, it is a single road in and out. I saved my sympathy for other problems, I'll tell you.

The concerns here are realistic, but there is an amount. Also, of course, the multiple purpose of these lands whether or not recreation is a use should be assessed. Mr. Chairman, the amounts that you have here seem rather significant. I don't know what the recreation program cost is, but I think that in any case we can and should try to give additional authority. But I think we have to be reasonable and understand that the enforcement or the collection of that is of diminishing returns, and then the risks of really excluding people, if you say you are going to raise the fee and lower the number of people, you won't achieve your goal. I think we want to optimize that and find the right balance. Certainly we were prepared in the last Congress and I am in this Congress to work with you on that, and I know that you were open to that idea in the past, but we just couldn't bring it to conclusion so I hope we can.

I thank the members of the panel.

Mr. Crandall wanted to make a comment and Mr. White.

Mr. Chairman, my time has expired.

Mr. HANSEN. Let's have those gentlemen respond.

Mr. Holliday.

Mr. HOLLIDAY. To respond to that, here's the experience of the Texas State Park System. When we gave true incentive at the local level, we also turned loose a decentralized decisionmaking authority except for broad parameters regarding setting fees. We found there were great incentives to raise revenue at the local level. We found out that some fees dropped and revenue went up. We found in many cases most cases fees went up and so did revenue. We found in other cases fees stayed stagnant, yet other creative additions were put with it and revenue went up. So the secret, we found, was putting incentive at that local level and turning loose of as much central control as possible. It works.

Mr. HANSEN. Mr. Crandall.

Mr. CRANDALL. I would go back to a point I made before. I don't think a cookie-cutter approach will ever work as far as fees are concerned. You asked, Mr. Chairman, about what kind of fee could be used to bring in 48 cents at Corps of Engineer sites or \$1.14 at Forest Service sites. I think we really need to retain a lot of flexibility. One of the things we need to do is learn from the successes of the past.

In the last 10 years one of the most successful programs has been the Challenge Cost Share Program. That doesn't even show up on this sheet here, and yet it is terribly significant. There are more dollars brought into the Forest Service recreation program through the Challenge Cost Share Program than what they show here in terms of the annual user fee/entrance fee collections.

There is another point I think also has to be understood, that the Forest Service user fee collection shows a decline over the last five or six years because a number of the campgrounds that were previously operated by Forest Service uniformed personnel are now operated by contractors and concessioners. So you have reduced the revenue, but you have also in many cases slashed Federal costs far more than the loss in revenue.

So we need to encourage that kind of creative response, we need to have a businesslike approach in many cases to evaluating who can do the services best, what services are needed, and we would encourage the committee to reward those experimental areas that are doing good jobs in terms of providing better services to the public, high quality recreation services to the public.

Mr. HANSEN. Mr. White, did you want to respond?

Mr. WHITE. Yes.

Mr. Vento, you mentioned the cost of collection. I know of several cases, speaking both as a former park ranger and also as a researcher, where fees have been implemented where, if you look at the direct cost, it actually costs more to implement the fee, but especially in day use areas and some campgrounds close to urban areas the actual cost, if you look at the cost of graffiti, of vandalism, where somebody actually put a cable around an outhouse and tore it down and that cost the park \$25,000, they have willingly put it in, and so I would only caution that sometimes I think we need to make sure to include the indirect costs of collection, the advantage of control.

The second thing: speaking as a user and many-time camper, it is to my advantage to have that control at the campground and not

have somebody cruise through the campground at 2 a.m. in the morning honking their horn and drinking beer and throwing beer cans. I have had that happen to me.

Mr. HANSEN. Mr. O'Toole.

Mr. O'TOOLE. In regards to the 15 percent, I have a friend who is the administrator of the Sawtooth National Recreation Area, and before that 15 percent was put in he told me that he is authorized to charge a fee but he didn't bother because it would alienate too many people and he wouldn't get to keep any of the money, so if he didn't get any benefit he didn't see any point in charging the fee. Then Congress allowed managers to keep 15 percent, and you are starting to see some managers charge fees where they weren't charging before. But 15 percent is really a pittance.

Mr. VENTO. Let me say, the 15 percent was just for their cost. It isn't really a benefit to the recreation area, but there is a provision where the dollars were to remain. That was just to offset so they wouldn't lose money, Randall. That was the purpose of that.

Mr. O'TOOLE. OK, but the local managers need to have an incentive. The Gifford-Pinchot National Forest, where the Mount St. Helens site is located, keeps 25 percent of all its timber receipts to spend on things like reforestation. Other national forests keep 90 or 100 percent of their timber receipts. National Forest and BLM lands are allowed to keep 50 percent of grazing receipts. So the actual managers who collect the fees must be allowed to keep a percentage, and I favor a percentage of the net fees, not gross, because that will give them the best incentives of all. But if they are not allowed to keep a percentage and know that that money is coming to them when they charge the fee, they will have no incentive to charge it. That is why the Park Service collects about \$40 to \$50 million a year in entrance fees, and the USGI inspector general says they could collect over \$200 million if they had incentives to do so based on current fee structures.

Mr. HANSEN. I think you are right there. That is one of the problems we have; there is no incentive. We agree.

Mr. VENTO. I just want to highlight, I mean there is this natural tendency of gravity to pull the money into Washington, whether it be OMB or the Appropriations Committee, and I think in the process they do great damage to this incentive, and if we could just get that message across I think it would be helpful. In fact, with the Park Service we, I think, provided 50 percent for the collecting park, in order to share some of the revenues with noncollecting parks.

Mr. HANSEN. You go to most of these parks. A lot of the local folks will wait until after 6 o'clock when no one is there, or they leave in the morning because nobody is there. In fact, I have many parks in Utah; rarely do you find someone there. As you pointed out, Mr. O'Toole, we don't see an incentive there.

The Park Service also, if I put a guy in there, he is not working in the campground, he is not working somewhere else. However, if he was going to keep a pretty good percentage of that, I'm quite confident there would be a guy in that little station probably 24 hours a day, or maybe we would give him the opportunity to contract it out.

Mr. VENTO. I think the other aspect here should not be understated, Mr. White, in terms of having land managers there doing the tasks, whether it is seasonal or whatever. Actually having the professionals there is really a key, because there has been a withdrawal of many of the land managers from the lands during the eighties as we have cut back, and now we have got the Clinton reinvention programs, and they are cutting back the number of personnel, and it is very frustrating. I think that one of the basic problems in terms of the whole lack of communication that has been compounded in the western States and some of the negative feedback is because of the reduction of managers and the number of people to talk to, to be out front dealing with these. The fees could help other things, could help with that, but I think we are paying the price for that now in terms of some of the polarization we see, Mr. Chairman.

Mr. HANSEN. You may be right.

As the past chairman of the committee has commented, this has been an age-old problem we have had. As long as I have been on this committee, 15 years, we have been trying to figure out what to do. We kind of fool around with it a couple of weeks every year, and no one has really come up with something. We are finding ourselves in the position that it is costing us a lot of money, and we just really feel that something has to be tried, and that is why we so appreciate the expertise that sits before us now. I mean the great knowledge that you gentlemen have has been very beneficial to us.

And, Mr. Anderson, I really apologize that you had to limp all the way back from Montana. It was kind of you to come. Please keep in mind, we will go in detail over all of your statements, and we would like the opportunity to be able to call you individually if we have questions or comments, and that would be a great benefit to us and to the country, and I would thank you for that, and we will now adjourn this meeting.

[Whereupon, at 11:45 a.m., the subcommittee was adjourned, and the additional material submitted for the record can be found at the end of the hearings.]

AMENDMENT OF THE LAND AND WATER CONSERVATION FUND ACT OF 1965

THURSDAY, AUGUST 3, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON NA-
TIONAL PARKS, FORESTS AND LANDS, COMMITTEE ON
RESOURCES,

Washington, DC.

The subcommittee met, pursuant to call, at 10:03 a.m., in room 1334, Longworth House Office Building, Hon. James V. Hansen [chairman of the subcommittee] presiding.

STATEMENT OF HON. JAMES V. HANSEN, A U.S. REPRESENTA- TIVE FROM UTAH AND CHAIRMAN, SUBCOMMITTEE ON NA- TIONAL PARKS, FORESTS AND LANDS

Mr. HANSEN. The subcommittee will come to order. I hope you all realize that as we are coming down to the last crunch that there are a lot of demands on members' time. We have a lot of them at ANWR down at 1334 Longworth; got them at all kinds of hearings. So many have called and said they will try to dribble in as they can. This is a very important hearing to a lot of folks, and we appreciate having both Director Kennedy and Gray Reynolds, the Deputy Chief of the Forest Service, with us.

We welcome you to the second hearing in the 104th Congress by the National Parks, Forests and Lands Subcommittee on recreation fees. Several months ago when we held our first hearing on this topic, we heard a number of new and bold ideas for reforming the existing recreation fee programs. I have incorporated many of these ideas into the bill which I have introduced and which is before members today.

There is little doubt in my mind that the biggest issue facing our land management agencies today is funding or, more properly, the lack of it. As Congress responds to the demands of the American public and moves toward a balanced budget, funding for our parks, forests and refuges is only going to be more difficult to come by.

I did not introduce my recreation fee legislation because someone asked me to, but because I am committed to finding a way to close the ever-widening gap between the number of persons who recreate on our Federal lands and the funds available to support a quality recreation opportunity. It appears to me that recreation fees provide the best opportunity to close this gap.

I believe that it is important to ensure a quality recreation experience for the public who uses all our public lands, not just the 18 percent of the public who choose to recreate on National Park Service lands. We have had a single comprehensive recreation fee pro-

gram for all Federal land management agencies for the last 30 years, and I can see no reason to reject that approach today.

Therefore, I am disappointed that the Administration did not have the vision to recognize that the public deserves a comprehensive, quality outdoor recreation program. As I look at today's testimony of the Forest Service and the National Park Service, it appears they are testifying on two different pieces of legislation with respect to my bill, H.R. 2107. We say that respectfully to you two gentlemen.

I am also disappointed the Administration has totally missed the point of my legislation. Despite my clear introductory statement and subsequent discussion with the Administration to confirm the intent of my bill, the testimony from both agencies assumes that the language of my bill which guarantees future funding for outdoor recreation programs is a mistake. It is not. In order to ask the American public to pay more in recreation fees, Congress must ensure that after paying those increased fees the public gets better service and better facilities.

My bill accomplishes that, while the proposal by the Administration does not. Nothing in the Administration proposal addresses the very real likelihood that Congress will reduce annual appropriation for park operating programs. For that matter, nothing in the Administration proposal guarantees that fees placed in the Park Renewal Fund won't be offset by decreased appropriations for construction funds.

It will not be easy to accomplish my goals, and, therefore, I will need the support of everyone in this room, and everyone who enjoys recreation in our parks, forests, and public lands to ensure that this legislation is enacted. I have discussed my approach with key members of both the House Interior Appropriation Committee and the House Budget Committee, and they are both supportive of it.

One other major area of difference between the two bills before members today is that the Administration proposal brings all the money back to Washington, DC, and my bill leaves the bulk of the money on the ground where it is collected. It is true that the Administration bill brings it back to a different address in Washington, DC, than under current law, but it is still Washington.

If we are ever going to get the support of the field managers to collect fees, the public to pay them, and the political support for an increased fee program, the law must require the bulk of the fees to be kept right where they are collected.

Finally, it is important to say a few words about the most controversial aspects of my bill, the goal that recreational users pay 75 percent of the costs of services provided them. That is not a magical number which has been handed down from on High.

I share the concern of some about pricing segments of the public off public grounds, which is why I have directed the agencies to study that question. I do know that continuing the existing situation where the recreating public pays for just 10 percent of the costs of service provided is unacceptable.

The testimony from the National Park Service today claims that this collection goal will lead to a fivefold increase in fees. However, in arriving at that conclusion, the NPS has made the following as-

sumptions: one, that visitation of parks will not increase in the next seven years; two, that the one-third of park visitors represented by persons under 16 and over 62 will continue to pay no fees; three, the National Park Service will continue to collect entrance fees from just 11 percent of park visitors; four, that only 150 of the 368 park areas will collect entrance fees and; five, there will be no increases in either user fees or concession fees over the next seven years.

Most of the assumptions in my mind are unrealistic or just inconsistent with the language of the bill. Therefore, rather than wasting the time of the members today discussing these numbers, I am requesting that the Park Service redo their analysis with realistic assumptions and resubmit it to the committee. Further, I note the Forest Service does not have the same problem with high fees.

I look forward to a good hearing today, and I want to thank all witnesses in advance for the testimony. And I look forward to working with those truly interested in improving the recreation experience for all recreation users of our public and Federal lands.

Mr. HANSEN. The gentleman from New Mexico, the ranking member, is recognized.

**STATEMENT OF HON. BILL RICHARDSON, A U.S.
REPRESENTATIVE FROM NEW MEXICO**

Mr. RICHARDSON. Thank you, Mr. Chairman. The issue of Federal recreation fees is a very important one, and this is why at the request of the Administration, I introduced the National Park Service fee bill which is H.R. 2025. I think that it is important that we have the views of the professionals on this issue on the table.

Let me just note that similar legislation formed the basis for committee action on this issue in the 103rd Congress. And generally in this subcommittee, we worked on recreation fee legislation on a bipartisan basis. Certainly that was the case last year on the NPS fee proposal which you, Mr. Chairman, and Chairman Young supported.

It was only when the bill got to the floor that it got a bit partisan with members of the now majority voting against the bill by over a two-to-one ratio while Democrats supported the bill better than three-to-one. And I do hope that that was an aberration and that we can maintain our bipartisan support for recreation fee legislation as you have established as the new Chairman of this subcommittee on a variety of issues.

My support for Federal recreation fees hinges on some basic principles. First, such fees should be fair and reasonable and not single out certain users or provide a disincentive to the use of Federal lands. I am not going to balance the budget on the backs of recreation users. In addition, any increase in fees should be earmarked to the collecting agency to supplement their budgets and not supplant existing appropriations.

Mr. Chairman, there is room to increase Federal recreation fees as a means to enhance the management of Federal lands. And I hope as we go forward with the consideration of this matter that we keep these proposals fair and reasonable.

Mr. HANSEN. Thank you. I appreciate the gentleman's comment. The gentleman from Oregon, do you have any opening statement or comment you would like to make?

Mr. COOLEY. Not at this time, Mr. Chairman.

Mr. HANSEN. Thank you. We are appreciative of Gray Reynolds and Roger Kennedy being with us, our two lead-off witnesses. And I assume you both need 10 minutes so we will give you 10 minutes. Is that all right? Out of the generosity of my heart. Besides that, Roger, I wanted to shock you a little bit this morning.

Mr. KENNEDY. I think the only appropriate response to that, Mr. Chairman, is, gosh, I was counting on five, and thank you. We are very grateful to you.

Mr. HANSEN. The floor is yours.

STATEMENT OF ROGER KENNEDY, DIRECTOR, NATIONAL PARK SERVICE

Mr. KENNEDY. I am here to represent myself and the following folks in the Department of the Interior and the Park Service: Mike Ferguson, Acting Assistant Director of the BLM; Mike Boydon, Chief of the Branch of Public Use, Division of Refuges, Fish and Wildlife Service; Bruce Brown, Senior Program Analyst, Office of the Commissioner, Bureau of Rec; Maureen Finity, Associate Director, Park Operations and Education, National Park Service; and Chris Andros who is Chief of the Ranger Activities Division, National Park Service. We have submitted written testimony, sir, and we hope that you will accept it. And I would like to summarize my remarks if I can very quickly.

Mr. HANSEN. Without objection.

Mr. KENNEDY. The difficulty for us this morning is for us to respond in the spirit of your opening remarks to get on with finding common ground, and I hope we can do that in the next 30 days. There is no question in my mind that everybody here wants to increase the fee collection by all the Federal land management agencies but not extortionately, some to help take care of the places they tend, but not so much as to send people away that are poor, or I submit, sir, the young or the very old.

I don't think anybody wants to make it impossible for young people to come into parks for free and for very old people to get into parks without paying too much. I also think that everybody in this room wants to see to it that there is over time a comprehensive Federal fee collection process. The only division between us is how to get there and in what stages.

I, therefore, don't propose to take up your time or the committee's on a discussion about a comprehensive rebundled bill or a bill just directed to the Park Service. That is something that you have got to sort out, and the responsibility is upon the Congress since it has affirmed a desire to get the bill passed. I am going to limit my remarks, if I may, wholly to something that I think we do know something about which is the effects of a variety of proposals as to how much to collect and what their consequences would be.

At the outset, I think we have to acknowledge that we are in a somewhat different place this year than we have been in previous years. There ordinarily are two extreme cases, those people who are waiting for Glinda the Good who thinks some day there is

going to be all kinds of money, and, therefore, let us not get into this fee collection business. That argument, apparently, is not on the table. There is no sense that everything is going to be wonderful some day to those still present in this room.

On the other hand, we are now in a discussion between what I would describe as a moderate fee increase program and what I regard to be a wildly excessive proposal. And, if I may, Mr. Chairman, I think I do have a responsibility to enter some argumentation with respect to what I think is an excessive approach.

You said earlier that you weren't particularly enamored of a 75 percent rule. That is very good news to us because that would mean that we can work with you to reach fee collection levels that would permit people to come into the parks, use them, and would not produce a very deep adverse effect upon the communities that are dependent upon the parks.

Mr. Perot's slurping sound could be described as the going down the drain of the local economies of a whole lot of gateway communities if there were such high fees levied upon the parks that people aren't going to come. We don't want to send down the economies of the communities that are dependent upon the parks just because we are trying to solve the budget by charging too much to park visitors so that nobody will come.

There were some remarks made last week about Adam Smith. I am interested very much in Adam Smith. I am also very much interested in subsequent Nobel laureates who talked about elasticity of demand, and elasticity of demand means that at a given point if you raise the price too high, nobody is going to buy. Nobody is going to come. And that would be bad news not only for the parks, but it would be bad news for the communities adjacent to it.

Now, you are entirely correct that the numbers that we have offered to this committee would indicate that by application of an extreme rule, the 75 percent rule, you would require us to ratchet up the price of admission to a national park by three to five times.

You are entirely correct that those numbers have a set of assumptions in them, and they are these—you correctly stated them—first, that kids and old people can get into the parks—in the case of kids, for nothing. We think that is good public policy. And that older people—even older people that may be in reasonably affluent circumstances should get in for a lot less than people earlier than the age of 62. We have various views about how much less, but less.

Second, we think it is good public policy that we should increase other fees like moviemakers' fees. The law as it currently says is silent about whether or not we can charge equivalent fees to moviemakers and others in the parks.

The other proposal before us—not ours—the other proposal before us is silent on that subject and would keep us at the point where all we can charge for moviemakers and the like is what it costs us to manage their coming in and going out—the cops and others that take care of them—which is absurd. We should be charging them comparable value.

Now, the third assumption that is inherent in our figures is that all we charge for campgrounds is the comparable cost of camping anywhere else. Now, with those concessions, those agreements as

to the basis of the figures, our figures stay where they were when I gave them to you yesterday, sir.

A 75 percent rule would militate very, very heavily against the possibility of other than the rich being able to get into parks and would price many parks out of the market which means that the adjacent communities would be in deep trouble.

Now, if I may, I would like to suggest to you what those mean in precise numbers. Mr. Chairman, I have to submit to you that the number of park visitors is not going up on a steady curve.

There has been some indication in the last couple of years that we may be doing pretty well with the number of visitors we have got, and it is falling off just a little this summer and in pretty good times. So I don't think we should build in an imaginary escalation of park visitors.

If we just take what we have and match that number of visitors to the 1995 dollar costs which are in our figures—we don't escalate for inflation or any of that stuff which would make the case worse for a higher charge—we are just taking it where we are because we know what that is—and you take out the 35 percent of the visitors who are 16 years or younger and the golden age passports at just about where they are now—that is people over 62—the consequences of the proposal to treat all visits to parks as if they were using campgrounds—recreation users—even if you add in all those places where you are not now collecting and where you could do it feasibly but for some arcane reason of history the Congress said don't collect, but if you add in those places where you could practically do it as distinguished from a place like the C & O Canal where we have got no place to collect, and if you add in those places where you have got places to catch the customer on the way in, you still would have a three to five percent multiple. That difference is not great in the numbers, and we will submit to the committee to demonstrate that.

The comparison fees between what would be our intention under, if you don't mind my calling it the Richardson bill—it would be our intention—and we would happily submit our proposals—if you submit our proposal for modest increases, let us look at the Grand Canyon. We would take it from \$8 to \$12 of the cost for a family of four. But if you applied without enormous adjustments the 75 percent rule, you are talking about \$42 to \$48 for a family of four, two adults and two kids.

Now, I just can't believe that this Congress wants to ratchet up the cost of a visit per day to the Grand Canyon to \$50 for a family of four. Yellowstone—same thing. Denali—let us assume that for a family of four—right now it is \$6. Under the Richardson—our proposal, it would double. We are not shy about raising it up to \$12. But under the 75 percent rule, it is going to cost \$30 to get into Denali for a family of four.

Let us look at Zion. It is \$6. Because it is in a slightly different category than Denali for a number of complicated reasons having to do with the economics, we would only take it to \$8. But under the 75 percent rule, it would cost you \$30 a day to get into Zion National Park. We think that is bad public policy, and we think the effects upon adjacent communities would be devastating. So we are opposed to that. I believe my time is up, sir.

Mr. HANSEN. Mr. Kennedy, go ahead if you have got something further. Your testimony is very important.

Mr. KENNEDY. Essentially, my view of this is that we have before us some proposals that need a lot of work, and that we can work on them together. I do not regard this as an adversary process. I think that the people on this committee want the same thing, modest increases in fees to pay more of the cost of running parks.

I am absolutely sure that we, like you, want the money to stay in the parks. And if there is a different lockbox in the banking system that would get it there rather than a lockbox in Washington, it suits me fine. That seems to be a trivial difference.

The fundamental question here is whether or not we try to do too much, too much with getting fee collection and too little from the general taxpayer. That is what it comes down to. We are struggling with that, and I believe we can get real close to each other if we keep on doing what you have asked us to do and to which I entirely concur. Let us stay with each other.

Let us stay on the numbers. Let us give you honest figures which I believe our Ranger Activities Division, which produce these figures, has done. I didn't make them up. We are trying to work with you. We are trying to tell you what an extreme case would be.

[The prepared statement of Mr. Kennedy can be found at the end of the hearing.]

Mr. HANSEN. Thank you, and I agree with your statement. This isn't an adversary situation. You can't get me to defend either one of these things. There is no pride of authorship here. We just have two rough drafts sitting there. When you look at those, would you put in front of the word "draft" "very rough"?

Mr. KENNEDY. We see it just as you—

Mr. HANSEN. We don't have any pride in authorship.

Mr. KENNEDY. Our proposal likewise is a draft. We want to get there. We really do.

Mr. HANSEN. As you stated in your comments, we just want to get to the same end. How do we accomplish it? But I think all of us, whether they be Forest Service, Parks, or BLM, acknowledge the idea that we are underwriting a substantial amount of money which we don't have.

And we are all asked here to cut the budget, and at the same time, the public wants national parks and wants to recreate on the Forest Service. And I don't blame them. I am one of them. And so that is what we are all trying to get to. Excuse me. I don't mean to editorialize on your statement.

Mr. KENNEDY. I accept all your amendments. That is exactly where I am too.

Mr. HANSEN. Do you want to say that again? You accept all my amendments?

Mr. KENNEDY. No.

Mr. HANSEN. Why are we having this hearing?

Mr. KENNEDY. As a lawyer, sir, I was referring to the amended remarks that you were referring to, and I accept all of your amendments to my remarks.

Mr. HANSEN. Thank you for elaborating on that point. Gray, it is good to have you here. We will turn to Gray Reynolds, the Dep-

uty to Jack Ward Thomas. Gray, the floor is yours. Ten minutes. If you need more, let us know.

STATEMENT OF GRAY REYNOLDS, DEPUTY CHIEF, FOREST SERVICE

Mr. REYNOLDS. Thank you, Mr. Hansen and members of the subcommittee. I am pleased to be here today to offer the views of the Department of Agriculture on H.R. 2107, the Visitor Services Improvement and Outdoor Legacy Act of 1995.

We defer to the Department of Interior on H.R. 2505 which only applies to the National Park Service. The Department of Agriculture would support many of the principles of H.R. 2107 if incorporated into separate legislation addressing the needs of the Forest Service.

I would like to begin by reviewing our testimony before this subcommittee on April 29, 1993, addressing proposed amendments to the Land and Water Conservation Act of 1965. At that time, we testified as follows: "In his report, 'A Vision of Change for America is not Found,' the President made clear his commitment to increasing revenues from users of recreation facilities on Federal lands.

"This commitment is a reasoned response to a difficult situation. On the one hand, demand for recreational opportunities is high and expected to grow substantially over the foreseeable future. On the other, available resources are inadequate to maintain even the current recreation infrastructure."

These words are more relevant today than they were two years ago. Budget pressures are greater, recreation demand continues to grow, and the overall situation of recreation infrastructure is deteriorating.

We have implemented a number of measures to address this situation. Under the authority of section 7 of the Granger-Thye Act of 1950, the most popular recreation sites situated on national forest lands are now being run by nonForest Service entities through Forest Service permits.

Approximately 60 percent of our total developed site capacity is now managed under Granger-Thye permits with the permittees bearing most of the expenses for operation and maintenance of these sites. Through the Challenge-Cost-Share Program, we use appropriated Federal funds to leverage matching nonFederal recreation dollars.

In fiscal year 1994, our partners contributed over \$10 million in matching funds for recreation projects. Volunteers play an increasingly important role in carrying out the recreation program. Without these initiatives, the budget pressures would be even greater.

Although we are maximizing our recreation dollars, more resources are needed to maintain and operate recreation sites. Given limited budgets, the most obvious source is user fees. New fee authority for additional recreation sites was granted in the Omnibus Budget Reconciliation Act of 1993.

Under this Act, 15 percent of all recreation fees from additional recreation sites are retained by the collecting unit to defray the cost of collection. Because the collection costs sometimes exceed 15 percent retained, the local units must cover the differences by di-

verting money from maintenance and operations to fee collection activities, and this becomes a disincentive.

If we are to meet our goal of providing increased recreation opportunities to meet increasing demand while maintaining our recreation infrastructure, additional legislative changes to the Land and Water Conservation Act is a must. If the legislation is carefully structured and adheres to certain key principles, we are confident that we can meet our goals.

First, change must be consistent with the multiple-use mission of the Forest Service. Second, the recreating public should not be expected to pay for all the general management of recreation resources, although users should bear a portion of the direct cost of maintaining and operating recreation programs.

Third, increased fees must be tied to providing and enhancing recreation facilities and opportunities. Research has consistently shown that the public is willing to pay more to recreate on national forest system lands if these fees are returned to the recreation site and are used to enhance the quality of the recreation experience.

Our general understanding is that H.R. 2107, at least as it applies to the Forest Service, would allow us to collect recreation fees to meet our needs for recreation programs.

H.R. 2107 would fund the operation and maintenance of recreation programs in accordance with a formula specified in the bill. After the six-year transition period set forth in the bill, H.R. 2107 would appropriate \$2 for every \$3 collected via fees. This bill sets a goal for fee collection equal to 75 percent of the existing costs of providing visitor recreation programs.

If this goal is met and matching funds are appropriated, then we have available resources equal to 125 percent of the current costs; the added 25 percent above the current operating costs would be available for program enhancement and backlog reduction. With a recreation maintenance backlog of about \$1 billion, the need for added resources is clearly evident.

All of this assumes that the agency can reach the goal of fee collection equal to 75 percent of cost, and that all of the matching funds are appropriated. Although the situation of other agencies may differ, we believe this could work for us.

Although we endorse the funding concept embedded in H.R. 2107, there are items in the bill that need clarification and revision. First, incentives are central to any effort to enhance the role of fees and financing recreation programs.

We would not want to put in place a system that emphasizes fee collection and, therefore, revenue generation at the expense of other resource management values, nor do we want a system that concentrates financial resources solely on those areas that are most profitable.

Individual national forests must benefit from any increase in fees that they may collect. We understand the bill intent, but it is not clear how it is accomplished given the bill's financial management requirements.

The bill is not clear on what is included in the annual cost for providing visitor recreational programs. Currently, funding for visitor recreation programs comes from national forest system appropriations.

The recreation management Extended Budget Line Item sets the level of funds for trail maintenance, administration of recreation special uses, management of national recreation areas, scenic byways, wild and scenic rivers, and interpretive services.

In fiscal year 1995, Congress appropriated \$159,426,000 for this EBLI. We estimate that \$78 million of this amount is used for visitor recreation programs; that is, campgrounds, swimming sites, parking lots, of which approximately \$28 million goes for overhead activities. More explicit language is needed in the bill to clarify the intent.

We would object to any proposal that does not conform to the provisions of the various acts that determine payments to counties and States for roads and schools. This bill's formula does not recognize these costs.

Excluding recreation fees from the 25 percent fund would be inconsistent with other national forest system resource receipt sharing. We remain committed to the 25 percent fund which has long been the cornerstone of our relationship with State and county governments.

Some thought should be given to the need to address the significant and growing backlog of facility maintenance on the national forests. This bill and the revenue it would generate would address some but not all of that need.

In summary, we are very interested in fee reform for the Forest Service. Such reform needs to provide incentives for our managers to increase fee collections and thereby improve recreation opportunities for the American public.

Some of the principles in H.R. 2107 are important for fee reform. These include expanded fee authority for the Secretary, collection of fees at concentrated use areas where fees cannot now be collected, use of volunteers to collect fees, establishment of pilot programs to experiment with fee collection, and the availability of new fees for use at the national forest that collected the fees. We will gladly work with the subcommittee on this legislative proposal.

Mr. Chairman, this concludes my remarks. I would be glad to answer any questions from you or other members of the subcommittee.

[The prepared statement of Mr. Reynolds can be found at the end of the hearing.]

Mr. HANSEN. Thank you. I appreciate your comments. I hope that the members of the committee take into consideration the problem we have here. If you turn to your chart that says Federal Recreation Fee that is in your packet, you will be astounded as you look at this. Most people don't realize what it costs the government to do this.

For example, people don't realize the Corps of Engineers has 377 million annual visitation, and it costs 48 cents per person to come in; Park Service, \$1.17 per person; excuse me—Forest Service is \$1.17; National Parks, \$1.64.

When they start adding up how many visitors they have and what it costs per visitor, you can see we don't even come close. So someone has to subsidize that, and that comes out of the general fund, and we appropriate that money. So, in effect, we come up

with a lot of money to subsidize the visitation of visitors to these entities we are talking about.

That is the issue in front of us. Before us are two different approaches to it, Mr. Richardson's approach and the approach that I have come up with. I am not really wedded to a lot of things in these areas. Please keep in mind that the 75 percent is a goal for you to shoot at. Also, if you read H.R. 2107, it says you, Park Service, Forest Service, BLM, tell us what you think is realistic in the thing. So we are not wedded to that. We are just saying tell us what you think is realistic.

I think, Roger, in your comment about the older people, and I know where you are coming from on that, and I know what you really feel in your heart too—anyway, I think you get right down to it—you can comment on that if you want to.

Mr. KENNEDY. I think I will. The Administration's position is that people my age rich or poor should have a preferential role. You get a better charge than others.

Mr. HANSEN. You said that perfectly.

Mr. KENNEDY. Thank you, sir.

Mr. HANSEN. If I were in your position, I would have said it exactly the same way.

Mr. KENNEDY. Earlier in my tenure in this job, I made the mistake of expressing a personal view on that matter, and I recant on that personal view.

Mr. HANSEN. I apologize for bringing it up.

Mr. KENNEDY. It is quite all right, sir.

Mr. HANSEN. Let me say, however, those of us from the West who have the drive-in parks, every one of us can say what it is like to go into a Yellowstone, a Yosemite, a Grand Canyon, a Zion, a Bryce, an Arches, and Canyonlands and see the folks in there who are a little gray in the hair. These folks drive in in about an \$80,000 rig pulling a \$20,000 rig. They sit down and squat for two weeks, and we pay it.

And it is fun to walk into the campgrounds and talk to those very fine people, and these people are retired CEOs from all over. How do they get to Yellowstone in a Volkswagen bus, you know? They don't do that. And we see a lot of folks who do so.

Mr. KENNEDY. Mr. Hansen, you and I could have a marvelous time devising ways of having means testing my contemporaries, sir, not your contemporaries. You aren't with us yet. But we could do that, but I suspect this committee wouldn't want to wait for us.

Mr. HANSEN. All I am saying is there is a way to look at this, and also you don't see little kids walk into Zion and Bryce and those areas. They come in with mom and dad. I mean, how would they do it? And so there is a difference. And so I think we have to be realistic enough to realize the difference between the historic walk-in parks and the nature parks of the West.

I think the testimony between you gentlemen is really a little different which I somewhat enjoyed, and I would like to point out because my time is going to be up here that, Mr. Kennedy, some of the things that you brought up, and I know I am being critical—please don't take it that way—that one of your major concerns with H.R. 2107 is that the fee revenues could be offset by reduced appropriation. Of course, you have got the same thing in H.R. 2025. It

would be exactly the same. There is no difference between those two bills.

And another one of your major concerns with H.R. 2107 is that it would raise fees to unacceptably high levels. We have talked about that, but there are no limitations in H.R. 2025. I mean, the same thing is there. So that is a consideration and a criticism, probably a valid one, of both bills, but they are twins on that particular issue. I don't see anything that reins it in on H.R. 2025.

We are allowing five minutes for members of the committee to respond. I will turn to my friend from New Mexico and the ranking member, Mr. Richardson.

Mr. RICHARDSON. Thank you, Mr. Chairman. Mr. Reynolds, using also the chart that the majority staff prepared here that places the Forest Service recreation costs at \$357 million, now if we use the 75 percent recovery of costs contained in the Chairman's bill, what I understand you would have to do is collect \$267 million in fees.

The concern that I have also with the NPS, and I am talking about raw numbers here, is that the Park Service currently collects about \$70 million in entrance and user fees. And under the Chairman's bill, as I understand it, you have to collect \$300 to \$400 million which is a fivefold increase. So maybe both of you very briefly because I want to ask one more question.

Mr. Kennedy, as I understand it, the Chairman's bill also authorizes a fee for visitor centers. And it strikes me as a little bit of a problem collecting an entrance fee and then collecting a fee for stopping at the visitor center.

Mr. KENNEDY. It strikes us as odd too, sir, and undesirable. Actually, the fact is in most parks the only place you are going to get a fee—many parks—is at the visitor center anyway because you have got so many ways in, so collecting it once is a good idea. I don't think we would have a fundamental difference with the Chairman on that.

With regard to the difference between our circumstances and those of the Forest Service, the Chairman has correctly stated that what we do is different. We are not in the campground business. The Washington Monument is not a campground. Ellis Island is not a campground. Independence Hall is not a campground. We could raise a lot of money if we paved over the Mall and turned it into a campground, but that is not our business.

We provide other services. We are in the education business to a greater degree than our brother land management agencies are. We instruct Americans and help Americans understand things in ways that nobody else does. So that is a big difference, and that is the division here. We do different things.

Mr. RICHARDSON. Well, Mr. Reynolds, what would this increase of \$267 million mean in cost to visitors?

Mr. REYNOLDS. Well, first of all, I would like to state \$357 million would not be applicable to what we think is fee income. That includes overhead and a lot of on-the-ground charges that we would not be collecting fees to cover.

Let me just point out to you that in our recreation program, as I stated in my testimony, the majority of our campgrounds are under Granger-Thye permit in which we offer permits for local operators who bid on the opportunity to come in and maintain and

provide a service with user fee. The user fees that they collect offset against the maintenance and operation so our returns to the Treasury are much lower than they would be under a fee system as proposed in H.R. 2107.

We also do not charge for dispersed recreation. Now, this H.R. 2107 includes a four-year pilot opportunity for us to select from 10 to 30 areas and determine how best to apply this process so that the collection system that we establish is fair both to the users and to the agency as it meets its responsibility for managing the resources. So we don't see a problem at this point in time as it relates to our ability to meet that 75-percent limit.

Mr. RICHARDSON. Now, let me deal with an issue that I think is a bit disingenuous, but I will call it the Yuppie issue, and that is something that I think we can deal with in raw statistics because some critics have asserted that recreational use of Federal lands is done predominantly by high-income or middle-income people. And I guess my question to both of you is, do we have any hard data that backs that assertion or would displace—

Mr. KENNEDY. Oh, displace it. That is nonsense. That is nonsense. We have pretty decent sociological figures on the makeup of our visitorship, and it is not the rich. If you want to look at the difference between our approach and other bills' approach, it will look as if we run the fees up so only the Yuppies can pay for it. As it is, not a bit.

All Americans go to their parks. The distribution is just about equivalent to the income distribution in the country because, of course, we have a lot of places that are very close to cities. We are not talking about long-distance destinations reached by a Lexus.

Mr. HANSEN. Thank you, Mr. Richardson. I hope the committee realizes there are some things floating around in our committees, that we are always talking below-cost timber sales, below-cost grazing, below-cost timber. What we are addressing here, and I don't care if they are Yuppies or the rich, it doesn't matter to me, is we are talking below-cost recreation. And there is the one that Congress has put their head in the sand for years on, and that is what this committee is going to look at.

I personally am the biggest offender there is in Utah almost, and, Gray, I am on your property all the time doing below-cost recreation, and I don't give you anything. I just mess up your property a little bit. I want you to know though I always bring out what I use.

Mr. REYNOLDS. I know.

Mr. HANSEN. I didn't mean to pontificate on that. I apologize. I am going to recognize the members in the order that they started in the meeting. Let us see. Let me read that list. Representatives Cooley, Chenoweth, Hayworth, Allard, Romero-Barceló, Vento, Torkildsen, Duncan, and Pallone in that order. So, Mr. Cooley, you are recognized for five minutes.

STATEMENT OF HON. WES COOLEY, A U.S. REPRESENTATIVE FROM OREGON

Mr. COOLEY. Thank you, Mr. Chairman. Good morning, Mr. Kennedy.

Mr. KENNEDY. Good morning, Mr. Cooley.

Mr. COOLEY. You know my interest in the numbers game so let us get to the numbers. H.R. 2107 requires that the agency collect fees from the maximum number of visitors in order to keep fees low. In fact, the National Park Service could collect fees from visitation around the country, but really at the present time, according to the Internal General's inspection order, you only collect fees from 40 percent of the amount of parks that you had managed in 1991. And there are about 36 parks you collect no fees from where you are authorized to collect fees. Can you tell me why you made that decision not to collect fees from the other 63 parks that you control?

Mr. KENNEDY. Yes. I think you have alluded to two circumstances. One of them is why don't you collect from more of your visitors, and the second one is why don't you collect in more of the parks. With the more of the visitors, I think we covered that a little earlier because the total number of visitors—you have got a lot of young people and some older people in them that you don't collect from.

It is also true that there are visitors who come in and out, and this is perfectly true. We only man the places we do man—I guess that expression is still good—during working hours, not the rest of the time. We don't run them 24 hours a day. And there are many places where we would collect now—I can think of about eight—where if we got money right now to build the necessary physical kiosks—stopping places—it is a heartbreaker because we can collect in some places that we have both been to, but we just don't have the simple construction dough to put the place up so you can run somebody through it. And that is an inhibition upon us. The first thing we want to do out of a fee bill is to get the dough to physically collect with.

Now, I do not know of any places—there may be some, and we will recheck it—in which we could collect under the law and don't that we could under the law and physically do it in a cost-effective way. I know of no such place. If there is, we will find that out and return it to you.

Mr. COOLEY. OK. Let me say this to you. You have a claim that you have 270 million average visitation on the chart. Correct?

Mr. KENNEDY. Yes, sir. Yes, 268 million.

Mr. COOLEY. OK. Now, if you only charge \$2 per visitor, do you know what you would collect?

Mr. KENNEDY. I do but let me give you the—

Mr. COOLEY. \$548 million.

Mr. KENNEDY. Sure.

Mr. COOLEY. With a cost of only \$444 million, you have a surplus.

Mr. KENNEDY. Sure we would.

Mr. COOLEY. That surplus would allow you to build all these little facilities you want. Only \$2.

Mr. KENNEDY. Excuse me, sir. I don't want to bicker. I just want to give you where those numbers come from.

Mr. COOLEY. Right.

Mr. KENNEDY. 268 million is the gross. Subtract from that those places where we cannot under the law collect. That is 172 million.

Mr. COOLEY. Where can't you under the law collect?

Mr. KENNEDY. A long list of them. The Congress has given us more than—I think it is 100 parks where we are legally prohibited from doing so. For instance, in the Smokies, part of the way they got the park was, don't collect there. There are lots of those; more than 100.

Mr. COOLEY. Well, would H.R. 2107 correct that problem?

Mr. KENNEDY. It will correct some of it. In fact, there are pieces of that bill we like a lot which we would be delighted to have added in which says, "Meanwhile, while you are at it, do collect in the following places you are now prevented from doing." Our bill could be improved upon.

Mr. COOLEY. So if we added to the bill that all parks in which the National Park Service was authorized to manage a minimum fee of \$2 per person to visit, you would have a surplus of over \$100 million, and that would allow you to do all kinds of nice things.

Mr. KENNEDY. It would if all those visitors did not include children, and 35 percent of the people of this 268 million who come—

Mr. COOLEY. Well, let us say we just made everybody pay \$2.

Mr. KENNEDY. Including kids?

Mr. COOLEY. Including everyone—\$2. That is less than a six-pack of Coke that they buy for every kid.

Mr. KENNEDY. If you don't mind, hang on here because this is important—this colloquy we are having. There are not only some places where like the Smokies—Mr. Duncan can tell you about why we can't and I am sure why we shouldn't collect in the Smokies, and there are a couple of others.

Mr. COOLEY. Well, remember, we have \$100 million to play with, so let us take the children off.

Mr. KENNEDY. And there are also places where I think we would agree that you don't want to collect like Independence Hall, like the Washington Monument. Maybe we would debate that, but I bet we would reach agreement that there are somewhere between 5 and 12 national shrines where we shouldn't collect.

Mr. COOLEY. OK. But out of the approximately 270 million visitors you have to the national parks, then how many of those go to areas where you think money should not be collected?

Mr. KENNEDY. I don't know the answer to that question. We can get you that answer.

Mr. COOLEY. But if you take that figure and you do simple mathematics, you find out that the fee in order to cover your costs is going to be very, very low—somewhere in the \$2 range per head I would imagine—

Mr. KENNEDY. If you charged kids and older people.

Mr. COOLEY. Well, when you say kids, you have to tell me what age you are speaking—

Mr. KENNEDY. 16 and younger. The current rule is 16 and younger.

Mr. COOLEY. Well, let us make it 12 and under.

Mr. KENNEDY. OK. We would be delighted to give you those figures.

Mr. COOLEY. But I think that, Mr. Kennedy, you would find that you could do this very easily, cover your budget, and, in fact, actually make a surplus.

Mr. KENNEDY. Excuse me, sir. I forgot one other category which I think we would agree about. There are batches of places like seashores and the C & O Canal where you just couldn't cost-effectively collect, and we will give you a list of those too and what that would take your number down to.

Mr. COOLEY. These seashores that you are talking about that you are referring to here, are these places where you expend a great deal of Federal funds maintaining them?

Mr. KENNEDY. Yes, and we certainly do on long strip parks that have multiple entry points; Golden Gate, Gateway. Those are real places where there is no central entry point. We tend to think about parks as Yosemite where you go to a point, you go through an entrance place, and you are there. We have a lot of places that aren't like that where it just isn't feasible.

However, you don't want my general affirmations about this. You would like to see a list with some dollar attributions, and we will do that. That is what we should do in this dialog because we want to get together with you. I am not trying to have the impossible categories. I want to state for you what we believe the true categories to be.

Mr. HANSEN. The time of the gentleman has expired.

Mr. COOLEY. Thank you, Mr. Chairman.

Mr. HANSEN. The rules state that we go between parties when we do this. I know in my 15 years that hasn't been observed, and we always like to have the incentive of the order you come in. That gets people to come here, but I think we will follow the rule.

I have always made it a point to recognize the ranking member regardless of when he comes in which we have done, and we will go back to the rule of the committee, and Mr. Vento of Minnesota will be recognized, then the gentlelady from Idaho. Mr. Vento, five minutes.

STATEMENT OF HON. BRUCE F. VENTO, A U.S. REPRESENTATIVE FROM MINNESOTA

Mr. VENTO. Well, Mr. Chairman, I think you have been fair in regards to this, and I have another meeting today. And so I would request that I could be recognized and that we would observe that particular rule. I know I always alternated in my experience—always.

I wish I could stay at this hearing. This is a really important topic, and it is a lot more complex than generally meets the eye of my colleagues that may think that they understand the simplicity of it. As an example, there are 17 million people that visit the Mall down here. They factor into that 270 million. Are you going to collect a fee if they walk in the Mall? I don't think so.

I think the same is true of places like the Smokies where you drive through, and on the highway many people are really commuters. They are going through the park. Golden Gate is another one with 12 million people so you have these sorts of urban parks. And when we are talking about parks, we are talking about entrance fees, and you have to differentiate between user fees.

In fact, of course, there are very few entrance fees on the forests or the BLM. We had just instituted those a couple of years ago. It would be interesting to know how successful they have been, Gray,

in terms of collecting them at the sites you are authorized to collect.

Mr. REYNOLDS. I can't tell you how successful. I can just tell you that we have had a real difficulty in implementing the authority we had under the 1993 Omnibus Act because of the 15-percent limitation.

Mr. VENTO. Well, you get little sympathy from me about that because we are letting them keep 15 percent of what they collected so they can offset their expenses. And we had initially put such costs as were necessary, but it may absorb everything. That is the other aspect of this—is that it costs money—sometimes more money to collect the fee than it might be worth as an entrance fee. So that doesn't really accomplish anything except hire people collecting it.

I note the use of volunteers here in the legislation, but volunteers have to be supervised. They can't just be put out there without that. So I think that people of good will are going to differ—We have 136 park units that collect an entrance fee and a lot of others that don't because it simply isn't practical from a standpoint of cost or from the obvious problems of a Cuyahoga in Ohio where you have multiple entrances, and it is just impossible to collect fees in those instances.

Now, I notice my colleague started out with the issue with regards to senior citizens. They are treated preferentially, but user fees basically are supposed to be on a fair market value. That is to say if you pay a camp fee in Bryce, it is supposed to be the same value of a camp fee outside of Bryce which maybe it can be raised. That is a user fee. That is not an entrance fee. It is based on market value. That is what it is based on.

Of course, that is the same principle we are trying to apply to other areas of public land use—what the fair market value is. And, of course, I would be happy to put that test there where it is practical. We obviously reduce that for seniors 50 percent in campgrounds, and we reduce it or provide free access for children or children in school groups and other educational groups. That is a policy question. Maybe we can't afford to do that.

One of the things I noticed in your bill, Mr. Chairman, was the discussion about authorizing Federal activities not subject to fees. "Nothing in this section will be construed to authorize Federal hunting or fishing licenses or fees or charges for commercial uses." In other words, I have been trying to tell people for years that fishing and hunting activities were not recreational. And you here now have it in law so that I can say I have been out there working at it.

Obviously, when you begin to make these types of exceptions, that means that anyone that goes on BLM or Forest Service or Fish and Wildlife Service areas and others where it might be permissible to hunt or fish, that they then will not pay a fee, that they are then hunting or fishing at that instance. That would really obviously drive a big wedge into the problems that are being pursued in this legislation.

I understand the sensitivity that if somebody has purchased a license from a State, that they obviously require services, don't they, Gray?

Mr. REYNOLDS. Well, they use roads, and they use trails that are already provided so there is certainly a cost associated with their use.

Mr. VENTO. Just as there is with other people?

Mr. REYNOLDS. With everybody else.

Mr. VENTO. Considered recreationists on the land. Is that right?

Mr. REYNOLDS. That is true.

Mr. VENTO. They need direction and guidance and law enforcement activities from time to time on the part of the Forest Service I guess, in most instances. We had come to a conclusion last year in terms of the specifics of why we wrote some of this the way we did.

I am not so surprised that there always seems to be a lot more enthusiasm, I might say, and, again, an observation, to charge fees in Washington, DC, than there is in the field. Once it gets translated, the great policies up here in terms of adding this up and bringing in all this money, I note that the Chairman's bill tries to do what we never were successful in doing and that is to let the money or permit the park money to stay in the parks, permit the money to stay in the forests.

We tried a 50-percent formula—Dick Cheney and I—once. We thought it was written pretty carefully. I must say I think that it has not been implemented as carefully and as exactly as we had thought. And we thought we were pretty clever the way we had devised it, but it didn't work for the parks. What is the fee revenue that you raise right now, Director Kennedy?

Mr. KENNEDY. \$76 million in 1994.

Mr. VENTO. \$76 million and obviously the increases that you put in here last year, the increases I notice that you had attributed to what your policy path would be with something like \$32 million, and there were substantial increases inherent. Is that correct?

Mr. KENNEDY. The bill had \$58 million actually; \$32 million the first year; 26 million the second. We have no difference here. Everybody wants to get some more. It is a question of how much more and in what stages. Yes, sir. We would go from \$76 million; \$32 million more the first year; \$26 million the next; a total of \$58 million, making a grand total of \$134 million. We think that is the prudent path.

Mr. VENTO. Well, you are dealing with basic economics. If you do raise the fees to some extent, there will be a discouragement in terms of people that use those areas. I don't think anyone wants to accomplish that, but that is going to be a fact of life. A lot more senior citizens that earn low incomes use these parks and recreation areas than those that have expensive Winnebagos. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you. If I may comment just briefly on what you said about hunting and fishing, that language you are referring to is the existing law in the Land and Water Conservation Act, and we took it verbatim out of the law.

Mr. VENTO. Well, it is one of those laws—there are a lot of existing laws that you are changing in order to accommodate to collect the fees, Mr. Chairman, and so I am just pointing out to you.

I mean, if you are going to revisit it and you want to raise the money that is associated with the recreation use of lands and BLM

and Forests and other areas, Fish and Wildlife Service, where hunting is permitted. I note that the testimony attached to the Director's testimony says that this would almost foreclose the activities.

The Fish and Wildlife Service testimony says that this will have a dramatic impact—this particular policy that is in here even though it isn't directed at it—they are claiming it may eliminate hunting in certain refuges. I know that that is the testimony that we have before us of the Fish and Wildlife Service—first page, first paragraph of that testimony.

Mr. HANSEN. We wouldn't let that happen. I was trying to exonerate you, Bruce.

Mr. VENTO. OK. Thank you.

Mr. HANSEN. The gentlelady from Idaho is recognized for five minutes.

