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RECREATION FEE DEMONSTRATION PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

OF THE

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

TO

RECEIVE TESTIMONY ON IMPLEMENTATION OF THE RECREATION FEE DEMONSTRATION PROGRAM BY THE FOREST SERVICE AND BUREAU OF LAND MANAGEMENT, AND POLICIES RELATED TO THE PROGRAM

APRIL 21, 2004

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RECREATION FEE DEMONSTRATION PROGRAM

WEDNESDAY, APRIL 21, 2004

U.S. SENATE,
SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:31 p.m., in room SD–366, Dirksen Senate Office Building, Hon. Larry E. Craig presiding.

OPENING STATEMENT OF HON. LARRY E. CRAIG, U.S. SENATOR FROM IDAHO

Senator CRAIG. Good afternoon everyone. The Subcommittee on Public Lands and Forests of the full Committee on Energy and Natural Resources will be in session.

I want to welcome all of you to this oversight hearing on the Department of Agriculture and the Department of the Interior's implementation of the recreation fee demonstration program. I especially want to welcome Under Secretary Mark Rey who is here to represent the U.S. Forest Service and Assistant Secretary Lynn Scarlett who is here to represent the Department of the Interior.

To start, you need to know that I will be charging a basic hearing users fee for the opportunity to participate in this hearing today.

[Laughter.]

Senator CRAIG. For those of you who have received water and a name tag, there will be an enhanced amenity hearing fee charged.

[Laughter.]

Senator CRAIG. Do not worry. 80 percent of what we collect will go back into making this room a desirable and enjoyable place to have this unique experience.

[Laughter.]

Senator CRAIG. Well, a few of you out there have got to be saying Senator Craig has lost his marbles. Why should I have to pay a users fee to come to Congress to testify? Why should I have to pay a users fee to come to listen to a hearing? The answer is with a hearing user fee, I can ensure you that the hearing room will be well maintained and it will be a more enjoyable experience in the future.

I think by now I have made my point about how people feel when they are asked to pay a users fee in certain situations, especially to enter the Federal domain, and that is a discussion that we are once again having here today.

I want to welcome our public witnesses who have traveled from Montana, Washington State, California, and Idaho to help us understand the recreation fee demonstration program. I especially want to welcome Carl Wilgus, who is the administrator of the Division of Tourism in the State of Idaho. Carl, I am looking forward to your testimony in what I hope will be a lively hearing.

I do want to set the stage for this hearing and why I believe that we are holding the hearing today.

Through the mid-1990's, the U.S. Forest Service and the BLM timber receipts were sufficiently large enough that the agencies were able to accommodate most of their resource programs' needs, including paying for fire emergencies without the disruption that has occurred in recent years. They did not need or want money because the Federal agency itself was generating enough resources.

Despite congressional increases in the Forest Service's budget from $3 billion in the early 1990's to nearly $5 billion in the 2000 budget, there are still individual programs that are in need of additional funding. Many in Congress, myself included, attempted to make those who oppose timber harvesting understand the implications of the declining timber revenues. Even some of the organizations in this room would not listen, nor did they care.

I view the agency's request for the permanent recreation fee to be a manifestation of our shift away from a timber-based Forest Service budget. It is very likely the beginning of a series of several requests for direct funding from other programs and land management agencies, and I think we should carefully assess what that means before we make any of these changes permanent.

Today we are going to hear stories about dazzling successes in the recreation fee demonstration program, as well as stories of abject failure on the part of the recreation fee demonstration program. We have seen some recreation areas that have truly benefited from the program and its unique ability to maintain funding at the site where those fees are collected. But we have also seen some behavior on the part of some land managers, as well as from some regional administrators, that I believe are questionable at best.

Everyone knows that I am not a fan of the user fee for entering a national recreation area. Over the years, the Sawtooth National Recreation Area in my State of Idaho has demonstrated a wide range of uses for this program and the public has not always agreed with them. Many times I too do not agree with the decisions that the SNRA makes, but I do feel they are now trying to listen to the public and are trying to institute positive changes in the program. They deserve credit for that recognition.

It is my understanding that the Federal agencies believe the continuation of this program is critical. I have a number of concerns that I think have to be addressed before I can become an advocate of a recreational fee program. I also believe there must be a number of external controls that need to be implemented before I can become a supporter of the program, and I will be happy to discuss that with the administration as we move forward on this issue.

Most importantly, I want all to know that I will not support a basic entrance fee to any national forest, BLM district, U.S. Fish and Wildlife Service, or Bureau of Reclamation lands, whether or

not it is called an entrance fee or basic fee or by any other name. I believe it simply has to be called a users general tax.

Having said that, I would support—or I should say I would not oppose in some instances—the collection of fees at specific recreationsites, campgrounds where an agency has developed specific amenities that are desired by the recreating public and that the recreating public expects.

I hope that all the witnesses will expend their time today helping us understand how to make the recreation fee program workable. To the extent that you can tell us, it will help us in the future as we deliberate on this issue. If the local community does not see the benefit, then I think Senators like myself are not likely to see the benefit either, and in the long run, the program will be taken away.

We will keep this hearing record open for 10 days for any additional comments.

And I am pleased that my colleagues have joined me this afternoon. Let me turn first to the ranking member of the full committee, the Senator from new Mexico, Senator Bingaman.

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

Senator BINGAMAN. Well, thank you very much for having the hearing, Mr. Chairman.

This is an issue that, as you know, we have had some debate on already this year. We passed legislation earlier this year to authorize a permanent fee authority for the National Park Service but for no other agency. It was my thought that we needed to look at appropriate authority for the rest of the agencies as well.

I have been concerned that this is authority that was enacted as part of the appropriation bill initially 8 years ago. It has been renewed as part of the appropriations process. We have never fulfilled the responsibility of an authorizing committee to really look at this and put appropriate limits on fees being charged; if we believe that that is the right thing to do. I think that your statement would lead me to conclude that you certainly believe that.

So I think that we need to have this hearing. We need to hear the testimony and learn from the various agencies what they think is appropriate. I think just allowing a reauthorization of the current fee demonstration program, which really puts no limit on what is charged, as I understand it, is not a responsible course for us to follow, and particularly that is true now that we have enacted legislation relevant to the National Park Service. So I look forward to the testimony, Mr. Chairman.

Senator CRAIG. Well, thank you very much for those comments. I too agree. That is why we are holding this hearing today and we may well hold others as we shape this issue.

Senator Burns, any opening comments?

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

Senator BURNS. I will submit my statement.

I, like you, always get a little nervous whenever we start paying twice for our land and for our services we charge twice. And so I

am a little bit nervous and I would associate myself with your remarks.

I thank the chairman for holding this hearing.

By the way, we have a good representative from Livingston, Montana, over here. It is nice to see him. He served in the Montana State legislature. He never voted very many times the right way, but nonetheless represented his constituency well.

[Laughter.]

Senator BURNS. Thank you.

[The prepared statement of Senator Burns follows:]

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

IMPLEMENTATION OF THE RECREATION FEE DEMONSTRATION PROGRAM

Thank you, Mr. Chairman, for holding this hearing today. I also want to thank the witnesses, especially Mr. Robert Raney, who is here from Livingston, Montana.

This hearing is a follow-up as part of the discussion on S. 1107, the Recreational Fee Authority Act that authorizes the National Park Service to collect fees for admission and the use of services and facilities after analysis by the Secretary.

In reviewing the Administration's testimony, I am encouraged they are beginning to hear the public outcry over user fees when the Forest Service Blueprint recognizes there should be no charge for driving through national forests, wildlife refuges, or BLM public lands. Involving the local community in fee project design and where the fees are invested is another step in the right direction.

However, I am still worried when Federal agencies want to develop ways to charge access fees for Federal lands and facilities. *The taxpayers should not have to pay twice to use their Federal lands.*

And I am concerned that definitions of enhanced services, fees for basic recreation sites, including day use sites, and expanded recreation sites can and will be misused by the agencies in their effort to fund their recreation program.

Finally, I am always nervous when the Federal government wants the public to pay a second time for using their public lands and we need to proceed carefully with any proposals for other Federal agencies.

Senator CRAIG. Thank you, Conrad.

Senator Smith.

STATEMENT OF HON. GORDON SMITH, U.S. SENATOR FROM OREGON

Senator SMITH. Thank you, Mr. Chairman. I appreciate your willingness to schedule this hearing to review the recreation fee demonstration program administered by the U.S. Forest Service and the Bureau of Land Management.

The recreation fee demonstration program provided almost $5.8 million for maintenance, visitor services, and resource protection on Federal lands in Oregon in 2003.

However, this program has not been popular with the public, as you have noted, Mr. Chairman. The early administration of the program was very problematic in my State, particularly in those areas where the Forest Service and BLM lands are intermingled and recreationists were expected to get multiple passes.

I recognize the efforts of Federal agencies to address these problems and I think that improvements have been made. They are to be congratulated. The creation of the Oregon-Washington pass and reducing the number of sites where fees apply have all been helpful and I also appreciate the administration's establishment of the Recreation Fee Council and its ongoing efforts to resolve the public's concerns with the fee demonstration program.

That being said, I am not yet prepared to support efforts to make this program permanent. I would say to our representatives I had a great meeting with some of your folks yesterday and suggested a way to make this a little bit more sellable, and I hope those can be responded to.

The Federal appropriations for the Forest Service for recreation have increased from $267 million in 1996 to $390 million in 2002. This is much higher than the rate of inflation and should provide sufficient funds to maintain trails, develop recreationsites on Forest Service lands, and more.

Further, it appears that the Forest Service is spending almost $10 million for administration of the fee demonstration program which collected only $38 million nationwide in 2003. I remain concerned that this fee program and other future fees will be increasingly relied upon for maintaining our public lands as revenues from resource production continue to decline. Such fees were never necessary or even contemplated when the timber sale program was generating more revenue. Neither were safety net payments to schools.

Candidly the timber sale program financed a whole host of activities and facilities on BLM and national forest lands, provided significant funds to counties, and created jobs in rural communities. In 1990, Forest Service timber receipts nationwide were over $1 billion. By 2002, this number had dropped to $164 million. It is only since timber revenues have been decimated that we have resorted to these other programs to supplement funding for public lands and to make local governments whole.

I look forward to hearing from the witnesses, Mr. Chairman, but I do note with some disappointment that our friends on the Democratic side tomorrow I guess are scheduled to go beat up on the President for his efforts to try and give some concern to rural issues that we are talking about here. I hope the public understands that environmental protection is not free. It comes at a very high price, and what we are doing in our State, the State of Oregon, is growing a lot of timber, harvesting little, and burning tremendous tracts of it that does little good for wildlife or for human life. It is a darned shame. I think too much is lost in all of the demagoguery on protecting the environment when you fail to include some human stewardship component in it. I think our witnesses understand that. I appreciate the President's understanding, a better sense of balance than we have seen in recent years.

I look forward to joining the debate tomorrow and pointing out the other side of the equation. I had a very wise mother, Mr. Chairman. One of her many sayings I remember is that the best way to ruin a good story is to hear the other side. I hope the American people hear the other side.

Thank you for letting me include this statement.

Senator CRAIG. Well, thank you all very much for being here.

Now let us turn to our witnesses and our first panel. We have the Honorable Lynn Scarlett, Assistant Secretary for Policy, Management and Budget, Department of the Interior, and the Honorable Mark Rey, Under Secretary for Natural Resources and Environment, Department of Agriculture.

Again, welcome before the committee. We will forego the charging of the anticipated fee today. With that, Lynn, we will start with you. Thank you.

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

Ms. SCARLETT. Thank you very much. Thank you, Mr. Chairman and members of the subcommittee. We are pleased to be able to have an opportunity to present the Department of the Interior's views on implementation of the rec fee demo program and our ideas for going forward with such a program. I would like to thank the subcommittee and the committee for their interest and willingness to discuss this issue.

Why do we think recreation fee programs and the continuation of a program are important? The Department supports the establishment of a permanent multi-agency recreation fee program because the program does allow us to meet growing visitor demands for enhanced visitor facilities and services. It also enhances our ability to support the President's initiative on addressing the maintenance backlog in all of our public lands.

Interior, as we are all aware, manages 1 in every 5 acres of the United States. Growing numbers of Americans and others are visiting public lands and seeking recreation opportunities. Increased recreation is especially dramatic on our Bureau of Land Management lands and our Fish and Wildlife Service lands, as you can see from this chart which shows the two rapidly escalating lines. Since 1985, recreation demand has increased approximately 65 percent on Bureau of Land Management lands. Recreation demand has increased approximately 80 percent on Fish and Wildlife Service refuges. Recreation demand has also increased at our Bureau of Reclamation lakes by some 10 million visitors.

The administration strongly supports ensuring that visitors have outstanding recreation experiences. The recreation fee demo program has contributed significantly, we believe, in each of our land management agencies to meeting the needs of that visiting public. Fees have provided Interior in a single year over $170 million that are invested directly at the recreationsites on Department of the Interior managed lands.

The most significant revenues accrue to the National Park Service, as we are all aware, which charges fees at some 60 percent of locations. But for the very few select number of Bureau of Land Management sites and Fish and Wildlife sites that have taken advantage of the rec fee program, these revenues have been critical to their ability to serve the public and expand facilities and services to meet growing demand.

At Moab, Utah, which I had the opportunity to visit just this last week, recreation fees bring in over $500,000 compared to the recreation management appropriation of $187,000. These revenues from the fee program are, in fact, the backbone of the special services we provide to the growing number of users at the Moab site. This chart and the yellow line shows the pace of revenues that represent the expanding use by people to the Moab site. Moab now serves

over 1.6 million visitors each year, compared to 800,000 visitors to the neighboring national park site at Arches National Park.

As we look at recreation and visitation patterns, we conclude that it is not the agency label that really is relevant. Rather, in considering the appropriateness of applying recreation fees, we think what is critical are the site characteristics, uses, and amenities. Many lands, regardless of which agency manages them, display similar features in terms of recreation activities, amenities, and visitation levels. I know this is a little bit of an eye chart, but let me describe what is on it for you.

Red Rock Canyon National Conservation Area, for example, has striking similarities to Arches National Park and, as the Forest Service will testify, to the Sedona Recreation Area. Red Rock offers visitors world-class rock climbing, a visitor center, bookstore, toilet facilities, picnic areas, and many other amenities. As with other BLM sites, visitation at Red Rock Canyon has increased substantially in recent years.

In your handout packet, we actually have some pictures of the sites and facilities at Red Rock.

Our visitor surveys show strong support for the recreation fee program if and when these dollars are invested back in the site where visitors recreate. A permanent multi-agency program should ensure that a majority of recreation fees stay at the site to enhance visitors and facilities.

Visitors have come to count on the services that these fees provide. At Moab, recreation fees help maintain and upgrade toilet facilities, trails, and parking lots. For example, BLM used $50,000 per year just to service the toilet facilities with that 1.6 million number of visitors each year. At Lake Havasu, there are over 3.1 million annual visits. To serve these visitors, BLM has replaced 50 leaking and deteriorating fiberglass outhouses and numerous other facilities, including installation of 700 feet of riverbank block walls. Rec fees help us to continue to maintain these facilities and infrastructure.

The Fish and Wildlife Service likewise is using fees at a selected number of sites to enhance the visitor experience. The Fish and Wildlife Service has replaced outhouses, provided wildlife viewing boardwalks, upgraded cabins, introduced education programs, built parking areas, and improved trails.

Sites that attract thousands of visitors each day and tens of thousands of visitors each year must invest in these sanitation facilities, parking, campgrounds, shelters, and other infrastructure.

We are aware of the concern that many Members of Congress have expressed, particularly concerns that fees might be charged where no recreation amenities exist. Many of these concerns arise from practices applied during the experimental introduction of fees at the outset of the fee demo program. Our agencies have learned from those experiences and have made adjustments to address public concerns.

All Interior agencies now have disciplined processes for making determinations regarding the introduction of recreation fees. At Bureau of Land Management, locations must first be designated as a special recreation management area which requires following the land use planning process. Site plans and business plans must be

developed. Public comment, often including participation of the resource advisory councils is received. Decisions require approval of the State director and all proposed decisions are presented at the Federal Register for public comment.

Fish and Wildlife Service similarly has a rigorous review process with final fee decisions requiring approval by the director.

We look forward to working with you to enhance that discipline and that decision process.

Using these management procedures, the result for Interior has been that a small percentage of Fish and Wildlife Service and BLM sites use fees. 89 percent of BLM sites do not charge any fee at all. 78 percent of Fish and Wildlife Service sites that are open to visitation do not charge any fee demo fees. 40 percent of all National Park Service sites do not charge fees.

We absolutely agree with those who have stated that fees are inappropriate under many circumstances on public lands. If given permanent recreation fee authority, the Department will not charge for Federal lands that do not have enhanced facilities and services. The Bureau of Land Management and Fish and Wildlife Service have made a commitment not to charge any fees at areas with no facilities and services, for persons who are driving through, walking through, or hiking through Federal lands without using facilities or services, for undesignated parking, and for overlooks and scenic pullouts.

Even at locations with fees, the actual area where a recreation fee charged is narrowly drawn and only includes the recreationsite that offers the facilities and services. In the Cascades Resource Area, for example, which spans 169,000 acres, the Bureau of Land Management charges a fee at the Wildwood Recreation Site, which is a 550-acre developed site within that larger arena. Visitors who seek the more natural experience and do not wish to use facilities and services can recreate free of charge at over 99 percent of the Cascades Resource Area.

At Moab, Utah, the Bureau of Land Management, as I noted, manages 1.8 million acres, attracting over 1.6 million visitors annually. Fees are charged only at a small portion of these lands where significant amenities exist. The location has become a premier destination for mountain bikers, campers, rock climbers, and off-road vehicle enthusiasts. Amenities include over 400 camp sites, miles of groomed and marked trails with signage, toilet facilities, and other infrastructure.

The BLM, the National Park Service, and the Fish and Wildlife Service or Forest Service jointly participate with a county association in operating a downtown Moab visitor center.

Interior sees outstanding opportunities to partner with gateway communities to serve visitors and benefit cities and counties.

However, we are concerned that a strict revenue-sharing provision that would give a percentage of recreation fees to all neighboring counties would present significant problems. As I noted earlier, the public's acceptance of recreation fees is strongly related to the commitment that the revenues stay at the site and be reinvested in visitor services. Collaborative partnerships allow counties that provide services to visitors to share revenues and maintain the nexus between the visitors who pay the fees and the benefits re-

ceived. Recreationsites provide tremendous benefits to counties and gateway communities. Recreation activities on the BLM lands in Moab, for example, account for nearly 60 percent of the economy in Grand County and more if indirect effects are included.

At BLM sites, those areas with recreation fees and the associated investments in amenities, made possible by those fees, are actually experiencing higher growth rates in visitation than the non-fee areas.

We believe the collaborative partnership approach with counties and others recognizes that we can work together with gateway communities to promote tourism and provide quality recreation experiences to our shared visitors. This is exactly what is occurring at Sand Flats in Utah where the county and the BLM work together and charge a fee for recreation opportunities on land that includes State lands combined with BLM lands.

Mr. Chairman and members of this subcommittee, we believe we are ready to translate our experiences over the past several years into a permanent recreation fee program that does enable us to serve the public well. We hope the facts and information provided will be helpful to you and other members as these discussions continue.

The Department thanks you for your interest. We look forward to working with members of the subcommittee and committee on this issue. We do think accountability, transparency, efficiency, and fairness are critical.

We would also like to take this opportunity to invite you and any other members of the committee out for a visit to BLM, Fish and Wildlife Service, or National Park Service fee demo sites.

