

**SLEEPING BEAR DUNES; RECREATIONAL FEE DEMONSTRATION;
AND SCHOOLS IN YOSEMITE NATIONAL PARK**

HEARING
BEFORE THE
SUBCOMMITTEE ON NATIONAL PARKS
OF THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

ON

S. 808

TO PROVIDE FOR EXPANSION OF SLEEPING BEAR DUNES NATIONAL LAKESHORE

S. 1107

TO ENHANCE THE RECREATIONAL FEE DEMONSTRATION PROGRAM FOR THE NATIONAL PARK SERVICE, AND FOR OTHER PURPOSES

H.R. 620

TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO PROVIDE SUPPLEMENTAL FUNDING AND OTHER SERVICES THAT ARE NECESSARY TO ASSIST THE STATE OF CALIFORNIA OR LOCAL EDUCATIONAL AGENCIES IN CALIFORNIA IN PROVIDING EDUCATIONAL SERVICES FOR STUDENTS ATTENDING SCHOOLS LOCATED WITHIN THE PARK

SEPTEMBER 9, 2003



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**SLEEPING BEAR DUNES; RECREATIONAL FEE
DEMONSTRATION; AND SCHOOLS IN YOSEMITE
NATIONAL PARK**

TUESDAY, SEPTEMBER 9, 2003

U.S. SENATE,
SUBCOMMITTEE ON NATIONAL PARKS,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:35 p.m. in room SD-366, Dirksen Senate Office Building, Hon. Craig Thomas presiding.

**OPENING STATEMENT OF HON. CRAIG THOMAS,
U.S. SENATOR FROM WYOMING**

Senator THOMAS. We'll bring the committee to order, please. Thank you for being here. I want to welcome representatives from the Department of the Interior and other witnesses for today's Parks Subcommittee hearing.

Our purpose is to hear testimony on three bills under consideration by the subcommittee, S. 808, a bill for expansion of Sleeping Bear Dunes National Lakeshore, in Michigan; S. 1107, a bill to enhance the recreational fee demonstration program for the National Park Service, and H.R. 620, a bill to authorize the Secretary of Interior to provide supplemental funding and other services to schools located within Yosemite National Park.

All three bills are important to this subcommittee. We will devote the majority of the time to the recreational fee bill, because it has the potential effect on the entire Park Service and not just a single park. The collection of fees at national parks and other federation lands has been a demonstration program for over 5 years. The time has come, and perhaps overdue, to consider permanent legislation and to define the appropriate role for future fee collection and expenditures.

Currently, the Recreation Fee Demonstration Program allows the National Park Service, Bureau of Land Management, Fish and Wildlife Service, and U.S. Forest Service to collect and expend funds for visitor services, maintenance, and repair facilities, as well as cultural natural-resource management. I believe the collection of fees by Federal land agencies should be restricted to improve facilities at National Parks. This is not to slight the Forest Service or the Bureau of Land Management or the Fish and Wildlife Service; it's only a beginning point. Any fee legislation must prohibit charg-

ing for everything in sight. There are limits to what we can fairly demand and what our constituents are willing to pay.

The following concerns were taken into consideration when preparing S. 1107: fees should be charged to legitimate improved visitor services; market analysis prior to implementation or increase of any fee; no fee or increase in fee should take place without advanced notice to the general public; accountability of fees collected and distributed along with advanced notice to the Congress of specific projects that will be in the pipeline; and expedite the obligation and expenditure of the funds. We need to guarantee our national treasures are available for generations to come. I believe that Congress, the Park Service and those interested in helping the parks should cooperate on initiatives to improve resources, increase services, and improve management throughout the system. So, working together, we can do this.

Again, thank you and the witnesses for being here today.

Let me turn now to the ranking member, Senator Akaka.

[The prepared statements of Senators Stabenow, Burns, and Representative Stupak follow:]

PREPARED STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR FROM MICHIGAN

I want to thank Chairman Thomas and Ranking Member Akaka for holding this hearing. I am proud to be a co-sponsor of S. 808, a bill to provide for expansion of Sleeping Bear Dunes National Lakeshore and I look forward to working with you on this important issue.

This bill is the result of long and thoughtful discussions between the private landowners the Homestead Resorts, the National Park Service and the local community who all worked together to reach this solution to protect the Crystal River land from development. This bill also has the support of the Nature Conservancy, the National Parks Conservation Association, the Leelanau Conservancy, Friends of the Crystal River and the Michigan Land Use Institute, as well as the members of the Senate and the House who represent the area.

S. 808 would expand the boundaries of Sleeping Bear Dunes National Lakeshore to include the 104 acres of Crystal River property and to authorize the National Park Service to purchase this property from the owners of the Homestead Resort, preserving the land from development. In fact, the Senate FY2004 Interior Appropriations bill includes \$1 million for Sleeping Bear Dunes for this and other land acquisitions, so that this purchase can move forward quickly once this bill is signed into law.

Sleeping Bear Dunes National Lakeshore with its remarkable geology and critical habitats is a true treasure for the people of Michigan, and the Crystal River property will be a welcome addition to this beautiful lakeshore. I look forward to working with all the members of the Energy Committee to pass this legislation.

Thank you.

PREPARED STATEMENT OF HON. CONRAD BURNS, U.S. SENATOR FROM MONTANA

I want to thank Senator Thomas and Senator Akaka for holding this hearing.

As most people here know, the fee demo program was started in the Interior appropriations bill in 1995. That subcommittee—which I now chair—has modified and extended the program several times over the years.

With each extension, there has been increasing recognition that the program ultimately warrants consideration and oversight by the authorizing committees of jurisdiction. The appropriations committee, however, has been understandably reluctant to let the program simply expire with no guarantee that the authorizing committees will deal with the issue. It's been a bit of a Catch-22.

But I think we're now at the point where we have enough experience with the program for this committee to take action—one way or the other. Senator Dorgan and I have written Senator Domenici and Senator Bingaman asking that this committee do exactly that during this Congress.

The program currently is slated to expire at the end of FY 2004. The House Interior bill contains a two year extension, while the Senate bill contains no extension.

At some point this fall we'll have to reconcile those positions. I think the further along this committee can get in its deliberations, the easier it will be for the appropriators to make the right decision.

Finally, Mr. Chairman, I note that your bill authorizes the fee demonstration program for the National Park Service only. I know there have been concerns about how the program has been implemented by some of the other land management agencies. I share some of these concerns, and perhaps we'll get into some of those issues today.

But as Chairman of the Interior appropriations subcommittee, I do need to simply point out that letting the program expire will not be without consequences. For the National Park Service, we'd be talking about \$100 million per year in funds that would no longer be available for park projects. For the Forest Service, the amount is greater than \$30 million. The amounts for BLM and Fish and Wildlife are smaller, but significant to those agencies.

I can't assure anyone that these funds will be replaced by appropriated dollars. In fact, they likely won't be. While money shouldn't be the only thing that we focus on as we consider this issue, my colleagues need to be aware of what's at stake.

PREPARED STATEMENT OF HON. BART STUPAK, U.S. REPRESENTATIVE
FROM MICHIGAN

Mr. Chairman and Ranking Member Akaka. Thank you for the opportunity to submit my comments for the record.

Senator Levin's legislation, S. 808, would accomplish the goal of allowing the National Park Service to acquire nearly 105 acres of land along the Crystal River adjacent to the Sleeping Bear Dunes National Lakeshore. S. 808 would facilitate the preservation of this rare and valuable land by allowing the National Park Service to add this property to the Sleeping Bear Dunes National Lakeshore and at the same time would fairly compensate Bayberry Mills, Inc.—a company affiliated with The Homestead, a large and well-known resort—for their property.

I have a particular interest and a high degree of familiarity with the Sleeping Bear Dunes National Lakeshore and Bayberry Mills' property because for the last ten years it was located in my Congressional District. It is a land of majestic beauty and is a valuable environmental contribution to the area which lies along the pristine Crystal River.

For more than seventeen years there has been controversy about development along the Crystal River. Several proposals for development by the property owners have met with bitter opposition by environmentalists and some in the local community. There have been plans to build a golf course and develop home sites on the property. There was also a proposal to swap the property for lands within the Sleeping Bear Dunes National Lakeshore. That, too, aroused controversy.

We must be grateful to Bayberry Mills and The Homestead for not developing this acreage and for their willingness to work with the National Park Service and our committees to preserve this land. However, now is time to purchase this property and allow The Homestead to move on with their other plans.

Last year, I introduced legislation to allow the federal government to purchase the land for inclusion into the Sleeping Bear Dunes National Lakeshore. This year, Congressman Dave Camp who now represents the area in the House and Senator Levin in the Senate have introduced similar legislation, which I fully support. This legislation has garnered the support of Bayberry Mills, the Park Service, the local community, and many of those in the environmental community who opposed previous development plans for the property.

Mr. Bob Kuras, President of Bayberry Mills, is to be commended for his willingness to complete this sale and Congress needs to act quickly to take advantage of the opportunity.

I truly believe that this legislation is the only solution to a seventeen year-old dispute and it is extremely important that the Senate and the House act quickly so we can have closure on this issue. The Park Service will benefit greatly by having the property included in the Lakeshore, the local communities will support this purchase, and Bayberry Mills will be fairly compensated for their property. This is a win, win, win situation and I strongly urge you to pass S. 808.

Thank you.

**STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR
FROM HAWAII**

Senator AKAKA. Thank you very much, Mr. Chairman.

I would like to comment briefly on three bills under consideration this afternoon.

S. 1107 is your legislation to provide the National Park Service with permanent authority to charge visitor recreation fees and to use the revenues from those fees for a variety of purposes. Although the implementation of the Recreation Fee Demonstration Program has been controversial in some areas, I believe there is general public support for its use within the National Park System.

In Hawaii, Mr. Chairman, fee revenues now account for a considerable portion of the budget of two of our most visited national parks, Hawaii's volcanos and Haleakala National Parks. Together, those two parks now collect over \$5 million annually in fee revenues, which has helped to defray costs for maintenance needs and provide important interpretative and visitor-safety needs.

As we consider permanent fee authority, we must ensure that fees remain equitable. We also need to deal with the fee issue for all affected agencies.

I understand that the chairman and ranking member of the Senate Interior Appropriations Subcommittee have written to the committee urging that we take definitive action to either authorize or terminate the Fee Demo program for the affected agencies. I think they make a good point. Either we should authorize an agency to charge fees or we should make clear that the authority will be terminated. I hope we can avoid the annual extension of the recreation fee program as part of the appropriations process, for this creates uncertainty for the affected agencies and the public and is not conducive to responsible long-term planning.

Mr. Chairman, with respect to H.R. 620, the Yosemite school bill, I know this is an important issue to both Senator Feinstein and Congressman Radanovich. And I remember from last year's hearing on this issue that the funding for schools around Yosemite National Park is a significant problem. I believe it is also important that the committee consider carefully whether even a small part of the national park's operating fund should be used for important but non-park purposes, and whether enactment of this bill will lead to similar requests for non-park use of revenues from other national parks around the country.

Finally, Mr. Chairman, with respect to S. 808, the addition of the Sleeping Bear Dunes National Lakeshore, in Michigan, although I'm not surprised by the administration's request to defer action on the bill, it seems that this addition is necessary to protect the property from development.

Mr. Chairman, I look forward to hearing more about these bills from our witnesses, and add my welcome to the witnesses.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you.

The ranking member of the committee, Senator Bingaman.

**STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR
FROM NEW MEXICO**

Senator BINGAMAN. Thank you very much, Mr. Chairman.

Let me just say a few words about a couple of the bills.

With respect to S. 1107, to authorize a permanent fee program for the National Park Service, I would favor us doing something by way of authorizing legislation, not only with regard to the Park Service, but the other agencies, as well. The Fee Demo authority was established in the appropriations bill, and has been extended each year. I think it's appropriate that we take action to deal with it.

I am concerned that it is unwise for us to give unlimited authority in this area without some limitations. Public use of the public lands could, in fact, be reduced as a result of increased fees being imposed. I'm concerned that there may be incentives for some of these agencies to charge fees for uses of the land that have never been charged for before. I hope we can deal with that.

With regard to the Yosemite National Park bill, Congressman Radanovich's bill, this is an issue we dealt with in the last Congress. I had some concerns then. We amended the bill then, and sent the bill back with amendments. I gather those were not acceptable to the House, because the bill died.

I'm still concerned with the premise of diverting a portion of the Parks operating revenues for another purpose, even though it's a worthy purpose. I think the notion that we would pass an authorization, sort of, on a park-specific basis, saying that, in this particular case, the park can go ahead and use the funds appropriated for operation of the park for something other than operation of the park, concerns me as a precedent and the effect that that has. It seems to me to run contrary to the way funds are authorized and appropriated generally, and it also runs contrary to what I hear from the administration all the time about how there aren't enough funds in the Park System. They resist every effort we make to add additional items to the Park System on the basis that we don't have enough funds to maintain what we've got. Now here they're saying, "No, no. We don't need all the funds that are provided for this park. Let's use them for education," which, as I say, is a worthy purpose, but I have a real problems with the precedent.

So, with those comments, I look forward to hearing the testimony.

Thank you, Mr. Chairman.

Senator THOMAS. Thank you, sir.

The Senator from Montana.

Senator BURNS. I have no statement.

Senator THOMAS. Thank you, sir.

Thank you, glad to have you here, gentlemen. And we'll go ahead.

Senator Levin, if you'd like to begin.

**STATEMENT OF HON. CARL LEVIN, U.S. SENATOR
FROM MICHIGAN**

Senator LEVIN. Thank you very much.

Mr. Chairman, members of the subcommittee, thank you for allowing us to present our bills this way. I will be very, very brief, and just summarize this bill as follows.

Senator Stabenow and I have introduced a bill which would provide that the Park Service would acquire a little over a hundred

acres of the land that is next to the Sleeping Bear Dunes Lakeshore. It is a unique, pristine piece of land, which has been the subject of huge contention and legal battles for almost 20 years.

We're always struggling with trying to find the right path between development and conservation. We all have that in our home States constantly. That battle has been going on with this particular piece of land, between the owner, the developer, and many of the neighbors here who want this land to be part of the national park. There have been various proposals—to make it into a golf course, to have land swaps. It has been ongoing for almost two decades.

Now the agreement has been reached with the developer that he would offer this for sale to the national park. He would not try to develop it, but that he would offer it for sale. This opportunity will not last forever. He has got a vacant piece of land. He needs to do something and wants to do something with that land, understandably. And it is a real opportunity for us to expand, by about a hundred acres, an extraordinary park or a lakeshore which was created really with the leadership of Senator Phil Hart. I happened to see Senator Riegle here in the audience and had a chance just to say hi to him. But he was instrumental, when he was here, in advancing the cause of this lakeshore. And now adding a hundred acres—from a willing seller, I emphasize—of a very contentious parcel would really be a huge plus for this boundary of the park.

I would hope that this subcommittee would approve it. There's a comparable, a companion, bill in the House, which Representative Camp and Stupak have introduced, and it is a bipartisan effort and an essential effort to finally put to rest a very contentious debate over some very pristine property which really belongs in this lakeshore.

Thank you, Mr. Chairman.

[The prepared statement of Senator Levin follows:]

PREPARED STATEMENT OF HON. CARL LEVIN, U.S. SENATOR FROM MICHIGAN

Thank you for giving me the opportunity to testify before the committee about this important legislation.

For nearly 20 years, conservation groups have worked to preserve this land. In 1986, the Homestead Resort (Bayberry Mills Properties) announced plans to construct a golf course along the Crystal River in Leelanau County adjacent to Sleeping Bear Dunes National Lakeshore. The Resort and a local conservation group, the Friends of the Crystal River, entered into a protracted legal battle over the permitting process. In 1996, in an effort to end this decade long controversy, it was proposed that the Homestead Resort swap lands within Sleeping Bear Dunes National Lakeshore for property along the Crystal River. This proposal generated strong public opposition from local conservation groups and, as a result, never took place.

Late in 2001, the Homestead Resort approached the National Park Service for consideration of a revised land swap proposal. This proposal was again met with considerable public opposition and pulled from consideration.

In an effort to resolve this long standing dispute, the Homestead Resort entered into discussions with the Leelanau Conservancy and the Friends of the Crystal River regarding a direct purchase of the Crystal River property. These discussions led to Senate Bill 808. It is important to note that S. 808 takes into consideration not only the preservation of this pristine stretch of River, but also protects the interests of the private property owner. The boundary of the Park will only be changed contingent on the willing sale of the property.

I am encouraged that groups which have been in opposition for two decades are working towards a common goal. Senate Bill 808 is not only essential to preserving this land for generations to come, but also for ending two decades of contention. I look forward to working with the Committee to pass this important legislation.

Senator THOMAS. Thank you, sir.
Congressman Radanovich.

Mr. RADANOVICH. Thank you, Mr. Chairman.

Senator LEVIN. Could I interrupt you?

Mr. RADANOVICH. Oh, sure.

Senator LEVIN. Forgive me, Congressman, just one second. I'm wondering if I might be excused because of a prior problem that I must address, which I have shared with the chairman.

Senator THOMAS. Does anyone have a question for the Senator?

Yes, sir, you may be excused.

Senator LEVIN. Thank you. Thank you all.

Senator THOMAS. Thank you very much for being here.

Senator LEVIN. I would ask that two statements be incorporated in the record. The former head of the National Park Service, Mr. Ridenour, as well as the Friends of the Crystal River have asked that these statements be made part of the record.*

Senator THOMAS. They will be included in the record.

Senator LEVIN. Thank you so much.

Senator BURNS. Do you have maps of this area?

Senator LEVIN. We do. We will provide those to you.

Senator THOMAS. Congressman.