**STATEMENT OF HON. HELEN CHENOWETH, A U.S.
REPRESENTATIVE FROM IDAHO**

Mrs. CHENOWETH. Thank you, Mr. Chairman. Mr. Kennedy, thank you for the work that you did at Crater Lake.

Mr. KENNEDY. Thank you.

Mrs. CHENOWETH. I worked at Crater Lake, and so it is a special place to me.

Mr. KENNEDY. Thank you.

Mrs. CHENOWETH. You mentioned Adam Smith in your testimony. What were you referring to specifically?

Mr. KENNEDY. Oh, the importance of the pricing mechanism. I was talking about the importance of understanding that you can price yourself out with a service, and I wanted to introduce the term "elasticity of demand" which means that at a certain point, you are going to drive down your customer base. And we need to be conscious of the economics here. That is what that was about.

Mrs. CHENOWETH. Do you know what Adam Smith's greatest work was?

Mr. KENNEDY. "The Wealth of Nations," ma'am. I have taught it. I am not sure I understand it all the way, but I have taught it in college courses.

Mrs. CHENOWETH. You taught it. Do you know when "The Wealth of Nations" was written?

Mr. KENNEDY. 1776 as I recall.

Mrs. CHENOWETH. Good. Can you define laissez-faire for me?

Mr. KENNEDY. I think so. It is a French term that means let it be or let it happen which essentially means free market play which is why we are for the concessions bill that we talked about last week. It is about laissez-faire.

Mrs. CHENOWETH. Laissez-faire also means the total open marketplace unfettered by any kind of government fiat or force.

Mr. KENNEDY. Or monopoly or oligopoly as well. Yes.

Mrs. CHENOWETH. So I am not sure that we can even establish what fair market value is or establish laissez-faire or the concepts that Adam Smith set forth in "Wealth of Nations" when the Congress not only appropriates money for an agency to operate, but then gives that agency the authority to charge over and above that.

So I am a firm defender of Adam Smith and "The Wealth of Nations." I have plowed through that book and others, and, frankly, the Chairman knows I am opposed to both bills because I think that in the Adam Smith concept what he would have recommended was that it be opened up to the marketplace.

Now, I don't suggest selling off the Washington Monument. I know that there is a national public interest in making sure that there are certain parks that are maintained for us. But, on the other hand, opening it up totally to the marketplace may be a better break for the taxpayer and may in the long run be able to provide as good or better services.

I do want to ask you about one thing. I have a letter in front of me that you wrote to the Speaker, Mr. Gingrich, on July 17 in which you stated your concerns about the Hansen bill. You stated in the second paragraph, "This proposal is not the straightforward help-the-parks bill we need."

Mr. Kennedy, you ended your letter by stating to the Speaker, "Lumping the National Park Service's fee bill with other land management agencies would be trouble, trouble, trouble. Help, please."

Mr. KENNEDY. The Speaker had inquired of my views and specifically did so in a discussion which we had which was at his suggestion. And as a consequence of that, I was responding to his inquiry as to my personal views which I stated for him quite candidly at his request.

Mrs. CHENOWETH. "Help, please. Trouble, trouble trouble." That is an interesting response.

Mr. KENNEDY. "Trouble, trouble, trouble" means exactly what I have tried to suggest here. I feel very strongly that we should get on with a help-the-parks bill and not bundle it with a whole lot of other things. I haven't made any secret of that. I have written exactly the same thing to this Chairman.

Mrs. CHENOWETH. I would like to quote to you from the Antilobbying Act 18 U.S.C. 1913 which states, "No part of the money appropriated by any enactment of Congress shall in the absence of express authorization by Congress be used directly or indirectly to pay for any personnel service, advertisement," et cetera.

Furthermore, the Hatch Act under section 7322 of the U.S. Code clearly states that, "An employee of an executive agency or in the competitive service may not use his official authority or influence to coerce the political action of a person or a body."

Mr. KENNEDY. I couldn't conceive of coercing the Speaker. When the Speaker asks me my opinion or any other Member, I will try to render it as candidly and directly as I can. I think it is my obligation to my country to do so.

Mrs. CHENOWETH. Now, this is interesting because your letter was written one week before the bill was dropped. Now, usually a Speaker as busy as Mr. Gingrich does not have his finger on a bill that is put out by one of his chairmen. Let me ask you, Mr. Kennedy, I know the Speaker. I know this Chairman. I know they would have wanted us, either you or me or anyone, to talk to the Chairman first.

Mr. KENNEDY. Oh, I did so, Mrs. Chenoweth. Mr. Hansen and I have been in constant conversation over many months.

Mrs. CHENOWETH. But your letter was written—

Mr. KENNEDY. Excuse me. My position as stated to the Speaker at the Speaker's request is precisely in conformity with my equally candid remarks to this Chairman. There is no difference between those two positions whatsoever, and the Speaker asked my view which I gave him. I think that is my obligation.

Mrs. CHENOWETH. I find that very interesting because my investigation didn't turn that up, but I will certainly look into that. I do want to state for the record also that section 303 of the Interior Appropriation Act of 1995 also states that that kind of one-on-one lobbying activity is prohibited.

Mr. KENNEDY. There is no lobbying here, ma'am. I was asked to attend a meeting with many persons present, many staffers, in which my views were solicited. It is my obligation to respond to that kind of invitation even from the Speaker. It is also my obligation, as you suggest, as a matter of decent behavior in this or any other town so to inform the Chairman, and I did so.

Mrs. CHENOWETH. You know, I do want to end this discourse by stating I do share your admiration for Adam Smith.

Mr. KENNEDY. Thank you.

Mrs. CHENOWETH. I do want to say though that when you and Mr. Reynolds leave this room, virtually one-third of the entire room will leave with you. I mean, there are that many employees usually backing you up. And this is one of the reasons that we are having trouble with the overhead. You know, it shocks us up here to see this happen.

Mr. HANSEN. The time of the gentlelady has expired.

Mrs. CHENOWETH. Thank you.

Mr. HANSEN. The gentleman from Arizona, Mr. Hayworth.

STATEMENT OF HON. J.D. HAYWORTH, A U.S. REPRESENTATIVE FROM ARIZONA

Mr. HAYWORTH. Thank you, Mr. Chairman. Director Kennedy, nice to see you again.

Mr. KENNEDY. Thank you, Mr. Hayworth.

Mr. HAYWORTH. Deputy Chief Reynolds, thanks for dropping in.

Mr. KENNEDY. It is always a joy to testify in this room.

Mr. HAYWORTH. Well, thank you very much. I really do appreciate you coming in to visit with us today. Taking a look at the chart and, again, some of the figures supplied by the various agencies, one item really catches my eye here. It is in the third column, Director Kennedy, costs per visitor.

And if you take a look, the cost or the recreation cost per visitor in the National Park Service is about four times higher than that of the Corps of Engineers, three times higher than the BLM, and about 50 percent higher than the Forest Service. For what reasons are the costs per visitor so much higher in the National Park Service situation?

Mr. KENNEDY. Because we are an entirely different business, and that is a very important point for us to continue to focus on here. The Washington Monument is different than a Forest Service visitor reception place. We are not in the campground business. Ellis Island, Independence Hall, Gettysburg is not—just is not a campground—Antietam, Stones River.

You look at our list of parks and then you look at what we do even in those places that sort of feel like a forest, I mean, big and green, we are just doing very different things. Our staff is there for a great deal more scientific research. We talk to people in very different ways about different subjects.

When you and I go together to the Canyon, we are lucky. We have somebody who knows about every subject that we or our families are going to be interested in, in that place. And it is a hard thing to register. We talk with State park directors all the time who are really in the recreation use business, and we have to remind them that, goodness, our Civil War battlefield system, our Revolutionary War system are a system of national shrines, and they aren't just all the fancy places. There are a lot of them.

Let us just look at a place that you don't think of as a shrine—Chaco Canyon. My goodness. When you go to Chaco Canyon, you are expecting us to take care of the heritage of people who have been around this continent for 20,000 years. And I have got to say that even if we had very few visitors for a few years to there, or Hovenweep, that would not be a bad thing. We would keep that staff there. We would keep that staff of adobe restorers keeping those places up.

My term "lumping" may be graceless. But putting us in the same bag with somebody that is essentially either in the case of the Bureau of Rec in the boat dock business, or in the case of the Forest Service, they have got many, many uses, but they are just not in the same kind of work we are in.

And that is why our costs are different. It isn't that our costs are wonderful and that we are the most marvelous bunch of people in the world. It is just we have a different task, and that is the difference.

Mr. HAYWORTH. Director Kennedy, thanks for the answer to that question. There is one thing that somewhat disturbs me during the course of our time together this morning. Even as you remind us that this is not to be an adversarial relationship, I think perhaps it is good to note for those in attendance here, for the rest of the committee, and for the record that some of the statements this morning have taken on hyperbole from both the committee and from one of your answers; in particular, the response of, "Well, we could pave the Mall out here and set up a campground." I have heard it described as variations of the Washington Monument strategy. "Well, we have to shut down the Washington Monument."

I guess my approach is this: these national jewels that we have are so important and at the same time the challenge of trying to live in these challenging times of budgetary constraints are so important that I think that we all should be reminded that the hyperbole may be very picturesque speech, but it is not a serious policy intent of anyone here on this committee, nor, I am sure, of anyone from your staff.

Mr. KENNEDY. I agree. I think it is important, Mr. Hayworth. You and I have both made our livings from time to time trying to help people understand complicated subjects. You are entirely right that if they are overstated, you don't help understand, you distract.

At the same time, there is a fundamental question before us. There really is a fundamental question, and I think the Chairman

and I have been trying very, very hard to recognize that the Park Service's functions are to tend the places that may have very few visitors from time to time.

I am trying to find ways to make that clear, that we are talking about very precious places, and it is not about economics. Sure, it is partly about economics, but it is not all about economics. Life isn't all about economics.

Mr. HAYWORTH. No, indeed, Director Kennedy, and there has to be a generous application of common sense. And I thank you very much for your time and your testimony today.

Mr. HANSEN. Thank you, Mr. Hayworth. The gentleman from Colorado, Mr. Allard, is recognized for five minutes.

**STATEMENT OF HON. WAYNE ALLARD, A U.S.
REPRESENTATIVE FROM COLORADO**

Mr. ALLARD. I would like to thank both you gentlemen for being here and testifying. I think we all know that you represent the Administration's position, Mr. Kennedy, as far as the Park Service is concerned and, Mr. Reynolds, as far as the Forest Service is concerned.

I am trying to take a general overview on your testimony. We have the Forest Service before us who places fees on services, and you place some fees. And I guess I view fees as taxes. They are a targeted tax. I think we all agree with that. And in the Forest Service, we have working people who get impacted by those fees. They are miners. They are lumberers. They are cattlemen. And then I look over here in the Park Service whose function is pretty much that of recreation.

The general message that I am getting from the Administration is that it is all right to tax workers, but we subsidize recreation. That is the message that I get from this panel. And is that the policy of the Administration?

Mr. KENNEDY. May I respond to that, sir?

Mr. ALLARD. I would like to have a response from both of you.

Mr. KENNEDY. Neither the Administration nor my personal view would be that this country wants to regard recreation as if it were trivial—a visit to those places that hold us together as a country. The Washington Mall Monuments, Independence Hall, Chaco Canyon are not there to provide us with exercise, except exercise of the spirit and the mind. I do not regard it as a subsidy for us to let young people in to those places like Independence Hall where our country was formed and where our heritage was formed—

Mr. ALLARD. I would like to interrupt you at that point in time. You have picked out a few, select parks which obviously have a very historic significance and a very emotional appeal as far as the origins of this country and the concepts of freedom and individual opportunity and equality under the law. But we do have a lot of parks that don't have that message.

Mr. KENNEDY. Sure.

Mr. ALLARD. And so here is the other issue that comes up when we look at your testimony is that you collect fees in rural areas, Rocky Mountain National Park, Yellowstone National Park, and all these are relatively easy areas to collect fees on. But yet when we get into urban areas, we can't collect a fee. There is some reason

given why you can't. So it is OK to tax rural areas, but we provide subsidies for urban areas.

So what I am saying is we need to look at the equity. I mean, what are we doing? What is the general policy? What is the general message that is being sent out here? We tax people who are working, and we let those off who decide to recreate, not carry their fair share?

We tax people in rural areas who have limited resources and are struggling anyhow, and yet those in urban areas find that they are getting subsidized, and many times in this discussion we have got to talk about fairness in subsidies, and people try and paint that grazing fees are subsidies and everything else.

And then I look at the general flavor of what I am getting here in this committee, and I see a completely different picture than when you look at the totality. When we kind of stand back and look a little bit, what is the policy of this country?

Mr. REYNOLDS. Mr. Allard, I would like to respond to that question also. We see this as a very critical issue to the continued ability to provide recreation opportunities on national forest land. And we recognize the questions you are raising, and those are policy questions that Congress must deal with. Those are not decisions that the agencies will make.

That is why we appreciate the opportunity to be supportive of and to see a piece of legislation that gives us the ability to provide what the users have expressed a strong desire for in maintaining a variety of recreation uses. The charge system today as it operates on the national forest is not consistent for all users.

Ski areas is a good example. People that ski in the ski area pay a fair price. Some say too high a price. But I won't get into that. But then we have large areas—Braner Lake, which is in your district I believe, is a beautiful spot.

Mr. ALLARD. What is the name of it?

Mr. REYNOLDS. Braner Lake. It is off the Peak-to-Peak Highway just as you go into Indian Peaks. Anyway, that is an important, very, very attractive area that many people on weekends and during the week visit in Colorado as they drive from Nederland to Estes Park.

We don't charge at that area at this point in time, but there is an opportunity to charge because there is a cost associated with it. And what we are happy to work with the committee on is how to establish a very fair process. We understand the budget problem.

Mr. ALLARD. I appreciate that, and I appreciate your testimony. I think you are on the right track as far as looking seriously at getting the recreational user to carry their fair share as far as the forest testimony is concerned.

But, again, I see you who are so willing and get so much of your revenue from timber harvests and from mining and grazing, and then I see over here recreation. For some reason, we have all these reasons, and even your testimony reflects that, "Well, we don't increase fees."

Then I also look at the general policy where it is easy to tax those rural park areas or apply fees—and then all of a sudden we find a lot of reasons why we can't do these parks that are around urban areas.

Many times when I look at them closely, they are nothing more than economic development projects. They create the park, create top-notch real estate around those parks in the urban areas, and it creates more revenue for the city indirectly. And so I think we need to kind of sit back a little bit and look at the overall policy.

Mr. KENNEDY. I know we are over time, but I just want to say to Mr. Allard I understand what he is saying, and I think there is a powerful reason for us to reconsider in every way we can these difficult-to-collect places and try a lot harder to do it. There have been some congressional inhibitions too on our doing that, and we ought to get them out of the way so we can get at that. I understand your point, sir.

Mr. HANSEN. The gentleman from Tennessee, Mr. Duncan.

**STATEMENT OF HON. JOHN J. DUNCAN, JR., A U.S.
REPRESENTATIVE FROM TENNESSEE**

Mr. DUNCAN. Mr. Kennedy, among many other things that we have been given for this hearing is an editorial from the "Rocky Mountain News" of a couple of years ago, June 1 of 1993, and a Rocky Mountain National Park official is quoted as saying, "If you would allow us to keep money we collect to pay for operation and staffing of entrance gates, that would be our incentive to keep them open. Why should we be expending more money to collect funds that we don't get any benefit from?"

Mr. KENNEDY. I don't understand that point of view, Mr. Duncan. I do understand the importance in each individual park of allocating resources to do that, but I don't accept the notion that it isn't everybody's responsibility to try very hard to collect fees when they can.

Mr. DUNCAN. I am also told though that the Interior Department Inspector General reported in 1991 that there were probably at least at that time \$100 million in fees where they were authorized that weren't being collected, and that according to the NPS response, the primary reason that NPS was not collecting fees was because managers did not consider it a priority because funds do not stay in the park. Now, don't you think that Bill 2017 provides that 75 percent of the fees would stay in those local parks, and Mr. Richardson's bill doesn't do that?

Mr. KENNEDY. Well, I am absolutely sure that the objective of Mr. Hansen's bill to keep them in the parks is the right objective, and I certainly think that whatever bill comes out of this body ought to have the proceeds stay in the parks. If you all like a 75-25 distribution formula, that would suit us fine. We want the money to go and stay in the parks. No question about it.

Mr. DUNCAN. OK. Well, we certainly agree on that. Let me ask you this. The National Parks and Conservation Association has provided us with an executive summary report of a survey that they did in regard to national parks, and in this survey they have taken a poll, and it shows that almost 80 percent of the people say that they would be willing to add \$1 to their tax payment in support of the National Park System. And, of course, that is an idea that has some appeal to me.

But branching from that, have you ever given any consideration in some of these parks that have higher numbers of visitors to at-

tempting some sort of voluntary contribution system where you would put up a huge sign that says something about the shortfall of the national parks and collecting fees on a voluntary basis?

Mr. KENNEDY. Yes. Mr. Duncan, I can't tell you how glad I am that you yourself suggested that because we are going to try that at Cades Cove shortly. The Friends of the Smokies are going to try to do that. We know that there are many reasons that are complicated in the Smokies about charging fees. There are many reasons having to do with the origins of the park, among other things.

But absolutely. Our Friends groups like the Friends of the Smokies that are well organized with good audits are going to be doing that, giving people a chance to do what it is hard to do statutorily. Absolutely, this is the way to go.

Now, particularly, Mr. Hansen's bill and other bills do and ought to require careful auditing of the way that money is used. Another part of it, they are close to us or related to us. We have a real reason to want to look at those books for the obvious reasons. But the answer is absolutely. You bet.

Mr. DUNCAN. Let me just mention one other thing, and we have covered it in here several times before. But there are many of us that feel that some areas of very questionable significance have been added to the park system in recent years so we now have 368 units of the park system.

I think there is a very strong majority in this country that would agree with the statement that we need to take better care of our existing parks and stop adding to the system in such a way that we can't really provide for the parks that we now have. And I think that is something of great concern to many of us who have parks or parts of parks in our districts.

But we need to let these State and local governments provide for some of these areas because as bad a shape as some of them are in financially, almost all of them are in better shape financially than is the Federal Government.

Yet, everybody always wants somebody else to pay if they can get them to do that. And so what we have done is we have taken some areas that should be local parks or State parks and put them in the national system just because everybody there in that local area wants somebody else to foot the bill. Do you understand what I am saying?

Mr. KENNEDY. I do, sir. We support vigorously your statement that we need to stop putting new things into the park system that don't belong there, or at least let us make it hard for that to happen as hard as we can, that we study real hard. We need to learn from history and from the future, but we should make it very, very much harder for that to happen in the future. We support that view.

Mr. DUNCAN. All right. Thank you very much.

Mr. HANSEN. I appreciate the gentleman's comments. The gentleman from Nevada, Mr. Ensign.

STATEMENT OF HON. JOHN E. ENSIGN, A U.S. REPRESENTATIVE FROM NEVADA

Mr. ENSIGN. Thank you, Mr. Chairman. I want to take a little different line of questioning. You mentioned, Mr. Kennedy, about

the structures that need to be built to collect some of these fees, and I want to pursue a little bit about that. First of all, do you know approximately how much these buildings would cost to construct?

Mr. KENNEDY. I am not talking about a lot of money.

Mr. ENSIGN. About how much do you spend on these per square foot?

Mr. KENNEDY. I don't know. Can I get some help from somebody who probably does?

Mr. ENSIGN. Sure.

Mr. KENNEDY. Tim, you are the fee guy. Come on up and let us talk about it.

Mr. ENSIGN. And do you know about how many square feet each one of these facilities would require?

Mr. KENNEDY. I don't but maybe we could do it this way. Just tell us how much per square foot? This is Mr. Stone who knows about this.

Mr. HANSEN. Would you come up to the mike and identify yourself please?

Mr. KENNEDY. Let us do our best, and we will try to give you some answers. And if we can't do it today, we will do it in Q and A.

Mr. ENSIGN. I would appreciate it.

Mr. STONE. My name is Tim Stone. I am the Fee Program Manager for the National Park Service.

Mr. KENNEDY. Let us try to give them some answers here.

Mr. STONE. We currently could collect at Lake Mead and Glen Canyon. We have the authority. We have taken a look at what it would cost to build entrance stations where we could collect fees in the kind of weather that is out there. It costs somewhere in the vicinity of \$5 million. You have associated costs of personnel, housing, et cetera.

Mr. ENSIGN. Associated costs of housing personnel?

Mr. STONE. Somebody has to man the entrance, the kiosk.

Mr. ENSIGN. Right. That is what I am saying. How many square feet and how many dollars per square foot?

Mr. STONE. I could get those figures for you.

Mr. ENSIGN. I would appreciate that. The reason I brought that up is because I have seen some of these proposals, and some of these places don't look that big compared to the dollar figures that are being proposed. And having my family associated with someplace out near Lake Mead and have some familiarity with construction costs out there, ours were maybe about one-fiftieth of what the Federal Government was going to get per square foot. And it didn't make any sense to me when I was reading some of the numbers I saw in the paper, and so I wanted to pursue that.

Mr. KENNEDY. This is one we ought to be able to answer with some specificity. Let us tell you what it would cost us to do it right at Lake Mead.

Mr. ENSIGN. OK. Then, second, the person that would man these booths, what does that person get paid?

Mr. KENNEDY. We hope, in fact, we can use some volunteers, but the answer to that would be that the person who gets paid, it depends on what their GS level is I suppose, Tim.

Mr. STONE. It would be a GS-4 or GS-5.

Mr. KENNEDY. Tell us how much a GS-4 or GS-5 costs.

Mr. STONE. Oh, I think it is somewhere \$15,000 to \$20,000.

Mr. ENSIGN. \$15,000 to \$20,000. What is the average skill level that it takes to man these booths?

Mr. KENNEDY. You are not talking about——

Mr. ENSIGN. Not talking about rocket science?

Mr. KENNEDY. No, sir. And you are not paid for rocket science either. \$15,000 to \$20,000 bucks is not rocket——

Mr. ENSIGN. No, but one of the things the President has is this Youth Jobs Corps Program, and my point is this is not necessarily make-work for something. We are talking about something that could be maybe a \$5 or \$6 an hour job for kids.

Mr. KENNEDY. Oh, absolutely. We are going to agree that we want some volunteers.

Mr. ENSIGN. That the government then wouldn't have to have full benefits for. Do you know what I am saying?

Mr. KENNEDY. Sure.

Mr. ENSIGN. I mean, these could be summer jobs. These could be, you know, weekend jobs for teenagers and things like that. There are a lot of areas. It would seem to me that there could be opportunities to save the Federal Government. That is why I wanted to pursue this different line of questioning.

Mr. KENNEDY. There are and you are right, and we should give you a detailed plan for how you do it in a specific place where you know it is year-round, and it isn't all seasonal.

Mr. ENSIGN. The reason I take this line of questioning because if I was a business and my assets were the national parks, which is basically the government, and I knew that I had a limited amount of funds, I would think that to be a good steward of the taxpayers' dollars we should be looking at how to maximize the amount of money that the Park Service, the Forest Service, or whoever has to get the most bang for the buck.

Mr. KENNEDY. And to net after all costs, and we want to get those costs down.

Mr. ENSIGN. Yes. And that is one of the reasons I wanted to find out the cost per square foot on the construction and everything. That is all I have, Mr. Chairman. Thank you.

Mr. HANSEN. I appreciate the gentleman's comment. You may keep in mind, the gentleman from Nevada, that no disrespect to the Federal Government, but over the years, they figured out the most expensive way to do most of these things. If you go to the State parks, and in my own State of Utah, we have 41 State parks, and they are normally manned by high school and college kids on a part-time basis. They don't have to make them a GS whatever. They don't have to give them all the bennies. The kids are grateful to get the job.

Mr. ENSIGN. Does the Park Service have a comparison or does GAO? Who would have Federal Government's costs, something like that, versus State?

Mr. KENNEDY. Yes, we do and we can do that for the locality, and we will do so. Generally, there is the locality paying all that stuff, and, yes, we can answer that question. That is what we can do.

Mr. ENSIGN. OK. Thanks.

Mr. HANSEN. Thank you. The gentleman from California, Mr. Doolittle.

**STATEMENT OF HON. JOHN T. DOOLITTLE, A U.S.
REPRESENTATIVE FROM CALIFORNIA**

Mr. DOOLITTLE. Mr. Kennedy, I guess the concept for the Administration proposal before us today appears to originate from Vice President Gore's reinventing government proposal as part of the National Performance Review. And according to that report, the proposal for entrepreneurial management of the NPS was supposed to generate \$993 million in new funding over the next six years.

That proposal was to generate \$182 million in its first year. However, the information provided by the Park Service indicates that this legislation will only generate \$32 million a year, and I guess my question to you would be what happened to the balance, the rest of the money—

Mr. KENNEDY. Mr. Doolittle, you are telling me things I don't know anything about. I have been trying to focus on a Park Service fee bill and getting the fees up as high as we thought the traffic would bear in good conscience. I am unacquainted with any relationship with any broader scheme to which this might relate.

Mr. DOOLITTLE. So you are not familiar with his report for reinventing government as it applies to the Park Service?

Mr. KENNEDY. I am familiar with that, sir, but I do not know of any connection between the figures you have just given me with regard to some target delivery of revenue, sir? Is there a discussion in that of revenue derivation proposal for how much money?

Mr. DOOLITTLE. \$993 million over the next six years.

Mr. KENNEDY. Well, that is a big number. I cannot testify to you today that I can break down the sources of \$900 million in fresh revenue. I simply know nothing about that.

Mr. DOOLITTLE. Will you look into that?

Mr. KENNEDY. Surely.

Mr. DOOLITTLE. And then for the record submit your answer?

Mr. KENNEDY. Surely. We certainly will.

Mr. DOOLITTLE. Thank you.

[At press time, answer to Mr. Doolittle's request had not been submitted by Mr. Kennedy.]

Mr. HANSEN. Thank you very much. The gentlelady from Idaho has requested an additional two minutes.

Mrs. CHENOWETH. Mr. Chairman, Mr. Kennedy and I had a rather interesting discourse about his communication with the Speaker of the House, and I just want to get for the record's sake the dates down very clearly. On July 17, you wrote a letter to Mr. Gingrich, the Speaker of the House, thanking him for the meeting that occurred June 13—that was five weeks before that—primarily to discuss your interest in the systems of fees for the national park system.

I understand from my investigation that meeting was initiated by your Department. But my concern, Mr. Kennedy, is that in the next three paragraphs you lobby the Speaker of the House on these two bills.

Mr. KENNEDY. I cannot accept that description.

Mrs. CHENOWETH. Excuse me.

Mr. KENNEDY. Sorry.

Mrs. CHENOWETH. I think the record speaks for itself because you speak about and refer to the bills, and then you ask for his help. I would simply ask you because I am very concerned, and most of my Republican colleagues are very concerned, about the extent of illegal lobbying by the agencies.

I mean, our guy out there in the field doesn't stand a chance. He has to pay his own air fares to come in here and wait till 5 o'clock to be heard, and you come in with a staff full of people, and you and other agencies are directly lobbying and influencing legislation before this body. I would caution you and the entire Clinton Administration to stop that.

Mr. KENNEDY. Well, Mrs. Chenoweth, I have no knowledge of who made the phone call to whom initially; that is, how did I find myself one morning being told to go to the Speaker's office. I didn't file a phone call with anybody.

I simply went to the Speaker's office by request and did so. I have been around a long time, and I am just not about not to go. When the Speaker of the House wants to see me, I will go. And if anybody else wants to see me, I will try to be there.

Now, with respect to following up and stating again my views which I stated at that time, I think it is appropriate for me to write letters in confirmation of what I have already communicated to this committee.

Now, I also take your point. I do understand your point about lobbying, and I do understand that it is not fair, broadly considered, for people who live in Washington, whether they are paid by the Federal payroll or not, to be engaged in lobbying when they shouldn't do that.

Now, answering questions is one thing. Initiating—stating views that are not disclosed is a wholly different thing. In this instance, I responded to questions that I believe are appropriate.

I went to a meeting to which I was invited, and I followed up by a statement in writing which I thought was candid as to what my views were; exactly the same views that I have communicated consistently to the Chairman. There was nothing underhanded, nothing peculiar, absolutely straightforward, and no difference in what I have said to the Chairman repeatedly and what I said to the Speaker.

Mrs. CHENOWETH. Mr. Chairman, I ask for unanimous consent to extend my time for one minute.

Mr. HANSEN. Is there objection? Hearing none, you have an additional minute.

Mrs. CHENOWETH. And I will enter this letter into the record. I would like for you to personally examine it because the meeting took place at your Department's request. This letter contains a solicitation of help to the Speaker of the House on specific legislation. And, Mr. Kennedy, I appeal to you to make sure this doesn't happen in your Department again, and I thank you very much.

[The letter to the Speaker of the House can be found at the end of the hearing.]

Mr. HANSEN. Thank you. I appreciate you gentlemen appearing before the committee today. I hope you realize what we are trying to do—the objective of this thing is to try to make the users of the

land pay 75 percent of it. Now, Mr. Kennedy has some doubts on it. Mr. Reynolds—he feels maybe he can accomplish that. And they do have different ballgames; no question about it. We don't deny that at all.

If that is unrealistic to Mr. Kennedy, maybe we have got to think of another way which some of you have proposed. I am sure there will be a marriage of these ideas along the line, and we hope we can come to a markup. At that point, we start defending the bills. At this point, we are listeners and absorbing these things.

I do appreciate Mr. Reynolds's comments, and as I understand it, I think you can achieve it. I think the BLM can achieve it. Maybe you are right, Roger. Maybe we can't get to that point, but there is something that has got to be better than we have because we are not going to be able to take care of the public lands of America if we don't.

Americans on one hand are just demanding that we cut the budget, and they are right, and we have got to come to a balanced budget. On the other hand, you can't go anywhere in this country that people don't want their parks and their forests and their BLM to be clean and nice and respectable, and they want to be treated right when they go there.

It is tough. It is a paradox in a way and one we are going to have to work out. So let me thank you for being here, and let me say to my friend from Idaho, we are all very sensitive on lobbying right now because tomorrow we are going to mark up something called the grazing bill, and we are very sensitive to that issue. It has been grinding on a few open nerves, and we all feel a little strong about it. So thank you for your time, and we appreciate you being here and appreciate your responses.

We will now turn to panel two; Mr. James D. Santini, Chairman of Public Lands Working Group, Travel and Tourism Government Affairs Council. Mr. Santini is a former member of this committee and represented very ably the State of Nevada for many years; Ms. Susan Pikrallidas, Director of Tourism Affairs, American Automobile Association; Mr. Phil Voorhees, Washington Representative for Conservation Policy, National Parks and Conservation Association; Mr. Keith Griffall, Treasurer of National Tour Association; Mr. Dan Anderson, President of National Air Access Coalition; and Mr. Derrick Crandall, President of American Recreation Coalition.

We appreciate you being here, and I will take you in the order that I called your names if that is all right. Mr. Santini, welcome; good to see you again. When I first came on board, Jim was one of the senior members of this committee, and I always appreciated working with him. We will turn the time to you.

Let me ask you the question. Can everyone do it in five minutes? OK. You know the rules. Green light says go; yellow light says wrap up; and red light wrap up for sure. Mr. Santini, you are recognized.

STATEMENT OF JAMES D. SANTINI, CHAIRMAN, PUBLIC LANDS WORKING GROUP, TRAVEL AND TOURISM GOVERNMENT AFFAIRS COUNCIL

Mr. SANTINI. Thank you, Mr. Chairman, members of the committee. On behalf of the Nation's travel and tourism industry, I appre-

ciate the opportunity to testify before you today; Jim Santini, Washington, DC, Representative for the National Tour Association and Chairman of the Public Lands Working Group of the Travel and Tourism Government Affairs Council.

This council represents 35 organizations, associations of every major facet of the travel and tourism industry including the airline, the hotel, the restaurant, the AAA 37 million members, and certainly NTA is a proud part of that organization. I am here to discuss a matter of great interest to the travel and tourism industry, fee reform of the public land.

National parks are among the most popular destinations for Americans and international visitors, who have not been mentioned here this morning, alike. Travelers flock each year to these 368 visitor areas where they provide the most wholesome and rewarding vacations, and these visits are rewarding to the local communities as well.

Travel to National Park Service areas generated in 1993 retail sales for local communities amounting to \$10.1 billion and supported 230,000 tourism-related jobs. So the parks are doing some pretty big business here. But if they are generating such economic benefits, why are there media reports about our country's most natural and peaceful locations which read like inner-city horror stories?

Quite simply, one of the reasons is we charge mere pocket change for entering and using these glorious areas. Now, some may argue that the parks are being loved to death and could actually benefit from a little neglect. But recent polls have indicated U.S. citizens are willing to pay higher park entrance fees. A poll by the National Park Conservation Association, a poll by AAA of its 37 million members verifies this conclusion. Therefore, visitors may be the public lands' greatest hope for survival.

A step in the direction of an improved fee system is H.R. 2107, but while many of the points expressed in this bill correspond with travel and tourism ideas and goals, we are concerned that the legislation invests too much vague statutory discretion to the Secretary of Interior.

We would like to take this opportunity to briefly compare our industry's thoughts on certain aspects of fee reform to those specified in H.R. 2107 and including by reference 2025 with more in-depth analysis submitted for the record. I request, Mr. Chairman, that my complete statement be entered into the record.

Mr. HANSEN. Without objection. All the statements that are brought up that are not spoken will be included in the record, and we would appreciate you submitting same.

Mr. SANTINI. Thank you, sir. Number 1, fees be dedicated to the maintenance and improvement of the visitor services on public lands. It seems just and fair that no less than 75 percent of the revenue be returned to the specific facility where the fee revenue is located. Most emphatically, we do not believe that the revenue should be diverted into the general fund.

In section 3[c][1] of H.R. 2107 it is stated that there should be implementation of a fee program which provides for substantial recovery of costs through fees paid by the public including admission

fees. You have had a healthy discourse on 75 percent or whatever percentage figure.

We request that this section specify what percentage of the operating budget will be recovered through such fees. We note that this type of fee recovery system usually hits the commercial tour operators and ask that these segments not be unfairly burdened, Mr. Chairman.

Number 2, fees must be equitable, efficient, consistent, and reasonable. Fees should not discriminate against visitors regardless of their mode of transportation onto the public lands, nor should they discriminate on the basis of the type of park or lands facility. A level of fees must be set reasonably so as not to discourage use of the public lands. Also, fees should rationally relate to visitors' use and activity on the public lands.

Let me take a moment here to make the case for motor coaches and aircraft. These means of transportation conserve energy, reduce pollution, aid in crowd management and control, and provide some of the best means of transportation to parks for elderly and our disabled. These facts should be taken into consideration when it comes to fee reform. They should not be unfairly burdened or restricted.

Number 3, adequate notice must be given for fee increases sufficient with the opportunity for response and discussion. Certainly, an unfair surprise for any park visitor would be a fee increase of \$10 to \$25 virtually overnight causing the traveler to be able to only afford two days at Yosemite instead of four he or she had planned. We urge at the very least a 12-month advance notice for fee increases be mandated.

There is also a concern about section 3[h][2] of H.R. 2107 where it is provided the Secretary of Interior may contract with any public or private entity to provide for visitor reservation services. This may single out the commercial operators for reservation. This may be getting repetitive, but it can't be stressed enough that the commercial sector should not be unfairly burdened with fees but certainly continues willing to pay its fair and equitable share.

Number four, fees must be set to recover costs associated with the operation of commercial facilities. Fees for the use of any facility, service, or activity operated or provided by the park or public land agency that is commercial in nature should be set to recover all costs associated with the operation of that facility, activity, or service, or should be set at a level commensurate with the fees charged for comparable services in the private sector.

And, finally, number 5, fees must accurately reflect the burden placed on public lands by visitor use. It may also be wise to implement a standard, uniform entrance fee for parks based on visitation numbers. It seems obvious that parks such as the Grand Canyon, our second most popular park, should not charge the same amount for entrance to the Thaddeus—I hunted at considerable length to find the name of a national memorial that I couldn't pronounce—the Thaddeus Kosciuszko National Memorial in Pennsylvania.

The Travel and Tourism Government Affairs Council urges that the fee strategies outlined above be implemented in H.R. 2107 and accordingly be amended. The Travel and Tourism Government Af-

fairs Council is open and willing and enthusiastic to explore creative, bold new ways to preserve our public lands in partnership with government agencies.

We ask only that we be included as part of the process, and this testimony, Mr. Chairman and members of the committee, is a step in that direction, and we thank you for that. This concludes my statement, Mr. Chairman. I would be happy to answer any questions you or the members of the committee may have.

[The prepared statement of Mr. Santini can be found at the end of the hearing.]

Mr. HANSEN. Thank you very much. Ms. Pikrallidas, thank you for being with us. We will recognize you now.

STATEMENT OF SUSAN PIKRALLIDAS, DIRECTOR OF TOURISM AFFAIRS, AMERICAN AUTOMOBILE ASSOCIATION

Ms. PIKRALLIDAS. Thank you, Mr. Chairman. AAA appreciates this opportunity to share our views with the subcommittee today on H.R. 2107 and H.R. 2025. AAA is a not-for-profit federation of 113 clubs serving more than 37 million members in the United States and Canada.

Millions of AAA members travel to this country's national parks and other public lands every year. In fact, sites managed by the National Park Service alone consistently rank among the top five travel destinations for AAA members. The public lands rate high with international visitors as well.

In your words, Mr. Chairman, recreational use of the Federal lands is one of the best deals in America today. When considering the price paid to visit many of the theme parks and other resort destinations in the United States, it is difficult to object to a greater proportion of Federal land recreation costs being paid for by those who use the services.

Indeed, AAA policy endorses reasonable fees for recreational use of Federal lands if the fees are used to maintain and protect the lands from which they were collected. The balance of my remarks today will address the fee provisions in both H.R. 2107 and H.R. 2025 in the context of AAA's fee policy.

Both bills embody the concept of making the fees collected available to the agencies collecting them without further appropriation. AAA strongly supports this concept and would only urge that the subcommittee ensure that the language is indeed adequate to accomplish that purpose.

In other words, it is imperative to AAA's support of increased and expanded use of recreation fees that they not be used directly for deficit reduction or simply to offset reductions in what would normally have been appropriated for management of these sites.

Informal surveys of AAA members demonstrate strong support for paying reasonable fees to visit parks, but only if the revenue is used for park needs. Support for admission and other fees evaporates quickly if the fees are to be paid into the general Treasury for deficit reduction or other general fund purposes.

A letter from one of AAA's Ohio members reflects this view succinctly: "I was wondering if AAA could have a page for a petition that members could get signed by their friends and neighbors, need not be members of AAA to sign, to send to those people in Wash-

ington who work for us to have the park money and fees used by the parks and not in the pork barrel. I do think this would generate quite a few signatures. I know this could take years but maybe get more serious thoughts down in Washington. At least we can dream."

For these same reasons, AAA strongly supports the language in H.R. 2107 limiting fees collected to funding only programs in direct support of recreational services on Federal lands. Limiting fee collection and use to services directly benefiting those who use them is fair and thus more easily justified to those who will be required to pay them.

AAA supports the thrust of H.R. 2107 to establish an integrated and coherent fee policy among the Federal land management agencies. In our experience, many public lands visitors may not be aware that they are visiting a national park, a national forest, a wildlife refuge, or a site managed by BLM.

They tend to call them all national parks, and, for the most part, they really are unconcerned as to who technically is in charge. What they do care about is the experience, and policies that enhance, rather than detract from, that experience are not only appreciated but expected.

Our experience in travel also tells us that travelers appreciate consistency and the availability of accurate information, particularly when making their travel plans. An integrated fee policy among the land management agencies would facilitate the provision of more accurate and useful information to people planning vacations involving the public lands.

AAA also supports the provisions in H.R. 2107 which require that the integrated fee policy be flexible, equitable, and efficient. While AAA believes our members are willing to pay fees for admission to and recreation on the public lands, the fee policy must be transparent as to its fairness, and flexible and efficient as to its methods and locations of collection.

A certain death-knell for public support of fees would be for those fees to be perceived as unreasonable and unfair, and for fee collection to be experienced as a time-consuming obstacle to actual enjoyment of the park.

AAA strongly endorses provisions in both bills to eliminate the prohibition on the use of consignment for private sales of the Golden Eagle Passport. We would envision providing AAA members the opportunity to purchase this pass from our travel offices throughout the nation.

A concern AAA has with both bills is the lack of opportunity for public comment on fees. While notice is required by the bills, AAA firmly believes that public input should be required before a fee program is imposed or fees are increased.

Without an opportunity for comment, the fairness of the fee program may always be in question, and the opportunity to enlist continued public support for fees may be lost. AAA therefore suggests that, at a minimum, proposed fees be published in the **"Federal Register"** well in advance, with public comment solicited on the fees.

Another AAA concern with H.R. 2107 is the provision for revenue targets, which have been discussed many times today already, and

the rewards they trigger. While we support the goal of providing incentives to public land managers to collect appropriate fees, AAA is concerned that the revenue targets may encourage land managers to perhaps "nickel and dime" visitors to attain the goal.

Travel research indicates that travelers, particularly families, favor all-inclusive travel packages that incorporate most charges into one overall payment. Again, for the fee programs to be acceptable to the public, they must be perceived as fair and as providing an easily identifiable benefit. Fees not linked to improved visitor services will soon lose support.

AAA is also concerned with the goal of generating 75 percent of the annual cost of providing visitor recreational programs through recreation fees. We endorse the bill's exclusion of administrative overhead in the cost of recreational services, but we are concerned that the definition of such services may be too broad.

While AAA supports the concept of paying for recreational services, we cannot support language that may provide a backdoor means for using recreation fees to pay for a broad range of operations not directly benefiting the visitor.

In summary, Mr. Chairman, AAA believes H.R. 2107 and certain provisions of H.R. 2025 are a good framework around which to build a new approach to recreation fees for those who visit and recreate on the public lands. We believe the bills reflect an honest attempt to implement an integrated and equitable fee program with the flexibility and efficiency to ensure its broad acceptance and success.

We do, however, have concerns with the bills and would ask that the subcommittee give serious consideration to these concerns as you proceed. AAA would be pleased to work with both you, Mr. Chairman, and the subcommittee to address our concerns and develop a recreation fee policy that the traveling public can accept as fair and as providing for their continued enjoyment of the public lands. Thank you for this opportunity to submit AAA's views.

[The prepared statement of Ms. Pikkallidas can be found at the end of the hearing.]

Mr. HANSEN. Thank you. Mr. Voorhees.

STATEMENT OF PHILIP VOORHEES, WASHINGTON REPRESENTATIVE FOR CONSERVATION POLICY, NATIONAL PARKS AND CONSERVATION ASSOCIATION

Mr. VOORHEES. Mr. Chairman, my name is Phil Voorhees. I am the Washington Representative for the National Parks and Conservation Association. I very much appreciate the opportunity to testify. NPCA, as you well know, is a citizens organization composed of currently some 450,000 citizen members. This is an issue of critical interest to us as an organization, and, quite frankly, I think it is of great interest to the broader public.

As fee legislation makes its way through this Congress, whatever proposal goes forward, it is our sincere hope that the final product will be a measure which provides the National Park Service with direct access to the fees that it collects and relies on the expertise of park professionals to appropriately configure a fee program for both the public and for commercial users of the parks.

Now, as Mr. Duncan mentioned on the dais earlier, NPCA commissioned a study by Colorado State University earlier this year about a whole variety of park issues. One of the issues that was explored was the issue of fees.

Inasmuch as this is very much in the public consciousness, especially in the summer when a whole variety of western parks are experiencing peak visitation levels, we found when we explored the public opinion, as you will see in the graphs presented, that something close to 80 percent of the general public surveyed supported the concept of fee increases.

I don't think that there is very much opinion among the general public that visitors shouldn't be asked to pay a little bit more. I suppose there is a very valid question here as to how much more, and that question gets to the root of the differences between the two approaches that you will be reviewing.

One of the questions that was asked in the survey was whether or not individuals would be willing to add a dollar to the tax payments or take a dollar from their tax refunds and use that for the exclusive purpose of parks; a broad consensus agreed. I think that the percentage of those agreeing was somewhere in the neighborhood of 75 percent.

So it is clear that not only are American citizens willing to pay more as visitors to the national parks, but even if they are not visitors, they are willing to pay for the concept of the maintenance of the national parks. I think that is very telling in a time when Americans' tax payments are very much at issue, that this is clearly one tax payment which the broad community of Americans supports.

I think that gets to the root of a philosophical discussion, ongoing since the beginning of the park system in the early 20th century, as to whether or not parks should substantially be funded by our tax payments, or substantially funded by visitors who visit the parks.

Now, earlier in May, you had a hearing which explored the concept of using market forces to pay for the parks. I would caution that using market forces in this arena is a dangerous course because of the very real risk of erecting economic barriers.

I don't think that there is much of an issue that the Park Service needs to do a better job of where it collects fees, how it collects fees, and on whom it collects fees. And NPCA has long been a supporter of the higher level of sophistication for the Park Service to do its job in that regard. For example, I am not convinced that it is appropriate that there should be a flat fee for every kind of visitor who enters a fee-collecting park.

There is a broad variety of different kinds of users of national parks, including not just a variety of public users, but a variety of commercial users as well. There needs to be a substantially higher level of sophistication in regard to how we and how the Park Service addresses the variety of commercial users.

Now, there are people who visit the Grand Canyon who drive up, step out of their cars in the parking lot, walk over to the rim, look at it, take a few pictures, and drive away inside an hour. There are also people who go to the same park who go to the campgrounds and stay for a week. And I think it is a legitimate question as to

whether those two types of visitors should be paying the same amount.

It is also a legitimate question, as you mentioned before, as to whether or not the visitor who drives up in a \$200,000 Airstream attached to a \$30,000 Suburban should be paying the same amount as a visitor who drives up in an ancient VW bus with four kids in tow. These are all legitimate issues.

Now, to the specifics of the two bills, I just would like to offer some words of caution. First of all, on the matter of incentives, it is legitimate that the Park Service be provided with greater incentives to collect fees. I think that H.R. 2025 provides that kind of incentive simply by providing that the funds would be available to the parks, not subject to appropriation.

However, in your proposal, Mr. Chairman, in H.R. 2107, it causes us great concern that you set a statutory mandate of 75 percent or, frankly, whatever the number is on the amount of fees that the Park Service would have to collect. That risks warping the very purpose for which the parks were established.

The parks were established to preserve and reflect to the American people the grandeur of this country, both in terms of its cultural heritage and in terms of its natural heritage. And it seems unrealistic to expect that the Park Service would be driven by the concept of whether or not it has to collect fees, especially in parks in which it may not physically be possible to collect the amount of fees, whatever that amount be, to cover the kind of ceiling you would provide. So I would urge that you reconsider that portion of your legislation.

In quick conclusion, I would like to mention that it is clearly in the public interest that the issue of fees be dealt with. Congress has danced around the issue on a variety of occasions since the Land and Water Conservation Act was passed back in the 1960's, and I think there needs to be a solution which provides sufficient flexibility such that the Park Service can maneuver appropriately.

We think the Park Service professionals are the individuals who know the system best and know the users best and are best prepared to fix the fees as are appropriate for all the user groups. That concludes my statement. Thank you very much.

[The prepared statement of Mr. Voorhees can be found at the end of the hearing.]

Mr. HANSEN. Thank you. Mr. Griffall.

STATEMENT OF KEITH GRIFFALL, TREASURER, NATIONAL TOUR ASSOCIATION

Mr. GRIFFALL. Chairman Hansen, members of the subcommittee, my name is Keith Griffall. I am Treasurer of the National Tour Association. I am also the owner of a small business tour company based in Salt Lake City, Utah. And it is with great pleasure that I accept this opportunity to speak before you and represent the views of the National Tour Association on House Resolution 2107.

The National Tour Association, otherwise known as NTA, represents many organizations that are North American tourism professionals. We are focused on the development, promotion, and increased use of the tour-operator-packaged leisure travel. Our members include 600 tour operators, 800 destination marketing organi-

zations, and more than 2,300 suppliers who consist of attractions, hotels, restaurants, bus companies, airlines, and receptive operators.

NTA supports the entrepreneurial philosophy of H.R. 2107 and the fee retainment concept. For many years now, NTA has advocated that a significant portion of the entry fees should be retained in the parks where collected. However, in its current form, NTA has a number of concerns about H.R. 2107 as it empowers a very large amount of statutory discretion on behalf of the Secretary of the Interior.

I would like to take this opportunity to highlight some of our concerns about this bill. Section 3[c][1] entails establishing a fee program which provides for substantial recovery of the costs through fees paid by the public including admission fees.

It is commonly known that the Park Service does not have an accurate visitation number for guests who enter while paying only a minimal fee—that is a Golden Age or a Golden Eagle fee—or, in many cases, no fee at all such as schoolage children, nonprofits, and other organizations. And on many occasions there is no Park Service employee staffing the gate to collect fees. So it is difficult, if not impossible, to project with any accuracy the substantial cost recovery burden that would be imposed on commercial entrants.

For illustration, our fees have been increased in the last few years. About two years ago, I only had to cost in \$1 a park because most of my customers are seniors. And because we were paying only for a certain number of people on the coach who were not seniors, we only costed in \$1 per park for all of the people.

The difference now is that we are charged on a per-bus fee which is fine. It makes it easy to get in. However, unfortunately, I have to now cost in \$3 a person. And in all deference to Director Kennedy, in my case, seniors are charged to enter the parks. They are charged approximately \$3.33 per park per person because that is what I have to pay, and I charge them that.

NTA fully supports the principle that no less than 75 percent of entry fee revenue be returned to the park where the fee revenue is generated. While NTA is committed to improving our Nation's parks, we have a concern about being unfairly singled out in the fee program concept.

The subcommittee needs to consider the economic implications of new park entrance fees on the commercial tourism industry and, most particularly, on the local communities. It is these local communities which depend heavily on tourism for their economic vitality. In 1994, the group tourism industry generated \$7.8 billion annually to the U.S. economy. Of that figure, \$6.9 billion was spent at the local level.

Section 3[c][2] provides that fees be fair and equitable, taking into consideration the benefits of the recipient. My first question to the subcommittee is how would fair and equitable fees be determined? Speaking as an operator that takes groups to the national parks, should individuals pay more to enter parks simply because they choose to enter by motorcoach rather than those visitors who choose to drive their own car?

This section seems to indicate that fees would be established based on commercial profits derived from the park tour. If the fees

were set so high for commercial entry, this could lead to everybody coming in in cars and no one coming in on coaches, thus creating greater congestion and ecological ruin than might happen otherwise.

Section 3[c][3] on notification of fees is inadequate. Our first concern is that the timing of the notice is not mentioned in this section. In recognition of the advanced planning, marketing, and contracting that is required in the group travel business, NTA urges the House to adopt at a minimum a 12-months-notice provision so that we can price these changes into our packages.