Mr. Chairman, this concludes my statement and I would be pleased to answer any 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 the implementation of the Recreational Fee Demonstration program and ideas for a permanent multi-agency recreation fee program. We also would like to thank members of the Subcommittee and Committee for their interest and willingness to discuss this very important issue.

The Department of the Interior (Department) strongly supports the establishment of a permanent multi-agency recreation fee program because it allows us to meet visitor demands for enhanced visitor facilities and services on our federal lands. The recreation fee program is vital to our ability to provide our visitors with a quality recreational experience. 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 the certainty that is needed 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 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. Recreation fee revenues provide us important supplemental funding that better enables us to serve those using recreation amenities.

Although recreation fees date back to 1908, Congress first established broad recreation fee authority in 1965 under the Land and Water Conservation Fund (LWCF) Act. 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 equitable to the user 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. D.A. 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. 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. Congress has demonstrated its support of the Fee Demo program by extending the program seven times and expanding the program by lifting the initial one hundred site limit per agency.

Given the Department's experience with these programs, we would like to share with you some of our observations about recreation activity on federal land and the lessons we have learned implementing the Fee Demo Program over the last eight years. We offer several suggestions about the types of provisions that we believe are critical to any permanent recreation fee program.

A PERMANENT RECREATION FEE PROGRAM SHOULD BE MULTI-AGENCY

The Department has found that 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, 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 to 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 many of our visitors do not distinguish among federal land management agencies, 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. A permanent multi-agency recreation fee program allows each agency to respond to the needs of the visiting public.

Many lands, regardless of which agency manages them, display similar features in terms of recreation activities, amenities, and visitation levels. Red Rock Canyon National Conservation Area (NCA) managed by the BLM has striking similarities to Arches National Park managed by NPS and, as the Forest Service will testify, to Sedona Recreation Area managed by the Forest Service. Both Red Rock Canyon NCA and Arches National Park were created to protect their unique geological features and offer visitors world-class rock-climbing, a visitor center, book store, toilet facilities, and picnic areas. Both sites charge a modest recreation fee, a majority of which stays at the site to enhance facilities and services. As in other BLM sites, visitation at Red Rock Canyon NCA has increased substantially in recent years. Visitation increased 5.5 percent from 761,445 recreation visits in FY 2001 to 803,451 recreation visits in FY 2003.

	Red Rock Canyon National Conservation Area (BLM) *Nevada*	Arches National Park (NPS) *Utah*	Sedona Recreation Area (Forest Service) *Arizona*
Features	Rock Formations—thrust faults, petrified sand dunes, canyons, rock art	Rock Formations—arches, windows, pinnacles, pedestals, rock art	Rock Formations—buttes, pinnacles, mesas, rock art, canyons

	Red Rock Canyon National Conservation Area (BLM) *Nevada*	Arches National Park (NPS) *Utah*	Sedona Recreation Area (Forest Service) *Arizona*
Amenities	Visitor Center Book Store Toilet Facilities Picnic Area	Visitor Center Book Store Toilet Facilities Picnic Area	Visitor Center Book Store Toilet Facilities Picnic Area
Activities	Rock Climbing Hiking Bicycling Birdwatching Picnicking Camping Backpacking Commercial Filming Archeological Sites Horseback Riding Off Road Vehicle Areas	Rock Climbing Hiking Bicycling Birdwatching Picnicking Camping Backpacking Commercial Filming Archeological Sites Guided Ranger Walks	Rock Climbing Hiking Bicycling Birdwatching Picnicking Camping Backpacking Commercial Filming Archeological Sites Horseback Riding Swimming
FY 2003 Revenue.	$1,410,174	$1,555,819	$734,633
FY 2003 Visits	803,451	757,781	1,525,000
Site Acres	196,000	76,519	160,000
Contiguous public land.	3.3 million acres of BLM land (Las Vegas Field Office)	Approx. 1 million acres of BLM land (Moab District) and 2,000 acres State land	1.8 million acres in the Coconino National Forest
Access points ...	One entrance station; five other access points with no fee collection	One entrance station; two other entrances with no fee collection	Two visitor gateway centers; three access highways
Current Entrance Use Fee.	$5 per vehicle (per day); $2 per person on a bus; $20 annual pass; $25 group/weddings; $10 per night per site camping fee Free for walk-in, bike-in, and school groups; Accepts Golden Passports.	$10 per vehicle (7 days); $5 per person (7 days); $25 Southeast Utah Pass annual pass (Arches, Canyonlands, Hovenweep, Natural Birdges); $10 per night per site camping fee; Accepts National Park Pass and Golden Passports.	$5 per vehicle (per day); $15 per vehicle (per week); $20 annual pass; $16 per night per site camping fee; Free for walk-in, bike-in, and school groups; Accepts Golden Passports.

A PERMANENT MULTI-AGENCY RECREATION FEE PROGRAM SHOULD BE LIMITED TO AREAS THAT PROVIDE ENHANCED FACILITIES OR SERVICES

We understand that our visitors seek a broad range of experiences when they choose to visit their federal lands and that a successful recreation fee program would enable us to offer these recreation options to the public. For example, some visitors choose our federal lands because they want a unique individualized experience with nature—they seek out areas where they can camp under the stars at undeveloped sites, hike alone along a river, and enjoy the solitude. These visitors do not mind carrying all of their food in and all of their garbage out, and they would prefer areas that do not have picnic tables, toilet facilities, or visitor centers. If given permanent recreation fee authority, the Department will not charge for federal lands that do not have enhanced facilities and services. Even under the broad authority of the Fee Demo program:

- 89 percent of BLM sites do not charge Fee Demo fees;
- 78 percent of FWS sites open to visitation do not charge Fee Demo fees;

- 75 percent of all Forest Service sites do not charge Fee Demo fees; and
- 40 percent of all NPS sites do not charge Fee Demo fees.

In contrast, we understand that other visitors enjoy a more structured recreation experience. These visitors enjoy viewing interpretive films, attending lectures about geology, history and culture at a visitor center or museum, and riding trams or other types of transportation to see the sites. Their preferred lodging is a developed cabin or hotel. For these reasons, these visitors often choose to visit destination National Parks.

Still other visitors prefer a little bit of both experiences. These visitors often visit areas managed by one of many different agencies, including the BLM, FWS, and the Forest Service. These visitors enjoy a less structured experience and more direct interaction with the land and its unique resources, but still want certain facilities, such as toilet facilities, interpretive exhibits, boat ramps, and developed parking areas. Other areas that appeal to these visitors are the popular weekend destinations that are located near major urban centers. Because of the sheer number of visitors at these locations, the need for visitor services increases. Such services include increased medical and emergency services, increased law enforcement, increased maintenance of toilet facilities and trails, and greater protection of natural, cultural, and historic resources. Modest recreation fees that primarily stay at the site of collection make such enhanced facilities and services possible.

To ensure that the Recreation Fee Program enhances the recreation experience for our visitors, BLM and FWS have made a commitment not to charge basic or expanded recreation fees:

- At areas with no facilities or services;
- For persons who are driving-through, walking-through, or hiking through federal lands without using the facilities or services;
- For undesignated parking; and
- For overlooks or scenic pullouts.

Through the Interagency Recreation Fee Leadership Council (Fee Council), which was created in 2002 to facilitate coordination and consistency among high level officials of the Department of the Interior and U.S. Department of Agriculture (USDA), the Department also identified seven principles 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 and legislative effort concerning the recreation fee program.

Toward this end, all agencies have administrative processes to limit the expansion of the program to areas where the visitors are provided enhanced facilities and services. For BLM, areas must first be designated a Special Recreation Management Area (SRMA). These designations are made in land-use plans and require environmental analysis and public participation. It is important that these processes also ensure that the actual area where a recreation fee is charged is narrowly drawn and only includes the recreation site that offers the facilities and services.

For example, in the Cascade Resource Area that spans 169,400 acres, BLM only charges an entrance fee at one 550 acre area with developed recreation, the Wildwood Recreation Site. Thus, visitors who seek a more natural experience and do not wish to use facilities and services can recreate free of charge in over 99 percent, or 168,850 acres, of the Cascade Resource Area. Those who choose to use the facilities and services at the Wildwood Recreation Site, which include a learning center, the Cascade Streamwatch interpretive trail featuring an in-stream fish viewing window, a wetlands boardwalk trail, 2.5 miles of paved trails, two large group picnic shelters, and an athletic field, pay a modest $3 per vehicle per day fee, $10 for an annual site pass, or a group facility fee. Visitors who walk in or bike in and school groups can use the Wildwood Recreation Site free of charge. Although construction of most of the facilities was paid for out of other funds, just as it is in many National Park Service sites, recreation fees provided the site with $37,000 in FY 2003, a modest, but significant contribution to the maintenance and upkeep of the facilities. These services, along with environmental education and interpretive programs, enhance the visitor experience and would not be possible without the recreation fee program.

At Moab, Utah, BLM manages 1.8 million acres. Portions of these lands consist of dramatic geologic structures, and canyons through which the Colorado River cuts. The area has become a premier destination for mountain bikers, campers, rock climbers, and off-road vehicle enthusiasts. To provide opportunities for these visitors, BLM has constructed and manages over 400 campsites, groomed and marked miles of trails with signage, provided toilet facilities, and other amenities. These sites attract over 1.6 million visitors annually. The recreation fees charged at these

sites generate over $500,000, comprising two-thirds of the recreation management budget for these areas. At another area near Moab, BLM operates under a joint agreement to provide biking, camping, and off-road vehicle opportunities in an area that includes BLM and State Lands. Through a recreation fee, the partners generate over $250,000, which enables them to offer trails, toilets, signage, campgrounds, paved parking, and other amenities. Other BLM areas are open to recreation, free of charge for visitors.

These areas abut Arches National Park and Canyonlands National Park, where entry fees are charged. The two parks have 94 campsites, small amounts of OHV recreation opportunities and offer educational and interpretation at the visitor centers and around the parks. The NPS, BLM and Forest Service jointly participate with a County association in operating a downtown visitor center in the heart of Moab.

A PERMANENT MULTI-AGENCY PROGRAM SHOULD PROVIDE FOR STANDARDIZED RECREATION FEES, ALLOW FOR DEVELOPMENT OF A STREAMLINED PASS SYSTEM, AND MINIMIZE FEE LAYERING

In working administratively to improve the recreation fee program, the Department has found that the issues of standardizing recreation fees across agencies, creating a streamlined and sensible pass system, and minimizing fee layering—or what might better be thought of as tiered fees—are all interrelated. Historical fee definitions in the LWCF Act and differences among agencies in legislative fee authorities have led the agencies to develop slightly different definitions of what activities are covered by "entrance" fees and those covered by "use" fees. 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 established under the LWCF Act and the National Park Passport may be used.

In the Department's testimony before this Congress 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 is not charged if the agency is not making a certain level of investment in visitor facilities or services. We look forward to working with the Committee to further refine these concepts.

The visiting public is interested in having a variety of pass options. Multi-agency and regional passes can provide visitors, including nearby residents, with convenient and economical ways to enjoy recreation on federal lands. Passes also can serve as a means to educate the American public about their federal lands and available recreational opportunities. Because of the lack of standardization of fees, however, some confusion has resulted from the existing pass system. For these reasons, the Department supports a program that would allow for the streamlining of a multi-agency pass and the creation of regional multi-entity passes with a standardized package of benefits. Visitors should be able to expect and receive the same amenities for their pass regardless of which agency manages the site they are visiting.

The Department and USDA have moved forward administratively to address these issues, where possible. 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 has expanded and clarified the benefits of the Golden Passes to include 1500 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, like the Northwest Forest Pass, was accepted in full. NPS is evaluating whether passes could be accepted at an additional 30 sites that currently do not accept passes for the primary attraction. BLM has evaluated all of its sites and is now accepting the Golden Eagle Pass at 12 additional sites.

The Department is streamlining the recreation fee system. Our experience has shown that eliminating all fee-tiering 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 ensuring access to all visitors. Recreation fees represent a tiny percentage of the out-ofpocket costs that an average family spends on a typical vacation. Recreation fees are reasonable in comparison to those charged for other recreational activities. For example, in Jackson Hole, Wyoming, a family of four pays $20 for a seven day pass to both Grand Teton National Park and Yellowstone National Park. In contrast, in Jackson Hole, the same family pays $27.50 for 2-3 hours of entertainment at a movie theatre.

A PERMANENT MULTI-AGENCY PROGRAM SHOULD ENSURE THAT A MAJORITY OF RECREATION FEES STAY AT THE SITE TO ENHANCE VISITOR FACILITIES AND SERVICES

Visitor support of recreation fees is strong when the fees remain at the site for reinvestment into visitor facilities and services. We believe that this is an essential component of any permanent multi-agency recreation fee program. We understand that it is not only important to make these critical investments, but also to ensure that we communicate to the public how recreation fees are spent to enhance the visitor experience. Recreation fees are sometimes spent in ways that may not be apparent, but would be noticed by visitors if the investment did not occur. Recreation fees are spent on such services as maintaining and upgrading toilet facilities, trails, and parking lots. For example, at Moab, Utah, which receives 100,000 visitors annually, it costs BLM $50,000 per year just to service the toilet facilities.

At the Lake Havasu Field Office in Arizona, BLM has replaced 50 leaking and deteriorating fiberglass outhouses with 36 block wall accessible restrooms. BLM also has installed 700 feet of river bank block walls, which will help protect the newly constructed restrooms as well as stabilize the campsites' eroding shoreline. Recreation fees contribute to the maintenance and upkeep of these investments and will help ensure that the visiting public will be able to use these facilities for many years in the future.

The Fish and Wildlife Service has used fees to offer some unique opportunities to visitors consistent with the six priority recreation uses outlined in the National Wildlife Refuge System Improvement Act of 1997—hunting, fishing, wildlife photography, wildlife observation, environmental education, and interpretation. 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.

As public recreation grows in scope and form of recreation, increasingly, all of our land management agencies are meeting these needs. Sites that attract thousands of visitors each day and tens of thousands of visitors each year, must invest in sanitation facilities, parking, campgrounds, shelters, boat ramps, and other infrastructure that helps ensure access, safety, and resource protection so the very feature that attracts the visitor remains available for the future. Many BLM, Forest Service, FWS, and NPS sites share identical or similar characteristics, including significant infrastructure. These sites vary—not by the agency label—but by the particulars of location. Sand Flats, in Moab, Utah, includes BLM lands and a single point of entry into canyon area trails and campgrounds. The Everglades National Park in Florida stretches over 1.5 million acres and has multiple points of access. Recreation fees are charged in some parts of the park and not others, much like the situation on BLM lands in Moab.

These and the many other important enhancements made possible by the recreation fee program are described in our annual Recreational Fee Demonstration Program report to Congress. All of these reports are available on *http://www.doi.gov/nrl/Recfees/RECFEESHOME.html*. The FY2003 annual report is currently in the final stages of review, and we expect to transmit it to Congress shortly.

COLLABORATIVE PARTNERSHIPS WITH STATES, COUNTIES, AND GATEWAY COMMUNITIES

We view counties and gateway communities as potential partners in our effort to provide a quality recreation experience for our mutually-shared visitors. The Department supports a recreation fee program that provides the Secretary authority to enter into collaborative partnerships with public and private entities for visitor reservation services, fee collection or processing services. Such a provision would allow us, among other things, to more vigorously seek out opportunities to engage gateway communities through the recreation fee program and is consistent with Secretary Norton's emphasis on cooperation and partnerships to achieve public goals. Given our experience with cooperative decision-making within the Fee Demo program, we believe that any future permanent multi-agency fee program should foster collaborative opportunities.

The Department believes that collaborative partnerships with gateway communities best serve our visitors and the counties involved. Our experience with recreation fees under LWCF and the Fee Demo program has shown us that a strict revenue sharing provision that would give a percentage of recreation fees to all neighboring counties would present significant problems. First, as we discussed earlier in this testimony, the public's acceptance of recreation fees is strongly related to the commitment that revenues stay at the site and be reinvested in visitor services. A provision for the sharing of recreation fee revenue where counties provide mutually-shared visitors with services, such as search and rescue services, would maintain the nexus between the visitors who pay the fees and the benefits received. Under a strict revenue sharing provision, the monies would go into the general county funds, rather than to the agencies—local, state, and federal—that are actually providing the visitors with the services.

Second, the agencies already have the authority to charge recreation fees under LWCF, but had no incentive to charge because the recreation fees were not retained at the site for reinvestment into enhanced visitor facilities and services. A strict revenue sharing provision would severely compromise the agencies' incentive to charge recreation fees—thus resulting in a diminution of facilities and services for the visitors. Third, a strict revenue sharing provision does not account for the different relationships counties may have with recreation sites on neighboring federal lands. Some communities provide more services to the mutually-shared visitors, yet would receive the same amount of funds as other counties.

It is critical that we recognize the positive impact the presence of recreation sites on nearby federal lands has on counties and gateway communities. According to a study entitled, *Banking on Nature 2002: The Economic Benefits to Local Communities of National Wildlife Refuge Visitation*, the more than 35.5 million visits to the nation's 540 refuges fueled more than $809 million in sales of recreation equipment, food, lodging, transportation and other expenditures in 2002. The total for sales and tourism-related revenue plus employment income, $1.12 billion in total is nearly four times the $320 million that the National Wildlife Refuge System received in FY 2002 for operation and maintenance and over 300 times the $3.6 million the FWS generated through the Fee Demo Program in that year.

The collaborative partnership approach recognizes that we can work together with gateway communities to promote tourism by providing a quality recreational experience to our shared visitors. One example of the type of partnership that could flourish through a collaborative agreement provision 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, discussed earlier in this testimony. Sand Flats is a 7,000-acre recreational area outside Moab, Utah that includes BLM and state lands. It is highly popular, particularly with mountain bikers and off-highway vehicle users. In the early 1990s, its popularity increased so much that the BLM was no longer able to manage and patrol 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 patrol 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 collaborative partnership and that the opportunity to craft these types of agreements exists across the country.

Other possible collaborative partnerships with states and local communities could be developed through the creation of regional multi-entity passes. Providing visitors and residents of nearby communities with a well-structured, appropriately priced, regional multi-entity pass would allow 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 multientity 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, Forest Service, NPS, and BLM.

During FY 2003, BLM, NPS, FWS, and the Forest Service worked cooperatively with the Oregon Parks & Recreation Department, the Washington State Parks & Recreation Commission, and the U.S. Army Corps of Engineers to develop an annual multi-agency day-use recreation pass for use in the Pacific Northwest. This annual pass became available this month and will be accepted at many public day-use fee areas in Oregon and Washington. Revenues will be used to operate and maintain key recreation facilities and services. The pass will sell for $85 and includes the Golden Eagle Passport for $65 and the Washington and Oregon Recreation Pass Upgrade for $20.

The Department supports a permanent recreation fee program that works together with gateway communities and counties and keeps our commitment to the visitor that we use recreation fees to improve visitor services. We believe that collaborative partnerships best achieve this goal.

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, 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 a recreation fee program with the suggestions in this testimony would create such a dynamic program while providing the Department the certainty to make long-term investments, improve efficiencies, and initiate more partnerships.

During full committee markup on S. 1107, a bill to enhance the Recreational Fee Demonstration Program for the National Park Service, many members of the Committee recognized the need to further discuss multi-agency recreation fee authority. Mr. Chairman, we hope the facts and information provided in this testimony will be helpful to you and other members of the Committee during future discussions of permanent multi-agency recreation fee authority. The Department thanks you for your interest and looks forward to working with members of the Subcommittee and Committee on this important issue. We also would like to take this opportunity to invite you and any other members of the Committee out for a visit to a BLM, FWS, or NPS Fee Demo recreation site.

Mr. Chairman, this concludes my statement, and I would be pleased to answer any questions you or other members of the Subcommittee may have.