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

Mr. RADANOVICH. Thank you, Mr. Chairman, and also ranking member Akaka. I appreciate the opportunity to come before you to talk about my bill, H.R. 620, which would provide supplemental financial assistance to three small schools in my district, which are within Yosemite National Park, and they are located in Yosemite Valley, El Portal, and Wawona, all within the National Park Service.

This is the second appearance before this subcommittee. As Senator Bingaman had mentioned, we were here testifying last year. The bill was amended in the Senate in three ways. One, we have reduced the amount of the request from \$750,000 to \$400,000. We've reduced the length of the authority from seven to five years, and also restricted funds from being used for construction purposes. So I have responded to the amended version and produced a bill that is satisfactory to the House.

I would say that Yosemite is at risk of losing what few teachers it does have and its schools, since the flood of 1997. And also, with the implementation of the Yosemite Valley Plan, there will be less employees, both Park Service employees and concession employees, in the park. And since California bases its funding of schools on ADA, which is average daily attendance, those schools suffer because of the small number of students that are remaining there. Other California funding mechanisms of Impact Aid and PILT are available in California, but most is committed to other areas. And, as you well know, PILT has always been historically underfunded. In 2001, I was able to secure \$110,000. But the schools that serve the Park Service employees and concessionaires deserve a much more reliable source of funding.

*The statements can be found in the appendix.

The question was asked, "Should Park Service be in the business of funding public schools?" And I'm a big advocate of State's rights, certainly in education, in the funding of education, but there are a number of reasons why perhaps this shouldn't be the case. No. 1, the children are children of employees, Federal and park concession employees, so it's the responsibility of the Federal Government to, I think, make sure that their employees are provided a decent education. No. 2, these are isolated schools, where there really is no alternative. Many of you who come from mountain States realize that the terrain just does not make it possible, with driving time and roads that are sometimes hazardous in the wintertime—makes it difficult for these students to obtain an education outside the park.

It was mentioned during a hearing, too, last year, that this might be an entitlement that we were giving, and I would respond by saying that it is not. This is discretion given only to the Yosemite National Park superintendent with appropriated funds. And so the Park Service superintendent would have the discretion to take care of that.

And I also would add that there is precedent for this. This was done many, many years ago in Yellowstone National Park for the same purpose, and that was in order to draw qualified employees into the National Park System in these isolated parks, somewhat isolated. And also in order to attract highly qualified personnel for the concession services, there needed to be the provision of a good quality education. And I think that kind of places the burden on the Park Service to step forward here in this case.

I might add, too, that this is a case for some of the other more isolated parks, like Glacier and some of the others in the park system.

I would also add, too, that this bill provides an opportunity for the park to spend park resources outside the park boundaries in support of park activities, including transportation and visitor center, which is consistent with the Yosemite Valley plan.

With that, I end my testimony, and I'm certainly available to answer any questions you might have.

[The prepared statement of Mr. Radanovich follows:]

PREPARED STATEMENT OF HON. GEORGE RADANOVICH,
U.S. REPRESENTATIVE FROM CALIFORNIA

Chairman Thomas and Ranking Member Akaka. Thank you for the opportunity to appear before you today in support of H.R. 620, legislation I reintroduced this year to authorize the Secretary of the Interior to provide supplemental financial assistance to three small schools located within Yosemite National Park—schools that were established to serve the children of park and concession employees. Mr. Chairman, as you will recall, the three schools are Yosemite Valley, which serves 42 students K through eight with three teachers; El Portel Elementary, which serves 53 elementary students with three teachers and 6 high school students with 2 teachers, and Wawona Elementary, which serves 16 children in grades K through eight with only one teacher.

As you know, this is my second appearance before the National Park Subcommittee on this important legislation. During the 107th Congress, similar legislation passed the House, was amended by the Senate, and then sent back to the House for consideration. Unfortunately, the House failed to take action on the bill prior to adjournment. If you recall, during negotiations with this Committee last year, I agreed to lower the authorization level from \$750,000 to \$400,000 and reduce the number of years for the authorization authority. I also restricted funds from being used for new construction, construction contracts, or major capital improve-

ments. Thus, funds would be limited to classroom teaching, maintenance and general upkeep. Realistically, the amount of money that the park superintendent would be authorized to use towards these schools would be minimal.

As I have said before, without this critical assistance the children of park employees could lose the few teachers they have as well as their schools. These schools are in a unique and equally difficult situation. In California, operating funds for schools are based on an average daily attendance. Since the 1997 devastating Merced River flood, there has been a continued reduction in the number of park and concession employees residing in the park, and thus fewer school children attending schools. With fewer and fewer children attending these schools, fewer state dollars are committed. The result is the superintendent of Yosemite National Park and the concessionaire serving park visitors are attracting less than qualified candidates to work in the park because families are not provided with adequate schools. Though other Federal funding sources such as Impact Aid and PILT are available in Mariposa and Madera counties, where these schools exist, the reality is that most of these funds are fully committed, and thus very few dollars are actually made it to these schools.

In light of these realities, I was able to secure \$111,000 through the appropriations process in 2001. However, as you know Mr. Chairman, going to appropriators every year for critical assistance is not the most productive approach.

At this point, Mr. Chairman, I would like to address perhaps the most important issue surrounding this legislation. Should the National Park Service "be in the business" of financing public schools? First, let me say for the record, that I believe the financing of public schools is and should remain the primacy of the states. However, in the unique case before you, these students are children of Federal and concession dependent employees. The employees are assigned Federal tasks and are not state workers. Furthermore, due to the isolation of these schools, there are no viable alternatives; transporting these children to an alternative school over two hours away on winding mountain roads is just not acceptable. I believe it is our responsibility to "step up to the plate" now, and demonstrate that we believe the children of park employees deserve a quality education and that they should not be deprived of that right simply because their parents have been assigned to work in Yosemite National Park.

In a related matter, Mr. Chairman, I know that you are very concerned over the precedent this legislation may set with other isolated units of the Park System such as Glacier, Big Bend and Grand Canyon National Parks. Notwithstanding the federally funded schools in Yellowstone National Park, there are some public schools in parks and perhaps we ought to look at these few instances to see if we have a Federal interest in changing the way we provide this service.

Finally, I would just like to leave the committee with this though . . . since eliminating the Taliban from Afghanistan, millions of U.S. taxpayer dollars have been used to re-establish schools in Afghanistan. Surely, if we are willing to spend millions of dollars in Afghanistan, we can support the authorization to spend a lot fewer dollars for schools in the United States.

Again, thank you for this opportunity. I am prepared to answer any questions that you may have.

Senator THOMAS. Questions?

Senator BURNS. How far is it to an alternative school, should we lose those schools inside the park?

Mr. RADANOVICH. Wawona is about a 20-mile ride to the nearby community of Oakhurst, over mountain roads. Yosemite and El Portal are probably—that is over an hour ride from Yosemite Valley to the Mariposa schools is—the longer one being Yosemite—is about an hour and—it would be an hour-and-a-half bus ride, one way.

And these are steep roads. I mean, the ones between Yosemite—that comes out of Highway 140, through El Portal and to Mariposa, although we've spent money recently upgrading the roads, are subject to landslides. And these are landslides with, you know, granite boulders the size of railroad boxcars. I mean, they can be hazardous in the wintertime.

Senator BURNS. Well, we know something about remote areas. We've still got a—

Mr. RADANOVICH. You've got a few.

Senator BURNS. Maybe you'll have to consider a boarding school, you know. We've still got one of those, you know.

Mr. RADANOVICH. Is that right?

Senator BURNS. When you take your kids to high school Monday morning, you don't see them until Friday night after the basketball game's over.

Mr. RADANOVICH. Well, in high school, most of—

Senator BURNS. Some parents would think that was a good thing.

Mr. RADANOVICH. In high school, most of the students do travel that trip, at the high school level. There are probably about six students in high school in El Portal. But this is K through 8.

Senator BURNS. Okay.

Senator THOMAS. It's my understanding that the residents in the park in government housing pay property tax to the State—to the county. Is that right?

Mr. RADANOVICH. They pay a tax—of course, they don't pay a tax on the land, but the improvements, if they do have housing inside the valley, yes.

Senator THOMAS. Which is designed to help support schools, I presume.

Mr. RADANOVICH. True.

Senator THOMAS. Among other things.

Mr. RADANOVICH. Yes.

Senator THOMAS. The government repays them, but I guess that's sort of interesting, that they already pay a fee into the school area on their property, which is government property.

Mr. RADANOVICH. True. And, unfortunately, the way those funds are allocated back to the schools is under the ADA, or the average daily attendance rates. So the fact that there are not a large number of students there makes it difficult for the schools to provide that quality education.

Senator BURNS. How big are those schools?

Mr. RADANOVICH. In Yosemite Valley, it's 42 students, K through 8. El Portal is 53 students, K through 8, with six students in high school. And then Wawona, it's 16 students, K through 8.

And, again, it's difficult for the Park Service and the concessionaires to obtain highly qualified personnel if their kids need to be bused, you know, hour, hour-and-a-half to schools, and so it's—I think it's upon the Park Service to make sure that if they're going to provide a quality experience for visitors in these parks, they've got to step up to the plate on the education.

Senator THOMAS. Do you ask them for a special appropriation to do this? My understanding in Yellowstone it's paid out of the parks regular funds and their demonstration fees.

Mr. RADANOVICH. To my knowledge, it was done the same way that we were asking, and that was through the discretion of the park superintendent. I could be wrong.

Senator THOMAS. Well, it's not a special appropriation. Your bill calls for appropriation, I believe.

Mr. RADANOVICH. No, actually it just allows—it gives the park superintendent the flexibility to spend up to a certain amount. Now, if the superintendent doesn't want to do this, he doesn't have to, but this is supported by the Park Service and—

Senator THOMAS. An appropriation in 2001.

Mr. RADANOVICH. Yes. That's what I'm trying to avoid. That's the way we did it in the past. But, as you know, that's something that you can or cannot get every year, and I'm trying to make it a little bit more consistent.

Senator THOMAS. So the park's willing to pay for this out of their current amount of money.

Mr. RADANOVICH. The Park Service does support this, yes. And typically the amounts would more likely be the 110,000, somewhere around there. But it would be to the park superintendent's discretion. He's going to be fully aware of their other responsibilities, monetarily.

Senator THOMAS. Okay. Any others? If not, thank you, sir.

Mr. RADANOVICH. Thank you, Senator.

Senator THOMAS. We appreciate your participation.

Mr. RADANOVICH. Thank you.

Senator THOMAS. Okay.

Our panel 1, Lynn Scarlett, Assistant Secretary for Policy and Management of the Budget, Department of the Interior, and Richard Ring, Associate Director, Administration, Business Practices, and Workforce, National Park Service.

All right. Thank you very much. Madam Secretary, would you like to go right ahead?

STATEMENT OF P. LYNN SCARLETT, ASSISTANT SECRETARY FOR POLICY, MANAGEMENT, AND BUDGET, DEPARTMENT OF THE INTERIOR

Ms. SCARLETT. Thank you very much.

Mr. Chairman and members of the committee, thank you very much for the opportunity to present the Department of the Interior's views on S. 1107, a bill to enhance the Recreation Fee Demonstration Program for the National Park Service.

I would like, first, to say, Mr. Chairman, that we applaud your leadership in building the foundations of a strong recreation fee program. The Department supports S. 1107, if amended to provide interagency authority and to address other issues that I will identify in this testimony. We believe the recreation fee program is vital to our ability to manage lands for the benefit of visitors and enhance the recreation facilities available to them, including our ability to address the maintenance backlog challenges in the park and other of our land agencies.

Authorization of a permanent program would allow the agencies, we think, to better serve visitors by making long-term investments, by streamlining the program, and by creating more partnerships as we implement the fee program. Federal land programs, as we all know, have provided Americans and visitors from around the world special places for recreation, education, reflection, and solitude. Fulfilling this mission does require that we have adequate and steady funding and that we're able to invest in visitor-servicing facilities.

The Fee Demo program, we think, allows agencies to retain a majority of recreation fees at the site collected, and, thereby, reinvest those in enhancing visitor facilities and services.

Our testimony today and suggested amendments result from extensive analysis of a Recreation Fee Leadership Council, which I chair, along with Mark Rey, from the Forest Service or the Department of Agriculture, and all of our other assistant secretaries and our bureau directors of our land-management agencies. It would authorize—S. 1107 would authorize the Secretary to establish, modify, charge, and collect recreation fees for the National Park Service, provided they meet certain criteria.

I want to underscore that we completely agree with the criteria. In fact, they are very similar to guiding principles that we have worked on and proposed through our Recreation Fee Leadership Council. We believe, according to those criteria, that fees should be beneficial to the visiting public, they should be fair and equitable, they should be efficiently collected and operated, they should be consistent, they should be implemented collaboratively across our agencies, they should be convenient, and they should provide for accountability to the public through transparent reporting.

S. 1107 would authorize recreation fee authority for the National Park Service. The recreation fee program is, we believe, a key component in the National Park Service's ability to provide quality visitor experience.

Just to give you a flavor of how important these fees are, in 2002 the National Park Service collected \$125.7 million in recreation fee demonstration revenue, obligated \$102 million, or 81 percent of the total, for projects that include maintenance backlog, encouraging volunteer services, providing accessibility to visitors with disabilities, protecting natural resources associated with visitor use, and enhancing safety.

Mr. Chairman, we appreciate the strong support that this committee has given to the Park Service. The Park Service has built a successful program, and deserves a permanent recreation fee program. However, we do believe that an interagency fee program makes sense and would significantly enhance our ability to serve the American public at recreation sites on national public lands.

We have found, in some nine surveys and other interviews with the public, that they don't often distinguished between lands managed by different Federal agencies. We urge that S. 1107 be amended to provide for interagency recreation fee authority.

Let me just give you a sense of the patterns of recreation on our Federal lands. I have a little show-and-tell here, this chart, which shows the percent increases in recreation. And you see—the red line being increases in recreation on Bureau of Land Management lands, the blue line being refuge visitors, and the green line being the continued increase in park visitation.

Since 1985, recreation demand has increased about 65 percent on BLM lands, and 80 percent in our wildlife refuges. Over the same time period, Bureau of Reclamation estimates an increase of 10 million recreation visitors, for a total of 90 million visits to their 288 lakes. With this increase in visitation is an increase in visitor demand for adequate visitor facilities and services. We find our visitors don't distinguish among Federal land-management agencies. They expect to find the same amenities—hosted campgrounds, permanent toilet facilities, potable drinking water, docking facilities, and so forth.

We agree that the geographic and logistical characteristics of some locations make collection of rec fees not feasible or not desirable in some areas; but rather, in other areas they are feasible and desirable.

But we think the relevant policy question regarding rec fees is not the label on the unit, the particular land unit, but rather whether there are enhanced recreation facilities at that site. We have a number of sites, and we've got some show-and-tell we can turn to in the questions, that show some of the sites at BLM and the refuges where we do charge fees.

S. 1107 would also allow for modifications of the National Park Passport. For reasons that include some of the issues I've raised before, we propose creating a new annual interagency pass that would consolidate all of the existing passes. We think the National Park Passport developed, Senator, by you some years ago, is an excellent model, and we would like to expand on its successes.

In the Department's testimony before this committee during the 107th Congress, we also proposed addressing one of the key issues of concern that some visitors have raised, and that is some confusion about types of fees. And we have proposed creating a different type of system, moving beyond the entry and use fees to basic and expanded fees. We think our approach would provide clarity, and it would include restrictions to ensure that the visiting public would not be charged if the agency is not making certain investments in visitor services.

The Departments of the Interior, and Agriculture, based on our experiences over the last several years through this demonstration project, have made numerous adjustments to standardize classification of fees to decrease visitor confusion, remove fees from areas where they turned out not to be feasible or effective.

Another important consideration, of course, is fee levels, and we are committed to fair and equitable fees. Recreation fees, of course, do represent a small percentage of out-of-pocket costs that an average family spends on a typical vacation. Nonetheless, we think it's important to have processes to ensure that they remain fair and equitable.

We also think it's an opportunity as we move forward with exploring permanent fee authorization provisions that would allow for greater collaboration with local communities. We have one example of a type of partnership that could flourish under such collaboration in a permanent fee program, and that is the Sand Flats agreement developed by BLM in the gateway community in Moab, Utah.

S. 1107 would also authorize the Secretary to enter into revenue-sharing agreements with States to accept their State annual passes. While we look forward to working with States in cooperation, we would recommend some amendments to the provision. We think unless the pass is priced appropriately—simply splitting total revenues, for example—collected based on price of existing State passes might result in a net loss for Federal and State parties. The pie would be smaller for both.

Also, we're concerned that the provision would break the direct link between the site of collection and the site where the fees are expended. We have found, in all of our interviews of the public,

that this link is the key rationale that garners public support for the recreation fee program.

The Department and the USDA, as I noted, are currently considering many upgrades to the program, including a hologram that would allow an upgrade to the Golden Eagle Passport to apply to particular State parks.

I want to conclude by noting that S. 1107 would require the Secretary to analyze certain criteria with regard to fee levels, and transmit that that analysis to Congress, published notice, and various other provisions. The bill would require the Secretary to submit a report to the Congress on the status of the recreation fee program.

I want to underscore that we strongly support the reporting requirements. We think that transparency is critical to success. We would, however, like to work with the subcommittee to craft reporting and cost-of-collection provisions that we think meet both Congress' needs and the needs of the public while taking into account certain administration considerations.

Establishing a permanent program does not, of course, mean that learning ends. We support a dynamic recreation fee program. We believe S. 1107, with the amendments suggested in my testimony, would create such a dynamic program. A permanent program would allow the Department to make long-term investments, improve efficiencies, initiate more partnerships, and serve the public.

We look forward to working with you, and I look forward to answering your questions.

Thank you.