Section 3[c][4] confers total discretionary authority upon the Secretary to increase the fees. NTA requests that the committee consider the precedent that will be established by this provision. This is a dangerous delegation of the legislative responsibility to raise taxes and fees. A proposed fee increase would not receive adequate time or attention because there is no provision for a public hearing opportunity to obtain congressional feedback from the prospective fee payers.

This is an ominous invitation to also implement a reservation system in our national parks, and we are worried that this portends the possibility of singling out the commercial operators for reservations while imposing no such requirement for the individual park visitor who is the primary source of the major congestion problems in the most popular parks.

The foremost concern my association has with H.R. 2107 is the broad level of authority which is granted to the Secretary of the Interior. NTA hopes the committee will consider that any limitation to national park access be established on a fair and equitable basis among all forms of visitors and not discriminate against those who choose to see our national park treasures by motorcoach rather than those by automobile.

We also ask for 12 months advanced notice on any fee increases. NTA urges that you will adopt the amendments to the bill which we have recommended and incorporate specific statutory constraints limiting the expansive language. I thank you for including NTA in this process, Mr. Chairman, and I would be happy to answer any questions that you or any other members of the committee may have.

[The prepared statement of Mr. Griffall can be found at the end of the hearing.]

Mr. HANSEN. Thank you very much. Mr. Anderson.

STATEMENT OF DAN ANDERSON, PRESIDENT, NATIONAL AIR ACCESS ASSOCIATION

Mr. ANDERSON. Mr. Chairman, members of this committee, thank you for the opportunity to speak to you today on behalf of this nation's commercial air tour operators. I will be speaking with you today about a policy which threatens the integrity of the national airspace system—commercial overflight fees at national parks.

My name is Dan Anderson, and I am President of the National Air Access Council which represents the interests of commercial airplane and helicopter tour operators throughout the United States. In 1994, over 2 million people visited their national parks

and other Federal lands by air, and over 20 percent of them did so because an air tour enabled them to see areas of our park lands that their physical limitations simply would not have allowed.

I have personally managed an air tour company at Grand Canyon for over six and a half years and have witnessed the countless smiling faces of our customers who greatly appreciated the opportunity of being able to see the Grand Canyon from the eagle's perspective.

I am particularly appreciative of the opportunity to testify before you today regarding commercial overflight fees because the voices of air tour operators have never before been heard before this subcommittee on that subject. We are grateful to you, Mr. Chairman, for making that available to us today.

Mr. Chairman, we wish to applaud the subcommittee's efforts at developing and implementing high quality recreation programs while recovering the costs of those programs through an equitable fee structure. Through the creation of commercial tour use fees for commercial air tour flights, the Omnibus Reconciliation Act of 1993 created a policy which is not only inequitable, it is dangerous.

The fee is dangerous because it usurps the authority vested in the Federal Aviation Administration for the control and management of U.S. airspace. Granting power to land management agencies to collect fees for the use of airspace had never been done before, and it should never be done again.

Before this unprecedented change in airspace management policy, the FAA had unquestionably been given responsibility for all matters concerning the safe and efficient use of airspace. Can you imagine the chaos that would result without the rational use of the nation's airspace?

The NPS collection of commercial tour use fees for aircraft overflights of national parks is a dangerous first step down that road, and we urge that it be stopped by this subcommittee. Giving this power to the National Park Service or any land management agency makes as much sense as giving the FAA the authority to collect visitor fees at park entrance gates or fees for the sale of timber on forest lands.

And for that reason, we say that the controlling agency should be the collecting agency. This is a policy that should be used in the administration of any fees. If any fees are to be collected for park overflights, they should be collected by the FAA and not the NPS.

Mr. Chairman, fees for overflights are only part of the airspace management activities of the NPS which should cause this subcommittee concern. In its 1994 report to Congress on aircraft overflights, the NPS recommended that air tour operators become park concessionaires.

Now, with the introduction of H.R. 1954 in June of this year, Congressman Skaggs is supporting the NPS in their quest to control the skies. These proposals call for the NPS to get into the aviation business, giving them the power to dictate where, when, and how aircraft can fly and how much aircraft operators can charge.

Mr. Chairman, in addition to being a dangerous precedent, the commercial tour use fee for aircraft is also wholly inequitable. The first reason for this is that air tour passengers pay two fees, one in the air and one on the ground. And it was interesting for me

to hear Director Kennedy speak about the danger of the prospect of charging a family of four \$30 for entrance to a park, where at Grand Canyon today a family of four will pay \$30 for entrance fees to Grand Canyon—\$20 in the air and \$10 on the ground.

The second reason that the fees are inequitable is that they are not commensurate with the services provided. I don't think anybody could say exactly what services are provided by the NPS for access to airspace. And, third, air tour operators already pay Federal excise taxes for the use of airspace, and so the fees are clearly double taxation.

In conclusion, we ask that this subcommittee take action quickly to ensure that the NPS stays out of the aviation business. By rescinding the authority of the NPS to collect fees for airspace use and by rejecting any notion of aviation-related businesses becoming park concessions, this subcommittee can ensure that the NPS will remain focused on its mission, the FAA on theirs, and that this country will remain the beneficiary of a very safe and efficient air transportation system.

Mr. Chairman, I appreciate having had the opportunity to testify before you today. This concludes my testimony. I would be happy to answer any questions that you or the other members of the subcommittee might have.

[The prepared statement of Mr. Anderson can be found at the end of the hearing.]

Mr. HANSEN. Thank you very much. Mr. Crandall.

STATEMENT OF DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION

Mr. CRANDALL. Mr. Chairman, thank you for the opportunity to appear here today. As you know, the American Recreation Coalition members produce recreational products ranging from canoes to motorhomes to tents to fishing rods and provide services ranging from campgrounds to downhill skiing, and represent the interests of tens of millions of Americans who belong to such organizations as the Good Sam Club, BOAT/U.S., and the National Offroad Bicycle Association.

We represent a \$300 billion-plus segment of the U.S. economy. We would love to see a continuation of the low and nonexistent fees which have longed characterized recreation opportunities on Federal lands. Free lunches are great. Yet, we know that recreation on the Federal lands really isn't a free lunch. The costs have simply been borne by general taxes and not user fees.

Beginning in the 1980's, we began to see the danger of reliance upon general revenues. Recreation programs were seen to be in jeopardy just as other "nice" Federal endeavors were in jeopardy. Campgrounds across this country in national forests were opening later and closing earlier, frustrating millions who sought to use their lands during shoulder seasons but found only locked gates.

We saw declines in the numbers of interpretive efforts underway. We saw recreationists and Federal officials alike frustrated that no budgets were available to create facilities for, and to administer, such new recreational activities as mountain biking and personal watercraft use, Nordic skiing, and other activities.

We embarked on a variety of initiatives to confront these challenges in partnership with Federal agencies. We helped develop and print dozens of brochures and guides. We catalyzed partnerships, recruiting corporate and other partners to contribute financially to building interpretive kiosks along scenic byways, and participating in a myriad of challenge cost share efforts.

We have supported efforts to provide funding for recreational programs on Federal lands through highway legislation, through the Wallop-Breaux Trust Fund, and more. We took part in the national debate catalyzed by the President's Commission on Americans Outdoors between 1985 and 1987. We heard loudly and clearly that Americans across the country were willing to pay reasonably for quality recreation opportunities, just as they are willing to pay reasonable costs for quality sleeping bags and quality boats.

Again and again though, we heard that the agencies had little incentive to charge higher recreation fees since the fees disappeared into a variety of special accounts in the black hole of the U.S. Treasury.

We agreed when the PCAO called for more reliance, but not complete reliance, upon the direct beneficiaries of Federal recreation facilities and services to ensure that our national parks, national forests, wildlife refuges, and public lands remain hosts to outstanding recreation experiences. The public continues to agree with that position.

As we have reported in previous testimony before this subcommittee, the American public shows a remarkable willingness to pay for Golden Eagle passes and other entrance fees. In fact, in testimony on the Golden Eagle pass, we reported that over 75 percent of the American public was willing to pay at least \$40 for a Golden Eagle pass allowing access to Federal lands and parking in parking areas at Federal recreation sites.

The Congress has moved toward this vision, first in 1987 and then again in 1993, but the actions have been piecemeal, bandages and not cures. It is time for a system that allows the Bureau of Land Management employee, the National Park Service ranger, our key Federal agency officials on the ground to be able to answer the visitor's question in less than an hour about where their fees go.

We need to also see proof for the visitor and the agency person alike that the results of those higher fees are showing up on the ground, and that is the reason why we are so delighted that the subcommittee has taken on simplification and clarification of Federal recreation fees. We have prepared a chart that has been provided to the subcommittee detailing our views on various components of H.R. 2107 and H.R. 2025, both of which we find to have merit.

The key objectives for ARC are as follows: first, that fees be equitable; second, that the fee systems be efficient; third, that the fees be convenient for the recreationists; fourth, the fee systems need to be coherent, flexible, and integrated; and, finally, the fee revenues need to be returned to benefit resources, facilities, and programs utilized by those paying the fees.

We strongly support the scope of H.R. 2107 which would provide, for the first time, consistent guidance and broad authority to four

of the most important land managing and recreation providing agencies.

I would like to elaborate on one issue that is contained in our chart, number 26. We note that savvy Federal officials in the field are looking to customers and partners more and more for help in providing the quality and quantity of recreation opportunities we all seek.

We have seen enhancement moneys and scenic byways moneys under ISTEA being used. We see boating and fishing enhancements on Federal lands funded through State agencies under the Wallop-Breaux program. We see Sikes Act provisions allowing State funds to be used in national forests to enhance wildlife habitat, and State off-highway vehicle fund moneys used to build trails, trailhead facilities, and maintain trails. We see continuing successes under Challenge Cost-Share Programs for both recreation and wildlife.

We support these partnerships strongly. We want to be sure that any action taken by the Congress encourages rather than discourages, continued and expanded actions of this type. This can only be done if the cash and in-kind support of partners is counted as recreation fee revenues and offsetting recreation program costs.

Finally, we applaud the actions of the House and Senate Appropriations Committees in establishing a recreation fee demonstration program. We know that the action of these committees came only because of the support and assistance from this Chairman and his staff.

We are excited by this opportunity, and we will be working hard with the Federal agencies to use the demonstration program to learn more about fee programs that work. Beyond simple authority to charge fees, the demonstration program gives a green light to partnerships involving the private sector in areas ranging from trails to visitor centers. We urge you to incorporate similar support in the permanent fees measure.

We close by offering our conditional support for H.R. 2107. We applaud the open environment in which it has been developed. We look forward to working with you to come up with a bill that works for the American public that loves the public lands so much. Thank you, Mr. Chairman.

[The prepared statement of Mr. Crandall can be found at the end of the hearing.]

Mr. HANSEN. Thank you, Mr. Crandall. We appreciate the statement of all six of you. The gentleman from Michigan is with us, Mr. Kildee. Mr. Kildee, Mr. Crandall is the last speaker in this hearing. Do you have anything you would like to say to any of these folks or any questions or any opening remarks or closing remarks?

Mr. KILDEE. Just basically, I apologize for being late. We had another hearing down at the other end of the hall. I would have been here sooner. I welcome our former colleague, Jim Santini, this morning. It is good to see him—a good friend, a good Member of Congress. He has always done a good job. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you, Mr. Kildee. As Mr. Kildee pointed out, there is a very important hearing going on in 1324 which is on

ANWR, what we should do with that area. And most of the members reluctantly left because this is a fascinating hearing also and one that they are very concerned about.

And each one as they walked out mentioned to me that they were sorry but they wanted to cover both bases. I feel the same way, and I wish we could be at all the places we are supposed to be. However, we are trying to wrap this thing up today and tomorrow, and we have just got members running all over the place.

But with that said, let me thank each and every one of you here and especially the members of the panel for taking the time to be here—your excellent testimony. Let me assure you we will take it all very seriously. We would appreciate your continued interplay with us regarding what we are doing because this is all very, very important to us.

We do intend to face this problem. In my humble opinion, Congress has ducked a very heavy problem for a long time. It just got worse every year, and we are not going to do it exactly the way all six of you or all the people in this room want it done, and you know that.

But we are going to try to come up with something that will work for the American public, and out of that, I am quite confident that a responsibility rests with Congress to somehow be able to take care of our parks and public land better than we have, and it means more money into it and that money used wisely and proficiently with the folks who are using it.

So with that said, like the gentleman from Michigan, I have another meeting in six minutes. There are a number of questions I am dying to ask you. With your permission, possibly we could do that by correspondence if that is all right. So this meeting will now stand adjourned.

[Whereupon, at 12:25 p.m., the subcommittee was adjourned, and the following was submitted for the record:]

THE ROLE OF FEES IN THE PROVISION OF OUTDOOR RECREATION OPPORTUNITIES

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Introduction

Mr. Chairman and distinguished members, I am pleased to appear before you today to comment on fees for outdoor recreation. I spent fifteen years as a field ranger with the National Park Service before returning to school for a Ph.D. in Recreation Resource Development. While a member of the Texas A&M faculty, I then spent three years at the Army Corps of Engineers Waterways Experiment Station (WES) in Vicksburg, Mississippi under an Intergovernmental Personnel Agreement. There I was principal investigator of a research project on attitudinal and economic issues related to fees at Corps day use areas and campgrounds. I speak to you today as someone bringing knowledge from both field level operations and the research perspective of fees. I am now employed as a Research Scientist with the ASCI Corporation in Vicksburg. However, all of the following is presented as a private citizen and does not necessarily reflect the views of my employer or any other agency.

History of Outdoor Recreation Fees

Widespread charging of fees for public outdoor recreation is a relatively new concept in the United States. With vast amounts of land open for settlement, the idea of use fees for Federal land was not considered appropriate. In a few cases (i.e. Hot Springs National Park in the 1890's), a fee was charged to offset the costs of developing and operating facilities. However, until the 1950's a tradition of rarely if ever charging for outdoor recreation seemed to many people a birthright of living in the United States. In order to understand these feelings today, it is important to look back to what led to the present situation.

Prior to World War II, fees for outdoor recreation on Federal land were charged in a somewhat haphazard manner, reflecting the lack of any overall multi-agency legislative guidance. The only two land management agencies with large land holdings and recreational developments were the National Park Service (NPS) and the US Forest Service (USNFS). Only the NPS had any significant fee activity in the first part of this century and that was mostly entrance fees (White 1992a).

Implementation of entrance fees into NPS areas predates the establishment of the agency by eight years. A product of the automotive age, and originally intended to cover the costs of the "damage" caused by the new invention, fees were collected at Mount Rainier National Park for auto permits in 1908. By 1915, fees were levied for entrance to seven other parks including Yosemite, Yellowstone, and Glacier National Parks. Seasonal rates ranged from \$10 at Yellowstone to \$2 at Glacier, with a lower fee charged for single entries (Mackintosh 1983). In 1917, the first year of operation of the NPS, enough fees were collected that 5 of the 16 newly established parks had a surplus over operation and maintenance costs (Mackintosh 1983). The importance of fees was such that the first NPS Director testified before Congress in 1917 that park entrance fees and other revenues would eventually be "sufficient to cover all NPS operation and maintenance costs" (Mackintosh 1983). Congress would only be called upon for additional appropriations when NPS needed funds for capital development costs.

There was a strong motivation at that time for the NPS to collect these entrance fees. They were placed in a special treasury account and could be spent with no Congressional oversight. In 1918, Congress changed the legislation and required that all the monies collected go to the general fund of the United States

Treasury (Mackintosh 1983). For the next twenty years there was little interest by the NPS in collecting fees. However, in 1939, President Franklin Roosevelt made fee collection an executive policy. In 1939 through 1942 the NPS specified forty parks where fees could be collected. In announcing this change, Secretary of Interior Ickes said that:

those who actually visit the national parks and monuments should make small contributions to their upkeep for the services those visitors receive which are not received by other citizens who do not visit the parks that are available to them, but who contribute to the support of these parks (National Park Service 1987).

Independent Office Appropriations Act of 1952

In 1951, Congress passed a bill of significant importance to this discussion. Title V of the Independent Office Appropriations Act of 1952 was the first national attempt to codify cost recovery for Government services. It required each agency head to develop and implement regulations that would set "fair and equitable fees" for "services or products provided to persons" (31 USC Sec. 9701). The bill included language that required consideration of four factors: 1) direct and indirect costs to government; 2) value to the recipient; 3) public policy or interest served; and 4) other pertinent factors. The act further stated that "It is the sense of the Congress that each service or thing of value provided by an agency (except a mixed-ownership government corporation) to a person (except a person on official business of the United States Government) is to be self-sustaining to extent possible" (31 USC Sec. 9701). These are the first guidelines that were codified in specifying some basic criteria for cost recovery that also applies to outdoor recreation fees.

Fees in the Fifties and Sixties

In the expanding economy of the fifties, there was little interest in fees as a revenue source and little interest in changes to the system. However, the Bureau of the Budget issued Circular A-25 in 1959 that applied to all Federal agencies. It stated "a reasonable charge...should be made to each identifiable recipient for a measurable unit or amount of Government service or property from which he derives a special benefit." Exploding recreational use on all Federal lands led to a call by recreation professionals and others to develop an overall recreational strategy for the country's public lands.

The result was the formation of a blue ribbon review commission called the Outdoor Recreation Resources Review Commission (ORRRC). Among the various recommendations concerning recreation and recreational facilities, the commission also addressed the issue of fees. It recommended to the President and Congress that:

Public agencies should adopt a system of user fees designed to recapture at least a significant portion of the operation and maintenance costs of providing outdoor recreation activities that involve the exclusive use of a facility, or require special facilities (ORRRC 1962).

Land and Water Conservation Fund Act

The ORRRC report laid the foundation for legislation that would increase funding for recreational opportunities at the Federal and State level. In 1964, the Land and Water Conservation Fund Act (LWCFA) was passed (P.L. 88-578). It authorized fees for both entrance to and use of facilities in all seven Federal land management agencies. In the act, the Cabinet-level official overseeing the agency was given authority to designate outdoor recreation areas at which entrance fees and user fees could be charged. Revenue from the fees went into a special Land and Water Conservation Fund for use in acquiring and developing recreation land.

As the LWCFA was amended over the years, several fee options were established for both entrance and campground use. Entrance to an area may be by payment of a single-visit entrance fee, a site-specific annual permit, an annual Golden Eagle Passport, lifetime Golden Age or lifetime Golden Access Passport.

The single-visit entrance fee is good for one to fifteen days for a "more or less continuous stay within a designated area." The period of time of a "single visit" is established by the agency. The Golden Eagle Passport is an annual pass for admission to all "Designated Fee Areas". A Golden Age Passport is available for a one time processing fee of \$10 to all United States citizens and permanent residents 62 years of age and older. It provides a waiver of entrance fees where charged, along with a 50 percent discount on certain user fees (i.e. camping, guided tours, parking). A Golden Access Passport which is free, is available to blind or permanently disabled citizens or permanent residents. It also provides for a 50 percent discount on Federal user fees and a waiver of any entrance fees.

The attempt by Congress to set uniform standards and maintain one account for all fees collected was soon modified by numerous bills and amendments to the LWCFA. For the Corps of Engineers, the major problem was the issue of fees for entrance to Corps projects. In 1968, the Rivers and Harbors Act was amended to prohibit the collection of entrance fees, ending the collection of such fees at Corps projects. In addition, a 1972 amendment to the LWCFA allowed entrance fees to be collected only at NPS and USNFS sites. Fees collected by the Corps for camping were to be placed in a separate account for appropriation only to the Corps, "without prejudice to appropriations from other sources for the same purposes, for any authorized outdoor recreation function of the agency by which the fees were collected" (United States Congress 1987).

With the country in the throes of "stagflation" in 1979, the NPS was faced with a cut of \$12 million in operating funds and was ordered by the Office of Management and Budget to make up the difference by raising fees (Mackintosh 1983). The agency proposed making up the deficit with increases averaging 74% over 1978 levels in entrance and other fees. Congress and the public reacted very negatively to the proposal, and a legislative moratorium was passed in Congress that froze fees for all agencies at their January 1, 1979, levels. In addition, in one of many modifications to the LWCFA, Congress accidentally suspended collection of all camping fees at all Federal agencies. This led to a summer of major problems for field personnel, as fees were an important method of controlling overcrowding and vandalism.

Fees for the Eighties

In 1982, the General Accounting Office (GAO) prepared a report titled "Increasing Entrance Fees - National Park Service" that recommended Congress: 1) repeal the statute which froze all NPS entrance fees and 2) amend the LWCFA to remove the \$10 limit on the price of a Golden Eagle Passport. At the same time, the Office of Management and Budget put pressure on NPS to obtain at least 25% of their operations and maintenance funds from user and entrance fees. Based on those two factors, the NPS proposed that the Congressional moratorium on fees be repealed, entrance fees be increased at areas where fees were presently collected, and additional parks be authorized to collect entrance fees. However, the bill that was introduced included a provision that would allow fees to be charged for hunting and fishing on Federal lands. Because of significant opposition from both the public and Congress, the bill was quickly withdrawn (United States Congress 1987). Also, because of the controversy surrounding that bill, fees were left unchanged from the previous level.

One amendment to the LWCFA (P.L. 93-303) in the 1970's included a provision that the Corps (and only that agency) provide one free campsite in every project that had Corps fee campgrounds (Brown 1992). Other Federal and State agencies that lease Corps lands at a project and develop recreational facilities are exempt from this prohibition. The amendment also prohibited all agencies from collecting fees for "drinking water, wayside exhibits, roads, overlook sites, visitor centers, scenic drives, toilet facilities, picnic tables, or boat ramps." For the past six years, the administration has proposed legislation to Congress that would allow the collection of fees at day use areas and remove the requirement for free campsites. The fees to be charged for day use areas are not entrance fees but rather are for use of beaches, picnic areas, and similar highly developed facilities. This required an amendment to the LWCFA and the Rivers and Harbors Act. In 1994 the amendments were passed and fees are currently being charged at some Corps day use areas for use some

of the facilities, but not picnic areas.

Fees or Free?

Behind all the arguments is a philosophical shift in the past ten years by public officials and some of the public who feel that those who benefit the most should pay the most. While we all benefit from and pay for the existence of Yellowstone National Park, those actually using the facilities derive greater benefits than those who do not. Therefore, it is argued that they should pay more than those who only read about the park in *National Geographic*. Countering this line of reasoning are those who feel that charging fees closes recreation opportunities to certain socioeconomic classes and ethnic groups. They feel that by pricing outdoor recreation opportunities based on the user's ability or willingness to pay takes away from the quality of life for segments of the population. Further, it is argued that those in the middle class are being made to pay twice for their recreation: once as part of income taxes and then again at the fee booth.

The shift from totally free to partially subsidized outdoor recreation has not been a quick or easy one. Perhaps the most vocal persons have been those most immediately impacted. In 1988 the Congressionally mandated implementation of entrance fees for many more NPS areas and the increases in fees at existing fee areas led to some initial opposition by different groups in the travel and tourism sector. They were accustomed to use of public outdoor recreation areas without paying any direct fees. Yet the new fees are a small percentage of the average daily travel cost for most users (when adjusted for inflation) and less than some of the entrance fees that were established in the 1970's.

Prior Research

Introduction

Interest in researching various issues concerning fees for outdoor recreation has been very cyclical. The first study were conducted in the depths of the United States Depression of the 1930's. With the end of World War II, the economy rapidly expanded and this period was characterized by extensive subsidization of most recreation services. Not until the early 1960's were fees an issue and therefore again a topic of research and discussion. The Land and Water Conservation Fund Act which was passed in 1965 attempted to standardize fees and establish one master account for all Federal land management agencies. Another period of heightened interest in fee related issues was the early 1980's with an administration that placed an emphasis on privatization of public recreation and budget cuts in many recreation programs. All three periods of interest were driven by governmental interest in increasing fee revenues. Fees were used to reduce or offset expenditures by the Federal Government and shift recreation funding from all taxpayers to the users of recreational resources. In doing so, many related issues came to the fore (White 1991; White 1992b).

Fee Research Perspectives

Most research concerning fees for outdoor recreation has been from an economics perspective. Using willingness-to-pay (WTP) or similar methods, the studies determine certain "optimum" fees for various activities or projects. While this research approach is important, other factors that are equally important must be considered. WTP measures economic efficiency very well; but does not take into account concerns of equity, the method of payment, and whether it is beneficial to all concerned (i.e. equitable).

Fees for outdoor recreation can be examined from five perspectives. None of these stand alone; rather, they are interrelated. These are:

- 1) Equity - what and how do we ensure "fairness" to all concerned? More importantly what is fair?
- 2) Economics - determining ideal fee structures.
- 3) Social - how do groups of people feel, think about, deal with, and react to various nonfee and fee issues.
- 4) Psychological - how do individuals deal with fees?

5) Political - what are the big "P" and little "p" (formal and informal) networks associated with establishing and increasing fees and the ramifications of those actions?

There are numerous interactions among the different perspectives. How people feel about fees will influence what political actions are taken. Also, the Federal budget has an effect on fee structures as modified by political action. Others are concerned about the effect of fairness or equity on certain population groups. While some individuals will react to changes in fee structures, the driving forces in most cases are the social and political elements.

Numerous studies quantify the amount that people are willing to pay for a certain outdoor recreation experience. However, the attitudes and views of the payees have not been characterized to any extent. It is not understood how people will actually react when confronted with that "ideal" fee. They may feel they are being asked to pay twice for a service that was until recently paid by general tax revenue. Users are also not asked what they consider to be a "fair" fee and whether the current fee is "fair".

Even after there is an understanding of the role of fees and consensus on the amount to be charged, there is an additional element not often considered: the purpose of fees. To many people in the 1980's, fees came to represent a change in political philosophy. One important concern of the previous and present administrations is reducing costs of operations and maintenance (O&M) of recreational facilities by increasing existing fees and instituting new fees where possible. However, fees can also increase perceptions of security; change visitation patterns; increase perceptions of value and quality (you get what you pay for); be used during contact to get across safety messages and hazard awareness; increase the number of public programs offered; improve agency awareness (friendly uniformed person in fee booth, etc.) and build support for programs.

Early Fee Research

One of the earliest studies on fees was conducted by the NPS at the request of the American Institute of Park Executives (Williams and Firbes 1939). The study reports the findings from a series of questionnaires the authors sent to 172 municipal, 50 state, and 35 county or metropolitan public recreation agencies. The 257 agencies represented 201 different governmental units (Williams and Firbes 1939). A comprehensive and insightful document, the study examined the range of fees and charges for public recreation and policies and practices related to fees. Several important findings came from this study:

- 1) only one state agency (Division of Parks of the Conservation Commission of Virginia) charged an entrance fee to all areas. However, several states charged a parking fee that was tantamount to an entrance fee
- 2) only a few agencies had different fees for men and women
- 3) differential fees were used for some activities such as tennis and swimming
- 4) people were most supportive of fees that were lower than those charged for the same recreational activity in the private sector.

Agencies responding to the survey reported an average of 16.4% of their income was derived from fees of some sort from the period 1928-1937 (William and Firbes 1939). For 1937 (and probably reflecting the depths of the Depression), only 9% (on average) of the operating costs was recovered from fees. Fees were considered to be incidental to other methods of financing and were seen only as a "necessary means of control in the case of certain facilities and services" (p. 6).

While not a scientifically constructed random sample, this study is comprehensive and detailed enough to allow a snapshot of an era generally considered "fee-free" for Federal agencies. Of the state and local agencies numerous comments regarding fees were collected. Several commonalities noted were the difficulty in changing an activity or facility from "fee-free" or increasing an existing fees. Most agencies found the greatest support for a fee when it was used for the operation and maintenance of that particular facility. Concerning perceptions of fees by the public, the report stated:

As might be expected, the reaction of the public is affected by the rates of change. People expect that

since the service is a public one and since tax funds are being used for at least partial support, the rates should be considerably lower than rates which would be charged by commercial enterprises (p. 50).

The Booming Fifties

During the next ten years, there was little interest in recovering any costs from users because the booming US economy meant that there was plenty of Federal dollars available for recreation programs of all types. An extensive search of the literature by the Principal Investigator has not uncovered any references to fee studies or even much discussion in the popular literature of the role of fees. Recreation user fees for Federally administered areas were limited to a small proportion of the National Parks where an entrance fee was collected based on site-specific legislation.

Passage of LWCF Act

During the 1950's there was nationwide an exponential increase in visitation at Federal and State recreation facilities. This led to the need for a national "mission statement" for recreation. Convened in the early 1960's, a panel of highly respected recreation professionals and academics chaired the Presidentially commissioned Outdoor Recreation Resources Review Commission (ORRRC). The Commission released its report in 1962. Faced with overwhelming crowds and deteriorating facilities, the seven major land management agencies supported one finding of the ORRRC report recommending a modest fee for some activities. In 1965, an attempt to provide some coordination and consistency among Federal agencies concerning recreation policy (and for other reasons not germane to this report) resulted in the passage by Congress of the "Land and Water Conservation Fund Act." Discussed elsewhere in this Plan of Study, the net result of passage of the LWCF Act in 1965 was an explosion of interest in fees as a revenue source and as a research topic.

A comprehensive and wide-ranging report was prepared for the Bureau of Outdoor Recreation by Arthur D. Little, Jr. and Company in 1967. One of the more thorough fee studies, the Little report was directed by the BOR to draw meaningful conclusions about the

1. Frequency and duration of outdoor recreation trips involving Federal recreation areas.
2. Types of visitors using these areas.
3. Experiences and attitudes of visitors using these areas.
4. Ability of visitors to pay fees.
5. Effect of visitation patterns on potential fee revenues.
6. Problems involved in enforcing fee programs and other factors germane to a) an evaluation of the effects of the present LWCF fee program and b) the forming of useful recommendations for appropriate modification of that program.

Methodologically sound, the Little study was the first to attempt to question visitors to Federal recreation areas concerning their perceptions about fees and related issues. The findings should be approached with some caution, as they were derived one year after fees had been instituted in many areas and a relatively small number of visitors were sampled in any one area. Over 80% of the respondents (whether users or nonusers) think that "it is fair" that visitors who use Federal recreation areas "should be charged fees to cover part of the cost" of such areas (Little 1967). Two other findings of note to this Plan of Study are that Federal area usage was inelastic to price and the fee charge is not the major factor determining area usage.

Chapin's master's thesis (1974) on "Recreation User Fees" examined the Corps' User Fee Program. Analyzing campground fees in the Ohio River Division of the Corps, the thesis grappled with the issue of public acceptance of fees and appropriate fee levels. The author concluded that support for fees was mixed and that determining an appropriate fee to recover all O&M costs was difficult to determine.

Equity and the Corps' Recreation Development Program were the themes of a doctoral dissertation (Verberg 1968). An employee of the Corps, Verberg examined the question of whether recreational program outcomes were equitable. He found that program outcomes were more equitable than the total cost-sharing effort for recreation. However, "even the Corps' distribution of recreational services and fee collection on a regional basis faced internal problems with the public finance equity criteria."

In 1976, BOR contracted with Economic Research Associates (ERA) to conduct a telephone and onsite survey of visitors to Federal, state, and local recreation areas and to survey a representative sample of managers of those areas (ERA 1976). While the summary document of the findings is available, there is no record of sampling methodology, or the actual survey instruments used in the study. Findings of the study were that the majority of respondents (both users and nonusers) supported partial payment of direct costs for recreation in the form of use fees of some sort. Over 70% of respondents felt that the fees charged should be lower than those charged for similar private recreation activities and facilities.

Fees were in the forefront of research in the early 1980's. In 1986, a study was published that included results from several questions pertaining to fees that had been included in a 1982-83 nationwide survey (National Park Service 1986). The recreation component of the survey was part of a much larger Crime Survey. However, four of the questions asked in the survey are of interest to this Plan of Study. Visitors were asked two questions relating to willingness-to-pay daily and annual fees for entrance to a hypothetical National Park. Of the respondents, 83% were willing to pay \$2.50 or higher. Another question asked respondents how much operations cost should be paid by taxes and how much paid by direct users when the stated operations cost was \$5.00 per person. Fifty-three percent were in favor of splitting the cost down the middle, while 28% favored charging the entire cost to the user. The final question offered the respondents four services and asked what percent of costs should be paid by the users. Most people favored a cost-share of some proportion.

The effect of day use fees on users and nonusers was included in a study conducted for the CE by a Texas A&M researcher in 1981-82. He concluded that "safety and security problems and concerns were greatest in nonfee parks with unrestricted access" (Fletcher 1984). This included not just actual crime rates, but more importantly the fact that the perception of safety was enhanced with the institution of a fee. This perception was due in part to the presence of a gate attendant who served to discourage criminal elements and activities.

A conference on Fees for Outdoor Recreation on Lands Open to the Public was convened by the Appalachian Mountain Club. Featuring such well-known NFS researchers as Dr. Bev Driver (developer of the Recreation Opportunity Spectrum) and Dr. Ken Cordell, the symposium examined numerous aspects related to fees from willingness-to-pay to equity. Most of the presentations were anecdotal findings and case studies. However, it is clear from the tenor of the presentations reprinted in the proceedings that concern about fees was a topic of much interest to public land managers (Driver et al 1985).

In the early 1980's recreation professionals started a concerted effort to convene a new nationwide commission, similar to the 1962 ORRRC to develop new guidelines on recreation policy. Since the ORRRC study, major changes had taken place in American society and in recreation patterns and needs. Created in 1985, the President's Commission on Americans Outdoors was charged "to look ahead a generation and see what needs to be done for Americans to have appropriate places to do what they want to do outdoors" (PCAO 1987). After meetings across the country, extensive surveys, and in-depth interviews with many recreation professionals, a series of recommendations were proposed to address major issues. One major concern was how recreation was to be funded in the future with increasing budget deficits and widespread resistance to new taxes. The commission's report stated that:

In our hearings across the country, people said they were willing to pay more for recreation on public lands. If recreation is to have the management attention it deserves, recreationists will have to pay more for the benefits they receive. Currently much of the costs of providing recreation on Federal lands is borne by all taxpayers, not just the beneficiaries. Americans are willing to pay to enjoy the

outdoors. But they want their dollars spent on the sites and resources they use. Fees collected at recreation areas should supplement regular appropriations for maintenance, and perhaps operations. (p.226)

From a different perspective, a recent book on the subject of pricing and attitudes, motivations and perceptions deals with the fee issue. In one chapter of that book McCarville, Driver and Crompton (1992) state that previous research has considered fees in one of two ways:

The first relates to how price itself effects changes in beliefs, attitudes and behavior, such as altering patterns of use. The concern in these studies is with price-caused changes in leisure behavior. The second approach considers price as the object of persuasive communication with emphasis not on how price causes changes in leisure behavior but on changes in beliefs and attitudes toward price. This represents a more recent trend in leisure pricing literature that is devoted to altering consumers assessments of given price levels (p.277).

Also discussed in that chapter is an empirical study conducted by Kerr and Manfredo (1991) that tends to support the above mentioned second approach. The study results "suggest that by targeting beliefs about fees, attitudes toward paying can be changed, in turn affecting attitudes and behaviors regarding facilities."

Recent Research Findings

While on the faculty of Texas A&M University, I was principal investigator of three year long Corps funded study to examine the impact of day use and campground fees. The following information is from that study (White 1993; Reiling, McCarville and White 1994; McCarville, Reiling and White 1995; Reiling et al 1995). Data concerning fees for outdoor recreation at Corps day-use areas and campgrounds was collected in the summer of 1993 at six Corps projects (Burnsville Lake, WV; Strom Thurmond Lake, GA; Truman Lake, MO; Canyon Lake, TX; and Mendocino Lake, CA). This statement deals only with the findings from the day-users, as the campground findings are currently being prepared.

Users were an average age of 40 with 61% male and an average group size of 3.1. Education was slightly above High School graduate and ranged from 12.5 to 13.9 years. Income on average was \$36,300 (1993 dollars) and ranged from \$25,600 at Burnsville to \$40,300 at J. Percy Priest. About one out of ten visitors described themselves as being from a minority group. Visits to the day use sites were short (less than 3 hours) and their was little expressed commitment to use only the day use area where the data was collected.

The annual pass/daily fee combinations that yield the maximum revenue projections for the six projects range from \$20 year and \$3 day (J. Percy Priest Lake) to \$50 year and \$4 day (Canyon Lake). However, several of the other annual fee combinations produce close to that revenue with much lower fee combinations. Setting fees "too high" results in more lost revenue than setting fees "too low" at four of the six projects. At J. Percy Priest Lake the fee combination of \$50/5 results in estimated revenue of only \$22,000. The lowest fee combination of \$10/1 results in estimated revenue of over \$150,000. The same pattern exists at Burnsville, Truman, and Mendocino Lakes.

The projections presented above are considered to be minimum estimates of annual fee revenues. First, users' responses to the three-choice fee question are based on their "behavioral intentions" rather than actual behavior. Many people who said they would stop using the Corps day-use areas if fees were implemented still expressed favorable quality and preference ratings for the sites. Second, the strong negative attitudes toward fees expressed by users seem to be based on philosophical grounds. Consequently, they may have behaved "strategically" by indicating they would not visit the Corps areas in the future if a fee system was implemented. Third, this survey only considered current users. There may well be current nonusers who would visit the day-use areas in the future, and thereby partially or completely offset the current users who will be displaced by the fee system.

Reports of commitment to Corps sites and perceptions of high service quality did not, however, correspond with willingness to pay fees. In spite of the overall positive attitudes and perceptions expressed by visitors, they generally expressed a very negative attitude toward fees at the day-use areas. Although the

rejection of fees was quite pervasive, it was strongest at Burnsville, Truman, and Mendocino projects. It was more pervasive among frequent users than occasional users.

The negative attitude toward fees was also expressed in terms of visitors' stated reaction to fees if implemented. Overall, over 41 percent of respondents stated they would no longer visit the Corps day-use areas if fees were charged. These users reported lower incomes and lower education levels than did the respondents who indicated they would pay a fee. Those unwilling to pay a fee also spent less time at the sites visited, traveled shorter distances to reach the sites, and expressed lower quality and preference ratings for the areas visited. On the other hand, they made many more trips to the day-use areas during the last year than did their counterparts who expressed a willingness to pay fees.

The study results suggest that a fee system would not affect minority group users any more severely than nonminority users. However, the results consistently indicate that users with lower income and education would respond differently to fees than users with higher incomes. Specifically, a larger proportion of low-income users would stop visiting the site if a fee system was implemented. Furthermore, users with lower incomes were more sensitive to the magnitude of the fees charged. Higher fees would displace a higher proportion of the users with lower income levels.

Respondents reported that several issues were very important to them when they decided upon a day-use area. The most important of these issues were cleanliness of rest rooms, adequate parking, friendliness of staff, scenery, swimming beaches, security patrols, and picnic tables near the beach. Passive activities enjoyed at the sites included relaxing and sunbathing, while swimming and fishing were most popular among active participants. Users were generally quite satisfied with the quality of these services now being provided at Corps sites. As a result, they often expressed strong commitment or loyalty to the sites.

Implications

Several recommendations are offered toward the establishment and use of day-use fees:

- the disposition of day-use fees that are collected need to be tied as much as possible to operation and maintenance of the specific day-use area or to the project (84% of respondents stated support for returning fees to that specific or other Corps recreation area)
- brief the staff members as to the need for and disposition of the day-use fees; this will help bring about a more positive public support for the fee program
- initial setting of day-use fees at a conservative level may lead to some loss of revenue; but more importantly would lessen the initial resistance to day-use fees especially by lower income users
- offering choices by setting fees based on the provision of services and facilities will lead to making the users feel they have options as to the fee charged.
- there is broad based support for discounts for elderly among all age groups demonstrating the popularity of this type of fee structure
- the most important factor for support for paying fees is previous experience at other areas
- another important factor is the perception of the quality of the recreation area
- consistently the users ranked clean bathrooms as the most important item in their evaluation of the area
- the perceived level of service was one of the most important factors in visitor satisfaction
- the greatest resistance to paying a fee comes from your most frequent users who have the most to lose
- perceived value is determined by a visitor by informally considering the benefits divided by the costs - they must feel that they are getting their money's worth
- to win over your customers offer them the services they most desire - in this case clean bathrooms, adequate parking, and a friendly staff
- if possible allow visitors a selection of pricing alternatives such as: half day pass after 3 PM; annual passes for individuals and families; etc.

- offer a package or menu of amenities for different types of users as they expect the price to vary based on the level of service
- provide visitors with a indication of where their fee money is being used; i.e. a small sign on a shelter in the day use area indicating it was built with fee money; a short printed statement on the back of each user fee receipt describing the use of the fee money; informal information when talking with visitors

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**PRESENTATION OF THE
TEXAS PARKS AND WILDLIFE EXPERIENCE
WITH THE
ENTREPRENEURIAL BUDGET SYSTEM
BY
RON HOLLIDAY
DIRECTOR OF THE PUBLIC LANDS DIVISION
MAY 10, 1995**

THE ENTREPRENEURIAL BUDGET SYSTEM THE PUBLIC LANDS DIVISION TEXAS PARKS AND WILDLIFE DEPARTMENT

The Entrepreneurial Budget System was originally designed for Texas State Parks and was developed in the Public Lands Division at TEXAS PARKS AND WILDLIFE DEPARTMENT. Its primary goal was to insure that sound business operations became a routine in the individual parks. Utilizing techniques developed in private business, park operational teams are thinking in terms of investment and the return on that investment, developing sound financial and business management skills, and planning for long term cost recovery.

Constructed out of the need to improve financial self-sufficiency, a foundation was laid with incentive to reward revenue increases and fiscal budget savings.

Based on the return on investment principle, selected parks could apply for construction, equipment, or expanded expenditure budget funding to be used for start up or promotional activities.

Acceptance into the pilot program was based on submitting a developed business plan that delineated objectives for revenue expansion, budget expenditure savings, or both; assured responsible park business practices, reinforced conservation and public education of the environment, and established a commitment to providing a quality outdoor experience for the visitor. In addition to the submitted business plan, pilot parks were to demonstrate a commitment to fulfilling these objectives in attempting sound business management.

Contracts (performance agreements) were signed to hold all parties to pledges. For Parks and Wildlife management that was a guarantee of empowerment, flexibility in the use of funding, and rewarding the park successes. For the Parks it was using creativity and due diligence in accomplishing target and revenue goals, stewardship to the resource, and moving closer to operational self-sufficiency.

EBS: THE GENESIS

The genesis of the entrepreneurial budget system for Texas State Parks lies in a renaissance at Texas Parks and Wildlife that began in the summer of 1990. The change in agency leadership under Mr. Andrew Sansom led to refocus on day to day operations. The work began - implementing decentralization and empowerment, seeking programs of revenue enhancement, operational efficiencies and cost recovery; fulfilling total product quality and customer service commitments, strengthening internal and external communications; constructing friends of parks programs, volunteer partnerships, and developing constituencies; and moving toward self-sufficiency.

In the midst of the agency refocus came a change in Texas government: a new administration and legislature with a commitment to streamlining Texas government established the TEXAS PERFORMANCE REVIEW. Texas Comptroller, Mr. John Sharp was asked by the legislature to "challenge the basic assumptions" behind state government. Under his leadership the most thorough and wide ranging review of state government operations ever undertaken produced the 1991 *Breaking the Mold*, detailing hundreds of concrete proposals to make government operate more efficiently and effectively while saving taxpayers dollars. In 1993 a second major review *Against the Grain* contained 460 recommendations that would increase Texas general revenue.

In concert with the spirit of these reviews, Texas Parks and Wildlife was mandated in 1991 to move toward self-sufficiency. State General Fund revenue made up fully sixty percent of state park operations prior to the 1991 legislative session. In the 1993 legislative session, two years later, all undedicated General Fund support was removed.

Growing demands on an almost stagnant Public Lands budget forced the dark days of summer 1992. The reality that the fiscal year 1993 budget allocations could not support parks forced the announcement of projected park closures and reductions in force throughout the state. The impact of this action drove home the fact that a program of fiscal responsibility must be developed if the Texas parks system were to survive entotal. Successfully, a "Partners in Parks" program was developed and implemented. Communities throughout the state responded with funding support, "Friends" support groups and park volunteer programs flourished. Under a special arrangements, management of six parks was transferred to other entities. As a result of these efforts, over \$1 million of in-kind commitments and cash was generated to keep parks open. The Texas Parks system would be maintained for that 1992-93 state fiscal year and no parks closed.

The 1994-95 state operating biennium on the horizon appeared bleak. Faced with a potential risk of repeating the real possibility of park closures, staff reductions, coupled with the need to achieve operational efficiencies, Parks and Wildlife Public Lands Director, Ron Holliday asked staff to research and define the rudiments of the what would become the "Entrepreneurial Budget System" - EBS. Focus groups moved quickly and the initial planning began for a system that would encourage sound financial operating procedures and reward responsible fiscal management at state parks.

Before the letters EBS became a part of our daily vocabulary and before the term

"entrepreneurial" became a spelling nightmare, parks were experiencing the frustration of a decentralization process that, although underway, had failed in many cases to reach the park level. Park employees-the very same people who were responsible for delivering products and services and maintaining the overall image of state parks-felt less than empowered to steer the course for their park sites.

Enhancements in revenue production, cost savings; improved visitor services and customer experiences; staff dedication and creative park operations; although acknowledged, had no "system" for reward. Little or no incentive existed for a park to expand products, services, or visitation. At Austin headquarters the budget crunch was once again rearing its ugly head as rumors of RIF's and park closures ran rampant.

Reinventing Government (Osborne and Gaebler) had recently become popular reading as many governmental entities began to embrace the concepts. THE TEXAS PERFORMANCE REVIEW, REINVENTING GOVERNMENT, TPWD needs, and opportunities met head on and the EBS program was born...

EBS: THE PILOT PROGRAM

In the last days of October 1993, performance agreements (contracts) were signed between the park staffs and TPWD administration as the EBS program commenced. After 6 months of intensive work, training, business plan development and an elaborate acceptance procedure, 42 parks from 72 park applicants were identified and announced as the pilots for the Entrepreneurial Budget System.

The foundation of the EBS program is built on an individual park's business plan and a signed performance agreement (contract). Production of the business plan was an impeded process for many of the park's staffs. Historically the scope of park management was in the maintenance of facilities and providing safety and basic customer services. Within the past several years intensified concern with natural and cultural resource conservation brought added responsibilities. Three initiatives: The Entrepreneurial Budget System, The Natural Quality Agenda, and The Improved Customer Service program's starting timelines coincided; adding greater portions to an already overflowing plate. The business and financial management aspects added to the multi-dimensional park's operation was overwhelming. To quote Wayne Haley, manager at South Llano River State Park, "It's like rocket science to a cowboy." Instantaneously issues of product/service review, competition analysis and competitive advantages; marketing, customer identification and targeting; operational cost examinations, financial projections, business operation objectives and self-sufficiency goals became standard language at park sites. Not only was it necessary to understand and learn the concepts but the actual implementation was fast approaching. To their credit, park staffers not only expanded their business and financial understanding but began to think more like entrepreneurs. Challenged to invest in programs that would either make money or save money and provide services that would increase visitors and revenues, park staffers were prepared to take risks and reap the benefits of their efforts.

The major motivating factor of the EBS program was that parks would keep a portion of earned revenue and accrue expenditure savings into sequential fiscal years. In essence this was a radical departure from past agency practices. Although many parks had provided innovative programs in the past, they were essentially penalized for saving budgeted dollars. Many times the following fiscal year budgets were reduced by the amount saved. This only added to the incentive to "blow the budgets" prior to fiscal years endings. Sadly, attempts at increasing revenue were rarely acknowledged much less rewarded.

Under EBS, revenue rewards were to be determined through a procedure that returned to the park 35% of every dollar exceeding an individual, contracted, target revenue amount of the individual park. Termed as the "EBS split", exceeded target revenues were divided with 40% retained by the agency for general funding. 25% was to be reserved in a special account to supply future start up funding as additional parks come on line with the EBS program. The remaining 35% was to be kept by the park for investment, at the discretion of the park superintendent, in that park's operational needs, facility expansion or enhanced programming.

The contracted target revenue amount was based on the park's fiscal year 1993 collected revenues with the addition of an agency projected 1.4% normal growth factor. For example, a park producing \$50,000 in annual revenue would contract for a target of \$50,700.00. When \$50,701.00 had been achieved, the EBS split came into effect.

As an additional incentive, EBS pilot parks were granted special start up funds to assist with getting business operations underway. Over all, the agency ultimately invested \$235,000 for a projected return of \$1,000,000 in additional revenue. As stated by Ron Holliday "the financial impact to parks not participating in EBS was much less that we anticipated. That's because the EBS [start up] requests were very modest in terms of requesting additional seed funding. "In initial planning sessions it was determined that the entire public lands budget would be distributed after all EBS needs were met. EBS coupled with funding for salary equity, the automation initiative, the centralized reservations program, and software/hardware purchases caused non-pilot operating budgets to be reduced.

TPWD's commitment of the pilot parks was outlined in the signed contract (performance agreement). The agency was to provide empowerment, allow flexibility in expenditure budgets and pricing policies, maintain the return incentives, and perhaps most important, not raid park budgets to fund short falls in other parks or programs as the fiscal year progressed. Andrew Sansom is quoted stating "I put my signature on those contracts, we'll keep our end of the bargain and those budgets won't be touched." And they weren't...

As in the business world, park managers, by signing the performance agreement (contract), commit both themselves and the park staffs to achieve target revenue and expenditure targets; meet operational guidelines of maintenance, safety, customer service, quality management, and the agency conservation stewardship mission. Failure to meet projected revenue and budget goals would mean

that the future budget would be decreased in an amount equal to the shortcoming, so the element of risk, risk determined at the park level, was introduced.

Ultimately the EBS program shifts the burden of responsibility for a park's operational and financial decision making from a centralized control at TPWD Austin Headquarters to the field staff at the park sites, simultaneously holding park managers staffs accountable for the decisions. As the need for operational self-sufficiency grows stronger with each passing year, the EBS program places the responsibility at the park level where it can most effectively be successful.

EBS: THE DISCOVERY PHASE

Looking from the outside, an observer might conclude little of a true business nature has occurred in the initial pilot program. However, what has really changed is the presence of unleashed talent hard at work developing special programs for revenue enhancement, and an explosion of ideas on how park sites can become self-sufficient. For many this meant establishing a line of site specific resale items under the new Texas State Park Store. Others planned new educational and interpretive programs, special promotions, recreational equipment rentals, setting differential fees at the park level and developing special park tours. The enhanced products, services, and programs, not only have been universally well received by park visitors, but have exceeded revenue projections.