Senator CRAIG. Well, Lynn, thank you very much.

Now let us turn to Under Secretary Mark Rey, Natural Resources and Environment, Department of Agriculture. Mark, again, welcome to the committee.

STATEMENT OF MARK REY, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

Mr. REY. Thank you. In my experience, the committee has often charged a hearing user fee, and the legal tender generally involves some poundage from the witnesses. So I am glad that you are waiving the fee today.

[Laughter.]

Mr. REY. I appreciate the opportunity to discuss the Forest Service implementation of the recreation fee demonstration project.

Over the last 8 years, all of the agencies involved in fee demo have experimented with fees and learned many lessons. The program was designed to allow flexibility in implementation and experimentation and be broad enough to allow agencies to experiment

with different types of fee programs. The Department and the Department of the Interior continue to study, evaluate, and improve the fee program within individual agencies, sharing our learning experiences along the way. It has taken time to understand the results of these experiences, but the Forest Service is moving aggressively to address concerns that have arisen to date.

In January of this year, the Forest Service started implementing the Blueprint for Forest Service Recreation Fees. The blueprint was developed based on lessons learned and establishes consistent national criteria for how the recreation fee program will be implemented. The goal of the blueprint is to have a consistent national policy to provide high quality recreationsites, services, and settings that enhance the visitor experience and protect natural and cultural resources. By implementing the blueprint, which we have provided for the committee's record, the Forest Service is addressing public and congressional concerns to ensure that recreation fees are convenient, consistent, beneficial, and accountable.

Each unit that is participating in the fee demonstration program has reviewed how its current fee program fits with the blueprint. Those units that do not conform to the national criteria have been changed. Many units have been deleted from fee coverage, and all new projects that are proposed will follow the blueprint criteria.

Additionally, as we have been working with your staffs, we have been discussing our suggestions for permanent recreation fee authority. Those suggestions are detailed in our testimony for the record, and I will simply summarize in saying that we are eager to translate the experience that we have received so far into a permanent fee program that you all can support. It should be a program that promotes interagency coordination because our users have told us that is paramount; that second, establishes a consistent interagency approach; that third, enhances partnerships with States and gateway communities; that fourth, establishes agency site-specific and regional multi-entity passes; that fifth, provides for a new system of expanded fees; and sixth, provides for better reporting on the use of revenues; seventh, provides necessary authorities to implement the program; and finally, provides criteria for accountability and the control of revenues collected.

Those suggestions, as I said, are detailed in our statement for the record.

I will close by just making one observation about funding for the recreation program of the Forest Service and the Department of the Interior land management agencies. Unlike other programs where we can plan for expected results in ways that are more or less under our control, in the recreation program we are presented with events and circumstances that are often outside of our control. People show up and when they show up, we are obliged to deal with them.

Your States and the western region are among the fastest growing places in the country. And as Assistant Secretary Scarlett has indicated, the use of our recreationsites has expanded exponentially as that growth has occurred.

In addition to that simple growth in numbers, as our population ages, the nature of the recreation experience requested and desired

has changed as well with more developed sites being desired and needed to serve an aging population.

When you look at our budgets, it is without dispute that they are increasing, and I still find it somewhat remarkable how we manage to spend so much money. As Senator Smith indicated, it is correct that our budget increased from $267 million for recreation in the Forest Service in 1996 to $390 million in 2002. And that is a lot of money.

But looked at differently, that is somewhat under a 6 percent annual rate of increase, which means half of that has been consumed by inflation, without making any difference in the way things are managed. Add to that the increased use and the fact that many of our capital assets were constructed in the 1950's and the 1960's at the dawn of the outdoor recreation movement as our population became more mobile after World War II and leisure time expanded, assets that were built in the 1950's and 1960's are now approaching the end of their useful lives and both Departments are contending with that. So we face a significant problem that unlike some of our other resource management problems present us with circumstances that we have to react to rather than which we can control completely.

With that, either of us would be happy to answer any of your questions.

[The prepared statement of Mr. Rey follows:]

PREPARED STATEMENT OF MARK REY, UNDER SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss implementation of the Recreational Fee Demonstration Program by the Forest Service. The Department appreciates the Subcommittee's interest in how the Departments of Agriculture and the Interior are implementing this vital program and want to work with Congress to develop permanent recreation fee authority which will provide quality services and facilities for the public to use.

The Recreational Fee Demonstration program (Fee Demo), first authorized by Congress in 1996, has given the Forest Service, National Park Service, U.S. Fish and Wildlife Service, and the Bureau of Land Management a great opportunity to test the notion of user-generated cost recovery, where fees are collected and expended onsite to provide enhanced services and facilities. Current authorization expires on December 31, 2005. A permanent fee program would allow the Forest Service, along with the Interior agencies, to make long-term investments, continue to build further on successes of the current demo program, improve efficiencies, and initiate more partnerships.

The recreation fee program is vital to our ability to provide quality recreational facilities, settings, and services. While the idea of charging fees for recreational use on our national forests has been controversial in some cases, taxpayers generally benefit when the cost of public services are at least partially borne by the direct users of these services. Since visitors to Federal lands receive some benefits that do not directly accrue to the public at large, charging a modest fee to partially offset the cost of that use is both fair and equitable. This principle underlies permanent fee authority under the Land and Water Conservation Fund Act (LWCFA). Over the years, surveys conducted regarding recreation fees indicate that most people accept modest fees, especially when they know that the fees are returned to the site where they are collected to enhance their recreation experience.

My testimony today regarding the Fee Demo program will focus on: (1) implementation of the Forest Service Blueprint for Recreation Fees; (2) interagency coordination and consistency in developing recreation fee policies; (3) suggestions for permanent authority that would adhere to guiding principles and build on lessons learned; and (4) ideas for partnering with counties in implementing any permanent recreation fee authority.

FOREST SERVICE BLUEPRINT FOR RECREATION FEES

Over the past eight years all agencies involved in Fee Demo have experimented with fees and learned many lessons. Fee Demo was designed to allow flexibility in implementation and be broad enough to allow agencies to experiment with different types of fee programs. The Department continues to study, evaluate, and improve the fee program within individual agencies, sharing our learning experiences along the way. It has taken time to understand the results of these experiences, but the Forest Service is moving aggressively to address concerns that have arisen.

In January 2004, the Forest Service started implementing the Blueprint for Forest Service Recreation Fees (Blueprint). The Blueprint was developed based on lessons learned and establishes consistent national criteria for how the recreation fee program will be implemented. The goal of the Blueprint is to have a consistent national policy to provide high quality recreation sites, services, and settings that enhance the visitor's experience and protect natural and cultural resources. By implementing the Blueprint, the Forest Service is addressing public and Congressional concerns to ensure recreation fees are; (1) convenient (making it as easy as possible for visitors to comply with fee requirements); (2) consistent (visitors expect a similar fee for similar activities, facilities, and services; thus a fee program will only be established where certain amenities or services are provided); (3) beneficial (demonstrating the added value the visitor receives in exchange for fees); and (4) accountable (building trust by informing the public on program investments and performance).

Each unit that is participating in the Fee Demo program has reviewed how its current fee program fits with the Blueprint. Those units that do not conform to the national criteria have been changed. All new projects that are proposed will follow the Blueprint criteria. Some changes that have been implemented include:

- The Adventure Pass in Southern California (includes the Angeles, Cleveland, Los Padres and San Bernardino National Forests) has identified four free areas where the Adventure Pass is not required, while designating 12 free days for all sites. This was implemented in response to public comments to provide areas where a fee will not be charged.
- The Northwest Forest Pass program in Oregon and Washington has removed 385 sites where a pass will not be required. Currently 679 day-use recreation sites on national forests in the Pacific Northwest are included in the Northwest Forest Pass.
- The Sawtooth National Forest Trailhead-Parking Pass Recreation Fee Project has removed 18 trailheads from the program. Only 20 of the 38 trailheads in the Sawtooth project met the Blueprint criteria. The Agency will no longer charge fees at the 18 trailheads that do not meet the definition for a significantly developed day-use site.

In addition to the changes listed above, the Forest Service had implemented additional changes to fee sites based on public feedback to provide better service and improve efficiency:

- The Yankee Boy Basin area, part of the Canyon Creek project on the Grand MesaUncompaghre National Forest in Colorado, has suspended fees for off-highway vehicle travel for one year to allow local groups the opportunity to manage and monitor the area.
- The Salmon River project on the Salmon-Challis National Forest in Idaho reduced fees this year (from $5.00/day/person to $4.00/day/person) because necessary infrastructure has been completed so not as much revenue is needed.

INTERAGENCY COORDINATION AND CONSISTENCY IN DEVELOPING FEE POLICIES

The strongest aspect of the Fee Demo program has been the coordinated efforts between the Forest Service and agencies in the Department of the Interior to minimize confusion and making recreation fees more convenient and beneficial. Our experience has shown that the visiting public does not distinguish between lands managed by different federal agencies. Thus, the Department has tried to implement a program that streamlines management across different boundaries. In implementing such a program, revenue has decreased in some instances, but the agencies have been able to provide a consistent program, which has significantly enhanced our ability to serve the public. Examples of interagency efforts include:

- In April 2003, the Forest Service dramatically broadened the application of the Golden Eagle Passport program to provide interagency application and benefits. This change was based on guidance from the Interagency Recreational Fee Council (Fee Council) which worked to facilitate coordination and consistency

among the agencies on the implementation of recreation fee policies. The Council developed standards for a new fee structure to replace the outdated entrance and use fees established under LWCFA. Using the framework of this new fee structure, the Agency started accepting the Golden Eagle, Golden Age, and Golden Access passports at all Forest Service sites that charge a basic fee. Previously, only 18 Forest Service sites accepted these passports, now over 1500 sites accept them.

- Starting in March 2003, Federal and State agencies in Washington and Oregon are, for the first time, offering a convenient interagency day-use recreation pass that is accepted at many public, day-use fee areas. The Washington and Oregon Recreation Pass is an add-on to the existing Golden Eagle Passport program and will be honored at all National Forest, National Park Service, Bureau of Land Management, and U.S. Fish and Wildlife Service sites, in addition to 26 Oregon State Parks charging a day-use fee, 20 Washington State Parks charging a daily vehicle parking fee, and 6 Army Corps of Engineers sites charging facility-use fees.

SUGGESTIONS FOR PERMANENT RECREATION FEE AUTHORITY

The Departments of Agriculture and the Interior have learned a great deal from experience in administering Fee Demo, and are eager to translate that experience into a permanent recreation fee program with Congressional support. Federal lands have provided Americans and visitors from around the world with special places for recreation, education, reflection and solace. The pattern of recreation on our Federal lands has changed dramatically and has increased exponentially. More then ever before, Americans are choosing to recreate on all Federal lands, in particular their National Forests. The Forest Service has estimated that over 211 million annual visits occur on National Forests, a two-fold increase since the 1960s. This increase in visitation means an increase in visitor demand for adequate visitor facilities and services. The Department wants to work with Congress and the public to ensure that our Federal lands continue to play an important role in American life and culture. To this end, permanent recreation fee authority is needed. From our knowledge, experience, and lessons learned from the past, here are some suggestions for a successful fee program. These suggestions adhere to the guiding principles established by the Fee Council that fees should be beneficial, fair and equitable, efficient, consistent, implemented collaboratively, convenient, and they should provide for accountability to the public.

A permanent recreation fee program should: (1) promote interagency coordination; (2) establish an interagency national pass; (3) enhance partnerships with states and gateway communities; (4) establish agency site-specific and regional multi-entity passes; (5) provide for a new system of basic and expanded recreation fees; (6) provide for better reporting on the use of revenues; (7) provide necessary authorities to implement the program; and (8) provide criteria for accountability and control of revenues collected.

1. Promote Interagency Coordination

There has been debate in Congress and with the public as to whether an interagency recreation fee program should be permanently established. The Department believes the question should be asked if the public is benefiting from enhanced recreational facilities, settings and services that result from a fee being charged. If this is the case, we suggest that an interagency recreation fee program is needed. More and more people are recreating on a national forest. Whether they are visiting a day-use site like a trailhead, or recreating at a developed campground, visitors to public lands expect the same amenities, facilities, and services as those enjoying a national park.

As Assistant Secretary Lynn Scarlett stated, examples of areas where the public does not differentiate between land management agencies, but expects the same amenities and use of the land in similar locations, is the red rocks areas in Nevada, Arizona, and Utah. Visitors to these areas can recreate on lands managed by the Bureau of Land Management (Red Rock Canyon National Conservation Area in Nevada), lands managed by the Forest Service (the Sedona Red Rocks Area in Arizona), and lands managed by the National Park Service (Arches National Park in Utah). In all three areas, similar recreation opportunities exist within the various natural settings and opportunities vary depending on the area selected. Public expectations though, for the same amenities and services in each area are the same.

The authorization of an interagency recreation fee program would enhance coordination among agencies and create a seamless, collaborative, efficient, and effective fee program that is well understood by the public. Such a program would allow land

management agencies an opportunity to improve the recreational facilities under their management and enhance the experience of the visiting public.

Since the inception of Fee Demo in 1996, the Forest Service has shown that it can manage this type of program that provides various benefits to the American public. The Department believes permanent recreation fee authority is needed so we can continue to provide recreational opportunities and services to those who recreate on Federal lands. The Forest Service Fee Demo program has generated over $161 million to enhance the visitor experience at 105 projects in 123 National Forests and Grasslands across 36 States and Puerto Rico. In 2003, the Agency's program generated $38.7 million dollars. The funds from this program have made a crucial difference in providing quality recreation services to the public, reducing the maintenance backlog, enhancing facilities, improving visitor services and operations, strengthening public safety and security, developing new partnerships, educating America's youth, and conserving natural resources. Some examples include:

- Maintaining 465 miles of trail on the Deschutes National Forest in Oregon.
- Rehabilitating the Scioto Shooting Range on the Cherokee National Forest in Tennessee (installation of target walkways, shooting tables, and a sound abatement berm).
- Replacing 8 picnic tables, 40 fire rings with grills, and 1 water tank on the Klamath National Forest in California.
- Upgrading concrete walkways and paths for better accessibility on the Payette River Recreation Complex (Payette National Forest).

As stated above, the Forest Service has been able to use Fee Demo revenues in areas that benefit the American public. An interagency recreation fee program would allow the Forest Service, along with the other agencies in the Department of the Interior, an opportunity to continue to provide the recreation settings, services, and facilities that the American public expects when visiting their Federal lands. Interagency coordination is needed to ensure recreation fees are convenient, consistent, and beneficial.

2. Establish an Interagency National Pass

With the establishment of an interagency recreation fee program, an interagency national pass should be created. By consolidating the Golden Passport program established under the LWCFA and the National Parks Passport (established in 2001), an interagency pass would decrease visitor confusion. Currently the Golden Eagle, Golden Age, and Golden Access passports are accepted on Forest Service units that charge an entrance or basic use fee, but the National Parks Pass is not accepted as this pass is only valid at National Parks, unless the pass has been upgraded with a Golden Eagle hologram. Any interagency national pass should still be provided to seniors at a discount and free of charge to people with a permanent disability.

3. Enhance Partnerships with States and Gateway Communities

An interagency recreation fee program will provide a foundation to seek new partnerships with other Federal, State, County, and Gateway Communities as needed. By expanding the avenues for collaborative efforts, we enlist others to help us to meet the recreational demand of the visiting public. The Forest Service has developed numerous partnerships over the years to help us in delivering a successful Fee Demo program. A permanent fee program would allow the Forest Service, along with the Interior agencies, to make long-term investments on current partnerships and initiate new partnerships where needed.

Along the South Fork of the Snake River in Idaho a partnership between Federal, State, and local entities has evolved to cooperatively manage recreation sites spread along a 62 mile stretch of the Snake River. The use of fees collected from boat launching, and other activities in the river corridor, is determined on a consensus basis by the partnership group, regardless of which jurisdiction collects the fee. The partnership includes the Forest Service (Caribou-Targhee National Forest), the Bureau of Land Management, the Idaho Department of Fish and Game, and Madison, Bonneville, and Jefferson Counties. Revenues from the program include providing restroom facilities and litter control along the river.

4. Establish Agency Site-Specific and Regional Multi-Entity Passes

Any permanent recreation fee authority should also allow agencies to establish agency sitespecific or regional multi-entity passes in addition to an interagency national pass. In some cases; regional passes meet the needs of visitors who want to recreate only in a certain area or state. The Washington and Oregon Recreation Pass is a good example of a regional pass that crosses many jurisdictional boundaries. Another example of a regional pass is the Visit Idaho Playground Pass.

The Visit Idaho Playground Pass is an interagency program operated by the Forest Service, Bureau of Land Management Bureau of Reclamation, National Park Service, and the Idaho Department of Parks. The pass is valid for those who choose to recreate on public lands in Idaho. Passes are available for purchase via a website, or by a toll-free number for visitor convenience. Revenues are shared according to a formula developed for the business plan, and revenues are directed back to the recreation sites for improvements in facilities and services.

5. Provide for a New System of Basic and Expanded Recreation Fees

As stated previously, the Forest Service in 2003 started accepting the Golden Age, Golden Eagle, and Golden Access passports at over 1500 sites, where previously only 18 sites accepted them. These passports are honored usually where an entrance fee is charged, not a use fee. A new structure should be developed that is based on use of the sites and facilities, not entrance into a particular site. This new fee structure would reduce fee layering and develop some consistency among and within agencies to avoid visitor confusion and frustration about what constitutes an entrance fee and what constitutes a use fee.

A new system of basic and expanded recreation fees should minimize fee layering of entrance and use fees. Under the new system, the basic fee would be charged in an area that has some expenditure in services and facilities, and an expanded fee would be charged in areas where additional facilities or amenities are provided, such as a developed campground or boating area, specialized interpretative services or a transportation system.

6. Provide for Better Reporting on the Use of Revenues

The Department believes any permanent recreation fee program should have components for ensuring the agencies are accountable to Congress and the public and report revenues and experrditures. Agencies should collect good data and publish annually public documentation showing how the fee program is administered. In producing a report, the Department would evaluate fee programs to consider the cost of collection, adherence to policy, use of revenues, fiscal safeguards, and how well organizational, site, or community goals are achieved.

The Departments of Agriculture and the Interior are preparing the Fiscal Year 2003 Recreational Fee Demonstration Program Progress Report to Congress. This report should be sent to Congress shortly, and we look forward to any constructive feedback you may have after reviewing the report.

7. Provide Necessary Authorities to Implement the Program

Any permanent recreation fee program should provide authority for the Federal land management agencies to work with volunteers, develop fee management agreements with any governmental or nongovernmental entities, and establish procedures to protect fees collected (law enforcement). In some cases, the Forest Service has implemented Fee Demo utilizing a large cadre of volunteers to sell recreation fee passes, maintain trails, clean facilities, refurbish buildings and archaeological sites, and provide educational programs. An example includes the Adventure Pass Program in Southern California, which is implemented through the use of private sector vendors (small and large local businesses) who sell the pass at over 400 locations to communities near the forests. Use of private vendors makes it convenient to purchase an Adventure Pass in advance of a trip to the forest.

An important component of a recreation fee program is enforcement of fee payment and security for the receipts. For implementation to be fair and equitable, a recreation fee program must ensure that everyone who uses facilities and services for which a fee is charged pays the fee. Security per revenues collected also must be provided.

8. Provide Criteria for Accountability and Control of Revenues Collected

Accountability is one of the guiding principles established by the Fee Council. In being accountable, the Forest Service is collecting good data and publishing annually in a report to Congress how the fee program is being administered. Fee Demo revenues and expenditures are accounted for separately from appropriated funds, which is consistent with program authority and Federal Accounting Standards. Because the Agency uses several expenditure categories to track fee demo accomplishments (categories that were established in the 1996 Fee Demo legislation), some reporting overlaps may have existed, but the total expenditures accounted for were accurate. Starting with the fiscal 2003 report to Congress, the Forest Service will reduce the number of reporting categories and be more consistent with the Department of the Interior in reporting fee revenues and expenditures.