[The prepared statement of Ms. Scarlett follows:]

PREPARED STATEMENT OF P. LYNN SCARLETT, ASSISTANT SECRETARY FOR POLICY,
MANAGEMENT AND BUDGET, DEPARTMENT OF THE INTERIOR

Mr. Chairman, thank you for the opportunity to present the Department of the Interior's views on S. 1107, a bill to enhance the Recreational Fee Demonstration program for the National Park Service. We thank the Subcommittee for the opportunity to discuss this very important issue.

The Department supports S. 1107 if amended to provide interagency authority and to address other issues identified in this testimony. The recreation fee program is vital to our ability to provide quality recreational facilities and services. It significantly enhances the Department's efforts to support the President's initiative to address the deferred maintenance backlog at our National Parks and enables us to better manage other federal lands. Authorization of a permanent program would allow the agencies to better serve visitors by making long-term investments, streamlining the program, and creating more partnerships.

Our federal lands boast scenic vistas, breathtaking landscapes, and unique natural wonders. On these lands, many patriotic symbols, battlefields, memorials, historic homes, and many other types of sites tell the story of America. Federal lands have provided Americans and visitors from around the world special places for recreation, education, reflection and solace. The family vacation to these destinations is an American tradition. We want to ensure that the federal lands continue to play this important role in American life and culture. Fulfilling this mission requires that we maintain visitor facilities and services, preserve natural and historic resources, and enhance visitor opportunities. Such efforts require an adequate and steady source of funding.

Although recreation fees date back to 1908, Congress first established broad recreation fee authority in 1965 under the Land and Water Conservation Fund Act (LWCFA). In enacting this authority, Congress acknowledged that the visitors to federal lands receive some benefits that do not directly accrue to the public at large and that charging a modest fee to that population is both equitable and fair to the general taxpayer. In 1996, Congress took that idea one step further when establishing the Recreation Fee Demonstration (Fee Demo) program for the National

Park Service (NPS), the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service (Fish and Wildlife Service), and the U.S. Forest Service (Forest Service). During the 105th Congress, a House Appropriations Committee Report noted that the Fee Demo program was developed in direct response to the federal agencies' concern over their growing backlog maintenance needs. Thus, the Fee Demo program allowed participating agencies to retain a majority of recreation fees at the site collected and reinvest those fees into enhancing visitor facilities and services. This authority was deliberately broad and flexible to encourage agencies to experiment with their fee programs.

Our testimony today and suggested amendments to S. 1107 are the result of a great deal of analysis and discussion through the Interagency Recreation Fee Leadership Council (Fee Council), which was created last year to facilitate coordination and consistency among high level officials of the Department of the Interior and U.S. Department of Agriculture (USDA). These concepts were developed from the lessons we have learned in administering the Fee Demo program.

S. 1107 would authorize the Secretary to establish, modify, charge and collect recreation fees for the National Park Service, provided that they meet certain criteria. We agree with these criteria, as they are similar to the guiding principles espoused by the Department. Through the Fee Council and in testimony before this Committee last Congress, the Department identified seven principles that are critical to a successful fee program. These guiding principles indicate that fees should be: 1) beneficial to the visiting public; 2) fair and equitable; 3) efficient; 4) consistent; 5) implemented collaboratively; 6) convenient; and should 7) provide for accountability to the public. The Department has committed to applying these guiding principles to any administrative or legislative effort concerning the recreation fee program.

AN INTERAGENCY RECREATION FEE PROGRAM

S. 1107 would authorize recreation fee authority for NPS. The recreation fee program has been a key component in the National Park Service's ability to provide a quality visitor experience. In FY 2002, NPS collected \$125.7 million in recreation fee demonstration revenue and obligated \$101.9 million or 81 percent of the total for projects that include addressing the deferred maintenance backlog, rehabilitating historic structures, encouraging volunteer services through the Public Land Corps, providing accessibility to visitors with disabilities, protecting natural resources, improving interpretive exhibits, and enhancing the safety of the visitors. In addition, NPS collected \$21.7 million from the National Park Passport and other recreation fees. Over the life of the program, NPS has approved \$457 million in projects to address the deferred maintenance backlog. NPS also has made efforts to continually improve the administration of the recreation fee program by implementing software upgrades, automated technologies for fee collection, and modern banking systems, and seeking out opportunities to collaborate with other agencies. NPS is improving its ability to target recreation fees to the highest priority projects by monitoring and prioritizing ongoing maintenance needs through the establishment of the Facility Management Software System.

Mr. Chairman, we appreciate the strong support and that this Subcommittee has given to the National Parks. We agree that the National Park Service has built a successful program and deserves a permanent recreation fee program. Experience has shown us, however, that an interagency fee program makes sense and would significantly enhance our ability to serve the American public at recreation sites on national public lands. We have found that the visiting public does not distinguish between lands managed by different federal agencies. Enhancing coordination among agencies is extraordinarily important in creating a sensible, efficient, and coherent fee program with seamless services that is well-understood by the public. Thus, a critical component of the Department's support of S. 1107 is that it be amended to provide for interagency recreation fee authority.

The basis for establishing a recreation fee program for National Parks also exists for other federal agencies. The pattern of recreation on our federal lands has changed dramatically. National Parks continue to be a destination favorite for American families. However, more than ever before, Americans also are choosing to recreate on lands managed by other federal agencies such as BLM and the Fish and Wildlife Service. Since 1985, recreation demand has increased approximately 65 percent on BLM lands and 80 percent on National Wildlife Refuges. Over the same time period, the Bureau of Reclamation estimates an increase of 10 million recreation visits for a total of 90 million visits to their 288 lakes. With this increase in visitation is an increase in visitor demand for adequate visitor facilities and services. Because our visitors do not distinguish among federal land management agen-

cies, many expect to find the same amenities typically provided at National Parks, including hosted campgrounds, permanent toilet facilities, and potable drinking water. This increase in visitor use on these other federal lands also creates a greater need to expend funds to protect natural and cultural resources—the resources that are often the very reason visitors are drawn to the particular site.

Although the geographic and logistical characteristics of some locations make the collection of recreation fees easier than for others, we believe that the relevant policy question of whether recreation fee authority should be given to an agency is whether the visiting public would benefit from enhanced recreation facilities and other visitor services that would result from such fees being charged. Visitors to these other Department of the Interior lands, as well as lands managed by other agencies, such as the U.S. Forest Service, in other Departments have and should continue to benefit from enhanced facilities and services.

Through the Fee Demo program, BLM and the Fish and Wildlife Service have invested recreation fees to meet visitor demands and improve the recreation experience. For example, the BLM's Lake Havasu Field Office in Arizona has used recreation fees to replace 50 leaking and deteriorating fiberglass outhouses with 36 block wall accessible restrooms. Recreation fees also contributed to the installation of 700 feet of river bank block walls, which will help protect the newly constructed restrooms as well as stabilize the campsites' eroding shoreline. The Fish and Wildlife Service also has used fees to offer some unique opportunities to visitors. At California's Modoc National Wildlife Refuge, the Fish and Wildlife Service used recreation fees to benefit hunters and photographers by replacing an old hay bale blind with a new wooden, more accessible hunting and photo blind, complete with access ramp. At the National Elk Refuge, the Fish and Wildlife Service collects an Elk hunt permit recreation fee of \$1 per hunter at the weekly hunter drawings in October, November, and December. These recreation fees are used to rent a fair pavilion building from the county to conduct refuge hunt orientation and permit drawings at the beginning of each hunting season. Hundreds of hunters attend each year. In addition, the modest recreation fee allows the Fish and Wildlife Service to purchase retrieval carts and sleds for the hunters' use and shooting sticks to encourage ethical hunting.

A NEW ANNUAL INTERAGENCY NATIONAL PASS

S. 1107 would allow for modifications of the National Park Passport. For reasons that include those above, we propose creating a new annual interagency pass that would expand the National Parks Passport to cover all participating agencies and would consolidate the Golden Passes established under the Land and Water Conservation Fund Act. We believe that the National Park Passport developed by Senator Thomas a few years ago is an excellent model for such a program. We would like to expand on its successes—the image competition as well as the modern marketing techniques, and innovative, administration provisions. By consolidating these passes, the interagency pass would decrease visitor confusion about passes and shift the emphasis to recreation opportunities on our federal lands rather than an agency-centric view. We envision that the interagency pass would be provided to seniors at substantial discounts and to persons with disabilities free of charge. The interagency pass would retain the look and program qualities of the National Park Passport, and we would work to maintain the stream of revenue to NPS. As relevant data are collected, the distribution formula of interagency pass revenues would be periodically reevaluated through the Fee Council.

STANDARDIZING RECREATION FEES AND MINIMIZING FEE LAYERING

S. 1107 would direct the Secretary to establish the minimum number of fees and avoid fee layering where possible. The Department supports this goal. One problem that has led to increased fee layering is the absence of clear definitions of what activities are covered by "entrance" fees and those that are covered by "use" fees. This issue has been complicated by historical fee definitions in the LWCF and differences among agencies in legislative fee authorities. The result has been that, at some sites, a use fee was established rather than an entrance fee, and at other sites, an additional use fee was charged for the primary attraction of the site when the activity should have been covered by an already-paid entrance fee. The lack of consistency among and within agencies has led to visitor confusion and some expression of frustration about fee layering and the related issue of when the Golden passes and the National Park Passport may be used.

In the Department's testimony before this Committee during the 107th Congress, we proposed addressing these concerns by creating a new system of "basic" and "expanded" recreation fees that would be consistently applied across all agencies and

would minimize fee layering by ensuring that the basic fee covers the primary attraction of the site. Under this system, restrictions would be put in place to ensure that the visiting public would not be charged if the agency is not making a certain level of investment in visitor services. All passes established under this system would have covered the basic recreation fee at all sites.

The Department and USDA have moved forward to administratively implement such a system. Although we are retaining the LWCF terminology, the agencies are making adjustments to standardize the classification of fees to decrease visitor confusion about the passes and minimize fee layering. For example, the Forest Service is expanding and clarifying the benefits of the Golden Passes to include 1800 additional sites. The previous pass policy at those sites was extremely confusing: the Golden Eagle Pass was not accepted, Golden Age and Access passholders were given a 50 percent discount, while a regional pass, the Northwest Forest Pass, was accepted in full. While NPS currently accepts passes at a majority of its fee sites, six sites that established use fees for the primary attraction to the site now accept passes. In addition, NPS is evaluating 14 sites where use fees should possibly be converted to entrance fees and passes should be accepted.

The Department would like to make as many efforts as possible to streamline the recreation fee system. However, our experience has shown that eliminating all fee layering or what might better be thought of as tiered fees is neither fair nor equitable, especially for specialized services such as camping, reservations, enhanced tours, or group events. The notion behind charging a fee beyond the basic recreation fee is that certain recreation activities require additional attention by agency staff or involve costs that should not be borne by the general public through taxpayer funds or by the rest of the visiting public through the basic recreation fee. The system must balance fairness and equity principles by carefully considering the relationship between who pays and who benefits.

Another important consideration is fee levels. The Department is committed to revaluating the recreation fees charged and their impact on low- and middle-class visitors. First, recreation fees represent a small percentage of the out-of-pocket costs that an average family spends on a typical vacation. Second, recreation fees are reasonable in comparison to those charged at other recreational activities. For example, in Jackson Hole, Wyoming, a family of four would pay \$20 for a seven day pass to both Grand Teton National Park and Yellowstone National Park. In contrast, in Jackson Hole, the family would have to pay approximately \$408 for two snowmobiles for a single day and \$27.50 for 2-3 hours of entertainment at a movie theatre.

PARTNERSHIPS WITH STATES AND GATEWAY COMMUNITIES

S. 1107 would authorize the Secretary to enter into agreements with public and private entities for visitor reservation services, fee collection or processing services. The Department supports this provision as it would allow us, among other things, to more vigorously seek out opportunities to engage gateway communities through the recreation fee program. Such efforts are consistent with Secretary Norton's "Four C's"—Communication, Consultation, and Cooperation, all in the service of Conservation. Given our experience with cooperative decision-making within the Fee Demo program, we believe that any future fee program should foster collaborative opportunities.

Through these partnerships, the Department and gateway communities can work together to promote tourism and to better serve visitors. One example of the type of partnership that could flourish under a permanent recreation fee program is the Sand Flats Agreement entered into in 1994 by BLM and the gateway community of Grand County, Utah. Sand Flats is a 7,000-acre BLM recreational area outside Moab, Utah. It is highly popular, particularly with mountain bikers. In the early 1990s, its popularity increased so much that the BLM was no longer able to manage and police the area. Looking for a creative solution, BLM entered into a cooperative agreement with the county under which the county would collect recreation fees and use them to manage and police the highly popular recreational area. The county and its citizens have benefited from a more vigorous tourist trade; the BLM now has a signature recreation area; and visitors can safely enjoy the Sand Flats area. We believe that the Sand Flats Agreement is an excellent model of a mutually beneficial partnership and that the opportunity to craft these types of agreements exists across the country. With a permanent recreation fee program, we will be better able to make the necessary investments to identify and move forward on such opportunities.

S. 1107 would authorize the Secretary to enter into revenue sharing agreements with states to accept their state annual passes at National Parks and would direct that the NPS' share of the fees be distributed equally to all NPS units in the states

that are party to the revenue sharing agreement. The Department recommends amending this provision. While we support the creation of passes that might allow entry to both state and federal recreation sites, the provision as drafted presents a number of problems. To be viable from a business perspective, a combined federal-state pass would have to be priced to capture the appropriate level of value from both state and federal systems. Unless the pass is priced appropriately, simply splitting the total revenues collected based on the price of existing state passes is likely to result in a net loss for both federal and state parties the pie will be smaller for both federal and state parties. In addition, this provision would break the direct link between the site of collection and the site where a majority of the fees are expended. This link has served as the rationale for the recreation fee program and is strongly associated with the public's support of fees. Acceptance of a state pass to federal lands also presents valuation complications, including impacts on the value of federal passes, varying pricing and benefits of different state passes and related equity concerns with regard to residents of different states.

The Department would prefer creating partnerships with states through a more flexible provision that would authorize cooperative agreements for regional multi-entity passes. Providing visitors and residents of nearby communities with a well-structured, appropriately priced, regional multi-entity pass would avoid these problems while allowing for benefits that could extend to other federal, state, and private entities. Recognizing that recreation areas and the visitors who enjoy them do not necessarily follow state boundaries, our experience has shown that regional multi-entity passes offer greater flexibility and can be tailored to meet identified recreational demands. One example of a successful regional pass is the Visit Idaho Playground (VIP) Pass, which covers all entrance and certain day-use fees at a variety of state and federal sites including those under the jurisdiction of the Idaho Department of Parks and Recreation, the Idaho Department of Commerce, the Bureau of Reclamation, USDA Forest Service, NPS, and BLM.

Our proposed provision also could provide for another type of cooperative pass program similar to that provided in S.1107, but with fewer unwanted impacts to both the state and federal recreation fee programs. The Department and USDA are currently considering a program to develop a State Parks hologram upgrade to the Golden Eagle Passport. Under this pilot project, visitors will be given the opportunity to upgrade their Golden Eagle Passports to include an entire state park system for an additional fee. As it is currently being proposed, visitors would purchase a hologram sticker that they can affix to their Golden Eagle Passports, upgrading it to cover a state park system. We should note that a single interagency national pass would streamline these types of regional arrangements. This cooperative pass program has been complicated by the existence of four national passports—the Golden Eagle Passport, the Golden Age Passport, the Golden Access Passport, and the National Parks Passport. Oregon is preparing to offer this optional upgrade for around \$20 beginning in calendar year 2004. We will keep the Subcommittee informed on the development of this innovative pilot program.

ADMINISTRATION OF THE RECREATION FEE PROGRAM

S. 1107 would require the Secretary to analyze certain criteria with regard to fee levels, transmit the analysis to Congress, publish notice of the fees in the Federal Register, and then wait 12 months before establishing or changing recreation fees while, at the same time, establish a cap on the cost of collection at 15 percent. This bill also would require the Secretary to submit a report on the status of the recreation fee program to Congress every three years. While we strongly support improving Congressional reporting requirements on this program, we are concerned that the process set forth in S. 1107 would expend unnecessary resources by duplicating existing work that the agencies conduct in administering the recreation fee program and that the cost of collection cap is unrealistic. We would like to work with the Subcommittee to craft reporting and cost of collection provisions that meet the needs of Congress and the public while taking into account agency experience and current efforts to administer the recreation fee program.

ADMINISTRATIVE EFFORTS TO IMPROVE THE RECREATION FEE PROGRAM

Through the Fee Council and other efforts, we are continually evaluating and developing responses to the successes and shortcomings of experiments agencies are conducting through the Fee Demo program. The Department and USDA are moving forward on a number of administrative efforts to improve the recreation fee program including:

- Creating an annual interagency “fee-free” day on National Public Lands Day in September;

- Developing consistent application of the definitions of “entrance” and “use” fees and thus, streamlining and clarifying the acceptance of the Golden passes, as described earlier in this testimony;
- Implementing an interagency system to award volunteers with passes;
- Establishing a single reservation system for all visitors to most federal lands;
- Improving the website www.recreation.gov to include information about recreation fees; and
- Collecting data at National Parks on pass usage to better understand and serve the visiting public.

THE FUTURE OF THE RECREATION FEE PROGRAM

We have learned a great deal from our experience in administering the Fee Demo program and believe we are ready to translate that experience into a permanent recreation fee program. Delay could result in a lost opportunity to implement a more productive, streamlined recreation fee system that is designed to enhance the visitor’s experience. Establishing a permanent program does not mean the learning ends here. We support a dynamic recreation fee program that responds to new lessons learned and builds on success stories. We believe S. 1107, with the amendments suggested in this testimony, would create such a dynamic program while providing the Department the certainty of a permanent program. A permanent program would allow the Department to make long-term investments, improve efficiencies, and initiate more partnerships. Mr. Chairman, the Department thanks you for your leadership on this issue and looks forward to working with the Subcommittee as S. 1107 moves forward.