What remains to be done is continuing to design a program that must be built as it develops. Fine tuning objectives, ironing out details, monitoring, evaluating, and nurturing new ventures is a joint effort between the park staffs and the Austin based support program staff. During the fiscal year 94 program the park's expenditure savings exceeded projection due largely to careful purchasing, renegotiating contracts for services, cost efficiencies, and an active volunteer program that generated payroll savings, and staff commitment to saving every possible dollar. EBS has proven to be an unqualified success and therefore has gone forward. Even the "Doubting Thomases" were won over when oversize checks were presented to forty of the pilot EBS parks totaling \$378,000 at the Public Lands Division Annual Meeting in the fall of 1994. These funds were added to their base budgets to be spent at the discretion of the park superintendents.

As with any new venture respective to a dynamic process, the pilot program failed in some areas. Most pronounced is the fact that a wedge was driven between the parks of the pilot program and the non-accepted EBS applicants. Rejection coupled with reduced operating budgets developed a negative connotation for some park staffs. The 1995 fiscal year program brings negative perceptions that require creative solutions.

In the day to day management of pilot parks with so much emphasis being placed on generating revenues, it is a constant struggle to see that vital programs of outside professional research, park promotions, resource stewardship and the customer value relationship were not compromised.

Limited business management skills caused problems of overestimating/underestimating revenue generating capabilities and understanding the relationship between income, costs, and profitability.

Because of weakness in outreach capabilities, difficulty existed in getting the promotional message out to existing and potential park visitors. Therefore programs that offered good revenue potential were scantily attended.

Attempts to save budget expenses led to missed opportunities for sustained visitation, promotions, and enhanced customer service.

Rudimentary financial management skills could not anticipate changes in business volumes and therefore slow reaction caused added costs or revenue shortfall.

New staff concession operations and the implementation stage for the Texas State Park Store could only be given the "best guess".

To say it has been a challenge to convince budget analysts of this new approach is a gross understatement. In fact, a key legislative budget analyst suggested cutting park budgets this year by almost \$2 million, after they had raised over \$1 million of new revenue the year before. Had this occurred, all incentive would have been lost forever...

EBS: THE NEXT GENERATION

The Entrepreneurial Budget System program will be a dynamic and fluid process over the next several years. During the initial pilot phase, the program structure was designed to support a small number of parks. The second phase was implemented in fiscal year 1995 and underwent some major changes.

As a total of 95 parks became a part of the second generation, the available base funding remained at essentially the same dollar amount. Start up funding, which was plentiful during the pilot program, was extremely limited. Where start up funding came in the form of grants in the 94 program, it came in a repayable loan form during the 95 program. Expenditure budget funding which was previously enhanced during the pilot program remained flat during the second generation.

During this fiscal year's program, the setting of target revenues will undergo a change as well. Fiscal year 94 target revenue was set as a 1.4% increase over the previous year's income. Under a new and improved system, parks selected a revenue growth percentage of their choosing. Based on past revenue history a park selected within a range of 1/2 to 3% increase. The reward incentive return is scaled to the growth factor. Where in the pilot year, all parks committed to a standard revenue increase and received 35% of return, the individual park must now increase revenue by 3% to receive that 35% return. The lower the risk, the lower the return. Although it has become more difficult to receive the greater percentage or return, many parks value the lesser risk avenue.

With the understanding that the EBS program will appear differently as the years progress, one sustainable fact exists: TEXAS STATE PARKS can expect the incentive factors to remain constant. The success of the future for EBS and state parks lies in meeting and exceeding these goals. Inherent in the EBS process is the value that all park assets will be managed in the manner to provide for the maximum return possible, and that proper stewardship of the park natural and cultural resource(s) is the first priority. Park staffs engage in planning, monitoring, evaluating, and correcting both old and new aspects of a park's operation to allow for this maximum return. The success of this program lies in a covenant of a shared entrepreneurial vision that will both sustain and allow for future park and system growth. Ideally this vision goes beyond keeping the gates open, maintaining the grounds, and raising fees to increase revenues for sustaining the system. As the EBS programs grow, the changing customer demographics, adapting to the ongoing customer demand, maintaining sensitivity to the price-value relationship of delivering value to the customer; sustaining competitive advantage, maintaining the safe, clean, wholesome park environment; committing to continuous quality improvement, and establishing an on-going quest for variety in park activities will be focused and refocused. The park's future business operations lies in the expansion of the customer base, constituency building, and quality product delivery. Providing a quality outdoor experience in a conserved and preserved natural or cultural setting is the purpose of a park's business. A combination of our stewardship mission coupled with EBS ventures allows delivery of the park product for the future generations of users while strengthening the parks system to insure the future availability of the product.

Entrepreneurial Budget System Park Performance Agreement

In consideration of fiscal year 1995 expenditure budget funding, a repayable seed loan program, a start-up grant program for first time accepted parks, expanded systems support and a return on investment covenant, the undersigned

(park)

enters into Agreement with The Public Lands Division (hereafter referred to as Division) of Texas Parks and Wildlife Department (hereafter referred to as Agency) for the period of fiscal year 1995 beginning on September 1, 1994 and ending August 31, 1995.

(park)

(hereafter referred to as the EBS Park) will generate the revenue target amount of \$_____ as based on the following potential (EBS business plan objectives and implementation strategy).

The EBS Park agrees to the following conditions:

- The EBS Park shall comply with the standards and procedures as defined in the **PARK OPERATIONS STANDARDS MANUAL, THE CURRENT FISCAL YEAR APPROVED FEE STRUCTURE AND SCHEDULE, THE STATE PARK REPORTING AND ACCOUNTING MANUAL (SEPTEMBER 1975), AGENCY AND DIVISION DIRECTIVES AS ISSUED, AND TEXAS PARKS AND WILDLIFE COMMISSION POLICY.**
- The day to day operations of the EBS Park shall be conducted by the Park Manager in partnership with the Park Staff (hereafter referred to as Park Partners). Those operations will be compliant with all Agency personnel, salary schedules, purchasing, and legal policies.
- The Park Manager/Park Partners shall not do or permit anything to be done to adversely affect the Park, Division, or Agency image.

- The Park Manager/Park Partners shall not enter into any contractual agreement that binds the Park, Division, or Agency without securing written approval from the Division Director, Executive Director, or the designate.
- The Park Manager/Park Partners shall use due diligence to control budget expenditures.
- The Park Manager/Park Partners shall use due diligence to promote the Park with a focus on building: operational self-sufficiency, customer service, community partnerships, volunteer partnerships, and constituencies.
- The Park Manager/Park Partners shall use due diligence to protect the Park's natural and cultural resources and provide for the visitor understanding and appreciation of these resources.
- The Park Manager/Park Partners shall submit to the EBS Facilitator by September 15 of the following fiscal year a complete and final Annual Staff-operated Concession Inventory and the Key Result Area Report of accomplished business objectives, revenues generated, and budget dollars expended.
- The Park Manager/Park Partners shall submit to the Regional Director on or before the 10th day of the following month, a profit/loss statement that includes the completed Staff-operated Concession Inventory package (if applicable).
- The Park Manager/Park Partners shall submit to the EBS Facilitator by the 10th day of the following months: DECEMBER, MARCH, JUNE, AND SEPTEMBER (of the following fiscal year), the previous quarter's revenues and expenditure statistics as outlined in the annual Key Result Areas Report.
- The Park Manager/Park Partners shall not implement a new or changed fee where the specific approval process has not been secured or where the approval document, signed by the Executive Director has not been received.
- The Park Manager/Park Partners shall not implement a staff-operated concession until the approved concession management plan has been filed with the Division Director.
- The Park Manager/Park Partner shall use due diligence in the selection of resale products and sell no items that are of questionable quality or that adversely affect the Agency image or mission.
- The Park Manager/Park Partners shall not provide any facility, service, or item on a free basis until specifically authorized to do so, in writing, by the Division Director, Executive Director or his designate.

THE FOLLOWING ARE CONDITIONS OF COMPLETING THE AGREEMENT IN FAVOR OF THE EBS PARK:

- Budgeted funding dollars for fiscal year 1995 may be interchanged at the discretion of the Park Manager/Park Partners. A budget change must accompany each budget ID change.
- \$_____ in expenditure funding is granted to the EBS Park to facilitate the aforesaid fiscal year 1995 revenue target. Budget spending exceeding fiscal year 1995 funded amount required approval in advance from the Division Director.

- Dollar amounts exceeding the fiscal year 1995 revenue target will be divided as follows:
 _____% is retained by the Agency;
 _____25_____% is retained by the Division to maintain the seed fund for future funding of EBS Park business projects;
 _____% is returned to the EBS Park for use to increase operating budgets, program development, equipment purchase, or for general savings.
- Fiscal year 1995 budgeted expense savings will be returned to the EBS Park, dollar for dollar, as a fiscal year 1996 budget supplement. Exempt or classified lapse salaries generated from vacant positions are not considered as part of the expenditure budget savings incentive, and therefore are exempted as part of the roll-over savings. For fiscal year 1995, over-expended budget line items for exempt and classified salaried shall not negatively impact the calculation of overall expenditure budget savings.

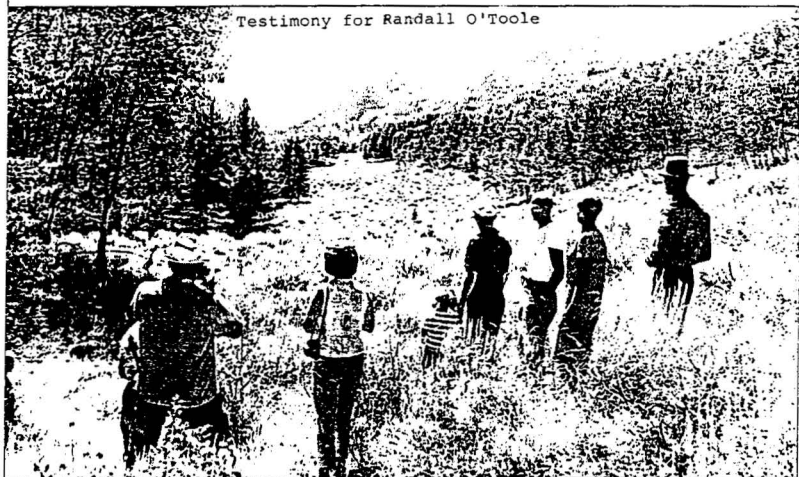
THE TERMS OF THIS AGREEMENT MAY ONLY BE AMENDED WHEN AGREED TO IN WRITING, DATED, AND SIGNED BY ALL PARTIES. THIS AGREEMENT IS BOUND BY RULES, REGULATIONS, AND ESTABLISHED OPERATING PROCEDURES OF TEXAS PARKS AND WILDLIFE DEPARTMENT.

THIS AGREEMENT BINDS AND BENEFITS THE AGENCY AND THE EBS PARK ONLY WITH RESPECT TO A FISCAL YEAR 1995 EBS PARK PROGRAM CONDUCTED BY THE PUBLIC LANDS DIVISION OF TEXAS PARKS AND WILDLIFE. CHANGES IN PERSONNEL AT ANY LEVEL DO NOT NEGATE THIS AGREEMENT.

_____ Regional Director	_____ Park Partner
_____ Division Director	_____ Park Partner
_____ Chief Financial Officer	_____ Park Partner
_____ Executive Director	_____ Park Partner
_____ Park Manager	_____ Park Partner

True Reinvention: Run Forests Like Businesses

Testimony for Randall O'Toole



Guided tours such as this one in the Sawtooth Forest could earn the Forest Service money instead of just being good public relations.

True reinvention must rebuild the Forest Service from the ground up. Such a reinvention happened during the 1980s, but it was haphazard and responded as much to a new computer system and antipathy to the Reagan administration as it did to scientific or environmental concerns.

The next reinvention, reform, revolution, or whatever you want to call it, must improve the balance between various forest uses by leveling the playing field for the budgeting for those uses. This means getting Congress, which is anything but a level playing field, out of the funding process. The next reinvention must also prepare the national forests for the fiscal crisis which is threatening the nation by making those forests pay their way instead of funding them out of tax dollars.

The 192 million acres of national forests are only the tip of the iceberg when it comes to the federal land base. Also highly visible are the 80 million acres of national parks. Less visible but prominent in the West are 265 million acres of "public domain" lands managed by the Bureau of Land Management (BLM) and 87 million acres of national wildlife refuges.

Together, that's a total of more than 620 million acres of land—27 percent of the U.S.—managed by four different agencies. The assets on these lands are probably worth

well over \$200 billion, which could prove attractive to a future Congress desperate to balance the budget. But managing these lands costs taxpayers more than \$4.3 billion per year more than it returns to the Treasury, mainly because Congress has, more or less inadvertently, designed the agencies to reward the managers for losing money.

These lands, particularly the forests and BLM lands, are also the focus of intense environmental controversies and debates. Environmentalists rightly point out that logging, grazing, and mining can be deadly to wildlife and fish and destructive of scenic beauty and watersheds. More subtly destructive are programs like fire suppression and simple neglect of certain resources. Congress has built few of these costs into the agency-reward system.

Close examination reveals that the dollar losses and the environmental costs are related: Both ultimately derive from a budgetary process that rewards managers for losing money on environmentally destructive activities. For years, environmentalists have fought for prescriptive band-aids to this problem, but even when such band-aids have passed Congress—which is rare—they have often been ignored by managers more motivated by incentives than by ambiguously written laws.

Although the national parks are more prominent in the

public eye, debates over the national forests are far more contentious because so many more parties are involved: timber purchasers, ranchers, miners, recreationists, hunters, water users, environmentalists, and all sorts of subsets of each of these groups. Almost any proposal that pleases some of these groups seems bound to displease others, so the Forest Service is increasingly the victim of gridlock.

Yet there is a way out that could potentially please almost all public land users and interest groups. This requires taking advantage of the extremely high recreation values that are not now being captured by the Forest Service and other agencies. While user fees will upset some recreationists, most may realize that in exchange for their fees they will get better land management.

According to the Forest Service, the market value of national forest recreation is well over \$6.6 billion per year, of which \$2.6 billion is hunting and fishing. Actual recreation fee collections are less than \$50 million per year, or less than 1 percent of market value. "Willingness to pay" is even greater than market value—\$11.2 billion per year. The difference is that willingness to pay includes the amounts that some people might be willing to pay over and above the market price.

Extrapolating these numbers to other federal lands, and taking into consideration the fact that hunting and fishing are not allowed in many parks and refuges, the total market value of recreation on the national forests, parks, refuges, and BLM lands is more than \$11 billion per year. Again, this is well over 100 times the amount the recreationists are now paying.

Forest Service estimates of recreation values are probably exaggerated. While they are based on well-known economic techniques ("contingent value" and "travel cost" methods), many economists question the reliability of those techniques. But even if the numbers are five times too high, recreation is still worth more than any other resource on the public lands. In fact, on most forests recreation is worth

more than all other resources combined.

The Forest Service's market value estimates average around \$2 per visitor hour. To be conservative, projections in this article assume that user fees will average around 50¢ per visitor hour, with some types of recreation producing less and other forms producing much more. Projections also assume modest increases in fees from other resources. This article does not, however, account for the value of subsurface resources; a future issue of *Different Drummer* will take up this question.

Charging market rates for national forest and other public land recreation, as well as for other resources, will simultaneously solve several problems:

- Funding land management out of such user fees can save taxpayers \$5 billion per year—more than \$2 billion on the national forests alone—without such drastic actions as selling the public lands.
- Recreation fees can act as a proxy for numerous environmental values, giving managers incentives to protect wildlife habitat, clean water, and scenic beauty.
- A share of user fees can be dedicated to protecting biodiversity and other non-market resources, generating large sums for those activities without directly costing taxpayers a cent.
- Revenues will be sufficient to manage the public lands without tax subsidy, thereby eliminating political interference by Congressional appropriators.
- Recreation fees can help maintain returns to counties even in places where commodities are declining.

These good things will result, however, only if recreation fees and other changes are carefully crafted and implemented. To some, this is an argument against making any changes; but like it or not, change is going to happen. The problem is to figure out changes that will be both good for the environment and acceptable to a fiscally conservative Congress.

Run Them Like Businesses

The solution to this conundrum—protecting the environment while being fiscally conservative—is to design the Forest Service and other natural resource agencies to run like businesses. *Reinventing Government* authors Osborne and Gaebler point out that most government agencies can't be run like businesses because they are funded out of tax dollars while businesses earn their income from customers. But nearly all natural resources on the public lands are marketable and the agencies could earn all of their revenues from customers.

To run resource agencies like businesses, we must also

Table One
Current Receipts and Costs

	(millions of dollars per year)				
	Millions of Acres	Total Revenues	Treasury Returns	Treasury Costs	Cash Flow
Forest Service	192	1,000	465	2,400	-1,935
Park Service	80	97	1	1,300	-1,299
BLM	265	187	142	1,050	-908
Fish & Wildlife	87	8	5	580	-575
Total	624	1,292	600	5,330	-4,730

The four agencies that manage 27 percent of the nation's land collectively lose \$4.7 billion per year on land management. Treasury returns don't include funds retained by the agencies or mineral receipts collected by the Minerals Management Service. Treasury costs include construction and county payments but not land acquisition. All data based on 1994.

Forest and Park Service Facts

Forest and park managers and advocates often say that their agencies "aren't supposed to make a profit." In fact, the founders of the Forest Service and Park Service, Gifford Pinchot and Stephen Mather, both originally expected to manage their agencies at a profit. Pinchot in particular promised Congress that he would "make the forests pay" their way if they were transferred to his Bureau of Forestry. He failed to keep this promise, which perturbed Congress for many years until the 1950s when, for a few years, the national forests did pay their way.

recognize the natural tension between managers and owners. Managers tend to maximize their budgets whether they are managing public agencies or for-profit businesses. In contrast, owners want maximum profits or, for public agencies, maximum net social benefits. To make sure that the interests of the managers and owners are identical, the savvy owner will design the business so that the managers' budgets are maximized when they produce maximum profits (or net benefits).

In the case of the public lands, we will also want some checks and balances to make sure that environmental values are protected. As far as possible, these should insure:

- Managers consider all resource values, not just the ones that produce the most political benefits;
- Managers have no incentives to subsidize or cross-subsidize some resources with the profits produced by other resources;
- Managers are as willing to make a profit doing nothing as they are from environmentally destructive activities; and
- Managers have incentives to consider nonmarket values such as biodiversity, certain historic resources, and non-recreational aspects of wilderness.

Reforms of the Forest Service and other public land agencies can meet all of these goals by following just four principles:

1. Congress must allow land managers to charge fair market value for all uses, including recreation. This will give managers an incentive to consider nearly all resource values.
2. Congress must fund individual forests, parks, and BLM districts exclusively out of the net income they earn each year. Funding out of gross income will give managers an incentive to spend any profits they make on below-cost activities elsewhere. Only funding out of net will give managers an incentive to avoid cross-subsidies, since such subsidies will reduce their net income.
3. Congress must allow federal managers to sell "conservation easements" to people who want to protect

critical areas. This will give managers an incentive to protect nonmarket resources.

4. Congress must dedicate a fixed share of public land receipts to biodiversity, historic, wilderness, or other trust funds. Managed by appropriate boards of trustees, these trust funds will give managers incentives to protect biodiversity and other nonmarket values. Although these principles are critical, several other questions must be answered:

- How do we move from the current system to the new system?
- How should revenues be distributed among managers, trust funds, counties, and the U.S. Treasury?
- How will the reformed public lands be organized?
- What happens if a national forest, park, or other land unit goes "bankrupt"?

Transition: Just Do It

Experiences in Britain, New Zealand, eastern Europe, and elsewhere have taught that reforms must be phased in as quickly as possible or they will fail. To provide for rapid reform, Congress should give national forests, parks, refuges, and BLM districts seed money equal to their previous year's budget and assure managers that they will receive no further funding from tax dollars thereafter.

From then on, at the end of each fiscal year, managers will be allowed to keep a fixed share of the net receipts they earned that year. All remaining receipts will go either to trust funds, county treasuries, or the U.S. Treasury. The amount that managers have to give up will be based on their total receipts minus total expenditures and will, in effect, be the "rent" paid by public land users to the owners of that land.

Managers will be under no obligation to immediately spend either their seed money or the share of net receipts that they earn. Instead, as private firms do, they may choose to carry over funds from particularly good years to spend during poor years.

The alternative to "just doing it" would be to phase in reforms, perhaps one agency or one region at a time. The problem with this is that the reformed agencies or regions would suffer from below-cost competition from the unreformed areas. For example, if Congress allowed national forests to charge market recreation fees but not national parks or BLM lands, many recreationists would simply go to the still-subsidized areas.

Using Revenues as Incentives

Currently, the U.S. Treasury gets less than \$500 million from the national forests and under \$150 million from all

Table Two
Distribution of Projected Receipts

	(millions of dollars per year)				
	Total Revenues	Agency Budgets	Trust Funds	County Returns	Treasury Returns
Forest Service	2,750	1,375	550	413	413
Park Service	786	393	157	118	118
BLM	664	332	133	100	100
Fish & Wildlife	650	325	130	98	98
Total	4,850	2,425	970	728	728

If managers are allowed—and have an incentive—to charge fair market value for all resources, including recreation, total revenues should nearly quadruple. This will provide agencies with \$2.4 billion, trust funds for biodiversity and other nonmarket resources with nearly \$1 billion, and counties and the U.S. Treasury with more than \$700 million. These figures do not include minerals or oil & gas.

other lands. This hardly comes close to offsetting the \$4.4 billion of expenses in managing these lands. This proposal would earn the Treasury more than \$700 million per year with no costs after the first transition year.

Preliminary estimates indicate that most national forests, parks, and other public lands should be able to operate—with some budget reductions—out of 100 percent of their net income (which is roughly half their gross income). At this rate, national forest budgets will total around \$1.4 billion per year while the budgets for forests, parks, refuges, and BLM lands together will be about \$4.5 billion.

This is only a little less than current budgets. Since the bureaucracies extract a huge percentage of current budgets, this rate could actually increase the budgets for many local areas.

Dedicating 20 percent of gross public land user fees to a biodiversity trust fund would seed that fund with well over \$900 million per year. Historic resources could be funded out of 20 percent of the user fees from national parks that are primarily for historic or prehistoric sites, which would produce about \$40 million per year. Dedicating all wilderness and wild river user fees to state and regional wilderness trust funds would create total funds of well over \$100 million per year.

The remaining funds would be split between counties and the U.S. Treasury. Counties currently get anywhere from 0 to 90 percent of public land user fees, depending on the type of receipt and land. Standardizing this to 15 percent would produce total county payments of more than \$725 million per year, which is a 50 percent increase over current payments. Most counties would get a boost; the few that would decline could be phased in over five years.

Replacing the Bureaucracy

With funding coming from the ground rather than Wash-

ington, DC, the agencies can dispense with all of their regional offices, service centers, and huge Washington staffs. In effect, four agencies would become several hundred separate forests, parks, refuges, and districts.

Who would oversee each of these public land areas? One possible arrangement would create a nonprofit "friends" association for each forest, park, refuge, and district—Friends of the Mt. Hood National Forest, Yellowstone Friends, and so forth. Anyone could join any association by paying a standard fee of perhaps \$20 per year. Members would get to vote on the association's board of directors and might also get discounts on some permits.

The boards would have the power to hire and fire the supervisor for the forest, park, refuge, or district. Each board would also approve an annual operating plan and budget. The board might hold public hearings to gain public input into these plans. Such hearings plus the user fees themselves would become the main forms of public involvement.

The biodiversity and historic boards of trustees could be appointed by the Secretary of the Interior or director of the Smithsonian. They would be required to have expertise in conservation biology, archeology, or related specialties. Nine-year terms would make them relatively immune to political pressure. State and regional wilderness boards of trustees would be elected by wilderness permittees.

All of these boards would manage their resources in trust for the people of the United States. Biodiversity, historic, and wilderness boards will be free to spend some of their funds protecting resources on private lands as well as public lands.

In Case of Bankruptcy

Inevitably, a few areas cannot be funded out of user fees. This will apply mainly to a few of the more obscure historic sites rather than to any of the national forests. In the event of "bankruptcy," Congress should establish a process through which management of an area can be taken over by someone else.

This process might allow more successful forests, other government agency, or even nonprofit groups to bid on the area. Successful bidders would manage the lands in trust for the people of the U.S., who would still hold title, but the new managers might be subject to less rigorous funding tests (i.e., they could keep more than 100 percent of their net income). They might also be required to put up a bond that would insure protection for the area should they fail.

Bids might include a single payment or an annual payment to the Treasury. After making such payments they could fund their programs out of all user fees and donations that they collect.

Checks and Balances

This system provides numerous checks and balances to protect both the environment and taxpayer resources. These include:

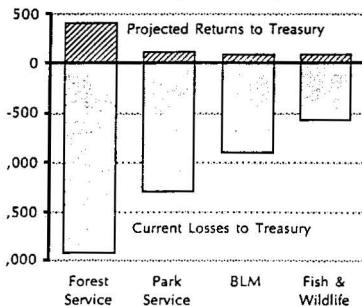
- Funding out of net income discourages managers from losing money on destructive activities;
- Recreation user fees act as a proxy for wildlife, watershed, and scenic resources;
- Conservation easements will give managers an incentive to leave some areas alone;
- Biodiversity, historic, and wilderness trust funds will give managers incentives to protect nonmarket resources;
- User-elected boards of directors will insure that land managers are responsive to the public;
- Specialists on the biodiversity and historic boards of trustees will insure that managers have the latest information on and incentives to protect biodiversity and historic sites;
- Wilderness boards and private funds for conservation easements will give local environmentalists a method of last resort for protecting critical areas that aren't protected by the other checks and balances.

Effects

Applying these proposals to the national forests, parks, fish and wildlife refuges, and BLM lands will:

- Save taxpayers nearly \$5.5 billion per year;

Total Savings to Taxpayers



Total savings to taxpayers from running the agencies like businesses equal the current losses plus the projected returns to the Treasury. This is more than \$2 billion for the Forest Service and nearly \$5.5 billion for all four agencies.

- Give public land user groups incentives to cooperate instead of fighting as they do now;
- Give both public and private land managers incentives to protect the resources cherished by recreationists and environmentalists;
- Produce enough receipts to increase payments to counties in lieu of property taxes while still providing a sound return to the federal Treasury;
- Benefit commodity users by making public land commodity production subject to market demand, not political whim;
- Benefit recreationists by producing, in exchange for user fees, more and higher quality recreation opportunities than ever before;
- Benefit private landowners by eliminating below-cost activities on federal lands;
- Give on-the-ground managers more control over where they place their resources and, in some cases, larger budgets.

These reforms can produce win-win situations simply because public land managers today have incentives to be so inefficient. Fifty years of increasingly centralized control of public land agencies have only proven that soviet-style management doesn't work in the U.S. any better than it did in the Soviet Union.

Polls show that most Americans believe that government "messes everything up," but most Americans still place a high priority on environmental protection. Reforms like these, which protect the environment without big government, should be especially appealing to the current Congress.

If public land advocates find user fees or some other aspect of this proposal not to their liking, remember that privatization and other alternatives could be even more distasteful. The nation's fiscal problems dictate that major changes will be made in public forest and land management. Environmentalists can be a part of these changes only if they begin to end polarization and work with other groups, including both fiscal conservatives and commodity users.

It is time to take a holistic, long-term view of public lands. This must take into account the growing federal debt, declining public support for central control, and the historic failure of agencies like the Forest Service to achieve sustainable ecosystem management.

The quality of our federal land environments will improve only when we begin to manage public land agencies like businesses, not political fiefdoms. That can happen after environmentalists adopt a new paradigm: a paradigm based on user fees, not tax subsidies; incentives, not prescriptions; decentralization, not central control; and win-win solutions, not polarization.

To Fee or Not to Fee: The Economics of Below-Cost Recreation

By Terry L. Anderson

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Environmentalists discovered in the 1980s that fiscal arguments offered one of the best defenses against commodity uses of federal lands. Beginning with federal reclamation and timber programs, environmental groups hired economists and systematically attacked activities that were losing money for the treasury. The subsidy argument was applied to federal timber sales which consistently lose money on most national forests and to federal water projects.

The fiscal attack has not been driven by "born-again supply siders" who see the folly of operating federal lands as if the treasury were a bottomless pocket but rather has been driven by special interests who want more land devoted to recreational and environmental amenities. The choruses of "no moo in '92" and "cattle free in '93" came from recreationists and environmentalists looking for more land to "produce" what they want. Coupled with the attacks on commodity uses on federal lands has come a call for more federal expenditures to support the provision of recreational and environmental amenities. As a result federal expenditures on the activities are high and have increased dramatically.

Federal budgets reveal that expenditures for recreation more than doubled since 1980 and now total over \$1.5 billion. Since 1980, outlays for acquiring additional land for the federal estate have increased dramatically especially for the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management, while they have waxed and waned for the Park Service. Recreational receipts also have been increasing and totaled \$136 million in fiscal year (FY) 1993 (see Table 2).

Nonetheless, regardless of how receipts and expenditures are measured, recreation on federal lands is a below-cost activity that is larger than most other activities and continues to grow. Though recreational receipts from federal lands have been increasing, the data on below-cost recreation show that recreationists are the biggest pigs at the federal trough. Table 1 presents the receipts and expenditures for the national forests for FY 1992 in U.S. Forest Service Region 1 which includes Montana and northern Idaho. Though Region 1 lost money on every activity in FY 1992, the surprising fact from these data is that it was not logging, mining, or grazing that top the list. Rather it was recreation which lost \$23 million—25 percent more than logging and nearly five times more than grazing.

Table 1

Receipts and Expenditures From Various Uses
U.S. Forest Service, Region 1, FY 1992
(dollars)

	Grazing	Timber	Minerals	Recreation
Receipts	900,243	55,438,340	52,351	2,048,427
Expenditures	5,746,000	74,406,000	3,742,000	25,464,000
Net	-4,845,757	-18,967,660	-3,689,649	-23,415,573

Source: Various U.S. Forest Service budgets.

Table 2

Federal Agency Recreation Program
Funding and Cost Recovery
(millions of dollars)

Agency	Projected User Fees FY 1993	Actual User Fees Collected FY 1993	Projected User Fees FY 1994	Proposed Budget FY 1994
BLM	\$ 2.0	\$ 1.7	\$ 4.0	\$ 84.0
BuRec	0.1	0.1	0.1	47.0
Corps of Engineers	16.0	20.0	25.0	170.0
Forest Service	45.0	49.3	47.0	400.0
Fish & Wildlife Service	1.7	1.8	2.5	29.0
National Park Service	72.0	67.5	82.0	800.0*
Total	\$ 136.8	\$ 140.4	\$ 160.6	\$ 1,530.0

* Includes only that portion of NPS operating and construction funds related to management of park visitors.
Source: Budgets from various agencies.

Estimates of below-cost recreation on all the federal lands are astronomical. Table 2 shows Federal Agency Recreation Program Funding and Cost Recovery for FY 1993. Even with substantial increases in fees proposed under the Clinton administration's budget, the below-cost recreation will cost over \$1 billion annually. The bottom line is that well-heeled recreationists are consistently getting a bigger free lunch, and they are not about to give up their position.

The purpose of this testimony is to point out that recreational subsidies, like all governmental handouts, are driven by special interest groups and to explore mechanisms that can loosen the gridlock that has resulted from the winner-take-all battle over federal land use. If meaningful policy changes are to evolve, it will be necessary to identify the special interest groups who benefit and lose in the process. Only then will it be possible to implement changes that can change the game from zero sum to positive sum.

Why Public Provision of Amenities?

The economists often argue that amenity values from the land are not likely to be preserved sufficiently by market forces thus requiring governmental provision. The main argument centers around the free-rider problem which simply put says that if people can get away without paying they will. While the logic of the theory cannot be denied, the extent of the free-rider problem is questionable. In the case of city parks it might be difficult to make people pay an entrance fee because most parks are not fenced and can be easily entered from any direction. Most national parks at the other extreme are entered through gates where fees are already collected. Making those who enjoy the amenities pay for them would not be that difficult. In between are national forests and other federal lands where people recreate. In these cases, a gate with an entrance fee may not always work, but forcing people to buy a recreation stamp and randomly checking users would increase the cost of the free ride. Given the success of the federal duck stamp program, there is a good model to follow.

This is not to imply that collection costs would be zero, but additional fees could be collected at trivial costs. Use of wilderness trails, for example, could require a hiking license, similar to a hunting license, that could be checked randomly. In the early years of the national park system when fees were collected and retained by the National Park Service, old photographs show that visitors were required to display a pass received when they paid their entry fee. A similar system could be required for all users of federal lands. Surely some people would break the law in search of a free ride, but most hunters buy hunting licenses even though the odds of being checked are nil. In short, minimum effort put into enforcement or collection, turns free riders into payers.

Further evidence that people can and will pay is provided by the growing number of for-profit businesses that are finding ways to market amenity values on private lands. Companies like International Paper have found that their timber lands are in demand for hunting, hiking, and fishing. IP's mid-South region has 2100 hunting clubs leasing lands, offers daily and seasonal

hunting permits, is experimenting with fishing, and trying to develop profitable opportunities associated with non-hunting species. As a result of their wildlife and recreation programs that began in 1983, non-timber operations make a significant contribution to corporate profits.

WHY NOT COLLECT FEES?

If fee collection is so simple, we must ask why user fees have not been implemented especially given the federal budget crisis. The answer is that in the real world of public policy, lobbying and other forms of political influence become the political currency that determines how much budget and land will be devoted to recreational and environmental amenities. With billions of federal dollars and millions of acres of land up-for-grabs, various interest groups devote their efforts toward lobbying in order to get what they want. Of course, where payments for commodities go directly to agencies as with the portion of timber receipts that go to the U.S. Forest Service or the hunting and fishing licenses fees that go to federal and state wildlife agencies, influence will be related to willingness to pay. However, in the case of most recreation activities where fees are trivial or where they go directly to the U.S. Treasury instead of to the land management agencies, lobbying becomes the surrogate for willingness to pay. As a result, and not surprisingly, most of the major recreational and environmental groups have their headquarters in Washington, D.C., where the action is.

I once asked former Yellowstone Park Superintendent Bob Barbee if he thought charging higher fees for national parks was a good idea and if it was, why didn't some entrepreneurial congressman propose this. He responded by saying that by putting another \$50,000 into fee collection at Yellowstone's gates, he could collect another \$500,000. "You don't have to have a Ph.D. in economics to understand that is a good investment," said Barbee. But he wasn't willing to make that investment because the money at that time would go to the U.S. Treasury. In response to the second question, the superintendent said that it was unlikely that a congressman would support such a proposal because it would reduce congressional power that exists by virtue of controlling the purse strings. Talk about perverse incentives for everyone.

REFORM IMPEDIMENTS — WINNERS AND LOSERS

Reforming the way in which federal land uses are allocated is not merely a matter of informing the voting public of the fiscal folly inherent in the process. If this were enough, federal water projects would have been stopped years ago, and inefficient Forest Service management that creates below-cost logging would not be tolerated. More generally, even concern over the gigantic federal debt and growing deficits has done little to slow the flow of red ink associated with federal land policy. The benefits from incentive based, decentralized user fees are obvious

even to the casual observers, but there has been no ground swell of support for reform.

The problem is that special interest groups and especially their representatives in Washington, D.C., have had much to lose and little to gain from reform. Frank Gregg, considered by many to be the dean of natural resource policy, recently summarized the impediments to policy reform:

... we have incentive barriers. The agencies themselves have mixed incentives with respect to decentralizing decision-making to lower levels with increased emphasis on negotiation and bargaining among those who care about resources as an alternative to the planning-based administrative decision process. . . . Congress has very few incentives to want to decentralize committee staffs who especially accrue power from close oversight. The national media obviously loves to have controversy focused where it is easier to cover. . . . There is no bureaucratic benefit to the staff of the National Cattlemen's Association for a system . . . which actually is going to produce agreement about how grazing allotments ought to be managed. There is not any more incentive for the staff members of the National Sierra Club or the Audubon Society for precisely the same reason. *It is the level of controversy which creates the environment in which support for those institutions as national bureaucracies comes in major part.* . . . So, the institutional imperatives of interests in conflict about allocations of resource use and value tend to favor polarization posturing at the level of the law, budgeting and administrative policy [emphasis added].¹

Given the incentives described so aptly by Mr. Gregg, it is clear that gridlock will prevail until those incentives change.

CHANGING PROSPECTS FOR RECREATION FEES

The response from one user group, Glacier National Park Associates, illustrates the potential for change in recreation pricing policy as long as there is a more direct link to the willingness to pay. The group is seeking voluntary contributions for its "Backcountry Preservation Fund" stating that "The cost of protecting this truly irreplaceable wildland resource [Glacier National Park] is often not met by appropriated federal dollars. Private contributions are urgently needed to fund backcountry management and resource protection projects."

Similarly, users of Mill Creek Canyon in Utah have found recreation fees as the answer to problems of overuse and underfunding. The road has been freshly paved and new parking areas have helped relieve congestion. In areas where the Mill Creek was badly damaged, parking

¹Frank Gregg, 1993. Summary. In *Multiple Use and Sustained Yield: Changing Philosophies for Federal Land Management?* Prepared by the Congressional Research Service, Library of Congress, for the Committee on Interior and Insular Affairs. Washington, DC: U.S. Government Printing Office. Committee Print No. 11, 311-14.

areas have been closed, and picnic tables removed and replaced by grass. The changes have resulted from the Mill Creek Canyon Protection and Management Program started in 1991, which allows Salt Lake County to collect fees from canyon users and to turn those fees over to the Forest Service for improving the canyon. A fee of \$2 per car charged generated \$95,438 in the first summer. In the first year a disproportionate percentage of the fees went to administration and collection, but that percentage has fallen as the program has matured. Fisheries biologist Jill Dufour carries around before and after pictures of the area. With funding from the program, she has helped restore riparian areas with trees and grass, brought in rocks to check the flow, reducing the stream's width and providing habitat for trout. "Anybody who goes up there can see there's no question that the program has been a success. The condition of the canyon has improved. It is becoming the jewel it once was," said Salt Lake County Commissioner Randy Horiuchi. According to Brent Parkin who collected fees during the initial season, "About 95 percent of the comments I receive are positive. Four or five years ago, the canyon was trashed. When people don't want to pay, I tell them to go up and see what's been done. People's minds have changed." Such success stories are making more and more recreationists recognize the value of fees when they are put to work where they are collected instead of being sent to Washington.

A lesson for managing federal lands could be learned from state land managers. Unlike the national forests that lose money on logging, state forests in Montana continually turn a profit. The difference between the two is the state forests are mandated to earn revenues for schools. Costs are not covered by a bottomless treasury but must be paid from revenues. With the profits going to fund public schools, there are many groups and individuals who act like stockholders in a company. They want to see profits.

State forests and parks like the Custer State Park are required to be self-supporting except for some capital improvements. Therefore in FY94 the Custer State Park collected approximately \$139,000 for timber sales, \$1,649,000 from recreation/concession receipts, \$335,000 from miscellaneous categories, and \$627,000 from the annual sale of excess buffalo for total receipts of \$2,750,000. [At the moment I do not have exact expenditures, but I am told that they had a sufficient surplus to invest an additional \$400,000 in wastewater treatment infrastructure.] During the same year, the nearby Black Hills National Forest had receipts of \$12.2 million but expenditures of \$18.7 million. Recreation expenditures alone were \$1.61 million but receipts were only \$163,000. Similar comparison around the country would reveal that states are making money from timber, grazing, and recreation while the federal government is continually losing money. There is clearly an institutional difference between the two that teaches us that even bureaucrats respond to incentives.

It is time to consider user fees and other policy reforms that will introduce fiscal discipline into federal land allocation decisions and will link payments to bureaucratic performance. In the last session of congress, Representative Mike Synar (D-OK) called for both recreational and commercial interests to pay their share:

I favor placing resource uses on public lands on a 'pay as you go' basis. In fact, it is time to give timber companies, miners, federal grazing permit holders, *and* recreation users a good dose of free enterprise. When the government provides a special service to individuals, those individuals should pay for it [emphasis added].²

Indeed many commodity users are beginning to say that they are willing to pay their full cost as long as recreationists must do the same.

But simply making users pay is not enough to bring about better management; fees paid must be linked to services provided. In the case of national parks, when Congress has allowed more of the fees collected at the gates to be retained by the park, it has generally offset the higher collections with proportional budget reductions. In effect all of the fees still go to the U.S. Treasury giving the Park Service no incentive to collect the fees and no additional revenue to improve the delivery of services.

Reforms must be linked to changing incentives for both demanders and suppliers. On the demand side, there must be a visible impact of fees on the services that recreationists and environmentalists receive from the federal estate, or they will not be supported by the users. On the supply side where budgets are currently driven, at least in part, by visitor days, higher fees will not be supported by the bureaucrats unless their budgets can rise with the provision of better services.

Taking a Step Forward

Just as it took the Nixon administration to open doors with China, the Clinton administration proposed opening the possibility for higher fees for amenity preservation on federal lands. In its FY 1994 budget, the administration proposed raising entry fees and user fees at national parks and public lands by \$59 million. Certainly this represents a minuscule amount compared to the total deficit and to the total recreational budget of the federal government, but it is a philosophical step in the right direction. National parks are also allowed to charge fees to offset expenditures for administering specific activities. For example, Yellowstone National Park charged a \$5 fee for a seven day fishing permit for the first time in 1994, and Canyonlands National Park has begun charging a \$25 fee for users of backcountry roads. According to Canyonlands officials, the fees are being well accepted because the users see a direct connection between what they are paying and what they are getting.

More recently the administration introduced the National Park Service Entrepreneurial Management Reform Act with four important changes in the way national parks will be administered. This act would have eliminated the vehicle charge for entering Yellowstone and substitute a \$4 per person fee. For a family of four, the entrance would rise from \$10 to \$20, still

²*Popular Science*. 1993. In Balance: This Land Is Your Land. December, 9-10.

a bargain by any measure. The bill also would have taken approval for fee changes out of the congressional arena and put it under the Department of Interior. Each park could keep a greater amount of its net admission and recreation fee revenues to use to improve infrastructure and to offset the cost of collection. Finally, it would have allowed corporations to put up money to improve the parks in return for recognition of their efforts.

Policy Recommendations

- Collect a fee for recreational use of federal lands by requiring all users to purchase an annual recreational license and divide the license fee among federal agencies and within federal agencies according to visitor days of use. A small share of total receipts could be allocated to fund some particular parks or forests that can not sustain themselves, but it should be recognized that this is a step onto the slippery slope.
- Increase fees for national parks allowing each park where the fee is collected to keep 80 percent of the increased collections leaving the remaining 20 percent to fund parks where collection costs would be prohibitive.
- Place a share of fees from recreation on federal lands into a "biodiversity trust fund" that would be managed by a board of trustees and allocated in much the same way as are grants from the National Science Foundation. Private groups would be able to submit proposals to this fund for projects that would require money to purchase or lease federal or private lands for biodiversity purposes.

Testimony for Derrick Crandall
**POSITION OF THE AMERICAN RECREATION COALITION
 ON RECREATION FEES AT FEDERAL SITES**

Fees for use of public recreation facilities and services are not new. Fees were established early in the history of the national park system and today generate more than \$100 million annually in federal receipts, collected chiefly by the National Park Service and the Forest Service through entrance fees, camping fees, ski area permit fees and assorted other recreation fees collected from recreationists and those providing recreation services on public lands.

Much of the philosophical and legal basis for recreation fees is outlined in the 1964 Land and Water Conservation Fund Act. The act was the product of those who recognized the importance of recreation in America, and it has enriched our lives immeasurably through strategic increases to federal and state land systems. Yet a great deal has changed since the time of this act and, despite periodic amendments under the guidance of this Committee, the criteria and specific provisions for fees deserve careful review and a new clear and comprehensive strategy.

The framework for a new recreation fee strategy is outlined in the 1987 report of the President's Commission on Americans Outdoors. It argued that public recreation program spending needed to rise and that primary responsibility for the increases should fall upon those who are the direct beneficiaries of these programs. The report noted that recreation expenditures by Americans exceed \$300 billion annually and represent a steadily increasing share of consumer discretionary spending. But the report also argued for accountability between fees and services provided. While our present budgetary situation does not allow us to provide a figurative "free lunch," we cannot and should not forget that after charging for lunch, we have an obligation to serve the food.

ARC supports federal recreation fees if the fees meet the following principles:

the fees are equitable, and aimed at recovering costs where the services and facilities provided represent significant costs to American taxpayers;

the fee system is efficient, costing the least amount practical to administer;

the fees are convenient for the recreationist, so that voluntary compliance is readily achievable;

the fee system is coherent and integrated, so that overlapping charges are minimized and federal, state and local fees are integrated where appropriate (such as Sikes Act provisions for hunting and fishing fees on federal lands, collected as a supplement to state licenses, or the Pacific Northwest's winter park program); and

the fee revenues are returned to benefit resources, facilities and programs utilized by those paying the fees.

ARC believes that new and higher recreation fees must have a demonstrable positive impact on resource protection and visitor services. While it is true that recreationists today do not pay fees equivalent to the entire cost of managing recreation on federal lands, fee increases which are designed solely to replace general fund appropriations will be unpopular and difficult to implement. Moreover, recreational activities are a non-consumptive use of the American legacy of the outdoors, in contrast to certain other public land uses -- which also often fail to pay fully for the costs to the taxpayer. Recreation is also a positive force in bolstering the economies of communities which have undergone reductions in commodity industry activities, including timber, oil, gas, minerals and grazing.

ARC believes that the Congress should establish which recreation program costs should be recovered through fees. Recreation-related expenditures by federal agencies include a mix of land acquisition, capital investments in facilities and operations and maintenance costs. We believe that acquisition of lands and waters should not be funded through recreation fees, since the benefits of ownership of these areas benefit future generations of Americans and not just current visitors. We do believe that it is reasonable to expect that visitors to federal recreation areas, including parks, forests, refuges and other units, can be generally expected to pay for the costs of the services provided to them and the operations and maintenance of the facilities they use. It is important to note, though, that operations and maintenance costs include many expenditures for the general protection of the natural resources of federal areas, including planning and implementation of mandates such as those under the Endangered Species Act.

ARC would prefer to see recreation fees considered in a government-wide context, perhaps through a new Recreation Fees and Public Lands Enhancement Act which would replace the fee authorities now found chiefly under the Land and Water Conservation Act. Federal land and water-managing agencies have a need for consistent direction in recreation fee policy and mechanisms for collecting and utilizing those fees.

ARC urges that recreation fees be used for the purpose the public believes they are being collected. Further, we support the treatment of these revenues in such a way as to make them immediately available to federal agencies. We believe that certain agency resources, including visitor services and maintenance, should be tied to marketplace changes. If visitation increases, more interpretation services will be sought and more trash will be generated -- more manpower must be made available. Similarly, if visitation drops federal officials can be expected to reduce outlays.

Some units of federal land systems represent unique challenges to efforts to recover costs, including urban sites. Where possible and without creating new

unfunded mandates, such costs should be underwritten through financing from local units of government and by creative public/private sector partnerships involving the recreation and tourism industries. In this process, some federal activities on federal lands might be altered. For example, National Park Service enforcement of local traffic laws on federally-managed roadways, such as the George Washington Memorial Parkway, could be transferred to state and local law enforcement agencies.

ARC also calls for legislation to put in motion a program approved by the Congress in 1993: non-federal sales of Golden Eagle Passes. ARC, the catalyst for this provision, has been stymied in its efforts to implement the program by a Department of the Interior conclusion that the passes could not be provided on consignment to our members, including L.L. Bean and the Coleman Company, who would act as a consortium to dramatically increase sales of the pass plus provide the public with valuable information on recreation opportunities at lesser known sites. Although the 1993 legislation permits a deduction of up to 8% of the purchase price to cover selling costs, this "commission" will barely cover the costs of handling and order processing. The Interior demand for prepayment torpedoes the program completely, making it too costly to implement.

Finally, ARC strongly supports innovative thinking on recreation fees. We urge the creation of several pilot areas where such concepts as barrier-free entry -- where those entering the park would be required to carry proof of entrance fee payment if stopped inside the park, but would not pass through a traditional "gate." This type of system is used successfully for fish and wildlife licenses in this country and for many transit programs in Europe. We encourage experimentation at individual sites to test out concepts prior to nationwide implementation; we suggest that at least one major national park where multi-day stays are common charge on departure. Currently, a single fee is charged for an entire stay -- whether a few hours or two weeks.

Other concepts which might be tested include: differential pricing designed to encourage visitation during non-peak periods; fee discounts for those arriving via public conveyances to reduce parking demand or for those who volunteer their time while visiting; automated fee collection; fee waivers for those whose ability to pay is limited; and reduced fees for those who use their visits to learn by attending interpretive programs. To provide incentives to federal managers of these areas, we would suggest that a goal be established to recover 90% of the cost of visitor recreation services in the test sites. If this goal is achieved, federal support for these sites would not be reduced below 100% of the funding provided in FY94, adjusted for inflation, and all revenues above 75% of costs could be available without appropriation and supplemental to any appropriated funds.

American Recreation Coalition
1331 Pennsylvania Avenue, NW
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Washington, D.C. 20004 202-662-7420

104TH CONGRESS
1ST SESSION

H. R. 2025

To amend the Land and Water Conservation Fund Act of 1965 as regards
the National Park Service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 1995

Mr. RICHARDSON (by request) introduced the following bill; which was
referred to the Committee on Resources

A BILL

To amend the Land and Water Conservation Fund Act of
1965 as regards the National Park Service, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Park Renewal Fund
5 Act".

6 **SEC. 2. FEES.**

7 (a) **ADMISSION FEES.**—Section 4(a) of the Land and
8 Water Conservation Fund Act of 1965 (16 U.S.C. 460l–
9 6a(a)) is amended as follows:

1 (1) Delete “fee-free travel areas” and “lifetime
2 admission permit” from the title of this section.

3 (2) In paragraph (a)(1)(A)(i) by striking the
4 first and second sentences and inserting in lieu
5 thereof, “For admission into any such designated
6 area, an annual admission permit (to be known as
7 the Golden Eagle Passport) shall be available for a
8 fee and under such conditions as to be determined
9 by the Secretary of the Interior and the Secretary
10 of Agriculture.”.

11 (3) In paragraph (a)(1)(B) by striking the sec-
12 ond sentence.

13 (4) Delete paragraph (a)(2) in its entirety and
14 insert in lieu thereof: “Reasonable admission fees for
15 a single visit to any designated unit shall be estab-
16 lished by the administering Secretary for persons
17 who choose not to purchase the annual permit. A
18 ‘single visit’ means a continuous stay within a des-
19 ignated unit. Payment of a single visit admission fee
20 shall authorize exits from and reentries to a des-
21 ignated unit for a period to be defined for each des-
22 ignated unit by the administering Secretary based
23 upon a determination of the period of time reason-
24 ably and ordinarily necessary for such a single
25 visit.”

3

1 (5) In paragraph (a)(3) by inserting the word
2 “Great” in the third sentence before “Smoky”.

3 (6) In paragraph (a)(3) delete the last sentence.