WORKING WITH COUNTIES IN REVENUE EXPENDITURES

One of the fundamental lessons the Department has learned from the demonstration phase of the program is that support for recreation fees is contingent on the revenues being invested directly at the site where they are collected. Apportioning some recreation fee revenues to States and counties, without targeted investment into the sites where the revenues were collected, would create significant problems for the program, and may not be acceptable to those who pay recreation fees to a particular site.

Also, some counties provide more services and have a different relationship to visitors than other counties and a blanket provision to return recreation fees back to a county would not reflect those differences. The Forest Service has worked to develop partnerships or agreements with local communities, organizations, or county sheriff's offices to help us to deliver a successful Fee Demo program, while providing some fee receipts to those entities involved in implementing the program. Revenue sharing would remove a vital avenue where land management agencies can work with local communities and counties to be involved in implementing a fee program, and still return revenues to the site for enhancement and services.

The Department understands how local governments in some counties where certain Federal lands are located believe they should share in recreation receipts. The Department would like to work with the Committee to determine what this may mean to a particular site. Any decrease in fee revenues would mean less facilities, services, or revenue for reinvestment, thus creating a disincentive for having a recreation fee at all.

Another option for working with local governments could be development of fee management agreements, where a county could help an agency implement a recreation fee program by providing fee collection or processing services, visitor reservation services, law enforcement to provide additional public safety and security, emergency medical services, or marketing resources. These fee management agreements need to provide the visiting public with services that are visible and are viewed as beneficial by users of fee site.

On some units, the Forest Service or the Bureau of Land Management is currently working with some counties to implement these types of fee management agreements. In Arizona, the Tonto National Forest has an agreement with the Maricopa and Gila County Sheriffs Offices to provide additional law enforcement personnel and emergency medical service teams at recreation lakes on busy weekends and holidays. Under permanent recreation fee authority, revenue sharing could be identified for those state or local governments that enter into such an agreement with the Secretary.

CONCLUSION

The Department has learned a great deal from our experiences in administering the Fee Demo program and is ready to translate that experience into a permanent fee program. With the changes that have implemented, from lessons learned, and with development of national criteria for the Forest Service's recreation fee program, the Department is eager to work with this Subcommittee and the Department of the Interior to develop a successful permanent fee program. Establishment of permanent recreation fee authority does not mean our learning will end. Fine-tuning of the program will continue to occur.

I look forward to working with you, Mr. Chairman, other members of the Subcommittee, and our interagency partners to implement a permanent recreation fee program. This concludes my statement. I would be happy to answer any questions you may have.

Senator CRAIG. Well, thank you very much, Mark and Lynn, for your collective testimony because I do think it goes hand in glove and it provides us with several opportunities of questioning I think as we attempt to establish a record in this area.

Mark, let me start with you and let me start right where you left off. The growth of your recreation program budget from the $267 million to the $390 million between 1996 and 2000. During the same period of time, your rec fee receipts grew from nothing to $38 million. Is the GAO data correct? You only collected $38 million in recreation fees, yet Congress has increased its funding for your rec-

reational programs by more than $120 million in that same timeframe?

Mr. REY. The exact number would be $127 million. That is correct.

Senator CRAIG. Some in the Forest Service have suggested that an alternative to reauthorization would be to close campgrounds and other sites. Given that we have provided a nearly 50 percent increase in recreational funding since 1996, could you take a moment or two to explain where all of that additional money then is going? You did mention inflation and that is an appropriate approach.

Mr. REY. Inflation over that period has hovered just under 3 percent, so I think you can reasonably say that half of that $127 million was an inflation adjustment. The balance has been a response to two factors: one, a dramatic increase in recreation use and, second, the need to start dealing with capital assets that are approaching the end of their useful lives. I think that is where the lion's share of the increases has gone.

Senator CRAIG. In 1996, the original fee authority mandated 100 sites to be tested and that 80 percent of these receipts would be expended at the site where they were collected. At how many individual sites, trail heads, campgrounds, picnic areas, et cetera, are you currently collecting recreational user fees today? Is it 100 or more?

Mr. REY. It is 105 in total. In 2002, Congress lifted the cap of 100 fee sites and in that time we have added 5 more sites, which I think is also a reflection of the fact that we have proceeded cautiously in the ensuing years since 2002.

Senator CRAIG. Lynn, I am struggling to understand why the Department of the Interior is investing so much energy in getting the recreation fee demonstration program authorized for the BLM, the U.S. Fish and Wildlife Service, and the Bureau of Reclamation. The GAO data consistently suggests that BLM, the U.S. Fish and Wildlife Service only account for a total of 6 percent of the overall recreational fee revenues. So my question would be, with so little at stake, what is all the fuss about when it comes to non-Park Service DOI agencies and fees?

Ms. SCARLETT. Yes, Senator, I think that is a good question. As I noted in my testimony, there are really a relatively small number of our BLM sites and Fish and Wildlife Service refuges that actually charge the fees. So the $4 million or $5 million that goes to the Fish and Wildlife Service and the nearly $10 million or so that goes to the Bureau of Land Management go to a fairly small number of sites. At Moab, as I mentioned, those fees actually amount to some two-thirds of their recreation management budget. At Chincoteague, a wildlife refuge, those fees amount to about 40 percent of their budget. I was at a small satellite refuge, Hobe Sound in Florida, which has a very, very small overall operating budget. There they are in the midst of the West Palm Beach area with millions of visitors. Those fees provide a very critical resource for them to increase parking, increase toilet facilities, as that demand escalates.

I do want to mention a second reason why our land managers see these as important. The fees actually provide them a very imme-

diate and very ready source of funding to address escalating recreation demand at the time that it occurs so that they can immediately invest in new toilet facilities if demand for recreation services has increased rapidly beyond what was expected.

Senator CRAIG. Thank you very much. My time is almost up, so let me turn to Senator Bingaman.

Senator BINGAMAN. Thank you very much.

Let me ask you. Your statement talks about the establishment of an interagency recreation fee program, an interagency national pass should be created. Is there any reason why the administration needs to wait on Congress to legislate this? Why can you not just convene an interagency task force and do this?

Mr. REY. We actually have an interagency Recreation Fee Council to assure that some of the mistakes that were made during the experimental part of this program are reduced.

I think, though, that going the next step and changing some of the recreation pass systems should involve Congress, first, because there are antecedent legislative authorities that we might be modifying with regard to the existing Park Service program, and second, I think that this is something that needs to be durational. It should not be something that changes every year. I think this is something we believe strongly that we and the Congress ought to work together on.

Senator BINGAMAN. I have a sheet here called Recreation Fee Demonstration Program, State of New Mexico, which I think you folks provided us with today. You have got a chart here on the front that says: total revenue from New Mexico, $4,338,361. And then you have got three columns for expenditures, and the three columns, when you add them up, come to somewhere around $1.85 million or $1.9 million maybe. So substantially less than half of what is collected in revenue is actually expended. Am I missing something on that chart?

Mr. REY. What you are missing is that we did not include all of the expenditure categories on that list. We did not include fee collection, which generally accounts for 18 to 20 percent of the total, and we also did not include any of the planning work that goes into the actual construction of the assets that are provided here under either maintenance or new construction of facilities.

Ms. SCARLETT. I was just actually going to amplify what Mark said. You will see in the columns that you are looking at, maintenance, visitor services, and resource protection, that these are expenditure highlights. There are additional expenditures on such things as planning and administration and so forth. We could provide you that full breakout and the full summary of the total expenditures, if you would like.

Senator BINGAMAN. Okay.

Well, I gather there is some kind of requirement that you folks are living with, that at least 80 percent of the revenue received at these various sites be actually expended there. Is that right?

Ms. SCARLETT. In fact, on BLM sites we keep 100 percent onsite. For the Park Service, they have an 80 percent/20 percent so that high visitor using sites versus lower ones can actually benefit from some of that 20 percent.

Mr. REY. And that 80 percent has not been a problem. We have been able to hit that mark. Of course, the expenditures that are not shown on this page are also being expended on that site. The planning for a new construction project is part and parcel of what is happening on that site.

Senator BINGAMAN. Last month we had quite a bit of press coverage about an internal Park Service memo directing park superintendents to make plans for service cutbacks that were necessary because of budget shortfalls. Most of this money that is collected through fees is collected by the Park Service, as I understand. It certainly is in my State, according to this chart. Are the planned service cutbacks that were talked about in that memo an indication that this fee program is not working the way it should somehow or other?

Ms. SCARLETT. That memo is actually an inaccurate reflection is what is going on in the National Park Service. The Park Service has higher operating dollars right now per acre, per FTE, and per any other measure that one would utilize, and in fact, we are ensuring that all visitor services are maintained.

Of the $145 million or $150 million that the fee revenue program puts into the National Park Service, one-half of that, approximately, goes to deferred maintenance backlog activities. The other half goes to enhancing visitor services.

Senator BINGAMAN. Let me just ask one other issue. As I understood your testimony, Ms. Scarlett, you said that you did not object to us putting in the law certain restrictions on the ability to charge fees for certain activities. So that is something that you think is entirely appropriate and should be done if we go ahead and do authorizing legislation on this subject?

Ms. SCARLETT. That is correct. We have agreed that there have been concerns during the fee demo program over the years about charging fees where there are no amenities or for just, for example, walking through, driving, through, or other activities such as that, and we would like to work with you on what those restrictions might be.

Senator BINGAMAN. That is all I have, Mr. Chairman.

Senator CRAIG. Thank you very much.

Now let me turn to Senator Burns. Conrad.

Senator BURNS. Mr. Chairman, thank you very much. I think I found our money. It went to New Mexico.

[Laughter.]

Senator BURNS. I have the same question that the Senator from New Mexico had when I looked at these numbers here. We had collections of $10,779,000 and we only expended $3.2 million. So I think our money might have gone to New Mexico. Do you want to explain that, Senator?

[Laughter.]

Senator BINGAMAN. Well, if we got it, we misplaced it.

[Laughter.]

Senator BURNS. You earned it.

That is the only thing that I was looking at here, and that is the only question that I have. There is some question on these expenditures and what it costs when you start building things back. I know we have got one rule that we were talking about this morn-

ing with Representative Raney when he came into my office, and we are going to try to change that a little bit. And there are some things that we will change on this.

On some services, I think charges are in order in places where you have facilities and those facilities need to be maintained. I have very few problems with that. But as you know, just to walk through and hike and do this thing, well, I have very serious problems with that.

I have a question on my expenditures. You got the 80 percent on the wrong side here. Is that an error?

Mr. REY. I think what we need to do on these sheets is give you the full breakdown of expenditures. These are the highlighted expenditures in three areas that most people focus on, which is maintenance of facilities, visitor services, and resource protection. What we have not included is health and safety enhancements, additional law enforcement and the planning and analysis work that goes into building or repairing a capital facility. But we can add to that.

Senator BURNS. I understand that.

I have no more questions, Mr. Chairman. Thank you very much for having the hearing.

Senator CRAIG. Well, thank you very much, Conrad.

We have now been joined by Senator Lamar Alexander. Senator, any opening comments you would like to make and questions of these two panelists, please proceed.

STATEMENT OF HON. LAMAR ALEXANDER, U.S. SENATOR FROM TENNESSEE

Senator ALEXANDER. Thank you, Mr. Chairman. I will combine the two.

I welcome the hearing and I thank you for holding it. This is an important topic, and I would like, as part of my opening remarks, to tell of what we in Tennessee regard as a success story with the recreation fee demonstration program. I will start with the Cherokee National Forest.

The Cherokee National Forest, Mr. Chairman, is by Eastern standards big. It is 650,000 acres, which is about 150,000 acres larger than the Great Smoky Mountain National Park. It is basically adjacent all around the Great Smoky Mountain National Park, so the Cherokee National Forest gets a lot of visitors.

I learned years ago, Mr. Chairman, that there are some pretty big differences in attitudes and conditions sometimes between easterners and westerners when it comes to public land, and one reason is that the Federal Government owns so much of the land out West and there are fewer people in some of the States. And then you come to the East where the Federal Government owns very little and you have large concentrations of people using land. So I try to be sensitive to the fact that what might be a problem in Idaho might not be a problem in Tennessee or vice versa.

In east Tennessee, where we have 10 million visitors to the Great Smoky Mountain National Park every year, as compared, for example, with 3 million to Yellowstone, and where we have 8 million to the Cherokee National Forest—they may not be absolute figures. 2.5 million campers, maybe 4 million or 5 million people who

drive through to visit. The recreation fee demonstration program has been very, very welcome and is strongly supported. I would like to add my support to it as well.

Since 1998, the Cherokee National Forest has been able to use 95 percent of the recreation user fees they collected, and over those 6 years, that has amounted to about $3 million. That has been a big help. They have used it for new water systems. They have used it for new tables. They have used it for new fire rings, bear-proof trash cans. I go in those mountains a lot and those areas a lot. The personnel there are very limited. There are problems with drug use sometimes back in the mountains.

This is something that the chairman is very familiar with. We have got a pine beetle problem in our area, and one of the most dangerous places you can be these days is not on the highways, but out camping or hiking or walking because of the trees that need to be taken away from the areas where people are. And if you are in a large expanse in part of the West where people rarely go, that may not be as much of a problem, but if you are in the Cherokee National Forest where you might have 8 million visitors a year, you have got a real problem if you do not clean out some of the dead wood.

So this has been a big help and it has worked very well. I have heard no complaints. While I have not interviewed everybody in east Tennessee, I believe the overwhelming attitude would be that we are happy to pay a reasonable user fee if it is used to keep up the Cherokee National Forest that we enjoy.

I would say that same is true with Land Between the Lakes, which is completely the other end of the State, out in Kentucky and Tennessee. It has 2 million visitors a year, and it will benefit from the program.

We took a look at this back in 1986 when I was the chairman of President Reagan's Commission on Americans Outdoors where I got good exposure to some of the differences in conditions between what happens in the West and what happens in the East. But the idea of a reasonable user fee was broadly endorsed by all the members of the commission. And it was a very diverse commission of conservatives and liberals and Republicans and Democrats and outdoor recreation enthusiasts. And we all thought that if it were a reasonable fee, that people would welcome that. So that is my endorsement of the idea.

I guess my question would be this. So that people in places like the Cherokee National Forest can enjoy the advantage of having the benefit of a reasonable user fee, what steps will you take to make sure that, in other parts of the country where it might be more difficult to apply a reasonable charge for a service, you do not mess it up in those areas so you deny us the chance to have such a fee?

[Laughter.]

Ms. SCARLETT. Mark, do you want to take that or do you want me to?

[Laughter.]

Senator CRAIG. We do not allow the shifting of blame or responsibility in this committee.

[Laughter.]

Ms. SCARLETT. Since we never messed anything up at Interior——

[Laughter.]

Ms. SCARLETT. Senator, let me tell you what we are doing at Interior to bring some discipline to the process. As I mentioned earlier, the Bureau of Land Management for any fee proposal must first have a special recreation area designation. That goes through a land use planning process and all of the public commentary and so forth associated with that.

In addition, BLM has begun to utilize its resource advisory councils. These are a cross section of the public to participate in helping to determine where fees might be appropriate. The Bureau of Land Management then also must present a business case and ultimately the State director approves that business case for any fee proposals.

In turn, as a further protection, the Bureau of Land Management actually puts such fee proposals in the Federal Register for public comment. So no fee goes forward without that long process and that careful public scrutiny occurring.

The Fish and Wildlife Service has a somewhat different approach, but again, all fees must ultimately be approved by the Director of the Fish and Wildlife Service after having presented a business case, looked at market surveys to see the commensurability of fees with like activities elsewhere.

So we believe we now have a very disciplined process in place. We certainly would like to work with Congress if they think additional safeguards are needed.

Mr. REY. One of the things that we have come to recognize in experimenting with this program is that the half-life of screw-ups is very long.

[Laughter.]

Mr. REY. What we have done is to institute procedures not dissimilar to the ones that Assistant Secretary Scarlett has described in installing good business planning and public participation before any new fees are initiated. And most recently, as a result of our January 2004 blueprint for how the program should work, based on the results of the experiments to date, we have started to pull back the program from places where it was not appropriate and where additional value was not being offered to recreation users at a specific site. I think since January, we have decommissioned roughly 400 places where fees were charged that are not now being charged.

Senator ALEXANDER. Mr. Chairman, I thank you for the time. I would just observe. I genuinely thank you for the hearing.

In my short time here, I think that one of the underused powers of the U.S. Senate is oversight, that we do not do enough of it, and I think this is a good example of where there are lots of judgment calls to make over a period of time and maybe one of the things this committee can do over time is just what it is doing today, is on a regular basis get a report about what is going well, and what has not gone so well.

But I just hope we do recognize that this is a big country and there are different conditions in different parts of the country, and we do not need to force a rule that works in east Tennessee on

rural Wyoming or vice versa, and that if there is a mistake here or there, that we would like to know about it and we would like for you to make the adjustments. But I would like it not to invalidate an entire program which has in my opinion a very good basis for going forward to improve recreational opportunities in America.

Thank you, Mr. Chairman.

Senator CRAIG. Well, thank you, and I think those comments are well spoken. I agree with you. I had said in my opening statement, while I have general opposition, I recognize the necessity in targeted areas where amenities have been developed and services are expected and needed, not only for the using public, but certainly also to protect and maintain the quality of the environment, that fees may well be appropriate.

A couple of last questions. Lynn, I see that in the GAO data that it costs the Park Service about 25 percent of what it takes in to collect the recreation users fee. What does it cost the BLM, the U.S. Fish and Wildlife Service, and the Bureau of Reclamation to collect their recreation fees, do you know?

Ms. SCARLETT. Actually the most recent figures for the National Park Service are that they have been able to bring that down closer to 20-21 percent.

Senator CRAIG. Good.

Ms. SCARLETT. And for the Fish and Wildlife Service and the Bureau of Land Management, the cost of the fee ranges between about 13 percent and 18 percent. So they have actually managed to become much more efficient over time at their fee collection. In fact, I was out at a Park Service location in Colorado just last week, and they have been able to bring their costs down to almost zero by using unmanned collectionsites at one particular park location.

Senator CRAIG. Well, I make the observation that if a national sports team had to spend 25 percent of its take just to get it, there would be a lot fewer high-paid athletes in the country. Obviously, the private sector has got it down to an art, and it appears that still, if you are talking down in the 20 range, while that is an improvement, that is still a substantial cost. If you are trying to use these fees to generate benefits of the kind that you are obviously trying to generate, there needs to be a real focus on the business side of managing this revenue flow.

Ms. SCARLETT. Senator, I would agree with you and, of course, we have been attempting over the last 2 years to bring those costs down.

I will make two additional comments, though. One of the reasons we look forward to a permanent or more enduring rec fee authority is so that we will able to make some long-term investments in some automation and other kinds of fee collection systems that could help bring those costs down.

Second, the administrative costs are a little bit misleading because many of these costs are also associated with personnel who are providing collateral services as well, for example, also providing visitor interpretation service or communication and information to visitors, not just simply standing at a booth and collecting fees.

Mr. REY. And all of our players are cheaper than Alex Rodriguez.

[Laughter.]

Senator CRAIG. Yes, Mark. Well spoken.

Well, let me thank you both for being here today. I think this committee wants to work with you. Certainly the Senator from Tennessee has spoken well of the differences that exist across this great country of ours. And as I have said, I would not oppose targeted, effectively collected and implemented recreational fees.