Mr. Chairman, in conclusion, I would be pleased to answer any questions you or other members of the Subcommittee may have.

Senator THOMAS. Thank you very much.
Mr. Ring.

STATEMENT OF RICHARD RING, ASSOCIATE DIRECTOR FOR ADMINISTRATION, BUSINESS PRACTICES AND WORKFORCE DEVELOPMENT, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR

Mr. RING. Thank you, Mr. Chairman. Thank you for the opportunity to present the Department of the Interior’s views on two bills today, S. 808 and H.R. 620.

With your permission, I’d like to submit my statements for the records and summarize the Department’s views.

Senator THOMAS. They will be in the record.

Mr. RING. Mr. Chairman, S. 808 is a bill to provide for the expansion of Sleeping Bear Dunes National Lakeshore, to include selected acreage along the Crystal River. The Department supports efforts to protect Sleeping Bear Dunes National Lakeshore; however, in order to meet the President’s initiative to eliminate the deferred maintenance backlog, we must continue to focus our resources on caring for existing areas in the National Park System. Therefore, we recommend that the committee defer action on S. 808 during the 108th Congress.

H.R. 620, which would authorize assistance to the State of California for local educational agencies or educational services for students attending schools in Yosemite National Park and would also authorize park facilities to be established outside the boundary of the park. This legislation, we understand, was passed by the House in March 2003. The Department supports H.R. 620, as we believe that the students who attend the schools in Yosemite National Park should have access to educational services that are comparable to those that students elsewhere in California receive. The funding authorized by this bill would strictly limit the provision of

assistance to address particularly the severe situation for schools located in a national park.

The Department also supports authorizing expenditures for facilities outside Yosemite, as this would enable the National Park Service to contribute to the regional transportation system being developed to serve Yosemite's visitors and employees.

Mr. Chairman, this concludes my summary. I'd be happy to respond to any questions that you or any other members of the subcommittee may have.

[The prepared statements of Mr. Ring follow:]

PREPARED STATEMENT OF RICHARD G. RING, ASSOCIATE DIRECTOR FOR ADMINISTRATION, BUSINESS PRACTICES, AND WORKFORCE DEVELOPMENT, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, ON S. 808

Mr. Chairman, thank you for the opportunity to present the Department of the Interior's views on S. 808, a bill to provide for the expansion of Sleeping Bear Dunes National Lakeshore to include selected acreage along the Crystal River.

The Department supports efforts to protect Sleeping Bear Dunes National Lakeshore. However, in order to meet the President's Initiative to eliminate the deferred maintenance backlog, we must continue to focus our resources on caring for existing areas in the National Park System (NPS). Therefore, we recommend that the committee defer action on S. 808 during the 108th Congress.

The existing NPS has more demands on it than ever before. Since 1991, 34 new units have been added to the System. These units alone in FY 2003 add \$25.6 million to the System's operating budget, over \$30 million in unfunded operational needs, and over \$265 million in unfunded one-time projects. In addition, we have expanded a number of units over that time period. Expansions also can bring with them increases in operational costs and maintenance needs. These units and expansions include important resources that we as Americans recognize as nationally significant. Our focus now though is to take better care of the natural, cultural, and historic resources and visitor facilities already in the System.

S. 808 would redraw the boundary of the 71,192.60-acre Lakeshore to include a parcel of land that is contiguous to the existing Lakeshore. The 104.45-acre parcel encompasses 6,300 feet of frontage on the Crystal River and contains wetland, riparian, and upland habitat for a variety of species within mixed northern forests. The land appraisals have not been completed, but the estimated cost of acquiring the private land is between \$7-9 million dollars.

The private landowner first proposed development, including a golf course and homes, on the parcel in the late 1980s. To protect the parcel from development, several land exchange alternatives have since then been considered by the NPS and interested parties. However, for a variety of reasons, an agreed upon exchange could not be reached. The interested parties wished to acquire NPS land that was not suitable for exchange since NPS had previously acquired it through condemnation. In addition, through the General Management Plan scoping process, 87 percent of the 850 comments received expressed opposition to any type of exchange involving NPS lands. Comments were received from local entities, interested organizations, visitors, and the general public. This legislation was proposed as a solution for the protection of the property.

The Department of Justice has advised that Section 1(c)(2) of the bill, as introduced, violates the Recommendations Clause of the Constitution. In addition, the fiscal year 2004 budget request has already been submitted. We recommend that this section be removed.

Mr. Chairman, that concludes my prepared testimony. I would be happy to answer any questions you or the other members of the subcommittee may have.

PREPARED STATEMENT OF RICHARD G. RING, ASSOCIATE DIRECTOR FOR ADMINISTRATION, BUSINESS PRACTICES, AND WORKFORCE DEVELOPMENT, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, ON H.R. 620

Mr. Chairman, thank you for the opportunity to present the views of the Department of the Interior on H.R. 620, which would authorize assistance to the State of California or local educational agencies for educational services for students attending schools in Yosemite National Park and would authorize park facilities to be es-

established outside the boundary of the park. This legislation was passed by the House on March 25, 2003.

The Department supports H.R. 620, as we believe that students who attend schools in Yosemite National Park should have access to educational services that are comparable to those that students elsewhere in California receive. The funding authorized by this bill would be a strictly limited provision of assistance to address a particularly severe situation for schools located in a national park. The Department also supports authorizing expenditures for facilities outside Yosemite, as this would enable the National Park Service to contribute to the regional transportation system being developed to serve Yosemite's visitors and employees.

Schools have been located within Yosemite National Park for over 125 years to serve the needs of park employees and their children. At present, two elementary schools are located within the park, at Wawona and in Yosemite Valley. A third elementary school and a small high school are located in El Portal, the park's administrative site located on federal property just outside the park boundary. Most high-school age students attend the larger county high school in Mariposa because of the lack of opportunity for a comprehensive program at the El Portal school.

The Yosemite Valley School has 42 students in grades kindergarten through eighth grade, divided into three classes. The amount of funding from the State of California, according to a formula based on average daily attendance, supports only two teachers. The school principal also serves as a teacher.

The elementary school in El Portal has 53 students in seven grades, divided into multi-graded classrooms. The Wawona school mirrors the old "one-room" schoolhouse, with 16 children in grades K-8, and one teacher. Because the current funding formula provides for only one teacher, the school is unable to serve more than 20 students. Consequently, in years when the maximum teacher-student ratio is reached, parents are left with the choice of either home-schooling their children or transporting them on their own to schools elsewhere.

Because the schools in the park are located in remote areas, students at the Yosemite schools lack services that are normally available to students that attend schools elsewhere in the state. For example, access to teachers to serve students with special needs is very limited, and road and weather conditions can often restrict teachers' abilities to reach the park. Many facilities are in need of repair or do not meet state or federal standards.

The quality of education that students receive in these schools suffers as a result of lack of funding and staffing. For example, because teachers in the Yosemite schools are responsible for multiple grade levels, they are at a disadvantage compared to teachers who are able to focus on the curriculum and standards for one grade. In addition to their educational duties, teachers must also tend to administrative duties normally performed by other employees. As a result, they are unable to give the time or attention necessary to provide the quality of education that the students deserve.

Recruitment and retention of employees at Yosemite National Park is also adversely affected by the quality of the park schools. Many highly qualified National Park Service employees with school-age children who might otherwise be interested in applying for jobs at Yosemite are discouraged from doing so because of the school situation. Park employees often cite the schools as a major factor in their decision to transfer from Yosemite to other assignments.

H.R. 620 authorizes the Secretary of the Interior to provide funds to the two school districts that administer schools at Yosemite for educational services to students who are dependents of park employees or who live on federal property in or near the park. The bill prohibits funds from being used for facility construction or major improvements, and limits the amount of funding that may be provided to the lesser of \$400,000 annually or the amount necessary to provide students with educational services comparable to those received by other public school students in California. The bill allows funding for this purpose to be derived from appropriations, donations and fees, except that it prohibits the use of fees collected under the Land and Water Conservation Fund Act, from the Recreational Fee Demonstration program, and from the National Park Passport program. The legislation also prohibits the use of emergency appropriations for Yosemite flood recovery for this purpose.

We want to note that the proposal to assist Yosemite schools has been refined considerably since it was first introduced last Congress. The initial proposal was an indefinite authorization of funding with no limit on the dollar amount that could be spent or restriction on the use of the funds. During the last Congress, the Department worked closely with this committee, the House Resources Committee, and the House and Senate Appropriations Committees to set limits on the amount, duration, use, and source of the funding authorized by this legislation. The result is that the

proposal in its current form is now a tightly drawn authorization of a limited amount of federal assistance for what is a unique educational situation.

We strongly believe that any assistance for schools authorized by this bill should be supplemental to Yosemite's annual budget and should not result in a reduction of the amount of funding available for park operations and maintenance.

H.R. 620 also authorizes the Secretary to provide assistance for transportation systems and facilities outside the boundary of Yosemite National Park. It does so by extending to Yosemite the same authority Congress provided Zion National Park in 1996 to enter into agreements and expend funds outside the boundaries of the park. This bill explicitly allows appropriations to be used for "transportation systems" along with other administrative and visitor use facilities.

This provision would allow the park to contribute financially to the regional transportation system that serves the park's visitors and employees. Developing this system has been a goal of the park since the adoption of the 1980 General Management Plan.

In 1999 Mariposa, Merced, and Mono counties created a Joint Powers Authority as an entity to implement the Yosemite Area Regional Transportation System (YARTS) and entered into a Cooperative Agreement with Yosemite National Park. Now in its fourth successful year, YARTS provides an attractive alternative for visitors and employees without having to replace the use of private cars. In 2001, YARTS carried over 38,000 passengers, including park employees, during Yosemite's prime visitor season (May through September). Many of these visitors chose to leave their cars at their motels or other locations outside the park. By choosing YARTS to access the Yosemite Valley, over 11,000 parking places were made available during the summer.

During the initial two years, the National Park Service participated in the funding of this project using fee demonstration program authority. In its third year of operations, that funding was no longer available, and YARTS had to reduce the number of runs it provides. The regional transportation system is an important means to solve Yosemite's parking and congestion issues by reducing the amount of infrastructure development within the park, and thus substantially reducing the funding requirements for implementing the Yosemite Valley Plan. The Department believes that a small amount of federal assistance will help make YARTS an even bigger success.

In addition, the authority provided by H.R. 620 would enable the National Park Service to establish visitor contact facilities in the park's gateway communities, as is called for in the Yosemite Valley Plan.

In order to assure that the park has the ability to contribute to YARTS through all available transportation authorities, we suggest amendment H.R. 620 to make the transportation fee authority provided under Title V of the National Parks Omnibus Management Act of 1998 (P.L. 105-391) applicable to parks that fund transportation services through a cooperative agreement. The existing language allows parks to use that authority only in cases where transportation services are provided through a service contract. The text of this proposed amendment is attached.

Mr. Chairman, this concludes my remarks. I would be happy to respond to any questions that you or the other members of the subcommittee may have.

PROPOSED AMENDMENT TO H.R. 620 AS PASSED BY THE HOUSE OF REPRESENTATIVES

Page 6, line 6: insert "(a)" before "Section".

Page 6, after line 15, insert the following:

"(b) Section 501 of the National Parks Omnibus Management Act of 1998 (16 U.S.C. 5981) is amended in the first sentence by inserting ' cooperative agreement, or other contractual arrangement' after 'contract'".

Senator THOMAS. Did you want to comment on the other bills, or just those two?

Mr. RING. Just those two.

Senator THOMAS. Okay, very good. All right. Well, thank you very much. Appreciate your testimony.

With respect to the school thing, what other parks do you think are going to fall in this category, and how many do you believe will be involved?

Mr. RING. We believe Yosemite has a unique circumstance, and we, right now, know of only one other park where this issue has come up and authority has been sought and obtained, and that is

at Yellowstone. We know of no other parks that are seeking similar kinds of authority.

Senator THOMAS. Would you like to speculate whether, if this is done, there will be more?

Mr. RING. I guess I wouldn't speculate, Mr. Chairman, but I think each one of them has to be looked at.

Senator THOMAS. It would be a criteria, I presume, that does that. Okay.

Your numbers over there, you show the percentage of increase. What about the total numbers in the park, relative, say, to BLM?

Ms. SCARLETT. Current visitation levels at National Park

Service are the largest of our recreation-serving facilities. Visitation there is about 277 million visitors per year. The Bureau of Reclamation has about 90 million per year. And BLM and the Fish and Wildlife Service, I don't have the numbers straight on the top of my head, but could get those to you. What we do know is that they're growing rapidly, particularly in very specific locations.

Senator THOMAS. I guess I would question a little bit that I think there are—at least in Wyoming there are—and I understand that you could establish a criteria, but there are certainly a lot of places on the forest where local people just walk in and do these things. In the very first—at the beginning, why, one of the demonstration projects was in Sand Dunes in the Red Desert. They had to limit—they discontinued it because it was unable to collect the fees, and so on. So I guess what I'm saying to you is, I don't have a particular objection to expanding this to the other units, but there has to be some criteria that—as you say, where there's certain facilities, there's some reason to have a fee, other than the fact that it's public land.

Ms. SCARLETT. Yes, Senator, we fully agree with that. Right now, at the Bureau of Land Management, about 87 percent of locations do not have fees. And for the Forest Service and the Fish and Wildlife Service, about 94 percent, 93 percent, do not have fees. So it's a relatively small number. And the reason for that is that there are a relatively limited number of areas in those units for which fees are applicable. They need to be areas with infrastructure that is visitor-serving—parking lots, toilet facilities, visitor centers, or other visitor-serving kinds of infrastructure. They also need to be accessible in a way in which you have entry locations. So we quite agree, there need to be criteria.

The Bureau of Land Management, under the demo program, as well as Fish and Wildlife Service, have a review process that they go through. A local entity might propose a fee. That gets reviewed in the context of a business plan or a fee plan. There are public hearings and reviews, or public comment. And for the Fish and Wildlife Service, any fee proposal actually is reviewed and approved by the director, himself or herself. So we quite agree, this is not just a concept that is applicable anywhere, and we have in place, through our learning experiences, criteria that have been developed respectively in each bureau.

Senator THOMAS. I think the demonstration program in the parks have raised about \$125 million, and BLM is \$8 million. It's a relatively smaller amount and probably won't—have you experi-

enced any organized opposition to the fee program in the national parks?

Ms. SCARLETT. We have not had, for the national parks, any what I would I characterize as organized opposition. Obviously, with any concept there are always some citizens who might have some disagreements. Generally, because fees have been charged at the parks of one sort or another since their inception nearly a hundred years ago, I think there's public familiarity. And what we find is the critical issue for public support is whether the fees clearly are being utilized for enhancing the visitor experience. We find that true in the parks on our Bureau of Land Management lands and our Fish and Wildlife Refuges. All of them, 85 or 90 percent, support if that link is there.

Senator THOMAS. It's kind of tough sometimes. There's nothing more important to visitors than the water supply, for example, but that doesn't show very much, and nobody recognizes that that's visitor—near as much as a museum or something of that nature, certainly.

Senator, questions?

Senator AKAKA. Thank you very much, Mr. Chairman.

Secretary Scarlett, one of the major issues facing national parks in Hawaii is the threat of invasive species from outside of the park. As you know, miconia, is an aggressive tree species and is a major problem at Haleakala National Park. Last year when you testified on fee legislation, you told me that you wanted to look into this issue further. But the problem was that the National Park Service is prevented from spending any money outside of the park boundaries. I note that the administration is supporting another bill on today's agenda, H.R. 620, which would allow for park funds to be used at local schools outside of the park. Given that position, will you also support allowing fee revenues to be used to protect the park from imminent threats, even if that means spending some of the money outside of the park boundary?

Ms. SCARLETT. Senator, we have several concepts that we have been working on and would like to see them applied, actually, to the National Park Service. You may be aware that in our 2003 appropriations bill we had something called our Cooperative Conservation Challenge Cost Share. It applies to Bureau of Land Management, Fish and Wildlife Service, and the parks, and, in the case of BLM and Fish and Wildlife, enables them to engage in cost-share funding for things like invasive removal on lands adjacent to those BLM or wildlife refuge units.

In the case of the Park Service, there has been other restrictions that have precluded that. We look forward, actually, to exploring ways to overcome that restriction so that we can work on such matters as invasives removal. Those invasives know no jurisdictional boundaries. They move across them, and we need to address them in a cohesive way.

Senator AKAKA. Well, I'm glad there is that consideration, and look forward to working with you on this. And, as you know, the problem is that you have to go beyond your boundary to protect it from the invasive species, and that's the problem they were having.

Mr. Ring, I have a couple of questions with respect to S. 808, the Sleeping Bear Dunes bill. The administration is requesting that the

Congress defer action on the bill. Well, for the record, is there any concern about the need to protect this land or the appropriateness of including it within the boundary of the National Lakeshore?

Mr. RING. No, sir, there is not.

Senator AKAKA. Based on our hearing last July, it appears that at current funding levels, it will be several years, at best, before there are serious reductions in the maintenance backlog. Since the backlog is the rationale for the administration's request to defer action on the bill, would it be safe to assume the administration will want to continue to defer action on this as long as there is a maintenance backlog?

Mr. RING. Senator, I believe that the scale of the backlog, in our understanding of it right now, has certainly led us to this position. We review our progress on that every year. And at some point I think we're going to believe that we have got far enough along that we can start to consider other needful priorities. But I wouldn't speculate on how long that will be. I would just say that we're reviewing that annually, as we put together a budget.

Senator AKAKA. It's my understanding this land was proposed for development and probably will be developed if it is not included in the park. So how do you calculate the cost of losing this land if we don't acquire it now and it's subsequently developed?