4 (7) Delete paragraph (a)(4) in its entirety and
5 insert in lieu thereof: “The Secretary of the Interior
6 and the Secretary of Agriculture shall establish pro-
7 cedures for discounted admission fees to any citizen
8 of, or person legally domiciled in, the United States
9 sixty-two years of age or older, such discount to be
10 received upon proof of age. Any such discount will
11 be nontransferable, applied only to the individual
12 qualifying on the basis of age, and given notwith-
13 standing the method of travel. No fees of any kind
14 shall be collected from any persons who have a right
15 of access for hunting or fishing privileges under a
16 specific provision of law or treaty or who are en-
17 gaged in the conduct of official Federal, State, or
18 local government business.”.

19 (8) Delete paragraph (a)(5) in its entirety and
20 insert in lieu thereof: “The Secretary of the Interior
21 and the Secretary of Agriculture shall establish pro-
22 cedures providing for the issuance of a lifetime ad-
23 mission permit to any citizen of, or person legally
24 domiciled in, the United States, if such citizen or
25 person applies for such permit and is permanently

1 disabled. Such procedures shall assure that such
2 permit shall be issued only to persons who have been
3 medically determined to be permanently disabled.
4 Such permit shall be nontransferable, shall be issued
5 without charge, and shall entitle the permittee and
6 one accompanying individual to general admission
7 into any area designated pursuant to this subsection,
8 notwithstanding the method of travel.”.

9 (9) In paragraph (a)(6)(A) by striking “No
10 later than 60 days after December 22, 1987” and
11 inserting “No later than six months after enact-
12 ment” and striking “Interior and Insular Affairs”
13 and inserting “Resources”.

14 (10) Delete paragraphs (a)(9) and (a)(11) in
15 their entirety. Renumber current paragraph “(10)”
16 as “(9)” and current paragraph “(12)” as “(10)”.

17 (b) RECREATION FEES.—Section 4(b) of the Land
18 and Water Conservation Fund Act of 1965 (16 U.S.C.
19 4601–6a(b)) is amended as follows:

20 (1) Delete “FEES FOR GOLDEN AGE PASSPORT
21 PERMITTEE” from section title.

22 (2) Delete the following: “personal collection of
23 the fee by an employee or agent of the Federal agen-
24 cy operating the facility”.

1 (3) Delete "Any Golden Age Passport permit-
2 tee, or" and insert in lieu thereof "Any".

3 (c) CRITERIA, POSTING AND UNIFORMITY OF
4 FEES.—Section 4(d) of the Land and Water Conservation
5 Fund Act of 1965 (16 U.S.C. 460l–6a(d)) is amended by
6 deleting from the first sentence "recreation fees charged
7 by non-Federal public agencies," and inserting in lieu
8 thereof "fees charged by other public and private enti-
9 ties,".

10 (d) RULES AND REGULATIONS.—Section 4(e) of the
11 Land and Water Conservation Fund Act of 1965 (16 U.S.
12 C. 460l–6a(e)) is amended by deleting "of not more than
13 \$100." and inserting in lieu thereof "as provided by law."

14 (e) FEDERAL AND STATE LAWS UNAFFECTED.—Sec-
15 tion 4(g) of the Land and Water Conservation Fund Act
16 of 1965 (16 U.S.C. 460l–6a(g)) is amended by deleting
17 the following in the first sentence "or fees or charges for
18 commercial or other activities not related to recreation,"
19 and inserting " : *Provided, however,* That in those park
20 areas under partial (if applicable) or exclusive jurisdiction
21 of the United States where State fishing licenses are not
22 required, the National Park Service may charge a fee for
23 fishing.".

1 (f) TECHNICAL AMENDMENTS.—Section 4(h) of the
2 Land and Water Conservation Fund Act of 1965 (16
3 U.S.C. 460l–6a(h)) is amended—

4 (1) by striking “Bureau of Outdoor Recreation”
5 and inserting in lieu thereof, “National Park Serv-
6 ice”;

7 (2) by striking “Interior and Insular Affairs of
8 the United States House of Representatives and
9 United States Senate” and inserting in lieu thereof,
10 “Resources of the United States House of Rep-
11 resentatives and on Energy and Natural Resources
12 of the United States Senate”; and

13 (3) by striking “Bureau” and inserting in lieu
14 thereof, “National Park Service”.

15 (g) USE OF FEES.—Section 4(i) of the Land and
16 Water Conservation Fund Act of 1965 (16 U.S.C. 460l–
17 6a(i)) is amended as follows:

18 (1) After “(i)” by inserting “USE OF
19 FEES.—”.

20 (2) In the first sentence of subparagraph (B)
21 by striking “fee collection costs for that fiscal year”
22 and inserting in lieu thereof “fee collection costs for
23 the immediately preceding fiscal year” and by strik-
24 ing “section in that fiscal year” and inserting in lieu

1 thereof “section in such immediately preceding fiscal
2 year”.

3 (3) In the second sentence of subparagraph (B)
4 by striking “in that fiscal year”.

5 (4) By adding the following at the end of para-
6 graph (1):

7 “(C) Notwithstanding subparagraph (A),
8 beginning in fiscal year 1996 and each fiscal
9 year thereafter, all additional fee revenue gen-
10 erated by the National Park Service through
11 enactment of this legislation, as authorized to
12 be collected pursuant to subsection 4 (a) and
13 (b), shall be covered into a special fund estab-
14 lished in the Treasury of the United States to
15 be known as the ‘National Park Renewal
16 Fund’. In fiscal year 1997 and each fiscal year
17 thereafter, the amount of additional fee revenue
18 generated in the immediately preceding fiscal
19 year by the National Park Service through en-
20 actment of this legislation shall be available to
21 the Secretary of the Interior, without further
22 provision in appropriations Acts, for infrastruc-
23 ture needs at parks including but not limited to
24 facility refurbishment, repair and replacement,
25 interpretive media and exhibit repair and re-

1 placement, and infrastructure projects associ-
2 ated with park resource protection. Such
3 amounts shall remain available until expended.
4 The Secretary shall develop procedures for the
5 use of the fund that ensure accountability and
6 demonstrated results consistent with the pur-
7 poses of this Act. Beginning the first full fiscal
8 year after the creation of the 'National Park
9 Renewal Fund', the Secretary shall submit an
10 annual report to the Congress, on a unit-by-
11 unit basis, detailing the expenditures of such
12 receipts. In fiscal year 1996 only, fees author-
13 ized to be collected pursuant to subsections 4
14 (a) and (b) of this Act may be collected only to
15 the extent provided in advance in appropria-
16 tions Acts.”.

17 (5) Paragraph (4)(A) is amended by striking
18 “resource protection, research, and interpretation”
19 and inserting in lieu thereof “park operations”.

20 (h) SELLING OF PERMITS.—Section 4(k) of the Land
21 and Water Conservation Fund Act of 1965 (16 U.S.C.
22 4601–6a(k)) is amended by—

23 (1) striking “SELLING OF ANNUAL ADMISSION
24 PERMITS BY PUBLIC AND PRIVATE ENTITIES

1 UNDER ARRANGEMENTS WITH COLLECTING AGEN-
2 CY HEAD” from the title of this section; and

3 (2) deleting the last two sentences, regarding
4 the sale of Golden Eagle Passports, from this sec-
5 tion.

6 (i) CHARGES FOR TRANSPORTATION PROVIDED BY
7 THE NATIONAL PARK SERVICE.—(1) Section 4(l)(1) of
8 the Land and Water Conservation Fund Act of 1965 (16
9 U.S.C. 460l–6a(1)) is amended by striking the word
10 “VIEWING” from the section title and inserting in lieu
11 thereof “VISITING”.

12 (2) Section 4(l)(1) of the Land and Water Conserva-
13 tion Fund Act of 1965 (16 U.S.C. 460l–6a(1)) is amended
14 by deleting the word “view” and inserting in lieu thereof
15 “visit”.

16 (3) Section 4(l)(2) of the Land and Water Conserva-
17 tion Fund Act of 1965 (16 U.S.C. 460l–6a(1)) is amended
18 by deleting paragraph (2) and inserting in lieu thereof:
19 “Notwithstanding any other provision of law, the charges
20 imposed under paragraph (1) shall be retained by the unit
21 of the National Park System at which the service was pro-
22 vided. The amount retained shall be expended for costs
23 associated with the transportation systems at the unit
24 where the charge was imposed.”.

1 (j) COMMERCIAL TOUR FEES.—Section 4 of the
2 Land and Water Conservation Fund Act of 1965 (16
3 U.S.C. 460l–6a(n)) is amended by striking section (2) in
4 its entirety and inserting in lieu thereof:

5 “(2) The Secretary shall establish a flat fee, per
6 entry, for such vehicles. The amount of the said flat
7 fee shall reflect both the commercial tour use fee
8 rate and current admission rates.”.

9 (k) FEES FOR SPECIAL USES.—Section 4 of the
10 Land and Water Conservation Fund Act of 1965 (16
11 U.S.C. 460l–6a) is amended by adding the following at
12 the end thereof:

13 “(o) FEES FOR COMMERCIAL NONRECREATIONAL
14 USES.—Utilizing the criteria established in section 4(d)
15 (16 U.S.C. 460l–6a(d)), the Secretary of the Interior shall
16 establish reasonable fees for non-recurring commercial or
17 non-recreational uses of National Park System units that
18 require special arrangements, including permits. At a min-
19 imum, such fees will cover all costs of providing necessary
20 services associated with such use, except that at the Sec-
21 retary’s discretion, the Secretary may waive or reduce
22 such fees in the case of any organization using an area
23 within the National Park System for activities which fur-
24 ther the goals of the National Park Service. Receipts from
25 such fees may be retained at the park unit in which the

1 use takes place, and remain available, without further ap-
2 propriation, to cover the cost of providing such services.
3 The portion of such fee which exceeds the cost of providing
4 necessary services associated with such use shall be depos-
5 ited into the National Park Renewal Fund.”.

6 (l) **FEE AUTHORITY.**—Section 4 of the Land and
7 Water Conservation Fund Act of 1965 (16 U.S.C. 460l-
8 6a) is amended by adding the following new subsection
9 at the end thereof:

10 “(p) **ADMISSION OR RECREATION USE FEES.**—No
11 admission or recreation use fee of any kind shall be
12 charged or imposed for entrance into, or use of, any feder-
13 ally owned area operated and maintained by a Federal
14 agency and used for outdoor recreation purposes, except
15 as provided for by this Act.”.

16 **SEC. 3. PROHIBITION OF COMMERCIAL VEHICLES, DELA-**
17 **WARE WATER GAP NATIONAL RECREATION**
18 **AREA.**

19 (a) **IN GENERAL.**—Effective at noon on September
20 30, 2005, the use of Highway 209 within the Delaware
21 Water Gap National Recreation Area by commercial vehi-
22 cles, when such use is not connected with the operation
23 of the recreation area, is prohibited, except as provided
24 in section (b).

1 (b) LOCAL BUSINESS USE PROTECTED.—Subsection
2 (a) does not apply with respect to the use of commercial
3 vehicles to serve businesses located within or in the vicinity
4 of the recreation area, as determined by the Secretary.

5 (c) CONFORMING PROVISIONS.—(1) Paragraphs (1)
6 through (3) of the third undesignated paragraph under
7 the heading “ADMINISTRATIVE PROVISIONS” in chapter
8 VII of title I of Public Law 98–63 (97 Stat. 329), are
9 repealed, effective September 30, 2005.

10 (2) Prior to noon on September 30, 2005, the Sec-
11 retary shall collect and utilize a commercial use fee from
12 commercial vehicles in accordance with paragraphs (1)
13 through (3) of such third undesignated paragraph. Such
14 fee shall not exceed \$25 per trip.

15 **SEC. 4. CHALLENGE COST-SHARE AGREEMENTS.**

16 (a) AGREEMENTS.—The Secretary of the Interior is
17 authorized to negotiate and enter into challenge cost-share
18 agreements with cooperators. For purposes of this section,
19 the term—

20 (1) “challenge cost-share agreement” means
21 any agreement entered into between the Secretary
22 and any cooperator for the purpose of sharing costs
23 or services in carrying out authorized functions and
24 responsibilities of the Secretary with respect to any
25 unit or program of the National Park System (as

1 defined in section 2(a) of the Act of August 8, 1953
2 (16 U.S.C. 1c(a)), any affiliated area, or designated
3 National Scenic or Historic Trail; and

4 (2) "cooperator" means any State or local gov-
5 ernment, public or private agency, organization, in-
6 stitution, corporation, individual, or other entity.

7 (b) USE OF FEDERAL FUNDS.—In carrying out chal-
8 lenge cost-share agreements, the Secretary is authorized
9 to provide the Federal funding share from any funds avail-
10 able to the National Park Service.

11 **SEC. 5. DONATIONS.**

12 (a) REQUESTS FOR DONATIONS.—In addition to the
13 Secretary's other authorities to accept the donation of
14 lands, buildings, other property, services, and moneys for
15 the purposes of the National Park System, the Secretary
16 is authorized to solicit donations of money, property, and
17 services from individuals, corporations, foundations and
18 other potential donors who the Secretary believes would
19 wish to make such donations as an expression of support
20 for the national parks. Such donations may be accepted
21 and used for any authorized purpose or program of the
22 National Park Service, and donations of money shall re-
23 main available for expenditure without fiscal year limita-
24 tion. Any employees of the Department to whom this au-

1 thority is delegated shall be set forth in the written guide-
2 lines issued by the Secretary pursuant to paragraph (d).

3 (b) EMPLOYEE PARTICIPATION.—Employees of the
4 National Park Service may solicit donations only if the
5 request is incidental to or in support of, and does not
6 interfere with their primary duty of protecting and admin-
7 istering the parks or administering authorized programs,
8 and only for the purpose of providing a level of resource
9 protection, visitor facilities, or services for health and safe-
10 ty projects, recurring maintenance activities, or for other
11 routine activities normally funded through annual agency
12 appropriations. Such requests must be in accordance with
13 the guidelines issued pursuant to subparagraph (d).

14 (c) PROHIBITIONS.—(1) A donation may not be ac-
15 cepted in exchange for a commitment to the donor on the
16 part of the National Park Service or which attaches condi-
17 tions inconsistent with applicable laws and regulations or
18 that is conditioned upon or will require the expenditure
19 of appropriated funds that are not available to the Depart-
20 ment, or which compromises a criminal or civil position
21 of the United States or any of its departments or agencies
22 or the administrative authority of any agency of the
23 United States.

24 (2) In utilizing the authorities contained in this sec-
25 tion employees of the National Park Service shall not di-

1 rectly conduct or execute major fundraising campaigns,
2 but may cooperate with others whom the Secretary may
3 designate to conduct such campaigns on behalf of the Na-
4 tional Park Service.

5 (d) GUIDANCE.—(1) The Secretary shall issue writ-
6 ten guidelines setting forth those positions to which he has
7 delegated his authority under paragraph (a) and the cat-
8 egories of employees of the National Park Service that are
9 authorized to request donations pursuant to paragraph
10 (b). Such guidelines shall also set forth any limitations
11 on the types of donations that will be requested or accept-
12 ed as well as the sources of those donations.

13 (2) The Secretary shall publish guidelines which set
14 forth the criteria to be used in determining whether the
15 solicitation or acceptance of contributions of lands, build-
16 ings, other property, services, moneys, and other gifts or
17 donations authorized by this section would reflect unfavor-
18 ably upon the ability of the Department of the Interior
19 or any employee to carry out its responsibilities or official
20 duties in a fair and objective manner, or would com-
21 promise the integrity or the appearance of the integrity
22 of its programs or any official involved in those programs.
23 The Secretary shall also issue written guidance on the ex-
24 tent of the cooperation that may be provided by National
25 Park Service employees in any major fundraising cam-

1 paign which the Secretary has designated others to con-
2 duct pursuant to paragraph (c)(2).

3 **SEC. 6. COST RECOVERY FOR DAMAGE TO NATIONAL PARK**
4 **RESOURCES.**

5 Public Law 101-337 is amended as follows:

6 (a) In section 1 (16 U.S.C. 19jj), by amending
7 subsection (d) to read as follows:

8 “(d) ‘Park system resource’ means any living or non-
9 living resource that is located within the boundaries of a
10 unit of the National Park System, except for resources
11 owned by a non-Federal entity.”.

12 (b) In section 1 (16 U.S.C. 19jj) by adding at
13 the end thereof the following:

14 “(g) ‘Marine or aquatic park system resource’ means
15 any living or nonliving part of a marine or aquatic regimen
16 within or is a living part of a marine or aquatic regimen
17 within the boundaries of a unit of the National Park Sys-
18 tem, except for resources owned by a non-Federal entity.”.

19 (c) In section 2(b) (16 U.S.C. 19jj-1(b)), by
20 striking “any park” and inserting in lieu thereof
21 “any marine or aquatic park”.

○

104TH CONGRESS
1ST SESSION

H. R. 2107

To amend the Land and Water Conservation Fund Act of 1965 to improve the quality of visitor services provided by Federal land management agencies through an incentive-based recreation fee program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 1995

Mr. HANSEN introduced the following bill; which was referred to the
Committee on Resources

A BILL

To amend the Land and Water Conservation Fund Act of 1965 to improve the quality of visitor services provided by Federal land management agencies through an incentive-based recreation fee program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Visitor Services Im-
5 provement and Outdoor Legacy Act of 1995".

1 **SEC. 2. PURPOSE.**

2 The purpose of this Act is to improve the overall qual-
3 ity of the visitor recreation experience on Federal lands
4 through an innovative and incentive-based recreation fee
5 program combined with an appropriation targeted to meet
6 the increasing demand for recreational use of the Federal
7 lands.

8 **SEC. 3. REPEAL OF EXISTING RECREATION FEE PROGRAM**
9 **AND ESTABLISHMENT OF NEW RECREATION**
10 **FEE PROGRAM.**

11 Section 4 of the Land and Water Conservation Fund
12 Act of 1965 (16 U.S.C. 4601-6a) is amended to read as
13 follows:

14 “RECREATION FEE PROGRAM

15 “SEC. 4. (a) PROGRAM GOALS AND POLICIES.—

16 “(1) CONGRESSIONAL GOALS.—It is the policy
17 of Congress that the Federal land management
18 agencies develop and implement high quality recre-
19 ation programs adequate to meet the needs of the
20 American people. In order to accomplish this goal,
21 the agencies shall establish recreation fee programs
22 designed to generate 75 percent of the annual cost
23 of providing visitor recreational programs for each
24 agency.

25 “(2) ADMINISTRATIVE POLICIES.—The admin-
26 istering Secretaries jointly shall issue an integrated

1 and coherent policy for the establishment and collec-
2 tion of recreation fees under this section. Such pol-
3 icy shall—

4 “(A) permit flexibility with regard to the
5 amounts charged;

6 “(B) provide for maximization of the num-
7 ber of persons who pay fees to ensure that fees
8 remain at the lowest possible level;

9 “(C) provide that comparable fees be
10 charged by the several Federal agencies for
11 comparable services and facilities;

12 “(D) provide for the establishment of fees
13 in a manner which is equitable among user
14 groups and accounts for other non-Federal
15 nonrecreational fees (if any) which are paid by
16 user groups and which are used on Federal
17 lands;

18 “(E) define administrative overhead and
19 specify accounting procedures to ensure that
20 administrative overhead is not included in the
21 cost of recreational services provided; and

22 “(F) provide for a uniform procedure for
23 accounting for fees collected under this section.

24 “(b) DEFINITIONS.—For the purposes of this section:

1 “(1) ADMINISTERING SECRETARIES.—The term
2 ‘administering Secretaries’ means—

3 “(A) the Secretary of Agriculture with re-
4 spect to the Forest Service; and

5 “(B) the Secretary of the Interior with re-
6 spect to the National Park Service, Bureau of
7 Land Management, United States Fish and
8 Wildlife Service, and Bureau of Reclamation.

9 “(2) AGENCY.—The term “agency” means an
10 agency referred to in paragraph (1) (A) or (B).

11 “(3) AREA.—The term ‘area’ means an admin-
12 istrative area managed by an agency, such as a unit
13 of the National Park System, a national forest, a
14 national wildlife refuge, and a project area with re-
15 spect to the Bureau of Reclamation.

16 “(4) AREA OF CONCENTRATED PUBLIC USE.—
17 The term ‘area of concentrated public use’ means an
18 area which—

19 “(A) provides developed facilities and serv-
20 ices necessary to accommodate public use;

21 “(B) contains at least one major visitor at-
22 traction including (but not limited to) a lake,
23 river, historical site, or geologic feature; and

24 “(C) provides public access such that ad-
25 mission fees can be cost-effectively collected.

1 “(5) RECREATION FEES.—The term ‘recreation
2 fees’ means admission fees, recreational services
3 fees, and concession fees.

4 “(6) RECREATIONAL SERVICES.—The term
5 ‘recreational services’ means services directly associ-
6 ated with management of recreation visitors to Fed-
7 eral lands, including (but not limited to) such pro-
8 grams as maintenance of facilities which serve pri-
9 marily visitor recreation use such as campgrounds,
10 scenic roads, trails, visitor centers and picnic areas,
11 public information and interpretation, wildlife habi-
12 tat enhancement directly related to public use such
13 as stream improvement to improve fishing or activi-
14 ties to facilitate watchable wildlife programs, and
15 public safety programs related to visitor use, but not
16 including administrative overhead.

17 “(7) TRANSITION PERIOD.—The term ‘transi-
18 tion period’ means the period beginning on the date
19 of the enactment of this section and terminating at
20 the end of the sixth complete fiscal year beginning
21 after such date.

22 “(8) PRE-1995 AUTHORIZED RECREATION RE-
23 CEIPTS.—The term ‘pre-1995 authorized recreation
24 receipts’ means the receipts that would have been re-
25 ceived for a fiscal year from fees collected under sec-

1 tion 4 of the Land and Water Conservation Fund
2 Act of 1965 as such section was in effect on the day
3 before the date of the enactment of the Visitor Serv-
4 ices Improvement and Outdoor Legacy Act of 1995.

5 “(9) INCENTIVE-BASED FEE RECEIPTS.—The
6 term ‘incentive-based fee receipts’ means receipts for
7 a fiscal year from recreation fees collected under this
8 section.

9 “(10) TRANSITION RECREATION FEE RE-
10 CEIPTS.—The term ‘transition recreation fee re-
11 ceipts’ means incentive-based fee receipts less pre-
12 1995 authorized recreation receipts.

13 “(c) ESTABLISHMENT.—

14 “(1) IN GENERAL.—In order to improve the
15 quality of the recreation experience on Federal
16 lands, the administering Secretaries shall establish
17 and implement a fee program in accordance with
18 this section which provides for substantial recovery
19 of the costs of recreational services provided through
20 fees paid by the public, including admission fees,
21 recreation use fees, and concession fees. In carrying
22 out such program, the administering Secretaries are
23 authorized and directed to collect admission fees in
24 accordance with this section at areas of concentrated
25 public use and at other areas designated by Act of

1 Congress, including (but not limited to) wilderness
2 areas, areas designated as components of the wild
3 and scenic rivers system, and national conservation
4 areas. In addition, the administering Secretaries
5 shall collect fees under this section for recreational
6 services. The administering Secretary shall consider
7 the effectiveness of the manager of areas in carrying
8 out this section in conducting annual performance
9 review of the manager.

10 “(2) FACTORS IN ESTABLISHING AMOUNT OF
11 FEES.—All fees established pursuant to this section
12 shall be fair and equitable, taking into consideration
13 the direct and indirect cost to the Government, the
14 benefits to the recipient, the public policy or interest
15 served, the comparable recreation fees charged by
16 other public and private entities, the economic and
17 administrative feasibility of fee collection, conven-
18 ience to the recreation user and other pertinent fac-
19 tors.

20 “(3) NOTICE OF FEES.—Clear notice that a fee
21 has been established pursuant to this section, and
22 the amount thereof, shall be prominently posted at
23 appropriate locations in each area and shall be in-
24 cluded in agency publications distributed with re-
25 spect to such areas.

1 “(4) ADJUSTMENTS.—The administering Sec-
2 retaries are authorized to make adjustments in the
3 fees authorized in subsection (d), taking into ac-
4 count the factors specified in paragraph (2). No
5 such adjustment shall become effective prior to 60
6 days from the date notification of such proposed ad-
7 justment is received by the appropriate congressional
8 committees. All proposals for adjustments in fees or
9 establishment of new fee collection sites (other than
10 demonstration areas under subsection (m)) devel-
11 oped subsequent to the date of enactment of this
12 section shall be included in the annual report re-
13 quired by subsection (l).

14 “(5) TARGET RECREATION REVENUE GOALS.—
15 After the transition period, the administering Sec-
16 retary shall annually develop a target recreation rev-
17 enue goal for each area administered by the Sec-
18 retary which reflects the estimated ability for such
19 area to collect recreation fees. The administering
20 Secretary shall develop that target based on histori-
21 cal data, projected visitation, and such other data as
22 are available to the Secretary.

23 “(d) RECREATION FEES.—

24 “(1) SINGLE ADMISSION VISITS.—Reasonable
25 admission fees for a single visit to any designated

1 area shall be established by the administering Sec-
2 retary. A 'single visit' means a more or less continu-
3 ous stay within a designated area. Payment of a sin-
4 gle visit admission fee shall authorize exits from and
5 reentries to a single designated area for a period of
6 from one to fifteen days, such period to be defined
7 for each designated area by the administering Sec-
8 retary based upon a determination of the period of
9 time reasonably and ordinarily necessary for such a
10 single visit. The single visit entrance fee for private
11 parties and commercial tours shall be set by the ad-
12 ministering Secretaries and may be adjusted, taking
13 into account the factors specified in subsection
14 (c)(2). The Secretaries shall ensure that the admis-
15 sion fee schedule developed provides economic incen-
16 tives for use of alternative modes of mass transpor-
17 tation at areas experiencing high levels of automobile
18 traffic.

19 “(2) ANNUAL ADMISSION PERMITS: GOLDEN
20 EAGLE PASSPORT.—(A) For admission into any area
21 at which fees are charged pursuant to this section,
22 an admission permit, to be known as the ‘Golden
23 Eagle Passport’, valid for the 12-month period be-
24 ginning on the date of sale, shall be available. The
25 fee for the passport shall be set jointly by the ad-

1 ministering Secretaries, taking into account the fac-
2 tors specified in subsection (c)(2). The permittee
3 and all persons accompanying the permittee in a sin-
4 gle, private, noncommercial vehicle, or alternatively,
5 the permittee and the permittee's spouse, children,
6 and parents accompanying the permittee where
7 entry to the area is by any means other than a pri-
8 vate noncommercial vehicle, shall be entitled to gen-
9 eral admission into any area designated pursuant to
10 this section. The permit shall be nontransferable,
11 and the unlawful use thereof shall be punishable in
12 accordance with regulations established pursuant to
13 subsection (g). The permit shall be available for pur-
14 chase at any such designated area.

15 “(B) The administering Secretaries may au-
16 thorize units of State or local government, organiza-
17 tions, businesses, and nonprofit entities to sell and
18 collect fees for the Golden Eagle Passport, subject to
19 such conditions as the Secretaries may jointly pre-
20 scribe. The Secretaries shall develop detailed guide-
21 lines for promotional advertising of non-Federal
22 passport sales and monitor compliance with those
23 guidelines. The Secretaries may authorize the seller
24 or sellers to maintain an inventory of Golden Eagle
25 Passports for periods not to exceed six months and

1 to withhold amounts up to, but not exceeding, eight
2 percent of the gross fees collected from Golden
3 Eagle Passport sales as reimbursement for actual
4 expenses of the sales.

5 “(3) ANNUAL GEOGRAPHIC ADMISSION PER-
6 MITS.—For admission into a specific designated unit
7 or into several specific units located in a particular
8 geographic area at which fees are charged pursuant
9 to this section, the administering Secretary or Sec-
10 retaries are authorized to make available an annual
11 admission permit. The permit shall convey the privi-
12 leges of, and shall be subject to the same terms and
13 conditions as, the Golden Eagle Passport, except
14 that it shall be valid only for admission into the spe-
15 cific units indicated at the time of purchase.

16 “(4) RECREATION USE FEES.—Each agency de-
17 veloping, administering, providing, or furnishing at
18 Federal expense services for such activities as camp-
19 ing, including back country camping under permit,
20 swimming sites, boat launch facilities, managed
21 parking lots, motorized recreation use and other
22 recreation uses, shall, in accordance with this section
23 provide for the collection of recreation use fees at
24 the place of use or any reasonably convenient loca-
25 tion.

1 “(e) ESTABLISHMENT OF ACCOUNTS AND DEPOSIT
2 OF RECREATION FEES.—

3 “(1) ESTABLISHMENT.—The administering
4 Secretary shall establish a special account in the
5 Treasury for each agency which collects recreation
6 fees under this section. Within each such account,
7 the administering Secretary shall separately account
8 for receipts and disbursements of funds for each
9 area.

10 “(2) DEPOSITS.—(A) The administering Sec-
11 retary shall deposit in each agency account—

12 “(i) during each fiscal year of the transi-
13 tion period an amount equal to the transition
14 recreation fee receipts collected and amounts
15 appropriated under subsection (o)(2) (relating
16 to pre-1995 recreation fee receipts); and

17 “(ii) after the transition period, an amount
18 equal to all incentive-based fee receipts col-
19 lected.

20 “(B) During the transition period, the admin-
21 istering Secretary shall allocate to an area the
22 amount of transition recreation fee receipts collected
23 with respect to the area and amounts appropriated
24 for the area under subsection (o)(2) (relating to pre-
25 1995 recreation fee receipts).

1 “(C) Within such agency account for fiscal
2 years following the transition period, the administer-
3 ing Secretary shall credit to an area—

4 “(i) an amount up to 75 percent of the
5 total Federal costs of providing recreational
6 services at that area; and

7 “(ii) one-third of the amount of recreation
8 fees collected from the area which exceeds the
9 target recreation revenue goal specified in sub-
10 section (c)(5) for that area.

11 “(D) All funds from the sale of the Golden
12 Eagle Passport shall be divided among the agencies
13 based on a formula to be developed by the admin-
14 istering Secretaries. Such formula shall consider
15 such factors as total recreation fees collected by the
16 agency and total recreation use provided by the
17 agency. Funds from the sale of the Golden Eagle
18 Passport shall be deposited as recreation fees col-
19 lected into the appropriate agency account.

20 “(E) All funds from the sale of geographic ad-
21 mission permits under subsection (d)(3) shall be di-
22 vided among the areas for which such permits were
23 issued on the basis of visitor use and shall be depos-
24 ited as recreation fees collected from areas into the
25 appropriate agency account.

1 “(3) USE OF FUNDS.—Funds deposited into ac-
2 counts under this subsection may only be used to
3 fund programs in direct support of recreational serv-
4 ices on Federal lands.

5 “(4) AVAILABILITY.—Funds deposited into ac-
6 counts established pursuant to this section shall be
7 available without further appropriation and shall be
8 expended in the same manner as funds allocated by
9 Congress to that agency for similar purposes.

10 “(f) ACCOUNTABILITY OF FUNDING.—The Control-
11 ler General of the United States shall conduct periodic au-
12 dits to ensure that amounts received under this section
13 are fully accounted for and not diverted to administrative
14 overhead or other programs not directly related to visitor
15 recreational services.

16 “(g) ENFORCEMENT OF FEE COLLECTION POLI-
17 cies.—In accordance with the provisions of this section,
18 the administering Secretaries may prescribe rules and reg-
19 ulations for areas under their administration for the col-
20 lection of any fee established pursuant to this section. Per-
21 sons authorized by the administering Secretaries to en-
22 force any such rules or regulations issued under this sec-
23 tion may, within areas under the administration or author-
24 ity of such administering Secretary and with or, if the of-
25 fense is committed in his presence, without a warrant, ar-

1 rest any person who violates such rules and regulations.
2 Any person so arrested may be tried and sentenced by the
3 United States magistrate specifically designated for that
4 purpose by the court by which he was appointed, in the
5 same manner and subject to the same conditions as pro-
6 vided in subsections (b), (c), (d), and (e) of section 3401
7 of title 18, United States Code. Any violations of the rules
8 and regulations issued under this subsection shall be pun-
9 ishable by a fine as provided by law.

10 “(h) NON-FEDERAL RESERVATIONS.—The admin-
11 istering Secretary, under such terms and conditions as he
12 deems appropriate, may contract with any public or pri-
13 vate entity to provide visitor reservation services. Any such
14 contract may provide that the contractor shall be per-
15 mitted to deduct a commission to be fixed by the agency
16 head from the amount charged the public for providing
17 such services and to remit the net proceeds therefrom to
18 the contracting agency.

19 “(i) USE OF VOLUNTEERS FOR FEE COLLECTION.—
20 When authorized by the administering Secretary, volun-
21 teers at designated areas may collect fees authorized or
22 established pursuant to this section. The administering
23 Secretary shall ensure that such volunteers have adequate
24 training for this purpose. The administering Secretary
25 shall require a surety bond for any such volunteer per-

1 forming services under this subsection. Funds available to
2 the collecting agency may be used to cover the cost of any
3 such surety bond.

4 “(j) IMPACT OF RECREATIONAL FEES ON LOW-IN-
5 COME INDIVIDUALS.—The administering Secretaries shall
6 jointly conduct a study to determine the effect on low-in-
7 come individuals of user and admission fees imposed pur-
8 suant to this section by the respective Secretary and shall
9 jointly submit recommendations to the Congress regarding
10 actions to be taken to resolve adverse impacts, if any, on
11 such individuals. Such recommendations shall be included
12 as part of the four-year report required to be submitted
13 under subsection (m)(1).

14 “(k) LIMITATIONS ON FEES.—

15 “(1) ACTIVITIES NOT SUBJECT TO FEES.—

16 Nothing in this section shall be construed to—

17 “(A) authorize Federal hunting or fishing
18 licenses or fees or charges for commercial or
19 other activities not related to recreation;

20 “(B) affect any rights or authority of the
21 States with respect to fish and wildlife; or

22 “(C) authorize the collection of fees from
23 any person who has a right of access for hunt-
24 ing or fishing privileges under a specific provi-
25 sion of law or treaty.

1 “(2) THROUGH TRAVEL.—No admission fee
2 shall be charged for travel by private, noncommercial
3 vehicle over any national parkway or any road or
4 highway established as a part of the National Fed-
5 eral Aid System, as defined in section 101, title 23,
6 United States Code, which is commonly used by the
7 public as a means of travel between two places either
8 or both of which are outside the area. Nor shall any
9 fee be charged for travel by private, noncommercial
10 vehicle over any road or highway to any land in
11 which such person has any property right if such
12 land is within any such designated area.

13 “(3) PERSONS CONDUCTING GOVERNMENTAL
14 BUSINESS.—No admission fee shall be charged to
15 persons engaged in the conduct of official Federal,
16 State or local government business or to others au-
17 thorized by the administering Secretary to conduct
18 administrative duties within the area.

19 “(4) LIFETIME ADMISSION PERMITS.—No ad-
20 mission fee shall be charged under this section to
21 any person who possesses a lifetime admission per-
22 mit issued under section 4(a) (4) or (5) of this Act
23 as in effect on the day before the date of the enact-
24 ment of the Visitor Services Improvement and Out-
25 door Legacy Act of 1995.

1 “(l) ANNUAL REPORTING REQUIREMENTS.—Reports
2 indicating the number and location of fee collection areas,
3 visitation information, fees collected, and other pertinent
4 data, shall be coordinated and compiled by the administer-
5 ing Secretaries and transmitted to the Committee on Re-
6 sources of the United States House of Representatives and
7 the Committee on Energy and Natural Resources of the
8 United States Senate. These reports shall be transmitted
9 annually not later than the submission of the President’s
10 budget under section 1105 of title 31, United States Code,
11 and shall include any recommendations which the Sec-
12 retaries may have with respect to improving the recreation
13 fee program.

14 “(m) TRANSITION TO FULL IMPLEMENTATION.—

15 “(1) DEMONSTRATION AREAS.—In implement-
16 ing the recreation fee program under this section,
17 the administering Secretaries shall initially imple-
18 ment demonstration programs at no fewer than 10,
19 but no greater than 30 areas managed by each agen-
20 cy. At these demonstration areas, the administering
21 Secretaries are encouraged to examine a full range
22 of recreation fees and fee collection strategies such
23 as vendor sales. Within four years after the date of
24 enactment of this section, the administering Sec-
25 retaries shall submit a report to Congress on the re-

1 sult of these demonstration projects. In addition, the
2 administering Secretary shall report on the ability of
3 each agency to meet the 75 percent cost recovery
4 goal. If the administering Secretary determines that
5 he cannot meet the overall cost recovery goals of this
6 section for a particular agency, he shall report the
7 likely level of potential cost recovery from the recre-
8 ation fee program for that agency.

9 “(2) NEW INTERIM FEE SCHEDULE.—Not later
10 than one year after the date of the enactment of this
11 section, the administering Secretaries shall submit to
12 Congress an interim schedule of recreation fees for
13 areas not included in a demonstration program
14 under paragraph (1). Such fee schedule may not
15 take effect until 60 days after the date on which it
16 is submitted to Congress. Before such schedule takes
17 effect, recreation fees at areas administered by the
18 agencies shall be determined in accordance section 4
19 of this Act as in effect on the day before the date
20 of the enactment of the Visitor Services Improve-
21 ment and Outdoor Legacy Act of 1995.

22 “(3) IMPLEMENTATION REPORT.—Not later
23 than 180 days before the end of the transition pe-
24 riod, the administering Secretaries shall jointly sub-
25 mit a report to Congress on the implementation of

1 this section. Such report shall include the policy
2 statement developed under subsection (a)(2), the
3 fees to be charged under this section, and the target
4 recreation revenue goals for each area subject to this
5 section. Such fees and target recreation revenue
6 goals shall be effective beginning with the fiscal year
7 beginning after the transition period unless Congress
8 enacts a joint resolution before the beginning of
9 such fiscal year specifying otherwise.

10 “(n) EXEMPTION OF FEES.—Amounts collected
11 under this section shall not be taken into account for the
12 purposes of the Act of May 23, 1908, and the Act of
13 March 1, 1911 (16 U.S.C. 500), the Act of March 4, 1913
14 (16 U.S.C. 501), the Act of July 22, 1937 (7 U.S.C.
15 1012), the Act of August 8, 1937, and the Act of May
16 24, 1939 (43 U.S.C. 1181f et seq.), the Act of June 14,
17 1926 (43 U.S.C. 869–4), chapter 69 of title 31, United
18 States Code, section 401 of the Act of June 15, 1935 (16
19 U.S.C. 715s), the Land and Water Conservation Fund Act
20 of 1965 (16 U.S.C. 460l–1—4—460l–11), and any other
21 provision of law relating to revenue allocation.

22 “(o) AUTHORIZATION OF APPROPRIATIONS.—

23 “(1) IN GENERAL.—After the transition period,
24 for each \$3 in recreation fees collected by an agency
25 pursuant to this section during a fiscal year, there

1 is appropriated \$2 to that agency for the succeeding
2 fiscal year, of which not less than 25 percent or
3 more than 50 percent shall be available to fund the
4 construction or rehabilitation of visitor facilities and
5 the remaining amount shall be available to provide
6 the balance of funding for annual visitor recreational
7 services.

8 “(2) TRANSITION PERIOD.—During the transi-
9 tion period, there is authorized to be appropriated
10 for a fiscal year amounts which would have been ap-
11 propriated for that fiscal year under section 4 of the
12 Land and Water Conservation Fund Act of 1965, as
13 such section was in effect on the day before the date
14 of the enactment of the Visitor Services Improve-
15 ment and Outdoor Legacy Act of 1995.”.

16 **SEC. 4. CONFORMING AMENDMENT.**

17 The Department of the Interior and Related Agencies
18 Appropriations Act, 1993 is amended by striking out the
19 second proviso under the heading “ADMINISTRATIVE PRO-
20 VISIONS” which is under the heading “NATIONAL PARK
21 SERVICE” (related to recovery of costs associated with spe-
22 cial use permits).

○

BRIEFING PAPER - H.R. 2107 and H.R. 2025SUMMARY

H.R. 2107 (Hansen, R-UT) and H.R. 2025 (Richardson, D-NM by request) present two very different recreation fee proposals. Under H.R. 2107, a consistent policy would be provided for recreation fees for all Federal land management agencies. This new policy would provide substantial incentives for managers to collect fees, direct that fees remain in the area they are collected, and provide a guarantee of increased funding for Federal land management agency recreation programs. H.R. 2025 provides a band-aid to the existing law and only addresses the needs of the 18% of recreational users of Federal lands who use lands administered by NPS. A relatively similar bill was rejected by the House on suspension twice last session.

BACKGROUND

Recreation use fees for Federal lands date back to at least 1907, when an entrance fee was charged at Mount Ranier National Park. In fact, the original premise of national parks was that they would pay for themselves through fee generation; and as recently as 1937, both Yosemite and Yellowstone National Parks did pay for themselves. However, those days have long since passed.

The passage of Land and Water Conservation Act in 1965 (LWCF), established a broad-based recreation fee program on Federal lands. The underlying philosophy of that law was that recreation use fees (along with motorboat fuel taxes and general receipts) would be used to underwrite the cost of land acquisition at the Federal and acquisition and development of parks at the state level. Just three years later, when it was recognized that recreation fees were inadequate to meet the needs of those programs, LWCF was amended to authorize the use of up to \$900 million annually from receipts of offshore oil and gas lease.

Until 1987, LWCF funds (including recreational fees) made available to Federal agencies were to be used only for land acquisition. Through amendments to the LWCF offered by Mr. Vento, entrance and user fees collected at units of the park system only were to be returned to the agency. Since that time, the NPS recreational fees have increased to an estimated \$76 million in fiscal year 1994.

Under the 1987 amendments to the LWCF, it was envisioned that recreational fees would be used as an enhancement to the existing park operation funds. That 1987 Act also contained an explicit formula for distribution of funds and limitations on how the funds could be spent. While the basic allocation to the NPS for operation of the park system has increased substantially more than enough to account for the increased fee revenue, NPS personnel frequently claim that recreation fees have resulted in an offset in funding. Recreation fees are not separately tracked in the budget process and both GAO and the Interior Inspector General have expressed concerns about the accountability of recreational fees.

ANALYSIS

There are significant arguments to be made on both sides of the issue of increased recreation fees. The Bush Administration endorsed a recreation fee program even broader than what has been proposed by the Clinton Administration; and Republican Members introduced that proposal in both the House and Senate in the 102nd Congress. Certainly, it would be hard to argue that paying \$10 for a family to visit Yellowstone National Park for a week is not a great bargain, especially when one considers that visitors to national park areas are generally among the wealthiest of Americans.

On the other hand, it can be argued that these Federal lands have already paid for and therefore why should recreational users have to pay again? There is also great concern that in public lands states, recreation opportunities on non-federal lands are very limited.

Some of the major issues which need to be resolved are:

- How can we address the ever-widening gap between recreational use and decreasing appropriations in a manner which ensures the public of a quality recreation experience on Federal lands?
- Should recreational users pay more than 10% for the costs of services they receive (search and rescue, maintenance of public facilities, interpretation, etc.), or should taxpayers at large who do not visit Federal lands continue to fund 90% of the recreation program?
- If increased, what percent of recreation program costs should fees cover?
- If fees increase, how do we ensure that the Federally provided facilities and services are cost effective?
- How do we ensure that funds collected on Federal lands are retained on-site and not allocated to deficit reduction?
- How can we establish fee programs which permit collect of fees from a greater number of users (e.g. NPS had 265 million visitors in FY 94 of which only 21 million or 8% paid an entrance fee) in order to spread the costs among a larger number of recreational users?

The attached table provided a detailed comparison of H.R. 2025 and H.R. 2107.

ADMINISTRATION POSITION

The Forest Service strongly supports H.R. 2107, while the NPS supports H.R. 2025; it will be interesting to see how OMB sorts this out.

STAFF CONTACT: STEVE HODAPP X67736

**STATEMENT OF ROGER G. KENNEDY, DIRECTOR, NATIONAL PARK SERVICE,
DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON
NATIONAL PARKS, FORESTS AND LANDS OF THE HOUSE COMMITTEE ON
RESOURCES, CONCERNING H.R. 2025, A BILL TO AMEND THE LAND AND
WATER CONSERVATION FUND ACT OF 1965 AS REGARDS THE NATIONAL
PARK SERVICE, AND H.R. 2107, A BILL TO AMEND THE LAND AND WATER
CONSERVATION FUND ACT OF 1965 TO IMPROVE THE QUALITY OF VISITOR
SERVICES PROVIDED BY FEDERAL LAND MANAGING AGENCIES THROUGH
AN INCENTIVE BASED RECREATION FEE PROGRAM.**

AUGUST 3, 1995

Mr. Chairman and members of the subcommittee, thank you for the opportunity to present the Department of the Interior's views on H. R. 2025 and H.R. 2107, bills to amend the Land and Water Conservation Fund Act of 1965 (LWCF Act) with respect to the recreation fee program for the Federal land management agencies. H.R. 2025 is designed to revise the recreation fee program of the National Park Service only. H.R. 2107 would revise the recreation fee program for all the Federal land management agencies except the Corps of Engineers, that are involved in providing visitor services (the National Park Service, the U.S. Forest Service, the Bureau of Land Management, the U.S. Fish and Wildlife Service, and Bureau of Reclamation) regardless of the agencies' primary missions, levels of visitor service, or current authorities for providing and managing visitor services. We strongly support H.R. 2025, and have a number of concerns with H.R. 2107. We recommend that the Committee act on H.R. 2025 to address National Park Service needs and, if necessary, consider separate legislation to address the unique needs of the other land management agencies.

H.R. 2025

We strongly support H.R. 2025. It would broaden the Secretary of the Interior's authority to establish and collect fees in units of the National Park System. It would create a Park Renewal Fund into which all new revenue raised under this bill would be deposited for reinvestment into the National Park System. It would also make a number of technical corrections to the LWCF Act. H.R. 2025's primary goal is to provide the National Park System a critically needed additional source of revenue for investment in the national parks of this nation.

The infrastructure of the National Park System's units is in great need of upgrade and rehabilitation, and getting worse. Existing funds are stretched to the limit. It seems clear that for the next few years increased appropriations for the National Park Service are unlikely. The ever-growing demands on national park resources make it difficult for the National Park Service to accomplish its mission without increased revenues. The goal of H.R. 2025 is to raise additional revenues to care for the resources and infrastructure of our National Park System.

H.R. 2107 is designed to provide revenues for the operation of the Federal land management agencies' visitor service programs. However, as proposed, recreation fees collected under H.R. 2107 would simply supplant existing appropriations for management of the agencies' visitor services. The result for the National Park System would not be an improvement of visitor services but rather a deterioration of infrastructure with no means of restoring already

decayed facilities nor means of making badly needed investments. It would cause an even greater decline in visitor services as the National Park Service's operating budget was supplanted and its construction budget eliminated.

The vital physical needs of national park units must be met to leave them unimpaired for the enjoyment of future generations. Our current estimates indicate a present backlog of physical needs totalling over \$5 billion. But parks and the public's expectations of parks are not static. Beyond these current needs lie the emerging demands of the future. The long-term viability of the parks do not just depend upon repairing existing infrastructure such as roads, but designing and promoting alternative transportation systems; not just improving visitor facilities but redesigning them to meet the needs of the next century.

The philosophies behind H.R. 2025 and 2107 are very different. H. R. 2025 would use increased revenues to enhance national parks and restore visitor services. Visitors would be able to see firsthand where fee revenue is expended - tangible benefits in improved facilities. H.R. 2107 would use increased revenues to pay for existing operation of visitor services. No appreciable difference or immediate improvement in the services would result from new or higher fees.

Although all the Federal land management agencies involved in recreation activities have been operating under the fee authorities of Section 4 of the Land and Water Conservation Act, the overall mission of each of the agencies is very different. One of the National Park Service's

primary missions is to provide visitor services. Although the Forest Service also provides many recreational services, that is one of many multiple uses for National Forest System lands. For the Bureau of Land Management, the primary mission is the management of the public lands for multiple purposes - grazing, mineral extraction, etc. For the Fish and Wildlife Service, it is the management of fish and wildlife habitat. For the Bureau of Reclamation, it is to protect an existing infrastructure of water resources in an environmentally sound manner. Public enjoyment of the resources managed by the Forest Service, Bureau of Land Management, Fish and Wildlife Service, and Bureau of Reclamation is not their primary mission.

For the National Park Service use and enjoyment by present and future generations of Americans is half of the dual mandate of the Service. Because of our visitor service orientation we have the most comprehensive fee program of all the agencies, collect the most in recreation fee revenue and have the highest visitor service budget of all the agencies. Our visitor service infrastructure is far greater than those of the other agencies. We are charged with protecting the nation's natural and cultural heritage and with that charge comes the responsibility of educating the American people about the value of the resources under the National Park Service's care.

Because of the different missions of the agencies, the provision of visitor services is very different. A uniform recreation fee program that does not take into account these differences would raise a number of management problems. The current program probably works best for

the National Park System because access to national park areas is usually controlled. The parks themselves are often concentrated use areas. In contrast, visitor use on Forest Service and BLM lands is often highly dispersed and access is not controlled, so fees are more difficult and costly to collect. For these agencies user fees can be collected at concentrated use areas, such as visitor centers, campgrounds, trails, picnic areas, historic sites, developed areas along lakes, and boat launch sites. However, many recreational activities are not well suited for fee collection. Such differences illustrate the problem with a "one-size-fits all" approach to recreation fees.

H.R. 2107

The National Park Service opposes H.R. 2107 for a number of reasons. As noted earlier, the bill would lead to current appropriations being supplanted by projected fee revenue. The reduction in an appropriation would limit our ability to invest in the infrastructure of the National Park System. If we do not meet our 75 percent target we would have to use matching appropriations for operations. H.R. 2107 would indirectly mandate that the National Park Service become a revenue raising agency as opposed to a resource management agency. The level of fees necessary to meet this target depends upon a number of factors. However, if current restrictions on charging individuals under 16 years of age and those 62 and over are maintained, and if the areas for which fees are not practical or authorized, the price of entering our national parks would be enormously increased -- by a multiple of at least five times their current level. That would mean that a family of four would have to pay between \$40 and \$50 to visit Yellowstone National Park.

Current recreation visits to national parks are approximately 265 million. Of those, approximately 92 million are visits by people under 16 years of age and those 62 years of age and over, for which the LWCF Act currently restricts us from charging admission fees. Another 32 million visits occur at units that are considered national shrines such as the Statue of Liberty, USS Arizona Memorial, Independence Hall, the White House, the National Mall, areas where admission fee collection is next to impossible such as the Chesapeake and Ohio Canal, Rock Creek Park, Golden Gate National Recreation Area, Gateway National Recreation Area, Cuyahoga Valley National Recreation Area and Chattahoochee River National Recreation Area, or areas where there has been long-standing prohibition on charging, such as units in Alaska. The 265 million visits also include all visits that occur via annual passports or park specific passes. By subtracting visits of seniors and children and visitors to areas where we would not charge from the 265 million total we have a universe for charging admission fees of approximately 141 million visits.