But I hope you understand that we are not going to start managing the Forest Service, the BLM, and wildlife refuges as if they were national parks. I would certainly resist that attitude that some employees, I think, of the agency have of "if we build it, they will pay and they will be happy about it." That is not true in the State of Idaho. You heard other western Senators express great skepticism as we approach this clear need for new revenue, different kinds of revenue for these public land resource management agencies. We will struggle with that, and working together, I think we can resolve it.

I do agree that what starts out as an appropriated approach in demonstration does at some point need to be thoroughly vetted and authorized through this committee structure.

So we thank you both for being with us today.

Mr. REY. Thank you.

Ms. SCARLETT. Thank you.

Senator CRAIG. Again, thank you very much. And we will ask the second panel to come forward.

Once again, we thank you all very much for being with us today as we work to build a record on the recreation fee demonstration program and where the Congress may go with it from here.

Let us start, and I will start to my left, Commissioner Ted Anderson, commissioner from Skagit County, Washington, Mount Vernon, Washington. Commissioner, welcome before the committee.

STATEMENT OF TED ANDERSON, COMMISSIONER, SKAGIT COUNTY, WA, ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES AND THE WASHINGTON STATE ASSOCIATION OF COUNTIES

Mr. ANDERSON. Before I begin, I would be happy to pay the fee that you are charging for this room if I could get a receipt for our State auditor. They have been somewhat critical of my travel budget.

[Laughter.]

Senator CRAIG. A point well made.

Mr. ANDERSON. Good afternoon, Mr. Chairman and distinguished members of the subcommittee. My name is Ted Anderson and I am a member of the Board of County Commissioners of Skagit County in the State of Washington. I am testifying today, though, as vice chair of the Public Lands Steering Committee for the National Association of Counties. NACo is the national association of America's 3,066 counties and seeks to ensure county officials' voices are heard and understood in the White House and in the halls of Congress.

It is my privilege to represent the Washington State Association of Counties. WSAC members include elected county commissioners, council members, and executives from all of Washington's 39 counties. Each year WSAC works with NACo to promote positions that help counties serve our citizens.

I thank the subcommittee for scheduling this hearing on the recreation fee demonstration program.

As you are well aware, during the debates leading to the establishment of the national forest system, Congress concluded a compact with rural communities within and adjacent to the lands to be reserved. This was premised on the notion that the communities should be compensated for foregone economic opportunities through sharing revenues from the national forests for the maintenance of essential local public infrastructure and services, especially schools and roads.

With regard to this compact, the Forest Counties Payments Committee concluded in its February 2003 report that Congress promised that these lands would be forever managed for multiple uses and that the revenues derived from this management would be shared with the communities. And in fact, both State and Federal courts have ruled that the 25 percent fund revenue sharing payments were not to be considered as payment in lieu of taxes but as grants or payments as compensation for impacts associated with the removal of land from potential development.

NACo and WSAC believe that this compact is now and should remain in full force and effect. Its unambiguous and explicit acknowledgement should inform all policymaking regarding national forest management, including recreation management.

Regrettably, from the enactment of the first recreational fee demonstration program, amounts collected pursuant to its authorities were not taken into account for purposes of the 25 percent fund. This practice must be stopped. At a time when a broad national consensus is building around locally based collaborative models of resource management, it makes no sense to undermine one of the historic institutions binding communities to the sustainable stewardship of public lands.

While the amounts generated for the counties would, admittedly, be small, the value we believe remains. Strengthening, not eroding the ties that bind local communities to the forests should be their aim.

Movement toward that aim can be achieved by giving more specific congressional direction to the Federal agencies to consult and collaborate with local governments in all aspects of recreation fee programs. While NACo has to date no specific policy recommendation as to the advisability of extending or making permanent the recreation fee authority, if the authority were to be extended, we have no doubt that it would be more successful if implemented in cooperation with the local county governments. Our experience has taught us that where recreation fee demonstration projects have been successful, it has been due in no small part to the fact that the Federal managers in those instances worked with the local counties to design and implement them. Conversely, opposition and outright revolt against the program have been the result of projects designed in isolation and imposed on communities with little or no regard for the input of elected officials.

NACo and WSAC ask that any extension of the recreation fee authority require formal consultation and collaboration with community stakeholders convened by their elected local officials to select and prioritize projects to be funded. Furthermore, in order to en-

hance local collaboration and to ensure its ongoing success, the public needs better access to information about these projects. At a minimum, a clear accounting of the funds generated locally should be provided to the counties on an annual basis.

Again, Mr. Chairman, I want to thank you for holding this hearing and for giving me the opportunity to present the views of NACo and WSAC for the record. We look forward to working toward a more complete fulfillment of the original promise of that 100-year-old compact between the counties and the Federal Government, a full partnership leading to vibrant local communities and a healthy natural environment.

An additional comment that you will not find here is that what has become known as the Craig-Wyden bill, Public Law 106-393—I think the one component of that, the title II part, is a great model where we formed resource advisory committees. We work in collaboration with the Forest Service, and I think it has been a really healthy thing.

One other additional comment. Road closures by the Forest Service at least in my area, when we are talking about recreation and access, let us not forget the handicapped and the senior citizens that utilize those roads to access those lands. And they certainly have as much right to be there as the athletically elite.

Thank you, Mr. Chairman.

Senator CRAIG. Well, thank you very much for that testimony. We will complete the testimony of all our panelists before I ask or Lamar asks any questions.

Now let me turn to Carl Wilgus, administrator, State of Idaho Department of Commerce, Division of Tourism, Boise.

Carl, welcome.

STATEMENT OF CARL WILGUS, TREASURER, WESTERN STATES TOURISM POLICY COUNCIL

Mr. WILGUS. Thank you, Mr. Chairman. It is an honor and pleasure for me to be present here for these comments this afternoon on behalf of the Western States Tourism Policy Council.

I am Carl Wilgus and I am treasurer of the WSTPC. I am also the State Tourism Director for Idaho, a position in which I have been proud to serve for 17 years. As with other State tourism offices, our job in Idaho is to help increase the contributions of tourism and recreation to the economy of our State and its communities. In Idaho, tourism and recreation have a very substantial economic impact indeed, generating more than $2.2 billion in annual revenue and supporting 42,000 jobs, more jobs than any other industry in the State.

The WSTPC is a consortium of the 13 Western States' tourism offices. Our mission is to support public policy that enables tourism and recreation to have an optimum, positive economic and environmental impact on the American West.

In all 13 WSTPC States, tourism and recreation industries are major components of their States' economies. As you know so well, Mr. Chairman, the magnificent Federal public lands are a major attraction for millions of domestic and international visitors to the West who contribute billions of dollars to our economy.

Not only are the Federal lands a critical tourism draw for the West, their accessibility also contributes very substantially to the quality of life for residents who can so easily take advantage of the scenic and recreational appeal of those lands in their back yards.

Since formation of the WSTPC in 1996, we have recognized the critical importance of the recreation fee demonstration program and regard it a priority issue on the WSTPC agenda. Mr. Chairman, the position of the WSTPC is to support authorization of a permanent or long-term reformed fee program. We believe it is imperative that the authorization of fee demonstration include at least all four agencies now in the program. While the problems that have manifested themselves have not occurred equally at all four agencies, the budget pressures on all four agencies are the same. The visitors who use and enjoy the Federal lands often do not understand or appreciate the agency boundaries, and it is critical that the implementation of the fee program be coordinated and consistent for all agencies.

We would further support expansion of the program to include the Bureau of Reclamation and the U.S. Army Corps of Engineers.

The WSTPC believes the case for fee demonstration transcends budgetary needs and that fee demos have the potential to: one, enhance the visitor experiences; two, engender greater public appreciation for Federal lands; three, help agencies manage access to overcrowded areas; four, encourages greater stakeholder participation in Federal land management decisions; and five, encourages greater interagency and interdepartmental cooperation.

The WSTPC realizes that the agencies themselves have taken meaningful steps to reform the fee demo program. The Federal Recreation Fee Council has greatly improved interdepartmental and interagency coordination and helped make the overall program more consistent and rational.

We are also encouraged by the 2003 Forest Service Blueprint for Recreation Fees, which shows an awareness of the problem and outlines several promising initiatives. In Idaho, both the Forest Service and BLM have actively solicited the views of local government officials and the public regarding design and implementation of the fee demo.

A permanent authorization would give the agencies with maximum certainty to facilitate long-term planning. If, however, Congress believes it is advisable to review the effectiveness of the reforms in the program, we believe a 6-year reauthorization, similar to the Federal surface transportation authorization, would prove a reasonable balance between agency planning needs and time to assess the impact of future reforms.

For the fee demonstration program to fulfill its promise, some reforms are necessary. The WSTPC recommends that several changes in the program be mandated in authorizing legislation including:

One, development of more interagency/intergovernmental regional entrance fees, i.e., the VIP Pass in the State of Idaho, the ones that we have heard about in Washington and Oregon.

Two, clear authority for the agencies to collect fees for each other.

Three, utilization of State tourism offices to identify areas with special tourism or recreation appeal.

Four, utilization of State agencies and local gateway businesses to collect fees.

Five, utilization of differential fee pricing to respond to seasonal demand fluctuations.

Six, utilization of a portion of the fee revenues for public information, education, and communication programs.

Seven, development of a local advisory process involving State tourism offices and gateway communities.

Eight, establishment of a national recreation fee advisory board.

And nine, retention and use of 80 percent of the revenue from special use permits at locations where it is collected.

The WSTPC realizes that fee revenues will never be sufficient to meet the budget needs of the Federal land agencies. At same time, it seems likely that stringent demands on the Federal resources will create severe pressures on natural resource agency budgets. With that in mind, we strongly urge Congress to undertake a more comprehensive review of the fiscal needs of these agencies and consider a wide range of options including integrated fee strategies, public-private partnerships, Federal land bonds, encouragement of volunteer support, technological innovations, and other alternatives.

On behalf of the Western States Tourism Policy Council, I thank you, Mr. Chairman, for the opportunity to come before your subcommittee today.

[The prepared statement of Mr. Wilgus follows:]

PREPARED STATEMENT OF CARL WILGUS, TREASURER, WESTERN STATES TOURISM POLICY COUNCIL

Mr. Chairman, it is an honor and pleasure for me to present these comments to you this afternoon on behalf of the Western States Tourism Policy Council (WSTPC) regarding implementation of the recreation fee demonstration program (fee demo) by the USDA Forest Service and the Bureau of Land Management.

I am Carl Wilgus and I am Treasurer of the WSTPC. I am also State Tourism Director for Idaho, a position in which I have been proud to serve for seventeen years. As with other state tourism offices, our job in Idaho is to help increase the contributions of tourism and recreation to the economy of our state and its communities. In Idaho, the tourism and recreation industry has a very substantial economic impact indeed, generating $2.2 billion in annual revenue and supporting 42,000 jobs, more jobs than any other industry in the State.

THE WESTERN STATES TOURISM POLICY COUNCIL INTEREST IN FEE DEMO

The WSTPC is a consortium of thirteen western state tourism offices, including the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. The mission of the WSTPC is to support public polices that enable tourism and recreation to have an optimum, positive economic and environmental impact on the American West.

In all thirteen WSTPC states, the tourism and recreation industry is a major component of the economic base of the states and hundreds of their communities. In every western state, tourism and recreation is either the first or second greatest source of jobs. And as you know so well, Mr. Chairman, the magnificent Federal public lands are a major attraction for millions of international and domestic visitors to the West who contribute billions of dollars to our economies.

Not only are the Federal lands a critical tourism draw for the West, their accessibility also contributes very substantially to the quality of life for residents who can so easily take advantage of the scenic and recreational appeal of those lands in their backyards.

Since formation of the WSTPC in 1996, we have recognized the critical importance of the recreation fee demonstration program ("fee demo") and regarded it as a pri-

ority issue on the WSTPC agenda. We believe that the hundreds of millions of dollars that has been generated by fee demo, with eighty percent retained for use at the lands where it is collected, have enabled hundreds of projects to be completed, significantly reducing the infrastructure maintenance backlog that has plagued these agencies for decades. The result has been to improve the Federal lands experience for both visitors and residents. We have closely followed the implementation of the program by the four Federal agencies given this responsibility by Congress, submitting several statements to Congress during this period in broad support of fee demo while recommending substantial reforms in the program.

Mr. Chairman, it is appropriate at this time to commend you and this subcommittee, as well as other authorizing committees and subcommittees in both Houses of Congress, for reviewing the fee demo program as part of your authorization responsibilities. Since its inception, fee demo has been sustained solely through the Congressional appropriations process. While the appropriations committees have made a significant contribution to the vitality of our Federal lands through establishing and extending the innovative fee demo program, as the appropriators themselves recognize, it is now time for the authorizers to decide the future of fee demo.

IMPORTANCE OF FEE DEMO TO THE WEST

It is clear to us that fee demo has benefited the Federal lands in the West, allowing them to serve their visitors better and, thereby, to have an even more positive impact on state and gateway community economies. The following are 2003 data from twelve western states showing how much was invested that year in the national forests and BLM lands in those states directly from revenue collected and retained from fee demo. Please note that these figures are for one year only and do not include fee demo expenditures by the National Park Service or the Fish & Wildlife Service.

Alaska	FS	$1,105,442
	BLM	239,570
Arizona	FS	$3,073,879
	BLM	1,160,785
California	FS	$4,440,304
	BLM	958,500
Colorado	FS	$872,621
	BLM	224,930
Idaho	FS	$1,043,861
	BLM	233,600
Montana	FS	$1,463,349
	BLM	209,687
Nevada	FS	(1)
	BLM	2,027,800
New Mexico	FS	$266,611
	BLM	93,450
Oregon	FS	$3,770,303
	BLM	1,447,650
Utah	FS	$738,860
	BLM	1,169,614
Washington	FS	$2,169,744
	BLM	15,200
Wyoming	FS	$116,149
	BLM	135,028

[1] No Forest Service Fee Demo Expenditures

Just a few of the illustrative projects funded by fee demo revenue in only three of these states have included:

Idaho—remodeling of all picnic sites and updating nature trails and information in the Caribou-Targhee National Forest; providing nine miles of extensive trail maintenance in the Clearwater NF; producing a new water safety brochure, "Wildwater Wisdom" in the Boise NF; replacing all boat docks and widening roads, adding culverts and five campground spurs in the Milner Historic Recreation Area.

Arizona—cleaning up 16,300 pounds of ground trash in the Coconino NF; reconstructing an old Civilian Conservation Corps retaining wall in the Tonto NF; repairing nine historic rock bridges in the Coronado NF; installing new restrooms at Lake Havasu.

Washington—providing more than half the operation and maintenance costs for Coldwater and Johnston Ridge Visitor Centers at Mount St. Helens National Volcanic Monument; hiring four trail crews to maintain 787 miles of trails in the Mt. Baker-Snoqualmie NF; providing climbing services including hiring climbing rangers for Mt. Adams and Mount St. Helens; replacing needed picnic tables, signs and fire rings and constructing a wildlife viewing platform in the Yakima River Canyon.

Several of these and other "fee demo projects" have involved the use of grants from State agencies and nonprofit organizations, but it has been fee demo revenue that has enabled the Federal agencies to provide their matching share and benefit from such vital partnerships.

WSTPC POSITION

In essence, Mr. Chairman, the position of the WSTPC is to support authorization of a permanent or long term, reformed fee program for all four agencies now included in the program—the National Park Service, the USDA Forest Service, the Bureau of Land Management and the U.S. Fish & Wildlife Service—with eighty percent of fee revenue continuing to be retained and used at the Federal land location where it is collected.

We believe it is imperative that authorization of fee demo includes at least all four agencies now in the program. It is not advisable to treat the agencies separately for purposes of fee demo. While the implementation problems that have manifested themselves have not occurred equally at all four agencies, the budget pressures on all four are the same. Moreover, the visitors who use and enjoy the Federal lands often do not understand or appreciate agency boundaries and it is critical that implementation of fee programs be coordinated and consistent for all agencies. We would further support expansion of the program to include the Bureau of Reclamation and the U.S. Army Corps of Engineers.

The WSTPC believes the case for fee demo transcends budgetary needs and that fee demo has the potential to (1) enhance the visitor experience by meeting infrastructure and maintenance needs, (2) engender greater public appreciation for the Federal lands by showing the value-added benefits of those lands and the recreation experience, (3) help agencies manage access to overcrowded areas, (4) encourage greater stakeholder participation in Federal land management decisions and (5) encourage greater interagency and interdepartmental coordination.

It is critical, however, that fee demo be reformed to address many of the justified criticisms that have been raised about the program, especially as it has been implemented by the Forest Service and the BLM. The WSTPC in these comments will recommend several such reforms.

CRITICISMS OF FEE DEMO

We fully recognize that implementation of fee demo has been problematic. Other witnesses before this subcommittee will elaborate on criticisms of fee demo implementation. It should be noted that these criticisms are, for the most part, much less applicable to the National Park Service, which has long experience with administering entrance fee programs and as it has implemented fee demo, has for the most part simply increased fee levels and expanded the number of entrance fee sites. For the Forest Service and BLM, without a tradition of fee collection, and often with multiple points of entry onto their lands that make enforcement of entrance fees difficult, fee demo implementation has necessarily been more varied and more experimental.

Following is a summary of what appear to us to have been the most serious and valid shortcomings of fee demo implementation, especially at the Forest Service and the BLM. While significant strides have been made by the agencies to address many of these problems, further improvements are needed in new fee demo authorization legislation. WSTPC recommendations for such improvements will be outlined below:

1. Fee demo implementation has too often resulted in "layering" of fees whereby visitors are required to pay multiple fees for different services or activities at the same site.

2. Fees levied at different sites by different agencies have not been coordinated to prevent duplicate fees and to ensure that comparable fees are charged for comparable services.

3. Fees have been charged that are disconnected to Federal land improvements, with the result that visitors and residents are asked to pay for the same services and facilities that have previously been available without charge. (This has been a particular complaint of many local gateway community residents upset at suddenly having to pay for access to the same Federal lands they have always regarded as their "backyards" with virtually unlimited access.)

4. Related to the preceding point, fees have been charged for access to "dispersed recreation areas" where the benefits from such fees are not self-evident.

5. Concessioners and permittees, who have already paid their contractual fees, made their business and marketing plans and set their prices accordingly, have objected strongly when their customers on short notice have had to pay additional fees under fee demo.

6. Local gateway community businesses object that fee revenue has been used to modernize or expand facilities on the Federal lands that compete unfairly with nearby private businesses.

7. The Federal agencies have spent too much on implementation of the fee demo program.

In addition to these implementation criticisms, there have been what can be termed *philosophical* objections to fee demo, with three of them especially prominent: (1) that fee demo charges Americans for use of Federal lands they own and are already paying for through their taxes; (2) that fee demo is economically regressive and inhibits use of the Federal lands by those with lower incomes; and (3) that fee demo encourages commercialization of the Federal lands by forcing the agencies to rely more on revenues generated by more visitors, resulting in ecological damage to those lands.

To the extent that such philosophical objections reflect different value judgments they are difficult to rebut, but we would make the following points. First, it is not at all uncommon to levy user fees for government products and services that are principally beneficial to individual citizens. Second, a carefully structured and implemented fee program can add considerably to the visitor experience on our Federal lands and can actually enhance the protection of the environment and the preservation of the resource.

WSTPC RECOMMENDATIONS

The WSTPC realizes that the agencies themselves have taken meaningful steps to reform the fee demo program. The Federal Recreation Fee Council co-chaired by Interior Assistant Secretary Lynn Scarlett and Agriculture Under Secretary Mark Rey has greatly improved interdepartmental and interagency coordination and helped make the overall program more consistent and rational. Although it does not address all the concerns about fee demo implementation, we are also encouraged by the 2003 Forest Service's Blueprint for Recreation Fees, which shows an awareness of the problems and outlines several promising initiatives. And the BLM has regularly reviewed and revised its fee demo implementation.