Mr. RING. How do we calculate it? It certainly would be lost potential to the park, and we certainly understand that in the context of the resource values that have been assessed on it and the opportunity for public recreation. But beyond that, we would have to assess a specific proposal, in terms of whether it represented any threats to the park and to the surrounding area.

Senator AKAKA. My time has expired.

Senator THOMAS. Mr. Ring, what is the appraisal of the property? Do you know the value?

Mr. RING. We've estimated the value at between \$7 and \$9 million.

Senator THOMAS. \$9 million.

Mr. RING. In the range of \$7 to \$9 million.

Senator THOMAS. For a hundred acres.

Mr. RING. Yes, sir.

Senator THOMAS. You could get more than that in Wyoming for \$9 million.

[Laughter.]

Senator THOMAS. Have you talked about some sort of a trade? Is there an opportunity to—

Mr. RING. We did explore the possibility of a land exchange, but the property that was under consideration was acquired by the National Park Service, specifically through condemnation. The idea of giving it up when it maintains its capacity to be an integral part of the park, particularly when it was—the previous owners had it condemned, led to us making the decision that it was not appropriate to pursue an exchange. Equally, the public comment we received on the proposal as it went out in draft was about 85 percent against considering such an exchange, for the reasons I have described.

Senator THOMAS. Ms. Scarlett, what you talk about in your—and others talk about—having a single pass for all Federal lands, pos-

sibly even State parks, do you think something could ever work out that the States would go along with or that would work for variations in the type of resources that are there?

Ms. SCARLETT. We're very optimistic that we can have not only some sort of an interagency national pass, but also regional passes and ones that include States. We actually already have several regional examples where—in the State of Idaho, for example, we have a pass in which multiple Federal land State agencies are working together with a single pass. We are exploring the application of a hologram, simply a hologram upgrade, to the Golden Eagle Pass right now, working with the State of Oregon. So we think these concepts are not only underway, but have a lot greater potential than has been fulfilled to date.

Technology also is increasingly making it more possible, through swipe cards and that sort of technology, to track where the pass was purchased, where it's used, so that the fee-distribution element becomes more reasonable.

Senator THOMAS. I was going to ask you that. Do they get—does somebody get the 80 percent, then?

Ms. SCARLETT. What we are working on, conceptually—and, in fact, we have a pilot project underway with the swipe-card technology, which will help us track where fees are collected, where they're used. We will be exploring, then, what would be useful distribution systems.

We think one thing is key. It's important that where passes are actually used, which is where the visitor effects are, we do need to keep a substantial portion of the fees going back to those locations. But right now, for example, we do have a certain portion of the fee that goes back and is used, then, service-wide for service-wide priorities. Setting that percentage allocation is something that we have to work on, but we think we now have both the background and experience to do that, and the technology to make it feasible.

Senator THOMAS. I think that's one of the things that you find some resistance to, is if I pay a fee to go in Teton Park, then I accept the fee because I think that the money is being spent there. If I'm going to raise an additional fee to go in Teton that's spent in Devil's Island or whatever it is, why, then I'm less enthusiastic about it sometimes.

Ms. SCARLETT. We agree that that is a very significant issue, and so we want to preserve that structure whereby the link between the fee and the investment is maintained. However, we think there's some flexibility there. We have found visitor satisfaction with, for example, right now, 80 percent of fees going to that particular unit and them some service-wide. Some of the service-wide investments really do benefit all the park units, and I think visitors understand that.

Senator THOMAS. What is the overhead cost of collection, do you know?

Ms. SCARLETT. For the Park Service right now it's hovering at about 20 percent. That obviously varies by individual park unit. There are many factors that go into that. But it's been stable at around the 20/21 percent level for a couple of years now.

Senator THOMAS. In some of the parks, the demonstration fee is not the total fee there. Is that right? They had a fee before, and

the demonstration was added to it. Is it all managed as a demonstration fee now?

Ms. SCARLETT. I guess I'd have to turn to Dick to parse out whether that 20 percent is just the demo portion or includes the remainder.

Mr. RING. Most of it, the lion's share of it, is managed under the Fee Demo authority. There are some other fees collected—a recreation-use fee and transportation fees that are collected oftentimes at the same point.

Senator THOMAS. Is it Yellowstone has had a fee since the 1930's?

Mr. RING. Yes, sir.

Senator THOMAS. It's not a demonstration fee, or at least they didn't start that way. Is it all considered now a demonstration fee?

Mr. RING. It is all handled as part of that program, yes, sir.

Senator THOMAS. Okay.

Further questions, Senator?

Senator AKAKA. Yes, Mr. Chairman.

Mr. Ring, the administration has consistently opposed or recommended deferring park-related bills, even bills that authorize studies. They do this to focus on that maintenance backlog. H.R. 620 would authorize a new use of park revenue for non-park purposes. And my question to you is, how is this consistent with your opposition of all of these other bills?

Mr. RING. The workforce in Yosemite is both large and varied, and our ability to recruit and retain the best workforce that can both provide service to the visitor as well as attack that backlog is critically important. We also would not want a workforce profile in Yosemite that did not—was not made up of families with school-aged youngsters who are a part of the profile of visitors. And we would want that workforce to reflect an understanding of the visitors coming into the park, as well as, as I said, to be able to attract the best workforce to attack the critical problems with the park.

Senator AKAKA. Thank you.

Senator THOMAS. One final shot. I think last year's bill on Yosemite said they had to get a special appropriation. It could not be taken out of the normal fund. Is that the case here?

Mr. RING. If I could ask for some clarifications, Mr. Chairman, are you asking, if this bill passed would they have to seek a special appropriation? I believe that they would either have to seek funding—either allocate funding from the appropriation they received, seek additional funding, and there may be some limited—

Senator THOMAS. Well, that's the difference I'm asking you about. Does it come out of their regular appropriation? Does this just authorize them to spend it for that? Or does it require that they have additional appropriation for this purpose on top of their—

Mr. RING. I believe this bill authorizes them to spend any appropriation they have, whether they seek it specially or whether it's part of the regular appropriation.

Senator THOMAS. So it could be, if they get a million dollars, why, it has to come out of that, they have less to spend on the park than they did before.

Mr. RING. That would be what the authority would allow for, based on the judgment of the park superintendent and the circumstances with the schools.

Senator THOMAS. Okay. Well, if there's no further questions, then we'll go on to the next panel. Thank you very much. And we'll be in touch on some of these as we move forward with the bill.

The next panel is Mr. Jim Maddy, president, National Park Foundation, Mr. Ken Olson, president, Friends of Acadia, Bar Harbor, Maine, and Robert Funkhouser, president, Western Slope No-Fee Coalition, from Vermont.

Mr. Maddy, we'll start with you, sir.

**STATEMENT OF JIM MADDY, PRESIDENT,
NATIONAL PARK FOUNDATION**

Mr. MADDY. Thank you, Senator Thomas.

My name is Jim Maddy. I'm the president of the National Park Foundation, which was chartered by Congress in 1967 to encourage private philanthropic support of America's national parks. I want to thank you for the opportunity to appear today before this subcommittee to comment on S. 1107 and the Recreation Fee Program for the National Park Service.

With your permission, I'll submit this written testimony for the official record, and summarize my remarks today.

Senator THOMAS. It will be in the record.

Mr. MADDY. Thank you.

In January 1998, the Secretary of the Interior and the Director of the National Park Service requested that the National Park Foundation undertake a strategic marketing study of the potential sale of the Golden Eagle Pass outside of national parks. Golden Eagle is an annual pass providing the user with entrance to Federal lands, charging an entrance fee. That study focused on two questions: the potential untapped market for the past, and the potential new net income that could be generated by selling the pass outside of the national parks.

Senator THOMAS. Is your loudspeaker on, Jim?

Mr. MADDY. I think it is.

Senator THOMAS. The light showing there?

Mr. MADDY. The light's showing.

Senator THOMAS. Okay.

Mr. MADDY. I'll bring it up closer.

Senator THOMAS. All right, thank you.

Mr. MADDY. After the historic passage of the National Park Omnibus Management Act of 1998, the National Park Foundation entered into an agreement with the National Park Service to implement and operate the National Parks Passport program, which was created in that legislation. In operating the pass program, the National Park Foundation continues to use the findings of the initial business plan in guiding the program's operations.

One of the key conclusions from that study, Senator, is that there is significant domestic market potential for a national park pass. In that potential market, there are two possible customer approaches to purchasing a pass: a stewardship buyer and value buyers. Stewardship buyers are those who might expect some value from the pass but might not expect to get a bargain or use full

value. They would see the purchase as support for national parks. While value buyers might see a pass purchase as a bargain and would expect to use the full value, and more. The business research suggested that stewardship buyers potentially comprise a greater percentage of the total market.

The business plan also concluded that with significant investment into redesigning the pass, supporting its sale in the partnering of qualified indirect channels, such as specialty retailers and mass merchandisers, we could significantly increase pass sales.

As we near the end of the fourth season of the program, I'm happy to report significant progress and success in the development of the National Park Passport Program. We have seen growth in sales in each year of the program, and we have been able to keep operating costs to 15 percent of total revenue. Last year, over 300,000 passes were sold. And although we do not have complete numbers yet for 2003, we predict that we're on track for another year of growth.

In addition to the raw financial benefits that have resulted through the creation of the National Park Passport Program, there are significant qualitative benefits, as well. The national park pass is a valuable communications tool to reach new audiences about national parks, and encourage every individual to experience these special places firsthand. Through the pass packaging and promotional materials and all the communications about the pass program, we emphasize the breadth and depth of the National Park System, the ability of every individual to have a unique national park experience, and the benefit of purchasing a pass, and the benefit that purchasing a pass will bring to these places.

"More than 80 percent of pass proceeds go straight into vital park programs," is a powerful phrase that has proved to be successful in reaching those potential stewardship buyers interested in visiting as well as financially supporting the national parks.

Operating the National Parks Passport Program has not been without its challenges. The initial business plan for the program included higher sales and revenue figures than we currently enjoy today, primarily because of several key assumptions that, at the time, included the assumption that the pass would be sold through four key indirect channels we anticipated at that time—mass merchandisers, specialty retailers, specialty discounters, and also retail catalog sales. These indirect channels were identified because of their ability to help us reach first-time purchasers of national park passes.

One of our current challenges is attempting to find the balance between increasing fee revenue, in the short term, versus increasing the number of national park stewards, in the long-term. We've found that these two objectives often compete with each other and have made it difficult to expand the program to its full potential. An emphasis on maximizing short-term fee revenue, for example, precludes us from partnering with as many retail outlets and other indirect sales channels as we might be able to because of the concern that retail sales might decrease gate sales.

Because of these competing objectives, we are concerned about the language in section 3 of the legislation that directs 50 percent of the amounts collected from the sale of the national park pass to

remain at the site where it was sold, with the remaining amount allocated to the shared service-wide fund.

For those most concerned about the short-term fee intake, that is, the folks in the Park Service—this change in allocation, which decreases the amount of funds allocated to remain in the park where the pass was sold, may create a powerful disincentive for individual parks to sell or promote the sale of the national park pass.

We applaud your commitment reflected in section 2 of the legislation to simplify the visitor experience and streamlining the fee system by exploring the possibility of allowing revenue-sharing agreements between State agencies and the National Park Service, just as was the case at the beginning of the National Park Passport Program. However, making this change will require a significant investment in communicating to the National Park Service field staff so that the full range of pass options available to the visitor can be communicated effectively on the ground.

We would welcome the opportunity, in partnership with the National Park Service, to explore ways to increase our communications to the public and to field staff about the fee options available, or to otherwise streamline the system.

Another key challenge has been to harness the power of new technology in order to make the National Park Passport Program the most efficient program it can be. While we have made great strides in this area, we maintain a database that allows for renewal notices and the use of Internet and toll-free numbers have proved value to many park visitors seeking information. There is often dissatisfaction among consumers who have come to expect a higher level of service with such passes. We believe the opportunity is there to improve the program by implementing new technologies, such as credit card capability in every fee booth, access to account numbers by National Park Service personnel—for example, when visitors forget their pass—the implementation of processes that would allow for collection of usage data through card swipes and automatic entry points at the national park gates.

In conclusion, when creating the National Park Passport, you did not just create an entrance for national parks, you created a powerful communications tool and a means for individuals to express their support for America's national parks. The National Park Foundation continues to be committed to the National Park Passport program and to finding ways to reach more and more people and connecting them to national parks through the National Park Pass.

Senators, thank you for your ongoing support of the national parks and the National Park Foundation. And we thank you again, Mr. Chairman, for the opportunity to appear before you today.

[The prepared statement of Mr. Maddy follows:]

PREPARED STATEMENT OF JIM MADDY, PRESIDENT, NATIONAL PARK FOUNDATION

Thank you Senator Thomas. My name is Jim Maddy, and I am President of the National Park Foundation, which was chartered by Congress in 1967 to encourage private philanthropic support of America's National Parks. Thank you for the opportunity to appear today before this subcommittee to comment on S. 1107 and the recreational fee program for the National Park Service. With your permission, I will submit this written testimony for the official record and summarize my remarks today.

As you know, the National Park Foundation is governed by a nonpartisan board of distinguished civic and business leaders committed to supporting National Parks. Per the terms of our congressional charter, the Secretary of the Interior serves as the Chairman of our Board and the Director of the National Park Service serves as the Secretary of the Board. The Chairman of the Board delegates much of the day-to-day management of the Foundation to a citizen Vice Chair, a role currently held by David Rockefeller, Jr. Board members receive no compensation for their service and make substantial personal financial contributions to fund our operations. I did not allow time for this testimony to be reviewed by the board prior to this hearing, so the opinions expressed are mine alone.

The mission of the National Park Foundation is to strengthen the enduring connection between the American people and their National Parks by raising private funds, making strategic grants, creating innovative partnerships and increasing public awareness. Over the past eight years NPF has enjoyed substantial growth: over \$195 million in contributions and \$175 million in total grants and program support to National Parks across the country. The Foundation receives the majority of its contributions from corporations, whose support is often in the form of in-kind services such as marketing and promotional support, contributions toward specific programs or donations of goods. The Foundation's growth has been achieved with fundraising and administrative costs kept to a minimum—these costs represent just 10 percent of all Foundation expenses, with 90 cents of every dollar dedicated to National Park grants and program support.

NATIONAL PARK FOUNDATION ROLE IN THE NATIONAL PARKS PASS PROGRAM

In January 1998, the Secretary of the Interior and the Director of the National Park Service requested that the National Park Foundation undertake a strategic marketing study of the potential sale of the Golden Eagle pass outside of National Parks. The Golden Eagle is an annual pass providing the user with entrance to federal lands charging an entrance fee. The pass can only be purchased at a federal site or from a federal office—at the entrance gate or by mailing a check or money order to an agency. The study focused on two questions: the potential untapped market for the pass and the potential net new income that could be generated by selling the pass outside of National Parks. The study, conducted by VIA International of Chicago in close consultation with the National Park Service and National Park Foundation, resulted in a recommended business plan for the implementation of a National Parks Passport program.

After the historic passage of the National Parks Omnibus Management Act of 1998, the National Park Foundation entered into an agreement with the National Park Service to implement and operate the National Parks Passport program, which was created in Section 602 of that legislation. In operating the Pass program, the National Park Foundation continues to use the findings of the initial business plan in guiding the program's operations.

Central components of the business plan included the following six conclusions about the market potential for a National Parks Pass:

Significant domestic market potential

The potential market is comprised of buyers who share a love of National Parks. Market research defined two possible customer approaches to purchasing a Pass: stewardship buyers and value buyers. Stewardship buyers are those who might expect some value from the Pass but might not expect to get a bargain or use full value. They would see the purchase as support for National Parks. Value buyers might expect to use the full value and more of the Pass. They would see the purchase of a Pass as a bargain. The research suggested that stewardship buyers potentially comprise a greater percentage of the total market.

Moderate international market potential

Research suggested that the international market would be much smaller than the domestic and much more fragmented. Given the recent tremendous decline in international travelers, we have some data that indicates that the market may even have shrunk more in the past several years. Weighing these factors, that market has not been considered to be profitable enough for us to pursue proactively. Additionally, we were committed to ensuring that the domestic program be fully developed and successfully operating before we undertook the task of developing a significant international presence.

Significant potential in-Park sales

The research indicated the potential for in-Park sales to double from what they were, but not without significant effort and substantial investment in re-designing

the Pass and supporting its sale. That investment would include packaging and Pass design, communications with Park staff, point of sales infrastructure, and clarification of Pass program policies.

Qualified channel partners are interested in selling the Pass

The business plan defined both potential direct and indirect channels that could sell the Pass. Direct channels would include mail, 1-800 number, Internet and in-Park sales, and indirect channels could include mass merchandisers, specialty retailers, specialty discounters, and catalogs. From the beginning we have been committed to working with qualified channel partners—reputable organizations and businesses whose values align with the National Park System and can ensure that neither the Pass nor the Parks become over-commercialized. Even these partners, though, are generally not willing to forgo significant margins or greatly modify their standard practices in the interests of working with the National Park Foundation or the National Park Service.

Vast reservoir of goodwill toward National Parks

All of the outside research undertaken by the National Park Foundation indicates that the American public continues to strongly support America's National Parks. There appears to be a distinct lack of understanding, however, about what constitutes the National Park System and about the opportunities these places can afford to visitors.

Comparison products provide useful lessons, but no "silver bullet"

When studying the market for a National Parks Passport program, the two programs analyzed as possible benchmarks were the Duck Stamp program and the California State Parks System. Both programs provided best practices and examples of pitfalls to avoid, but neither showed a clear success formula that translates directly to the Pass.

NATIONAL PARKS PASSPORT PROGRAM HIGHLIGHTS

As we near the end of the 4th full year of the program, I am happy to report significant progress and successes in the development of the National Parks Passport program. We have seen growth in sales in each year of the program, and we have been able to keep operating costs to 15% of total revenue. Last year, over 300,000 Passes were sold, and although we do not have complete numbers yet for 2003, we predict that we are on track for another year of growth.