H.R. 2107 is presented as an incentive-based recreation fee program. The incentive, however, lies six years out when the Congress would appropriate \$2 for every \$3 collected via fees. We assume that this permanent appropriation in an authorization bill is an oversight and should be an authorization of appropriations. Otherwise, this provision would increase direct spending (and therefore the deficit) and would be subject to a point-of-order in the Senate. Although this would occur six years after enactment, such an increase in direct spending is inconsistent with the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act. If it is changed to an authorization of appropriations, there is no guarantee that Congress would

appropriate these funds. During the transition period the incentive is based on the idea that fees collected over the base amount (established by the bill) remain with the collecting agency and that an area manager's evaluation is based on effective fee collection. Although the fees would remain with the agencies, they would supplant existing appropriations. Nothing would be done to meet the backlog. It is also unclear how this bill would affect fees collected under authorities other than Section 4 of the LWCF Act.

On the other hand, we believe H.R. 2025 provides a better incentive-based program. It would provide broader authority for fee collection, it would permit the National Park Service to retain and use, without further appropriations, new revenues for investment in the park system. It is not designed to supplant existing appropriations or revenues to the treasury. It would raise new revenues by allowing the National Park Service to charge reasonable and equitable fees at specific park units, without "pricing out" average Americans.

Additional revenue is needed to operate the National Park System and to invest in its infrastructure in order to ensure that our nation's natural, cultural and recreational resources are available for the use and enjoyment of future generations of Americans. Fee reform is an opportunity to provide those additional revenues. But reform must increase revenues for parks, not supplant them. New revenues should be put in a trust fund not subject to annual appropriations. The American people need to see that the fees they pay are resulting in improvements in the parks including better services and facilities.

We believe that H. R. 2025 provides an incentive-based program that will provide the National Park Service the revenue it needs to invest in the infrastructure of our national parks. It will allow us to move forward during this period of fiscal constraint. Providing the National Park Service the authority it needs to generate revenues that can ensure that these areas remain national treasures is paramount. We believe H.R. 2025 provides the National Park Service the authorities it needs to accomplish that end and look forward to working with the Committee on this important matter.

Mr. Chairman and members of the Subcommittee this ends my prepared remarks. I am available to answer questions which you may have.

STATEMENT FOR THE RECORD OF
U.S. FISH AND WILDLIFE SERVICE
DEPARTMENT OF THE INTERIOR
ON H.R. 2107
VISITOR SERVICES IMPROVEMENT AND
OUTDOOR LEGACY ACT OF 1995
August 3, 1995

This legislation, which requires that agencies generate 60% of the total costs of their recreational programs through fees, would have the effect of eliminating many existing refuge recreational programs, particularly hunting. In addition, it is not at all clear that the bill as currently written would in fact supersede the existing National Wildlife Refuge System fee authorities, found in section 201 of the Emergency Wetlands Resources Act (16 U.S.C. 3911).

Section 201 (c) of that Act provides that entrance fees collected under its authority, and recreational fees under section 4 of the Land and Water Conservation Fund, are to be utilized without further appropriation as provided in that section, with 30% being available for the Refuge System, and 70% deposited into the Migratory Bird Conservation Fund. Because H.R. 2107 amends section 4 of the Land and Water Conservation Fund, and makes no reference to the Emergency Wetlands Act of 1986, it does not appear to override, and certainly does not repeal, the fee provisions of the Emergency Wetlands Act.

While the new section 4(n) of the Land and Water Conservation Fund Act found in H.R. 2107 provides that amounts collected under

that section shall not be taken into account for the purposes of a number of other specified Acts and "any other provision of law relating to revenue allocation", all of the specified Acts relate to allocations between the Federal government and States or localities. It would be extremely difficult to conclude that this provision overrides the specific wording of the Emergency Wetlands Act governing use of such funds for agency purposes.

From the programmatic perspective, the dispersed nature of visitation and the lack of control over entry make it impractical to collect entry or user fees at approximately 80% of National Wildlife Refuges. Because we acquire the minimum necessary interest in land, we often do not have control over the roads running through and adjacent to refuges. As a result, there are numerous uncontrolled entrances to most refuges. Also, in many refuges the wildlife of primary interest to the viewing public is migratory, and present only in a seasonal basis. Finally, because the primary objective of the Refuge System is habitat preservation, not public use, few refuges have the infrastructure necessary to encourage large-scale visitation.

The Fish and Wildlife Service currently collects entrance fees at 27 refuges, generating approximately \$1.8 million annually, and recreational user fees at 62 refuges, generating \$670,000. We believe it highly unlikely that we could more than double that amount under any reasonable fee collection program. Yet we

currently spend approximately \$20 million on general public use management, the overwhelming majority of which is recreational.

We also spend approximately \$8.7 million on refuge law enforcement, \$5-6 million annually on capital construction for visitor facilities, and \$4-6 million annually in maintenance for visitor facilities.

If appropriations for recreational use were limited to only \$2 for every \$3 in collected fees, and thus reducing annual recreational funding from the current \$38-40 million to between \$5 and \$6 million, enactment of H.R. 2107 in its current form would result in a large-scale closure of the National Wildlife Refuge System to public use. That is not in accordance with the policies of this Administration, and we doubt it is a result intended by the sponsors.

We would note that in addition to the millions of visits by persons engaged in wildlife observation and interpretation, the Refuge System receives annually approximately 6.2 million visits by fishermen and 900,000 by hunters, users who would be disproportionately adversely impacted by H.R. 2107.

With respect to refuge hunting, we also note that approximately 45 refuges charge user fees associated with administering a "controlled" hunt, where demand exceeds capacity, necessitating

a reservation system to limit the numbers of hunters. While hunting-related fees may also reflect special services, such as rental of hunting blinds and decoys, most of the Service's user fees represent the costs of administering the lotteries or reservation systems for these hunts. These programs are supported by the hunters; however, they would appear to be "administrative overhead" which is excluded from funding under the bill -- although the bill is silent as to what constitutes such overhead.

If we cannot recover these administrative costs from the participating hunters, those 45 hunting programs would be the first casualties of enactment of H.R. 2107.

More generally, the costs of administering and managing recreational programs are real elements of the program, and are interwoven into all requests for appropriations. If they are to be excluded from the costs fee calculations, and appropriations for recreational programs are to be limited to 40% of fee collections, how are these programs to be administered?

We share the concerns expressed in Departmental testimony over the unnecessary and burdensome administrative and accounting provisions of the bill.

A major issue not addressed in H.R. 2107 is how collection costs

affect decisions on whether to charge fees. Costs to collect fees are a major reason we do not attempt to charge for our dispersed recreational activities -- the costs make fee collection impractical.

We believe that public acceptance of increased fees will hinge on an ability to show direct improvement to facilities as a result of the increases. If the new or increased fees are simply covering the cost of collecting the fees, we would expect public opposition and extreme difficulties in enforcing compliance.

We are also concerned that the demonstration program authorized under H.R. 2107 does not appear fully consistent with the one contained in the fiscal year 1996 Interior Appropriation bill. We believe it would be greatly preferable to complete the demonstration program provided in the Appropriation bill, evaluate the potential for fee collection free of current restrictions, and then make decisions as to what extent agency recreational and visitor programs should be based on fee revenue.

In any case, it seems clear that the differing mandates and underlying laws of the differing land management agencies will necessitate a different fee program for each agency; we do not believe a "one-size-fits-all" approach can be successful.

STATEMENT FOR THE RECORD
BUREAU OF LAND MANAGEMENT
U.S. DEPARTMENT OF THE INTERIOR
WASHINGTON, D.C.

ON

H.R. 2107

August 3, 1995

The Bureau of Land Management administers 270 million acres of public lands that include both wide-open spaces and high-use areas. These diverse lands hold a unique place in the delivery of outdoor recreation opportunities to the American people. A few exciting examples are:

- white-water experiences on the Rogue River, OR, or Westwater Canyon on the Colorado River, UT;
- off-road vehicle activity on the Imperial Sand Dunes, CA;
- primitive and unconfined recreation at the Aravaipa Canyon, AZ;
- developed interpretive facilities at the Red Rocks Visitor Center, NV, and Anasazi Heritage Center, CO;
- competitive events such as the Iditarod Sled Dog Race, AK;

- power boating and long-term visitor areas on the Lower Colorado River, CA & AZ; and
- Slick Rock Bike Trail, UT.

In 1996 visits to public lands are projected to reach 65 million visits. With such increasing recreational demands, it is important that funding keep pace to ensure that the resources and facilities are maintained for the present and future enjoyment of the public.

Under current law, the BLM is authorized to collect recreation fees, but we are only permitted to retain and spend up to 15% of those receipts to cover the cost of collecting the fees.

BLM would welcome the opportunity to spend newly collected fees at recreation sites on improvements at those sites. This is what we hear our users want. Unfortunately, H.R. 2107 would supplant appropriations with fee collections. The result may be no improvement of services at these recreation sites and a frustrated public who is seeing no return on their dollar.

BLM manages its lands with a multiple-use mandate, and while recreation is an important part of what we do, so are grazing, mining, forestry and other uses. The requirement that sites generate 75% of their annual costs for providing recreational services could be an unwieldy requirement and could impose fees so unreasonable as to cause outrage throughout the West. We do not believe your constituents want to be faced with the prospect of paying a day's salary

to picnic on public lands or trade off the cost of a fancy dinner to bike down Slickrock Trail.

The net effect of imposing this requirement would result in limiting or precluding recreational opportunities on public lands for many average families.

We appreciate the Chairman's interest in allowing BLM to collect fees at recreation sites. We believe we share the same goal. Unfortunately, we believe that H.R. 2107 is not the answer.

Statement for the Record of

Daniel P. Beard
Commissioner, Bureau of Reclamation
Department of the Interior

Subcommittee on
National Parks, Forests and Lands
of the
Committee on Resources
U.S. House of Representatives
On

H. R. 2107

Visitor Services Improvement and Outdoor Legacy Act of 1995
August 3, 1995

Mr. Chairman, and members of the subcommittee, thank you for inviting me to be here today to testify on behalf of the Bureau of Reclamation regarding H.R. 2107, "Visitor Services Improvement and Outdoor Legacy Act of 1995." Reclamation agrees that it is important to provide a quality recreation experience to the visiting publics to Federal lands and waters, and wherever possible, to collect fair charges from those that most directly benefit. However, we can not support H.R. 2107 as meeting that goal. This measure would disrupt the Bureau of Reclamation's partnerships with state and local government in providing recreation services and we oppose its enactment.

We support the broad concerns about H.R. 2107 expressed by Director Roger Kennedy. The very prescriptive provisions and administrative requirements provide little incentive for revenue enhancement. This statement also addresses the problems posed by the requirements of the bill in context of Reclamation's resource

management mission, our present legislative recreation fee authority, and our unique recreation management arrangements with non-Federal agencies.

When I became Commissioner two years ago, one of my goals was to change the direction of the agency from large scale construction to resource management and conservation. We have implemented a number of changes that achieve this end. Most importantly, we have succeeded in developing management partnerships and shifting decision-making to field level management. This new emphasis, together with the realities of budget reductions, has caused Reclamation to develop new approaches to resources management including how recreation services and facilities are provided for the public.

Over two-thirds of Reclamation's 310 recreation areas are managed by approximately 70 non-Federal entities under agreements as provided by The Federal Water Project Recreation Act of 1965, P.L. 89-72. These agreements provide that the managing entity, in cooperation with Reclamation, prepare a plan of development as approved by the Commissioner that provides for, among other things, needed public recreation services and facilities. The non-Federal entities share equally in the costs to construct the needed recreation facilities and they generally operate and maintain these facilities at their own expense. The annual operation and maintenance costs alone are estimated to be in

excess of \$30 million. As a means to recover these costs, the entities may collect appropriate recreation fees and spend up to an amount equal to the O&M costs at the recreation area. Surplus revenues are to be returned to Reclamation, however, with the high costs of O&M, none have been returned to date.

This system has, for the most part, been successful and the concept has been recently reinforced by Congress when it passed The Reclamation Recreation Management Act of 1992, contained in Title 28 of P.L. 102-575. In specifically addressing Reclamation's programs, the Congress, in Section 2805 of that Act, gave Reclamation full authority to establish and collect recreation fees. Thus, with respect to Reclamation, the Congress has already accomplished the major purpose of H.R. 2107. It is our adopted policy and goal to seek non-Federal partners for all of our recreation areas and to work with them in identifying and obtaining operating revenues.

In conclusion, I support this bill's intent to provide better recreation services to the public and to recover appropriate user fees, but I believe that Reclamation already has in place full authority and policies to meet its mandated missions and special recreation management situations. Moreover, Reclamation will continue to participate in interagency efforts to seek compatible solutions to better recreation resources management operations across agency lines.

Mr. Chairman, that concludes my formal remarks, I will be glad to answer any questions.

STATEMENT OF
GRAY F. REYNOLDS, DEPUTY CHIEF
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
Subcommittee on National Parks, Forests, and Public Lands
Committee on Natural Resources
United States House of Representatives

Concerning H.R. 2107 "VISITOR SERVICES
IMPROVEMENT AND OUTDOOR LEGACY ACT OF 1995

August 3, 1995

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am pleased to be here today to offer the views of the Department of Agriculture on H.R. 2107, the "Visitor Services Improvement and Outdoor Legacy Act of 1995", and H.R. 2025, the "Park Renewal Fund Act". We defer to the Department of the Interior on H.R. 2505, which only applies to the National Park Service. With regard to H.R. 2107, we have not had time to fully evaluate all the provisions of this complex and important legislative proposal nor do we fully understand all aspects of the new fee proposal. With this caveat, the Department of Agriculture would support many of the principles of H.R. 2107 if incorporated into separate legislation addressing the unique needs of the Forest Service. We recognize that other land management agencies have different needs

that would be difficult to reconcile in a "one-size-fits-all" proposal. We are willing to work with the Subcommittee on legislation for Forest Service recreation fees.

Background

I would like to begin by reviewing our testimony before this subcommittee on April 29, 1993 addressing proposed amendments to the Land and Water Conservation Fund Act of 1965 (LWCF). At that time, we testified as follows:

In his report, "A Vision of Change for America", the President made clear his commitment to increasing revenues from users of recreation facilities on Federal lands...This commitment is a reasoned response to a difficult situation. On the one hand, demand for recreational opportunities is high and expected to grow substantially over the foreseeable future. On the other, available resources are inadequate to maintain even the current recreation infrastructure...

These words are more relevant today than they were two years ago. Budget pressures are greater, demand continues to grow, and the overall condition of the recreation infrastructure is deteriorating.

We have implemented a number of measures to address this situation. Under the authority of section 7 of the Granger-Thye Act of 1950, the most popular recreation sites situated on NFS lands (such as the day-use facility located in Sedona, Arizona) are now being run by non-Forest Service entities through Forest Service permits. Approximately 60 percent of our total developed site capacity is now managed under Granger-Thye permits with the permittee bearing most of expenses for operation and maintenance of these sites. This frees up limited Forest Service recreation dollars for other high priority activities. Through the Challenge-Cost-Share Program, we use appropriated Federal funds to leverage matching non-Federal recreation dollars. In fiscal year 1994, our partners contributed over \$10 million in matching funds for recreation projects. Volunteers play an increasingly important role in carrying out the recreation program. Without these initiatives, the budget pressures would be even greater.

Although we are maximizing our recreation dollars, more resources are needed to maintain and operate recreation sites. Given limited budgets, the most obvious source is fees. New fee authority for additional recreation sites was granted in the Omnibus Budget Reconciliation Act of 1993 (OBRA). Under OBRA, 15 percent of all recreation fees from additional recreation sites are retained by the collecting unit to defray the cost of collection. However, because collection costs sometimes, at least over the short run, exceed the 15 percent retained, the local

units must cover the difference by diverting money from maintenance and operations to fee collection activities. In some cases, there is little incentive to expand collection activities. When combined with the effects of the shift to concession operations, we have actually seen a decline in the level of collected fees.

Principles for Revising Recreation Fee Programs

If we are to meet our goal of providing increased recreation opportunities to meet increasing demand while maintaining our recreation infrastructure, additional legislative change to LWCF is a must. If the legislation is carefully structured and adheres to certain key principles, we are confident that we can meet our goals.

First, change must be consistent with the multiple-use mission of the Forest Service. The Multiple-Use Sustained-Yield Act of 1960 states that National Forests are established and shall be administered for a variety of specified resource values, including outdoor recreation. Although many ways exist to carry out this mission, a vigorous Forest Service recreation program is essential to ensure that the purposes of the Act are realized. In particular, we need the authority to collect fees at concentrated use areas.

Second, the recreating public should not be expected to pay for all of the general management of the recreation resource, although users should bear a portion of the direct cost of maintaining and operating recreation programs.

Third, increased fees must be tied to providing and enhancing recreation facilities and opportunities. The Forest Service has an estimated backlog of facility maintenance of almost \$950 million. Fee authority would help to address these infrastructure needs. Research has consistently shown that the public is willing to pay more to recreate on NFS lands if these fees are returned to the recreation site and are used to enhance the quality of the recreation experience.

Our general understanding is that H.R. 2107, at least as it applies to the Forest Service, would allow us to collect recreation fees to meet our needs for recreation programs.

Provisions of H.R. 2107

H.R. 2107 would fund the operation and maintenance of recreation programs in accordance with a formula specified in the bill. After the 6-year transition period set forth in the bill, H.R. 2107 would appropriate \$2 for every \$3 collected via fees. We assume that this permanent appropriation included in an authorization bill is an oversight and is meant to be an

authorization of appropriations. Otherwise, this provision would increase direct spending (and, therefore, the deficit) and would be subject to a point-of-order in the Senate. Although the direct spending increase would take place 6 years after enactment, this would be inconsistent with the purposes of the pay-as-you-go provisions of OBRA. Assuming this is changed to an authorization and appropriations are made, if the Forest Service under this bill could collect \$30 million in admission and user fees, then \$20 million in appropriated funds would be added to finance construction or rehabilitation of visitor facilities and finance recreation services. This bill sets a goal for fee collections equal to 75 percent of the existing costs of providing visitor recreational programs. If this goal is met and matching funds are appropriated, then we could have available resources equal to 125 percent of current costs. The added 25 percent above current operating costs would be available for program enhancement and backlog reduction. With a recreation maintenance backlog of about \$1 billion, the need for added resources is clearly evident.

All of this assumes that we can reach the goal of fee collections equal to 75 percent of costs and that all of the matching funds are appropriated. Although the situation of other agencies may differ, we believe this could work for us.

Based on our best information, we would need to collect about three times more in fees than the approximately \$11 million we now

collect to maintain current levels of maintenance and operation. Collections above this threshold would enhance our services. We believe we can attain substantially higher overall fee collections with appropriate revisions to the LWCF.

Concerns with H.R. 2107

We do have a number of concerns with H.R. 2107 as it applies to the Forest Service. Although we endorse the funding concept embedded in H.R. 2107, there is much about the bill that needs clarification and revision. Our major concerns are:

1. Incentives are central to any effort to enhance the role of fees in financing recreation programs. But incentives can also have unintended consequences. We would not want to put in place a system that emphasized fee collection and, therefore, revenue generation at the expense of other resource management values, nor do we want a system that concentrates financial resources solely on those areas that are most profitable. The bill language does not explicitly require this type of activity, although this could be the result.

2. Individual National Forests must benefit from any increase in fees that they may collect. We understand the bill intent, but it is not clear how it is accomplished given the bill's financial

management requirements. Clarification of this process is needed.

3. The bill is not clear on what is included in "the annual cost for providing visitor recreational programs. Currently, funding for visitor recreation programs comes from National Forest System appropriations. Within this account, the recreation management Extended Budget Line Item (EBLI) sets the level of funds for trails maintenance, administration of recreation special uses, management of national recreation areas (NRA), scenic byways, wild and scenic rivers, and interpretive services. In FY 1995, Congress appropriated \$159,426,000 for this EBLI. We estimate that \$78 million of this amount is used for visitor recreational programs, e.g., campgrounds, swimming sites, and parking lots, of which approximately \$28 million goes for overhead activities. More explicit language is needed in the bill to clarify intent.

4. We would object to any proposal that does not conform to the provisions of the various acts that determine payments to counties and states for roads and schools. This bill's formula does not recognize these costs. Excluding recreation fees from the 25 Percent Fund would be inconsistent with other NPS resource receipt sharing. We remain committed to the 25 Percent Fund which has long been the cornerstone of our relationship with state and county governments.

Some thought should be given to the need to address the significant and growing backlog of facility maintenance on the National Forests. This bill, and the revenue it would generate, would address some, but not all of that need.

Summary

In summary, we are very interested in fee reform for the Forest Service. Such reform needs to provide incentives for our managers to increase fee collections and, thereby, improve recreation opportunities for the American public. Some of the principles in H.R. 2107 are important for fee reform. These include expanded fee authority for the Secretary, collection of fees at concentrated use areas where fees cannot now be collected, use of volunteers to collect fees, establishment of pilot programs to experiment with fee collection, and the availability of new fees for use at the National Forest that collected the fees. We will gladly work with your Subcommittee on a legislative proposal to address these concerns.

Mr. Chairman, this concludes my remarks. I would be glad to answer any questions from you or the other Members of the Subcommittee.



Testimony

before the

Committee on Resources
Subcommittee on National Parks, Forests, and Lands
United States House of Representatives

by

James D. Santini

Chairman, Public Lands Working Group
Travel and Tourism Government Affairs Council
Washington, DC Representative
National Tour Association

August 3, 1995

Mr. Chairman, on behalf of the nation's travel and tourism industry, I appreciate the opportunity to testify before you today. I am here to discuss a matter of great interest to the travel and tourism industry -- fee reform for the public lands.

I am Jim Santini, Washington, DC Representative for the National Tour Association, and Chairman of the Public Lands Working Group of the Travel and Tourism Government Affairs Council (TTGAC). The TTGAC is a coalition of 35 national organizations. An affiliate of the Travel Industry Association of America, the Council is comprised of representatives from every segment of the travel and tourism industry, including all modes of transportation, accommodations, food services, travel agents, tour sales, attractions and recreation facilities, as well as state and local travel and tourism officials. It is on behalf of the TTGAC that I testify today, and a list of the TTGAC's membership is attached to this statement.

The national parks are among the most popular destinations for Americans and international visitors alike. The parks and other public lands contribute invaluable resources to the travel and tourism industry, with the park system alone providing over 368 visitor areas covering 83 million acres, including monuments, battlefields, historic sites, lake shores, scenic rivers and trails. Travelers flock each year to these destinations, for they provide the most wholesome and rewarding of vacations. And these visits are rewarding to the local communities as well. Travel to National Park Service (NPS) areas generated in 1993 retail sales for local communities amounting to \$10.1 billion and supported 230,000 tourism related jobs. Now think about this -- for FY 93, the NPS budget was an estimated \$1 billion, which means that American taxpayers received a 10-to-1 return on their investment. These impressive figures helped the travel and tourism industry as a whole generate \$56 billion in tax revenue for federal, state, and local governments in 1994. Furthermore, more than 12 million international visitors were drawn to our national parks, making a significant contribution to the nation's \$22 billion international travel trade surplus.

So it is obvious that the parks are doing some big business here in the United States, but if they are generating such economic benefits, why are there media reports about our country's most natural and peaceful locations which read like inner-city horror stories? Why are the parks not prospering from their popularity, maintaining accessible roads and trails, and creating state-of-the-art visitor centers? Quite simply, one of the reasons is that we charge mere pocket change for entering and using these glorious areas. Park visitors have enjoyed bargain basement rates for almost 80 years now. In 1916, the auto permit prices at Yellowstone were \$10. Today, that \$10 is worth around \$90, but the park service has not raised entrance fees one penny. Now, make no mistake, we are not advocating quite that drastic a fee increase, but if we think about the 269 million visitors to the parks each year and value in today's dollars of the fees they are charged, we realize that the parks could be generating millions more from a more reasonable fee structure.

Even the pittance collected now can add up to a substantial total amount, with \$76 million collected in 1994. Unfortunately, that revenue has not been reinvested in the facilities that have generated it, the parks from where it was collected in the first place. Only in 1993 was it passed into law that 15 percent of funds be retained where it was paid, without further appropriation, with the other 85 percent still to go into the general Treasury. So it is not difficult to see why we need to reexamine

and reform our current fee structure, and why we in the travel and tourism industry see such reform as beneficial to our public lands and our industry.

While the NPS should be commended for continuing its commitment to provide quality visitor experiences, we must face fiscal reality here. The parks are fast approaching a "beyond repair" status, which could severely impact the travel and tourism industry by damaging some of the nation's most beloved and visited destinations. Assistant Interior Secretary George T. Frampton, Jr., has been quoted as saying, "The tragic genius of the Park Service is that it has been able, with chewing gum, rubber bands, and baling wire, to make many of the parks look terrific." He and other park service employees should be applauded for their creativity, but add an explosive situation to gum, rubber bands and wire and you have the makings of a time bomb. We need to protect these parks, and fast.

Now, some argue that the parks are being loved to death, and could actually benefit from a little neglect if it reduced the volume of visitors. While it is true that millions of visitors converge upon the parks and public recreation facilities each year, the TTGAC maintains that the public is willing to share in the responsibility of preserving the public lands. In fact, recent polls have indicated that U.S. citizens are willing to pay higher park entrance fees if it means that the parks will be protected and maintained. Therefore, visitors may be the public lands greatest hope for survival. One such means of assistance is the payment of increased -- yet still equitable -- fees.

The TTGAC has developed guidelines which take into consideration the diverse needs of the travel and tourism industry while also acknowledging the specific needs of the park service and its many visitors. We would like to take this opportunity to compare our industry's thoughts on certain aspects on fee reform to those specified in HR 2107, the "Visitors Services Improvement and Outdoor Legacy Act of 1995". While many of the points expressed in this bill correspond with our guidelines, we are concerned that this legislation invests too much vague statutory discretion in the Secretary of Interior. Following is a list of industry positions on fee reform and how they correspond to provisions in HR 2107:

1. **Fees must be dedicated to maintenance and improvement of visitor services on the public lands.** It seems just and fair that all fee revenues should be dedicated to maintain and improve visitor services within the public lands, with no less than 75% of revenue returned to the specific facility where the fee revenue is located. Yellowstone and Yosemite may collect far more fee revenues than other parks, but because of their large visitor turnout these and other high-volume parks require substantially greater funds for maintenance and upkeep. Most emphatically, we do not believe that fee revenue should be diverted into the general revenue fund.

In Section 3 (c)(1) of HR 2107, it is stated there should be implementation of a fee program which "provides for substantial recovery of the costs -- through fees paid by the public, including admission fees,..." etc. We request that this section specify what percentage of the operating budget will be recovered through such fees. We also note that these types of fee recovery systems usually hit commercial tour operators, and ask that there be assurances

through additional amendments that these segments of our industry will not be unfairly burdened.

2. **Fees must be equitable, efficient, consistent and reasonable.** Fees should not discriminate against visitors regardless of their mode of transportation onto the public lands, nor should they discriminate on the basis of the type of park or public lands facility. The level of fees must be set reasonably so as not to discourage use of the public lands. They should not be so high that only the upper income elite can afford to pay, but instead must be affordable by all classes. If fees are set beyond the reach of economically disadvantaged individuals, special discount rates should be implemented. Also, fees should rationally relate to the visitors' uses of and activity on the public lands. In other words, if a tour bus operator merely wishes to access the roads through a certain park in order to provide his or her passengers with a brief but compelling experience, he or she should not be charged the same price of admission as a family of four who will partake of the park's trails, streams, and scenery for far longer than it takes to drive through the park.

Let me take a moment here to make the case for buses and aircraft, which are sometimes seen as less than desirable company in the parks. These means of transportation conserve energy and reduce pollution, aid in crowd management and control, and generally lessen the public demands on the parks. They also provide some of the best means of transportation to the parks for our elderly and disabled. These facts should be taken into consideration when it comes to fee reform -- those means of transportation which may help solve the overcrowding of the parks should not be unfairly burdened or restricted.

We would also like to point out that in Section 3 (c)(2) fees will be "fair and equitable, taking in consideration the benefits to the recipient..." We believe that "benefits" may be interpreted to mean "profits", and those who earn profit may, once again, be unfairly burdened by higher fees to offset their fair profits.

3. **Adequate notice must be given for fee increases with sufficient opportunity for response and negotiation.** We are entering into a new age of public-private partnerships and cooperation, yet we in this industry still feel at times that important decisions which could severely impact our industry are made without our input. Any proposed fee increases should allow a response from those in the travel and tourism industry, and others who would be affected. Not all visitors to the public lands are part of a tour group, and these individual travelers should also be given advance notice of fee increases so that they may adequately adjust their vacation budgets. Certainly an unfair surprise would be a fee increase from \$10 to \$25 virtually overnight, causing the traveler to only be able to afford two days at Yosemite instead of the four he or she had planned. This could have severe implications for the service providers around the park areas, which could trickle down to cause a decrease in visitor expenditures in adjacent communities and consequent loss of jobs. We urge that in Section 3 (c)(3) at least a 12 month advance notice for fee increases be mandated.

It should be noted that the travel and tourism industry is very willing to work with the park service to help devise more efficient means of fee collection. The TTGAC and members of various Department of Interior agencies have already met to devise strategies to promote visitation to underutilized parks, and we believe there are numerous other resources which this industry is willing to share with the park service and other government agencies in order to bring about a more efficient, streamlined approach to running various programs. You can be assured that this industry knows how to collect fees, but we pride ourselves on doing so fairly and effectively.

While on the subject of efficient fee collection, there is concern about Section 3 (h)(2) of HR 2107 where it is provided that the Secretary of Interior may "contract with any public or private entity to provide for visitor reservation services". This may single out the commercial operators for reservations while failing to impose such a requirement on the individual park visitor. Individual park visitors remain the primary source of major congestion in our more popular parks. To avoid any unfairness, the language "in any event no one segment of the visitor public will be compelled to comply with a reservation program while other visitor segments are excluded" needs to be inserted in this section.

Also in Section 3 (k)(2) of HR 2107, it is stated that "No admission fee shall be charged for travel by private, noncommercial vehicle over any national parkway or any road or highway..." Again, it seems unfair that one segment of the traveling public is excluded from fees while another is required to pay. Discriminatory provisions such as these we respectfully ask be removed from this bill.

4. **Fees must be set to recover costs associated with the operation of commercial facilities.** Fees for use of any facility service or activity operated or provided by the parks or other public land agencies that is commercial in nature should be set to recover all costs associated with the operation of the facility, activity or service, or should be set at a level commensurate with fees charged for comparable services in the private sector. Thus, campgrounds on public lands that are operated by government agencies should charge fees that either offset all costs or are commensurate with private sector rates. Flat group fees should be used for commercial tour vehicles, and commercial tour fees should be consistent throughout the public lands. The commercial provider should not be expected to carry an unfair, weighty burden of fee provision.
5. **Fees must accurately reflect the burden placed on public lands by visitor use.** Fee revenue should apply only to the cost of services provided presently and not used for future acquisition of lands and waters. With the parks in serious need of revenue, we feel it would be irresponsible to divert much needed funds away from the upkeep of already existing parks and wilderness areas in order to purchase land which may not be able to be maintained.

It may also be wise to implement a standard, uniform entrance fee for parks based on their visitation amounts. Language should be inserted specifying that parks which receive 0 to one million visitors charge x amount, one million to three million y amount, and so on.

These numbers are arbitrary and are only used to make a point, but it seems obvious that parks such as the Grand Canyon, our second most popular park, should not charge the same amount for entrance as the Thaddeus Kosciuszko National Memorial in Pennsylvania.

While the above-referenced points analyze fee reform from the perspective of travel and tourism, we in the industry recognize that we have entered an age of cooperation and shared responsibility. The TTGAC is working closely with the Department of Interior in a joint effort to find new ways of improving the public lands. Resources which could benefit the public lands are available through the travel and tourism industry. We urge that the recommendations contained herein be carefully considered, and that the vast knowledge and resources of this industry be fully utilized. Such cooperation can only help to preserve and improve our current public lands system, ensuring these national treasures for generations to come.

At this point in time, we feel that the provisions in HR 2107 do not involve the private sector enough in the decision-making side of fee reform, and grants too much authority to the Secretary of Interior. Therefore, the TTGAC urges that the fee strategies outlined above be implemented, and that HR 2017 be accordingly amended. The TTGAC also recognizes that there are many other fee strategies which are worthy of exploration. We are open and willing to explore creative, bold new ways of preserving our public lands. And we are more than willing to pool our diverse resources and work with you to bring about comprehensive, positive change. We only ask that we be part of the process, and this testimony today is a step in that direction, and we thank you.

This concludes my testimony, Mr. Chairman, and I would be happy to answer any questions you or other members of the subcommittee might have.

TRAVEL AND TOURISM GOVERNMENT AFFAIRS COUNCIL MEMBERSHIP

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Statement of the

AMERICAN AUTOMOBILE ASSOCIATION

on

H.R. 2107/H.R. 2025

Before the

Subcommittee on Natural Parks, Forests and Lands

U.S. House of Representatives

August 3, 1995

Susan Pikrallidas
Director, Tourism Affairs
Public and Government Relations
American Automobile Association

Mr. Chairman, I am Susan Pikrallidas, Director of Tourism Affairs for the American Automobile Association. AAA appreciates this opportunity to share our views with the Subcommittee today on H.R. 2107, the "Visitor Services Improvement and Outdoor Legacy Act" and H.R. 2025, the "National Park Renewal Fund Act."

AAA is a not-for-profit federation of 113 clubs serving more than 37 million members in the United States and Canada. Among the many services provided AAA members are travel services, including maps and atlases, TripTiks, TourBooks, CampBooks, and other specialized travel publications. Our members rely upon AAA for accurate, useful, and reliable travel information.

Millions of AAA members travel to this country's national parks and other public lands every year. In fact, sites managed by the National Park Service alone consistently rank among the top five travel destinations for AAA members. The public lands rate high with international visitors to the U.S., as well. In your words, Mr. Chairman, "recreational use of the Federal lands is one of the best deals in America today." When considering the price paid to visit many of the theme parks and other resort destinations in the U.S., it is difficult to object to a greater proportion of federal land recreation costs being paid for by those who use those services.

AAA cautions that the federal lands should not be compared directly to private recreation destinations for many reasons, not the least of which is that the public lands are owned by all Americans and are a heritage passed from generation to generation. Nevertheless, AAA acknowledges that those who make direct use of recreation services on the federal lands logically should pay for a substantial portion of those services.

The popularity of the national parks among AAA members is accompanied by their

increasing concern about the deterioration in park maintenance and services and the wear and tear on park lands.

Reflecting this strong AAA member interest in enjoying the nation's public lands while protecting and conserving natural resources for future generations, AAA policy supports federal, state, and local government efforts promoting the protection, conservation, and prudent use of our public land resources for recreational purposes.

AAA policy "endorses reasonable user fees for recreational use of federal lands **if the fees are used to maintain and protect the lands from which they were collected.**" The balance of my remarks today will address the fee provisions in both H.R. 2107 and H.R. 2025 in the context of AAA's fee policy.

Both bills embody the concept of making the fees collected available to the agencies collecting them without further appropriation. AAA strongly supports this concept and would only urge that the Subcommittee ensure the language is adequate to accomplish that purpose. In other words, it is imperative to AAA's support of increased and expanded use of recreation fees that they not be used directly for deficit reduction, or simply to offset reductions in what would normally have been appropriated for management of these sites.

Informal surveys of AAA members demonstrate strong support for paying reasonable fees to visit parks, but only if the revenue is used for park needs. Support for admission and other fees evaporates quickly if the fees are to be paid into the general Treasury for deficit reduction or other general fund purposes.

A letter from one of AAA's Ohio members reflects this view succinctly:

"I was wondering if AAA could have a page for a petition that members could get signed

by their friends and neighbors (need not be members of AAA to sign) to send to those people in Washington who work for us...to have the park money and fees used by the parks and not in the pork barrel...I do think this would generate quite a few signatures. I know this could take years but maybe get more serious thoughts down in Washington. At least we can dream."

For these same reasons, AAA strongly supports the language in H.R. 2107 limiting fees collected to funding only "programs in direct support of recreational services on Federal lands." Limiting fee collection and use to services directly benefitting those who use them is fair, and thus more easily justified, to those who will be required to pay them.

AAA supports the thrust of H.R. 2107 to establish an integrated and coherent fee policy among the federal land management agencies. In our experience many public lands visitors may not be aware that they are visiting a national park, a national forest, a national wildlife refuge, or a site managed by the Bureau of Land Management. They tend to call them all "national parks" and, for the most part, are unconcerned as to who technically is in charge. What they do care about is the experience -- and policies that enhance, rather than detract from, that experience are not only appreciated, but expected.

Our experience in travel also tells us that travelers appreciate consistency and the availability of accurate information -- particularly when making their travel plans. An integrated fee policy among the land management agencies would facilitate the provision of more accurate and useful information to people planning vacations involving the public lands.

AAA also supports the provisions in H.R. 2107 which require that the integrated fee policy be flexible, equitable, and efficient. While AAA believes our members are willing to pay

fees for admission to and recreation on the public lands, the fee policy must be transparent as to its fairness, and flexible and efficient as to its methods and locations of collection. A certain death-knell for public support of fees would be for fees to be perceived as unreasonable and unfair, and for fee collection to be experienced as a time-consuming obstacle to actual enjoyment of the park.

AAA strongly endorses provisions in both H.R. 2107 and H.R. 2025 to eliminate the prohibition on the use of consignment for private sales of the Golden Eagle Passport. We envision providing AAA members the opportunity to purchase this Pass from our travel offices throughout the nation.

We also support language in H.R. 2025 which would authorize fees for commercial and nonrecreational use to meet costs incurred.

A concern AAA has with both H.R. 2107 and H.R. 2025 is the lack of opportunity for public comment on fees. While notice is required by the bills, AAA firmly believes public input should be required before a fee program is imposed or fees are increased. Without an opportunity for comment, the fairness of the fee program may always be in question and the opportunity to enlist continued public support for fees may be lost. AAA therefore suggests that, at a minimum, proposed fees be published in the Federal Register for public comment.

Another AAA concern with H.R. 2107 is the provision for revenue targets, and the "rewards" they trigger. While we support the goal of providing incentives to public land managers to collect appropriate fees, AAA is concerned that the revenue targets may encourage land managers to "nickle and dime" visitors to attain the goal. Travel research indicates that travelers, particularly families, favor all-inclusive travel packages that incorporate most charges

into one overall payment. Again, for fee programs to be acceptable to the public, they must be perceived as fair and as providing an easily identifiable benefit. Fees not linked to improved visitor services will soon lose support.

AAA is also concerned with the goal of generating 75 percent of the annual cost of providing visitor recreational programs through recreation fees. We endorse the bill's exclusion of administrative overhead in the cost of recreational services, but we are concerned that the definition of such services may be too broad. While AAA supports the concept of paying for recreational services, we cannot support language that may provide a backdoor means for using recreation fees to pay for a broad range of operations not directly benefitting the visitor.

In summary, Mr. Chairman, AAA believes H.R. 2107 and certain provisions of H.R. 2025 are a good framework around which to build a new approach to recreation fees for those who visit and recreate on the public lands. AAA believes the bills reflect an honest attempt to implement an integrated and equitable fee program with the flexibility and efficiency to ensure its broad acceptance and success.

AAA does, however, have several concerns with the bills and would ask the Subcommittee to give serious consideration to these concerns as you proceed. AAA would be pleased to work with both you, Mr. Chairman, and Congressman Richardson to address our concerns and develop a recreation fee policy that the traveling public can accept as fair and as providing for their continued enjoyment of the public lands.

Thank you for this opportunity to submit AAA's views.

National Parks

and Conservation Association

STATEMENT OF
 PHILIP H. VOORHEES
 NATIONAL PARKS AND CONSERVATION ASSOCIATION

BEFORE THE
 SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

ON
 H.R. 2025 AND H.R. 2107, BILLS TO CHANGE THE STRUCTURE OF ENTRANCE
 AND RECREATION FEES IN NATIONAL PARKS

AUGUST 3, 1995

Mr. Chairman and members of the Subcommittee, my name is Phil Voorhees. I am a Washington Representative for the National Parks and Conservation Association, America's only private nonprofit citizen organization dedicated solely to protecting, preserving, and enhancing the U.S. National Park System.

This morning's hearing is of great interest to NPCA's 450,000 members and is likely to have more direct impacts on visitors and, potentially, on the National Park Service than most other measures that you will consider this year. With the summer peak tourist season in full swing, the parks are seeing unprecedented levels of visitation. Some parks in the west have reported 15 and even 20 percent increases over last year's levels. Currently, visitors pay entrance fees at one or more designated entrance gates at 133 parks. For Yellowstone, Yosemite, the Grand Canyon and other magnets for tourism, fee collection has meant lines of vehicles snaking miles from the gate and hours of frustration. This is an unfortunately common experience for summer visitors to many national parks.

From the perspective of the National Park Service, however, the process of entrance fee collection has advantages beyond revenue production. With budgets tight and fewer employees due to restructuring and downsizing, the entrance gate is for many visitors, the sole opportunity for contact with a park ranger. Though we lament this trend, it remains true. As fee legislation makes its way through this Congress, it is our sincere hope that the final product will be a measure which provides the National Park Service with direct access to the fees it collects, and relies on the expertise of park professionals to appropriately configure a fee program for both the public and for the commercial users of the parks. Finally, and most importantly, it is our hope that this Congress will find a way to ensure that



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any funds which are generated through entrance or recreation fees in the national parks are reflected as supplemental to the annual appropriation designated for the National Park Service and applied to the backlog of needs that face the National Park System.

Earlier this year, Colorado State University conducted a nationwide survey to determine how the American public views the condition of the national parks, threats to park resources, the importance of park protection, and the future prospects of the National Park System. A summary of the results of the survey is included with this testimony. As a part of the survey, three questions were asked which reveal a great deal about the public's views on fees and fee collection in national parks, and appear as graphs 5, 6 and 7 in the attached Executive Summary Report.

The results reveal that nearly 80 percent of respondents do not oppose the concept of an increase in entrance fees in parks. That opinion is seriously tempered with the opinion that 100 percent of fee revenues be used to maintain the parks. As a more dramatic statement of support for funding for the parks, however, more than 75 percent of respondents supported adding \$1 to their federal tax payment or subtracting \$1 from their tax refund to support the national parks. Despite the public's demonstrated willingness to pay higher fees, or even more taxes to support the parks, as a matter of policy, NPCA feels strongly that the public should be asked to pay more only after the myriad commercial users of the national parks, from filming companies to park concessioners, are asked to pay a fair share first.

With park visitation increasing at impressive rates virtually every year, expanding beyond the summer season to the spring, fall, and even winter, it should be apparent to every member of this committee that both Americans and foreign tourists from the world over love the national parks and return year after year, despite frustrations with crowding, and limited ranger contact. As congressional managers of the National Park System, we hope you will help the National Park Service to realize its goal of ensuring that every one of the 270 million visitors receives a quality experience when visiting any of the 368 units in the park system. As congressional managers of the parks, we hope that you will ensure that the National Park Service has the tools to provide this year's, next year's and all future visitors with the opportunity to learn about America's unique natural and cultural heritage. Well conceived, comprehensive fee legislation may be this committee's opportunity to guarantee that the National Park Service has the tools that it needs. It is with the goal of providing the NPS with these tools that NPCA has reviewed the two pieces of fee legislation being considered today.

Philosophical Approaches to Fee Collection

Park professionals, historians, and professionals interested in visitor use of the parks are of many minds about the level of "reasonableness" of entrance fees for national parks. In May, this committee heard testimony from witnesses who asserted that "market forces" should establish what people are willing to pay to visit a park. At the other end of the spectrum are

those who argue that national parks -- and implicitly access to parks -- is a birthright for all Americans which is paid for by our tax dollars, one of the few expenditures that virtually all Americans agree is a wise and worthy use of federal funds. These people argue that no additional fee should be charged for admission to resources supported and maintained by taxes. There are merits to both arguments, but the National Park Service has a long history of using fees to directly or indirectly support visitor services, beginning with the imposition of an automobile fee at Mt. Rainier National Park in 1908, for the purpose of funding road construction and maintenance in the park.

The two bills being considered today, H.R. 2025, the Park Renewal Fund Act, and H.R. 2107, the Visitor Services Improvement and Outdoor Legacy Act, preserve and extend the concept of visitors paying for visitor services. The similarities between the two bills, however, are very limited. H.R. 2025 is a modified version of legislation proposed and passed by this committee last year, and returns the authority to set and adjust park entrance and recreation fees to the professionals in the National Park Service. Further, the legislation establishes a Park Renewal Fund into which all fee receipts above the level collected in FY 1996 would be deposited and would remain directly available to NPS, not subject to appropriation. This is a concept which NPCA strongly supports in its current form, but which we believe should be expanded to include all fees collected by NPS, including base amounts collected prior to FY 1997.

In past cycles of fee legislation, Congress has mandated fee ceilings, below which NPS was generally free to establish fees as appropriate. Periodically, however, NPS has had to return to Congress for an increase in the ceiling. Since 1987, NPS was promised that the fees collected would provide supplemental funding, over and above what Congress appropriated. In reality, the fee receipts have supplanted funds otherwise allocated by the appropriations committees. Supplanting, instead of supplementing park appropriations with fee receipts placed park managers in the awkward position of choosing to allocate scarce personnel to fee collection, providing no apparent benefit to park resources or to park visitors, or to other activities such as interpretation or resource protection. The result was that many entrance gates were left unstaffed. The incentive program provided by the Reconciliation Act in 1993, allowed parks to directly retain 15 percent of the receipts to fund collection activities. This measure has achieved the desired result, and fee receipts are expected to climb to \$120 million by the end of 1996. H.R. 2025 strengthens the ability of NPS to directly realize the benefit of fee receipts, and targets those receipts towards the physical needs of the parks, including updating interpretive media, repairing exhibits, and infrastructure projects related to resource protection. The result of this targeting will be improvements visible to the visiting public.

The Danger of Setting a Statutory Requirement for Fee Generation

The mandate established by H.R. 2107, that NPS fund 75 percent of the cost of providing visitor recreation programs through fees, is a new concept that is totally untested. Given

current budget levels, this would mean that NPS would have to increase fee collections by approximately \$200 million per year. This provision is clearly based on the theory that establishing a park-based incentive for fee collection will result in improved collections, a theory which NPCA supports. H.R. 2107, however, carries the theory to an extreme by threatening NPS with budget starvation if they are unable to forage for the funds needed for visitor services. NPCA is concerned that placing the formal stricture on funding through appropriations may result in a variety of unintended consequences.

H.R. 2107 is generous in its phase-in period for this new visitor recreation funding concept, providing six years for transition, during which NPS and the other land management agencies are required to field test different approaches to fee collection. The three-year test period may well result in valuable findings on where and how fees should be collected, and how much visitors are willing to pay. Since this proposal appears in both the House and Senate appropriations bills for FY 1996, field testing of fee collection methods will occur independent of the authority provided by H.R. 2107. NPCA has long supported legislative language requiring a study of the various user groups of national parks, including both commercial and public users, and the potential for establishing different fee levels, based on park use. The information collected during the process of field testing different methods of fee collection should shed some light on different users and different use patterns in the parks and on other federal lands.

Providing the statutory pressure for specific levels of fee collection by NPS, however, presents NPS with at least two substantial problems. First and foremost, the requirement risks reshaping the NPS mandate, established by the Organic Act of 1916, from "the Service... shall promote and regulate... the national parks to conserve the scenery and the natural and historic objects and the wildlife therein..." to "... promote and regulate the national parks and the natural and historic objects and the wildlife therein, so long as the funding for such activities are self-generated." The overarching issue here is that the national parks were established to conserve the natural and historic values that Americans hold dear, they were not intended as self-financing economic engines. H.R. 2107 presupposes that, if fee receipts are inadequate to fund the provision of visitor services, including interpretive programs, hiking trails, and law enforcement, that those programs are not worth funding. The committee should realize that even the most modest units of the National Park System which do not now and never will provide significant, if any, fee revenues, nonetheless provide invaluable learning opportunities for the American public. Parks throughout the system are relied upon heavily by local schools which regard the parks as extensions of their own classrooms. America would be much the worse if these unique educational opportunities were placed at risk due to an artificial requirement that parks and park education programs be substantially self-funding.

Second, H.R. 2107 directs the appropriations committees to provide 25 percent of the funding needed for visitor recreation. As this committee has seen before, providing such directives in authorizing legislation is no guarantee that the appropriations committees will pay heed and follow such directives. If, in an optimal scenario, NPS and other land

management agencies are able to generate revenues from fees in excess of the needs of visitor recreation, it seems unlikely that the appropriations committees would not "take into account" those excess fees when allocating and appropriating federal funds. In a less optimistic scenario, as pressures on the federal budget increase, the appropriations committees may choose to reduce annual appropriations, regardless of fee receipts, resulting in significantly increased pressure on park managers to fund all visitor services through fee receipts. In 1991, senior park managers and visionaries confirmed in the Vail Agenda, a comprehensive review of the direction of the National Park Service, that "the primary responsibility of the National Park Service must be the protection of park resources." The dynamic which H.R. 2107 establishes between fee collection and appropriations risks effectively changing the primary responsibility to revenue generation. NPS seems especially vulnerable to this possibility during the six-year transition period during which appropriations are supposed to hold steady, even as fee receipts increase. If history is any indication, the appropriations committees will choose to begin "taking into consideration" any increase in fee revenues immediately.

In addition to the above problems, we are concerned that setting a statutory mandate for specific levels of fee collection, without providing a mechanism for increasing FTEs sets in place tremendous pressure on individual parks to provide for fee collection services without providing parks with the physical means to do so. Fee collection is a labor intensive activity, and an activity which will require substantial planning and construction in parks which currently collect no fees. It is not clear in H.R. 2107 how the current non-fee parks will fund and staff new fee collection activities. As this committee moves toward marking up fee legislation, it should be made clear that constructing fee collection centers will not result in a short term drain on NPS operations funding, and that new fee collection and management responsibilities will be covered by an appropriate adjustment in FTEs at fee collecting parks. Finally, as fee legislation moves toward markup, the committee should understand the risk that statutory mandates for fee collection may create. For example subtle pressures may be brought to bear on parks to provide greater opportunities for activities for which they can charge higher fees, such as motorized uses, which may be out of balance with the purpose of national parks.