In Idaho, both the Forest Service and BLM have actively solicited the views of local government officials and the public regarding design and implementation of fee demo projects and have modified the program accordingly.

As indicated earlier, the WSTPC supports authorization of a permanent or long term, reformed fee demo program. A permanent authorization would provide the agencies with maximum certainty to facilitate long term planning. If, however, Congress believes it is advisable to review the effectiveness of reforms in the program, we believe a six-year authorization similar to the Federal surface transportation authorization would provide a reasonable balance between agency planning needs and time to assess the impact of future reforms.

Whether authorization is permanent or long term, the WSTPC recommends the following statutory changes in the fee demo program:

1. The agencies should be directed to develop to the maximum extent possible regional access or entrance fees on an interagency and intergovernmental basis. Examples of successful use of common fees combining agencies and Federal and State public land fees can be seen in Idaho, Oregon and Utah.

2. Agencies should be authorized to develop cooperative agreements to collect fees for each other. Although this is apparently now occurring in some areas, many local

agency managers are unwilling to enter into such agreements without clear statutory authority.

3. Agencies should utilize the expertise and experience of state tourism offices to help identify areas with particular tourism and recreation appeal that justify entrance or access fees. "Special Places" with a high degree of such appeal may be identified through a selection process similar to that used to designate national scenic byways. Designating such "Special Places" would be one way of avoiding debate over charging fees for areas with dispersed recreation.

4. State agencies and gateway businesses should be encouraged to collect fees so as to substantially reduce Federal collection costs.

5. If necessary, Federal collection costs should be capped by Congress.

6. Agencies should be encouraged to use differential pricing for fees to recognize seasonal market demand.

7. Some fee revenue—perhaps ten percent—should be used to develop public information, education and communication programs for better known parks, forests and other lands. Such programs can be coordinated with ongoing state tourism office marketing efforts.

8. The Federal agencies should work more closely with State tourism offices and gateway communities in designing and planning fee structures. The local advisory process should be formalized through advisory groups, perhaps modeled after or incorporated into Resource Advisory Councils. NOTE: For an example of how a Federal land agency and local community leaders can work productively together as partners to make mutually beneficial decisions regarding fee demo, see the attached letter from the Bonneville County (ID) Board of Commissioners regarding their partnership with the Caribou-Targhee National Forest to allocate fee demo funds for projects along the South Fork of the Snake River.

9. A National Recreation Fee Advisory Board, as recommended by the American Recreation Coalition, should be established to recommend common criteria for fees, oversee agency fee programs, foster coordination of fees, review innovative fee proposals, prepare annual reports on fee programs and review appeals alleging unjustified or inappropriate fees. Both national and local fee advisory groups should have members representing those principally paying the fees.

10. Following the fee demo model, eighty percent of the revenue from special use permit fees should be retained and used at the locations where it is collected. In the thirteen WSTPC member states, the Forest Service collects about $25 million annually in revenue from special use permit fees—nearly as much as the agency collects from fee demo. Yet the Forest Service (unlike the National Park Service, which can use its special use permit fee revenue where it is collected) must return all that revenue to the Federal treasury.

11. The fee program should be carefully monitored in the future through the Congressional authorization process.

12. Authorization legislation should provide Congressional assurance that revenue from fees will not be nullified or offset by reductions or lower growth rates in agency budgets.

In addition, the agencies should be encouraged to communicate to visitors and the public the benefits of their fee programs in terms of providing a better visitor experience. Wherever possible, investments from fee revenue should be tangible and visible. Public land users, local governments and the tourism and recreation industry should be involved in the design and implementation of fee programs.

Finally, the WSTPC realizes that fee revenue will never be sufficient to meet the budget needs of the Federal land agencies. At the same time, it seems likely that stringent demands on Federal finances will create severe pressure on natural resource agency budgets. With this in mind, we strongly urge Congress to undertake a more comprehensive review of the fiscal needs of these agencies and consider a wide range of options, including integrated fee strategies, public-private partnerships, Federal land bonds, encouragement of volunteer support, technological initiatives and other alternatives.

SUMMARY AND CONCLUSIONS

The Western States Tourism Policy Council supports long term authorization by Congress of the recreation fee demonstration program as vital to the viability of the tourism and recreation industry in the West. Not only does fee demo provide essential revenue to fund critical infrastructure and maintenance projects to improve the visitor experience, its potential benefits can be even greater, including demonstrating to visitors and the public the valueadded importance of the Federal lands, providing an important management tool regarding access to overcrowded areas, encouraging a greater stakeholder role in land management decisions and en-

couraging more interagency and intergovernmental coordination. The policy of retaining and using at least eighty percent of fee demo revenue at the location where it is collected must be continued.

For the fee demo program to fulfill its promise, reforms are necessary. The WSTPC recommends that several changes in the program by mandated in authorizing legislation, including:

1. development of more interagency and intergovernmental regional access or entrance fees;
2. clear authority for the agencies to collect fees for each other;
3. utilization of state tourism offices to identify areas with special tourism and recreation appeal;
4. utilization of state agencies and local gateway businesses to collect fees;
5. utilization of differential fee pricing to respond to seasonal demand;
6. utilization of a portion of fee revenue for public information, education and communication programs for better known Federal lands;
7. development of a local advisory process involving state tourism offices and gateway communities to help design and plan fee structures;
8. establishment of a National Recreation Fee Advisory Board;
9. retention and use of eighty percent of revenue from special use permit fees at locations where it is collected.

Congressional assurance that Federal land budgets will not be cut nor have their growth rates reduced to offset fee revenue.

Finally, we urge that Congress undertake a comprehensive review of the short and long term outlook for Federal land agency budgets, realizing that recreation fees can only be part of a needed broader fiscal strategy for the Federal lands.

Senator CRAIG. Well, Carl, thank you for that very detailed testimony.

Now let me turn to Ms. Susan Bray, executive director of the Good Sam Club of Ventura, California. Susan, welcome before the committee.

STATEMENT OF SUE BRAY, EXECUTIVE DIRECTOR, THE GOOD SAM CLUB, VENTURA, CA

Ms. BRAY. Thank you very much, Mr. Chairman. I am Sue Bray and I am executive director of the Good Sam Club based in Ventura, California. The Good Sam Club is comprised of nearly 1 million families who own and operate RV's, motor homes, and trailers. I really do not know what my user fee charge is going to be today, but probably extra.

Senator CRAIG. It depends on how long you park it.

[Laughter.]

Ms. BRAY. But our members often visit Federal recreationsites.

I also serve as a member of the board of directors of the American Recreation Coalition, or ARC.

Quality recreation opportunities on Federal lands are one of our central concerns. Fees, though, are not an end for us, rather a means to help achieve our goal of great experiences in the great outdoors, along with volunteerism, appropriations, partnerships, and more.

The American Recreation Coalition's position on Federal recreation fees is to support if the fees are equitable and aimed at recovering costs where the services and facilities are provided; the fee system is efficient; the fees are convenient to the recreationalist; the fee system is coherent, flexible, and integrated; the fee revenues are returned to benefit resources, facilities, and programs utilized by those paying the fee.

We have closely monitored the actions of the four agencies involved in the fee demo program. In general, we consider the fee

demonstration program to have been a success, but we do believe it is time to move forward, commencing a new 6-year fee program. We cannot support permanent fee legislation at this time for several reasons.

First, we believe that substantial further experimentation and development are needed to capitalize on new technologies and communications opportunities, particularly at the local level.

Second, we believe the Congress must underscore to Federal agencies that fees are merely one aspect of a program to enhance visitor experiences and provide direction on priority uses of the collected fees. We also believe that the Congress must ensure that the agencies are explaining the fees and their use to the public.

Among the provisions we urge Congress to incorporate are: new provisions to stimulate volunteerism on public lands; new authorities for creative and innovative partnerships among Federal agencies, nonprofits and corporations; retention by the agencies of special permit fees paid by outfitters, guides, and other recreation service providers; a new effort to communicate opportunities in the great outdoors to all Americans, in part because of the growing problems with obesity; new provisions for enlisting the assistance of corrections agencies and military units in caring for America's public lands; and the reinvigoration and expansion of interpretive and recreational programs.

We recognize that the Senate now has pending for floor action legislation that would deal with fees for a single Federal agency, the National Park Service. We cannot support passage of that measure for several reasons. We believe that recreation fee policies of the Federal agencies should be coordinated and complementary and a unified authority would best accomplish this goal. We also believe that the legislation could be improved with several additional provisions including:

- Sunset provisions for fees every 6 years, accompanied by full congressional oversight of the fee program.
- Uniformity of fee provisions for all Federal agencies.
- Continuation of the local retention of receipts and availability of at least 80 percent of collected recreation fees without any further need for appropriation, public involvement in fees establishment and use, clear and meaningful reporting on the use of the fees, and assurance that the fees will not be offset by reductions in appropriations.
- Limitations on automatic authority for Federal recreation fees, primarily focusing on those sites where visitors receive clearly identified services and utilize specific facilities, but also providing a process for adding additional sites to the fee program where key tests, including public support, are met.
- Creation of a new national recreation fees advisory board with authority to approve expanded and unusual fee sites with authority to review fee program appeals. A significant number of the board members should represent those paying the fees.
- Creation of a new recreation fee site investment account which would allow improvements prior to imposition of new or raised fees.
- Investigation and support of the role of RAC's in providing local oversight of the fee program.

- And last, local retention of revenues from recreation special permits, concessions, and similar agreements under clear provisions which consolidate fees now charged under such doctrines as cost recovery.

And finally, the goal is quality recreation experiences, not fee revenues. Fees should not undercut better services and facilities available through partnerships with State and local agencies, volunteers, and friends organizations, concessioners and permittees.

Thank you very much.

[The prepared statement of Ms. Bray follows:]

PREPARED STATEMENT OF SUE BRAY, EXECUTIVE DIRECTOR, THE GOOD SAM CLUB, VENTURA, CA

Mr. Chairman and distinguished Members, I am Sue Bray and I am the Executive Director of the Good Sam Club, based in Ventura, California. The Good Sam Club is comprised of nearly one million families who own and use recreational vehicles—motorhomes and trailers—and are very frequent visitors to federal recreation sites. I also serve as a member of the Board of Directors of the American Recreation Coalition (ARC), a national federation of more than 100 national organizations actively involved in meeting the recreation needs of Americans. ARC's members produce recreational products ranging from canoes to motorhomes to tents, provide services ranging from campsites to downhill skiing and represent the interests of tens of millions of us belonging to individual membership groups including Good Sam and BoatUS. ARC members have a very strong interest in fees at federal recreation sites and played a key role in the creation of the National Recreation Fee Demonstration Program. I appear in a dual capacity, representing both ARC and the Good Sam Club.

Quality recreation opportunities on federal lands are one of our central concerns and we perceive fees as one element in assuring members of the public that their visits to their lands will be enjoyable and safe. Fees, though, are not an end for us—rather a means to help achieve our goal of great experiences in the great outdoors along with volunteerism, appropriations, partnerships and more.

The recreation community enjoys free lunches much as any other interest group, but we have come to understand that it is hard to demand a great meal when you aren't paying. And we certainly are learning to understand that quality recreation on federal lands really isn't a free lunch: costs have been borne by general taxes, not user fees. However, there is a real downside to that situation. We've seen that recreation programs have been underfunded for years, resulting in an immense backlog of deferred maintenance and a failure to develop new capacity as demand for recreation has grown. Prior to the creation of the National Fee Demonstration Program, fees existed but failed to contribute to recreation site operations. Campgrounds operating with solely appropriated funding opened later and closed earlier—frustrating millions who sought to use their lands and were willing to pay, but who found only locked gates. We saw declines in interpretive programs—the ranger walks and campfire talks that have left indelible impressions on me and tens of millions of others. We saw recreationists and federal officials alike frustrated that no monies were available to create and manage opportunities for newly popular recreational activities, such as mountain biking and rock climbing. And we learned that the rules of the funding game taught federal agencies to look at the Congressional appropriators, not visitors, as their customers and the American people, their real customers, as an unwelcome burden.

We took an active part in the national debate on fees hosted by the President's Commission on Americans Outdoors (PCAO) from 1985 to 1987. Americans across the country made it clear that they were willing to pay reasonable fees for quality recreation opportunities—just as they will pay reasonable costs for quality sleeping bags and boats. But we heard that the agencies had little incentive to charge recreation fees, since most fees disappeared into general Treasury accounts. We agreed when PCAO called for more financial reliance—*but not complete reliance*—upon visitors to federal recreation facilities to ensure that our national parks, national forests, wildlife refuges and public !ands remain hosts to outstanding recreation experiences.

The American Recreation Coalition's position on federal recreation fees is support *if*:

- *the fees are equitable*, and aimed at recovering costs where the services and facilities provided represent significant costs to American taxpayers;
- *the fee system is efficient*, costing the least amount practical to administer;
- *the fees are convenient for the recreationist*, so that voluntary compliance is readily achievable;
- *the fee system is coherent, flexible and integrated*, so that overlapping charges are minimized and federal, state and local fees are integrated where appropriate (such as Sikes Act provisions for hunting and fishing fees on federal lands, collected as a supplement to state licenses, or the Pacific Northwest's winter park program); and
- *the fee revenues are returned to benefit resources facilities and programs utilized by those paving the fees.*

We applaud this committee's involvement in the origins of the fee demonstration program, which has provided an important learning opportunity. Across the nation, new fees have been tried and fees have been collected in new ways. In a few cases, fees have varied by day of the week or season, or have been established cooperatively among federal agencies—and in a few instances, with state recreation agencies. In addition to the learning going on, federal agencies are being furnished immediately with substantial new resources—approximately $200 million annually—to protect the Great Outdoors Legacy we share and to enhance many of the nearly two billion visits we make to federal land systems. We also think it is notable and important that for the first time, federal officials are now able to answer a visitor's simple question about where the fees they pay actually go.

We have closely monitored the actions of the four agencies involved in the fee demonstration program, consulting with local recreationists as well as agency officials implementing the program. In general, we consider the fee demonstration program to have been a success. But we do believe it is time to move forward, ending the short-term nature of the demonstration program through the appropriations created process and commencing a new, six-year fee program.

We cannot support permanent fee legislation at this time for several reasons. First and most importantly, we believe that substantial further experimentation and development are needed in the fee area, both to overcome recognized concerns about specific fee demonstration projects and to capitalize on new technologies and communications opportunities.

Second, we believe that both now and at some future date, the Congress must underscore to federal agencies the view that fees are merely one aspect of a program to enhance visitor experiences in the Great Outdoors and provide direction to the agencies on priority uses of the collected fees. Among the provisions we urge the Congress to incorporate in any legislation dealing with fees are:

1) new provisions to stimulate volunteerism on public lands. We urge the creation of a new Take Pride in America Pass, available only as recognition of significant volunteer efforts at one or more federal sites. In addition to promoting volunteerism, the pass could have other beneficial effects. It would provide an alternative for access to those who face economic or other challenges regarding fees. This pass will eliminate current concerns about the legal uncertainties arising from giving passes available for purchase to volunteers—including questions about coverage under Workmen's Compensation and protection from lawsuits. Moreover, the opportunity to recognize volunteers could enable federal sites with little or no opportunity to collect fees to benefit indirectly from the fee program. These areas could offer their volunteers the ability to be exempted from fees at other federal sites;

2) new authorities for creative and innovative partnerships among federal agencies, nonprofits and corporations, including PPVs (Private/Public Ventures) and NAFIs (NonAppropriated Funding Instrumentalities);

3) retention by the agencies of special permit fees paid by outfitters, guides and other recreation service providers, and treatment of these receipts in a parallel way to direct recreation fees;

4) a new effort to communicate opportunities in the Great Outdoors to all Americans, in part, because of the growing recognition of health risks arising from inadequate physical activity;

5) new provisions for enlisting the assistance of corrections agencies and military units in caring for America's public lands and the recreation facilities on those lands; and

6) reinvigoration and expansion of interpretive and educational programs at federal recreation sites.

We recognize that the Senate now has pending for floor action legislation that would deal with fees for a single federal agency—the National Park Service. We compliment the legislation's author and the committee for a number of important

and meritorious provisions of this legislation. Yet we cannot support passage of the measure for several reasons. Most fundamentally, we believe that recreation fee policies of the federal agencies should be coordinated and complementary wherever possible, and a unified authority and common provisions would best accomplish this goal. We also believe that the legislation could be improved with several additional provisions. Our recommendations for amending the legislation recently reported out of the full Committee on Energy and Natural Resources include:

1) sunset provisions for fees every six years, accompanied by full Congressional oversight of the fee program as part of a reauthorization of fees and appropriate fee program modifications and program directions;

2) uniformity of fee provisions for all federal agencies, including the four agencies covered under the fee demo program and the U.S. Army Corps of Engineers and the Bureau of Reclamation;

3) continuation of the local retention of current receipts and availability of at least 80% of collected recreation fees without any further need for appropriation, public involvement in fees establishment and use, clear and meaningful reporting on the use of the fees, operation of the fee program as fair, convenient, understandable and efficient, and assurance that the fees will not be offset by reductions in appropriations;

4) limitations on automatic authority for federal recreation fees, primarily focusing on those sites where visitors receive clearly identified services and utilize specific facilities, but also providing a process for adding additional sites to the fee program where key tests, including public support, are met;

5) creation of anew National Recreation Fees Advisory Board with authority to approve expanded and unusual fee sites and with authority to review fee program appeals. The Board would also be responsible for preparing annual reports on federal recreation fees. A significant number of the Board members should represent those paying fees;

6) penalties for misuse of fee authority or fee receipts applicable to the line officials involved and to the fee site, including a freeze on fees and a reduction in local retention of collections from 80% to 60%;

7) creation of a new recreation fee site investment account which would allow improvements prior to imposition of new or raised fees;

8) investigation and support of the role of RACs in providing local oversight of the fee program;

9) local retention of revenues from recreation special permits, concessions and similar agreements under clear provisions which consolidate fees now charged under such doctrines as cost recovery; and

10) a clear goal of quality recreation experiences—not fee revenue—as an outcome, and thus a receptivity to alternative means to provide services and facilities on federal lands through partnerships with state and local agencies, volunteers and "friends" organizations and concessioners/ permittees.

We thank you for your interest and for your willingness to address the recreation fees issue comprehensively, fairly and creatively. I would be delighted to respond to any questions you might have on our suggestions and on our assessment of the successes and lessons learned from the National Recreation Fee Demonstration Program. I am joined at the hearing today by several ARC members and staff, including ARC President Derrick Crandall, who will be able to assist me in responding to your questions.

Senator CRAIG. Well, Sue, thank you very much. Again, some detailed testimony that I think will be very valuable to us as we sort through this.

Now let me turn to Robert Raney, Montana State Parks Foundation, from Livingston. Welcome before the committee, Robert.

STATEMENT OF ROBERT RANEY, EXECUTIVE DIRECTOR, MONTANA STATE PARKS FOUNDATION, LIVINGSTON, MT

Mr. RANEY. Thank you, Mr. Chairman. My name is Bob Raney. I am from Livingston, Montana. I served 16 years in the Montana legislature, all of that time on the Natural Resources Committee and on the Fish, Wildlife and Parks Committee.

I am volunteer director of the Montana State Parks Foundation, which is an all-volunteer organization, and we have dedicated the

last 15 years to research into policy on management of public lands in Montana.