In addition to the raw financial benefits that have resulted through the creation of the National Parks Passport program, there are significant, qualitative benefits as well. The National Parks Pass is a valuable communications tool for the National Park Foundation and the National Park Service to reach new audiences about National Parks. In an increasingly virtual world, in a world where we are bombarded with high-tech, hyped inducements to head to the nearest theme park, National Parks still represent bedrock reality. These unique places teach us our nation's history and celebrate our heritage. They protect millions of plant and animal species, and they preserve vast landscapes. We must be ever vigilant in ensuring, however, that these places are not taken for granted.

We have a responsibility to reach the newest citizens of this country as well as those whose families have lived here for generations and encourage every individual to connect with their National Parks. The National Parks Pass is a powerful tool to make that connection. Through the Pass packaging, promotional materials and all communications about the Pass program, we emphasize the breadth and depth of the National Park System, the ability of every individual to have a unique National Park experience, and the benefit that purchasing a Pass will bring to these special places. "More than 80% of Pass proceeds go straight into vital park programs" is a powerful phrase that has proved to be successful in reaching those buyers interested in visiting as well as financially supporting their National Parks.

As mentioned previously, the initial market research had identified stewardship buyers as potentially representing a greater percentage of National Parks Pass buyers. Even among those identified as value buyers, however, focus group research suggested that the more prospective purchasers learn about National Parks, the more intense stewardship benefits become. In other words, the National Parks Pass is a means of reaching a range of potential National Park stewards who will likely commit to supporting National Parks in a variety of ways over the course of their lifetimes.

NATIONAL PARKS PASSPORT PROGRAM CHALLENGES & OPPORTUNITIES

Operating the National Parks Passport program has not been without its challenges. One of the key conclusions drawn about the market for the National Parks Pass was that there was no other program that could serve as a clear comparison. Although the experiences of the federal Duck Stamp program and the California State Park System were helpful in shaping the National Parks Passport program, it is the case that the National Park Foundation and the National Park Service have been navigating through new territories and adjusting as needed as the program has developed.

The initial business plan for the National Parks Passport program included higher sales and revenue figures than we currently enjoy today, primarily because of several key assumptions made at that time including the assumption that the Pass would be sold through four key indirect channels—mass merchandisers, specialty retailers, specialty discounters and catalogs. These indirect channels were identified because of their ability to help us reach first-time purchasers of the National Parks Pass.

One of our current challenges is attempting to find the balance between increasing fee revenue in the short term versus increasing the number of National Park stewards in the long-term. We have found that these two objectives often compete with each other and have made it difficult to expand the program to its full potential. An emphasis on maximizing short-term fee revenue, for example, precludes us from partnering with as many retail outlets and other indirect sales channels as we might be able to because of a concern that retail sales will decrease gate sales.

Because of these competing objectives, we are concerned about the language in Section 3 of the legislation that directs 50% of the amounts collected from the sale of the National Parks Pass to remain at the site where it was sold, with the remaining amount allocated to the shared Service-wide fund. For those most concerned about the short-term fee intake, this change in allocation, which decreases the amount of funds allocated to remain in the Park where the Pass was sold, may create a powerful disincentive for individual Parks to sell or promote the sale of the National Parks Pass.

We applaud your commitment, reflected in Section 2 of the legislation, to simplifying the visitor experience and streamlining the fee system by exploring the possibility of allowing revenue sharing agreements between state agencies and the National Park Service. Just as was the case at the beginning of the National Parks Passport program, however, making this change will require a significant investment in communicating to National Park Service field staff so that the full range of Pass options available to the visitor can be communicated effectively on the ground. We would welcome the opportunity, in partnership with the National Park Service, to explore ways to increase our communications to the public and to field staff about the fee options available or to otherwise streamline the fee system.

Another key challenge has been to harness the power of new technology in order to make the National Parks Passport program the most efficient program it can be. While we have made great strides in this area—we maintain a database that allows for renewal notices, and the use of the Internet and a toll-free number have proved valuable to many National Park visitors seeking information—there is often dissatisfaction among consumers who have come to expect a higher level of service with such Passes. We believe the opportunity is there to improve the program by implementing new technologies such as credit card capability in every fee booth, access to account numbers by National Park Service personnel when visitors forget their Passes, the implementation of processes that would allow for the collection of usage data, and automatic entry points at Park gates.

CONCLUSION

When creating the National Parks Passport, you did not just create an entrance fee for National Parks, you created a powerful communications tool and a means for individuals to express their support for America's National Parks. The National Park Foundation continues to be committed to the National Parks Passport program and to finding ways to reach more and more people and connecting them to National Parks through the Pass.

Thank you for your ongoing support of National Parks and the National Park Foundation, and thank you again, Mr. Chairman, for the opportunity to appear before you today.

Senator THOMAS. Thank you very much.
Mr. Olson.

**STATEMENT OF KEN OLSON, PRESIDENT,
FRIENDS OF ACADIA, BAR HARBOR, ME**

Mr. OLSON. Thank you, Senator.

I'm Ken Olson, and I'm president of Friends of Acadia, which is in Bar Harbor, Maine. We're not going to move to Michigan, although I understand it's a great State.

We're an independent nonprofit organization. And in the last 3 years—well, since 1995, we've raised about \$3 million that have been donated either to the national park or to the local communities. We are very supportive of S. 1107, to make the fee program permanent and to make some enhancements to it.

By October 1 of this year, Acadia National Park will have retained, we think, around \$11 million in fees since 1997.

It made possible a great number of projects. And in your packet, you'll see a list of projects that the Park Service provided me, on page 3. Once we get beyond the year 2005, things become critical in regard to fees in Acadia National Park, based on the evaluation, which is quite preliminary, as to the number of assets and the financial responsibility associated with those assets. And the numbers appear to be growing by hundreds of millions, surprisingly, assets that need to be taken care of. And the backlog is estimated at many more millions than it was before. So the fees are going to be even more critical than they are now.

You have a bar graph, on page 4 of your packet, that I think is pretty instructive, because it shows that as the fee expenditures have been made, the carryover that the National Park Service has kept is being reduced. And, in conversations with the Park Service, I learned, for example, just the other day, that it takes less than a year now for Acadia National Park to spend down the few revenues that it requires. So I think there is some pretty good efficiencies that the park is doing with the fees, and it's regarding the fees as a public trust and spending them well, in our opinion.

An exciting feature that I'd like to emphasize, Senator, is that the—at Acadia National Park, we're doing something called "revenue multiplication," and there are two examples of that on pages 5 and 6 of the testimony that you have, and there are some illustrations there that show, for example, a \$4 million, roughly, fee expenditure by Acadia National Park, largely from entry fees, and fundraising that Friends of Acadia has done in the arena at \$9.2 million, a two-to-one match of entry fees. We challenged our donors to match what the park was doing by two to one, and, in fact, it worked out. So all that \$13 million is now available for the Park Service trail system at Acadia. And Acadia became the first national park to have a privately endowed trail system, and we owe some of that to the fact that there was the match available right at the park level.

The other example to give you is Acadia's bus system, the Island Explorer propane bus system, which this year has carried its millionth passenger in under five seasons of operation. It's rather astounding. It's contributing very little to the atmosphere, which is wonderful. More importantly, it's a match, again, where L.L. Bean, the famous Maine corporation, has contributed to Friends of Acadia a million dollars. We've raised another \$170,000, and we're match-

ing, by that amount, the money that the Park Service is putting in as one of the cash participants in the bus system.

The point, I think, here is that revenues are being multiplied. The value to the national park—being returned to the national park is tremendous. The value that's being returned to the fee spender at the gate is tremendous; in most cases, well over two to one on the projects that we work on. This is very flexible funding. And when you talk with any park officials about this, that's the key ingredient for them, how flexible this money is.

I think your bill gives very appropriate guidelines as to how the expenditures should ensue from here. We very much support—Friends of Acadia supports the 80 percent formula which has been in place and is specified now in S. 1107. We recommend that the National Park Pass also be leveled at 80 percent, instead of the recommended 50 percent that's in the bill at the time, and that is because the 80 percent has proven to be such an incentive to people who increasingly understand that the money is leveraged in favor of that national park, and they're really willing to participate in the fee program because of that. So we hope you'll take the same formula and just apply it across the board.

The cost of collection, someone spoke earlier, I think we concur that they should be fairly flexible. Acadia has a cost of collection—by our calculations; this is not the park—but I think they're around 25 percent that the park is spending. We heard 20 percent from Assistant Secretary Scarlett, and we heard another percentage from someone else. But, you know, our park is a porous park, Senator, meaning that there are lots of ways to get into it, and it's not very easy to control. There's complications. And the cost of this program is a little bit higher than in some other places. But it is a maximum return, nonetheless.

We also support the private market being involved here in the form of commissions to be paid to entities that sell the National Park Pass outside, and we think that has some important ramifications for educating people about national parks before they get there and also streamlining their transactions by the time that they've arrived and really would like to visit the place or get into their lodgings.

Finally, one of the little stoppages we think that's in the system is that the time lag, where there is one, at Acadia National Park tends to be with contracts that needed to be let, and there's not enough contracting staff, basically, to let contracts efficiently. That's one hangup in the system. And if the bill were to allow people whose jobs are related directly to the fee program, such as contracting officers to be paid from the fee program, I think we could eliminate that problem, as well.

That's my summary, sir, and if you would enter that in the record, in terms of the writing that we have in front of you, we'd very much appreciate it.

And I would like to personally extend to you the invitation to visit Acadia National Park and see how things are going up there. We'd love to have you.

[The prepared statement of Mr. Olson follows:]

PREPARED STATEMENT OF KEN OLSON, PRESIDENT, FRIENDS OF ACADIA,
BAR HARBOR, ME

Thank you, Chairman Thomas, for the invitation to comment. My name is Ken Olson. I'm president of Friends of Acadia, an independent nonprofit that raises private funds for Acadia National Park in Maine. We helped Acadia's staff establish and promote the park's recreational fee demonstration program. Friends supports S. 1107, a bill to enhance the program and make it permanent.

Since 1995 alone, Friends of Acadia has donated \$3 million to the park and adjacent communities, for many projects that could not have been mounted without nonprofit funds. S. 1107 will move parks toward financial self-sufficiency, help them plan cash flows, and enable more private donations across the National Park System.

By October 1, Acadia will have retained about \$11 million in fees since FY 1997. Your packet (p. 3)* shows the myriad projects that fees are making possible through 2005—road, campground and trail rehabs, repairs to historic structures, visitor and ranger facilities, and much more.

Beyond 2005, fees will be yet more critical. Acadia's preliminary evaluation puts the replacement cost of the park's more than 600 assets at hundreds of millions and the maintenance backlog at tens of millions. This does include not roads, bridges, or resources other than facilities.

Also note the bar graph (p. 4) showing that fee expenditures are rising at the same time fee carryover is being spent down. Acadia's exceptionally proficient staff is using fees in a timely way and creating no large surpluses that sit around unused.

An exciting feature of the Acadia fee program is revenue multiplication (pp. 5, 6). Two examples stand out.

One, Friends of Acadia matched \$4 million in park fees with \$9.2 million in gifts, to fix trails. Acadia is the first national park with a privately endowed trail system. Visitors are receiving an immediate 2-for-1 return. As the Friends endowment pays out in perpetuity, the return will multiply geometrically. Without the fee match, the park and Friends of Acadia could not have launched the project, "Acadia Trails Forever."

The second example of revenue multiplication is Acadia's award winning propane bus system, the Island Explorer, which will carry its millionth passenger this week, though less than five summers old.

In 2002, L.L. Bean granted \$1 million to Friends of Acadia for the Explorer. Here a major corporate contribution to a national park again matches various park fee expenditures, adding value to the fee program, which is also supplemented by state, municipal and other contributions.

Discussing park funding, a veteran Acadia official said, "The fee demo program is the greatest thing we've got." That's because it's reliable, flexible cash, allowing multiyear planning and making possible highest priority park improvements that otherwise would continue waiting for special funding.

S. 1107 gives a superintendent appropriate spending guidelines (sideboards) and appropriate latitude to make allocations based on in-park circumstances and conditions. Delegating such decisions to executive leaders is as crucial to proper park management as it is to the best corporate management.

- Friends of Acadia supports the 80% revenue retention level specified in S. 1107.
- We also recommend that no less than 80% of National Park Passport revenues be retained where the fees were collected, instead of the 50% floor specified in the bill. The 80% figure would encourage visitors to buy the Passport because it financially favors their chosen park, a principle well demonstrated in the fee demo program itself.
- We suggest that the cost-of-collection ceiling be made flexible based on reasonableness, instead of a fixed 15%. Acadia is a complex, porous park, and collection costs have averaged about 25%.
- We support commissions for sellers of park entry passes because parks will benefit financially and visitors will be better served and informed before they arrive.

Mr. Chairman, a cause-and-effect relationship exists between contracts issued and fee-carryover accumulated—in accounts that bear no interest. If Acadia's severe contracting and construction bottleneck were eliminated, more projects would get done faster, at lower cost. An understaffed park contract office means that only a small

*Pages 3-6 showing a table, graph, and some pictures have been retained in subcommittee files.

number of large projects can be let each short, construction year. (Maine has nine months of winter and three months of rough sledding.)

- Friends of Acadia therefore recommends that the hiring of fulltime contracting and construction personnel, and other fulltime personnel whose functions relate directly to managing the fee program, be paid from fees and authorized in S. 1107. This would minimize inflation effects and project costs, increase the number of projects completed each year, accelerating President Bush's backlog maintenance program. More small projects would be accomplished alongside the larger multiyear ones.

Thank you, Mr. Chairman, for the original fee demonstration experiment and for this important new legislation to improve it and make it permanent. Let's go with a winner. I'll be happy to take questions.

Senator THOMAS. Thank you. Your comments will be in this record.

I had hoped to go up there later this month, and then I got engulfed—my hometown is Cody, Wyoming, and they're having a big event, so I, of course, had to go there.

Thank you.

Mr. Funkhouser.

**STATEMENT OF ROBERT FUNKHOUSER, PRESIDENT,
WESTERN SLOPE NO-FEE COALITION, NORWOOD, CO**

Mr. FUNKHOUSER. Thank you, Mr. Chairman. And I appreciate the privilege of testifying before you today regarding S. 1107 and the Recreational Fee Demonstration Program.

I would like to thank you, Mr. Chairman, for bringing forward S. 1107. After 7 years and four extensions, as you've commented, it's time to make the hard choices necessary concerning the future of this controversial program.

The national parks differ greatly from the Bureau of Land Management, U.S. Fish and Wildlife Service, and the U.S. Forest Service in regards to fee collection authority. The parks, unlike the other agencies, have a long history of charging entrance fees. They have the existing collection infrastructure, a higher level of development, and service that the public expects. Above all, fee authority for the parks is about fee retention. It's about allowing the National Park Service to retain the fees that the agency has been collecting for decades.

In the BLM, the Fish and Wildlife Service, and the Forest Service, the Fee Demo program is about establishing new fees. And it is this new authority that is so controversial and unpopular that we are opposed to.

Although we support S. 1107, we do have serious concerns about the incentive the authority brings with it to maximize revenues beyond what is fair and equitable to the American taxpayer. The National Park Service, under Fee Demo, has doubled and sometimes tripled the entrance fees in some national parks. On top of that, the agency now charges for such basic services as parking and mass transportation. The agency is also charging additional fees for such activities as back-country hiking and trail use.

We, again, thank you, Mr. Chairman, for including language in this bill that discourages this multi-layering of fees and keeps the administrative and collection costs to 15 percent.

Unlike the National Park Service, Fee Demo has proved a failure in the Forest Service, BLM, and Fish and Wildlife Service. The 550

million acres of largely unapproved land administered by these three agencies are owned by the American public. They are held in trust for the citizens of this Nation. They're maintained through our taxes. Under Fee Demo, these same citizens are being denied access to their lands unless they are able and willing to pay additional taxes in the form of fees. And these new fees are clearly a new tax, and they are a double tax.

Fee Demo is also a regressive tax. It puts the burden of public land management on the backs of rural Americans that live adjacent to or surrounded by land managed by these three agencies. To mandate that those local residents carry a heavier burden of funding for a land-management agency is unjust and unfair.

Fee Demo is also a regressive tax in the sense that it discriminates against lower income and working Americans.

Opposition to Fee Demo in these three agencies has been overwhelming and widespread. Across the country, Americans from all walks of life and all political persuasions are raising their voices against this program. Resolutions of opposition have been sent to Congress by the State legislatures of Colorado, Oregon, California and New Hampshire. And dozens of resolutions have been passed by counties, cities, and towns across the nation. Over 260 organized groups oppose this program, and civil disobedience is rampant. In California alone, over 200,000 notices of noncompliance and citations have been issued.

Americans are passionate about their ownership of these lands. They pay their taxes to maintain these lands, and they should not be treated as customers or, worse, trespassers. Fee Demo takes ownership of these lands out of the hands of the public and gives ownership to the land-management agencies. It makes trespassers out of taxpayers.

Fee Demo program changes the mission of the land-management agencies from one of resource management and stewardship to one of revenue generation. It allows the agencies to appropriate their own funds without congressional oversight. The charging of tolls on State highways and county roads, forest-wide fee programs, fees for unapproved sites in back-country areas, simple picnic tables and fees for parking represent some excesses driven by these incentives.

What's more, the Fee Demo program is a financial failure. The GAO has found that in fiscal year 2001, the Forest Service used \$10 million of appropriated funds for the administration of the Fee Demo program and to augment collection costs. The report also found that the agency had been under-reporting the costs of administration, collection, and fee enforcement. The bottom line is that the program brought in far less than \$15 million, and the cost of overhead, cost of collection and enforcement was well over 50 percent of the gross.