Using A One Size Fits All Approach to Fees

Where H.R. 2025 deals exclusively with entrance and recreation fees for the National Park Service, H.R. 2107 proposes a "one size fits all" approach. Since the *raison d'être* of the National Park Service is significantly different from that of the other land management agencies, NPCA questions the appropriateness of this approach. Visitor services constitute approximately 33 percent of the NPS budget. It is our understanding that no other agency approaches this level of budget emphasis, either as a percent of the total budget, or in whole dollar expenditures. And NPS has many more established fee collection areas than any other agency. Where the Forest Service, BLM and others may find it easy to reach a level of 75 percent of a small visitor services budget by adding to the limited number of fee areas, NPS may find it substantially more difficult to reach this level. Will this approach place NPS in

the position of having to revise its policy of not charging entrance fees to seniors and juniors under 16 for purely economic reasons? Similarly, as pressure to either draw in more visitors or continually increase fees grows, will the National Park Service and other land management agencies be able to continue to "afford" a policy which guarantees that parks and public lands be accessible to economically disadvantaged populations. Likewise would H.R. 2107 serve as a disincentive to parks to not go beyond the bare minimum requirements set by ADA for providing services and educational opportunities to physically challenged publics. These are questions which will require careful consideration by this committee, including the kinds of scenarios which can be expected to result from a one-size-fits-all policy for agencies with differing mandates and differing purposes. All conservation lands are not created equal. NPS units are accorded a higher level of protection than are units in other land management agencies, and that level of protection should not be predicated upon any artificial level of fee generation.

Conclusion

NPCA is not opposed to increasing public entrance and recreation fees in the national parks. In fact, in two recent surveys of our members and of the general population, we found that both our members and the general public were supportive of increasing fees for access to and use of the national parks. Both groups, however, qualified their support with the proviso that all the monies go to benefit the parks. In fact, when given the choice of having half the revenues go to the parks and half to other social programs, support for an increase in fees dropped from 80 percent to 18 percent in the survey of the general public. It is clear that H.R. 2025 intends that outcome and provides the mechanism through the Park Renewal Fund. It is somewhat less clear that H.R. 2107 will provide the parks with any increase in current funding at a time when the public clearly recognizes the need for additional financial support for the national parks, wants to see that support provided, and is willing to help through higher fees.

As fee legislation moves toward markup in this committee, it is critically important that the committee consider its responsibility to the park visitor, to ensure that the opportunity for the parks to teach the American people about their cultural and natural heritage not be diminished, regardless of the number of visitors and the level of fees which visitors are asked to pay at any individual unit. While providing an incentive structure for fee collection is an appropriate and proven strategy and is provided in H.R. 2025, setting in statutory language a requirement that the National Park Service become partially self-financing is a potentially dangerous course, and could set in place a dynamic which would require park managers to place undue emphasis on fee collection at the expense of the resource protection and other activities that make the national parks an important part of our national heritage.

TESTIMONY
before the
COMMITTEE ON RESOURCES
SUBCOMMITTEE ON NATIONAL PARKS,
FORESTS AND LANDS

UNITED STATES HOUSE OF
REPRESENTATIVES

SUBMITTED BY

KEITH GRIFFALL, BOARD MEMBER
NATIONAL TOUR ASSOCIATION

AUGUST 3, 1995

Chairman Hansen, members of subcommittee, my name is Keith Griffall, treasurer of the National Tour Association and owner of a small business tour company based in Salt Lake City, Utah. It is with great pleasure that I accept this opportunity to speak before you today and represent the views of the National Tour Association on House Resolution 2107 or the Visitor Services Improvement and Outdoor Legacy Act of 1995. The National Tour Association, otherwise known as NTA, has been at the forefront in working with the National Park Service on behalf of the commercial travel and tourism industry for the past 12 years.

For the past eight years, the 600 tour operator company members of NTA have consistently identified National Park Service relations with the tourism industry as a priority government relations issue which impacts member companies.

Let me first provide you with background information on the National Tour Association. Having been in existence for 44 years, NTA is an organization of North American tourism professionals focused on the development, promotion and increased use of tour operator packaged leisure travel. Our membership includes 600 tour operators in the business of developing, packaging and selling travel products to destinations in the United States, Canada, Mexico and throughout the world. Also included in NTA's membership are 800 destination marketing organizations that represent local, regional, state and provincial travel promotion offices and more that 2,300 suppliers which represent attractions, hotels, motels, restaurants, bus companies, airlines, receptive operators and many others.

While there are approximately 3,800 members in NTA, the association's main focus is on its tour operator members, and it is these members that are affected by provisions in HR 2107. As I mentioned earlier, National Park Service relations has been at the forefront of our association's government relations efforts for many years. One of the key reasons for our members placing such a high level of importance in this area is the changing of policies and introduction of user fees without proper notification for the industry.

NTA supports the entrepreneurial philosophy of HR 2107 and the fee retainment concept. For many years now, NTA has advocated that a significant portion of the entry fees should be retained in the parks where collected for: protection, preservation, operations, development and interpretation. However, in its current form, NTA has grave concerns about HR 2107 as it empowers a large amount of statutory discretion on behalf of the Secretary of the Interior.

I would now like to take this opportunity to highlight some of NTA's key concerns with HR 2107:

EQUITABLE FEE ESTABLISHMENT:

Section 3, part c)(1) entails establishing a fee program which "provides for substantial recovery of the costs...through fees paid by the public, including admission fees..."

The number of people visiting the 368 parks, historical sites and recreation areas run by

the National Park Service is placed at 275 million. It is commonly known that the Park Service does not have an accurate visitation number of guests who enter paying only a minimal (Golden Age, Golden Eagle) fee or no fee at all, such as school age children and non-profits. On some occasions there is no park service employee staffing the gate to collect fees. So, it is difficult, if not impossible to project with any accuracy the substantial cost recovery burden that would be imposed on commercial entrants.

NTA fully supports the principle that no less the 75% of entry fee revenue be returned to the park where the fee revenue was generated. While NTA is committed to improving our nation's parks, we have a concern about being unfairly singled out in this fee program concept. The subcommittee needs to consider the economic implications of new park entrance fees on the commercial tourism industry and most particularly the local communities. It is these local communities which depend heavily on tourism for their economic vitality. In 1994, the group tourism industry generated \$7.8 billion annually to the US economy, and of the number \$6.9 billion was spent at the local level.

Section 3 part c)(2) "provides that the fees be fair and equitable, taking into consideration...the benefits of the recipient..." My first question to the subcommittee is how would *fair* and *equitable* fees be determined? Speaking as an operator that visits National Parks, should individuals pay more to enter parks simply because they choose to enter by motorcoach rather than those visitors who chose to drive their own car? This section translates that fees would be established based on commercial "profits" derived from the park tour. NTA asks that any legislative restructuring of fees take into account a rational balance between the commercial and non commercial entry fee. Again, because of the broad discretion conferred on the Secretary, there is no method to project the cost increase.

Future Secretaries could easily establish a *defacto policy* of restricting commercial operators by increasing commercial entry fees to the point that it limits tour groups ability to enter the National Parks.

ADEQUATE NOTIFICATION OF FEES AND SUFFICIENT OPPORTUNITY TO RESPOND:

Section 3 part c)(3) on notification of fees is inadequate. Our first concern is that timing of the notice is not mentioned in this section. In recognition of the advance planning, marketing and contracting that is required in the group travel business, NTA urges the House to adopt a "12 months" notice provision. This 12 months notice was agreed to by NPS in their negotiations with NTA on the '93 budget act commercial fee crisis of September '94 and the Yosemite permit crisis of March '95.

Section 3 part c)(4) confers total discretionary authority upon the Secretary to increase the fees. NTA requests that the committee consider the precedent that will be established by this provision. This is a dangerous delegation of the legislative responsibility to raise taxes and fees. With the unending demands on the authorizing and appropriating committee members and their staffs, the "60 day" response time by Congress is not in any way a practical constraint upon this all encompassing revenue

raising authority. A proposed fee increase would not receive adequate time or attention because there is no provision for a public hearing opportunity to obtain Congressional feedback from the prospective fee payers. We strongly encourage that this section be amended to specifically provide an opportunity for public and Congressional comment.

This legislation must impose a statutory cap on the unlimited fee increases that could be imposed. An example I offer is, in no event may the adjusted fee exceed five percent over a 24 month period of time.

EQUAL ACCESS:

Section 3 part 2(h) provides that the Secretary may "contract with any public or private entity to provide for visitor reservation services." This is an ominous invitation to institute a reservations system in our national parks. It also portends the possibility of singling out the commercial operators for reservations while imposing no such requirement for the individual park visitor who is the primary source of the major congestion problems in the most popular parks. I would also like to add that the majority of group tourism passengers are senior citizens, individuals with disabilities and others who might not otherwise have an opportunity to visit our parks.

In a January 19, 1995 meeting with Secretary Babbitt, he noted to NTA and other industry group representatives that there would not be any type of reservation system "on his watch." I can tell the committee with little doubt that certainly there would be resistance from NTA and its allied industry organizations if such a system were initiated that applied only to the commercial tourism industry. Again, such a system is practical if established on a fair and equitable basis and does not discriminate against the group traveler.

It is NTA's recommendation that the following language be included in section 3 part 2)(h): "in any event no one segment of the visitor public will be compelled to comply with a reservation program while other visitor segments are excluded."

The anti "commercial" bias is further evidenced in section 3 part 2)(k). All other segments of the traveling public are excluded from admission fees on certain roadways. I pose the following question to the subcommittee: Why should the individual traveler enjoy an exemption not provided to the commercial traveler? This bias distinction should be excluded.

Other considerations which NTA asks that you consider:

Specific statutory language be included imposing the fees based on vehicle capacity as opposed to individual per capita fees. This recommendation is grounded on the Park Service/NTA and allied industry experiences in grappling with all the compliance and administrative problems created by the '93 Budget act commercial fee requirements. A per vehicle fee will expedite the fee collection process rather than creating greater congestion by having Park Service personnel collect entry fees from each passenger entering a park.

There should be uniform language specifying that all parks with annual visitation over three million should have one set entry fee. Parks with visitations from one to three million a second uniform fee and finally all parks from zero to 999,999 another uniform fee. Obviously, these are arbitrary thresholds offered only for example purposed. From standpoint of planning and pricing tour packages, if every park had different fees, it would be unworkable for the tour operator.

Again, on behalf of NTA, the foremost concern my association has with HR 2107 is the broad level of authority which is granted to the Secretary of Interior. NTA hopes the committee will consider that nay limitation to national park access be established on a fair and equitable basis among all forms of visitation and not discriminate against those visitors who choose to see our national treasures by motorcoach rather than by automobile. We also ask for a sufficient 12 month notice of fee increases in advance.

NTA urges that you will adopt the amendments to the bill, which we have recommended and incorporate specific statutory constraints limiting the expansive language.

I thank you for including NTA in this process, Mr. Chairman and I would be happy to answer any questions that you or other members of the subcommittee might have.



Testimony
Presented To The

Committee on Resources
*Subcommittee on National Parks, Forests, and
Lands*

United States House of Representatives

By

Daniel W. Anderson

President, National Air Access Council

August 3, 1995



Mr. Chairman, thank you for the opportunity to speak to you on behalf of this nation's commercial air tour operators. I will be speaking with you today about a policy which threatens the integrity of the national airspace system - commercial overflight fees at national parks.

My name is Dan Anderson, and I am president of the National Air Access Council based in Alexandria, Virginia. The NAAC was formed in the early part of this year to represent the interests of commercial airplane and helicopter tour operators throughout the United States. Our members range from larger operators such as Papillon Helicopters, Scenic Airlines, and Air Vegas Airlines, to smaller operators such as RedTail Aviation in Moab, Utah. The national park units our members overfly include Grand Canyon, Bryce, Zion, Canyonlands, Hawaii Volcanoes, Haleakala, and many others. In fact, last year over 2 million people visited their national parks and other federal lands by air, and over 20% of them did so because an air tour enabled them to see areas of our park lands that their physical limitations simply would not have allowed. I have personally managed an air tour company at Grand Canyon for over 6 1/2 years, and have been fortunate enough to witness the countless smiling faces of our customers, all of which have greatly appreciated the opportunity to see the Grand Canyon from an eagle's eye view.

I am particularly appreciative of the opportunity to testify before you today regarding commercial overflight fees because the voices of air tour operators have never before been heard before this committee on that subject. In fact, the fees which were imposed upon air tour operators beginning last year were done so in haste with no opportunity for comment. Grand Canyon operators dutifully paid over \$1.7 million in overflight fees for the last 9 months of 1994, without ever having been given the benefit of hearing before this committee. Perhaps we cannot undo what injustice may have been done, but by your action, you have the opportunity to prevent the current inequity from continuing, and diffuse what currently poses a serious threat to our national airspace system.

Mr. Chairman, we wish to applaud this Committee's efforts at developing and implementing high quality recreation programs while recovering the costs of those programs through an equitable fee structure. It is clearly the intention of H.R. 2107, the "Visitor Services Improvement and Outdoor Legacy Act of 1995" to accomplish those goals. There currently exists a fee however which is inconsistent with the intent of H.R. 2107. The fee that I'm speaking of is the "commercial tour use fee" charged for commercial air tour flights over Grand Canyon, Haleakala, and Hawaii Volcanoes National Parks.

Section 10002 of the "Omnibus Reconciliation Act of 1993" authorized the Secretary of Interior to establish a fee of \$25 per aircraft with a passenger capacity of 25 persons or less and \$50 per aircraft with a passenger capacity of more than 25 persons. This fee was to be charged for all "aircraft entering the airspace of units of the National Park System...for the specific purpose of providing commercial tour services within the airspace of such units." The imposition of this fee established a policy which is not only inequitable it is down right dangerous.

Fee Jeopardizes Jurisdiction of the Federal Aviation Administration

The fee is dangerous because it usurps authority vested in the Federal Aviation Administration for the control and management of U.S. airspace. Granting power to land management agencies to collect fees for the use of airspace had never been done before, and it should never be done again.

Let's consider some of the possible ramifications of this unprecedented change in airspace management policy.

First, until the commercial tour use fee for aircraft was invented, the FAA had unquestionably been given responsibility for all matters concerning the safe and efficient use of airspace. Granting power to land management agencies to collect fees for the use of airspace calls into question "just who's airspace is it?" If fees are to be charged for flights over three national parks, why not all of them? And if the National Park Service can collect fees, why not the Forest Service for flights over wilderness and other areas, or for that matter any federal agency for flights over any federal land? And if federal agencies can charge for airspace, why not states, why not municipalities, in fact, why not private land owners? As an Indian tribal leader once said "we are a sovereign nation, if the National Park Service can collect fees for flights over Grand Canyon, why can't we collect for flights over our land?"

Can you imagine the chaos that would be created in a nation where each entity which controls a given piece of land also has the power to control the airspace above it? The NPS collection of commercial tour use fees for aircraft overflights of national parks is a dangerous first step down that road, and it must be stopped by this Committee. The FAA was granted the power to control airspace over the United States - that is its charter, and the sole authority to collect fees, if any, for the use of airspace should rest with the FAA. Giving this power to the National Park Service or any land management agency makes as much sense as giving the FAA the authority to collect visitor fees at park entrance gates, or fees for timber sales at a national forest. That the controlling agency should also be the collecting agency only stands to reason, and should be the policy by which all federally mandated fees are administered. If any fees are to be collected for national park overflights, they should be collected by the FAA, not the NPS.

But Mr. Chairman, fees for overflights are only part of the airspace management activities of the NPS which should cause this Subcommittee concern. In its 1994 report to Congress on aircraft overflights, the NPS recommended that air tour operators become park concessionaires. Now with the introduction of H.R. 1954 in June of this year, Congressman Skaggs has joined the NPS in proposing that aviation concerns become concessionaires of the NPS. So first we have the NPS collecting fees for the use of airspace, and now we have proposals for the NPS to get into the aviation business, giving them the power to dictate where, when, and how aircraft can fly, and how much aircraft operators can charge. Given this very obvious trend toward NPS control of aviation activities, we have to ask what's next? NPS control of airports? While some might consider the idea laughable, the fact is that the Superintendent of America's premier national park - Grand Canyon - now sits on Arizona's Grand Canyon Airport Commission. This Commission is currently considering, among other options, closure of the Grand Canyon Airport which serves over 800,000 passengers per year.

While we do not wish to suggest any impropriety on the part of the NPS, we do assert that for the NPS or any other land management agency to dabble in airspace or airport management is for that agency to lose focus on its own mission and begin to take on that of the Federal Aviation Administration. We ask that this Subcommittee take action quickly to ensure that the NPS stays out of the aviation business, leaving control of aeronautical activities where it belongs - with the FAA. By rescinding the authority of the NPS to collect fees for airspace use, and by rejecting any notion of aviation related businesses becoming park concessionaires, this Subcommittee can

ensure that the NPS will remain focused on its own mission, the FAA theirs, and that in the process this Country will remain the beneficiary of a safe and efficient air transportation system.

With respect to H.R. 2107, we recommend adding the following verbiage to address the NPS collection of overflight fees. Section 4 (k)(1) entitled "Limitations on Fees" "Activities Not Subject to Fees" reads "Nothing in this section shall be construed to" and we would add paragraph (D) "*authorize the collection of any fees for aircraft entering the airspace above any areas;*"

Commercial Tour Use Fee for Aircraft Inequitable

Mr. Chairman, in addition to being dangerous precedent, the commercial tour use fee for aircraft is wholly inequitable - a direct contradiction with the intent of H.R. 2107. There are at least six reasons why this is so.

1) Air tour passengers pay two fees

First, most air tour passengers flying over the three national parks where overflight fees are assessed are forced to pay two fees for access to the national park - one in the air and one on the ground. A family of four visiting the Grand Canyon and choosing to take an air tour before visiting the park on the ground could expect to pay \$20 in overflight fees (\$5 per person) and \$10 at the gate for a total of \$30. On the other hand, a family of four which drives to the Canyon without taking an air tour, but chooses to hike the Canyon instead, pays only 1/3 of the fees paid by the air touring family. This despite the fact that by seeing remote regions of the Grand Canyon by air instead of on foot, the air touring family left no trash for park personnel to pick up, hiked no trails which required maintenance, in fact the services required for air touring visitors are arguably much less than those for hiking visitors. It would be most appropriate then, to charge visitors whatever fee is to be charged for park visitation at the gate, regardless of whether the visitor chooses to see the national park on foot or in the air.

2) Fees are not commensurate with services provided

Second, as the previous example illustrates, the fees being charged are not commensurate with the services being provided. As I said earlier, air tour operators at Grand Canyon for example paid over \$1.7 million in overflight fees in 1994. The minuscule amount that the NPS spent on overflight related activities at that park for the same year is far exceeded by the fees collected. It is clearly the intent of H.R. 2107 to charge fees for recreational services at a rate which is consistent with the cost of providing those services. A charge of \$25 per flight is extremely excessive given the cost to the NPS in providing overflight related services.

3) Air tour operators already pay federal excise taxes for use of airspace

With the introduction of commercial tour use fees, air tour operators began paying twice for the use of airspace. Air tour operators pay federal excise taxes on fuel and on passengers flown in larger tour aircraft. These taxes are virtually identical to those paid by the large commercial airlines. Federal excise taxes are assessed to cover the cost of providing the aviation service and facility infrastructure administered by the FAA. Therefore, the cost of providing services to operators of aircraft over national parks are already assessed through the collection of federal excise taxes. Collection of commercial tour use fees in addition to federal excise taxes is essentially double taxation and should be eliminated.

4) Cost of noise studies should be borne by operators of all aircraft, including commercial / military

One might argue that the NPS noise studies cost taxpayers a substantial amount of money and thus the cost of conducting such studies should be passed on to air tour passengers. But like those who conclude that all noise impacts result from tour aircraft, such an argument fails to recognize the impact of commercial jets, military aircraft, and general aviation aircraft. The NPS conducted noise studies which included an analysis of the impacts from all aircraft combined. Thus if the cost of conducting those studies is to be passed on to aircraft operators, it should rightfully be paid by commercial airlines, the military, and operators of general aviation aircraft as well. Of course it would not be possible for the NPS to collect fees from each of these entities, which further illustrates the point that those costs are recovered through federal excise taxes and that fees for use of airspace, if any, should be administered by the FAA.

5) Fee discriminates against small operators

Because the fee is the same for operators of small aircraft as it is larger tour aircraft, the fee discriminates against small operators. Tour aircraft capacity can vary from 3 passengers to 19 passengers. In the company I used to manage, Air Grand Canyon, the largest aircraft we could afford to acquire was a Cessna 207 which has a capacity of 6 passengers. If we were flying full, dividing the fee of \$25 across 6 people would mean that I incurred a cost of \$4.16 per person on each flight. My competitor, which operated DeHavilland Twin Otters with a capacity of 19 passengers incurred a cost of \$1.32 per passenger. This disparity resulted in a competitive advantage almost \$3.00 per person which served to stifle the growth of our small company. The situation is even worse for operators of even smaller aircraft like the Cessna 182 which costs \$8.33 per seat to fly over Grand Canyon. If fees are to be assessed, they should be "per seat" rather than a flat fee based on large ranges of capacity.

6) Commercial airlines provide tours but are not assessed fees

Last Thursday I flew to Las Vegas from Dallas - Ft. Worth on an American Airlines DC-9 Super 80. As we approached the Grand Canyon, the pilot descended to 18,000 feet and announced that he would be making a right turn to give us a tour of the Grand Canyon. The pilot then diverted from his normal course to a point just east of Grand Canyon village on the south rim. As he turned back to the west, the pilot gave a narrated tour of the Canyon as the passengers, obviously enthralled, stood in their seats to get a better view of the Canyon below. It was clear from the delight of the passengers that this "tour" was an enjoyable highlight to their trip. As a passenger, I would no doubt be more inclined to choose American Airlines for my next trip due to the value added service I had just received.

Clearly then, this "tour" was of commercial value to American Airlines. Why then is American not assessed what would be \$50 for this park overflight? The technical answer is primarily that the air space for which fees are assessed only extends up to 14,500 feet, or 3,500 feet below the altitude at which we were flying. The NAAC supports American Airlines and other commercial airlines in providing "tours" as a value added service to their customers. We are opposed, however, to the arbitrary nature of fees imposed on operators and passengers of commercial tour aircraft flying just a short distance below, and receiving no more services than those provided to commercial airlines and their customers.



Mr. Chairman, I would like to reiterate that we support the intention of this Subcommittee and H.R. 2107 in developing and implementing high quality recreation programs while recovering the costs of those programs through an equitable fee structure. For those goals to be accomplished however, there are several potential pitfalls, in addition to those I've already mentioned, which should be addressed.

H.R. 2107 gives the Administering Secretaries broad powers to set fees and policies. As I've said, we believe that these powers should be more specific and should be limited so as not to include the collection of fees for park overflights. This bill should also provide for more public involvement so that concerns of commercial operators and others are effectively addressed. H.R. 2107 should also require that commercial operators receive at least 12 months advance notice before the implementation of any fee changes. Advance notice is especially important because of the marketing structure for commercial tours which relies on contracts negotiated far in advance of the actual tour.

In conclusion, this Subcommittee now has the opportunity to halt the step by step march of the National Park Service into the control of airspace, aviation businesses, and aeronautical facilities. By adding the language we have suggested to H.R. 2107, and rejecting the notion of aviation businesses becoming park concessions, this Subcommittee will place airspace management and fee collection back in the hands of the FAA and Americans will continue to profit from a safe and efficient air transportation system. The commercial tour use fee is simply not fair, we have seen six reasons for that, chief among them the discrimination against air tour passengers which pay two fees amounting to far more than the cost of the services they receive. Consistent with the intent of H.R. 2107 and this Subcommittee, never again should airspace use fees be assessed by the National Park Service or any other land management agency.

Mr. Chairman, I appreciate having had the opportunity to testify before you today. This concludes my testimony, I would be happy to answer any questions that you or other distinguished members of the Subcommittee might have. Thank you.

STATEMENT BY DERRICK CRANDALL, PRESIDENT, AMERICAN RECREATION COALITION, ON VISITOR SERVICES AND RECREATION FEES AT FEDERALLY-MANAGED SITES UNDER H.R.2107 AND H.R.2025, PRESENTED TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON RESOURCES, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS, AUGUST 3, 1995.

Mr. Chairman and distinguished Members, I am Derrick Crandall and I serve as President of the American Recreation Coalition (ARC). ARC is a national federation of more than 130 national organizations actively involved in meeting the recreation needs of Americans. Our members produce recreational products ranging from canoes to motorhomes to tents, provide services ranging from campsites to downhill skiing and represent the interests of tens of millions of us belonging to individual membership groups such as the Good Sam Club, BOAT/U.S. and the National Off-Road Bicycle Association.

ARC has had a long-time interest in recreation fees. Fees were one of the initial issues we considered after our organization in 1980. Believe me, we would love to see a continuation of the low and non-existent fees which have long characterized recreation opportunities on federal lands. Free lunches are great! Yet we know that recreation on the federal lands really isn't a free lunch: the costs have simply been borne by general taxes, not user fees. Beginning in the early 1980's, we came to understand that during periods of financial pressure on the federal government, recreation programs were as much in jeopardy as other "nice" federal endeavors. And by 1982, the consequences were becoming clear. Campgrounds in our national forests were opening later and closing earlier -- frustrating millions who sought to use their lands during shoulder seasons, but found only locked gates. We saw declines in the numbers of interpretive efforts underway -- the ranger walks and campfire talks that have left indelible impressions on me and tens of millions of others. We saw recreationists and federal officials alike frustrated that no budgets were available to create facilities for, and to administer, such new recreational activities as mountain biking and personal watercraft use, Nordic skiing and more.

We embarked on several initiatives to confront these challenges. We have helped develop and print dozens of brochures and guides to federal recreation opportunities, some contained in enthusiast magazines and some distributed directly by the federal agencies. We have catalyzed partnerships, recruiting corporate and other partners to contribute financially and in-kind to building interpretive kiosks along scenic byways and a myriad of challenge cost share efforts. We have supported efforts to provide funding for recreational programs on federal lands through highway legislation and other programs, supplementing traditional appropriations for trails and parking areas, boat ramps and fishing piers and more.

We also took part in the national debate catalyzed by the President's Commission on Americans Outdoors (PCAO) from 1985 to 1987. We heard loudly and clearly that Americans across the country were willing to pay reasonable fees for quality recreation opportunities -- just as they are willing to pay reasonable costs for quality sleeping bags and boats. Again and again, though, we heard that the agencies had little incentive to charge higher recreation fees, since the fees disappeared into a variety of special accounts and the black hole of the U.S. Treasury. We agreed when the PCAO called for more reliance -- but not complete reliance -- upon the direct beneficiaries of federal recreation facilities and services to ensure that our national parks, national forests, wildlife refuges and public lands remain hosts to outstanding recreation experiences.

The Congress has moved toward this vision, first in 1987 and then again in 1993. But the actions have been piecemeal, bandages and not cures. It is time for a system that allows the Bureau of Land Management employee, the National Park Service ranger -- our key agency personnel on the ground -- to be able to answer a visitor's question about the distribution of collected fees in 15 seconds, time for that official and the visitor alike to be able to see firsthand the results of higher fees on the ground. And it is for that reason that we are so delighted that the Subcommittee has taken on the simplification and clarification of federal recreation fees.

Your time is short, so I will highlight just a few key criteria on which we urge you to base your final legislation and then offer a chart detailing our views on various components of HR 2107 and HR 2025, both of which we find to have merit.

The key objectives for fees of the American Recreation Coalition are that:

the fees are equitable, and aimed at recovering costs where the services and facilities provided represent significant costs to American taxpayers;
the fee system is efficient, costing the least amount practical to administer;
the fees are convenient for the recreationist, so that voluntary compliance is readily achievable;
the fee system is coherent, flexible and integrated, so that overlapping charges are minimized and federal, state and local fees are integrated where appropriate (such as Sikes Act provisions for hunting and fishing fees on federal lands, collected as a supplement to state licenses, or the Pacific Northwest's winter park program); and
the fee revenues are returned to benefit resources, facilities and programs utilized by those paying the fees.

We do support strongly the scope of HR 2107, which would provide consistent guidance and authorities to four of the most important land managing – and recreation providing – agencies. We would note that other federal agencies, including the Bureau of Reclamation, TVA and the Corps of Engineers also face fee challenges which should be addressed by this Congress.

Without belaboring the attached chart, I would like to elaborate on the issue we label number 26. More and more, savvy federal officials in the field are looking to customers and partners for help in providing the quality and quantity of recreation opportunities we all seek. We see enhancement monies and scenic byways monies under ISTEA being used. We see boating and fishing enhancements on federal lands funded through

state agencies under the Wallop-Breaux program. We see Sikes Act provisions allowing state funds to be used in national forests to enhance wildlife habitat and state off-highway vehicle fund monies used to build trails, trailhead facilities and maintain trails. We see continuing success under the Challenge Cost-Share Programs for recreation and wildlife.

We support these partnerships strongly, as we know this committee does. We want to be sure that any action taken by the Congress encourages, rather than discourages, continued and expanded actions of this type. This can only be done if the cash and in-kind support of partners is counted as recreation fee revenues and off-setting recreation program costs. This accounting is both justified and crucial. Administering partnerships of this type entails substantial time and skill. Successes should be recognized in performance reviews and budgets.

Finally, we applaud the actions of the House and Senate appropriations committees in establishing a demonstration fee program. We know that the action of these committees came only because of the support and assistance from the Chairman and his staff. We are excited by this opportunity and will be working hard to use the demonstration program to learn more about fee programs that work. Beyond simple authority to charge fees, the demonstration program gives a green light to partnerships involving the private sector in areas ranging from trails to visitor centers. We urge you to incorporate similar support in the permanent fees measure.

We close by offering our conditional support for HR 2107, support we fully anticipate to become complete as this subcommittee prepares revisions to the legislation. We thank you for your interest and for your willingness to address the recreation fees issue comprehensively. I ask that the accompanying position statement on fees be included as an attachment to my testimony.

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Issue	Existing LWCF Provisions	Hansen Bill Revisions (HR 2107)	Richardson Bill Revisions (HR 2025)	ARC Recommendations
1. Scope		NFS, NPS, BLM, FWS	NPS	Support HR 2107—uniform authority.
2. Title		Visitor Services Improvement and Outdoor Legacy Act	Park Renewal Fund Act	Support "customer focus" of HR 2107.
3. Goals		1. Seek recovery of 75% of agency costs for visitor recreational services. 2. Establish integrated and coherent policy for fees: Flexibility; Equitability; Efficiency; defines recreational services costs.	none	Concern about specific percentage recovery in HR 2107 but concur with higher portion of costs to be paid by visitors. Strongly support HR 2107 provisions urging integration, coherency, flexibility, efficiency and exclusion of overhead from computation of costs.
4. Changes in Sites Permitting Admission Fees		Areas of concentrated use, Congressionally designated areas, visitor centers eligible.	Urban NPS units ban eliminated; specific area prohibition, (i.e., Canaveral, Washington, DC sites) eliminated.	Suggest combination of HR 2107 and HR 2025 provisions.
5. Golden Eagle/ Golden Age/ Golden Access		Eliminates prohibition on consent and authorizes annual fee to be determined by Secretaries.	Eliminates prohibition on consent; authorizes annual fee to be determined by Secretaries; makes Golden Eagle and Golden Access apply only to holder (and companion for Golden Access); makes Golden Age optional; eliminates 50% reduction in recreation fees for Golden Age holders.	Strongly support consentment of Golden Eagle passport and allowing Secretaries to determine fee, no position on Golden Age optional provision; support restrictions on group size admitted via Golden Eagle—suggest one companion or immediate family only.

Issue	Existing LWCF Provisions	Hansen Bill Provisions (HR 2107)	Richardson Bill Revisions (HR 2025)	ARC Recommendation
6. Single Visit Admission Fees		Could allow either single day or multiple day stays and "in and out;" authorizes fees designated to encourage visits by non-personal vehicles; "Group" focused-all passengers in a vehicle or families via other transport mode; eliminates "caps."	Permits single visit admission fees to be per person; could allow either single day or multiple day stays and "in and out;" eliminates "caps."	Support HR 2107.
7. Annual Geographic Fees		Eliminates "cap;" linked to Golden Eagle but only for specified units.	no change	Support HR 2107.
8. Recreation Use Fees		Permits charges for various facilities and services including: back country camping, swimming sites, boat launch facilities, managed parking lots, motorized recreation use and "other recreation uses;" allows use of volunteers to collect fees.	Deletes all non-LWCF recreation fee authorities, allows volunteer fees collection.	Support HR 2107.
9. Non-Recreational Fees			Authorizes secretary to establish fees for commercial and non-recreational uses to meet any costs incurred.	Support HR 2025.
10. Treatment of Concessioner Franchise Fees		Defined as recreation fees.		Support HR 2107.

Issue	Existing LWCF Provisions	Hansen Bill Revisions (HR 2107)	Richardson Bill Revisions (HR 2025)	ARC Recommendations
11. Deposit and Allocation of Fees		Establishes special accounts for each agency, with funds available without further appropriation. Establishes permanent and transition funding provisions; specifies accounting of fees; allocates fees between collecting sites and overall agency efforts.	All "additional" NPS fees placed in new National Park Renewal Fund, available without further appropriation in subsequent fiscal year; special provision for transportation fees to remain available at collected site for conducting official immediate use without appropriation; allows retention of up to 15% by units for costs of collection.	Support HR 2107 if language is adequate to make funds available without further appropriation action; support HR 2025 provision on transportation services.
12. Commercial Tour Use Fee			Combines with admission fee for administrative efficiency.	Support HR 2025 if agreeable with NTA.
13. Authorized Uses of Admission and Recreation Fees		"Direct support of recreational services on Federal Lands." Defined to include certain maintenance and operational programs directly linked to visitors.		Strongly support HR 2107 over loose "park operations" language in HR 2025.
14. Impact on Low-Income Individuals		Requires study and report to Congress at end of transition period.		Support HR 2107 and direction to consider needs of economically disadvantaged during transition period.

Issue	Existing LWCF Provisions	Hansen Bill Revisions (HR 21)	Richardson Bill Revisions (HR 2025)	ARC Recommendations
15. Limits on Fees		Prohibits Federal hunting and fishing licenses; prohibits commercial charges not for recreation; prohibits admission fees for through travel; prohibits charges for those government business; prohibits admission charges for those now holding Golden Age passes; prohibits admission fees for those having legal or treaty access rights for hunting and fishing.	Prohibits Federal hunting and fishing licenses except where state licenses are not required.	Support HR 2107 except permit Federal hunting/fishing licenses where state licenses are not required and allow fees on through routes if 1: 75% of traffic is recreational and 2: a reasonably priced annual permit is available.
16. Distribution of Fees under prior Statutes		Exempts fees collected under new authority from prior statutes sharing revenues with other government agencies and other accounts.		Support HR 2107.
17. Notice of Fees to Public		Must be promptly posted and contained in agency publications regarding areas.		Suggest strengthened provision requiring public notice with invitation for comments and announcement of changes at least 6 months in advance.
18. Annual Reporting Requirements		Annual report on number and location of fee collection areas, visitation information, fees collected, recommendations and other pertinent data transmitted not later than President's budget submission.	Annual report on a unit-by-unit basis on National Park Renewal Fund transactions; annual report required under LWCF by March 31st.	Support HR 2107.

Issue	Existing LWCF Provisions	Hansen Bill Revisions (HR 2107)	Richardson Bill Revisions (HR 2025)	ARC Recommendations
19. Enforcement Provisions		Empowers agency personnel to arrest without warrant those violating fee provisions and provide for trial and sentencing by Federal magistrate.	Similar plus cost recovery for damage to national park resources; eliminates cap of \$100 fine.	Combine HR 2107 and HR 2025 provisions.
20. Donation/Solicitation			Broad authority for Secretary to solicit and accept donations for NPS; limits NPS employees in soliciting donations; allows others to conduct major fund-raising efforts for NPS.	Concern about solicitation of those with a business relationship with the secretary/department. Potential overlap with NPF.
21. Challenge Cost Share			Allows NPS to use any appropriated funds to match non-federal funding for appropriate projects.	Support HR 2107.
22. Delaware Water Gap			Prohibits through-travel by commercial vehicles on Highway 209 within Delaware Water Gap NRA after September 30, 2005.	no position
23. Coordination with FY96 Demo Fee Program		Incorporates demonstration program for 10-30 areas for 4 years.	none	Support HR 2107.
24. Non-federal Reservations		Permits contract with public or private entity for visitor reservation services with commission.	none	Support HR 2107.

Issue	Existing LWCF Provisions	Hansen Bill Provisions (HR 2101)	Richardson Bill Revisions (HR 2025)	ARC Recommendation
25. Incentives for Collecting Agencies		If revenue targets are attained, area receives 25% "bonus" for construction/rehabilitation; fees are placed into separate accounts and are available without appropriation (after transition period); areas exceeding targets keep 1/3 of excess.	NPS only: continues 15% deduction for fee collection costs; provides that all "new" revenues are deposited into National Park Renewal Fund and are available the subsequent year without appropriation; allows each unit to retain 100% of fees for transportation services; allows recovery of costs associated with non-recreational and commercial use of parks.	Support goals of both. Seeks best mechanism to link additional fees to visible, improved visitor services on public lands and best means to insure that new fees do not merely offset reduced appropriations from general funds. Generally favor HR 2107 because of broader scope and appropriations "trigger" to help address backlog.
26. Other				Strongly support additional provision to encourage agencies to seek out (1) capital investment in needed recreational facilities and (2) financial assistance for operations and maintenance from state and local agencies and private sector, counting such revenues as "fees" under HR 2107 toward any goal. Examples include winter parking permits in Northwest and "green sticker fund" in California.

POSITION OF THE AMERICAN RECREATION COALITION ON RECREATION FEES AT FEDERAL SITES

Fees for use of public recreation facilities and services are not new. Fees were established early in the history of the national park system and today generate more than \$100 million annually in federal receipts, collected chiefly by the National Park Service and the Forest Service through entrance fees, camping fees, ski area permit fees and assorted other recreation fees collected from recreationists and those providing recreation services on public lands.

Much of the philosophical and legal basis for recreation fees is outlined in the 1964 Land and Water Conservation Fund Act. The act was the product of those who recognized the importance of recreation in America, and it has enriched our lives immeasurably through strategic increases to federal and state land systems. Yet a great deal has changed since the time of this act and, despite periodic amendments under the guidance of this Committee, the criteria and specific provisions for fees deserve careful review and a new clear and comprehensive strategy.

The framework for a new recreation fee strategy is outlined in the 1987 report of the President's Commission on Americans Outdoors. It argued that public recreation program spending needed to rise and that primary responsibility for the increases should fall upon those who are the direct beneficiaries of these programs. The report noted that recreation expenditures by Americans exceed \$300 billion annually and represent a steadily increasing share of consumer discretionary spending. But the report also argued for accountability between fees and services provided. While our present budgetary situation does not allow us to provide a figurative "free lunch," we cannot and should not forget that after charging for lunch, we have an obligation to serve the food.

ARC supports federal recreation fees if the fees meet the following principles:

the fees are equitable, and aimed at recovering costs where the services and facilities provided represent significant costs to American taxpayers;

the fee system is efficient, costing the least amount practical to administer;

the fees are convenient for the recreationist, so that voluntary compliance is readily achievable;

the fee system is flexible, coherent and integrated, so that overlapping charges are minimized and federal, state and local fees are integrated where appropriate (such as Sikes Act provisions for hunting and fishing fees on federal lands, collected as a supplement to state licenses, or the Pacific Northwest's winter park program); and

the fee revenues are returned to benefit resources, facilities and programs utilized by those paying the fees.

ARC believes that new and higher recreation fees must have a demonstrable positive impact on resource protection and visitor services. While it is true that recreationists today do not pay fees equivalent to the entire cost of managing recreation on federal lands, fee increases which are designed solely to replace general fund appropriations will be unpopular and difficult to implement. Moreover, recreational activities are a non-consumptive use of the American legacy of the outdoors, in contrast to certain other public land uses — which also often fail to pay fully for the costs to the taxpayer. Recreation is also a positive force in bolstering the economies of communities which have undergone reductions in commodity industry activities, including timber, oil, gas, minerals and grazing.

ARC believes that the Congress should establish which recreation program costs should be recovered through fees. Recreation-related expenditures by federal agencies include a mix of land acquisition, capital investments in facilities and operations and maintenance costs. We believe that acquisition of lands and waters should not be funded through recreation fees, since the benefits of ownership of these areas benefit future generations of Americans and not just current visitors. We do believe that it is reasonable to expect that visitors to federal recreation areas, including parks, forests, refuges and other units, can be generally expected to pay for the costs of the services provided to them and the operations and maintenance of the facilities they use. It is important to note, though, that operations and maintenance costs include many expenditures for the general protection of the natural resources of federal areas, including planning and implementation of mandates such as those under the Endangered Species Act.

ARC would prefer to see recreation fees considered in a government-wide context, perhaps through a new Recreation Fees and Public Lands Enhancement Act which would replace the fee authorities now found chiefly under the Land and Water Conservation Act. Federal land and water-managing agencies have a need for consistent direction in recreation fee policy and mechanisms for collecting and utilizing those fees.

ARC urges that recreation fees be used for the purpose the public believes they are being collected. Further, we support the treatment of these revenues in such a way as to make them immediately available to federal agencies. We believe that certain agency resources, including visitor services and maintenance, should be tied to marketplace changes. If visitation increases, more interpretation services will be sought and more trash will be generated — more manpower must be made available. Similarly, if visitation drops federal officials can be expected to reduce outlays.

Some units of federal land systems represent unique challenges to efforts to recover costs, including urban sites. Where possible and without creating new unfunded mandates, such costs should be underwritten through financing from local units of government and by creative public/private sector partnerships involving the recreation and tourism industries. In this process, some federal activities on federal lands might be altered. For example, National Park Service enforcement of local traffic laws on federally-managed roadways, such as the George Washington Memorial

Parkway, could be transferred to state and local law enforcement agencies.

ARC also calls for legislation to put in motion a program approved by the Congress in 1993: non-federal sales of Golden Eagle Passes. ARC, the catalyst for this provision, has been stymied in its efforts to implement the program by a Department of the Interior conclusion that the passes could not be provided on consignment to our members, including L.L. Bean and the Coleman Company, who would act as a consortium to dramatically increase sales of the pass plus provide the public with valuable information on recreation opportunities at lesser known sites. Although the 1993 legislation permits a deduction of up to 8% of the purchase price to cover selling costs, this "commission" will barely cover the costs of handling and order processing. The Interior demand for prepayment torpedoes the program completely, making it too costly to implement.

Finally, ARC strongly supports innovative thinking on recreation fees. We urge the creation of several pilot areas where such concepts as barrier-free entry -- where those entering the park would be required to carry proof of entrance fee payment if stopped inside the park, but would not pass through a traditional "gate." This type of system is used successfully for fish and wildlife licenses in this country and for many transit programs in Europe. We encourage experimentation at individual sites to test out concepts prior to nationwide implementation; we suggest that at least one major national park where multi-day stays are common charge on departure. Currently, a single fee is charged for an entire stay -- whether a few hours or two weeks.

Other concepts which might be tested include: differential pricing designed to encourage visitation during non-peak periods; fee discounts for those arriving via public conveyances to reduce parking demand or for those who volunteer their time while visiting; automated fee collection; fee waivers for those whose ability to pay is limited; and reduced fees for those who use their visits to learn by attending interpretive programs. To provide incentives to federal managers of these areas, we would suggest that a goal be established to recover 90% of the cost of visitor recreation services in the test sites. If this goal is achieved, federal support for these sites would not be reduced below 100% of the funding provided in FY94, adjusted for inflation, and all revenues above 75% of costs could be available without appropriation and supplemental to any appropriated funds.

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National Public Opinion Survey
on the
NATIONAL PARK SYSTEM

Executive Summary Report

A Report of the
National Parks and Conservation Association
1776 Massachusetts Avenue, N.W.
Washington, DC 20036



Conducted by:
Human Dimensions in Natural Resources Unit
College of Natural Resources
Colorado State University
Fort Collins, CO 80523



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INTRODUCTION

Background

In 1994, the National Parks and Conservation Association (NPCA) undertook a survey of all national park superintendents. The survey was designed and administered by the Human Dimensions in Natural Resources Unit of Colorado State University (CSU). The research unit, part of CSU's College of Natural Resources, applies social science principles to natural resource management issues.

The purpose of the 1994 survey was to better understand how the parks' chief stewards view the condition of and future prospects for the cultural and natural resources they are charged with protecting "unimpaired for future generations." The survey, the first of its kind, found most of the nation's 368 national park areas in only "average" condition; some parks even received failing grades. Most superintendents were not optimistic about the prospects for future protection of the parks in an era of expanding demands and flat budgets.

This year, NPCA and CSU have collaborated in a second survey--a national opinion poll to determine how the American public views the condition of the parks, threats to park resources, the importance of park protection, and the future prospects for the National Park System. The results of this survey make up the body of this report.

How to read this report

Results from the survey are displayed in graphic form in the body of the report, with brief captions interpreting the findings. Each graph includes the size of the sample that responded to that question (i.e. N = 921). Sample size varies because some questions were targeted only to respondents who had visited a park before, or because some people chose not to respond to particular questions.

The overall intent of the project was to ask the public's opinions about the National Park System, regardless of their level of experience with parks or the number of times they had visited (if at all). The methods employed in data collection are described in Appendix A. Data for the study were collected using a survey instrument shown in Appendix B of this report, which includes results expressed in percentages for each closed-category question. Summaries of the results from open-ended questions are shown in Appendices C, D, and E.

*Executive Conclusions***VISION FOR THE FUTURE**

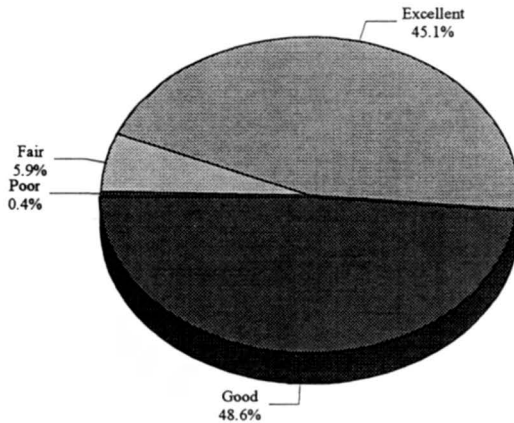
We found that 85% of respondents had visited a park before, and results from all these questions show that interest in the National Park System* is more than just short-term involvement: the public believes that parks should be preserved for the future, they are highly interested in the system, and they are willing to commit money to assure that parks will be protected. This vision for the future clearly arises from the data, and sends a distinct message about how parks should be maintained and managed. Several general findings emerged from the results:

- Survey respondents strongly believed in the importance of keeping national parks the special and protected areas they have been in the past. They expect national parks to be protected in the future. More than 98% of all respondents said protecting the parks for the future was somewhat or very important. In fact, more than 80% of those who said they had never visited a national park thought it was very important they continue to be protected.
- Respondents were asked to evaluate the importance of a number of values for national parks. The "vision for the future" arose again: the value of national parks that was most important to the public was *Providing an important experience for future generations*.
- When asked to choose between managing parks for present day users or future generations, respondents overwhelmingly selected maintaining the national parks in pristine condition for the benefit of future generations.
- Respondents strongly felt that a *balance* of caring for existing parks and increasing/expanding the system was the best future management strategy for the National Park System.
- Support for a tax contribution to benefit the National Park System was high: most respondents were willing to add an additional \$1 to their tax payment or subtract \$1 from their tax refund to benefit the system.
- While a majority of respondents were comfortable with current entry fees, most were in support of fee increases, as long as the money generated was returned to the parks.
- Multiple and diverse threats to the National Park System were recognized by respondents. More than 80% felt all seven threats presented were to some degree serious.

* The 368 parks, monuments, historical sites, seashores, battlefields and other areas administered by the National Park Service. For simplicity in this report, all units of the National Park System are referred to as national parks or parks.

- More than 90% of respondents who had visited a national park said that the parks they had seen were in good or excellent condition. This contrasts with the park superintendents' survey from 1994, where superintendents rated the parks they managed as being in, at best, average condition. This may be due to the fact the stewards of these resources are more aware of the actual impacts of park threats and problems than is the general public.
- One in five visitors felt crowding interfered with their enjoyment on their most recent visit to a national park. Even those who did not feel crowded were willing to support a number of strategies for limiting visitation for the most popular parks and/or during peak season, such as limiting automobiles, implementing a reservation system, and limiting the level of daily use.
- Finally, more than 90% of respondents said they would be fairly or very likely to visit a national park in the next few years, indicating a high level of interest in the National Park System.

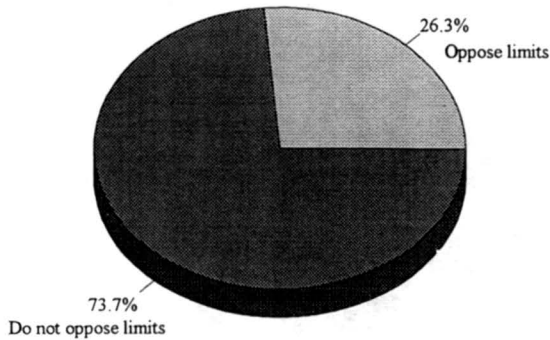
Graph 1: Condition of Parks



- Respondents who had visited a national park at least once were asked how they felt about the condition of the parks they had seen. Graph 1 shows that visitors have an overwhelmingly positive impression of national parks.
- Nearly 94% of respondents who had visited a national park before rated the condition good or excellent.
- The public's perception of the condition of national parks contrasts sharply with the opinions of park superintendents. In a 1994 CSU/NPCA survey, park superintendents rated parks to be only in average condition.

Graph 3: *

Limiting Visitation to National Parks

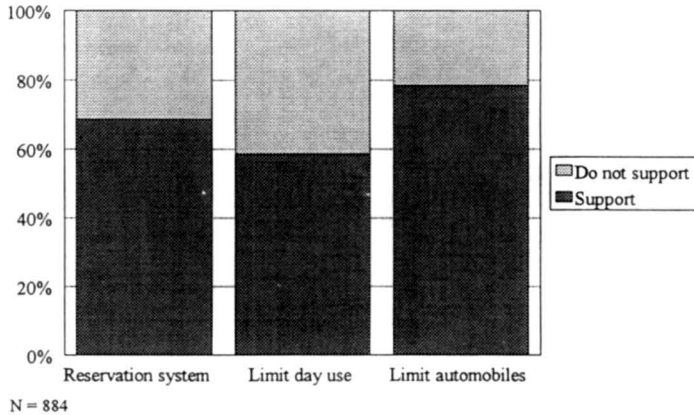


N = 911

- Survey respondents were asked whether they did or did not oppose limiting park visitation. Almost three quarters (73.7%) said that they would not oppose limits on visitation.
- Although only one in four visitors felt crowded on their most recent visit (see Graph 2), respondents still recognize crowding as a problem since almost three quarters did not oppose limits on visitation.