Most of the things that we have come up with and presented to the legislature, which have become law, were contrary to what the agency wanted but very acceptable to the legislature and the citizens of Montana. And so I am here today to support Senator Thomas' bill, S. 1107, to abolish access fees to public lands, and I am going to use our Montana experience to show constructive alternatives to access fees. Mind you, we are not concerned with fees for development such as campgrounds with shower houses, motor launches, or museums.

Let me give you a background of what occurred in Montana. Between 1989 and 2003, a 14-year period, very little land was added to our public recreation areas in the State. However, the budget grew dramatically, more than doubling in 8 years, and the FTE also grew dramatically. They built visitor centers, showers, and amphitheaters, did a tremendous amount of interpretive and educational work. Throughout all of that, the FTE and the budget kept growing supposedly to maintain all of this development.

However, during this entire time period, maintenance deteriorated and continued to deteriorate throughout it all. Toilets were stinking all across the State. I visited 100 of the 370 sites in Montana, and in most of them, the toilets were not usable. Stream banks were eroding away, noxious weeds becoming a tremendous problem and extending on to private land, boat ramps not reaching the water. At Plentyku State Park, insects were in the last chief of the Crow tribe's head bonnet.

At all of this time they were developing, vandalism grew, and because of it, they had to close our parks for 7 or 8 months a year. So because of the development, we can no longer get to our places. And throughout it all, they threw at us the Washington Monument syndrome, which is if you do not give us more money, we will close operations. We will sell lands, and we will curtail operations.

We gave them fees in 1989. By 1993, the legislature recognized that the fees were not going to maintenance. And the legislature took one-third of the park system in Montana and said, you can no longer develop these beyond where they are now developed, and they were not allowed to charge fees to access that one-third of the system. But, nonetheless, because of Federal dollars, expansion continued in other parks.

In 1997, the legislature adopted appropriation language saying, you are done developing. We want you to maintain what we have. And again, because of Federal rules, so many dollars coming from the Federal Government that they could use for development, this did not work.

So in 1999, Governor Rocicot and the legislature passed a good neighbor policy and defined maintenance. So in the statutes, we told them you are going to now do maintenance and you are going to cease your development. It still did not work. Fees went up and they used the fee money not for maintenance, but to match Federal dollars for more growth.

So finally in 2003, the legislature said, enough chicanery is enough, and abolished access fees to Montana lands.

You have heard a lot today about user demand for development and enhanced services. Let me give you a Montana example. At our flagship park, the Lewis and Clark Caverns, the department told the legislature they wanted $880,000 to build a new visitor center rather than use $90,000 to overhaul the old one and they told us it was visitor demand. Well, we took it upon ourselves as the State Parks Foundation to go find out the base that they used for this information, and what we discovered was that 57 percent of the people who responded to their surveys were satisfied with what was there. 40 percent had no position. Only 3 percent wanted more development and the development they wanted was more trees in the campground. So we believe that it is wrong when you accept that the agencies tell you that the citizens are demanding more services. And when they want more developed services, such as developed campgrounds for RV's, we believe in Montana that that should be accomplished by private enterprise outside of our lands.

Westerners find fees to access their own land appalling. You are witnessing the backlash. People quit going. It is because our heritage is being taken away from us. Fees affect the people who live closest to the land. In many cases, that is people on low income. What do they do? They have to quit going. By putting fees on, what you are doing is taking away a great American freedom, freedom to access our own lands.

We would encourage you not to concede this tax and spend policy to the bureaucracy, but rather keep it in your hands.

In Montana we found a solution. One, we have said no development may take place without significant public review during the entire process from the beginning. We do not want them to give us the finished plan and ask them to approve it.

Second, we have said that that development must then be approved in the appropriations process specifically.

And third, we have said that the elected policymakers are going to prioritize maintenance over development.

This is an extremely inefficient tax collection policy. In Montana citizens did a study, along with the Department, on seven parks that the Department wanted to expand fee collection in. And it turns out they were going to get $114,000 in new revenue, but it was going to cost $94,000 to collect it. So, therefore, we got that stopped.

We believe our public lands are for public enjoyment and use and it is the responsibility of Congress to fund it and that free access is an American freedom as old as this country.

Thank you for allowing me to talk today.

[The prepared statement of Mr. Raney follows:]

PREPARED STATEMENT OF ROBERT RANEY, EXECUTIVE DIRECTOR (VOLUNTEER), MONTANA STATE PARKS FOUNDATION

Mr. Chairman and distinguished members of the Subcommittee, thank you for the privilege of testifying before you today regarding the Recreational Fee Demonstration Program. I am Bob Raney, from Livingston, Montana. I am a Vietnam veteran, was a railroad conductor for 25 years, spent 16 years as a State Representative in the Montana Legislature, and am now the volunteer director of the Montana State Parks Foundation.

The Montana State Parks Foundation is a small, non-partisan group of dedicated citizens who have spent the last 15 years analyzing, developing, and proposing legislative policies and budgets for Montana's 41 state parks and 320 fishing access sites.

It is fair to say that much of what we have done has been contrary to the wishes of the Montana Department of Fish, Wildlife and Parks, but has been very well accepted by Montana residents and the legislature.

The policy debates we have in Montana are much the same as those being debated under the Fee Demo program, although the solutions we have implemented are considerably different.

For this committee's use, I shall discuss constructive examples of *policy alternatives, without the use of access fees, for running and funding government agencies that deal with public recreational lands.*

In Montana, our main goals have been to:

- maintain and restore the public's recreational resources
- provide free public access so all citizens can enjoy those resources
- restrain government competition with taxpaying, private business
- keep development, fee, and budget decisions firmly in the hands of elected policymakers and the public they represent

Before I get into the specifics, let me make a very basic point that is often missed in discussions about public recreational resources. It is important to remember that the nation's recreational lands are owned by all Americans. All too often, the various agencies that administer these lands forget that vital point, and act as if they, not the public, own the land. They do not.

We, the American people, own the land—and it is through our *elected representatives* that the policies and budgets for these lands should be decided. Otherwise, the bureaucracy makes the decisions, and we have seen where that leads.

THE SPIRAL OF GOVERNMENT GROWTH—AND FEES TO FUND IT: MONTANA'S EXPERIENCE

In 1989, the Montana Legislature first authorized the Montana Department of Fish, Wildlife and Parks to collect entrance fees to lands under its control. The department immediately implemented $2 access fees to many areas and soon, the Parks Division began to raise the fees and implement them at more and more places.

- Between 1990 and 2003, no new parks were added to the system. Yet, the number of Parks Division employees rose dramatically and a former division administrator bragged of "doubling his budget."

During that time, new visitor centers, public showers, amphitheaters, and lots of educational and interpretive programs, roads and other developments were added. Simultaneously, the Parks Division continued to increase employment and expand fees—purportedly to improve maintenance.

The Parks Division increased access fees to $5, but maintenance continued to lag. Many toilets across the state were filthy—and I, personally, visited each of them. Meanwhile, stream banks eroded away, boat ramps did not reach the water, and noxious weed infestations on the public lands grew wild and eventually spread to adjoining private lands.

Of course, all the new developments resulted in additional operations and maintenance costs and they suffered increased vandalism. The Parks Division, falling back on "The Washington Monument Syndrome," demanded more money and threatened to close parks, curtail maintenance, and sell off some units unless they got it. And, because visitation slows significantly outside of summer, many recreational areas are now closed for much of the year because the department cannot protect its developments from vandalism.

It becomes a vicious circle: The more the government develops its public lands—the more maintenance is required—the more fees are imposed—the fewer number of people who can enjoy these special places. And in this circle, we lose our natural areas.

By 1993, the legislature began to catch on to what we call "the spiral of government growth" being practiced by the Parks Division. The question was: "What can we do about it?" The Montana State Parks Foundation suggested some policy alternatives.

The Primitive Parks Act, (See attachment 1*) which was signed into law in 1993 by Governor Marc Racicot, required that the state's least developed parks—about one-third of the total—be left that way. By maintaining the "primarily natural and undeveloped" character of these parks, the impetus for system-wide development—and concurrent expense—was eliminated. The legislation banned development beyond the functions necessary to accommodate the basic public needs such as mainte-

* Attachments 1 and 2 have been retained in the subcommittee files.

nance of toilets, picnic tables, fire rings, trails and weed control. Removing these parks from the "development spiral" also helped to meet the demand of those members of the recreating public who enjoy more natural surroundings.

More importantly to this discussion, however, is that because the initial high and escalating long-term costs of development and maintenance were avoided, the agency was prohibited from charging access fees for Montana residents. Why did they choose to leave it free? It was easily determined through budget analysis that the citizens already provided plenty of money for basic maintenance of the entire recreational lands system through general taxation allocations.

In the meantime, the agency continued to spend millions on development of other state recreation lands using federal dollars. Since federal guidelines make it difficult to use federal dollars for maintenance of existing facilities, they encourage constant growth—something we simply cannot afford. This federally provided development money increased the need for maintenance, which increased the need for more employees and added other costs, which increased the demand for fees—not just fees for services provided by the development, but fees to merely walk upon the land.

The legislature responded in 1997 by putting boilerplate language in appropriation bills to require the department to *discontinue most development until maintenance was caught up*. However, the agency used federal guidelines and other fund manipulations to get around the budget language. The Parks Division used its own language to decide whether a project was a basic need or a capital improvement. Maintenance continued to lag, development persisted, and the Parks Division increased fees again and again. The legislature tried to respond once more.

THE GOOD NEIGHBOR ACT—PRIORITIZING MAINTENANCE OVER DEVELOPMENT

In 1999, the legislature and Governor Racicot responded by passing statutes *prioritizing maintenance over development and defining maintenance* to prevent department abuse of the maintenance policy. (See attachment 2) Yet, because of language attached to federal funds, the department continues to use Wallop-Breux/Dingle-Johnson money for development. (The federal guidelines restricting state use of federal money for maintenance continues to be a problem for states seeking to control agency-initiated growth.)

Fees increased again in 2002.

The 2004 legislature finally decided enough chicanery was enough and *abolished fees to access recreational lands and waters* for Montana residents and established a voluntary park contribution on vehicle registration.

DO THE AGENCIES NEED THE MONEY?
JIGGING THE FACTS TO SUPPORT HIGHER FEES

It would be great to believe that agencies always paint a true picture of public demand and funding needs. But an in-depth case study at just one Montana park showed that isn't always so.

At the Lewis and Clark Caverns State Park, Montana's flagship park, the agency proposed spending $880,000 to build a new "visitor contact center" at the park entrance rather than $90,000 to upgrade an existing structure. In its Environmental Assessment, the agency claimed it had decided to build this new development based on "public comments."

The Montana State Parks Foundation obtained a copy of the "Visitor Survey Report" and the original citizens comments on which this decision was based, to see what comments the public made.

The results were surprising and disappointing. Contrary to the agency's contention that the public demanded a new visitor center, 58 percent of those surveyed were "satisfied with current facility," 40 percent were "neutral or no position" and only 3 percent (out of 343 surveyed) were "dissatisfied."

The entire "plan" was based on fictional "needs" of the public. Throughout the survey results, it was obvious that people were happy with the park as it was and there was NO pressure whatsoever for more development. In fact, the single improvement sought by the majority of respondents was to have the agency plant more trees in the camping area.

While it is no doubt embarrassing to catch a government agency in such a fabrication, it is by no means an isolated incident. Throughout the last 15 years, the Montana State Parks Foundation repeatedly has exposed similar efforts that misled policymakers and the public into believing there was either great public pressure or "need" for expensive developments and, of course, additional staff. It may be virtually impossible to inspect every agency development proposal with this degree of detail, but to think, even for a moment, that this isn't occurring in federal bureaucracies would be a grave error in judgment.

DON'T CEDE CONGRESSIONAL POWER OR OVERSIGHT TO BUREAUCRACIES

The basic concept of Fee Demo, giving agencies authority to charge, collect and utilize fees with virtually no Congressional oversight, is a fatally flawed policy. It gives government agencies the power to tax and spend, which is reserved to the elected representatives of the people who are, by virtue of every election, accountable to the voters.

Ceding taxation and budgeting power to the "faceless bureaucracy" will ensure continued widespread and costly abuses by agencies; endless and even more costly court struggles; and the dangerous isolation of Congress from the basic information necessary to make good, justified policy decisions. And, the people lose a great freedom-free access to public land.

WESTERNERS DO NOT TOLERATE FEES TO MERELY ACCESS PUBLIC LANDS

The whole concept of charging access fees to public lands is appalling to most people in the West, and, as you are aware, there has been a huge backlash from the public concerning fee demo, the worst of which is that people simply quit going to public lands. We experienced the same public response in Montana. Citizens were angered by the state government's policy of marketing public land access to the very people who own the lands. Government was stealing our heritage and selling it back to us.

It is common knowledge that the people most affected by access fees are those who live closest to the lands. In Montana, where the income level is rock bottom, people quit going. At some parks, the Parks Division had to eliminate the access fee to get people to come back. A quote from an editorial in The World Newspaper, Coos Bay, Oregon, Sept. 18, 2002, emphasizes the point:

> The fee (for access) mostly hurts local residents, poor local residents. These are the people most likely to visit the South Coast's popular forest trails over and over again. These are the people who can't afford to vacation far from home. These are the people already paying to subsidize those lands through property taxes and income taxes that maintain the roads, other surrounding infrastructure and even law enforcement—all of this in a region plagued by unemployment, underemployment and chronically low wages.

The very concept of requiring people to pay to access their own land is reprehensible in the West. It is no longer our land when we must pay the government just to access it!

A SOLUTION

There is a solution to the fiscal problem that has created the demand for access fees by government agencies. We have found it in Montana.

- No development may take place without it first going through a significant public review process.
- The development must be approved in the legislative appropriation process, which helps eliminate uncontrolled bureaucratic growth.
- Policymakers *prioritize* government spending between maintenance and development. Development can no longer be supported by use of access fees.

THE SENATE SHOULD SAY NO TO ACCESS FEES

You have heard over and over how inefficient access fee collection is as a form of tax collection policy. When a Montana committee examined a Parks Division proposal to expand fee collection to seven additional areas, the numbers showed just how inefficient it really is. Appendix H of the Montana Futures Report of 2002 showed the following:

- In the chosen 7 parks, increased annual revenue collections are to be $114,000.
- Necessary capital costs to carry out this pilot project are $21,000. The project requires 4.09 new FTE at a cost of $94,000 per year.

As you can see, we tax the citizens $114,000 and get $20,000 in profit (after capital costs are paid) from this new tax to spend on whatever the agency chooses. The Montana State Parks Foundation believes this is a terrible return on citizens' money and is simply an employment program based on increased taxation of Montana citizens. There is no reason to doubt that if a similar cost-benefit study of the Fee Demo program was conducted by independent analysts, it would reveal that collection, administrative, enforcement, and legal costs are likewise consuming the lion's share of the revenue generated by the imposition of the new access fees.

This Committee has repeatedly heard about fostering the economic value of our parks and increasing the "value-added experience" of visitors. The Montana State Parks Foundation views this as bureaucratic language for development-based policy supported by fee-based management. We believe our public lands are for public enjoyment and use, and free access is guaranteed by our ownership.

The Montana State Parks Foundation is strongly opposed to fees to merely access and walk upon our own public recreational land and to access our public waters. Free access to public land is a freedom as old as this country.

I thank you for the opportunity to comment and look forward to answering any questions you might have.

Senator CRAIG. Well, Bob, thank you very much for that testimony.

Now let me turn to our last panelist of this panel, Ed Phillips, Americans for Forest Access, from Big Bear City, California. Welcome.

STATEMENT OF EDWIN PHILLIPS, AMERICANS FOR FOREST ACCESS, BIG BEAR CITY, CA

Mr. PHILLIPS. Thank you, Mr. Chairman, distinguished members of the subcommittee. My name is Edwin Phillips. I have lived in the San Bernardino Mountains of California most of my 67 years. I am board chairman for Americans for Forest Access, a 501(c)(3) nonprofit corporation dealing mainly in access issues to public lands. We are made up of the leaders of other recreation organizations and users of the public lands.

I have not been as deeply involved in the fee demo program as others testifying here today, with the exception of attempting to find out where the San Bernardino National Forest has spent the fee demo moneys. Like all other users of public lands, I have been aware of the problems plaguing the fee demo program from the start about 7 year/8 years ago. These problems seem to get worse year by year and have been driving a wedge deeper between the agencies and the public. The hostilities are on both sides and will remain there as long as the fee demo program exists and will cause problems for fee programs in the future.

The problems with the fee demo program seem to cover every aspect of the program. There was no real effort to sell fee demo to the public at its inception. Fee demo was dumped on the public like a can of worms.

Collection of fees, as shown in appendix 1 and 2 of the GAO report attached, show the costs of collections are next to impossible to track in the agencies or their vendors. As much as two-thirds of the operating costs of collections goes unreported. The cost between administration and collections are estimated to be as high as 50 percent of the fees collected in many of the areas.

The standards for establishing fee collections and enforcement exist at the Department of the Interior and the Department of Agriculture. By the time the fee demo hits the district offices, it appears in many cases the process has been lost. It is charging what the traffic will bear and justifying the high fee costs later by filling in a cost at a later date. And they tell the public what a deal they are getting from the fee demo because it pays only part of the costs to manage these areas, not to mention the taxes of the same people that are forced to purchase these passes that go to make up that difference.

Abuses in collections, appendix 3, signed affidavits. An 80-year-old disabled grandmother stopped to use a handicap rest room at a public U.S. Forest Service campground while traveling through the forest. A ranger approached her family as they waited for her and asked to see their Adventure Pass. Not having one, they were told they would have to purchase a day use permit for $5 because their mother was using the facilities.

Gail Downs, a retired city secretary, wrote you a letter, appendix 4, about the experiences since fee demo started, how they have been treated by the rangers of the San Bernardino National Forest. For many years I have known this lady and I have never heard her say anything bad about anybody. Gail wrote you this letter instead of her husband. If Jay had written the letter, I could not use it today. When Jay told me about the second incident, he was so angry he could hardly speak.

Appendix 5. This is the worst case scenario. It happened at the Imperial Sand Dunes, California to Bryan Boyd. I am not going to go into who said what to whom. We will let the courts decide that. But we know we have a $6.5 million lawsuit, a 19-year-old with spinal cord injuries who has got $70,000 in doctors' bills. The problem is the rangers should never have let the incident over a day use pass escalate into violence. There are other ways to handle this type of a situation.

Number 6. Ladies and gentlemen, due to the time constraints, I have put my personal statement as an attachment with signed documentation.

There is a solution to fee demo. Let it die in 2006 and over the next 2 years, go back to fully funded line item budgets. The majority of the funds already exist to pay for these changes today.

As it was 50 to 70 years ago, we paid for everything by the acre. Today we still pay the agencies by the acre to manage our lands. We no longer have logging, mining, ranching, recreation on every acre of land as it was in the past. Today we have millions of acres of roadless wilderness and millions more acres proposed for wilderness. It is time to move to the 21st century.

Since we are only supposed to monitor wilderness and let nature do its thing, the job can be done quickly by satellite for a fraction of the cost. You now move the funds from the wilderness areas and add them to the managed lands, reinstate the funds that Congress withheld 8 or 9 years ago, using a mandated head count for accuracy and using the head count to adjust funding to the heavier used areas. This way the agencies will have ample funding to adequately maintain a well-trained staff dedicated to managing and maintaining our public lands, as well as helping the visitors. Then and only then will the land managers and rangers regain their respect.

This is not just an off-highway vehicle issue. Mom and pop coming to see the flowers first have to purchase a pass before accessing public lands.

Thank you, gentlemen, for having me testify here today. If there are any questions, I would be more than happy to answer them.