The amount of costs associated with the collection and the use of appropriated funds for program management in BLM and Fish and Wildlife Service remains unclear, but the added revenues in these agencies are estimated to be \$4 million combined.

In conclusion, Fee Demo has been controversial since its inception. This program has never been fully dealt with by the authorizing committees in the seven long years that it's been in place. It

has been extended through the appropriations process time and time again. After 7 years, it is clear what has worked and what has not.

We urge passage of S. 1107, and we urge that the Fee Demo program be allowed to expire next year for the U.S. Forest Service, the BLM, and the Fish and Wildlife Service. This new fee program in these other three land-management agencies has proven to be extremely unpopular with the public, and it is financially not just worth it.

I thank the chairman and the committee for allowing me to testify.

[The prepared statement of Mr. Funkhouser follows:]

PREPARED STATEMENT OF ROBERT FUNKHOUSER, PRESIDENT,
WESTERN SLOPE NO-FEE COALITION, NORWOOD, CO

Mr. Chairman and distinguished members of the subcommittee, thank you for the privilege of testifying before you today regarding S. 1107 and the Recreational Fee Demonstration Program. I am Robert Funkhouser, President of the Western Slope No-Fee Coalition.

The Western Slope No Fee Coalition is a broad-based group consisting of motorized recreational interests, property rights advocates, hiking and boating interests, community groups, local and state elected officials, conservatives and liberals, Republicans and Democrats, and just plain citizens. We currently have members and member groups in 33 states and are working closely with other groups of all interests. Our mission is to end the Recreational Fee Demonstration Program (Fee Demo), to require more accountability within the land management agencies, and to encourage Congress to adequately fund our public lands.

I would like to thank Chairman Thomas for bringing forward S. 1107. The Fee Demo program was begun as an appropriations rider in 1996. It has since been extended four times through the appropriations process and is now in its seventh year. It is time to make the hard choices necessary concerning the future of this controversial program. At this juncture we support S. 1107 in making the program permanent for the National Parks and allowing the program to expire on its present schedule expiration date of October 1st 2004 for the Bureau of Land Management, U.S. Fish and Wildlife Service and U.S. Forest Service.

The National Parks differ greatly from the other three land management agencies in regards to fee collection authority. The Parks, unlike the other agencies, have a long history of charging entrance fees. They have the existing collection infrastructure, a higher level of development and service that the public expects.

Above all, fee authority for the Recreational Fee Program within the Parks is about fee retention. It is about allowing the National Park Service to retain the fees that the agency has been collecting for decades. In the Bureau of Land Management, the U.S. Fish and Wildlife Service, and the U.S. Forest Service the Recreational Fee Demonstration Program is about establishing new fees and it is this new authority that has been so controversial and unpopular that we are opposed to.

Although the Western Slope No Fee Coalition supports passage of fee authority for the Recreational Fee Program within the Parks only, we do have serious concerns about the incentive this authority brings with it to maximize revenues beyond what is fair and equitable to the American taxpayer. The National Park Service, under Fee Demo, has doubled and sometimes tripled the entrance fees at some National Parks. On top of that the agency now charges for such basic services as parking and mass transportation. The agency is also charging additional fees for such activities as backcountry hiking and trailhead use. We thank Chairman Thomas for including language in this bill that discourages this multi-layering of fees. It is our hope that as this program takes a more permanent application in the National Park Service that these layered fees can be reviewed and that in the future congressional oversight can play an important part in keeping the National Parks affordable for the American citizen to visit. It is largely through the taxpayer's dollars that these national treasures are already operated and maintained.

We also urge Congress to continue supporting the National Parks through the use of appropriated funds. Fee revenues should be used only to augment Park budgets, not replace appropriated dollars.

This bill addresses some of the key challenges involved with granting fee retention to the National Park Service. It limits expenditures related to administration and cost of collection to 15 percent, in contrast to the 50 percent actual cost of administration and collection for the Forest Service in fiscal year 2001. It limits or eliminates the multi-layering of fees and it allows the parks to retain the revenues from the fees that they have a long history of collecting.

As opposed to the implementation of the Recreational Fee Demonstration Program in the National Park Service, Fee Demo has proved to be a failure in the U.S. Forest Service, Bureau of Land Management, and the U.S. Fish and Wildlife Service. The 550 million acres of largely unimproved land administered by these three agencies are owned by the American public. They are held in trust for the citizens of this nation and are maintained through our taxes. Under Fee Demo, these same citizens are being denied access to their lands unless they are able and willing to pay additional taxes in the form of fees.

These new fees clearly are a new tax and they are a double tax. For our supporters who enjoy motorized recreational interests they are triple tax. These individuals pay sales tax for their vehicles; they pay gas tax for their fuel; they pay registration fees; and they pay income tax that helps to pay for land management. Now under Fee Demo they are required to pay for accessing public lands.

Fee Demo is also a regressive tax. It puts the burden of public land management on the backs of rural Americans that live adjacent to or surrounded by land managed by the three agencies. The public lands are an integral part of life in these rural communities. My county in western Colorado is 87 percent Forest Service and BLM lands. To mandate that those local residents carry a heavier burden of funding of our land management agencies is unjust and unfair.

In fact, the Fee Demo program has been an economic drain on some of these communities. Because the program is so unpopular, tourism has been negatively affected in many areas where the program is implemented.

Fee demo is also a regressive tax in the sense that it discriminates against lower income and working Americans. A Forest Service study concluded that 23 percent of lower income Americans no longer visited our public lands due to the fees. It stated that 49 percent of all Americans regardless of income use the public lands significantly less due to the fees. Again, many of these lower income individuals live adjacent to or are surrounded by BLM, Forest Service or Fish and Wildlife Service lands.

Opposition to the Recreational Fee Demonstration Program has been overwhelming and widespread. From New Hampshire to California, from Idaho to Arizona Americans from all walks of life and all political persuasions are raising their voices against this program. The American public is clearly and overwhelmingly against this program in these three land management agencies. Resolutions of opposition have been sent to Congress by the state legislatures of Colorado, Oregon, California, and New Hampshire. Dozens of resolutions opposing the program have been passed by counties, cities, and towns across the Nation. In Colorado alone, ten counties and numerous towns and cities have passed resolutions condemning the program. Over 260 organized groups oppose the program, and civil disobedience to it is rampant. In California alone over 160,000 notices of noncompliance or citations have been issued.

Americans are passionate about their ownership of these lands. They feel that it is their heritage, as it was their parents' heritage. They pay their taxes to maintain these lands, and they should not be treated as customers—or worse trespassers—on their own lands. Fee Demo takes ownership of these lands out of the hands of the public and gives ownership to the land management agencies. It is this change in relationship that is most disturbing. It makes trespassers out of taxpayers. Many of those ticketed have been charged with Class B misdemeanors punishable by up to six months in jail and a \$5000 fine.

It is not just the public that suffers from this program. The agencies themselves suffer from a strained relationship with local communities and the public as a whole. The land management agencies are a tentative guest in many communities to begin with. Assuming a heavy enforcement role, particularly in counties such as mine, will continue to erode any positive relationship that has been built. As the New Hampshire Speaker of the House, Gene Chandler, put it, "This program drives a wedge between local governments and the public on one hand and the federal land management agencies on the other." The longer the wedge stays in place, the harder it will be to repair the damage. Volunteerism suffers and community involvement suffers.

The Fee Demo program changes the mission of the land management agencies from one of resource management and stewardship to one of revenue generation. It allows the three agencies to appropriate their own funds without any congressional

oversight. This creates a perverse incentive to maximize revenue at the public's expense. It is this incentive that causes the agencies to be excessive in their implementation and enforcement of the Fee Demo program. The charging of tolls on state highways and county roads, the implementation of forest wide fee programs, the charging of fees for unimproved sites and backcountry areas, the charging for simple picnic tables, and the charging of fees for parking represent just some of the excesses driven by these incentives.

There are funds already allocated to the management agencies that, with reprioritization, can be used to pay down the maintenance backlogs in the three agencies and eliminate the very reason for this program. Appropriated funds should be spent first for resource management, maintenance backlogs, and day-to-day management before being used for capital infrastructure. Yet all of the agencies continue to build new facilities and infrastructure that only adds to the maintenance needs of the future.

What's more, the Fee Demo program is a financial failure. The General Accounting Office recently released the findings of an audit concerning the Fee Demo program within the Forest Service (GAO-03-470). The GAO found that in FY2001 the Forest Service used \$10 million of appropriated tax dollars for administration of the Fee Demo program and to augment collection costs. This \$10 million, almost one-third of their total revenues, had been previously unreported in the agency's annual report to Congress. The report also found that the agency had been under-reporting the costs of administration, collection and fee enforcement (see Appendix 1).^{*} The Forest Service claims the program is a success with gross revenues in FY2001 of \$35 million. The bottom line is that the program brought in far less than \$15 million and the cost of overhead, cost of collection, and enforcement was well over 50 percent (see Appendix 2). The public has rejected the notion of Fee Demo, and financially it is of little value to the American taxpayer.

Until the General Accounting Office audits the Bureau of Land Management and the U.S. Fish and Wildlife Service Fee Demo programs the amount of costs associated with collection and the use of appropriated funds for program management in those agencies remains unclear. As it stands, the net revenues for the BLM and U.S. Fish and Wildlife Service combined are estimated to be less than \$4 million in FY2001 (see Appendix 2).

By contrast, in FY2001, the National Park Service reported gross revenues in excess of \$126 million. Of that amount \$30 million was spent on administration and collection leaving a net revenue for that year of \$96 million.

In conclusion, the Recreational Fee Demonstration Program has been controversial since its inception. This program has never been fully dealt with by the authorizing committees in the seven long years it has been in place. It has been extended through the appropriations process time and time again. After seven years it is clear what has worked and what has not. We urge passage of S. 1107 and we urge that the Fee Demo program be allowed to expire next year for the U.S. Forest Service, BLM and the U.S. Fish and Wildlife Service. This new fee program in these other three land management agencies has proven to be extremely unpopular with the public and it is financially just not worth it.

Mr. Chairman and members of the Committee, I would like to thank you for your consideration and again thank you for allowing me to testify before you today.

Senator THOMAS. Okay, thank you.

Thanks to all of you. We appreciate it.

Mr. Maddy, I don't quite understand how the pass that's used all over the country fits into the demonstration thing where 80 percent goes to the one facility. How does that work?

Mr. MADDY. Well, I believe the way it works, under the existing law, is that if the pass is sold at a park or at an entry station, then it's credited as a fee collection or a sale directly to that park.

Senator THOMAS. I see.

Mr. MADDY. If a pass is sold by the National Park Foundation program through a Web site, through an 800 number, or through the mail, then 100 percent of that \$50 that's collected goes into what would otherwise be the 20-percent pot.

Senator THOMAS. The Park Service pot, I see. Okay.

^{*}Appendixes 1 and 2 have been retained in subcommittee files.

I know you and your group work a lot on this in the business plans and this and that. How would you improve the recreation fee program if you had the opportunity?

Mr. MADDY. Well, I think one key improvement, Senator, would be to take advantage of more opportunities to structure strategic partnerships with retailers, with advertisers, with media organizations, with the people in the private sector that have the greatest facility, the greatest experience and success in reaching the public with a value proposition of this kind and with a product of this kind, if you will. Again, the business planning suggested that, you know, if we were to reach out directly to the public with more and more information about the availability of the pass, that there's a significant untapped market of individuals who would say, for instance, "I'd like to have that. I enjoy the national parks, I support the national parks. This looks attractive to me. I may or may not get \$50 of savings by my use of the parks, but I"—people who would say they basically want to join.

Senator THOMAS. Yes. So this would be a better marketing tool, informational tool.

Mr. MADDY. And I think we've demonstrated some of that potential. I think the Park Service is—you know, they want to get it right. They want to be cautious, appropriately so.

Senator THOMAS. Yes.

Mr. MADDY. But I think the Park Service wants to work with the Foundation to explore those. Each season we've done a little bit more.

Senator THOMAS. We also need—this is just an observation—we also need—as Mr. Funkhouser says, we need to make sure people understand that this is not a effort to get more money, necessarily, for a park and so on, but that it's there to assist in the facility to make it more acceptable to them. And I know we need to do it.

Mr. OLSON, does your matching fund just go for the Fee Demonstration portion of it or for other revenue that they have?

Mr. OLSON. It mostly goes toward the Fee Demonstration program. There are some other smaller revenues. It's hard to match some of the other revenues, in part, because Congress has to appropriate those. Since these are coming out of the park proper, it's easier to say the match is there and challenge a donor.

Senator THOMAS. And your constituency are fairly local people in the area.

Mr. OLSON. They include a great number of local people, but we have a membership that's nationwide and has some international people, as well.

Senator THOMAS. No kidding? That's impressive. That's impressive.

Mr. Funkhouser, do you think it's reasonable to say, "Look, everybody pay"—all taxpayers pay a certain amount, but not all taxpayers visit. Should the visitors be expected to contribute a little more than the taxpayers who do not visit?

Mr. FUNKHOUSER. We believe that actually the public lands are held in trust for all Americans. And I think that allowing the agencies to retain fees creates the incentive to actually market it and to "commodify" it to make it more unaffordable for the American citizens to visit. I think if I lived in an area that didn't have any

public lands, I should certainly have the right to go there. These, again, are largely unimproved lands that are being built upon with the effort to be able to justify charging fees.

Senator THOMAS. I agree with you that not all the facilities—or not all the access to BLM and Forest Service—my State's much like yours; it works very well for the fee, but perhaps you classified and identified, had a criteria, or there were certain places that had substantial visitors' facilities, would you think that would make sense?

Mr. FUNKHOUSER. We actually do not oppose user fees for areas that have been allowed under the Land and Water Conservation Fund Act, such as improved campgrounds, with the majority of the following amenities—mechanized boat launches, et cetera.

Senator THOMAS. I see.

Mr. FUNKHOUSER. We feel that those are appropriate charges. We certainly, I certainly, don't have a problem paying those fees. I believe that the Land and Water Conservation Fund Act prohibited the charging for picnic tables, roads, scenic overlook, bathrooms, et cetera. And I think that was an appropriate definition. In other words, you're not receiving an added benefit from sitting at a picnic table. In other words, does a picnic table warrant a \$5 fee? Is that an amenity that the public deserves? I think for a service such as campground, mechanized boat launch, and the other allowed charges under the Land and Water Conservation Act, are appropriate. And they're also—the sideboards are already there under that scenario. So there are already conditions set.

Senator THOMAS. Senator.

Senator AKAKA. Thanks, Mr. Chairman.

I have no questions, but I want to thank the panelists for your thoughtful testimony. I want to commend Mr. Maddy and the National Park Foundation for what you are doing in grants and program support. I also want to commend Mr. Funkhouser for your position, and thank Mr. Olson for your strong examples of how fees work and how Friends of Acadia work to improve national parks.

Thank you all for your testimony.

Senator THOMAS. Thank you. And I agree. I agree with the Senator. These are Federal programs, of course, parks and others, but they really work much better when there is volunteer work going on with them to support them, to work with them, to give them ideas about how it works and so on.

We're very supportive of this idea of continuing the fee program. There are some details yet, obviously, that we don't have settled with everyone, including the Department of the Interior, but we're going to work at it, and our hope is to get this bill tailored however it needs to be to work best and get it out this year.

Thank you all for being here. We really appreciate it. Thank you for what you do for our national parks and public lands.

[Whereupon, at 3:55 p.m., the hearing was adjourned.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

STATEMENT OF JAMES M. RIDENOUR, FORMER DIRECTOR, NATIONAL PARK SERVICE

Mr. Chairman, members of the subcommittee, it is my pleasure to provide written testimony before you today. I appreciate the opportunity.

First, let me say, as former Director of the National Park Service and as an interested citizen, I strongly support the authorization to expand the boundary of Sleeping Bear National Lakeshore to allow the purchase of the land along the Crystal River. This land epitomizes the beauty and natural character that makes Sleeping Bear Dunes and northern Michigan such a desirable tourist destination for people from all over the world.

The land to be acquired adjoins the Lakeshore, has an area of approximately 105 acres and lies along both sides of the Crystal River. There are approximately 6,300 feet of high quality river frontage and other land forms that have been classified as “globally rare” by federal resource agencies.

Notably, the reach of the river running through this land is the single most visible and beautiful section of the river. It is highly desirable for swimming, canoeing, sightseeing and other recreational activities. And, it is a highly logical addition to the Lakeshore as the NPS owns the upstream frontage from the river’s headwaters to this land.

This issue of the best use of this land did not pop up overnight. It has been a highly debated and emotional issue for Michiganders and others for many years. I first became aware of the issues involving this land when I was Director of the NPS in the early 1990s.

The owner of this land—a corporation known as “Bayberry Mills”—purchased it in 1986 with the stated intent of building a championship quality golf course to serve an adjoining destination resort, The Homestead.

From day one, strong dissent from the environmental community arose over the owner’s plan. Countless meetings, hearings, lawsuits, articles and editorials and hundreds of letters to Congress and other governmental agencies followed.

In the mid 1990s I was asked by a local citizens’ group to see if I could help resolve this issue. Alternatives were considered. An exchange of land between the owner and the NPS was one. A purchase by the NPS was another. At that time, I did not find a consensus position that would respect the owner’s private property rights, satisfy the concerns of a variety of environmental groups and be acceptable to the National Park Service.

Although we were unable to successfully address the issues and satisfy the personalities in the 1990’s, I felt then as I feel now—this land is a highly valuable community and national asset. The use of this land has become much more than a local issue. Elected and appointed leaders of the State of Michigan have become involved as have the U.S. Corps of Engineers, the U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency and the National Park Service. So, too, have a large number of entities—both local and national—which support various alternatives to the land use issue.

Early in 2001—again, at the request of the owner and a number of citizens—I agreed to act as a consultant and to again try to find a way to break this long standing impasse.