* This graph refers to results from the fourth segment of survey Question 5 (See Appendix B).

Graph 4: Support for Limitation Strategies



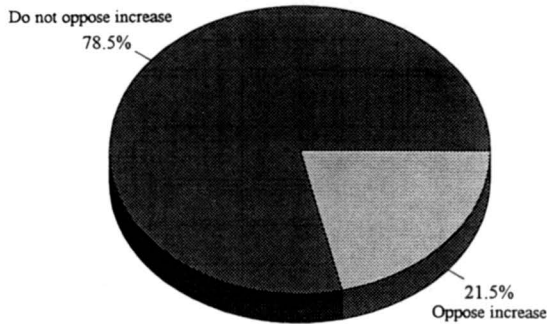
- Three strategies for limiting visitation were presented:
 1. A reservation system for the most popular parks during peak season
 2. Limit the level of daily use in the most popular parks
 3. Limit the number of automobiles in the most popular parks during peak season.

All respondents were asked to indicate their level of support for each option, regardless of whether they were against limiting visitation in general (see Graph 3).

- The most popular visitation limitation strategy was to limit automobiles, which was supported by 78.4% of respondents. Next was a reservation system, with 68.6% of respondents finding this to be a favorable strategy for limiting visitation, followed by limiting day use, with 58.5% support.

Graph 5:^{*}

Entry Fee Increases

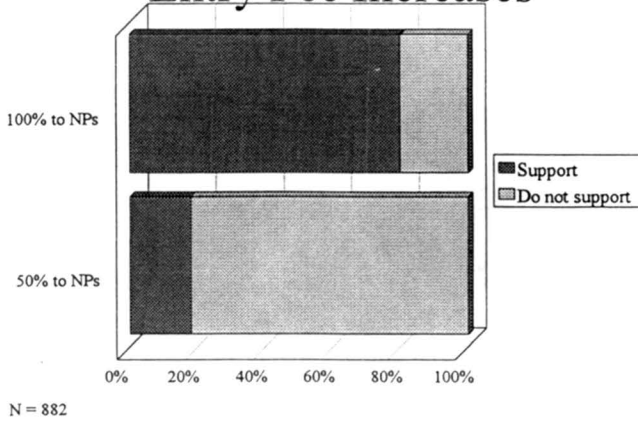


N = 901

- After being informed that entrance fees for most major national parks are about \$5 *per carload* (as opposed to a per person fee) for a visit up to seven days, respondents were asked whether they felt this was too low, about right, or too high. While not depicted in Graph 5 above, most (60%) felt that current fees were about right, 35.9% felt they were too low, and 4.1% indicated that fees were too high.
- However, Graph 5 shows most people (78.5%) were not opposed to an increase in entry fees.

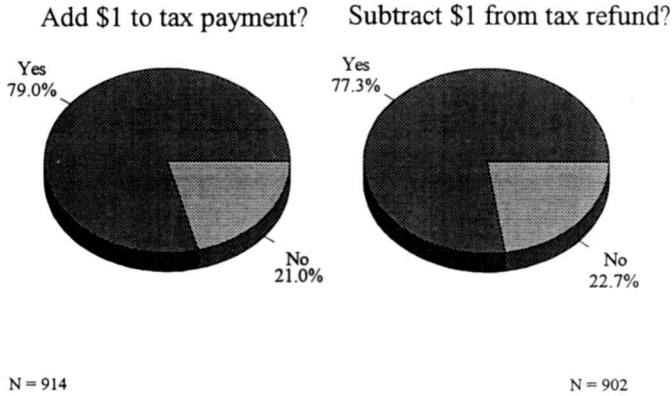
^{*} This graph refers to results from the third segment of survey Question 7b (See Appendix B).

Graph 6: Support for Options for Entry Fee Increases



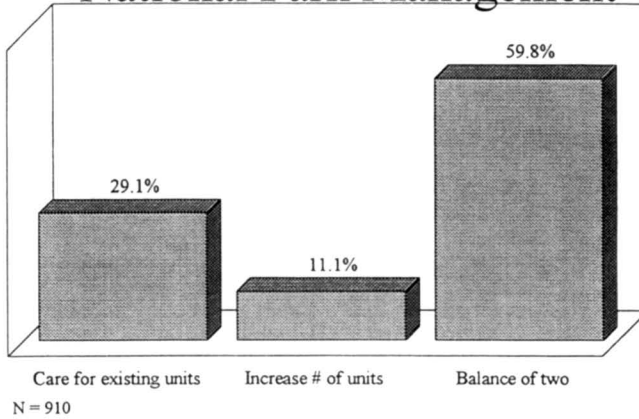
- Respondents were presented two strategies for allocating revenues generated from an increase in entrance fees up to \$6 *per person* (as opposed to an average of \$5 per carload) for up to seven days. Respondents were asked if they would support the increase:
 1. If they knew that 100% of fee revenues would be used to maintain national parks
 2. If 50% of fee revenues would be used for parks and 50% for other federal programs.
- About 79.9% of respondents supported a fee increase if 100% of the revenue went to the parks, while only 17.9% supported the fee increase if half the revenues were allocated to other programs.

Graph 7: Support for Tax Contributions to Benefit National Parks



- Respondents were told that some park advocates have proposed a contribution on the federal income tax form to help fund the National Park System, and were asked if they would be willing to add a dollar to their tax payment or subtract a dollar from their tax refund.
- Nearly 8 out of every 10 respondents were willing to increase their tax contribution by \$1 to benefit the National Park System.

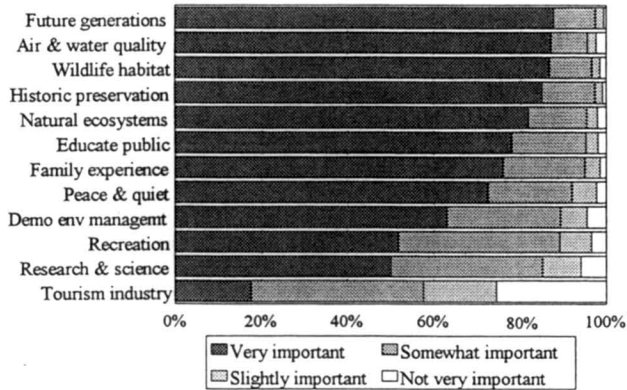
Graph 8: Preferred Approach to National Park Management



- Every year, the National Park Service and Congress grapple with the twin demands of taking care of the park system as it stands now and expanding the system by adding new units or expanding existing units. Respondents were asked to decide where the emphasis should be placed, with the following options provided:
 1. Care for existing units
 2. Increase number of new units and expand existing units
 3. Balance of these two.
- Most people (59.8%) supported a balance of the first two objectives, indicating a desire to care for what we've got now as well as increase and expand the system.

Graph 9:*

Values of National Parks

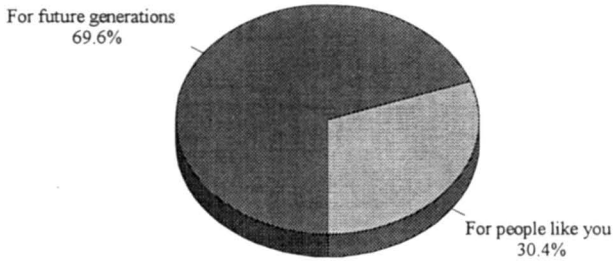


N = 911

- “Provide an important experience for future generations” was the most important value, with 87.6% of respondents indicating it was very important.
- Most of the items presented received very high support. Ecological values such as “protect water and air quality,” “protect wildlife habitat,” and “preserve natural ecosystems” were rated very high in importance by most respondents. Cultural and educational values such as “preserve historical areas and sites” and “educate the public about our country’s natural and cultural heritage” were also important. Very few respondents felt that a principal value of national parks is to “provide income for the tourism industry.”

* A number of possible values for national parks were presented in random order. Respondents were asked to indicate how important they felt each value was.

Graph 10: How Parks Should be Managed

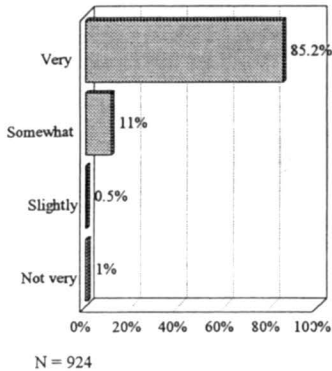


N = 855

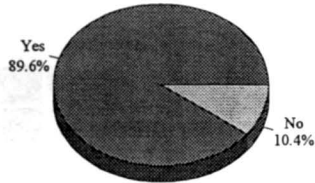
- Respondents were asked to indicate which of the following statements came closest to their opinion on how national parks should be managed:
 1. Emphasis should be placed on managing parks in a way that allows people like you to enjoy them when they visit
 2. Emphasis should be placed on maintaining parks in pristine condition for the benefit of future generations.
- Nearly 70% of respondents chose preserving national parks for future generations over more short-term management strategies.

Graph 11: National Parks in the Future

How important is it that they remain protected?



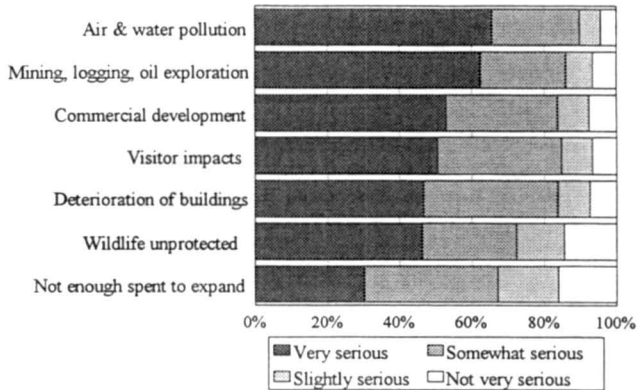
Do you think they will be?



- Strong support for the future of the National Park System was evident from these questions, which first asked how important it was that parks remain the special and protected areas they have been in the past. More than 98% of respondents said this was somewhat or very important. In fact, more than 80% of those who said they had never visited a national park thought it was very important they continue to be protected.
- A follow-up question asked whether respondents expected that national parks would remain protected in the future as they have been in the past, and nearly 90% responded yes.

Graph 12:*

Threats to National Parks



N = 838

- More than 80% of respondents felt all seven potential threats were to some degree serious.
- Impacts from external sources were at the top of the list, including threats such as “air and water pollution that originates outside the parks is causing damage inside the parks,” “mining, logging and oil exploration near park boundaries threatens park resources,” and “commercial development outside park boundaries is increasing and getting too close to the parks.”
- Threats such as “large numbers of visitors are harming park resources,” “not enough money is being spent to keep historic buildings and other cultural resources from deteriorating” and “wildlife in the parks doesn’t receive adequate protection” were perceived to be very serious by nearly 50% of respondents, and “not enough money is being spent to expand the boundaries of existing parks” was considered very serious by approximately 30% of respondents.

* A list of threats that face the national parks was presented in random order. Respondents were asked to indicate how serious they felt each threat was.

APPENDIX A
Survey Methodology

Methodology

A. Survey Development The survey instrument was developed by NPCA and CSU in November and December 1994, with assistance from Ken Homback of the National Park Service's Division of Socio-Economic Studies in Denver. The survey design drew on previous public opinion polls conducted for the National Park Service in 1955, 1978, 1983, and 1991, as well as several proprietary surveys conducted for NPCA in 1994 and 1995 to determine the attitudes of the citizen group's more than 450,000 members on park issues.

Survey development was guided by the following general areas of interest:

- Values and purposes of the National Park System
- Image and condition of parks
- Attitudes about government spending for national parks
- Crowding issues
- Future visitation of and expectations for the National Park System
- Entry fee and tax expectations of the public
- National Park System visitor trip characteristics and past experience
- Problems of and threats to national parks
- Demographics of survey respondents

B. Sample Acquisition A sample was purchased from Survey Sampling Inc., Fairfield, CT. The sample was purged of business numbers, disconnected numbers, FAX numbers, etc., and included both listed and unlisted household numbers from all states in the U.S. except Alaska and Hawaii. The sample was representative of the population of the 48 states in every way including age, income, ethnicity, and state population.

C. Phone Methodology A national telephone survey was conducted in early February 1995 to gather information about the American public's experience with and perceptions and opinions about the National Park System. Trained personnel from Colorado State University implemented the survey. Over 10,000 total dialings were made, 4,857 of which had a terminal disposition (i.e. completed interview, refusal, language barrier, etc.). Of those 4,857 dialings, 42.9% were refusals and 19.4% were completed interviews. Altogether, nearly one thousand households (N = 943) agreed to participate in the interview.

The twelve values in question 11 and the seven threats in question 15 were randomly rotated to prevent order bias from occurring. In other words, the order in which the telephone interviewers read the values or threats varied randomly for each respondent to avoid the waning enthusiasm for the options that might result from going through such a long series of choices.

D. Demographic Reliability Confidential demographic data were collected from all respondents (children in household, education level, age, income, ethnicity, relationship status, size of home community, and sex). Answers to these survey items were consistent with the general characteristics of the U.S. population, and provided a basis for evaluating public opinion among different segments of the nation's residents.

Comparison of results from demographic questions with 1990 census data shows our final sample of respondents was similar to the general U.S. population, although our final sample was slightly less likely to have children in the household, was more educated, had a higher proportion of middle-range incomes, was slightly more likely to be female, and more likely to be white than the general population. Because of incompatibility between 1990 census data and survey demographic categories, size of home community, age and relationship status were not compared. For state population percentages, our sample was very representative of the U.S. population. The survey has a margin of error of $\pm 3\%$ at the 97% confidence interval.

APPENDIX B

Questionnaire with Results

January 28, 1995
 NPCA Public Opinion Questionnaire
 Final Version 6.0

Dr. Glenn Haas
 Darla S. DeRuiter
 Department of Natural Resource Recreation &
 Tourism, CSU

**National Parks and Conservation Association
 National Public Telephone Survey: 1995**

Question

Hello, I'm calling from Colorado State University. My name is _____. I'm calling to get some opinions from you about the National Parks for a very important nation-wide survey that we are conducting with the National Parks and Conservation Association. I want to emphasize that this is not an attempt to solicit funds. Your responses to this survey will help us understand the public's opinions about the National Parks, which will help guide decision-making. The questions will only take about 10 minutes and all your answers will be kept strictly confidential. Would you be willing to participate tonight?

YES Thank you. (*Continue survey*)
 NO May we call again at a better time?
 Is there another adult available who might be interested?

Just for the record, I need to confirm that I'm speaking with someone 18 or older.

YES Thanks. For your information, when I refer to *National Parks*, I am including all the areas that the National Park Service manages such as National Parks, National Monuments, National Recreation Areas, National Historic Sites, National Battlefields, National Seashores, etc. (*Continue*)
 NO Is there someone 18 or older available who might be interested?
 Is there a better time for me to call back and speak with someone over 18?

- 1a. First of all, have you ever visited a National Park, National Monument, National Recreation Area, National Historic Site, etc.? 85.3 yes (*Continue*)
14.7 no (*Go to Question 5*)
- 1b. How often have you visited a National Park, Monument, etc. in the past two years?

<u>34.6</u> 1-2 times	<u>1.4</u> 21-50 times
<u>20.5</u> 3-5 times	<u>1.6</u> more than 50 times
<u>6.7</u> 6-10 times	<u>31.4</u> None (zero)
<u>3.8</u> 11-20 times	
- 1c. About how many National Parks, Monuments, etc. would you say you have ever visited? 16.3 mean; 7.0 median; 10.0 mode
2. On your last visit to a National Park, how long did you stay? (*Read if necessary*)

<u>29.1</u> A few hours	<u>16.7</u> 3 to 4 days
<u>26.0</u> One day	<u>10.3</u> About a week
<u>14.4</u> Overnight (2 days)	<u>3.4</u> More than one week
3. How would you describe the condition of the National Parks you have seen?

<u>45.1</u> Excellent condition
<u>48.6</u> Good condition
<u>5.9</u> Fair condition
<u>0.4</u> Poor condition

- 4a. On recent visits to a National Park, did the park feel overcrowded?
25.6 yes 74.4 no (If no, skip to question 5)
- 4b. On a scale of 1 to 10, how much would you say that the crowding you encountered interfered with your enjoyment of the visit? One means that the crowding was not too serious and ten means that the crowding seriously interfered with your enjoyment. 5.0 mean, median & mode
5. The following questions are yes/no answers. As a means of managing visitation in the popular parks, which of the following would you support?

	Yes	No
A reservation system for the most popular parks during peak season.	68.6	31.4
Limit the level of daily use in the most popular parks	58.5	41.5
Limit the number of automobiles in the most popular parks during peak season	78.4	21.6
I am against limiting visitation in general	26.3	73.7

6. If someone were to ask you: "What good are the National Parks?", what would you say?

(Record Key Words Only) _____ (See Appendix C)

- 7a. Right now, entrance fees for most major national parks are about \$5 per carload for a visit up to seven days. Do you feel this is too low, about right, or too high for park entrance fees?
35.9 Too low 60.0 About right 4.1 Too high
- 7b. The following questions are yes/no answers. If Congress were to raise the entry fee to \$6 per person for up to seven days, would you support the higher fee:

	Yes	No
If you knew that 100% of fee revenues would be used to maintain the National Parks	79.9	20.1
If 50% of fee revenues would be used for the parks and 50% for other federal programs	17.9	82.1
I am against an increase in entrance fees for any purpose	21.5	78.5

- 8a. Some park advocates have proposed a checkoff on the tax form to help fund the parks. Would you be willing to:
 Add one dollar to your tax payment? 79.0 Yes 21.0 No
- 8b. Divert one dollar from your tax refund? 77.3 Yes 22.7 No
9. There has been some discussion over how much the government should spend on the National Parks. To the best of your knowledge, would you say the Federal Government spends too much, not enough, or about the right amount for National Parks?
6.4 Too much 61.7 About right 31.9 Not enough
10. Every year, the National Park Service and Congress grapple with the twin demands of improving the park system as it stands now and expanding the system through new units or expansion of existing units. Where should the emphasis be placed? (Read options)
29.1 Care for existing units
11.1 Increase number of new units and expand existing units
59.8 Balance of these two

11. Many reasons have been proposed for valuing National Parks. Please tell me how important each of the following reasons is to you for having National Parks. (Read choices):

Is that:	Very important	Somewhat important	Slightly important	Not very important
Provide recreation opportunities	51.9	37.3	7.5	3.4
Protect wildlife habitat	86.6	10.0	1.9	1.4
Preserve historical areas and sites	84.9	12.5	1.7	0.9
Protect water and air quality	87.1	8.6	2.0	2.3
Provide opportunities for a quality family experience	75.9	19.2	3.6	1.4
Conserve natural areas for research and scientific study	50.2	34.9	9.0	5.9
Provide an important experience for future generations	87.6	9.8	1.9	0.6
Provide income for the tourism industry	17.6	40.0	16.8	25.7
Preserve natural ecosystems	81.8	13.8	2.5	2.0
Provide opportunities to experience natural peace & quiet	72.4	19.6	5.8	2.2
Demonstrate environmentally sound management practices	63.1	26.2	6.3	4.4
Educate the public about our country's natural and cultural heritage	77.8	17.5	2.8	1.9

(Questions will rotate to avoid order bias)

12. Which of the following two statements comes closest to your opinion on how national parks should be managed?

30.4 Statement A: Emphasis should be placed on managing parks in a way that allows people like you to enjoy them when they visit.

69.6 Statement B: Emphasis should be placed on maintaining the parks in pristine condition for the benefit of future generations.

13. What is the biggest challenge or problem that you are aware of facing the National Parks?
(See Appendix D)
14. How important is it to you that National Parks remain the special protected areas that they have been in the past? Would you say:
87.2 Very important
11.3 Somewhat important
0.5 Slightly important
1.0 Not very important
15. Here is a list of things that people have identified as threats facing the national parks. For each, please tell me if you think it is a very serious threat, a somewhat serious threat, a slightly serious threat, or not very serious of a threat at all. (Read categories)

	Very serious	Somewhat serious	Slightly serious	Not very serious at all	
Large numbers of visitors are harming park resources	50.5	34.2	8.6	6.7	<i>(Questions will be rotated to avoid order bias)</i>
Wildlife in the parks doesn't receive adequate protection	46.3	26.0	13.2	14.5	
Not enough money is being spent to keep historic buildings and other cultural resources from deteriorating	46.6	37.0	8.9	7.4	
Commercial development outside park boundaries is increasing and getting too close to the parks	52.9	30.6	8.8	7.6	
Not enough money is being spent to expand the boundaries of existing parks	30.2	37.0	16.7	16.1	
Air and water pollution that originates outside the parks is causing damage inside the parks	65.6	24.2	5.8	4.4	
Mining, logging and oil exploration near park boundaries threatens park resources	62.4	23.5	7.5	6.6	

16. How likely is it that you would visit a National Park in the next few years? Would you say very likely, fairly likely, or not at all likely?
71.1 Very likely 21.7 Fairly likely 7.2 Not at all likely
- 17a. In the future, do you expect the national parks to be the kinds of special and protected areas that they have been in the past?
89.6 Yes 10.4 No (*If NO*) 17b. Why not? (See Appendix E)

Thank you so much for your cooperation so far. We are almost finished. We would just like to ask some questions about you personally.

18. Are there any children living in your household who are under the age of 18? 44.3 Yes 55.7 No
19. What is the last grade of school you completed? You can stop me when I get to it.
7.1 Some high school or less
30.1 High school or Vocational Tech. graduate
27.2 Some college or 2-year graduate
20.5 4-year college graduate
15.2 Postgraduate work or degree
20. What is your age? Range: 18 - 92; Mean 44.2
21. In which category does your gross income fall? Again, stop me when I get to it.
12.8 less than \$15,000 14.9 \$50,001 to \$75,000
15.1 \$15,001 to \$25,000 5.0 \$75,001 to \$100,000
18.1 \$25,001 to \$35,000 8.4 Over \$100,000
21.3 \$35,001 to \$50,000
22. How would you describe your ethnic background?
5.4 African American 3.2 Hispanic
1.4 Asian 2.9 Native American
81.2 Caucasian 4.1 Mixed ethnicity
1.9 Other
23. What is your relationship status? Are you
20.9 single 8.1 separated or divorced
60.7 married 7.1 widowed
3.0 living with partner 0.2 other
24. How would you describe where you live?
21.2 Farm or rural area
11.6 Small town (less than 5,000 people)
24.4 Small city (5,000 to 50,000)
19.0 Large city (50,000 to 500,000)
10.5 Very large city (over 500,000)
13.3 Suburb—within 15 miles of a large city or very large city
25. May I please have your zip code? _____

That's all the questions I have. We will be summarizing the questions and reporting them in the upcoming months. Please be assured that all the information will be treated anonymously, but if you are interested, I can take your name and address so we can send you a complimentary copy of the results. Are you interested?

26. YES Name (56.2% of respondents requested results)
 Address _____

NO No problem.

Thank you very much for participating in this interview! Have a nice evening.

27. (Sex: 44.4 Male 55.6 Female)

APPENDIX C

Summary of Results from Question #6:

“If someone were to ask you, ‘What good are national parks?’, what would you say?”

In order to provide some insight into responses garnered from the open-ended question, "If someone were to ask you, 'What good are national parks', what would you say?" without listing all the responses received, the following summary was developed. A total of 907 responses were analyzed. The *percentage of N=907* column indicates the percentage of time that category was mentioned. This column totals to more than 100% because many people gave more than one answer.

Open-ended data were analyzed by repeatedly reading through responses and generating categories which were distinct and specific. Answers were then tallied for all categories. One single response might be counted under more than one category, if a multi-faceted answer was given.

General Categories for Open-Ended Question
"What good are national parks?"

General Category	Percentage of N=907	Number of times mentioned
Preservation, nature, environment	28.5	259
History, heritage	22.7	206
Relaxation, escape, public access	18.4	167
Recreation	14.9	135
Education, learning	14.6	132
Beauty, scenery	13.8	125
Future generations, children	9.8	89
Wildlife	9.6	87
Family	5.3	48
Personal needs, growth	5.0	45
General positive words	3.1	28
Patriotism, rights, God	2.4	22
Don't know, can't express	2.2	20
Trees, forests	1.8	16
Cheap entertainment	1.3	12
Tourism	0.7	6
Total		1397

APPENDIX D

Summary of Results from Question #13:

**“What is the biggest challenge or problem
that you are aware of facing the national parks?”**

In order to provide some insight into responses garnered from the open-ended question, "What is the biggest challenge or problem that you are aware of facing the national parks?" without listing all the responses received, the following summary was developed. A total of 833 responses were analyzed. The *percentage of N=833* column indicates the percentage of time that category was mentioned. This category totals to more than 100% because many people gave more than one answer.

Open-ended data were analyzed by repeatedly reading through responses and generating categories which were distinct and specific. Answers were then tallied for all categories. One single response might be counted under more than one category, if a multi-faceted answer was given.

General Categories for Open-Ended Question
"What are the biggest threats or challenges that face national parks?"

General Category	Percentage of N=833	Number of times mentioned
Funding, budget	22.6	188
Overcrowding, overuse	20.0	167
Preservation, (mis)management, maintenance, understaffed	18.8	157
Misuse, impacts, litter, carelessness of visitors	18.8	157
External threats (Population, development, pollution, etc.)	10.4	87
Don't know	6.8	57
Impacts on wildlife, poaching, hunting	5.8	48
Indifference, disrespect, uneducated visitors	5.2	43
Timber, mining, grazing	4.8	40
Safety, crime, "shady" visitors	3.5	29
Federal government, Congress	3.1	26
None	2.2	18
Air, water quality	1.9	16
Fire	1.9	16
Balance conflicting interests	1.8	15
Concessionaires	1.1	9
Accessibility	0.8	7
Should be transferred to state management	0.5	4
Total		1084

APPENDIX E

Summary of results from Question #17b:

**“Do you expect parks to be the kinds of special and
protected areas in the future that they have been
in the past?--Why not?”**

(Asked of people who responded “No”)

In order to provide some insight into responses garnered from the open-ended question, "In the future, do you expect the national parks to be the kinds of special and protected areas that they have been in the past?--Why not?" (asked of respondents who answered "No") without listing all the responses received, the following summary was developed. A total of 88 responses were analyzed. The *percentage of N=88* column indicates the percentage of time that category was mentioned. This column totals to more than 100% because many people gave more than one answer.

Open-ended data were analyzed by repeatedly reading through responses and generating categories which were distinct and specific. Answers were then tallied for all categories. One single response might be counted under more than one category, if a multi-faceted answer was given.

**General Categories for Open-Ended Question
"Why not?"**

General Category	Percentage of N=88	Number of times mentioned
Gov mismanagement, changing political trends	26.1	23
Lack of funding, budget decreases	20.5	18
People don't care, lack awareness	18.2	16
Big business and commercial development	15.9	14
Too many visitors, impacts from visitors	13.6	12
Increasing population, pollution, env decline	10.2	9
Changing public values	8.0	7
General	5.7	5
Other and I don't know	5.7	5
Total		109



STATEMENT OF FRANK L. JENSEN, JR., PRESIDENT
OF THE

HELICOPTER ASSOCIATION INTERNATIONAL

FOR SUBMISSION TO THE WRITTEN RECORD
BEFORE THE
COMMITTEE ON RESOURCES
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS,
AND LANDS
UNITED STATES HOUSE OF REPRESENTATIVES

RECREATION FEES AT PUBLIC PARKS

**H.R. 2107
"VISITOR SERVICES IMPROVEMENT AND OUTDOOR IMPROVEMENT
ACT OF 1995"**

AUGUST 3, 1995

1635 Prince Street
Alexandria, VA 22314
(703) 683-4646
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The Helicopter Association International (HAI) is the professional trade association of the civil helicopter industry. The HAI represents more than 1,300 member organizations, which operate, manufacture or otherwise support civil helicopters. HAI's members operate 4,000 rotorcraft, safely flying more than 2,000,000 hours each year. HAI is dedicated to the advancement of the civil helicopter industry.

More than 160 of our member companies operate aerial tours. In fact, nearly one-fifth of the total number of visitors to the Grand Canyon National Park do so through the use of one of the safest and most environmentally benign modes of transport: an air tour by fixed wing or helicopter. On behalf of these and other air tour operators throughout the country who transport passengers over this nation's majestic national parks, HAI appreciates the opportunity to record several of our concerns with the Subcommittee.

AIR TOUR OVERFLIGHT FEES

Section 1002 of the Omnibus Budget Reconciliation Act of 1993 established certain recreation user fees for air tour operations over Grand Canyon, Haleakala and Hawaii Volcanoes National Park. This hearing today, nearly two years after the Act was signed into law, affords the air tour community the first opportunity to address, before Congress, this unprecedented user fee levied against the aviation industry, elements of which, on occasion, traverse airspace above some national parks.

Many companies which conduct air tours market extensively within the U.S. and abroad. Their brochures often quote rates that are incorporated as part of an overall tour package. Thus, extensive changes in the cost of an operation often cannot be passed on to the customer and must be absorbed by the company. The new air tour fee was established in a time frame which was wholly inadequate, however, our members have, through concerted efforts, been able to comply to a most impressive extent.

COMPLIANCE:

All of our air tour operators in the Nevada and Arizona regions presently pay the \$25 per aircraft entry fee to overfly the airspace of Grand Canyon National Park. It is our understanding that there is 100% compliance with the collection of the new fee. However, certain statistics used by the National Park Service (NPS) erroneously report compliance at approximately forty percent.

The airspace around the Grand Canyon National Park is governed by Special Federal Aviation Regulation (SFAR) 50-2. This SFAR requires that any air tour company, within these particular airspace boundaries, must have an authorization

to conduct operations in this area. There are over 40 air tour companies that presently have this authorization. Over half of these companies merely hold an authorization and seldom, if ever, conduct operations over Grand Canyon. Yet, when using these numbers as a basis, the compliance record appears quite dismal, when in fact it is exemplary.

A similar condition exists in the State of Hawaii. While many of the operators conduct flights outside the boundaries of park, they are mistakenly counted as tour flights within the park boundaries. Further, the operators have an agreement with the NPS Superintendent in Hawaii to traverse a small portion of airspace over the park without having to submit to the fee process.

FEE OBJECTIVE:

It is indisputable that the air tour industry traverses airspace above many park lands to facilitate viewing of the grandeurs of the park. In the context of H.R. 2107, the "Visitor Services Improvement and Outdoor Legacy Act of 1995," the air tour industry wishes to express its concerns over the present fee process and discuss opportunities for its possible reform.

Most would support the notion that a fee program should be related to the costs associated with the maintenance of the infrastructure required to accommodate the particular mode of transportation. Please consider that this niche of the tour industry, aerial tours, is required to pay a tax for an infrastructure system which it does not even use. Further, while 15 percent of the fee is set aside for NPS administrative purposes, the other 85 percent goes into the general Treasury. As our national parks continue to deteriorate through heavy ground traffic (not air tours), all user fees collected by the Park Service should go toward the maintenance of the park system.

Fees levied against park visitors should be allocated on a reasonable and consistent basis. The air tour industry provides a safe and unique way for hundreds of thousands of visitors, including many elderly or physically challenged, to see some of the most beautiful and remote regions of the national parks. Many of these visitors also opt for a chance to view a portion of the park by bus or by some other means. Unfortunately these individuals are then assessed the user fee a second time. This inconsistency in the fee collection process should be remedied.

CONCESSIONS AGREEMENTS: A THREAT TO AIR SAFETY

The air tour industry is particularly concerned about the latitude that is given to the Secretary of Interior under "(4) Adjustments" of H.R. 2107. There have been attempts to include the air tour industry under a concession agreement administered by the Park Service.

For Example, H.R. 1954, the "National Park Scenic Overflight Concessions Act of 1995," introduced by Congressman Skaggs (D-CO), represents an ominous first step toward airspace control by an agency other than the Federal Aviation Administration (FAA). **This is a particular fee provision that is likely to be offered as an amendment to H.R. 2107, and consideration must be given to the grave potential consequences such concession contracts could have to the safety of the air tour industry and American public.**

Historically, tour operators have had to subjugate the safety of their operations to unilateral and often unreasonable dictates of the National Park Service (NPS). Such actions have already met with tragic results:

In 1987 the National Transportation Safety Board determined that the one and only helicopter accident within the Grand Canyon National Park ever to occur during an air tour was due, in part, to "the actions of the National Park Service to influence the selection of routes by Grand Canyon scenic air tour operators."

To allow the Department of Interior to regulate, via a concession contract, when, where, how and what an operator is allowed to fly, only increases the likelihood of recurrence of such accidents. The "check and balance" set up in the bill would require a safety review by the FAA. However, this procedure failed to work in the aforementioned accident, and is subject to fail again. An attempt to shift such immense regulatory authority to an agency with only a cursory knowledge of aviation, or of air traffic control infrastructure requirements, could easily compromise the excellent safety record the FAA, air tour operators and the entire aviation industry strive to achieve.

Further, H.R. 1954 would allow the Department of Interior (DOI) to unilaterally label certain parks as "flight free." All parks should continue to be available for the use and enjoyment of all Americans. While air tours provide a viable way by which to alleviate the problem of overcrowding in the parks, this legislative initiative would negate such a benefit.

HAI, the air tour operators it represents, and the FAA believe potential environmental concerns are best addressed through the development of voluntary agreements that specify certain flight procedures within the national parks. Such

agreements are already in place at Hawaii's Haleakala National Park and Liberty Island in New York.

HAI urges this Committee to require a reasonable time frame (at least 12 months) when altering fee structures. This will provide adequate time for the industry to absorb the cost of such fees. The existing \$25 fee was an 11th hour add-on to the 1993 House Natural Resources Committee budget act authorization. Such an unrealistically short time frame has created significant problems for the air tour industry and NPS alike. Also there are valid concerns over the legality of a land management agency charging for the use of the airspace which resides under the jurisdiction of the Federal Aviation Administration. These issues have yet to be adequately addressed.

While the overflight fee charged to the air tour has many unresolved issues, they are monetary, legal and ethical in nature. The issue of concessions agreements, on the other hand, present significant safety risks to the general public. The Committee should take great care in considering the industry's safety related concerns if or when the concession issue brought up as an amendment to this or any other legislation pending before Congress.



STATEMENT OF
MARY MARGARET SLOAN, CONSERVATION DIRECTOR
THE AMERICAN HIKING SOCIETY

PRESENTED TO THE
CONGRESS OF THE UNITED STATES
U.S. HOUSE OF REPRESENTATIVES

HOUSE RESOURCES COMMITTEE
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

August 3, 1995

Subject:

Recreation Use Fees



Mr. Chairman and members of the Subcommittee, my name is Mary Margaret Sloan and I work with American Hiking Society. On behalf of the more than 500,000 trail enthusiasts in our membership, I thank you for this opportunity to testify and relay our concerns about H.R. 2107.

A national nonprofit organization, American Hiking Society is made up of more than 100 affiliated clubs, offering technical assistance to encourage federal, state and local collaborative efforts to establish trails. American Hiking Society also promotes volunteerism, recently coordinating a nationwide effort to enlist one million volunteers for trails, the value of whose labor saves the federal treasury an estimated \$100 million annually. Trail volunteers perform this service not only for themselves, but for all Americans who enjoy our public lands.

While American Hiking Society agrees that recreation fees are appropriate, much of H.R. 2107, titled Visitor Services Improvement and Outdoor Legacy Act of 1995, is ill-conceived, warranting our extreme concern. Many of the assumptions driving the provisions of this bill are incorrect, imposing an unduly harsh hardship on America's families. Indeed, the legislation prices millions of families out of a traditional vacation on America's public lands.

Specifically our concerns are as follows:

1. In order to generate revenue to cover 75% of operating costs, the National Park Service estimates that they will be forced to raise entrance fees by as much as five times the current amount. These lands are reserved for public use and this bill will make them inaccessible to the very public who have supported these investments with their tax dollars. For many American families, vacationing in National Parks, Forests and BLM lands is the only way to see the United States.

2. This bill does exclude certain users from paying recreation fees, but it fails to address the hundreds of thousands of volunteer maintenance groups and individuals which annually enter NPS, USFS, and BLM lands to work on trails. The bill in its present form will provide a disincentive to numbers of people donating their time to improve the trails they love, inevitably leading to sharp decline in trail volunteerism. No other public facility has been so caringly built and maintained by American volunteers. Does Congress intend that these people, who provide a much needed and appreciated public service, pay in both dollars and sweat equity? Certainly, volunteer trail maintainers who give something back to the land, should also be exempt. This oversight is unfair and should be rectified immediately.

3. This bill, overall and especially in Section 4(e)(2), provides strong incentives for the land management agencies to focus their attention on high use areas in order to recover 75% of their costs. The less utilized backcountry areas are destined to be neglected and subordinated to the lands which prove more fruitful for the collection of fees. The Congress has designated eight National Scenic Trails which are deemed to be of national significance, and it now seems that they will be relegated to the lowest priority.

4. The maintenance backlog on FS trails alone is approaching \$250 million; at the same time, the numbers of hikers and walkers are escalating. Instead of supplanting federal appropriations with revenues from fees, this bill should be directed toward eliminating the maintenance and re-construction backlog on federally managed land.

5. H.R. 2107 appears to directly conflict with the Livestock Grazing Act introduced by Representative Wes Cooley (H.R. 1713) and Senator Domenici (S. 852). The Livestock Grazing Act gives priority to ranchers over all other users, including recreation users (a premise AHS also opposes). H.R. 2107 would require recreation users to pay a fee to use lands which are not managed for their use and on

which they could be prohibited from entering. The Congress would contradict itself through its own legislation.

6. Collection of recreation fees in wilderness areas appears absurd as well as prohibitively expensive. Section 4(c)(1) directs the appropriate secretary to collect fees in areas of concentrated public use (which is reasonable) and in wilderness areas (which is logistically unfeasible). How will this be implemented? Will the Forest Service ranger roam his district and knock on tents? The collection of fees in the wilderness will not be cost-effective as the employment of rangers to gather fees will prove more costly than the fees that they collect and would only increase bureaucracy.

Thank you for affording American Hiking Society the opportunity to testify and I hope that the subcommittee will take my comments to bear.

**STATEMENT OF ROBERT DINGMAN, WASHINGTON REPRESENTATIVE,
AMERICAN MOTORCYCLIST ASSOCIATION, ON POSSIBLE REVAMPING OF
RECREATION FEES AT PUBLIC RECREATION FACILITIES BEFORE THE U.S.
HOUSE OF REPRESENTATIVES COMMITTEE ON RESOURCES, SUBCOMMITTEE
ON NATIONAL PARKS, FORESTS AND LANDS, AUGUST 3, 1995.**

The American Motorcyclist Association (AMA) appreciates the opportunity to provide written testimony regarding the possible revamping of recreation fees at public recreation facilities, specifically H.R. 2025 and H.R. 2107. My comments will pertain more to H.R. 2107 since the scope of H.R. 2025 is limited to the National Park Service (NPS) which provides no recreational opportunities for off-highway motorcycles and we believe that there should be continuity among the federal agencies and their respective fee authorities.

In previous testimony provided to this subcommittee, the AMA asserted that there are several essential principles which must be contained in any recreation fee proposal. They are as follows:

- ♦ that the fees are equitable, and aimed at recovering costs where the services provided, or the facilities used, would otherwise represent significant costs to the taxpayers;
- ♦ that the fee system is efficient, costing the least amount practical to administer;
- ♦ that the fees are convenient for the recreationist, so that voluntary compliance is readily achievable;
- ♦ that the fee system is coherent and integrated, so that overlapping charges are minimized and federal, state and local fees are integrated where appropriate (such as Sikes Act provisions for hunting and fishing fees for federal lands, collected as a supplement to state licenses); and
- ♦ that fee revenues are returned to benefit resources, facilities and programs utilized by those paying the fees.

The above mentioned principle which, if excluded, would prove most problematic for the off-highway vehicle community is the idea that the fee system should be coherent and integrated. The motorized recreation community already pays a host of fees such as motor-fuel taxes and registration fees that are being imposed by state governments as user fees and being returned to those areas, including Federal sites, where they are generated. It is crucial that a federal fees system does not discourage such programs. It would be entirely consistent with many of the themes of the 104th Congress to encourage such state programs that limit the role of the federal government thereby decreasing the cost to the federal government.

This issue is addressed in Section 3 of H.R.2107 and while we are appreciative of the inclusion of this section, we don't believe that it provides enough protection for the

motorized community against being charged more than one fee for access to a particular facility.

While we believe that land management agencies should be given the flexibility necessary to encourage innovative ideas, we are not confident that the administering Secretaries will promulgate regulations which will provide the necessary protection against the duplication of fees. It is in the interest of the Secretaries to generate the greatest amount of revenue to operate their departments even if it means imposing a redundant fee on a user group already paying for access to a particular facility.

Several states have user fee programs that are funded by the payment of registration fees for off-highway vehicles, and a small percentage of state motor-fuel taxes, which are returned in the form of grants to various land management entities, including **federal land management agencies**, for the development, operation, and maintenance of recreational facilities.

For example, the State of **California** has perhaps the best known such program which is commonly referred to as the "Green Sticker" program named for the registration sticker required on vehicles ridden in areas funded by the program. Both the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM) are beneficiaries of program. According to the Off-Highway Vehicle (OHV) Division of the California Department of Parks and Recreation, over the last three years Federal land management agencies have received an average of \$8,562,000 per year in grants from the Green Sticker program. The OHV Division also says that over the past 20 years, of the 40% of the State's OHV budget that has gone to grants and cooperative agreements, 74% has been allocated to Federal agencies for a total of \$86,066,000.

Another very successful program can be found in the State of **Utah**. According to Utah's Department of State Parks and Recreation, of the \$259,201.98 in grants allocated for off-highway vehicle recreation under their program (which is funded with both a \$12 per year fee and a portion of the state motor-fuel tax) \$240,701.98 went to the USFS and the BLM.

These state run programs are excellent examples of partnerships which include state, federal, and private partners. They are programs that see a significant amount of money returned to the users who pay the fees and a minimal amount gobbled up by the federal government for administrative costs. These are the types of programs that should be encouraged. Unfortunately, if the federal land management agencies begin to charge fees at areas that are already funded by state fees, the state grant money will dry up in a hurry. The federal agencies will however be under pressure to generate enough revenue from fees to cover their costs and send 25% back to Washington.

Perhaps language could be added to H.R. 2107 that would allow fees imposed by states, and then transferred to federal agencies in the form of grants, to be scored as a fee generated by the land management agency for the purposes of satisfying their

responsibility for developing revenue from fees. Since the state is absorbing the bulk of the administrative costs, none of this revenue would be required to be sent to Washington. The benefit of this addition is threefold: (1) it would eliminate the disincentive for existing state programs to continue providing grants to the federal agencies because they don't want any portion of the fees generated by the states to go to Washington; and (2) it would encourage similar state programs in states that don't have them because more money generated in the state would stay in the state, and (3) it would ultimately reduce the administrative burden on the federal agencies, perhaps the most important benefit from the subcommittee's perspective.

This may seem complicated but we have tried to come up with a solution that would enhance, rather than minimize, what the subcommittee is trying to accomplish. It would have been much easier to request inclusion in the section providing for limitations on fees but we would like to see Congress take action that encourages rather than discourages the kind of partnerships that have grown out of the state programs currently in existence.

Thank you for the opportunity to provide these comments as part of the official record of the hearing held before the Committee on Resources, Subcommittee on National Parks, Forests and Lands, August 3, 1995.

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FEDERAL RECREATION FEE PROGRAM*
1992-1994

AGENCY	AVERAGE ANNUAL VISITATION	AVERAGE ANNUAL RECREATION PROGRAM COST	COST/VISITOR	AVERAGE ANNUAL USER/ENTRANCE FEES	% OF RECREATION PROGRAM PAID BY REC FEES	% VISITORS PAYING RECREATION FEES
Corps of Engineers	377 million	\$184 million	\$.48	\$22 million	12 %	unknown
Forest Service	304 million	\$357 million	\$1.17	\$13 million	4 %	unknown
NPS	270 million	\$444 million	\$1.64	\$69 million	16 %	11 %
Bureau of Land Management	62 million	\$39 million	\$.63	\$2 million	5 %	2 %
Bureau of Reclamation	37 million	\$44 million	\$1.18	\$1 million	2 %	unknown
Fish and Wildlife Service	28 million	\$28 million	\$1.00	\$2.5 million	6 %	2 %
TOTALS		\$1,096 billion		\$109.5 million		

* Based on data supplied to the Subcommittee by each of the Federal agencies.

Issue	Existing LWCF Provisions	Hansen Bill Revisions (HR 2107)	Richardson Bill Revisions (HR 2025)
1. Scope		NPS, NPS, BLM, FWS	NPS
2. Title		Visitor Services Improvement and Outdoor Legacy Act	Park Renewal Fund Act
3. Goals		1. Seek recovery of 75% of agency costs for visitor recreational services. 2. Establish integrated and coherent policy for fees: Flexibility; Equitability; Efficiency; defines recreational services costs.	none
4. Changes in Sites Permitting Admission Fees		Areas of concentrated use, Congressionally designated areas, visitor centers eligible.	Urban NPS units ban eliminated; specific area prohibition, (i.e., Canaveral, Washington, DC sites) eliminated.
5. Golden Eagle/ Golden Age/ Golden Access		Eliminates prohibition on consignment and authorizes annual fee to be determined by Secretaries.	Eliminates prohibition on consignment; authorizes annual fee to be determined by Secretaries; makes Golden Eagle and Golden Access apply only to holder (and companion for Golden Access); makes Golden Age optional; eliminates 50% reduction in recreation fees for Golden Age holders.

6. Single Visit Admission Fees		Could allow either single day or multiple day stays and "in and out;" authorizes fees designated to encourage visits by non-personal vehicles; "Group" focused-all passengers in a vehicle or families via other transport mode; eliminates "caps."	Permits single visit admission fees to be per person; could allow either single day or multiple day stays and "in and out;" eliminates "caps."
7. Annual Geographic Fees		Eliminates "cap;" linked to Golden Eagle but only for specified units.	no change
8. Recreation Use Fees		Permits charges for various facilities and services including: back country camping, swimming sites, boat launch facilities, managed parking lots, motorized recreation use and "other recreation uses;" allows use of volunteers to collect fees.	Deletes all non-LWCF recreation fee authorities, allows volunteer fees collection.
9. Non-Recreational Fees			Authorizes secretary to establish fees for commercial and non-recreational uses to meet any costs incurred.
10. Treatment of Concessioner Franchise Fees		Defined as recreation fees.	

11. Distribution and Allocation of Fees	Establishes special accounts for each agency, with funds available without further appropriation. Establishes permanent and transition funding provisions; specifies accounting of fees; allocates fees between collecting sites and overall agency efforts.	All "additional" NPS fees are placed in new National Park Renewal Fund, available without further appropriation in subsequent fiscal year; special provision for transportation fees to remain available at collected site for conducting official immediate use without appropriation; allows retention of up to 15% by units for costs of collection.
12. Commercial Tour Use Fee		Combines with admission fee for administrative efficiency.
13. Authorized Uses of Admission and Recreation Fees		"Direct support of recreational services on Federal Lands." Defined to include certain maintenance and operational programs directly linked to visitors.
14. Impact on Low-Income Individuals		Requires study and report to Congress at end of transition period.
15. Limits on Fees		Prohibits Federal hunting and fishing licenses except where state licenses are not required.

16. Distribution of Fees under prior Statutes		Exempts fees collected under new authority from prior statutes sharing revenues with other government agencies and other accounts.	
17. Notice of Fees to Public		Must be promptly posted and contained in agency publications regarding areas.	
18. Annual Reporting Requirements		Annual report on number and location of fee collection areas, visitation information, fees collected, recommendations and other pertinent data transmitted not later than President's budget submission.	Annual report on a unit-by-unit basis on National Park Renewal Fund transactions; annual report required under LWCF by March 31st.
19. Enforcement Provisions		Empowers agency personnel to arrest without warrant those violating fee provisions and provide for trial and sentencing by Federal magistrate.	Similar plus cost recovery for damage to national park resources; eliminates cap of \$100 fine.
20. Donation/Solicitation			Broad authority for Secretary to solicit and accept donations for NPS; limits NPS employees in soliciting donations; allows others to conduct major fund-raising efforts for NPS.
21. Challenge Cost Share			Allows NPS to use any appropriated funds to match non-federal funding for appropriate projects.

22. Delaware Water Gap			Prohibits through-travel commercial vehicles on Highway 209 within Delaware Water Gap NRA after September 30, 2005.
23. Coordination with FY96 Demo Fee Program		Incorporates demonstration program for 10-30 areas for 4 years.	none
24. Non-federal Reservations		Permits contract with public or private entity for visitor reservation services with commission.	none
25. Incentives for Collecting Agencies		If revenue targets are attained, area receives 25% "bonus" for construction/rehabilitation; fees are placed into separate accounts and are available without appropriation (after transition period); areas exceeding targets keep 1/3 of excess.	NPS only; continues 15% deduction for fee collection costs; provides that all "new" revenues are deposited into National Park Renewal Fund and are available the subsequent year without appropriation; allows each unit to retain 100% of fees for transportation services; allows recovery of costs associated with non-recreational and commercial use of parks.

JUL 17 1995

L58(170)

Honorable Newt Gingrich
Speaker of the House of
Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Once again, I thank you for meeting with me on June 13 primarily to discuss your interest in a system of fees for the National Park System that will start to reduce the backlog of infrastructure needs in parks and return fees collected directly to the parks.

Since our meeting, the National Park Renewal Fund Act has been introduced in both the House and the Senate. In the Senate it is S. 964, introduced by Senator Bennett Johnston; in the House it is H.R. 2025, introduced by Representative Bill Richardson. The House Subcommittee on National Parks, Forests and Lands of the Resources Committee has scheduled a hearing on recreation fees on public lands for August 3, 1995. H.R. 2025 will be heard at that time along with a bill that staff for Chairman Jim Hansen is preparing. That bill would bundle recreation fees for all land management agencies. This proposal is not the straightforward "help the parks" bill we need.

Another significant difference between what we need and the other proposal is in the use of the fees collected. We want to use increased fees to address the tremendous backlog in maintenance and repair of park facilities. Their approach is to offset operating costs for "recreation and visitor services" by the fees collected. We think that such an approach will only contribute to further deterioration of our national parks and anger the visitors using the parks because their increased fees would not produce improvements in the parks.

I came away from our meeting secure in the belief that you and I agreed totally that improving our national parks through increased fees was the only way to go. Lumping the National Park Service's fee bill with other land management agencies would be trouble, trouble, trouble. Help, please.

Sincerely,

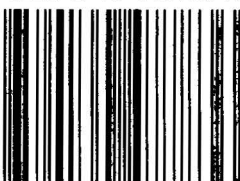
Roger G. Kennedy

Director

Enclosure

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