[The prepared statement of Mr. Phillips follows:]

PREPARED STATEMENT OF EDWIN PHILLIPS, BOARD CHAIRMAN, AMERICANS FOR FOREST ACCESS

Dear Mr. Chairman and Distinguished Members of Subcommittee, my name is Edwin Phillips. I have lived in the San Bernardino Mountains of California most of my 67 years. I am Board Chairman for Americans for Forest Access (AFFA) A 501 C3 Nonprofit Corporation dealing mainly in access issues to public lands, we are made up of leaders of other recreation organizations and users of public lands.

I have not been as deeply involved in the fee demo program as others testifying here today; with the exception of attempting to find out where the San Bernardino National Forestry spends the Fee Demo Monies. Like all other users of public lands, I have been aware of the problems plaguing the fee demo program from the start 7 years ago. These problems seem to get worse year by year and have been driving the wedge deeper between the agencies and the public. The hostilities are on both sides and will remain there as long as the fee demo program exists and will cause problems for fee programs in the future.

The problems with the fee demo program seem to cover every aspect of the program.

There was no real effort to sell fee demo to the public at its inception. Fee demo was dumped on the public like a can of worms.

Collection of fees as shown in Appendixes 1 & 2* of the GAO report (attached) shows the costs of collections are next to impossible to track in the agencies or their vendors, as much as ⅔ of the operating costs of collections go unreported. The cost between administrations and collections are estimated to be as high as 50% of fees collected in many areas.

The standards for establishing fee collections, and enforcement exists at the department of interior and Department of Agriculture. By the time fee demo hit the district field offices, it appears in many cases the process had been lost and charging what the traffic will bear and justifying the high fee costs later by filling in the costs at a later date and tells the public what a deal they are getting with the fee demo because it pays only part of the costs, to manage the areas not do mention it's the Taxes of the same people that are forced to purchase these passes that go to make up that difference.

ABUSES IN COLLECTIONS

(Appendix 3 signed letter)

An 80 year old disabled grandmother stopped to use a handicapped restroom at a public USFS camp ground while traveling through the forest. A ranger approached her family as they waited for her and asked to see their adventure pass (fee demo) not having one he told them they would have to purchase a day use permit for 5 dollars because mother was using their facilities.

(Appendix 4 signed letter)

Gail Downs a retired city secretary wrote you a letter about their experiences since fee demo started. How they have been treated by the rangers of the San Bernardino National Forest services. For the many years that I have known this lady I have never heard her to say anything bad about anybody. Gail wrote this letter instead of her husband Jay. If Jay had written the letter I couldn't have used it here today. When Jay told me about the second incident he was so angry he could hardly speak.

(Appendix 5)

The worse case scenario happened at the Imperial Sand Dunes of Calfomia to Bryan Boyd. I am not going to get into who said what to whom, we will let the courts decide on that. What we know we have is a 5.6 million dollar law suit, a 19 year old spinal cord injuries and 70,000 dollars in Doctors bills. The problem is the rangers should have never let the incident over a day use pass (fee demo) escalate into violence. There are other ways to handle this type of situation.

(Appendix 6)

Ladies and Gentlemen due to time constraints I put my personal statement as an attachment with signed documentation.

There is a solution for fee demo let it die in 2006 and over the next two years go back to fully funded line item budgets. The majority of the funds already exist to pay for these changes. Today as it was 50 to 70 years ago; we still pay the agen-

*The appendixes have been retained in subcommittee files.

cies by the acre to manage our lands. We no longer have logging, mining, ranching or recreation on every acre of land as it was in the past.

Today we have millions of acres of road less wilderness and millions of more acres proposed for wilderness. It's time to move into the 21st Century, since we are only supposed to monitor wilderness and let nature do its thing. The job can be done quicker by satellite for a fraction of the cost. You now move the funds from the wilderness areas and add them to managed lands. reinstate the funds that congress withheld gfrom the agencies 8 to 9 years ago. Using a mandated head count for accuracy, using thishead ocunt to adjust funding to heavier used areas. This way the agencies will have ample funding to adequately maintain a well trained staff dedicated to managing and maintaining our public lands as well as helping the visitors.

Then and only will the land managers and rangers regain their respect.

This is not just an off highway vehicle issue. Mom and pop coming to see the flowers first have to purchase a pass before accessing public lands.

Thank you Ladies and Gentlemen for having me testify here today if there are any questions I would be more than happy to answer them.

Senator CRAIG. Well, Ed, thank you very much for those observations and comments. We appreciate your testimony for the record.

Let me ask some questions of all you because many of you brought up some very excellent points as we deliberate this issue.

Commissioner, let me turn to you first. I noted you call for a collaboration between the counties and the agencies on recreation fees and for maintaining the 100-year-old compact between the Federal Government management agencies and the counties. I salute you for that. That is something that many are beginning to forget as we disconnect, if you will, the resource and the land from the adjoining communities of interest, and by that I mean, not organized communities of interest, but actual communities of people living near. I believe that is what Gifford Pinchot was talking about.

I am told that Skagit County has both a title II resource advisory committee and takes title III funding from the county schools legislation. You spoke to the Craig-Wyden bill. This is a question that is kind of a reality check because I think we oftentimes are looking for alternatives now in lieu of what has changed. I want to make sure that you and I have a similar understanding.

Do you agree that the more timber sales that your title II resource advisory committee would recommend and approve will generate significantly more revenues and economic activity than your county's share of a recreational fee might collect?

Mr. ANDERSON. Oh, absolutely. There is no question. It is how do we get there because the one big difference is—and I am sure you know this, Senator—the local jobs that are created and those paychecks are spent right in the local community. Even though the safety net was a very welcome thing for the counties and we are deeply appreciative of that to restore funding for our local schools and roads, the safety net did not restore the 3,600 jobs we lost in Skagit County off the Federal forests. And we have these communities located throughout the county that were there for the sole purpose of the resource. So certainly the Healthy Forests Initiative and a regeneration of economic vitality in that area would do much more than the recreation fees. No question.

Senator CRAIG. Has the title II resource advisory committee recommended any timber sales——

Mr. ANDERSON. No, they have not.

Senator CRAIG [continuing.] Or done any studying as it relates to EIS's?

Mr. ANDERSON. I am sorry, sir.

It is primarily recreation type projects, and we are partnered with Whatcom County. We partnered with them on this resource advisory committee out of concern for the staffing levels for the Forest Service.

The reason I mentioned that was to show the intent. While as you well know—you were the author of it—was this attempt to restore, I think, a line of communication between the local communities and the Forest Service. Frankly, the reason I threw in the little addendum about the roads is because that does not happen, and to a large degree, it really affects what happens to not only urban interface fire fighting and a lot of these issues that we are concerned about, but it also dampens opportunity.

I authored a bill 2 years ago on the State level, H.R. 4316, that allows local county governments to utilize county road funds to partner with other jurisdictions. So there are some opportunities there if you had a collaboration on some of these roads that are vital to the community as far as access for partnerships.

But also my fear is with the Healthy Forests Initiative that the limitations on these makes it difficult to access a lot of these lands to carry out the Healthy Forests Initiative. These lands were very much passive recreation for a lot of our elderly people that are very localized. They do not come from out of the area. And I think the comments about the local people are right on. They live there because they enjoy the lands. That is where they recreate.

Senator CRAIG. Well, I thank you for those comments. I must tell you that during the aggressive road closure period of the last administration, I was terribly frustrated that you would close roads, on one hand, and be advocate of recreation on the other. It seemed like you were locking the gates but encouraging people at least to go to the gate. Especially in localized recreation, those accesses are critically important.

Mr. ANDERSON. One other concern in relationship to that is once these roads are closed, you end up with additional wilderness areas. You know, the definition of 1,000 acres, you know, roadless area—you end up with these roadless areas. That further impacts.

I really appreciated your statement about you did not want these run like parks. My local jurisdiction there in the Sedro-Woolley, the Mount Baker and Snoqualmie Forest, is actually housed in the same building with the national parks. They are housed in the same building and the policies are not dissimilar. That needs to change to some degree with the recognition that they have a broader scope of application than just recreation.

Senator CRAIG. Yes. Well, thank you very much.

Carl, would you support a recreation users fee that required all funds be expended on the maintenance of the site where they were collected?

Mr. WILGUS. Yes. Mr. Chairman, I think that that works. Obviously, we have seen in some of the other areas where a portion of that is used for other areas within the region or within the forest that may not get the usage.

An example would be—one of the things we mentioned was information dissemination. Brochures and materials that talk about treading lightly and about appropriate use of the public lands do as much to preserve and protect those lands as you would get in

putting back in user fees with additional facilities or trail maintenance. So in some instances, the benefit or the value of money collected in one area can actually support other areas in and around the region. But in general, yes, we would be comfortable with that.

Senator CRAIG. I am wondering what the State of Idaho does when someone pulls off the highway at a State-run rest stop or campground to use the bathroom facility. I think that we had an example with our last witness. Do you think it is reasonable to charge a $5 day use fee to those that are just stopping for a short period of time to utilize the facility and then, in essence, head on down the road?

Mr. WILGUS. Well, to a large extent, Mr. Chairman, we are all paying for that facility whether or not we use that rest room because the Department of Transportation is paying for the maintenance and operation of that facility and we all pay that expense by traveling those highways. So you get a chance to pay for it without even using the facility as well as the person who does.

I think therein lies obviously the tough question of where is the additional incremental value to the individual and what is he willing to absorb and spend for that service versus what is of greater societal benefit. I think, again, the Forest Service and the BLM are taking those ideas very much to heart when they look at it, and that is why the issues of scenic overlooks are not looked as a fee demonstration issue because that does have general societal value, where the additional incremental value, once you stay at a campground, to charge an increased fee on that does make some level of sense. So I think those kinds of rules of reasonableness are probably the important ones to apply. Obviously, in dealing with the Federal Government, sometimes reasonableness is a hard thing to understand.

Senator CRAIG. Well, you have spoken the right words there. I have no disagreement with that approach.

Sue, what in your mind is an equitable fee? How do you measure that?

Ms. BRAY. First of all, I think it has to be measured locally because it really depends on what you are getting for the money. What you may be getting in a camping experience at Yosemite is a completely different experience than you would have out on the desert in California. So to just tell you an equitable fee is $10 I cannot do that.

Senator CRAIG. I think you have approached my next question then, and that is, how do you establish those guidelines for setting the levels charged?

Ms. BRAY. Well, we really believe that it needs to be done at the local level and there needs to be input from the users, the people who are paying the fees. That is why we are really encouraging the use of the RAC's to establish what those equitable fees would be because they are the people that know.

Senator CRAIG. Can you give me some ideas on what your members would consider to be a convenient collection system?

Ms. BRAY. Oh, gosh. Probably more automated collection systems would make a lot more sense. I can get a debit card at Starbucks and go in and use the card over and over again and not have to

deal with spending $2.50 for my coffee every day. There are ways for this to be done.

Our members as a whole seem to feel pretty comfortable with user fees when they understand how they work and what they are going for. When we do hear from people, it is when a ranger, for example, is trying to collect $6 and when the person asks what it is for, they say they do not know, but you should write your Congressman if you do not like it.

Senator CRAIG. And they do.

Ms. BRAY. And they do, yes. You have probably heard from them. [Laughter.]

Senator CRAIG. Yes, I have. And then I go try to find that ranger. [Laughter.]

Ms. BRAY. Precisely.

Senator CRAIG. Well, I thank you very much. I noted that you added on the stipulation that users fees should be voluntary. Would you or the other members of the American Recreation Coalition support a mandatory recreation fee payment system?

Ms. BRAY. Yes, we would support a mandatory payment system. That is what we would encourage you to do. But if you are saying determine the fees, that is where we think it needs to be at the local level.

Senator CRAIG. Thank you, Sue.

Bob, it sounds like you have been round and back again on this issue, and I can appreciate the obvious frustrations you had as a legislator, an observer, and now a direct participant in trying to shape fees and results.

If you had a recreation fee that required that funds be spent only on maintenance, do you think more people would be supportive of that kind of program?

Mr. RANEY. No, sir, certainly not in the West. It just comes right down to the basic concept that that is our land and it belongs to all Americans. All Americans are responsible for the maintenance of that land.

It is a little different when it comes to the developments. We would like to see the development money stay in the area where the development is. So if they build a museum, then of course we would like the fees that are collected at that museum to stay at that museum. But for access, no.

Senator CRAIG. Then I think I would probably guess your answer as it relates to the West Slope No Fees Coalition and their attitude toward fees in general that went for land and/or maintenance.

Mr. RANEY. I do not know exactly what the West Slope No Fees Coalition's position is, so I can only relay what our experience and position is in Montana.

Senator CRAIG. That is fair enough. Well, I thank you very much for that testimony.

Mr. RANEY. I do have a little bit more information I would like to enter in the record.

Senator CRAIG. Please do, and we will make that a part of the record. We appreciate that.

Mr. RANEY. Thank you.

Senator CRAIG. Ed, you have concerns about the amount of fees collected. Would you support an advisory committee approach that helped set the fee levels and monitor how the revenues are spent?

Mr. PHILLIPS. No, sir. I cannot support a fee of any type at this time because it is discriminatory. It eliminates, I would say, about 25 percent of the population that are the working poor, the retired. You try to live on $1,100 a month Social Security sometime and see if you have got any money left for an Adventure Pass.

In our area all the improved areas, campgrounds and such, have been leased out to concessionaires. So the Adventure Pass came about, which is a parking permit. The way that this has been administered and everything and also on part of the BLM, the way they have assessed the fees, they have demonstrated to us that they are not capable of managing their own fees.

And we feel that Congress and the Senate should set down mandated rules, amounts, and make them do a line item budget and go back to—well, basically this is the way it will be done and take the rangers out of the collection area which will end a lot of the hostilities and the problems that are created by fee demonstration programs and such because these people are not gate tenders. They are out there to manage our public lands.

Senator CRAIG. As I mentioned, the San Bernardino had implemented a users pass system before the 1996 authorization for the recreation fee demonstration program. The difference was that under that program the receipts went to the U.S. Treasury. Are you suggesting that if we do away with the recreation fee demonstration program, that we should also do away with the Land and Water Conservation Trust authority to collect fees at sites?

Mr. PHILLIPS. I do not know enough about that particular part of it to make an intelligent comment. I just cannot buy a fee because of what has been demonstrated over the last 7 or 8 years and the problems it has caused and the hostilities and everything else and the people it has eliminated from the lands.

Senator CRAIG. Well, Sue and gentlemen, thank you very much for your testimony today and your willingness to travel and to speak to this issue. It is of concern to all of us. We search to find adequate resources for these public land agencies, while trusting that we can cause them to be well managed and efficiently managed and that dollars be used wisely.

At the same time, we are in real conflict at this moment in funding as it relates to the fire scenarios that our forests are now experiencing and the ability of the Forest Service, as we have allowed them to borrow from funds to fund fires and then the Congress not replenishing those resources. So we are ultimately in a funding conflict not unlike the one that I suggested would occur, and when I made that suggestion it was about 5 or 6 years ago as we watched the Forest Service finally, after all of its history, plummet into the red with the demise of the timber program. We are now at that crossroads and Congress is struggling mightily with resources and trying to control deficits and at the same time, figuring out which is fair and equitable.

And I think Senator Alexander put it quite well. We in the West sometimes look at these lands considerably differently than some do here in the East where these lands are limited in nature and

numbers of people who desire to use them or access them are substantially larger.

So we will sort through that. We did not think it was appropriate that we simply move toward reauthorization or allowing the Appropriations Committee just to move forward without some fairly in-depth look at these programs in an attempt to shape them in a way that has some of the safeguards in them and some of the controls that many of you have spoken to today.

So, again, we thank you very much for your testimony and your time.

As I mentioned in my opening statements, the committee record will stay open for a period of time to accept additional information.

[The letter of Mr. Staker follows:]

BOARD OF COMMISSIONERS,
BONNEVILLE COUNTY, ID,
Idaho Falls, ID, April 8, 2004.

JERRY REESE,
Forest Supervisor, Caribou-Targhee National Forest, 1405 Hollipark Drive, Idaho Falls, ID.

DEAR JERRY: It has come to our attention that the Forest Service and BLM fee demo program is currently being reviewed by Congress to determine whether the program will be authorized permanently. Negative publicity about some particular fee demo projects around the Nation has raised the possibility that the program will not be authorized permanently and in fact, may be terminated.

Termination of the program would be of great concern to the Bonneville County Commission because the program has been a great asset to our partnership in management of the facilities along the South Fork of the Snake River. The South Fork program has been in effect for several years and is supported by users and agency partners alike. Funding received from the Fee Demo program has provided both construction and maintenance of launch and takeout facilities along the South Fork. The funds are allocated through a joint committee and the fees have virtually all gone back into facilities that support recreation by Bonneville County citizens and a much broader public.

Our understanding is that there have been public complaints regarding the fee program in some locations. Perhaps some of the unpopular programs need to be redesigned, but locally we are hearing no negative comments about the South Fork fee program. The local public can see the direct benefits of the money that they invest.

Sincerly,

LEE STAKER,
Commissioner.

Senator CRAIG. With that, the subcommittee will stand adjourned. Thank you all.

[Whereupon, at 4:22 p.m., the hearing was adjourned.]

APPENDIX

RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF THE FOREST SERVICE TO QUESTIONS FROM SENATOR GORDON SMITH

Question 1. You stated that the Forest Service has seen a dramatic increase in visitation to National Forest lands. Does the Forest Service have any statistics on what types of recreational experiences people prefer within the National forest system? For example, can you tell me how many people, as a percentage of all visitors, recreate in legally-designated wilderness areas?

Answer. The Forest Service has a National Visitor Use Monitoring (NVUM) project that provides statistically reliable estimates of recreation and related visitor use on National Forests throughout the United States. Based on national participation data, the top five activities in which Forest Service visitors participated on a National Forest include: 1. viewing natural features (53.4%); 2. relaxing (40.2%); 3. hiking/walking (39.6%); 4. viewing wildlife (27.9%); and 5. driving for pleasure (23.7%).

Out of 214 million visitors, 13 million or approximately 6% of National Forest visitors stated they recreate in legally designated Wilderness areas.

Question 2. How much of the National Forest visitation occurs in those areas within the system that have enhanced recreation facilities, or at least basic amenities?

Answer. The 2003 NVUM project data indicate that out of 214 million visitors the Forest Service received 256 million visits to recreation sites or areas. In other words, for each person visiting a National Forest, that person visited, on average, 1.2 Forest Service recreation sites. The Forest Service does not have data to compare the number of visitors to recreation fee demonstration sites versus visitors who visit a recreation site that is not a part of the Recreational Fee Demonstration Program.

Question 3. Have any of the legally-designated wilderness areas administered by the Forest Service had to reduce or restrict public access, or move to an entrance permit system in order to meet the Service's solitude guidelines?

Answer. Out of the 406 Wilderness areas that are part of the National Forest System, 18 require a mandatory permit system to meet solitude guidelines and to mitigate resource damage as a result of recreation use. The majority (96%) of Forest Service Wilderness areas are not managed through a permit system.

Question 4. Do wilderness areas have to comply with the requirements of the Americans with Disabilities Act?

Answer. Yes, the compliance requirements for wilderness areas are detailed in the Americans with Disabilities Act, Title V, Section 507(c) as follows:

FEDERALLY DESIGNATED WILDERNESS

"(1) IN GENERAL—Congress reaffirms that nothing in the Wilderness Act prohibits wheelchair use in a wilderness area by an individual whose disability requires its use. The Wilderness Act requires no agency to provide any form of special treatment or accommodation or to construct any facilities or modify any conditions of lands within a wilderness area to facilitate such use.

(2) Definition—for the purposes of paragraph (1), the term wheelchair means a device designed solely for use by a mobility impaired person for locomotion, that is suitable for use in an indoor pedestrian area."

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