A dialogue ensued among the owner, the National Park Service and representatives of various environmental groups as to what might be possible. The previously considered exchange concept was revisited. Draft boundaries were drawn; public meetings were held; but strong opposition to the exchange concept erupted—both locally and nationally. Park support groups feared the precedent of giving up any NPS land.

Rightfully so, the owner deserves a final decision as to park expansion on this land. The newspaper coverage on this issue has been voluminous; strong opinions

have developed. However, there is an opinion that most all appear to share—that this land is a beautiful natural resource and there is great value in having it remain in open space for public enjoyment.

The owner has agreed to consider a purchase in order to get this longstanding issue off the table; Environmental groups believe this land should be made a part of the Sleeping Bear Dunes National Lakeshore. The NPS Regional Office in Omaha concurs and has made this land the number one candidate for acquisition in the Midwest Region.

After years of studying this area and after years of interacting with citizen groups, environmental groups, the National Park Service and the owner, I have come to the conclusion that the best course of action—indeed, the only prudent course of action—is to expand the boundaries of the Lakeshore and direct the NPS to purchase this land for the benefit of the public.

I am reasonably confident that most all of the engaged parties, including the state, the NPS, the citizen groups, the environmental groups and the owner are in agreement with this conclusion and are anxious to draw this matter to an end. I ask you to approve Senate 808 so this matter might finally be resolved in the best interests of all.

STATEMENT OF ALAN ARONSON, FEE DEMO SUBCOMMITTEE CHAIR,
NATIONAL RECREATIONAL ISSUES COMMITTEE, SIERRA CLUB

The Sierra Club wishes to thank the Chairman and the members of the Subcommittee for the opportunity to comment on S. 1107: regarding the Fee Demonstration Program for the National Park Service. While the Sierra Club has not taken a position on this bill, we are concerned about some of the proposals made during testimony on September 9, 2003.

The Sierra Club has long recognized that certain fees may be necessary for our National Parks to function in an orderly manner. However we view recent increases in and the multiplication of fees in the Parks as counterproductive to the reasons we created National Parks.

Our National Parks are first and foremost a part of America's heritage; a trust for future generations. They were never intended to function as profit centers. Therefore we note with gratitude, language within the bill that recognizes the desirability of avoiding the multiplication and layering of fees.

We are however, opposed to making the Fee Demonstration program permanent in the Forest Service, the Bureau of Land Management and the Fish and Wildlife Service. The Fee Demo Program should be terminated in these agencies and they should return to the LWCF guidelines.

The Sierra Club has opposed Fee Demo since its inception because we believed that a proposal that fundamentally altered the relationship of the American people to their public lands needed the scrutiny that could only come with separate legislation. Instead Fee Demo was imposed as a rider on an Interior appropriations bill in 1995.

Had the proposal received the attention in 1995 that carrying it as a rider avoided, many of the problems associated with Fee Demo would have been apparent.

Certainly the local unpopularity that has greeted most of the demonstration sites would have manifested itself. This local opposition is truly grassroots and cuts across normal political and ideological lines. We were concerned that even modest fees would negatively impact the ability of lower income families to continue with accustomed usages of our public lands. Forest Service studies have validated these concerns.

The inherent differences between National Parks which are discrete entities that function as destinations and often attract large numbers of visitors as opposed the hundreds of millions of acres that comprise the bulk of our public lands and where usage is light and diffuse, also would have been apparent.

The paucity of successful examples in Secretary Scarlett's testimony demonstrates these differences. The overwhelming majority of the revenue in the program has come from the National Parks. Based on the amount collected and the costs of collecting them, the program has to be rated a failure in the Forest Service.

The amounts collected by projects in the BLM and FWS are likewise insignificant and, given the nature of those department's holdings, are unlikely to improve. Viewed in the light of the unpopularity of the program, the amounts collected pale even more.

We find it problematic that the Interior Department sees a fifteen percent cap on collection costs as a barrier to successful implementation of the Fee Demo program.

Even a cost of collections at that level hardly seems the mark of a successful program.

It would be interesting to know what level the Interior Department would consider excessive. It is hard to see how regional and interagency passes can improve things. Setting the fees at a level that would collect meaningful revenues without that level being a barrier to public usage does not seem possible. For every unit like the 7,000 acre Sand Flats in Utah, we have millions of acres of public land that serve best as watershed, habitat and open space. Usage of these areas is best accomplished at low densities and low impact.

Hiking is one of the fastest growing activities of choice on our public lands. The opportunity for solitude is one of the attractions these lands offer.

The primary goal of our public land agencies should be the stewardship of the land over the long term. That goal cannot be accomplished if the funding of these agencies is tied to recreational development. This does not mean that all higher impact uses should be automatically excluded, just that the need for revenue should not be the driving force in a land use decision.

Fee Demo has had several years to prove itself. While there may have been some limited successes, taken as a whole and, as the GAO reports clearly demonstrate, Fee Demo has been a failure. Based on public acceptance, funds collected and the usages of those funds permanence should not be granted to Fee Demo in the Forest Service, BLM or FWS.

The present maintenance backlog on our public lands is largely the result of the various agencies being starved of appropriate funding over the past twenty years. It is at a level that, while quite small compared to the overall federal budget and the size of our economy, is clearly not going to be solved by user fees.

Given the widespread use of our public lands by relatively low impact uses, the most efficient means of funding them is through the general budget process. We therefore urge the Subcommittee to keep S. 1107 focused on the National Parks. The Fee Demonstration program should be ended in the other agencies.

STATEMENT OF BARBARA GILMORE WEBER, FRIENDS OF THE CRYSTAL RIVER,
GLEN ARBOR, MI

Mr. Chairman, members of the Subcommittee on National Parks, Recreation and Public Lands, it is my great pleasure to offer this written support for H.R. 408.

Friends of the Crystal River, a 750 member grassroots 501c3 organization, was formed 17 years ago, in response to a threat of a golf course/residential development being constructed along the river. Our mission was clear. We would explore ways and means of preserving the natural, ecological, historic, recreational, aesthetic and educational values of the Crystal River and its adjacent lands. Expanding Sleeping Bear Dunes National Lakeshore boundaries to include the Crystal riverine land offered to the National Park for purchase by the Homestead Resort accomplishes our goal and benefits the resort. The Friends, with sheer joy, enthusiasm and relief, support H.R. 408.

Friends, joined by other environmental groups, has truly struggled and fought diligently to have the Crystal preserved. Sierra Club, Michigan Environmental Council, Northern Michigan Environmental Action Council, Trout Unlimited, Michigan United Conservation Club, Friends of the Cedar River, National Wildlife Foundation, Lake Michigan Federation, Izaak Walton League, National Parks and Conservation, Michigan Land Use Institute and the Leelanau Conservancy have joined with us in our mission. Citizens, from nearly every state, as well as citizens living abroad have written to the Friends or to Sleeping Bear Dunes National Lakeshore urging the Park Service to purchase the Crystal River land that is presently for sale.

It has been a long and circuitous journey to finally reach an agreement on the controversial land use. Friends group has been in Michigan's District, Appellate and Supreme Court with our contested case. The Federal Court placed our case under the jurisdiction of the Army Corps of Engineers. U.S. Fish and Wildlife evaluated the Homestead's proposed golf course/residential development and found a golf course to be an inappropriate use of the river land. Residential construction, within the confines of local and state permits, would be allowed. Last year, The Homestead Resort, publicly stated they would no longer consider constructing a golf course. Instead, other options would be investigated: The resort could build on the land, they could sell the property or they could exchange publicly owned park land for a portion of the Crystal River land. The last option met with a loud public outcry. Now, a rare opportunity is ours: The Homestead Resort has offered to sell this exquisite natural resource to the National Park Service. The land parcel contains an inter-

nationally and nationally rare dune and swale land formation. The Natural Features Inventory authored for the Michigan Department of Natural Resources describes the essence of the Crystal River. Perhaps, a comment offered by a park visitor canoeing the river, best describes the Crystal; "Look at this . . . you can see right down to the bottom of the river. . . . I've never seen a river so crystal clear."

Thank you for allowing Friends of the Crystal River to offer our support for H.R. 408. We urge you to approve this legislation in a most timely manner. Including the Crystal River parcel within the park boundaries will be a wonderful gift to the citizens of the United States. In turn, the Crystal River will be professionally managed by the Park Service and preserved in perpetuity.

STATEMENT OF GARY A. REESE, ECOLOGIST AND MICHAEL R. PENSKAR, BOTANIST,
MICHIGAN NATURAL FEATURES INVENTORY

INTRODUCTION

The Michigan Natural Features Inventory (MNFI) maintains a comprehensive and continually updated database on all state occurrences of threatened and endangered plants and animals, as well as lands qualifying as natural areas. In addition to maintaining the database, the program surveys federal, state and private lands for additional occurrences of these entities. MNFI is a joint venture of The Nature Conservancy and the Michigan Department of Natural Resources (MDNR), under contract to the latter agency.

In February, 1989, MNFI conducted a survey of the Crystal River basin in Glen Arbor Township, Leelanau County, Michigan. This survey included lands owned by both The Homestead and the National Park Service. This is the site of a proposed golf course and homesite development to which The Homestead has applied for a wetlands permit to the MDNR under provisions of the Goemaere-Anderson Wetland Protection Act, P.A. 203 (1979). This act calls for a review of "the probable impact on recognized . . . ecological . . . values" of proposed wetlands projects and a determination of "whether the activity is in the public interest." To this end, the Michigan Natural Features Inventory wishes to have its findings on the ecological values of this project area considered along with other available evidence.

METHODS

The Crystal River area was photointerpreted by the senior author from photos taken August 18, 1938 (USDA B&W BEA-3R-113 and 114), July 26, 1952 (USDA B&W IR BEA-1K-67 and 68), June 19, 1978 (MDNR Color IR 13-33-222 and 223), April 30, 1985 (MDNR Color 36-636 and 637), and June 15, 1987 (MDNR B&W IR 320-19-104 and 105). Multiple imagery allowed for a more accurate determination of wetland/upland boundaries and provided information on past land use which was necessary for judging the natural area boundaries. These boundaries are shown on the accompanying maps titled "Homestead Golf Course, Location and Generalized Vegetation/Topography" and "Homestead Golf Course, Natural Communities and Natural Area."

The presettlement vegetation of this site was determined from U.S. General Land Office survey records. A map entitled "Homestead Golf Course, Presettlement Vegetation" shows the locations and nature of the surveyor's observations in 1850.

Accuracy of the interpretation was field checked on February 5, 1989. Peat depths were taken in each major palustrine plant community type and soil textures determined in the terrestrial types. Plant species composition (primarily of the woody vegetation) was determined for four major topographic zones: ridge, swale, river flats, and swamp. Tree ages were obtained by reading rings on recently cut stumps and increment cores from breast height on live trees. Diameter measurements were also taken to determine size-class distribution of the trees by species.

RESULTS

Site Characterization

The Crystal River area is characterized by conifer-dominated forest on glacial lakeplain representing an old lake embayment. Meandering through this area is the Crystal River (also known as Crystal Run). As this river approaches Lake Michigan, it meanders through swales lying between a repeating series of sand ridges. These sand ridges represent former beach ridges formed during the receding of higher lake levels immediately following glaciation. These ridges are most pronounced approximately one-half mile from the present Lake Michigan shoreline and can be easily viewed from along Highway M-22, near the junction with County Highway 675. To-

ward the southeast, these ridges become progressively less pronounced, eventually grading into an extensive cedar swamp. This combination of former dune and swale topography associated with a meandering river is unique to at least the Lower Peninsula of Michigan. Further study is needed to determine if a similar occurs in the Upper Peninsula.

The dune ridges are comprised of medium to coarse sand and dominated by conifers in areas which have not had recent logging or clearing. The coniferous trees include northern white-cedar (*Thuja occidentalis*), white pine (*Pinus strobus*), balsam fir (*Abies balsamea*), hemlock (*Tsuga canadensis*), and tamarack (*Larix laricina*), listed in their relative order of dominance. Where white pine has been logged, or where human activities have disturbed the ground, hardwoods are common. These include white oak (*Quercus alba*), trembling aspen (*Populus tremuloides*), sugar maple (*Acer saccharum*), red maple (*A. rubrum*), and paper birch (*Betula papyrifera*).

The swales have organic soils (peat and muck) from 2.5 to over 4 feet deep. In general, the less pronounced the topographic gradient between ridge and swale, the shallower the peat depth. The slopes between the ridges and swales tend to have a muck and sand mix. The swales are dominated by speckled alder (*Alnus rugosa*) and silky dogwood (*Cornus amomum*), with northern white-cedar, white pine, tamarack, sweet gale (*Myrica gale*), shrubby cinquefoil (*Potentilla fruticosa*), and Bebb's Willow (*Salix bebbiana*) as abundant. The latter three species tend to dominate in the more open swales. Where the swales open to the Crystal River, a floodplain shrub-herb community occurs. Swamp rose (*Rosa palustris*), speckled alder and sweet gale dominate, with other swale species as associates. The ground layer in this community is dominated by marsh fern (*Thelypteris palustris*), blue-joint grass (*calamagrostis canadensis*), and marsh wild-timothy (*Muhlenbergia glomerata*).

Approximately one-half mile southeast of M-22 and south of Co. Hwy. 675, the ridge and swale topography becomes much less pronounced and has mostly organic soils. This swamp is dominated by northern white-cedar with areas of hemlock, underlain by shallow peat over medium to coarse sand. Other important species in the swamp include hemlock, black spruce (*Picea mariana*), tamarack, balsam fir, and paper birch. Old stumps of white pine, many of which display fire scars, are found occasionally throughout the swamp, but few cedar stumps were noted. This is undoubtedly due to repeated windthrows in the swamp, which has prevented attainment of old-growth cedars since presettlement survey time. It must be emphasized that old-growth cedar does not imply large diameter trees. The size and structure of trees that currently dominate the swamp appear to be a good facsimile of the swamp forest that was extant prior to settlement of the area. The many windthrows observed during the site survey also indicate a disturbance regime similar to that mentioned and recorded by the early land surveyors.

Size-class distribution with selected tree aging revealed a primarily second-growth nature of the forest communities. White pines present on the ridges range in size from 18 to 23.5" diameter (at breast height) and are essentially equal to the stump diameter of the trees present when the site was initially logged (prior to the turn of the century). In general, good to excellent regeneration has occurred on ridges which have not received a second cutting in modern times. Northern white cedar on both the ridges and in the swales range from 4 to 8 (up to 13") diameter, representing 40 to 85 years old trees. Cedar and balsam fir (average 7" diameter) have likely become more abundant following logging.

Within the cedar swamp, northern white cedar is extremely dense, windthrown, and predominately even-aged with 7.8" diameters. This corresponds closely to the presettlement character of the swamp. Since the present trees are approximately 65 years old, it is likely that the site was catastrophically windthrown in the 1920's. Presettlement surveyors noted a similar wind thrown nature in 1850. White pine stumps within the swamp are approximately 24" stump diameter, with only minor, local regeneration of white pine.

The site was also examined for the presence of potential habitat for the Michigan monkey-flower, (*Mimulus glabratus* var. *michiganensis* (Pennell) Fassett), a taxon wholly endemic to Michigan and known to be extant at approximately 10 sites. Michigan monkey-flower, currently a candidate for Federal listing by the U.S. Fish and Wildlife Service (Category 2 candidate, Federal Register, Feb. 27, 1985), is known to occur on the shore of Glen Lake, and thus the potential exists for its occurrence in the immediate region. Its habitat is primarily springy seepages on forest edges, cedar swamps, and in small openings along streams and lakeshores. The presence of ice and a snow cover (although relatively shallow) prevented a reasonable assessment of the site for the presence of this specific habitat. However, since populations of this species are well-known to be associated with ancient or modern shorelines of the Great Lakes, the glacial topography of the area, as well as the nat-

ural community composition, suggest that potential habitat for this species does exist, but cannot be assessed until spring. Both the river corridor and cedar swamp areas should be closely examined by an experienced, knowledgeable botanist.

Natural Area Significance

The identified natural area is comprised of two natural community types recognized by MNFI, a Wooded Dune and Swale Complex and a Rich Conifer Swamp. There is a total of forty occurrences of the Wooded Dune and Swale Complex in the Lower Peninsula and this community type has provisionally been ranked as “rare” by MNFI. Very few of these occurrences have been surveyed for natural area significance. However, it is the opinion of the authors, based on considerable field experience in Michigan and a cursory examination of historical aerial photos for each occurrence, that this community type has been heavily impacted by logging throughout the state and that few, if any, higher quality and less impacted examples than the Crystal River site exist. The Crystal River occurrence is slightly smaller than average in size, but is well recovered from early human disturbances (e.g., it has good to excellent conifer regeneration following historic logging, has attained essentially similar age structure to that present at logging, and has a tree species composition similar to that reported by land surveyors in 1850). Furthermore, it is unique among occurrences in the Lower Peninsula by virtue of its association with an exemplary aquatic feature, the Crystal River, which courses through some of the interdunal troughs. We consider this occurrence to be important for protection as a natural area under county or regional government jurisdiction. This occurrence is possibly significant for state or federal government jurisdiction pending further study of the type in Michigan.

The Rich Conifer Swamp type is provisionally ranked between “rare” and “secure” within Michigan, with comparatively more pristine or near pristine examples known than for the Wooded Dune and Swale Complex. The Crystal River occurrence of this community type is relatively undisturbed by humans, having had only local cutting of white pine (and possibly hemlock) at the turn of the century. There is no evidence of cedar cutting, probably because the swamp was severely windthrown. Present tree species composition and structure is like that reported in the 1850 land survey. Alone, the Rich Conifer Swamp is of significance as a natural area under county or regional jurisdiction.

Upon additional study of Michigan’s other Wooded Dune and Swale Complex occurrences, it is possible that this site could qualify as a federal Research National Area.